ACEC/NC Legislative Committee
Meeting Minutes
February 13, 2018
11:30 am

Chair: Jeremy Potter
Vice Chair: Jay Barr
Board Liaison: Brian Glidewell
Attendees: Jay Barr, Mark Boggs, Phyllis Elikai (via phone), Brian Glidewell, Walt Gray, Craig Hyman, Josh Massrock, Radha Swayampakala, Nick Tennyson, Terry Winebrenner, Jim Smith, David Patterson (via Phone)

1. Introduction of the Committee
   a. Introductions of the attendees.
   b. Thank you to RS&H A/E Planners, Inc. for sponsoring lunch.

2. Review and Approve Meeting Minutes from 12/12/2017
   a. No comments noted.
   b. There was a motion to approve the 12/12/2017 minutes.
      i. Meeting minutes were approved unanimously by vote.

3. Discuss Committee Objectives
   a. No comments were noted regarding the ongoing discussion of “is the committee meeting its commitment to membership?”

4. Meetings with NC and US Reps in Home Districts
   Former Meetings
   a. NC Rep. Dean Arp Fundraiser – Thursday, December 14th
      i. Jim stated it was a success and ACEC’s attendance was appreciated
      i. Meeting to review the opposition for SB 607 Job Order Contracting Method
         ii. Scott Hinesley and Jim Smith attended the meeting. The meeting was productive and there was good conversation.
   c. NC Sen. Bill Rabon and Sen. Phil Berger – December 19th
      i. Jim Smith and Monty Irvin attended
5. Legislative Update
   a. NC Bills of Interest (Build NC)
      i. A handout for Build NC dated 2/5/2018 was provided. This handout is attached.
      ii. The GARVEE (Grant Anticipation Revenue Vehicle) was discussed
      iii. Build NC would support highest priorities in rural and urban locations.
      iv. ECNC will be asked to help promote Build NC
      v. More information to follow in the upcoming weeks.
   b. National Level
      i. Jim provided a handout of President Trump’s infrastructure plan and goals. This document has been attached.
      ii. Some general discussion took place regarding the overall increase in PPP (Private Public Partnerships) project structures and the end of the QBS (Qualifications Based Selection) process.
      iii. Tax Reform Bill passed 12/20/2017
      iv. ACEC can be credited with assisting in qualifying for tax pass throughs where other service providers like Doctors and Lawyers were not given this tax benefit.
      v. The Supreme Court ruled that all but 11 of the 170 Rep.-drawn legislative districts can stand for 2018. See handout for additional information.

6. Recent Events
   a. Mid-Year Review with the Board and Holiday Auction – December 13th
      i. Holiday Auction and Casino Night raised around $9,000.00
      ii. Casino games were a hit.
   b. Future Leaders Kick-Off Reception – January 24th
      i. City Club – raised $300 with raffle from lottery ticket drawing

7. Upcoming Events
      i. Jeremy and Jay plan to attend and introduce the Legislative Committee to the class.
   b. April 17th-18th – Consulting Congress Days in Washington, D.C.
   c. May 3rd – Inaugural ACEC/NC State PAC Sporting Clay Fundraiser
      i. There will be a limit of 52 shooters
      ii. Rep. Scott Stone will speak at the event.
      iii. Drake Sporting Clay in Fuquay-Varina, NC
      i. Collaborative event with AIA
   e. Fall Fundraiser for the STATE PAC.
8. PAC Updates
   a. ACEC/PAC
      i. PAC goals for 2017 were initially short, but with some last minute fundraising approximately $5,000 was raised in one week to exceed the goal.
      ii. 2017 goal was $33,463 – 2017 fundraising was slightly over $34,000.00.
   b. ACEC/NC State PAC
      i. Credit cards are now accepted.
      ii. Contributions have been made to Stone and Arp in the amounts of $500 each
   c. Independent Expenditure Account (IE)
   d. A new take-home postcard style handout was passed around. The handout summarizes the different facets for donations and their corresponding purposes.

9. ACEC Committee/Forum Liaison Updates
   a. Board: Brian Glidewell
      i. Last Board meeting was January 30th, breakfast with the board
      ii. 25 or so in attendance and presentation was good
      iii. Lunch with the Board will be in Charlotte on March 15.
   b. Environmental & Energy: Gary Hartong
      i. Next meeting April 26
   c. Transportation: Terry Winebrenner
      i. No update at this time.
   d. B & I (Econ. Dev.): Jay Barr
      i. Next meeting March 13
   e. Senior Leaders Forum: Stephanie Hachem
      i. No update at this time.
      i. May 7 2018 event at the McKimmon center. Three breakout sessions.

10. Open Discussion
    a. Fundraising opportunities were discussed. Mass quantity fundraising

11. Attachments:
    a. President Donald Trump Summary on Infrastructure
    b. Build NC
    c. John Davis Political Report (Feb 9 2018)
NEXT MEETING: The next meeting is anticipated to be Noon on Tuesday, April 10th at the ACEC/NC office.

Meeting adjourned at 1:15 pm.

Respectfully Submitted,

Jeremy Potter, P.E.

Jay Barr, P.E.
Read President Trump’s infrastructure principles [here](#).

**Quote**

We will build gleaming new roads, bridges, highways, railways, and waterways all across our land. And we will do it with American heart, and American hands, and American grit.

President Donald J. Trump

**BUILDING AMERICA’S INFRASTRUCTURE:** Today, President Donald J. Trump released his legislative goals to rebuild our Nation’s crumbling infrastructure. The six principles include:

- $200 billion in Federal funds to spur at least $1.5 trillion in infrastructure investments with partners at the State, local, Tribal, and private level.
- New investments will be made in rural America, which has been left behind for too long.
- Decision making authority will be returned to State and local governments.
- Regulatory barriers that needlessly get in the way of infrastructure projects will be removed.
- Permitting for infrastructure projects will be streamlined and shortened.
- America’s workforce will be supported and strengthened.

**STIMULATE INFRASTRUCTURE INVESTMENT:** President Trump’s plan will lead to at least $1.5 trillion in investments to rebuild our failing infrastructure and develop innovative projects.

- $200 billion in Federal funds will spur at least $1.5 trillion in new infrastructure investments.
  - Federal infrastructure spending will promote State, local, and private investments and maximize the value of every taxpayer dollar.
- Of the $200 billion, $100 billion will create an Incentives Program to spur additional dedicated funds from States, localities, and the private sector.
  - Applications for the Incentives Program will be evaluated on objective criteria, with creating additional infrastructure investment being the largest factor.
  - The Incentives Program will promote accountability, making Federal funding conditional on projects meeting agreed upon milestones.
- $20 billion will be dedicated to the Transformative Projects Program.
  - This program will provide Federal aid for bold and innovative projects that have the potential to dramatically improve America’s infrastructure.
  - The program will focus on projects that could have a significant positive impact on States, cities, and localities but may not attract private sector investment because of the project’s unique characteristics.
- $20 billion will be allocated to expanding infrastructure financing programs.
  - Of the $20 billion, $14 billion will go to expanding a number of existing credit programs: TIFIA, WIFIA, RRF, and rural utility lending.
  - $6 billion will go to expanding Private Activity Bonds.
- $10 billion will go to a new Federal Capital Revolving Fund, which will reduce inefficient leasing of Federal real property which would be more cost-effective to purchase.
- A new fund will allow some incremental revenues from energy development on public lands to pay for the capital and maintenance needs of public lands infrastructure.

**INVEST IN RURAL AMERICA:** Rural America’s infrastructure has been left behind for too long, and President Trump’s plan will make sure it is supported and modernized.

- $50 billion of the $200 billion in direct Federal funding will be devoted to a new Rural Infrastructure Program to rebuild and modernize infrastructure in rural America.
• The bulk of the dollars in the Rural Infrastructure Program will be allocated to State governors, giving States the flexibility to prioritize their communities’ needs.
• The remaining funds will be distributed through rural performance grants to encourage the best use of taxpayer dollars.

INCREASE STATE AND LOCAL AUTHORITY: President Trump’s proposal will return decision-making authority to State and local governments, which know the needs of their communities.

• Funds awarded to State and local authorities, such as through the Incentives Program and the Rural Infrastructure Program, will be allocated to infrastructure projects they prioritize.
  o This empowers States and localities to make more infrastructure investment decisions and prioritize projects based on the needs of their communities
• The plan will expand processes that allow environmental review and permitting decisions to be delegated to States.
• The plan will also allow Federal agencies to divest assets that can be better managed by State or local governments or the private sector.

ELIMINATE REGULATORY BARRIERS: The President’s plan would eliminate barriers that prevent virtually all infrastructure projects from being efficiently developed and managed.

• The President’s plan will:
  o Provide more flexibility to transportation projects that have minimal Federal funding but are currently required to seek Federal review and approval.
  o Incentivize the efficient development and management of water infrastructure, in part, by providing more flexibility to the U.S. Army Corps of Engineers and its partners.
  o Give the Department of Veterans Affairs the flexibility to use its existing assets to acquire new facilities by allowing it to retain property sale proceeds and exchange existing facilities for construction of new facilities.
  o Expand funding eligibility for land revitalization projects through the Superfund program and establish tools to help manage their legal and financial matters.

STREAMLINE PERMITTING: President Trump’s infrastructure proposal will shorten and simplify the approval process for infrastructure projects.

• Working with Congress, we will:
  o Establish a “one agency, one decision” structure for environmental reviews.
  o Shorten the lengthy environmental review process to two years while still protecting the environment.
  o Eliminate certain redundant and inefficient provisions in environmental laws.
  o Create two new pilot programs to test new ways to improve the environmental review process.

INVEST IN OUR COUNTRY’S MOST IMPORTANT ASSET – ITS PEOPLE: The President is proposing reforms so Americans secure good-paying jobs and meet the needs of our industries.

• The President’s plan would reform Federal education and workforce development programs to better prepare Americans to perform the in-demand jobs of today and the future. This includes:
  o Making high-quality, short-term programs that provide students with a certification or credential in an in-demand field eligible for Pell Grants.
  o Reforming the Perkins Career and Technical Education Program to ensure more students have access to high-quality technical education to develop the skills required in today’s economy.
  o Better targeting Federal Work-Study funds to help more students obtain important workplace experience, including through apprenticeships.
Expected Population Growth by 2040

2 Texas: 40.6 million
3 Florida: 28.2 million
6 Georgia: 12.8 million
8 North Carolina: 12.5 million
9 Ohio: 11.7 million
10 Virginia: 10.2 million

32% increase from NC’s 2010 population

Most Populous State

2040 Population Ranking
NC Demographics

Two-thirds of NC growth projected to occur in Triangle or Charlotte
Projected share of 2010-2035 state population growth for select North Carolina metropolitan areas

- Triangle: 34%
- Charlotte: 34%
- Triad: 10%
- Wilmington: 7%
- Asheville: 5%
- All Other Metros: 10%
- No Metro Area: 1%

Data Source: NC OSBM
Investment ($B) Among Peer States 2015

- **Texas**: $16
- **North Carolina**: $4.3
- **Florida**: $6.9
- **Virginia**: $3.8
- **Georgia**: $2.4
- **Ohio**: $3.5
Investment ($B) Among Peer States 2017

- **Texas**: $15.1
- **North Carolina**: $4.8
- **Florida**: $9.8
- **Virginia**: $5.4
- **Georgia**: $3.2
- **Ohio**: $3.3
Cash Balance Trend

Cash Balance and Legislative Thresholds
Updated Through 1/22/18

$ in Millions

Range* (15% to 20%)
Daily Balance
Upper ($1 billion)
Floor* (7.5%)
Trend
* % of annual State Revenues

Jan-17 Feb-17 Mar-17 Apr-17 May-17 Jun-17 Jul-17 Aug-17 Sep-17 Oct-17 Nov-17 Dec-17 Jan-18
Why Cash Buildup?
Addressing Balance – Accelerating Delivery

Cash Balance
- Closing
- Target
- Floor
- Cash Management Plan of Action

$ in Millions

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Project Advancements

Over the 10-year STIP
Accelerated 350 Projects
Added 144 Projects to STIP
Changes Between the 2018-2027 Draft STIP & Final STIP

- Red: Accelerated Project
- Blue: New Project
Grant Anticipation Revenue Vehicle (GARVEE Program)

- Debt payable solely from future federal revenues
- Finances improvements to federal highway system (65% of NC projects NOT eligible for these funds)

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<th>NCDOT GARVEE Program (established in 2007)</th>
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<td>Bonds Issued</td>
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<td>STIP Projects Financed</td>
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Build NC

- Modeled after GARVEE
- Will maintain integrity of STI
- Have appropriate oversight
- Be utilized at the Regional and Division project tiers (projects NOT eligible for GARVEE)
- Affordability will be determined by the State Treasurer
Summary

• NC is growing and changing
• Multiple funding tools are necessary to meet immediate as well as future needs
• Accelerated project delivery has strong economic impact and enhances NC’s economic competitiveness
• Build NC will support highest priorities projects in rural AND urban locations
Get the advantage North Carolina leaders depend on.

John Davis is a political analyst who has followed North Carolina politics for 30 years. He is one of the state's leading authorities on evaluating the strengths of candidates and predicting the outcome of political races.

Most NC Congressional and Legislative Races are Republicans to Lose After SCOTUS OK's GOP Maps

February 9, 2018 Vol. XI, No. 3 12:13 pm

Maps + Money = Majority

The Supreme Court of the United States (SCOTUS) ruled on Tuesday, February 6, that all but 11 of the 170 Republican-drawn legislative districts were allowed to stand for 2018, dashing the hopes of Democrats for taking back either the North Carolina Senate or House this year. The 11 districts, redrawn by the federal court's "special master," are in only six of the state's 100 counties: Cumberland, Guilford, Hoke, Bladen, Sampson and Wayne. All others remain as drawn by Republicans.

Candidate filing begins Monday, February 12, 2018. Unless there is judicial intervention, North Carolina Republican-friendly districts will once again greatly outnumber the Democratic-friendly districts for the 2018 elections. As NC Democratic Party spokesman Robert Howard said about the Supreme Court's ruling in today's News & Observer, "The battlefields are largely the same."

Republicans have a 35/15 supermajority in the North Carolina Senate; a 75/45 supermajority in the North Carolina House. This week's US Supreme Court ruling means that state Democrats will likely shift their political priorities to breaking the GOP supermajorities, rather than breaking the majorities.
North Carolina Governor Roy Cooper (D-Nash) has raised $2.4 million for Break the Majority, a state Democratic Party political action fund for legislative candidates. And, Democrats can count on a substantial amount of support from out-of-state groups.

Eric Holder, former US Atty. Gen. during the Obama administration, has formed the National Democratic Redistricting Committee, and plans to invest millions of dollars in legislative campaigns in a dozen states, including North Carolina, “in an effort to block Republicans from single-handedly drawing congressional maps after 2020,” said the New York Times on February 6, 2018.

But, Republicans can count on outside money too. On Saturday, January 27, 2018, the conservative billionaire Koch brothers and their allies announced that they plan to spend $400 million during the mid-term elections to help the GOP keep their majorities in Washington, DC and other state capitals. Much of that money will be spent by Americans for Prosperity, a conservative organization known for their effectiveness in getting North Carolina Republicans out to vote.

It strikes me that a $400 million political commitment from conservative billionaires means that Democrats can forget gaining a financial advantage in 2018 through liberal billionaires.

I have used a simple formula to forecast likely legislative majorities in North Carolina for many election cycles: Maps + Money = Majority. This week’s ruling by the US Supreme Court, allowing all but 11 of 170 GOP-drawn maps to stand for the 2018 legislative races, along with the likelihood that GOP candidates will have all the money they need to run effective campaigns, means Republican majorities are likely during the 2019-2020 sessions of the North Carolina General Assembly.

**Economic Expansion Above 5% Means Presidential Approval Up by Fall**

Democrats are counting on a traditional midterm election during which a negative referendum on the White House will drive their voters out and cause Republicans to stay home in discouragement. Unfortunately, a truly historic era of economic expansion appears to be unfolding. If it does, President Trump’s job approval will rise, along with voter optimism, and the Democratic wave will fall.

Consider recent economic news from Reuters. On February 1, 2018, Reuters reported that the Atlanta Federal Reserve had revised its forecast, saying that the US economy is on track to grow at 5.4% (1st Q GDP). On February 8, 2018, Reuters reported that US jobless claims dropped to a near 45-year low, and that low unemployment and wage growth could be expected.

Historic tax and regulatory reform legislation, which has already stimulated 300 companies to give over 3 million Americans bonuses or raises, has triggered the repatriation of hundreds of billions of dollars from foreign banks for new and expansion projects in the United States.

And then there is today’s economic news that the “Bipartisan Budget Act of 2018,” a bipartisan $400 billion bill that provides increased defense funding and disaster relief, was passed in the wee hours of the night by the US Senate (71-28) and House (240-186). The bill was signed by President Trump this morning, who Tweeted, “This bill is a BIG VICTORY for our military, but much waste in order to get Dem votes. Fortunately, DACA not included in this bill, negotiations to start now!”

Midterm political pressure is forcing Congress to get things done, likely including passing the much-anticipated immigration reform legislation in March and an Infrastructure spending bill soon after.

All this positive economic and political activity will eventually drive up the President’s job approval. As to what will drive Trump’s approval numbers down, I do not believe that you count on scandals and indictments. Too many officials in the Clinton campaign camp and the Obama Justice Department with offsetting political exposures to allegations of inappropriate, biased activity.

So, a lot is at stake in the 2018 elections: 435 US House races will decide the MAJORITY PARTY, including 13 US House races in North Carolina. Another 34 US Senate races that will decide the MAJORITY PARTY in the US Senate, critical, because the US Senate decides the US SUPREME COURT. There are 36 governors up for election in 2018, and 87 of the nation’s 99 legislative chambers ... including the North Carolina Senate & House.
Thanks to US Supreme Court rulings on GOP-drawn maps in North Carolina, along with an expanding economy, offsetting political scandals in DC, a growing list of Trump Administration accomplishments and plenty of conservative billionaires to make sure their narrative is well-told, odds favor the GOP holding the MAJORITY PARTY status in Washington, DC and Raleigh.

- End -

Thank You for Reading the John Davis Political Report!

John N. Davis

2018 SPEECH: "Time to Yield What is Impossible to Keep"

Book John Davis here for 2018 professional meetings. His speech, "Time to Yield What is Impossible to Keep," identifies the political trends that suggest the likely 2018 winners.

"Felt so fortunate to hear Mr. Davis' take on the political climate - it was eye-opening, and perspective changing, even for someone who's involved in this world day-in and day-out." Leadership North Carolina, November 8, 2017

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Friday, February 9, 2018