

FRANKLIN COUNTY ECONOMIC DEVELOPMENT COMMISSION

Thursday, January 10, 2008 at 8:00 a.m.

Hill Ridge Farms – Conference Center

AGENDA

- I. Welcome – Shane Mitchell
- II. Review/Approval of Minutes from November 8, 2007 Meeting – Shane Mitchell
- III. Education, Industry & Economic Development – Bob Luddy-President, Captive-Aire Systems
- IV. Legislative Update – Senator Doug Berger/Representative Lucy Allen
- V. Economic Development Activity Update – Ronnie Goswick
- VI. Existing Industries Update – Richie Duncan
- VII. Company Visits Update – Mark McArn, Stephen Barrington
- VIII. Shell Building Update – Mike Leonard
- IX. Update of Kerr-Tar Hub Project – Don Lancaster
- X. Update on Flextronics Closing – Ronnie Goswick
- XI. Executive Board Recommendations – Shane Mitchell
- XII. Other Business – Shane Mitchell
*set next meeting date
- XIII. Adjourn – Shane Mitchell

FRANKLIN COUNTY ECONOMIC DEVELOPMENT COMMISSION

January 10, 2008

Minutes

The Franklin County Economic Development Commission was called to order at 8:00 a.m. by Chairman Shane Mitchell on January 10, 2008 in the Conference Center at Hill Ridge Farms in Youngsville.

In attendance were Chairman Shane Mitchell, Commissioners: Mike Leonard, Bryce Mendenhall (Public Utilities Director), Angela Harris (Interim County Manager), Lyn Buffaloe (County Commissioner), Mark McArn, Don Lancaster (County Commissioner), Mark Warren (Administrator, Town of Louisburg), Scott Hammerbacher (Planning & Inspections Dept.), Elic Senter (Mayor of Franklinton), Tony King (Asst. Town Administrator, Louisburg), Leelan Woodlief, Lucy Allen (NC Representative), and Brenda Robbins (Administrator, Town of Youngsville). Also, in attendance were Ronnie Goswick-Economic Development Director, Richie Duncan-Existing Industry Coordinator, Bob Luddy (President, Captive-Aire Systems) and Stephen Barrington (Director, Franklin Co. Chamber of Commerce). Absent from the meeting were Commissioners: Bobbie Jo May, John Barnes (Franklin County Chamber, Chairman), Mayor Karl Pernell (Mayor of Louisburg), Pat Young (Planning & Inspections Director) Doug Berger (NC Senator), Marsha Strawbridge (Mayor of Bunn) and Margaret Nelms (Mayor of Centerville).

Next, Chairman Mitchell asked the Board to review the minutes from the November 8, 2007 meeting. Commissioner Leelan Woodlief made the motion to approve the minutes, with Commissioner Mark McArn seconding. The motion passed unanimously.

The third item on the agenda was a presentation given by Bob Luddy, President of Captive-Aire Systems. Ronnie Goswick introduced Mr. Luddy, and said that he was instrumental in developing the Franklin Park Industrial Center and the Youngsville Industrial Park. Mr. Luddy said that running a business requires a certain caliber of employees who are highly skilled and motivated people, and he is concerned about our education system. In his family, he places a high value on education because his father believed that all his children should attend college, and he is disturbed by the fact, that in a society as rich as ours, that we aren't doing more for our children as it pertains to education. It takes highly skilled and educated people to work, and we must develop our students properly to compete in the world today. In 1978, when the charter school bill was passed, Mr. Luddy applied for a charter for Franklin Academy, and he was told it wouldn't work by a school board member. Last year, Franklin Academy had over 600 students for kindergarten alone. Mr. Luddy says he gets hardship

letters everyday from parents who want to place their child in Franklin Academy, and noted that admittance is based on a lottery system. Mr. Luddy said that the public schools system work with the skill levels they are given, but he feels that every student should be developed to their maximum potential. Whereas public schools don't feel the need for "direct instruction", we feel that this works better than any other model in the country. "Direct instruction" is a model for teaching that emphasizes well-developed and carefully planned lessons designed around small learning increments and clearly defined and prescribed teaching tasks. It is based on the theory that clear instruction eliminating misinterpretations can greatly improve and accelerate learning. Character development and discipline go hand in hand. If you don't discipline, you don't build character. Mr. Luddy said that we have very tight security at Franklin Academy, and we maintain a very strict, disciplined and safe environment for our staff and students. We have won numerous awards for music, art, poetry, etc. When you create a good environment for children, they like it and they do well. Mr. Luddy said that if he could make some recommendations to Franklin County schools they would be: (1.) get additional charter schools to open, (2.) take the resources you have and do more with them, (3.) have adult reading classes, and (4.) use the "direct instruction" model.

The fourth item on the agenda was a Legislative update given by Representative Lucy Allen. Representative Allen said that the General Assembly was in short session at this time, but discussion of the budget is a big issue, as well as healthcare and transportation. There is a cap on gasoline tax right now, which has helped the average driver. However, we still have tremendous transportation needs. A major water study is being conducted at this time, with hearings being held around the State, so that the problems of each community can be heard. There will be one held in Raleigh on January 23rd.

The fifth item on the agenda was an update on economic development activity given by Ronnie Goswick. Mr. Goswick said that we are extremely busy, and we are working on 17 projects at this time. Two of those are looking at the Flextronics' buildings. One is an auto parts manufacturer, which would have between 80-100 jobs. Arch Aluminum & Glass is in the process of constructing its new building on Northbrook Drive and MacLeod Concrete will be locating on Northbrook Drive as well.

The sixth item on the agenda was an update on existing industries by Richie Duncan. First, Ms. Duncan gave an update on the Flextronics' closing. We have been working with the Employment Security Commission and Governor's Rapid Response Team to assist the impacted employees in finding employment elsewhere, and a job fair was held on December 15th, with 13 companies in attendance that are hiring. Twenty-five percent of the impacted employees are from Franklin County, with the majority (45%) being from Wake County. Ms. Duncan noted that Captive-Aire has hired the former plant manager of Flextronics. One (1) orientation session, in conjunction with the ESC and Governor's Rapid Response Team, has been held and two (2) more will be held – January 17th and February 8th. At these orientation sessions, impacted employees are given information on resources, such as the Trade Adjustment Assistance program. This program allows eligible people to receive unemployment and go back

to school – free of charge – for retraining. The targeted date for all the employees to be gone is March 31st, but a skeleton team will still be there after March 31st to shut down the plant completely. Ms. Duncan said that we have a meeting today with the Rural Center for the grant for the Novozymes expansion and another meeting with the Rural Center on January 17th for the east Youngsville sewer expansion grant. Also, we are working on an RBEG (Rural Business Enterprise Grant) of \$75,000 for the east Youngsville sewer expansion.

The seventh item on the agenda was the company visits update given by Mark McArn and Stephen Barrington. Chairman Mitchell said that at the last meeting he asked Commissioner McArn and Mr. Barrington to visit with companies and ascertain their needs, dislikes, likes, etc. and report back at our next meeting. Commissioner McArn said that he and Stephen visited Southeastern Emergency Equipment and Mullis Millworks, and asked them such questions as what they did, how long they'd been in business, what they liked/disliked about Franklin County, what do you think of the county's leadership, what can the county do for you, etc. Richie Duncan said that one question she would like to add to the questionnaire would be who are your top suppliers and where are they located. This would help the economic development office obtain leads to possibly bring the supplier to the county. Commissioner McArn and Mr. Barrington will continue to make these company visits, with Richie Duncan and Representative Allen volunteering to assist them as well.

Next, Commissioner Mike Leonard gave an update on the shell building. Commissioner Leonard said that all the steel is up, block is being laid, and there have been doors added for high power storage. Also, grading is being done on the parking lot. He believes they should be finished by the end of February. Commissioner Leonard asked about the status of the road. Scott Hammerbacher said that the DOT has approved the road, and it will be bid out in about two (2) weeks.

The ninth item on the agenda was an update on the Kerr-Tar Hub project by Commissioner Don Lancaster. Commissioner Lancaster said the County Commissioners passed a resolution at their January 7th meeting to get \$500,000 to be used for an access road from Triangle North Franklin to US Hwy 401. This would be \$250,000 from the Senate and \$250,000 from the House. Commissioner Lancaster said we are in the process of negotiating a contract with Embarq for high speed internet service to Triangle North Franklin. Commissioner Lancaster said that he will be going to Washington, DC next Thursday to accept an award from NACo (National Association of Counties) for having an innovative project.

The tenth item on the agenda was an update on the Flextronics closing. This item was previously covered under agenda item number six by Richie Duncan.

The eleventh item on the agenda was discussion of executive board recommendations by Chairman Mitchell. Chairman Mitchell said that he, Commissioner Woodlief, Commissioner McArn, Ronnie Goswick and Richie Duncan met on December 19th to discuss incentives for two (2) existing industries. Southeastern Emergency Equipment is expanding beside its current

location, with a 16,240 square foot building. They will have 6-10 new jobs, with a total investment of 1.4 million. The total assessed valuation is \$676,840, with a seven-year yield of \$38,969. We recommend that the county give Southeastern Emergency Equipment a 3% tax incentive of \$20,305. Novozymes is planning an expansion of approximately 26 million, with 35 new employees. The total assessed valuation is \$21,284,941, with a seven-year yield of \$1,225,480. There will be the installation of approximately 18,000 linear feet of 10-inch force main from NC 56 to the Franklin County waste water treatment plant, which will cost approximately \$594,000. Also, we have applied for a grant with the Rural Center for \$297,000 to use towards this project. The seven-year yield of \$1,225,480 minus the estimated cost of the force main installation of \$594,000 is \$631,480. We recommend that the county give Novozymes a 3% tax incentive of \$638,548. Novozymes is willing to contribute \$500,000 of the total 3% incentive to Franklin County to be used as additional funding for the expansion of Novozymes. Ronnie Goswick said that we would like to have the support of the EDC board for these two projects. Commissioner Lyn Buffaloe made the motion that the EDC board supports these two projects, with Commissioner Elic Senter seconding. The motion passed unanimously.

In other business:

- Chairman Mitchell made the board aware of another pre-application, which has been filed with the Rural Center for the east Youngsville sewer expansion. John Hill of Hill Ridge Farms has guaranteed 25 jobs, and will build a restaurant, so that his business may be open all year long, instead of seasonally as it is currently. The amount of the grant is \$250,000. The meeting for this pre-application will be held on January 17th at the Rural Center.
- Chairman Mitchell said he would like a representative from each of the towns to report on what has been happening in their respective towns at our meetings. We would like to know such things as new businesses, jobs, permits, etc. Richie Duncan, Mark McArn and Lyn Buffaloe will work with the towns on this.
- The next meeting is scheduled for March 13, 2008. Location TBD.
- Commissioner Buffaloe said that he would like to make a motion that the EDC board support the upcoming \$53,000,000 school bond referendum. Commissioner Mendenhall seconded the motion. The motion passed unanimously.
- Commissioner Brenda Robbins said that David Foster from the NCDOT-Rail Division is going to speak at the Youngsville Community House on January 29, 2008 at 6:00 p.m., and she invited anyone that would like to attend to do so.
- Ronnie Goswick said that the Committee of 100's board meeting is scheduled for February 21, 2008 at 8:00 a.m. in the second floor board room at Wake EMC in Youngsville.

With there being no further business, the meeting was adjourned.