

FRANKLIN COUNTY ECONOMIC DEVELOPMENT COMMISSION

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

Youngsville Community House

AGENDA

- I. Welcome – Shane Mitchell
- II. Review/Approval of Minutes from March 13, 2008 Meeting – Shane Mitchell
- III. Legislative Update – Senator Doug Berger/Representative Lucy Allen
- IV. Economic Development Activity Update – Richie Duncan
*Flextronics Buildings Update
- V. Existing Industries Update – Richie Duncan
*Legislators' Visit
- VI. Employment Security Commission Update – Mike Brown
- VII. Company Visits Update – Mark McArn, Stephen Barrington
- VIII. Business Form Finalization and Implementation – Mark McArn, Richie Duncan,
Lyn Buffaloe
- IX. Triangle North Franklin Update – Don Lancaster
- X. Shell Building Update – Mike Leonard
- XI. Other Business – Shane Mitchell
*set next meeting date
- XII. Adjourn – Shane Mitchell

FRANKLIN COUNTY ECONOMIC DEVELOPMENT COMMISSION

April 10, 2008

Minutes

The Franklin County Economic Development Commission was called to order at 8:00 a.m. by Chairman Shane Mitchell on April 10, 2008 in the Youngsville Community Building.

In attendance were Chairman Shane Mitchell, Commissioners: Joyce Cooke, Angela Harris (Interim County Manager), Lyn Buffaloe (County Commissioner), Leelan Woodlief, Mark McArn, Don Lancaster (County Commissioner), Elic Senter (Mayor of Franklinton), Bobbie Jo May, John Barnes (Franklin County Chamber, Chairman), Lucy Allen (NC Representative), Pat Young (Planning & Inspections Director), and Brenda Robbins (Administrator, Town of Youngsville). Also, in attendance were Richie Duncan-Existing Industry Coordinator, Gary Cunard (The Franklin Times), Mike Brown (Employment Security Commission) and Chuck Stires (Candidate-NC Senate). Absent from the meeting were Commissioners: Bryce Mendenhall (Public Utilities Director), Mike Leonard, Mayor Karl Pernell (Mayor of Louisburg), 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 March 13, 2008 meeting. Commissioner Woodlief made the motion to approve the minutes, with Commissioner Harris seconding. The motion passed unanimously.

The third item on the agenda was deferred until Representative Lucy Allen was present at the meeting.

The fourth item on the agenda was an update on economic development activity given by Richie Duncan. Ms. Duncan referred to a press release dated April 7th, which said that both Flextronics 1 and 2, and the 34.5 acres of land previously owned by Flextronics, were purchased by Mosswood Properties, LLC with immediate resale of Flextronics 1 to Brock Cabinets, Inc. Brock has leased 60,000 sq. ft. of the space to another company, SMT Resources. Both businesses will share occupancy of the building. Brock is currently located in Wake County, and will bring at least 35 jobs to the Youngsville location. SMT Resources is an electronics manufacturer currently located throughout the United States. They will consolidate several of their sites into the single location in Youngsville. They will bring a minimum of 7-10 office workers, plus employees to handle the electronics manufacturing and re-tooling. Ms. Duncan said that the total number of jobs is not yet known.

With the arrival of Representative Lucy Allen, Chairman Mitchell referred to agenda item three and asked Representative Allen to give the Legislative update. Representative Allen said that the General Assembly will begin its short session on May 13th. We will be fine tuning the budget, and dealing with bills that have already passed from one House to another – some which have been deemed as controversial. Another topic of discussion will be the water study and the possibility of dealing with another drought. Representative Allen said that the price of gas is a concern to everyone, and the General Assembly receives many calls from citizens asking that something be done about this. North Carolina maintains the second largest amount of roads in the United States, and because the counties can't afford to pay for maintaining the roads, this places a tremendous burden on the State's budget.

The fifth item on the agenda was an update on existing industries by Richie Duncan. Ms. Duncan asked Commissioner Brenda Robbins to discuss the development going on in the Youngsville area. Commissioner Robbins said that the Sappah Brothers are constructing three (3) commercial retail buildings totaling 10,000 sq. ft., which will be located on Main St. next to the Youngsville Community Building. Also, the Mayhew Brothers purchased the building located next to the police department, and are converting it into retail space. On March 17-18, Ms. Duncan attended the "International Council of Shopping Centers 2008 Carolinas Idea Exchange" in Charlotte, and has recently met with Town of Louisburg and Town of Youngsville representatives to assess what kinds of development they are looking for and what their needs are, and meetings are being set with the towns of Franklinton and Bunn also. Ms. Duncan suggested that it might be possible in the future to put together a program on retail development, and bring in a developer to ask them what they look for when considering an area for development. Ms. Duncan said that at the last meeting she said that N.C. Magazine created a supplement dedicated to Franklin County, which would be in their April issue, and she passed out copies to the Board. The supplement includes articles about existing industries, and it promotes Triangle North Franklin and the shell building also. Ms. Duncan said if anyone needed extra copies of the magazine please call the EDC office. Ms. Duncan said that the quarterly EDC update would be presented to the County Commissioners at their April 21st meeting, and this PowerPoint presentation would be presented to the Economic Development Commission Board at the May meeting. Ms. Duncan reported that she was working with VGCC to ascertain what the training needs of industries are. An online survey is being written, which will be emailed to the industries. Ms. Duncan said that Senator Walter Dalton toured Triangle North Franklin on March 25th, and the airport as well.

The sixth item on the agenda was the Employment Security Commission update given by Mike Brown. Mr. Brown said that the economic climate can change tremendously from one month to the next. Franklin County's unemployment rate was 4.2% in February 2007, compared to 5.3% as of February 2008. North Carolina's unemployment rate is 5%, and the rate for the United States is 4.8%. Mr. Brown said there is nothing wrong with a 5% unemployment rate, but when the rate drops below that, it's difficult to find people to work. Currently, Franklin County's industry makeup is mainly manufacturing, with approximately 42% of our labor force being in the county and 58% traveling outside of the county to work. Mr. Brown said that with

the closure of Flextronics, 488 workers were displaced. Approximately 50 people are still at Flextronics and haven't been laid off, but by July they should be gone also. Of those displaced workers, 75-80 have enrolled in school via Trade Adjustment Assistance for Workers, and Mr. Brown said he expects that number will increase. Also, approximately 30 former employees found work through the ESC. Mr. Brown said hiring is very slow because of the economy. BD Biosciences, who attended both job fairs at Flextronics, said they were very interested in Flextronics workers, and said they were going to hire 150 people by the end of March. Mr. Brown said he is not sure as to why, but this has been delayed. Commissioner Bobbie Jo May mentioned that approximately 30 of the displaced workers had enrolled at VGCC to upgrade their computer skills. Representative Allen asked about tax credits for employers who hire disabled workers. Mr. Brown says there is a federal tax credit program called Work Opportunity Tax Credit (WOTC) available to employers who hire new employees from eight "targeted" groups, which have historically had difficulty in finding work, such as ex-felons, high risk youth, persons with physical or mental disabilities, etc. Commissioner Lancaster asked about returning vets who are looking for employment. Mr. Brown said that most returning vets are automatically absorbed back into the workforce because of their work ethic, and some return to school for more training.

The seventh item on the agenda was the company visits update given by Commissioner Mark McArn. Since it was decided that we would have meetings once month, we will profile one company at each meeting. Commissioner McArn said the company visited this time was ITS (Infrastructure Technology Services, LLC), which is located at 1751 Hwy. 96 in Youngsville. This company is a utility contractor located in a 3,000 sq. ft. building, with 65 employees. The owner, Eddie Keever, said they have been in business for five (5) years and serve Wakefield Development, AT&T, Embarq, PSNC Energy and Time Warner. Mr. Keever said he liked the availability of land and opportunities in the county, but did not like the high tax rate. He thinks the growth in the county is great, and would like to see better public schools and more charter schools also. Mr. Keever said that he would like the county to continue to be "pro growth", and any new infrastructure needs to be positioned to serve commercial and industrial end users. Commissioner McArn said that at next month's meeting, Bobbees Bottling will be profiled.

The eighth item on the agenda was discussion of business form recommendations by Richie Duncan. Ms. Duncan said that at our last meeting the business information form was reviewed and discussed, and she would like the Board to take one more look at it before it goes to the printer. After some discussion, Commissioner Buffaloe made the motion that we proceed with the form. Commissioner Senter seconded the motion and the motion passed unanimously.

The ninth item on the agenda was an update on Triangle North Franklin given by Commissioner Lancaster. Commissioner Lancaster said a contractor has been chosen for the road at a cost of \$250,000.

Next, in the absence of Commissioner Mike Leonard, Commissioner Lancaster gave an update

on the shell building. Commissioner Lancaster said that we are waiting on the doors and for the landscaping to be put in place. There has been much interest in the building and for property across from the building. Commissioner Lancaster said he is optimistic that the building will be sold soon.

In other business:

- Chairman Mitchell said that as Representative Allen had mentioned earlier in the meeting, the media perception of economic development and how it's represented, is not always fair. Chairman Mitchell said he recently met with Gary Cunard of the Franklin Times to discuss this issue. He said he would like to see the media work together with the EDC in the future.
- Chairman Mitchell reminded everyone that voting will take place on May 6, 2008 for the upcoming primary.
- The next meeting is scheduled for May 8, 2008 at 8:00 a.m. Location to be determined.

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