

FRANKLIN COUNTY ECONOMIC DEVELOPMENT COMMISSION

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

Holden's BBQ

AGENDA

- I. Welcome – Shane Mitchell
- II. Review/Approval of Minutes from June 11, 2008 Meeting – Shane Mitchell
- III. Legislative Update – Senator Doug Berger/Representative Lucy Allen
- IV. Economic Development Activity Update – Ronnie Goswick
- V. Existing Industries Update – Richie Duncan
- VI. Update on 401 Steering Committee – Gary Cunard
- VII. Update on Redesign for Franklin County Snapshot – Richie Duncan
- VIII. Employment Security Commission Update – Mike Brown
- IX. Company Visits Update – Mark McArn, Stephen Barrington
- X. Triangle North Franklin Update – Don Lancaster
- XI. Shell Building Update – Mike Leonard
- XII. Other Business – Shane Mitchell
- XIII. Adjourn – Shane Mitchell

FRANKLIN COUNTY ECONOMIC DEVELOPMENT COMMISSION

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Minutes

The Franklin County Economic Development Commission was called to order at 8:00 a.m. by Chairman Shane Mitchell on July 10, 2008 at Holden's BBQ in Youngsville.

In attendance were Chairman Shane Mitchell, Commissioners: Lyn Buffaloe (County Commissioner), Joyce Cooke, Leelan Woodlief, Elic Senter (Mayor of Franklinton), Don Lancaster (County Commissioner), Scott Hammerbacher (Planning & Inspections), Bryce Mendenhall (Public Utilities Director), 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, Keith Shearon (Candidate-NC Senate), Chuck Stires (Candidate-NC Senate), Mike Brown (Employment Security Commission) and Gary Cunard (The Franklin Times). Absent from the meeting were Commissioners: Mike Leonard, Bobbie Jo May, Mark McArn, John Barnes (Franklin County Chamber, Chairman), Mayor Karl Pernell (Mayor of Louisburg), Pat Young (Planning & Inspections Director), Marsha Strawbridge (Mayor of Bunn), Angela Harris (Interim County Manager), Doug Berger (NC Senator), and Margaret Nelms (Mayor of Centerville). Also absent was Lori Duke (Admin. Support Specialist).

The second item on the agenda was the review and approval of the minutes from the June 11, 2008 meeting. Commissioner Buffaloe made the motion to approve the minutes, with Commissioner Robbins seconding. The motion passed unanimously.

Chairman Mitchell said that he would like to deviate from the agenda, and requested that agenda item six (6) be moved to agenda item four (4), so that it can be presented after Representative Allen's update.

Representative Allen said the budget process for 2008-2009 has been finished, and these are a few of the highlights:

Education:

- \$11.4 billion – not including salary increases – to education
- 3 percent salary increase for teachers for a total of 8 percent increase in this biennium
- \$15 million in grants to help schools and groups working on dropout

prevention

Economy:

- \$1 million for the Green Business Fund to encourage the growth of a green economy by providing grants to small businesses

Taxes:

- Expansion of the Earned Income Tax Credit to 5 percent beginning with the 2009 taxable year – the EITC first went into effect in the 2008 taxable year due to action by the General Assembly in 2007
- \$8.5 million to extend a tax credit for small businesses that provide health benefits to their employees
- Creation of a disabled veterans' property tax homestead exclusion to give disabled veterans and their surviving spouses a break on their property taxes
- \$1.4 million for a three-day sales tax holiday on energy-efficient appliances
- Repeal of the state gift tax in 2009

Mental Health:

- \$8.1 million for expanded local psychiatric inpatient services
- \$7.3 million for 107 new positions at the state's psychiatric hospitals. These include 63 at Broughton Hospital, 24 at Central Regional Hospital and 20 at Cherry Hospital
- \$6.1 million for walk-in crisis and immediate psychiatric aftercare
- \$5.75 million for 30 mobile crisis intervention teams. Includes startup money for 11 new teams in addition to the 19 existing ones

Transportation:

- Reduce transfer from Highway Trust Fund by \$25 million this fiscal year and increasing amounts in subsequent years. That money will be used for "gap funding" of toll roads. \$25 million annually for the Triangle Expressway beginning in 2008-09.
- \$24.5 million for highway maintenance that extends the life of infrastructure, such as pavement, bridges and traffic signals

Military:

- \$1.5 million for the Defense and Security Technology Accelerator, which develops businesses related to homeland security and national defense.

Public Safety:

- \$10 million for gang prevention, suppression and intervention grants
- \$2.5 million for a reserve fund to address critical staffing and resource needs in Probation and Parole field offices
- \$600,000 to train sheriff's departments in immigration enforcement
- \$500,000 increase in funding for Juvenile Crime Prevention Councils, in addition to restoration of \$22.6 million in funding following a continuation review

Environment:

- \$50 million to the Rural Center to help local governments address critical water and sewer needs for a total of \$150 million this biennium
- \$50 million for Land for Tomorrow to continue land preservation efforts for a total of \$170 million this biennium
- \$6 million for drought relief
- \$4 million for farmland preservation for a total of \$12 million this biennium
- \$5.5 million for matching money for drinking water system improvements
- \$2.5 million for matching money for wastewater treatment improvements

Salaries:

- \$390 million for raises for teachers and state employees
- 3 percent for teachers for a total of 8 percent over this biennium.
- 2.75 percent raise, or \$1,100, whichever is greater for state employees. The tipping point is at \$40,000. A one (1) percent pay increase for state employees costs \$71.1 million.

The fourth item on the agenda was an update on the 401 Steering Committee by Gary Cunard.

Mr. Cunard said that approximately 45 people have expressed interest in serving on the 401 Steering Committee, and he is in the process of contacting them to obtain addresses, emails, and phone numbers in order to set-up a comprehensive list. Mr. Cunard said that he expects by this time next month he'll have a list to turn over to the EDC, and he's been very impressed with some of the ideas presented already. He said that if anyone has any suggestions, please let him know. Chairman Mitchell asked Representative Allen to give an update on the existing 401 committee. Representative Allen provided a written report for all EDC members, which listed all current committee members, and documentation summarizing all of their many efforts

since the initial creation. Representative Allen felt that the two (2) groups could be complimentary. Also, she provided an update on the TIP and indicated that she had some concerns about shortages in state funds, however, she wants to keep a high profile regarding the need for the four-laning of 401, on which both she and Mr. Cunard agreed. The current steering committee's job is to maintain visibility for 401 and to keep it on the TIP schedule. Representative Allen then proceeded to highlight some of the key milestones by the 401 steering committee of the previous years. This included the following:

- Prior work with Warren County
- Letter to Secretary Tippet
- Letter from Ken Spaulding indicating how impressed he is with the citizens and the response to the need for 401
- Meeting with Secretary Tippet and his staff to receive designation of 401 as strategic highway corridor

Representative Allen commented that the current 401 steering committee will continue to work with officials, and again thanked Mr. Cunard for forming a committee of citizens. Chuck Stires asked what was the legislative position on the recently released NCDOT study indicating a need for increased efficiency. Representative Allen said that with a new Secretary and Governor next year, she is certain there will be new ideas, but the Legislature thinks this is very important. Representative Allen also said that the cost of oil, asphalt and steel is one reason it is harder and harder to get funds. She said that with the population in this area exploding, NCDOT is concentrating its efforts on maintaining existing roads, rather than building new ones. Chairman Mitchell said that he feels that these committees are a good thing and that they are both headed in the right direction. Also, he said that he hopes the committees will stay in close communication and work together, as Representative Allen had suggested. Commissioner Brenda Robbins stated that she felt it was very important that Franklinton and Youngsville be involved in this project since Louisburg was very supportive when petitioning for the four-laning of US 1. Chairman Mitchell said he looks forward to continuing this communication and requested that Mr. Cunard bring an update from the citizens to the next meeting. Also, he thanked Representative Allen for her work and that of the existing 401 steering committee.

The fifth item on the agenda was an update on economic development activity by Ronnie Goswick. Mr. Goswick said that his office has been busy working with existing industry expansions, but across the State new projects have dropped off tremendously. However, it is just a matter of time before that turns around. He hopes we will be able to work with our partners in order to produce more shell buildings in the future, and since both Flextronics buildings are off the market, requests have slowed down somewhat.

The sixth item on the agenda was an update on existing industries by Richie Duncan. Ms. Duncan alerted everyone that a large realtor sign had been placed in front of Sirchie. However,

she has met with the new President and CEO and has been assured that the property that is available is space that is currently not occupied by Sirchie and also the surrounding land. The new president also indicated how pleased he was with Sirchie's current performance, and that he had no intention of causing any changes in employees there. Ms. Duncan then provided an update on the the expansions at Novozymes, Southeastern Emergency Equipment, Arch Aluminum & Glass and Ryerson Tull. She commented that while new inquiries statewide may be down, Franklin County is fortunate to have these four existing industries expanding. She also commented that there was some promising activity that was close to being ready to announce.

The seventh item on the agenda was an update on the redesign for the Franklin County snapshot given by Richie Duncan. Ms. Duncan reviewed the newly redesigned snapshot with the Board. After a brief discussion, it was the Board's consensus that the snapshot is ready for use. Chairman Mitchell and Ms. Duncan both thanked Commissioner Mendenhall for forwarding marketing materials to site consultant, Bill Armstrong, for his feedback.

The eighth item on the agenda was the Employment Security Commission update given by Mike Brown. Mr. Brown said that Franklin County's unemployment rate as of May 2008 was 5.8%, while the national rate is 5.5%. The Waffle House in Louisburg has employed 50 people to start, and Tractor Supply in Youngsville hired 28 people. Mr. Brown said the economy is still in turmoil, and his office has been busier than ever. They are receiving approximately 2,000 calls per month from people looking for employment. There are seven computers in the ESC office in Louisburg, which are designed for people to come in and look for work, and that area is filled up daily. Also, Mr. Brown said that the President has signed a bill, which extends benefits for unemployment.

The ninth item on the agenda was the company visits update given by Commissioner Mark McArn. In the absence of Commissioner McArn, Richie Duncan gave the update. Ms. Duncan said that Commissioner McArn had not had the opportunity to visit a business, but he did highlight several activities in the area. Chairman Mitchell said he talked with Commissioner McArn recently to discuss company visits, and Commissioner McArn said he wanted to explore the idea of bringing in retail for the visits, as well as industries. Commissioner Robbins said she thought this was an excellent idea. Chairman Mitchell said he will ask Commissioner McArn to offer any ideas for visits and also requested that anyone wanting to make a visit, or if someone had a company they wanted him to visit, that they let Commissioner McArn know.

The tenth item on the agenda was an update on Triangle North Franklin by Commissioner Lancaster. Commissioner Lancaster said that he had received news that we qualify for all Tier 1 status benefits, and can seek Golden LEAF funds as well. Also, Commissioner Lancaster said he, Ms. Duncan and Mr. Goswick met with a representative from the USDA about getting infrastructure to the site.

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

on the shell building. Commissioner Lancaster said a potential buyer has made three (3) visits to the shell building, and he hoped to have something definite to report soon.

In other business:

- At last month's meeting, Chairman Mitchell said that there was very large and dangerous pothole on Jeffrey Way in Youngsville, and that the EDC needed to find out what could be done to repair it. Ronnie Goswick reported that the hole on Jeffrey Way has now been patched.
- Commissioner Elic Senter said that he received notice from Senator Berger's office that the Town of Franklinton had received a grant from the Rural Center in the amount of \$330,000 for water and sewer.
- Commissioner Mendenhall stated that the work for the construction on the sewer line at Novozymes will begin next week. He also said that bringing the sewer from Novozymes to the Franklin County treatment plant, rather than to Franklinton, may relieve some of the burden on the Franklinton system.
- Commissioner Robbins suggested that we find a way to have Louisburg and Bunn involved in EDC, so that we can have representation from throughout the County.

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