

## FRANKLIN COUNTY ECONOMIC DEVELOPMENT COMMISSION

Thursday, July 9, 2020

### Minutes

Due to the COVID-19 virus pandemic, the Franklin County Economic Development Commission met via an electronic meeting (Zoom) on July 9, 2020, at 8:30 a.m.

The public was not allowed to physically attend this meeting. However, the meeting was livestreamed on YouTube at <http://franklincounty.today>. Citizens were also able to view or listen to the meeting via Zoom.

In attendance were: Matthew Winslow, Bob Sykes, Keith Smith, Larry Woodlief, Charles Mitchell (County Extension Director-Cooperative Extension), Shelley Dickerson (County Commissioner), Greg Bethea (Town Manager-Franklinton), Jerry Edmonds (VGCC-Vice President of Workforce Dev. & Community Engagement), Marque Debnam (VGCC-Program Head, Paralegal Technology), Keith Shearon (VGCC-Director, Customized Training), Jonathan Franklin (Town Administrator-Louisburg), Emma Stewart (Louisburg Town Council), Debbie Gallimore (Gallimore & Associates), Lou Grillo (Kerr-Tar COG-Workforce Dev. Business Svcs. Mgr./Special Projects Coordinator), Kristen King (Clerk to the Board), Bruce Naegelen (NC Dept. of Commerce-Community Econ. Dev. Planner), Jonathan Williams (Focus Design Builders), Allen White (Chairman-Franklin Co. Chamber), Fred Keller (Wake Electric), Lucy Allen (Committee of 100), Richie Duncan (Director-Franklin County EDC), Andy Kuhn (Existing Industry Coordinator-Franklin County EDC), Lori Duke (Admin. Support Specialist-Franklin County EDC) and Coy Floyd (IT Director). Absent from the meeting were: Mark McArn, Jeremy Neal, Rex Foster, Angela Harris (County Manager), Chris Doherty (Public Utilities Director), Bo Carson (Airport Manager), Scott Hammerbacher (Director-Planning & Inspections), Michael Schriver (County Commissioner), Marsha Strawbridge (Mayor of Bunn), Phil Cordeiro (Town Administrator-Youngsville), John Alexander (NC Senate), Lisa Barnes (NC House)

Chairman Winslow welcomed everyone and asked Lori Duke to perform the roll call.

The next item on the agenda was the review and approval of the minutes from the March 12, 2020 meeting. Commissioner Woodlief motioned that the minutes be approved as read, with Allen White seconding. The motion passed unanimously.

The next item on the agenda was the election of officers by Richie Duncan. Ms. Duncan said the nominating committee met and would like to submit the following nominees: Matthew Winslow (Chairman), Mark McArn (Vice Chairman), Keith Smith (Secretary). Jonathan Franklin made a motion that the officers be approved, with Greg Bethea seconding. The motion passed unanimously.

Next, Richie Duncan gave the business update as it relates to COVID-19. Ms. Duncan said this has been a highly unusual time in our lives and in our business community. The most important thing that she has observed is the willingness of all of us to support each other and to try and find ways to help our businesses. She would like to recognize Sheri Jones, Bruce Naegelen, Lou Grillo and EDPNC, because there were so many programs that were rolled out very quickly for our businesses to take advantage of. There were a lot of hoops to jump through, a lot of instructions required and submissions that had to be made very quickly for businesses to take advantage of some of the items that would help them with their loans and pay protection for their employees. Also, she'd like to thank Chairman Winslow for his help with people getting their paperwork done and in time for businesses to be helped. She's pleased to say that those businesses that she is aware of, that applied for these loans or assistance, they may not have gotten it on the first round, but they did on the second round. It's no surprise that the businesses who have been impacted the most are leisure and hospitality. We are fortunate that we have a very diverse manufacturing base, which means that we saw less of an impact in our manufacturing industries than some other counties who don't have as a diverse manufacturing base. For example, Novozymes has seen an unusually successful time because the enzymes they produce are used for cleaning and for food. Some of our manufacturers have reached out to us since the beginning, to get qualified as an essential business, so they could get letters for their workers, so they could come and go when the question came up about curfews. We have seen in our industries that some have had furloughs, some have had layoffs and are starting to bring people back now. Others have adjusted their schedules, so that they have fewer people working at the same time to increase the social distancing. Many businesses are learning to work with masks, too.

Next, Richie Duncan gave an update on Triangle North Franklin. Triangle North Franklin is one park out of four. What was the tobacco receiving station, has been purchased by East Coast Gear Supply and they have completely moved in. Chase Perry is the owner and operator. They currently have 25 employees and are hiring. The capital investment on this venture is \$3,200,000. The facility is 100,000 square feet and they are completely upfitting it on the inside for manufacturing and distribution. They are also doing a complete installation of HVAC in the entire facility. The original shell building is now owned by East Coast Drilling & Blasting, with Scott Carle as President. The number of jobs is a 100+, but they aren't all at this facility, because they are out in the field working. All of their payroll, repairs, meetings, etc. are handled at this location at Triangle North Franklin. The investment is \$2,100,000. Ms. Duncan said they are planning for an expansion, as they have already outgrown this space. If you are familiar with Essex Place in Franklinton, Mr. Carle is one of the main investors in that venture and his company is the one that is doing all of the work you see along US 1 and 1A. They are drilling and blasting, making that a spot (in the front) for retail and commercial development. Ms. Duncan said we also have another lot at TNF that is under consideration for sale, and we will have more details on that at a later date.

Ms. Duncan said that of the four industrial parks in Triangle North, Franklin County is the only one that has seen this level of activity. We are pleased that we are doing as it was set up by the General Assembly, in that we are sharing in revenue. This past year, we had a total amount of \$41,573.14, which

was approved by the County Commissioners. This amount was divided equally among the four industrial parks and distributed. Franklin County keeps \$10,418.29 and the other three parks get the same amount.

Next, Richie Duncan gave the data snapshot review. Ms. Duncan said with regards to unemployment, we wish all the numbers came out at the same time, but as you know, there is a lag in the data. In the U.S. for the month of June, the unemployment was 11.1%. North Carolina is reflective of May and it was 12.7% and for Franklin County (month of March) was 11.2%. We are watching this regularly and we try to keep everyone updated as the numbers come out. As for the labor force, Franklin County had 29,152 people in May. However, the telling sign is right below that for those employed and there was a big drop – 25,798 people. While all of this has been going on, the housing permit activity has not slowed down. I would like to note there is a new system in place with permitting and it is electronic now. However, there have been some glitches with us pulling the data for commercial permits, so you may see a slight change on our next report. As for the housing permits, there were 135 permits issued in the month of June, which is amazing.

Next, Richie Duncan gave an update on projects. Ms. Duncan said project generation hasn't slowed down. What we have seen that is different, is how they have changed in scope. A project may come to us and they say they want an existing building and that's the only thing they are willing to consider. Then, that project will do a search throughout the state, come back to us and they are willing to consider something different. Also, we've seen that while many are requesting information, they are telling us upfront that their decision time is much further out than it had been previously. There is no surprise that the first choice is if they can find an existing building, they prefer that. We have been very aggressive when people come to us and say they want an existing building. We let them know there is a lack of inventory, but would you consider a build-to-suit. We know we could get a build-to-suit done in their timeframe or possibly faster. Manufacturing is the project type consistently requested and the square footage is mostly 10,000-29,999 square feet and then it jumps to 100,000 or above. Ms. Duncan said with the Louisburg industrial site receiving the grants that it has, we have been very aggressive with trying to get that site promoted, as well as the Triangle North Franklin site. Lastly, Ms. Duncan said looking at the CIRs (Community Investment Reports) from the state for the first quarter of 2020, they announced \$1.15 billion in investments. She noted that Activated Carbon Innovations in Louisburg had an investment of \$85M, which was the 4<sup>th</sup> largest investment for a project in first quarter of 2020.

Next, the municipal reports were given. Greg Bethea said they had moved into their new town hall and are now in the former First Citizens Bank building at 101 N. Main St., Franklinton. They are now in the process of selling the previous town hall and annex. They have a confirmed offer on the annex, but are still looking for a buyer for the town hall. Our budget was approved and we cut our tax rate, which is consistent with our plans for trying to reduce our tax rate to make ourselves more competitive. We have plans for 200 more units in Essex Place, 170 units on Lane Store Road and somewhere between 300-500 on the Thompson property, and we are without water allocation to be able to take care of those. We are at a desperate spot, in terms of development on the residential side, and hope the County Commissioners will be able to create an agreement to get water, so we can continue to grow.

Our builders are getting very frustrated with the process, also. He was happy to hear that the County Commissioners said they are now in negotiations to do that and we are hoping they can bring that into fruition very quickly. County Commissioner Shelley Dickerson said at their Monday night meeting, they announced they would be going into negotiations with the city of Raleigh, to help with those short-term water issues and we should have a report soon on our long-term water issues. We are working as diligently as we can to solve these water allocation issues.

Mr. Bethea said he doesn't know if many of you have seen downtown Franklinton lately, but we have 13 buildings under renovation. On July 22<sup>nd</sup>, we are going to have an open house for the new downtown Franklinton. We are looking for brokers, potential tenants, investors and hoping that people who want to be a part of downtown Franklinton, can come and join us. We will start that morning at the new town hall at about 9:00 and then have a tour of downtown. We will have some people who know about the history of most of the buildings, but you will get a chance to see much of the upfitting that's going on. We have commercial and residential spaces, and we've even got spaces for food trucks. We have outdoor and indoor spaces, and we've redone our pocket park. If you don't get a chance to come by on July 22<sup>nd</sup>, please come by any time and take a tour of downtown Franklinton.

Jonathan Franklin said the town of Louisburg received an IDF (Industrial Development Fund) in the amount of \$2.4M. The town will be putting in about \$800,000, so the total investment is \$3.2M. We have put out RFQs (Request for Qualifications) for engineering for the roads, water and sewer. We should have those back by the end of July and choose those at the August meeting, and then start some design work. We've had some interest in it, so this couldn't have happened at a better time. Also, the town council recently approved mixed-use development in downtown, so some of these older buildings can be purchased and have residential upstairs, with retail or some commercial use on the bottom floor.

Jerry Edmonds said one of VGCC's projects is the exchange of locations on the Franklin campus, whereby the Franklin County Schools early college high school program will soon occupy building five. We are excited about this and providing the opportunity for continued growth. Franklin County Schools are anticipated to grow at approximately 50 students per year, and this growth was not achievable in the pod structure that FCS was currently in for the early college high school program. As a part of this, there is the agreement to help build on to VGCC's current campus, within the next five years. We have had the opportunity to apply for an EDA grant and we should be in the position to submit this in the near future. Mr. Edmonds said Bobbie Jo May (Dean, Franklin Campus) has retired, which leaves a position vacant at the Franklin campus. The job description remains the same, but we are calling the position the "Dean of Corporate Learning and Professional Development". This will enable us to service many of those companies in the community at a "c-suite level". From the ownership to the vice presidents, this is currently a missed opportunity for us because of how the NC community college system is structured. Keith Shearon (VGCC Customized Training Director) does a fantastic job of touching base with the manufacturing businesses and offering them the skills that they need on the floor to be more effective. However, what that position often times doesn't offer is the opportunity to go to businesses outside of the manufacturing realm. What we have done is re-engineered that position to include corporate learning, and a big part of that dean's responsibility will be to go to those businesses and train those

employees, for example, that may have been on the floor and may have been promoted to a first-line managerial position. There are unique challenges that typically occur where you've had two individuals, who have worked side-by-side, and now one is the supervisor of the other. These are the types of things we are wishing to help corporations navigate, such as conflict resolution and diversity training. Mr. Edmonds said Sheri Jones has done a great job in reaching out to those small businesses during this time. Also, Keith Shearon is working with Dean Weary on an advanced manufacturing institute, which you will be hearing more about in the near future.

Lou Grillo thanked Richie Duncan for the coordinated effort with the businesses, as we first started experiencing COVID-19 and making the adjustments we needed to make to continue to tread through this sort of environment. The NCWorks career centers have continued to stay open during this time, mostly working at home. The centers will reopen July 20<sup>th</sup>, with the centers in Oxford and Henderson being fully staffed and they will have the opportunity to meet with the public by appointment. Services will still be offered virtually, as well. We don't handle unemployment at the offices, so people will still need to call the Raleigh office and that is handled virtually. People need to do their check-ins to seek employment and the centers will be able to receive calls next week. We have a virtual platform set up right now, but next week we will have staff back in the offices, so by calling the Henderson or Oxford phone numbers, staff will be there to answer calls. We have a population that has been separated from employment and there are companies that are no longer there. There will be some transitioning and training that needs to happen, so the coordination of efforts between VGCC and Piedmont Community College, have afforded the ability to meet the needs of the citizens. We want to make sure that people know that the services and the people that are able to offer those services are often times able to pay or subsidize some of the training as they go to VGCC. Also, we have been successfully approved as a region, for a National Emergency Grant in the amount of \$200,000, to pay for training for people who have been displaced and now need to be re-trained on a new career. Part of that transition was called "virtual enrollment". For most activities, you are required to come into the career centers to supply any sensitive documents, such as birth certificates, driver's license, etc. The state has now approved "virtual enrollment", which allows you to use your smartphone or device to upload birth certificates, social security cards, etc. into the system that we use to get you enrolled.

Kim Denton said Open Broadband is continuing with their implementation efforts in the county. They are working in Vance and Granville counties, as well. The first objective is to get wi-fi in Owens Park, along with getting some of the areas that the tower agreements are in place and they are working to get equipment installed. Hopefully, this will happen within the next 30 days. At the County Commissioners meeting on Monday night, Holt Kornegay (Library Director) said the library was awarded a grant from the state library for a bookmobile. It's an interactive bookmobile, with hotspots, computer terminals and all the things that will make it a great pop-up library in different places. It can be used to further some of these objectives and needs regarding broadband and connectivity for our county residents. It can be used throughout the county at events, as well. The challenges of COVID-19 continue for the county. We have worked to keep our offices open, with most being by appointment only. We are making sure we can continue to provide the services that citizens need.

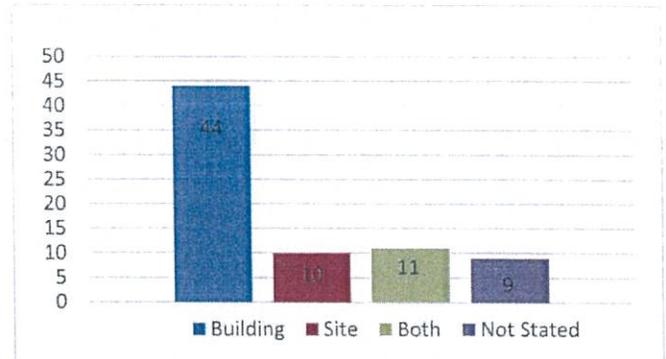
Charles Mitchell said agriculture is struggling right now. Growing and producing things doesn't stop, but we have had a few farms impacted by this virus, as far as workers. The farmer's market is open on Fridays only from 9:00 to 1:00. He said he read a recent article about trade agreements with China over the past two years. We were hoping for a better year this year, but this doesn't look very good right now.

With there being no further business, the meeting was adjourned at 9:35 a.m.

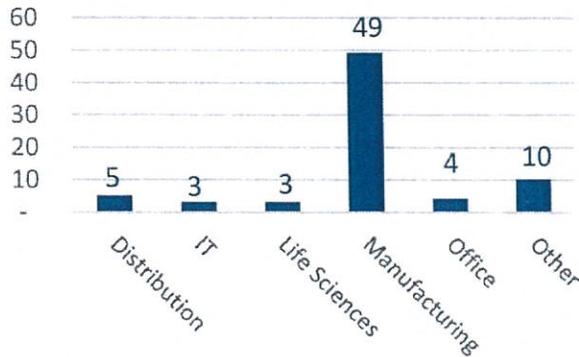
### Project Generation



### Building vs. Site

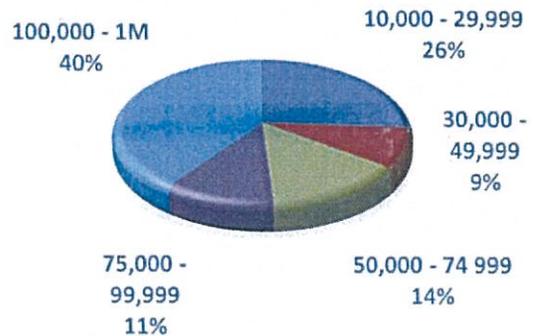


### Project Type

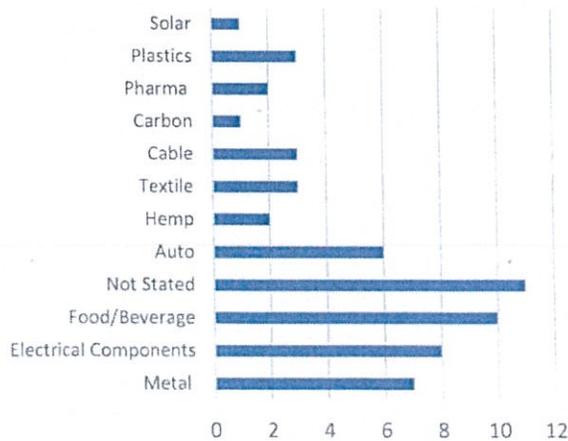


### Building Request

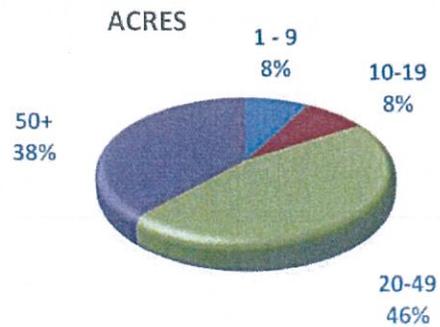
#### SQUARE FOOTAGE



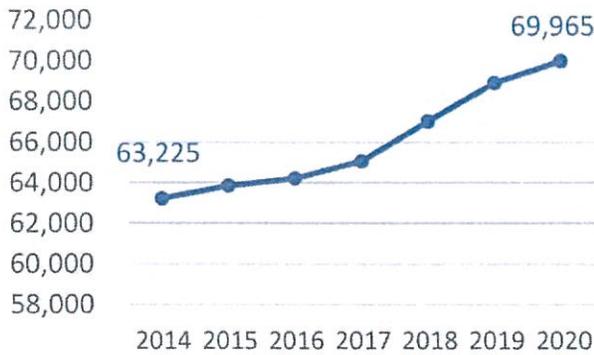
### Manufacturing Sectors



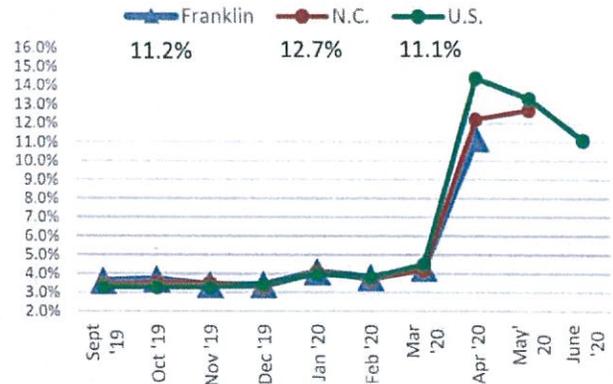
### Site Request



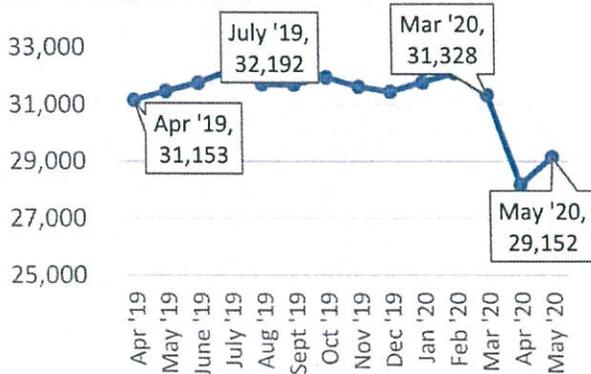
Population (as of 5/14)



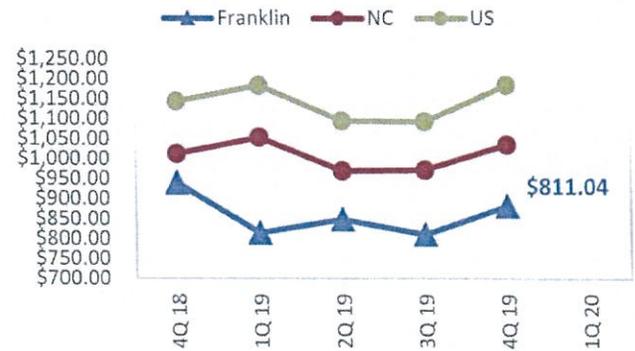
Unemployment Rate (as of 7/6)



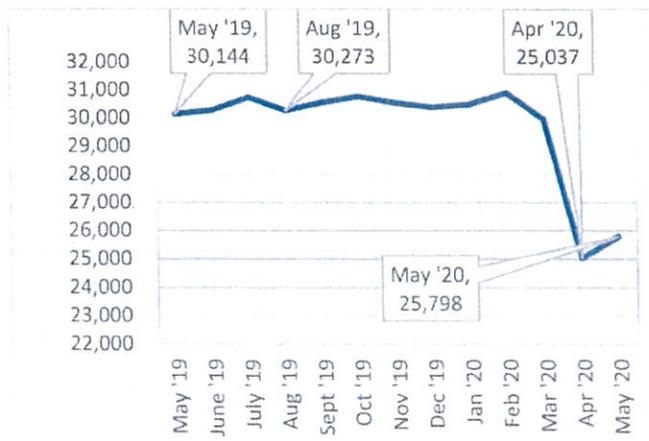
Labor Force (as of 7/5)



Average Weekly Wages (as of 5/22)



Employed (as of 7/5)



Permit Activity (as of 7/5)\*

Permits dept new collection method Jan 20-subject to change

