

March 13, 2006

The Board of Commissioners of Franklin County, North Carolina, met in Regular Session at 7:00 P.M. in the Commissioner's Meeting Room located in the County Administration Building with the following Commissioners present: Chairman Sidney E. Dunston, Vice-Chairman Lynwood D. Buffaloe, Commissioners Harry L. Foy, Jr., Raymond A. Stone, Jimmie R. Gupton, Donald C. Lancaster, and Robert L. Swanson

1. Consent Agenda

Upon the motion by Commissioner Lancaster, seconded by Commissioner Buffaloe, with all present voting "AYE", for approval of consent agenda.

2. Comments From the Public

Don DeJong 428 Husketh Road, Youngsville, NC 27596

He came to address the issue of rezoning of Joe Denton Road. Since he came to the meeting it was brought to his attention that the motion has been withdrawn.

Bob Winters, 195 Black Cloud Drive, Louisburg, NC

He wanted to stand in support of Mr. Foy's motion regarding returning of the funds that were illegally taken by Mr. Rudd. As he understands the situation, Mr. Rudd, in the name of Franklin County, charged these unauthorized fees and they went straight to his own pocket. In recovery of the funds, the county should morally refund to those taxpayers that which was wrongfully charged by Mr. Rudd in the name of Franklin County. Is the county not responsible for the action of its employees? If you say no the recent settlement says otherwise.

3. Map Amendment; Elmo, Ricky & Stuart May, 79.54 Acres, Harris Township, Joe Denton Road (SR 1707), R-1 Zoning To R-30 Zoning.

The board originally deferred action on this matter at its February 20, 2006 regular meeting. However, the board did hold the public hearing on this subject.

Pat Young, Director of Planning, originally scheduled at this time a rezoning request for 79.54 acres on Joe Denton Road, Harris Township. Applicant requested that the petition for the rezoning be removed at this time and also expressed they are willing to work with the Planning Department to identify a sub area of their property that will accommodate their needs that were expressed at the last meeting without the rezoning the entire parcel. Commissioner Stone thanked the May family.

4. ECONOMIC DEVELOPMENT STATUS REPORT

Ronnie Goswick, economic development director, presented the board a status report on economic development that includes economic conditions statewide and locally, recent local job announcements, future opportunities, Hub development progress, and the existing industry program. In addition, Mr. Goswick presented the parameters of a possible board of commissioners planning session for economic development.

Activity Updates:

- The Franklin County Economic Development Commission has been active with the following expansions and project location:
 - Apogee Medical, a producer of medical devices, has expanded manufacturing capacity by 35,000 sq. ft. and is hiring 60 new employees.
 - Alcan Packaging is increasing their production capacity by adding additional machines and have increased employment over the last year. Alcan produces plastic bottles for Revlon and healthcare companies.
 - Bobbees Bottling has expanded their line of products and increased employment. They are currently looking for an additional 30,000 sq. ft. of manufacturing and warehouse space.
 - Xerium has announced that they will relocate its corporate headquarters from Massachusetts to Youngsville. They will move 30+ employees to the Franklin County site. Xerium has 3,900 employees worldwide, with \$582 million in sales. Corporate management will locate in the Fujitsu building on US #1.
 - Industrial Air Quality is relocating to a 7,900 sq. ft. building in Allen Park with a \$600,000 investment.
 - Majestic Marble and Glass/Cornerstone is in the process of expanding into their fourth building in Franklin County. Cade Construction is building a 35,000 sq. ft. building on Northbrook Dr. (the new industrial park off of Bert Winston Rd.). Majestic will move their glass division into this building. It is currently located in Wake Forest, and an additional 35 employees will relocate to this site. Investment will be approximately \$1,600,000.
 - Nomaco K-Flex has expanded its office space by 10,000 sq. ft. to accommodate the growth they are experiencing. In addition, they are expanding their warehouse storage needs. Currently, they have warehouse spaces in Youngsville & two sites in Louisburg.
 - Southern Lithoplate has expanded into warehouse space at their current site. The 30,000 sq. ft. addition will provide additional warehouse and manufacturing space with a \$1,360,000 investment.
 - Square D has relocated to a large facility in the Youngsville area. They were located in the old North State Brewery building and have moved to the Welsh building on US 1A.
 - Suretech Assembly is adding an additional 10,000 sq. ft. to its existing facility on Jeffrey Way.
 - TTI Wireless has located on US 1A in Youngsville. Tom & Dale Albright are starting a new business to install security systems at airports and other places that need continuous surveillance.
 - Carolina Custom Concrete is building a 25,000 sq. ft. building on

- Northbrook Dr. and will employ 100 people. This represents a \$1,300,000 investment. - Stay
- Right Tank Company has built a new facility on US 1 and will employ 75 people with a \$2,460,000 investment.
- The Lloyd Group is building two (2) flex space buildings at the junction of US 1 and 1A in Youngsville. These buildings will be used for retail and commercial business.

Commissioner Stone commented that in the paper there was an article concerning a meeting to be held in the Wake Forest area in the next few days about completion of US1 from 540 to Franklin County. Do you know anything about what they have in mind? Ronnie Goswick responded the proposal is to make a thorough-fare from 540 to US1A in Youngsville. The hope is to receive the public input on putting service roads along US1, limit the access of traffic, instead of having traffic turning off US1. It would be great if we can attend the meetings; one will be Wake Forest and the other TBA. We need input in that process and with the board guidance there should be and overlay to help the Department of Transportation to look down the road. Once it has happened like it has in Wake Forest it is really hard to make the changes.

Commissioner Buffaloe commented that this is what he was speaking about at the retreat when he was speaking on an overlay from Wake County line to Vance County line on US1. The location of the meeting will be the old Jeffrey Furniture south of Hardees'; Located on the service road off US 1.

Pat Young Planning Director stated: The US1 corridor study is an ongoing process with some of the technical people working with issues that were identified as overloads. Between the first meeting and second meeting, it is his intent to work with the manager and Ronnie Goswick's office to brief the board on the progress of the group and make sure your input is provided to the group; this study will not be wrapping up until September/October.

Regional Economic Development Activities

- Currently, the Research Triangle Regional Partnership has 21 active projects looking in at least one county in the region.
- Six of these regional projects have expressed interest in Franklin County and are at various stages of consideration.

N.C. Department of Commerce Activities

- A nationwide search for a site to locate a large research facility.

KERR-Tar Hub Project

- The hub project is moving forward. Sanford Holshouser Business Development Group is working with property owners in all four counties to extend control of the property.
- Commissioner Lancaster is serving on a finance committee looking at possible ways of financing the control of the property. Lee Yarbrough and I are serving on a marketing committee to provide directions to the hub board as they move forward with the marketing of these sites.
- This project is very unique in the State, as well as the Nation. In other words, we are “plowing new ground”.
- We have come a long way, but we have not completed our task. We will continue to work to bring this to fruition.

Shell Building Program

- Our shell building program is the most important enticement to encourage companies to consider Franklin County as a possible location. Our desire is to build the 100,000 sq. ft. shell building in the Youngsville area. This building will be designed to attract companies that have been identified as our targeted industries. These industries are Biotechnology, Information Technology, Medical Devices, Automobile Parts, Warehouse/Distribution and Nanotechnology.
- The Committee of 100 and Franklin County EDC are working with the Town of Louisburg to build a shell building in the Louisburg area. This building will be between 10,000-20,000 sq. ft. and will be designed to attract a small to mid-size company looking for space to grow and expand. It will be located in the new Louisburg Industrial Park.

Certified Sites Update

Louisburg Industrial Park (T. Kemp Rd.)

- This site consists of 151 acres of industrial property with water, sewer, natural gas and appropriate zoning. The Minerva Group, Tom and Carol Albright, Town of Louisburg and Franklin County have joined together to certify this tract and market it through the web as well as direct mail.
- The Town of Louisburg will move their electrical department to this site. We also have two companies looking to locate on this property.
- Once the site is certified, the Town of Louisburg, Franklin County and the Committee of 100 will explore the possibility of locating a shell building on a portion of this site. This will give much more exposure to this area of Franklin County and provide much needed jobs for our citizens.

Franklinton Certified Site

- We are working with property owners and Franklinton officials to locate a site that can be certified in the Franklinton area.

Youngsville Certified Sites

- The two sites in the Youngsville area consist of a 400-acre site and a 106-acre site. These sites combined make up the current hub site.

Other Certified Sites

- The Franklin County EDC Board and Committee of 100 are actively looking for other sites throughout Franklin County. There are several concerns that must be addressed in order to locate these sites. One is the availability of water and sewer and the cost to have it on site. While not required, the availability of natural gas is an important factor in marketing a site. These factors limits the geographical area in our search.
- Certified sites are a great product to have as we attempt to market Franklin County, and the more sites we have, the better the chance of landing a project that is on a "fast track". Franklin County is moving in the right direction. We currently have two certified sites – one at 106 acres and the second at 502 acres. The 502-acre site is one of the eight largest certified sites in NC.

Commissioners Planning Session for Economic Development

- I would like to encourage the Commissioners to consider having a planning session for the Commissioners, Economic Development staff, and County Manager. This session should focus on providing guidance to the Economic Development department by defining what the Commissioners believes success in Economic Development looks like. Historically, Economic Development efforts have focused on industrial type projects. Projects such as Flextronics, Novozymes, Sprint, Hon and other large companies. All policies were geared towards attracting and encouraging these projects to locate or expand in Franklin County. Last year, the Commission adopted a policy that will allow incentives to be offered to smaller companies, as well as certain commercial and retail projects. This allows for a broader base in our tax base and will increase our sales tax income.
- I feel that we need a broad based initiative that will target industrial, commercial/retail, and existing industries in our recruitment and expansion efforts.
- I would like to have Chris Coudriet, Richie Duncan-Existing Industry Coordinator, Lori Duke-Administrative Support Specialist and myself meet with the Commissioners as soon as possible. I would like to meet with the Commissioners for an Economic Development planning session to discuss the future direction of our efforts.
- Please let me know if I can move forward in preparing a time and place for this planning session.

Richie Whitfield Duncan, Existing Industry Coordinator

Background

Education

- Graduate Franklinton High School -
- Graduate University of North Carolina at Chapel Hill - Graduate
- studies Finance & Business - UTA

Work Experience

- 17 years – American Airlines
- Current position:
VP Sales & Marketing – AA Vacations

Expertise

- Create & manage advertising budget -
- Plan & implement all print & media publications -
- Manage online marketing programs -
- Oversee sales efforts & communications -
- Maintain public relations for product

Forward Plan

Focus on existing industries

- Build relationship through in-person visits
- Create database that is in sync with Kerr-Tar Regional and

Research Triangle Regional Partnership database - Creation of
collateral & press for marketing Franklin County - Grant writing to
maximize development opportunities

5. BOARD, MANAGER AND CLERK'S COMMENTS

Commissioner Foy: He would like to go back to the issue he brought up last week relating to the Donnie Rudd matter. He has received the letter from our attorney and he has more questions than answers. According to the letter he was ordered to pay restitution to Franklin County in the amount of \$60,000, but the total amount that he wrongly collected was \$295,000. Why was he only ordered to pay 1/5 of what he wrongfully took? County attorney responded: It was up to the superior court judge.

Commissioner Foy asked the attorney if he was part of the hearing? Mr. Batton stated he was not; the district attorney represented the county. This is a state court action.

Commissioner Foy stated that this was unknown to him until about 3 or 4 weeks ago that there was a judgment for Mr. Rudd to pay anything back. Mr. Batton stated I read it in the Franklin Times as well.

Commissioner Foy asked is there anything we can do to show that he took \$295,000 and only have to pay \$60,000 that gives a bad signal that crime does pay; is there any

way we can go about getting all the funds back? Mr. Batton stated the county has no standing to sue Mr. Rudd on civil charges; he did not take the money from the county he took it from the tax payers.

Commissioner Foy: he was working for us as an agent; Mr. Batton: yes but we can not sue him because he did not take county money.

Commissioner Foy: there were 5900 taxpayers that were charged \$50 fees which is the total of \$295,000. With the money he has paid to-date there will only be .49 to each person. Are there other ways we can give the people their money back; for example go in alphabetical order or hold back until we get back more of the money. You make it seem like the cost of distributing outweighs what the people get back. If you look at it different ways. Mr. Batton stated along with the manager they are ready to do what ever the board would like for them to do. All we have is a list of names and account numbers; with the administrative time, this will involve finding address and writing letters to all 5,000 people and using .39 stamps; it may not be a wise decision at this time, but what ever the board wants we will do it. Commissioner Foy: I guess not if you put it like that.

Commissioner Stone stated if he collected the \$50 fee for Franklin County then the money belongs to the county and not the tax payer is that correct? Mr. Batton stated when someone is delinquent in taxes there is a penalty added to their taxes each month. The taxes collected from Mr. Rudd from the taxpayer included a penalty, interest plus the additional \$50 that was separate and apart.

Mr. Batton stated Mr. Rudd simply wrote people letters stating the amount of taxes they owed and amount of interest owed along with the \$50 collection fee. The people paid their taxes and interest fee, so the county got its money but Mr. Rudd pocketed the \$50.

The statute states he could collect the money, but, there was not approval from the board. Mr. Rudd stated the manager at that time gave him authorization to collect the fee.

Commissioner Lancaster: If the court ordered him to pay restitution who is responsible to ensure that he repays this amount? Could we lobby the court system? Mr. Batton: he was supervised by a probation officer; you can direct the staff to seek information from the probation officer that supervised him to determine how much he paid, what was he suppose to pay from day one, was his pay schedule set up to repay the county within 5 years. To find him in violation of his probation the court had to find there was a refusal to pay money due.

Commissioner Stone: Mr. Batton do you know if the order of the court that heard the case specified for the money be paid to the county or the individuals? Mr. Batton the order is to be paid to the county.

Chairman Dunston: If the order of the court orders an individual to do something what recourse do we have? Mr. Batton: we have none; the court is in charge of the restitution we cannot do anything on a criminal stand point. Can we petition the court that this process is not fast enough?

Mr. Batton stated that the court has Mr. Rudd on probation for 5 years; the court has the authority to extend this for an additional 3 years to continue to collect money that is within the court's power. Chairman Dunston asked if by the end of his probation if he has not paid all of the money does he have to pay to remainder? Mr. Batton: They will not have jurisdiction over him – but the court does have the authority to extend an additional 3 years.

Commissioner Foy stated that he did not find out about any of this until 2 to 3 weeks ago. Mr. Batton how come you didn't keep us inform of this? Maybe we could have done something different; this makes me wonder what else has happened in the county that the board has not been told about. The Franklin Times and Wake Weekly both reported the information and this was public record. When it was in the headlines of the newspapers, the county manager at that time and my office didn't feel we needed to send a memo out.

Commissioner Foy asked to put this back in motion; that we get back from Mr. Rudd, we give back to the taxpayers that were wrongfully charged the fee. Seconded by Commissioner Lancaster. Commissioner Swanson: let's wait until we see how much we get back – we should not write a check for .10. Commissioner Lancaster amends the motion once we collect the bottom amount that we are going to get at that time we will divide it up. We can do this by petitioning the probation office and the court. They may state that you are not getting any more if so, so be it. Then we divide up the amount we received. Seconded by Commissioner Buffaloe.

Upon motion Commissioner Stone tabled the amended motion, seconded by Commissioner Swanson with Dunston, Swanson, Stone, Buffaloe, & Gupton voting "AYE" by and Lancaster & Foy voting "NO". The motion was carried 5 to 2.

Commissioner Stone: KERR Tar was making a selection of a new executive director. They made an offer to an attractive candidate and he accepted the job and a day later the candidate withdrew, so we are back to the drawing board. NACo meeting in Washington, he served on the US Services/Education committee. Some items that they discussed: How can the county and state manage the rising cost of Medicaid and the emergencies of communication with the Feds? The effects of immigration policy and lack of forceful procedure of illegal people coming in the country, not only the people from Mexico but people that are flying in from overseas everyday. Meth. Labs were discussed. No Child left behind program funding and other items that were at the conference.

Commissioner Buffaloe he went the NACo conference as well, he went to an Economic Development Seminar and he learned that counties in New York have the same problems as we do here in Franklin County.

Commissioner Swanson spoke on the NACo conference and stated about the dinner Social Services will be hosting for the board on Monday, March 20.

Commissioner Gupton nothing to report

Commissioner Lancaster stated that he has meetings planned for this week which is the HUB Finance, HUB General and Committee 100.

Commissioner Dunston will be attending School Bond Kickoff and ask everyone to support this effort. In the light of the discussion on Don Rudd – asked the staff to investigate this situation and bring back to the board at a later date. So the facts can go out.

County Manager, Chris Coudriet, stated that the budget requests are due in by March 15. Some departments have a larger budget request and we have given extensions to them. We will be working to turn this information around to you. The election equipment has arrived. Board of elections has been working hard to ensure it is stored. Senator Dole's office will be conducting office hours again here in Franklin County on March 21 in the Superior Court room from 10:00 a.m. to 1:00 p.m. The Shelter Committee of Animal Control that you established is in a regular meeting process, trying to establish a new entrance. The new manager Graham Stallings is in place to help make the executive decision. Social Service Department will be having dinner for you next Monday, March 20, to bring you up to date of what is going on in this department.

Upon motion by Commissioners Stone seconded by Commissioner Gupton, will all present voting "AYE", the meeting was declared adjourned.

Sidney E. Dunston, Chairman

Chris Coudriet, Clerk to Board