

November 17, 2008

The Board of Commissioners of Franklin County, North Carolina, met for its Regular Meeting at 7:00 P.M. in the Commissioner's Meeting Room located in the County Administration Building with the following Commissioners present: Chairman Robert L. Swanson, Vice-Chairman Penny McGhee-Young, Bob Winters, Lynwood D. Buffaloe and Sidney E. Dunston. Commissioner Donald C. Lancaster arrived at 7:04 P.M. Commissioner Harry L. Foy, Jr. was absent.

Chairman Swanson called the meeting to order and asked the Board to consider approval of the consent agenda.

Commissioner Young made the motion to remove Item 1-B from the consent agenda for further discussion. The motion was seconded by Commissioner Dunston and duly carried with all present voting "AYE."

Commissioner Dunston made the motion to approve the consent agenda, seconded by Commissioner Buffaloe. The motion duly carried with all present voting "AYE." The items approved are as follows:

1. CONSENT AGENDA

- A. November 3, 2008 minutes
- ~~B. Rural Center Contract for grant for Novozymes Sewer Expansion~~
- C. Releases, Adjustments, Refunds, and Tax Collection Report
- D. Contract with LPA Group to seek bids for location of a fuel farm to be constructed at the Triangle North Executive Airport

In reference to Item 1-B, (Rural Center Contract for grant for Novozymes Sewer Expansion) Commissioner Young asked Richie Duncan, Existing Industry Coordinator, to provide an update on the Novo project. Mrs. Duncan stated the project has now been concluded and the full cost has been given. Original estimates were \$594,000, but she said the project is now under budget by \$164,983 for a final total of \$429,017. Factoring in grant funds from the Rural Center, she said the County must commit half of the funding. The other half will be covered by the Rural Center. She reminded the Board that it had previously committed funding up to \$297,000 for this project. The County would now commit \$214,508.50 instead. She also stated that \$500,000 of those funds would be contributed by Novozymes to the County to assist with expenses related to this project.

Commissioner Young then made the motion to approve Item 1-B (Rural Center Contract for grant for Novozymes Sewer Expansion). The motion was seconded by Commissioner Buffaloe and duly carried with all present voting "AYE."

2. COMMENTS FROM THE PUBLIC

This was the time set aside by the Board of Commissioners to allow individuals five minutes to address the Board on issues concerning the county.

Robert Earnhardt, 7412 Churchill Drive, Wake Forest, NC

- Mr. Earnhardt commented on an agenda item scheduled for discussion later in the evening concerning a proposal for a skydiving center at the Franklin County Airport. Mr. Earnhardt is a pilot himself and stated safety as his major concern. He commented the local airport is currently one of the nicest and safest in North Carolina and stated he often uses the center himself. He also commented on the

convenience of the airport. He stated he felt military flight schools would likely decrease their use of the airport if skydiving was permitted. Mr. Earnhardt stated he had already spoken with the owners of proposed Triangle Skydiving Center and said he was not satisfied with plans for the operation, but he also stated he too wants the airport to be profitable and help to attract more business for Franklin County.

Craig Piowaty, 231 Glasscock Street, Raleigh, NC

- Mr. Piowaty stated he is a chief pilot for NC Rotary and Wing. He said he is apprehensive about how a skydiving operation will affect existing business and does not want to see a loss of revenue for the County. He said he'd like to see further study on the concept and stated he was not convinced that flight training could not coincide with skydiving. He also said he had concerns about safety, but was not certain that skydiving would be a problem in Franklin County.

Chuck Rinker, 2101 Old NC 98, Wake Forest, NC

- Mr. Rinker read a letter submitted on behalf of the LHZ Pilot's Association offering an opinion on the proposed parachuting operation. The LHZ Pilot's Association is comprised of members of the business operations, rotor wing and fixed wing flight instructors, an airport consultant as well as a large portion of the active private and commercial flight community of the local airport. The letter states concerns that the potential benefits of jump operations do not sufficiently outweigh the potential negative safety and economic impact on existing training, business, corporate growth and private flight operations at LHZ. Mr. Rinker stated the group would like more education on the proposal. The letter is on file in the Clerk's office.

3. PUBLIC HEARING

A. Request for Rezoning – Franklin County Schools (CLH Design)

The Board was asked to consider adoption of a zoning map amendment to rezone approximately 38.84 acres of a 78.579 acre tract located on the west side of Cedar Creek Road in the Franklinton Township from R-15 Residential to R-1 Residential. Following the public hearing, the Board was asked to utilize the rezoning checklist provided to assist in its decision.

Scott Hammerbacher, Planning Director, presented the request and stated the request, which involves the site of the future Franklinton High School, was in accordance with the Land Use Plan. He stated the school would support development patterns and said rezoning would allow a school as a permitted use. He said unanimous approval was received from the Planning Board regarding this rezoning request.

At approximately 7:26 P.M., Chairman Swanson opened and closed the public hearing with no comments from the public.

Commissioner Lancaster then made the motion to approve the rezoning map amendment, seconded by Commissioner Dunston. The motion duly carried with all present voting "AYE."

B. Text Amendment to the Franklin County Unified Development Ordinance, Chapter Two – Zoning Ordinance, Article 4, Section 4-3 and Article 6. District Regulations, Article 6-1: Table of Permitted Uses

The Board was asked to consider the adoption of a text amendment to the Franklin County Unified Development Ordinance (UDO) to amend Article 4, Section 4-3: Establishment of Zoning Districts and Article 6, Section 6-1: Table of Permitted Uses to allow manufactured homes as a conditional use within the R-1 Residential District.

Scott Hammerbacher, Planning Director, stated approval of this text amendment would allow for manufactured homes within the R-1 district. He said currently this practice is not permitted. He followed up by saying that approximately 300 modular homes are located nearby the location in question.

Mr. Hammerbacher informed the Board that the Planning Board, by a majority vote of seven to one, recommended approval of the proposed text amendment, suggesting that manufactured homes be allowed as a conditional use within the R-1 Residential District.

Commissioner Young commented that she does not want action tonight to take the place of the fact that the County has areas that are erroneously zoned R-1 and said she would like to see those errors addressed in the Comprehensive Development Plan.

At approximately 7:30 P.M., Chairman Swanson opened and closed the public hearing with no comments made.

Commissioner Lancaster made the motion to adopt the text amendment, seconded by Commissioner Buffaloe. The motion duly carried with all present voting "AYE."

C. Text Amendment to the Franklin County Unified Development Ordinance, Chapter Three – Subdivision Ordinance, Article 29, Section 29-5: Streets, (H) (3) Cul-de-sacs to allow the Planning board to approve exceptions for cul-de-sacs to exceed 1,200 feet in length.

The Board was asked to consider the adoption of a text amendment to the Franklin County Unified Development Ordinance (UDO) to amend Article 29, Section 29-5: Streets, (H) (3) Cul-de-sacs to allow the Planning Board to approve exceptions for cul-de-sacs to exceed 1,200 feet in length.

Chairman Swanson opened and closed the hearing with no public comment.

Commissioner Lancaster made the motion to adopt the text amendment, seconded by Commissioner Young. The motion duly carried with all present voting "AYE."

D. Text Amendment to the Franklin County Unified Development Ordinance, Chapter Three – Subdivision Ordinance, Article 28, Section 28-4: Major Subdivision Procedure (C) Final Plat to include a street maintenance disclosure certificate to be placed on final plats.

The Board was asked to consider the adoption of a text amendment to the Franklin County Unified Development Ordinance, to amend Article 28, Section 28-4: Major Subdivision Procedure (C) Final Plat to include a street maintenance disclosure certificate to be placed on final plats.

Chairman Swanson opened and closed the hearing with no public comment.

Commissioner Lancaster made the motion to adopt the text amendment, seconded by Commissioner Dunston. The motion duly carried with all present voting "AYE."

4. RESOLUTION APPROVING BANK PROPOSAL

The Board was asked to consider approving a banking proposal for the financing of the E911 Upgrade and Water and Sewer Infrastructure Improvements in the amount of \$4,700,000.

County Manager Angela Harris stated rates are competitive and that five banks had submitted bids. She stated that RBC Bank offered a 3.58 percent rate for ten years. She also asked the Board to consider awarding the bid to RBC to fund the projects discussed.

Commissioner Buffaloe then made the motion to accept the banking proposal for the financing of the E911 Upgrade and Water and Sewer Infrastructure Improvements in the

amount of \$4,700,000 and to award the bid to RBC. The motion was seconded by Commissioner Winters.

Commissioner Young then asked if the County has the opportunity to pay off loans early. It was stated the County could pay off loans early, but would likely pay a one percent penalty.

The board unanimously voted in favor of Commissioner Buffaloes' motion, with all present voting "AYE."

5. TRIANGLE SKYDIVING CENTER PROPOSAL

The Board was asked to consider approval of Triangle Skydiving Center (TSC) as a tenant at Triangle North Executive Airport. Rob Southerland, Airport Manager, presented the proposal and stated he asked Gregory Upper (Owner/Operator of Triangle Skydiving Center) to seek out other airports that were larger than Franklin County and see how their operations are run. Mr. Southerland stated the skydiving center would be a positive move for the airport. He stated procedures would be in place for a safe and professional operation. He commented that rent would total about \$18,000 per year along with \$13,000 revenue from skydiving operations. He said it costs one dollar per person each time someone jumps. He also anticipates approximately \$2400 in fuel sales. He said if the proposal is approved, he will have Mr. Upper and NC Rotary and Wing to create safe procedures.

At this time the Board deferred to the County's Airport Commission Attorney David Guin for comments. He mentioned a news article online (from November 12, 2008) that gives information about a skydiving operation approved at an airport in Fairfield County, Pennsylvania. He state Commissioners in that county had once denied permission for a skydiving operation. He said the owner of the skydiving operation then went to the Federal Aviation Administration (FAA) to receive its blessing stating skydiving is a safe operation. Mr. Guin stated the owner came back to the Board armed with Airport Improvement Rules which state that if an airport receives federal grant money it could be subject to losing its federal grant funding if the skydiving operation is denied. Mr. Guin stated he had been referred to an Airport Director in South Carolina who explained that federal grants would be suspended if his airport did not allow skydiving on their field. Mr. Guin stated it would have to be determined that there was a legitimate reason to deny the skydiving operation. He also said there are operations larger than the Franklin County Airport that have had FAA approval on similar operations.

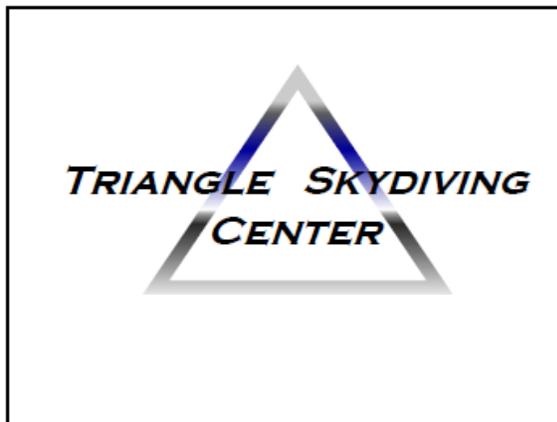
Commissioner Lancaster then asked if the FAA would have to sign off on an operation in Franklin. Mr. Southerland stated "no" and again added there are facilities a lot larger than Franklin's that make skydiving operations work every day. Commissioner Lancaster then asked about the possibility of imposing conditions. Mr. Guin stated yes, if it is a legitimate condition, but not if the condition would be more of a bureaucratic hoop to discourage the operation from locating here. He said as long as long as TSC complies with federal regulations, the FAA would likely sign off on the operation as "safe."

Mr. Southerland stated it would be difficult to address an offsite landing zone for skydivers because the County does not own property to provide for that based on the industrial park locating near the airport. He said it would be up to Mr. Upper to work out agreements with private property owners.

Mr. Uppers then stated skydiving doesn't require much air time, approximately five to eight minutes.

Mr. Southerland again expressed his belief that the "pros" outweighed the "cons" in this proposal. He then stated that he wasn't looking for a long-term lease from Mr. Upper, but rather a short-term lease in order to bring new people into the airport.

Mr. Upper then made a presentation to the board on the proposed operation which he said he would like to open by April, 2009. He said upon Board approval, a funding plan would begin. He said he is already working with a bank to acquire the hangar in January, with advertising to begin in February and an April grand opening. Mr. Upper distributed handouts to the board which included a waiver package.



INTRODUCTIONS

- Owner/Operator
 - **Gregory Upper**
 - Business Owner for 16 years
 - Skydiver since 2001, Coach Rating, Approximately 500 jumps
- Local Professional Skydivers
 - **Randy Hamberlin**
 - Skydiver for over 13 years, 7,000+ jumps (over 5K tandems), Ratings include Tandem, AFF, and Pro
 - Served three years in the Army, one tour in Vietnam with 173rd Airborne as a Paratrooper and Infantryman
 - **John Renfro**
 - USPA S & T Adviser; 5,000 jumps (2K tandems); Achieved every rating and license in Skydiving
 - U.S. Army, Paratrooper, first jump 25 years ago; Rank of Sergeant E-5

WHY ARE WE HERE...

- Present a Professional and Exciting Business Opportunity for the Franklin County Airport
 - Skydiving Center to co-exist and flourish with all airport tenants and activity
- Review the Plan
 - Over 250 hours of research and planning invested in this business proposal
- Gain Approval from Franklin County Board of Commissioners
 - Approval from Airport Commission 10/28



SAFETY IS OUR CORE VALUE

- Safety, Safety, Safety
 - Adherence to the USPA's Basic Safety Requirements
 - Follows strict guidelines for jumping conditions (maximum winds, minimum opening altitudes, landing area requirements)
 - Student Equipment Requirements
 - Adherence to the FARs (Part 105 "Parachute Jumping")
 - FAA Regulation (Commercial Pilot required, 100-hr aircraft inspections)
 - Strict TSC Policies & Procedures to Exceed USPA/FAA Guidelines
 - Modern Equipment and Training Methods

SAFETY IS OUR CORE VALUE

- Safety, Safety, Safety... *Continued!*
 - Use of the *Strong*[®] Tested Waiver – Will work with County Attorney to modify waiver to suit Franklin County Airport
 - Maintenance of Aircraft and Building Insurance
 - Instructor Requirements (USPA Certifications and Annual Renewal)
 - Requirement of USPA Membership for all Licensed Skydivers
- Safety Statistics
 - Accident Rate per 100,000 hours remains below the average for all general aviation
 - Skydiving Fatality Rate is 0.98 per 100,000 Jumps (0.001%)
 - Any Incidents will be reported to USPA within 48 hours

BENEFITS – Franklin County

- Revenue to the Airport – \$368K
 - Regular Fuel Sales
 - Building Rental Income
 - Leasing of Planes, Plane Storage Space, Maintenance
 - Residual Income to the Onsite Venues (restaurant, flight school, merchandise, etc.)
- Residual Activity to the County
 - Revenue to Local Economy
 - Hotels, Gas Stations, Restaurants, Entertainment, etc.
 - Community Involvement
 - Resident Connections, Charity and Sponsored events, Local Demonstrations, etc.
 - Youth Interest and Involvement in Aviation

OTHER IMPORTANT FACTS

- Capitalization of an Established 35-Year Market
- Triangle Growth
 - Wake County is the Second fastest growing area in the state
 - Franklin County grew 45% in 14 years, expected to double by 2020 from 1990 numbers and is the 9th fastest growing
 - Wake County grew 25% in six years
- Skydiving Demographics
 - Top Five Occupations of Skydivers are
 - Military • Computer Industry • Engineers
 - Building Trades • Business Management
 - 53% of all Skydivers fall **Between the Ages of 30 – 49**
 - Professionalism: Strong Partnership with Airport Director, Operating with Highest Standards

OTHER EXECUTIVE AIRPORTS

- Suffolk Executive Airport
 - 350+ Acres, 100+ Takeoffs and Landings per day
 - Skydiving: 5 to 10 loads per day, 18 to 23 jumpers per load
 - Offers Helicopter School, Fighter Factory, Skydive Suffolk Inc.
 - Skydiving Center co-exists with other airport activity including General Aviation and Executive Transport
- Deland Municipal Airport
 - 600+ Acres, 350 to 450 Takeoffs and Landings per Day
 - Skydiving: 15 to 20 Loads per day, 18 to 23 jumpers per load
 - General aviation, executive transport, and skydiving facility
 - One of the largest drop zones in the US, skydiving year-round
 - Includes Restaurant and Bar

FINANCIAL INFORMATION

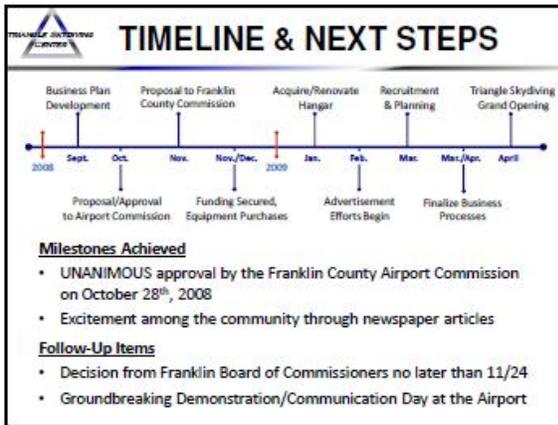
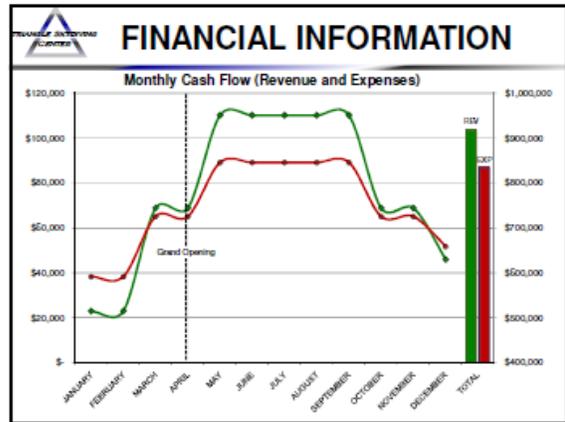
Franklin County Airport

| Revenue Type | Revenue per Year * | % Revenue |
|----------------------------------------------------------------------------------|--------------------|-----------|
| Plane Lease & Storage (incl. maintenance & pilot) | \$ 244,426 | 66% |
| Fuel Purchases | \$ 89,837 | 25% |
| Building Rent (3,600 sq. ft.) | \$ 18,000 | 5% |
| Jump Incentive (\$1.00 per jump) <small>(at least 16K jumps per year)</small> | \$ 16,000 | 4% |

* Based on figures used by Carolina Sky Sports and FCA Director feedback

| Operating Expenses | Cost per Year * | % Expenses |
|--------------------|-----------------|------------|
| All Expenses | \$0 | 0% |

BOTTOM LINE: Potential Revenue of \$368K



Mr. Guin stated he sees no unusual issues with respect to liability and stated the waiver provided is quite good, however he said he has yet to see a waiver that is air tight but said they do provide some protection. It is unlikely that a waiver will prevent all lawsuits, but it will discourage most. In searching for lawsuits that have been reported against municipalities involving similar operations, he said there is little information to be found. Mr. Guin stated he found few court cases where skydivers were mentioned in case law however he said there are existing cases where entities have been sued including the crash of a jump plane. He said the difficulty in this regard (with respect to insurance) is that case law in North Carolina seems to indicate the County may not be able to obtain the protection or rely on sovereign immunity if the County went without insurance. He said if the County was sued by someone who was injured skydiving, it would probably have to rely on being self insured. In talks with attorneys in larger counties, Mr. Guin said they agreed the prudent thing to do would be to obtain insurance to cover Franklin, however he said the County's current carrier does not offer this kind of coverage at all therefore the coverage cannot be added simply and that separate coverage must be sought. Mr. Guin stated he was unsure of what the cost for insurance would be for an airport of our size. He stated he had heard that insurance went up about \$10,000 per year to add jumpers to their policy. Mr. Guin said the odds are like most outfits that have skydiving centers. He said it is unlikely the County would get sued often, but said it only takes one suit to make a significant impact.

Commissioner Lancaster then stated that if the Board chooses to move forward, the plans should be air tight. In response, Mr. Guin stated his belief that there is no way to guarantee an air tight plan.

Commissioner Dunston then asked about what other opportunities would be offered and stated he did not want to see a similar landscape as is seen at the former jump site on Highway 56 East that allowed visitors to set up tents, mobile homes, etc. Mr. Upper stated those things would not be allowed, however he did mention that some retail items (equipment and memorabilia) would be available for purchase.

If approved, Mr. Southerland stated TSC would likely operate out of Hangar A which is currently leased by CNC Mechanical.

Commissioner Young said she wanted to have more discussions about liability and said she wanted to see what kind of coverage could be obtained. Mr. Guin replied and said he didn't feel that was a figure that could be produced immediately. He stated the County would have to consult its insurance carrier and call other airports in North Carolina that have skydiving onboard their facility to find out what is done in similar operations.

Commissioner Lancaster said it's critical the perception at the airport is a good one due to the close proximity of the industrial park. He suggested that camping at the airport not be allowed.

Commissioner Young recommended that a presentation also be made to the HUB board to obtain its opinion since the county has invested much into the future of the HUB site. She said it is important to have buy-in from the HUB board.

For clarification, Mr. Southerland asked Commissioner Lancaster about the timeline for the industrial park for the next five years. Commissioner Lancaster stated he would like to have three thousand new jobs offered there, but he said he didn't know when that might come to fruition. He said he'd like to see at least three to four businesses located there within the next five years.

Commissioner Buffaloe is also a member of the Airport Commission. He stated commission has already asked all of the same questions and said the group feels good that this will be a viable operation for the airport. He said the only thing the group didn't know was the cost of insurance. He said the commission must not be short-sighted.

Commissioner Winters made the motion to request further information on liability and other potential ways the county can become insured. The motion was seconded by Commissioner Lancaster and duly carried with all present voting "AYE."

The board asked that the proposal be discussed again at its meeting on December 1, 2008.

6. RECOGNITION: SERVICE OF COMMISSIONER LYNWOOD D. BUFFALOE

The Board recognized Commissioner Lynwood D. Buffaloe for his service as a Franklin County Commissioner since 2004. Chairman Swanson presented Commissioner Buffaloe with a plaque and thanked him for his dedicated service and the remaining Board members echoed their appreciation.

7. BOARD, MANAGER AND CLERK'S COMMENTS

This time is set aside for the Board of County Commissioners, the County Manager, and the Clerk to the Board to report on various activities. The Board may also discuss other items of interest.

County Clerk Kristen King: No report.

Commissioner Foy: Absent.

Commissioner Winters: Commissioner Winters attended the County's Veteran's Day ceremony and congratulated Victor Alston (Veterans Services Director) and John Deal (Rolling Thunder member) for a moving ceremony.

Commissioner Young: Commissioner Young commented on a map she wished to share with the Board that provides information on the poverty level in Franklin and where those citizens reside based on the poverty level. She also commented on the Sim's Bridge project being conducted by the North Carolina Department of Transportation (NCDOT). She stated the Board was informed about the project on December 20, 2006 but commented that the NCDOT was not asking for feedback other than potential environmental impacts.

Commissioner Dunston: Commissioner Dunston attended a recent RPO meeting and commented on projects that are priorities on the Transportation Improvement Plan for 2011. He said the widening of Highway 401 (from Highway 96 to Louisburg) remains the top priority. The third priority listed is widening Highway 39 through Franklin County. The fifth priority is Highway 56 between Louisburg and Franklinton (including the Franklinton bypass). Priority 18 includes Cedar Creek Road and 19 addresses the widening of Highway 401 from Franklin County to Warrenton. He stated that all of these projects are based upon the availability of funding.

Commissioner Buffaloe: No report.

Commissioner Lancaster: Commissioner Lancaster also commented on the recent Veteran's Day celebration and stated it was professional. He relayed comments from a veteran in attendance on the need for direct lighting on the flag pole at the Franklin County Courthouse. County Manager Angela Harris stated measures have already begun to improve lighting.

Commissioner Swanson: Commissioner Swanson attended the Veteran's Day celebration and said he was impressed with performances provided by the Louisburg High School Band. He also commented on the magnitude of the crowd in attendance.

County Manager Angela Harris: Mrs. Harris stated Glen Liles (Maintenance Director) is currently looking at better, permanent lighting for flags at the courthouse. She also commented on security measures that were taken at the Board's request to improve lighting around the County Administration Building and to have a Sheriff's Deputy present at board meeting at no extra cost. At the Board's request, she suggested a date for a joint meeting with the Franklin County Board of Education. The Board agreed to hold the joint meeting on December 8, 2008 at 6:00 P.M. at the Riverside Campus.

Mrs. Harris then commented on a request by the Arts Council to enter into a lease agreement for use of the old jail located on East Nash Street in Louisburg. Commissioner Foy had previously asked about what additional repair expenses would be needed on behalf of the County. She said Glen Liles (Maintenance Director) had estimated the costs at \$200,000. She mentioned the Arts Council will continue to pursue grants, but stated the County was not able to take on the renovation at this time.

Mrs. Harris then invited the Board and the public to attend the fall dinner celebration and auction on November 22, 2008 at 8:30 P.M. She stated tickets for the event are on sale for \$25. Revenue will benefit the Adult Day Program.

Mrs. Harris said department heads are participating in preliminary budget discussions this year and said the budget process will begin earlier than usual. She also said she

would like to schedule a work session to obtain board direction on the budget earlier this year as well. She said the County is being cautious with expenditures and said as the Governor and the state makes changes and cutbacks, Franklin County could feel an impact. She commented that travel and training expenses are being monitored as well as capital expenses. She said positions are being frozen as necessary, but commented that so far the County is experiencing little turnover.

At approximately 9:06 P.M., Commissioner Young made the motion to adjourn, seconded by Commissioner Dunston. The motion duly carried with all present voting "AYE."

Robert L. Swanson, Chairman

Kristen G. King, Clerk to the Board

(none)