



City of Deltona

2345 Providence Blvd.
Deltona, FL 32725

Minutes

Economic Development Advisory Board

Friday, July 8, 2016

3:30 PM

2nd Floor Conference Room

1. CALL TO ORDER:

The meeting was called to order at 3:30 pm Chairperson Tanya Boggs presiding. City Liaison Jerry Mayes.

2. ROLL CALL: (Roll Call, Determination of Quorum & Pledge of Allegiance)

Present: 6 - Chair Tanya Boggs
Member Jean Armstrong
Member Rick Demeter
Member Phyllis Stauffenberg
Member George Voll
Member Jerry Yaris

Excused: 2 - Vice Chair Eric Alexander
Alternate Glenn Woodley

Alternate members Peacock, Ramos, and Valderrama were also present. Member Demeter was excused but arrived late in the meeting.

3. APPROVAL OF MINUTES & AGENDA:

A. Adoption of Minutes – June 10, 2016

Motion by Member Armstrong and Seconded by Member Voll to approve the March 11, 2016 minutes as written.

For: 5 - Chair Boggs, Member Armstrong, Member Stauffenberg, Member Voll and Member Yaris

4. PRESENTATIONS/AWARDS/REPORTS:

A. OED Report Review by Members (written report submitted)

Mr. Mayes reviewed the OED report with the members. He stated as of yesterday, the City of Deltona has their first CRA and it is one of four in West Volusia: the City of Deland has two, Orange City has one, and Deltona. He asked if DEDAB would like a speaker to come in to discuss the CRA, he would ask Ron Paradise.

Member Valderrama arrived.

Chairperson Boggs stated she would like to know more about the CRA, Member Voll and Member Armstrong agreed.

Mr. Mayes stated he will invite Ron Paradise or Chris Bowley to come speak and asked if it would be for an August meeting.

Chairperson Boggs replied it will depend on discussion later to determine if DEDAB needs another meeting for a recommendation.

Mr. Mayes stated he will bring it up again under staff comments.

Member Peacock arrived.

Mr. Mayes reviewed:

- Scheduled ground breaking for Halifax Health on July the 22nd at 9 am at Halifax Crossings Blvd. the north side of Graves Ave.
- Honest-1 Auto Repair will be new construction next to Top Shelf Car Wash has signed the initial paperwork for closing.

5. PUBLIC FORUM:

Chairperson Boggs introduced David Shifflett with SCORE.

Mr. Shifflett stated he is the West Volusia Representative of the Volusia/Flagler Chapter of SCORE. SCORE does workshops and counseling for individuals looking to start a business or who are already in a business and are looking to take it to the next level. Two workshops have been offered in the City of Deltona. Historically workshops did not do well here so he is working with Mr. Mayes to increase the population. He stated SCORE puts on 40 workshops a year in Daytona Beach and a lady came all the way from Jacksonville to attend a workshop last night called "How to Start a Business in Florida". "Part of my role is to help get out the information that SCORE is here to help those that are in the business environment and need assistance or who are looking to start a business."

6. OLD BUSINESS:

A. Discussion of June 10 motion regarding upcoming Commission Report and Recommendation

Chairperson Boggs referred members to page 4 of last month's minutes to clarify the motion that was passed unanimously:

Move forward with looking at the feasibility of having the City involved with a Virtual and future Accelerator program that is going to help businesses grow within the City. Virtual is defined as creating a resource that is available for local businesses to go to have

other services available to them.

Members discussed the recommendation to the Commission.

Member Armstrong stated as she understands it, DEDAB is recommending the City check into the feasibility of having a program as opposed to just having resources.

Chairperson Boggs replied yes and no. She discussed the two parts: the Virtual or one-stop shop for resources governed by the City and the Flex-themed Accelerator or a physical location to help businesses that have grown beyond the scope of a home-based business.

Member Stauffenberg stated she was for one and opposed to the other.

Members discussed the motion, the vote process for the future, and the recommendation for the commission.

7. NEW BUSINESS:

A. Work meeting regarding review and revisions of “Accelerator: Flex versus Virtual” toward Commission Report and Recommendation

Chairperson Boggs discussed revisions of the white paper to match DEDAB’s current assignment of workforce development, office space with a focus on light industrial instead of manufacturing and a discussion of medical manufacturing.

- Job creation with the growth of business
- Accelerator vs. incubator
- The City’s role: financial support, working with a developer
- Developer involvement
- DEDAB’s assignment and their recommendation to the Commission who will then assign to staff
- Member Valderrama discussed City involvement on the infrastructure of a facility and investment groups for funding

Discussion continued with the members on subsidizing rent, flex-space, networking and resources.

Member Yaris stated a Virtual Accelerator program is needed to begin. “A well planned, executed Virtual Accelerator Program will germinate a lot of interest one way or another. Its cost efficient and the results can be substantial.”

Chairperson Boggs replied “my biggest concern with recommending to the Commission Step 1 and Step 2 rather than combined is that Step 1 will take how long? Step 2, we may never get to or we may miss the boat.” We have a big opportunity over the next three to five years. People are looking at the City of Deltona for business growth or

relocation and in many cases we do not have anything to offer them. Businesses continue to operate inefficiently out of their homes and they will take their growth somewhere else across City lines.

Member Stauffenberg stated she is whole-heartedly for the Virtual plan. In the Flex-Accelerator she is in agreement with incentives to developers and investors. She is not for the City involvement in building management.

Mr. Mayes stated the City will not take a position of landlord or manager for a property and has never been contemplated.

Discussion continued:

- Incentives
- Removal of location options on Page 2 Accelerator
- Revisions and voting process

Member Armstrong is in agreement in “if you build it and they will come”. She discussed an Altamonte area warehouse area that has worked and a call for investors or developers to come in.

Member Peacock asked if the City can put a call out for developers.

Mr. Mayes replied a request for proposal and Chairperson Boggs stated there was someone interested in this a few years ago.

Member Valderrama discussed his research and the success of Accelerators, the return on investment, and Mr. Mayes discussed the request for proposal recommendation process and options for the City.

Chairperson Boggs reviewed Page 3 of the Accelerator and discussed:

- The Team and resources available
- Sustainability - A through H items
- Annual decreasing subsidy assisting in rent
- Three year timeline
- City subsidy/grant and agreement needed for performance
- Sources of funding
- Additions or revisions necessary

Member Armstrong stated she does not like the three year limit and what if the business cannot afford to move into a big location.

Mr. Mayes commented this item was written when the City was going to be a landlord. He stated that is the way a lot of incubators and accelerators work today. You want to gear that business up and get them producing so that in three years or possibly four, they have to move - they have outgrown the little accelerator space and are eagerly looking for a larger spot.

Member Peacock agrees with a business not having to move and stated "if it is working so well, let's do another one, another facility."

Member Stauffenberg recommended a time frame of three or four years with incentives to keep a business in that time span so their business will grow. At that time they have a choice of either moving or coming up to a standard lease.

Member Voll stated we are getting off DEDAB's responsibility. "We are not going to dictate to a landlord or developer how long they are going to maintain or keep a tenant in there." We need to understand our real purpose here and he discussed the relationship.

Member Demeter arrived to the meeting.

Member Valderrama stated it was mentioned that the City does not want to get into management. He believes it should be a private group and that DEDAB should not be discussing a time frame.

Mr. Mayes stated if the City does incentivize, the City does have control over how many years it would incentivize and the goals to be met. He asked, who are we going to incentivize, the company moving into the flex space or the developer coming into the City?

Member Peacock stated it would be different kinds of incentives.

Member Voll stated that is very important - you want to look at incentives on both sides but a developer there is impact fees and different fees involved in permitting. "It is very important that we can give that benefit to that developer."

Member Yaris stated that is not the function and members replied it is a recommendation.

Member Demeter stated the incentives have to balance each other out but it is not this division that needs to address it. The Commission will be instructing whoever is there to look into it.

Mr. Mayes stated you have to make a recommendation.

Mr. Shifflett commented about 80% of small businesses fail within the first five years and this should be taken into consideration when making a decision.

Members continued to discuss an accelerator:

- Concessions and time line
- Grants, incentives and an agreement
- Qualifications

- Learning and performance requirements
- Responsibility and consequences
- Guidelines of the program

Chairperson Boggs stated the reality is if a business has not grown according to the program it is likely they cannot afford full market rent and will be moving out anyway.

Member Peacock stated one of the things that trips up a business is having to move.

Member Yaris stated the biggest problem is lack of a business plan and financial plan.

Mr. Shifflett stated this is what SCORE does all the time and has the tools and the technology. Volusia/Flagler is working with the State of Florida to counsel people who are going out of business. Until a business puts down a business plan or financial plan in black and white, they are setting themselves up for failure. The developer will want them to have these things in place before they start.

Chairperson Boggs discussed Section G on page 4 and the original qualifications for a business:

- A business plan provided to a lender with a three year projection
- Vetting Board and Oversight Committee
- Businesses targeted market and industry focus
- Potential for growth and expansion
- The experience, financial strength, and history of business stability
- Probability of sustainability

Member Stauffenberg stated "you have a good plan it just needs to be critiqued."

Chairperson Boggs stated this has been sent out four to five times.

Member Voll stated fine tuning this is very important. Any recommendations and changes made should be back in writing within 10 days to allow this to move forward so a recommendation can be made to the City.

Motion by Member Voll to move forward and all of us agree that within 10 days we get back all of our concerns and our recommendations to Jerry (Mayes). Jerry will circulate and make necessary changes that are needed so we can move forward and actually have this put in front of the Commission so we are not back here discussing this again and spending hours on it. We just finalize it and whatever that is in 10 days it is done.

Member Yaris asked if this would not come back to the committee and Mr. Mayes stated it has to come back one final time.

Member Voll added to finalize - it comes back one time for acceptance or it is denied.

Member Demeter asked what exactly DEDAB is phrasing this.

Chairperson Boggs replied the motion was made last month and is The Virtual Business Resource and the Flex-Theme Accelerator. She stated maybe instead of the Flex-Theme Accelerator it is something like The Business Accelerator and could be tweaked in the upcoming version.

A roll call vote was called by Mr. Mayes for all members for Member Voll's motion.

Motion by Member Voll, seconded by Member Yaris, to approve the motion. The motion carried by the following vote with Member Demeter included as For:

For: 8 - Chair Boggs, Member Armstrong, Member Stauffenberg, Member Voll, Member Yaris, Alternate Peacock, Alternate Ramos and Alternate Valderrama

8. STAFF COMMENTS:

Mr. Mayes asked if DEDAB wants someone from Planning and Development Services to come in the August meeting to give a discussion on the CRA.

Chairperson Boggs stated she is in favor of it.

Member Yaris and Armstrong agreed.

9. BOARD/COMMITTEE MEMBERS COMMENTS:

Mr. Shifflett stated it is "a pleasure to be here and anytime we can help through SCORE, we're here." We are trying to get more workshops over here monthly to help with the businesses.

10. ADJOURNMENT:

Motion by Member Demeter and seconded by Member Armstrong to adjourn the meeting.

For: 6 - Chair Boggs, Member Armstrong, Member Demeter,
Member Stauffenberg, Member Voll and Member Yaris

Meeting adjourned at 4:30 pm.

Tanya Boggs, Chairperson

ATTEST:

Sandi Jackson, Executive Assistant