



City of Deltona

CITY COMMISSION WORKSHOP MONDAY, JUNE 10, 2013 5:30 P.M.

Mayor
John Masiarczyk

Vice Mayor
Zenaida Denizac
District 1

Commissioners:

Webster Barnaby
District 2

Heidi Herzberg
District 3

Nancy Schleicher
District 4

Fred Lowry
District 5

Chris Nabicht
District 6

Acting City Manager
Dave Denny

**2ND FLR CONFERENCE ROOM
2345 PROVIDENCE BLVD.
DELTONA, FLORIDA**

AGENDA

- 1. CALL TO ORDER:**
- 2. ROLL CALL – CITY CLERK:**
- 3. PLEDGE TO THE FLAG:**
- PUBLIC COMMENTS- Citizen comments limited to items on the agenda and will take place after discussion of each item.**
- 4. BUSINESS:**
 - A. Deltona Economic Development Advisory Board Presentation: Eco-tourism project.**
 - B. Deltona Economic Development Advisory Board report on a micro-incubator.**
- 5. CITY MANAGER COMMENTS:**
- 6. ADJOURNMENT:**

NOTE: If any person decides to appeal any decision made by the City Commission with respect to any matter considered at this meeting or hearing, he/she will need a record of the proceedings, and for such purpose he/she may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based (F.S. 286.0105).

Individuals with disabilities needing assistance to participate in any of these proceedings should contact the City Clerk, Joyce Raftery 48 hours in advance of the meeting date and time at (386) 878-8500.



AGENDA MEMO

TO: Mayor & City Commission

AGENDA DATE: 6/10/2013

FROM: William D. Denny, Acting City Manager **AGENDA ITEM:** 4 - A

SUBJECT: Deltona Economic Development Advisory Board Presentation: Eco-tourism project.

LOCATION:

N/A

BACKGROUND:

This DEDAB Sub-Committee Report is the result of research for the Commission's assignment "Lakeshore Eco-Economic Research Task." The advisory board's role was to perform research toward the creation an eco-tourism destination in Deltona, using our existing eco-infrastructure (parks and trails), recommendations on the creation of new parks and trails, and best-practice utilizations toward development of a tourist based economy as part of an economic development task.

The City currently has three ecologically-friendly parks within the City limits: Lyonia Preserve on Eustace Avenue, off Providence Boulevard; Thornby Park at Providence Boulevard and Doyle Road; and, Audubon Park (the newest) at Lush Lane, Doyle Road, and the River-2-Sea Trail. Two other potential locations proposed for development as part of the "Deltona Eco-Trail" are: City property that is adjacent to an area called "Big Lake", and this location is home to two of the larger wading bird rookeries (roosting and nesting areas) in Volusia County; and the lakefront area along Lake Monroe.

To improve the experience for trail users in the proposed lakefront area along Lake Monroe, and to promote economic development via eco-tourism, DEDAB recommends the following: 1) Create trailheads, covered seating, information kiosks along the River-2-Sea Trail between Thornby/Lakefront Center and the Audubon Park location; 2) Build a primary Trailhead at the Lakefront Center location that would serve as a concession and gift stand, bike/skate rental, canoe/kayak rentals, trail and park

information and a research/learning center for the Audubon Society, a proposed partner; and 3) improve the boat ramp area by creating boardwalks extending west and east from the picnic area, build a two level, covered observation platform at the end of the east boardwalk, and build a smaller structure in the picnic area that could also serve as a canoe/kayak guided tour rental shop.

Following the established best practices (i.e.: the West Orange Trail), utilize leases for the trailhead facilities to private enterprises, allowing them to create new jobs and attract new dollars to the area. These businesses then fill in the “service gaps” (cafes, bike rental shops, “boutique” stores) as well as become the foundation for a new source of commercial development, eco-tourism.

External funding sources would be explored, such as available grants that are specific for several of the project’s objectives: A. construction of structures for eco-tourism businesses, B. acquisition of property for the purpose of eco-tourist based commercial development and C. mitigation of property (including lakefront) for the purposes of restoring the area to its original state.

It is proposed that one of the best ways to ensure success with grant applications is to approach this as one unified organization comprised of several groups: the City of Deltona, the Community of Enterprise, Volusia County, Audubon Society, River of Lakes Corridor, FUMCH, West Volusia Tourism Bureau, etc.

ORIGINATING DEPARTMENT:

Deputy City Manager

SOURCE OF FUNDS:

N/A

COST:

N/A

REVIEWED BY:

Public Information Officer

STAFF RECOMMENDATION PRESENTED BY:

N/A - For discussion and direction to staff as necessary.

POTENTIAL MOTION:

N/A - For discussion and direction to staff as necessary.

AGENDA ITEM APPROVED BY:

William D. Denny, Acting City

ATTACHMENTS:

Manager

- Summation- DEDAB Eco-Tourism Project

This report is a response to the Commission’s assignment of a “Lakeshore Eco-Economic Research Task” to a DEDAB Sub-committee. As an advisory board, DEDAB’s role was to perform research toward the creation an eco-tourism destination in Deltona, using our existing eco-infrastructure (parks and trails), recommendations on the creation of new parks and trails, and best-practice utilizations toward development of a tourist based economy as part of an economic development task. Ultimately, the goal was to put before the Commission a proposed plan to build a job creating tourist based market for the City of Deltona and SW Volusia County.

There are two primary means of attracting restaurants, lodging, and service companies to an area:

1. build inter-city jobs that will, in time, encourage these businesses to locate within an area to fulfill the generated consumer needs of that area, yielding development/redevelopment and job creation;
2. utilize tourism to bring consumers to the area, thus attracting these businesses, yielding development/redevelopment and job creation.
3. It is worth noting that the only primary commercial area within this development and redevelopment area is the commercial property along the southern terminus of Deltona Boulevard and Dirksen Drive/Doyle Road. This allows redevelopment within an already impacted area without changing the natural enhancements that are the attraction of Eco-tourism.

Based upon the Commission assignment, the proposal is to link all the ecologically-friendly locations within the City together with a defined “trail”, the “Deltona Eco-Trail”.

The City currently has three ecologically-friendly parks within the City limits:

1. Lyonia Preserve on Eustace Avenue, off Providence Boulevard (northwest City quadrant);
2. Thornby Park at Providence Boulevard and Doyle Road (southwest City Quadrant); and,
3. Audubon Park (the newest) at Lush Lane, Doyle Road, and the River-2-Sea Trail (southeast City quadrant).

Two other potential locations proposed for development as part of the “Deltona Eco-Trail” are:

1. City property that is adjacent to an area called “Big Lake”, in the (south City quadrant)-the Big Lake location is home to two of the larger wading bird rookeries (roosting and nesting areas) in Deltona, if not Volusia County;
2. The lakefront area along Lake Monroe.

To improve the experience for trail users in the proposed lakefront area along Lake Monroe, and to promote economic development via eco-tourism, DEDAB recommends the following:

- 1) install/create facilities such as trailheads, covered seating, information kiosks along the River-2-Sea Trail between Thornby/Lakefront Center and the Audubon Park location;
- 2) build a primary Trailhead at the Lakefront Center location that would serve as a concession and gift stand, bike/skate rental, canoe/kayak rentals, trail and park information and a research/learning center for the Audubon Society, a proposed partner.
- 3) improve the boat ramp area by creating boardwalks extending west and east from the picnic area (paralleling the shore), build a two level, covered observation platform (similar to the structure at Lake Gleason) at the end of the east boardwalk, and build a smaller structure (similar look to the trailhead structure) in the picnic area that could also serve as a bicycle/canoe/kayak guided tour rental shop.

Following the established best practices (i.e.: the West Orange Trail), utilize leases for the trailhead facilities to private enterprises. This allows businesses to create new jobs and attract new dollars to the area. These businesses then fill in the “service gaps” (cafes, bike rental shops, “boutique” stores) as well as become the foundation for a new source of commercial development, eco-tourism.

External funding sources should be explored, such as:

1. available grants that are specific for several of the project’s objectives
 - A. construction of structures for eco-tourism businesses,
 - B. acquisition of property for the purpose of eco-tourist based commercial development,
 - C. mitigation of property (including lakefront) for the purposes of restoring the area to it’s original state.

It is proposed that one of the best ways to ensure success with grant applications is to approach this as one unified organization comprised of several groups: the City of Deltona, the Community of Enterprise, Volusia County, Audubon Society, River of Lakes Corridor, FUMCH, West Volusia Tourism Bureau, etc.



AGENDA MEMO

TO: Mayor & City Commission **AGENDA DATE:** 6/10/2013
FROM: William D. Denny, Acting City Manager **AGENDA ITEM:** 4 - B
SUBJECT: Deltona Economic Development Advisory Board report on a micro-incubator.

LOCATION:

N/A

BACKGROUND:

In March, 2012 the City Commission of Deltona assigned a task to the Deltona Economic Development Advisory Board Sub-committee, labeled "the Micro-incubator Study Project". Following the DEDAB By-laws and guidelines, this citizen volunteer group performed the needed research and has come forth with a report and recommendation for this project to the Deltona City Commission.

ORIGINATING DEPARTMENT:

Deputy City Manager

SOURCE OF FUNDS:

To Be Determined

COST:

To Be Determined

REVIEWED BY:

Development Manager, Acting City Manager

STAFF RECOMMENDATION PRESENTED BY:

Jerry Mayes, Economic Development Manager - That the Commission accept this report and recommendation and assign this project to City staff to be carried-out with reporting oversight by City Commission.

POTENTIAL MOTION:

"The City Commission accepts this report and recommendation and assign this project to City Staff to be carried-out with reporting oversight by City Commission."

AGENDA ITEM APPROVED BY:

William D. Denny, Acting City
Manager

ATTACHMENTS:

- DEDAB Report and Recommendation
- Daytona State College IHL Document
- City Hall Floor Plan
- Micro Incubator Rental Costs DRAFT

In the first quarter of 2012 the Deltona City Commission rescinded the Deltona Economic Development Advisory Board Sub-committee task to do research and provide a report for the feasibility and steps needed to develop a Commerce Park. This task was rescinded for a total of eighteen (18) months. In place of the Commerce Park Task, the Deltona City Commission assigned this same DEDAB Sub-committee the task of researching and providing a report for the feasibility and steps needed to develop a Micro-incubator for the City. The details of the feasibility report were to be based on the assumption that this Micro-incubator would act as an “accelerator” for existing in-home businesses, allowing these businesses to grow their businesses with running afoul of City Ordinances.

Research and reporting are the tasks assigned by the Deltona City Commission. To research the DEDAB Sub-committee (via staff) invited speakers to address the various aspects of incubator/accelerator creation. There included representatives from the Seminole State College Incubator at the Port of Sanford (Wayne Hardy, Executive Director) and the University of Central Florida/Volusia County Incubator at the Daytona International Airport (Van Canada, Small Business Development Center). On DEDAB Sub-committee direction, staff also met with Daytona State College (Suzette Cameron and Nancy Bruno) regarding the potential role an institution of higher learning would play in this enterprise. On DEDAB Sub-committee direction, staff also visited with and interviewed local businesses that were believed to be potential site holders for an incubator/accelerator. Thus, the TEAM, the LOCATION, and the SUSTAINABILITY factors were addressed.

The needs of an incubator/accelerator to be functional would entail the following:

I. THE LOCATION: A physical location to either build or improve a facility suitable for this project. The facility would need to have private access offices and a general access conference room, a break room, a restroom, and a general purpose storage/copy room.

- A. If a site were to be purchased and constructed the City would either need to become the acting landlord. *[It was noted in other City Commission meetings that the City acting as a landlord was not considered favorably.]*
- B. If an existing facility were selected, then the owner of that facility would become the landlord and renovations to make the facility compatible as an incubator/accelerator would need to be performed. This would entail locating both a suitable facility in a suitable location and a willing owner who would perform the needed renovations and be willing to become the landlord. *[This was deemed the best option for the discovery phase of the incubator/accelerator facility. Great Oaks LLC, the ownership of the Storaway Self Storage, located at 2969 Howland Boulevard, had a vacant manager’s suite which they have agreed to renovate to the specifications needed and act as the landlord for the “City of Deltona Business Accelerator” (CDBA). This agreement and renovation currently underway at this time...is being done without obligation or agreement with or to DEDAB, the DEDAB Sub-committee, or the City of Deltona. Great Oaks LLC has agreed to further assist, should the City of Deltona Commission approve the measures herein, to offer a reduced rental amount for the facilities.]*

II. THE TEAM: The primary issue of moving a successful small business from a residence to a facility would be the potential of causing failure of that business. To combat the potential failure the Sub-committee determined that three supporting assets would need to be incorporated into the overall plan.

- A. A local/regional business support team would need to be put in place to support the relocated business. This support team would consist of the following:
 1. A business development organization to assist the small business in preparation of a business plan, determining if the small business will have a normal to high probability of

(2)

success resulting from this relocation, and monitoring that small business's success in following the business plan steps toward success. [*Small Business Association's Small Business Development Center (SBDC) would fulfill this partnership role.*]

2. An institution of higher learning (IHL) would need to become a partner for the educational needs of the relocated business. Via pre-class assignments of non-credit courses, the educational needs of the relocated business would be determined [SBA's SBDC] and classes to strengthen the weaknesses (*e.g.: accounting, logistics, marketing, etc.*) of the relocated business. The IHL partner would then supply, for fee, the needed courses. [*Daytona State College would fulfill the partnership role, with a class syllabus attached as a part of this report.*]

3. As the relocated business grows, it would be expected to reach certain benchmarks. One of the primary benchmarks would be the expansion of the businesses' workforce. Job creation would be a requirement and the growth steps would be a part of the businesses' approved business plan (SBA's SBDC). To find qualified personnel, the relocated business would be expected to use the primary source of job location within Volusia County, the Center for Business Excellence, Workforce Florida District 11. The CBE would work with the project, providing some educational financial (*scholarship*) assistance for the required business courses [*Daytona State College acting as the IHL*] and "on the job training" as a reimbursement for the newly hired workforce expansion.

4. Thus, to better insure the success of the CDBA and the CDBA clients, the CBE, the SBDC, and Daytona State College become 'Team Members' for the CDBA.

III. SUSTAINABILITY: Relocation, of even a successful business, is very stressful. There are immediate additional costs that a relocated business will be faced with. Because of the stresses and the City of Deltona's determination that this program will be successful, DEDAB and the DEDAB Sub-committee recommends the following:

- a. a subsidy set at 60% of the first year's rents, 40% of the second year's rents, and 20% of the third year's rents, based on the rents presented by Great Oaks, LLC (the Landlord);
- b. a 3 year timeline for companies to reside in the proposed facility with the possibility of a fourth year's residence for exceptional circumstances. Absence must meet approval from the City appointed governing body for the micro-incubator or lose City subsidy.
- c. a subsidy for parking in a declining at 60% of the first year's rents, 40% of the second year's rents,, and 20% of the third year's rents for a maximum number of up to 5 parking spaces, allowing additional employees (*benchmark requirement*) and vehicles.
- d. a subsidy of 60% 1st year, 40% 2nd year and 20% the 3rd year regarding the needed storage, warehouse and bays. Approval of the needed storage, warehouse and bays must be included in the business plan (*required as a part of the initial application*). Any future storage, warehouse and bays, above the initially approved application must be agreed upon by the City appointed governing body under separate application.
- e. that under the program, companies would be required to take basic business courses as outlined by DSC which is the IHL associated with the micro-incubator. If the business does not attend, participate and complete the required course they must ask for a review and approval from the City appointed governing body for the micro-incubator or lose City subsidy.

(3)

- f. the applying business must have a business plan, reviewed by the SBDC, which includes a minimum of 3 years projections to apply so the applying business can be evaluated over the 3 years as part of the SDBA project. A bi-annual review of the participating company, the company's business plan, and current financial statements will be performed to verify the company's positive progress or assist and counsel the company if progress isn't being made as expected.
- g. the City of Deltona Commission appoints an application vetting board/ oversight committee to review the application, conduct no quarterly reviews, and review the subsidy programs of the CDBA and report to the City Commission as a part of the DEDAB quarterly report.
Further, it is recommended that this application vetting board and oversight committee is made up of representatives of the following:
 - i. a commercial financial/accounting firm;
 - ii. a representative of Daytona State College;
 - iii. the sitting Chairperson of the Deltona Economic Development Advisory Board;
 - iv. a representative of the Small Business Development Center;
 - v. a representative of the Center for Business Excellence;
 - vi. three representatives appointed by the Commission on a rotating annual basis.
- h. should the tenant fail to attend said classes as agreed and/or scheduled, the tenant must submit to the appointed oversight committee the reason the class was not attended and the date the class will be attended. Failure to attend required classes exceeding once annually will be grounds for potential loss of City subsidies, based upon the decision of the oversight committee.
- i. the CDBA applicant should be vetted and selection made based on the following criteria:
 - i. viability of the business plan;
 - ii. strength and feasibility of the 3 year's projections;
 - iii. the businesses' targeted market and industry focus;
 - iv. potential for growth/expansion (new jobs);
 - v. the experience, financial strength, and history of business stability of the applicant;
 - iv. probability of sustainability during and after the businesses' term in the CDBA.

Sources of funding: (1) Staff solicits SBDC for no-cost business plan development;
 (2) Staff solicits CBE for tuition for DSC (IHL) courses;
 (3) Staff solicits corporate sponsors as funding sources;
 (4) CDBG (Community Development Block Grant) funds;
 (5) Commission funding via "Incentive Reserve".

DEDAB requests that the City of Deltona Commission accept and approve this report and assign the project to City Staff for fulfillment, with periodic reporting to the City of Deltona Commission. These are the recommendations of the Deltona Economic Development Advisory Board's Micro-incubator, made this 10th day of June, 2013.

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Deltona Incubator Support

Once the City identifies the incubator client and establishes them with City supports. Daytona State College will provide the following supports:

- Incubator client must become an SBDC (Small Business Development Center) client.
 - One on one consulting with a Certified Business Consultant usually in multiple sessions that are personalized, confidential and free. The sessions will include the development of a business plan.
 - Clients will have the opportunity to use the SBDC research tools to support the development of the plan including: demographic, industry, financial and customer/competitor analysis.
 - Incubator Clients would be required to attend some the following classes for a fee subsidized by the city. (Classes will be held in Deltona provided there is enrollment to support the instruction)
 - How to Start a Business
 - Quick Books
 - Professional Selling Skills
 - Profit Mastery
 - Marketing Skills (?)
- The Center for Business and Industry will provide the following classes for a fee subsidized by the city. (Classes will be held in Deltona provided there is enrollment to support the instruction)
 - Customer Service Skills
 - Skills for Supervisors
 - Microsoft Office Suite Training

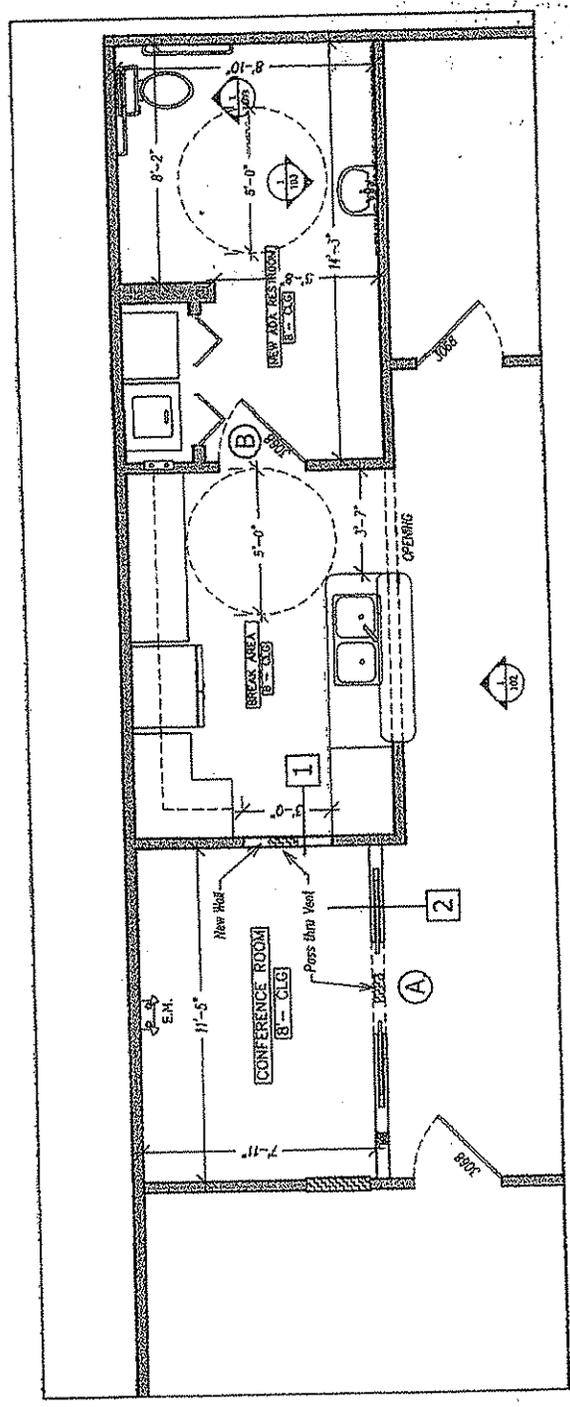
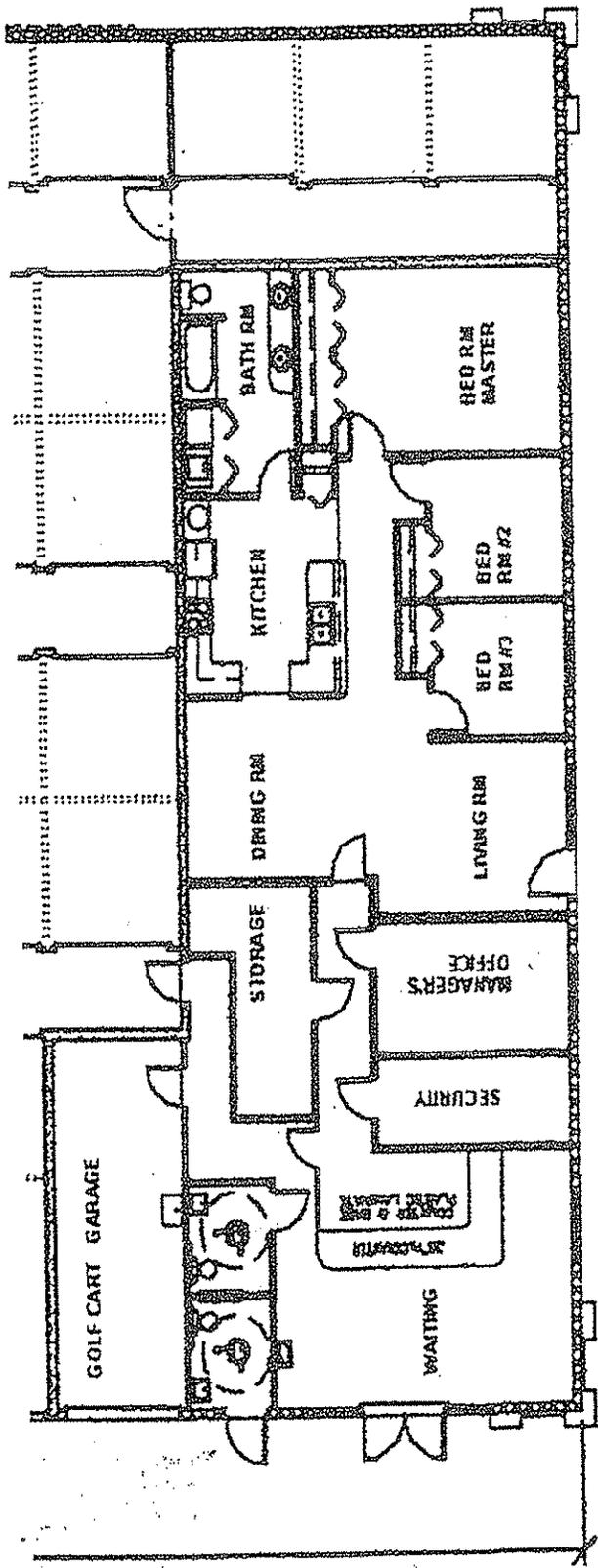
The City of Deltona will provide the following:

- Establish benchmarks for the incubator clients.

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- Establish a timeline for completion along with any consequences for not completing.
- Support day to day operations and supervision of the incubator.
- Subsidize the cost of classes to the extent possible. Clients will be responsible for unsubsidized costs of training.
- Provide space for classes either at City Hall or on the Deltona DSC campus.
- Provide marketing of the classes in order to support enough enrollments to hold the class in Deltona.

Daytona State College and the City of Deltona agree to have on-going communications to assure the success of the Incubator.



PROPOSED FLOOR PLAN
 1/4" = 1'-0"

Cost Recovery for Office Suites at Storaway Self Storage for Micro Incubator Tenants

\$ 25,000 Investment

3 Year Recovery Requirement

\$ 8,333 Annual Return Requirement

\$ 694 Monthly Investment Return Requirement

\$ 70 High speed wireless Internet Cost

\$ 764 Cost to provide office

	YEAR 1	YEAR 2	Year3	
RENTAL AMOUNT	60%	40%	20%	TOTAL
\$ 199 Office 1	\$119.40	\$79.60	\$39.80	
ANNUAL	\$1,432.80	\$955.20	\$477.60	\$2,865.60
	YEAR 1	Year 2	Year 3	
RENTAL AMOUNT	60%	40%	20%	TOTAL
\$ 252 Office 2	\$151.20	\$100.80	\$50.40	
ANNUAL	\$1,814.40	\$1,209.60	\$604.80	\$3,828.80
	Year 1	Year 2	Year 3	
RENTAL AMOUNT	60%	40%	20%	TOTAL
\$ 313 Office 3	\$187.80	\$125.20	\$62.60	
ANNUAL	\$2,253.60	\$1,502.40	\$751.20	\$4,507.20
				\$11,201.60

Funds are incentives and would come from the Commission incentive reserved fund.

Projections do not cover parking for additional parking spaces for additional employees.

Projections do not include storage/warehouse space for initial or expanded use.