

**CITY OF DELTONA, FLORIDA
ECONOMIC DEVELOPMENT LAKESHORE ECO-ECONOMIC &
MICRO-INCUBATOR STUDY SUB-COMMITTEE MEETING
FRIDAY, MARCH 8, 2013**

A Regular Meeting of the Economic Development Lakeshore Eco-Economic & Micro-Incubator Study Sub-Committee was held on Friday, March 8, 2013 in the City of Deltona's 2nd Floor Conference Room at 2345 Providence Blvd., Deltona, Florida.

1. CALL TO ORDER:

The meeting was called to order at 3:35 p.m. by Chairman Brady.

2. ROLL CALL & DETERMINATION OF QUORUM:

Chairman	Roy Braddy	Present
Vice Chairman	John "Jack" Kesler	Present
Sub-Committee Member	Tanya Boggs	Present
Sub-Committee Member	Joe Cerrato	Present
Sub-Committee Member	Bob Desmond	Present
Sub-Committee Member	Janet Deyette	Present
Sub-Committee Member	Jean Guida	Absent (excused)
Sub-Committee Member	Christine Peacock	Present
Staff Liaison	Jerry Mayes	Present

3. PLEDGE OF ALLEGIANCE: Pledge was recited.

4. APPROVAL OF MINUTES & AGENDA:

A. Adoption of the Minutes – February 8, 2013:

Chairman Braddy asked if everyone had a chance to review the minutes from February 8, 2013 and if there was any discussion; if not a motion is in order.

Motion was made by Mr. Cerrato, seconded by Ms. Deyette to approve the minutes for February 8, 2013 as published.

Motion carried with members present voting unanimous.

B. Additions or Deletions to the Agenda: None

5. WELCOME OF GUESTS & PUBLIC: None

6. CITY LIAISON REPORT:

A. Review and discussion of Micro-Incubator, syllabus and pricing:

Mr. Mayes stated he had contacted DSC and spoke with Suzette Cameron regarding the curriculum and pricing and she told him they were still working on that information and would get back to him as soon as possible. Mr. Braddy asked about the curriculum. Mr. Mayes stated it will be a non-credit curriculum and will be primarily set up by the Committee meaning DSC would offer the curriculum and we would set the requirements and schedule. He stated he is talking with the Center for Business Excellence (CBE) to see if they will pay for the classes for the businesses or possibly split the cost with the City.

7. OLD BUSINESS:

A. Public Sector Participants contributions: None

8. NEW BUSINESS:

A. Review and discussion of Micro-Incubator regarding City subsidies:

Mr. Mayes stated you have copies of the emails from those who responded so far regarding the list of 14 items he had suggested as examples of questions that need to be discussed regarding the Micro-Incubator. He stated he did not expect to go over all 14 examples at today's meeting and those of you who have not responded please go ahead and do so. Chairman Braddy began the discussion with question 1; should the City subsidize the rent? After discussion it was the consensus of the sub-committee members that the City should subsidize the rent. Vice Chairman Kesler recommended a three year timeline with a review required after 1 year to determine if further assistance is needed. He suggested a 60% subsidy the first year, 40% the second year and 20% the third year. He added monthly reviews could be done in the beginning. Chairman Braddy stated the business owner is required to take courses and suggested doing a review at the end of each course to measure their performance. Ms. Boggs agreed that there has to be some sort of a review process suggesting a 6 month review of the business financial statement is important throughout the entire process and the City should have an out clause if the business is not improving. Ms. Peacock agreed with a review at the end of each semester. Mr. Mayes suggested he and a representative from SCORE or SBDC could conduct monthly visits for the first six months to see how the businesses are progressing. After discussion the consensus was for 3 year timeline with a possible 1 year extension. Mr. Desmond suggested he would have the City subsidize 100% of the rent the first year and 50% for the next two years as we are asking businesses to step out of their homes and go into a more professional environment to grow. He agreed there should be a financial annual review and added there should also be an exit strategy if the business is failing or exceeding expectations. Ms. Boggs disagreed with the 100% subsidy as we are giving them an opportunity to step out of their home so they can grow. She suggested regarding the exit strategy for businesses that exceed their expectations she believed we would want them to stay because we need successes. Mr. Mayes suggested if a business is exceeding expectations they will want to move to a larger facility and that is a success. Chairman Braddy asked if everyone was comfortable with 60%, 40%, 20%. Mr. Desmond suggested 50, 50, 50. Chairman Braddy asked who wanted the 50, 50, 50. He asked that the record show Mr. Desmond voted for the 50, 50, 50. It was the consensus of the majority of the sub-committee members to have a three year program and the subsidy would be 60, 40, 20.

Chairman Braddy stated the next issue is the additional parking for the employees and company vehicles. Mr. Mayes stated Mr. Hardman said each office space would come with one parking space and if you need another space they lease spaces as part of their business. Mr. Cerrato suggested as part of the agreement a set number of spaces could be spelled out with a fixed cost per space. Mr. Mayes suggested the 60, 40, 20 subsidy percentage could apply. Chairman Braddy suggested finding out how much Mr. Hardman plans to charge for additional parking/vehicle storage spaces. Mr. Mayes stated Mr. Hardman is working on the parking as this could be the seed bed for the incubator and could result in a commerce park. He added maybe they could have a paid parking area without an office. Chairman Braddy suggested wrapping Item 5 regarding warehouse space in with parking and use the 60, 40, 20 percentages to encourage growth. Mr. Desmond suggested a maximum number of spaces should be defined so that a maximum amount of the City's outlay can be determined. It was suggested there be a maximum of 5 spaces. Ms. Boggs stated we need to know the cost before we determine the number of spaces since we don't know how much the City is willing to put into the micro-incubator program. Mr. Mayes stated that is why we are putting a report together to go before the Commission to determine what the City is willing to put into this program. Ms. Boggs commented she was concerned about the cost benefit to the City; will the business once it grows stay in Deltona after the three years, will they pay taxes on property that will impact the City and will the money earned by the business stay in the City. Chairman Braddy commented he believes success breeds success so if the business is there for the three years, bringing jobs and customers to the area the City will get a return even if they should move outside of the City. Mr. Mayes stated he is working with Mr. Hardman to have a place for them to go close by so they won't leave the city. Ms. Boggs stated what we are trying to do is build jobs

and suggested there should be stated goals to prevent future criticism. Mr. Mayes stated our mission statement is we want to get the businesses out of homes and into other areas to protect our residential areas and allow them to grow. Chairman Braddy stated they are close to running out of time and asked if the sub-committee wanted to table questions number 4 and 5 until the next meeting. Mr. Mayes summarized what the sub-committee had recommended so far; 1) recommend subsidies, 2) recommend a 3 year timeline, 3) recommend subsidies in a declining 60-40-20 annual reduction with an option for a 1 year extension depending on the growth of the company and 4) recommend subsidies for parking on a declining 60-40-20 annual reduction for a maximum of up to 5 parking spaces. Chairman Braddy asked for a motion.

Motion was made by Mr. Cerrato, seconded by Ms. Deyette to accept the list of recommendations agreed upon by a majority of the members as stated by Mr. Mayes.

Motion carried by a vote of 6 to 1 with Mr. Desmond opposed.

9. MEMBER COMMENTS:

Mr. Desmond commented regarding the lakeside development the City now owns Thornby. He was informed that Thornby is ECHO property jointly owned by the City and the County. Mr. Desmond decided to hold his comments until a later date.

Ms. Peacock commented that she was impressed with the plan the sub-committee came up with today and believes it is very solid.

Mr. Cerrato commented that the City website lists the sub-committee as Lakeshore Eco-Economic and Eco-Economic Sub-Committee and does not mention the Micro-Incubator. He commented it also lists the meetings as needed and he feels they have been meeting enough that the meetings should be listed as the 2nd Friday of each month at 3:30 p.m. Mr. Mayes asked Mr. Cerrato to send him an email.

Chairman Brady commented they had made good progress and thanked everyone for the candid conversations.

10. PUBLIC COMMENTS: None

11. CONFIRMATION OF NEXT MEETING DATE, TIME AND LOCATION.

Next meeting scheduled for Friday, April 12, 2013 at 3:30 p.m. in the 2nd Floor Conference Room.

12. ADJOURNMENT:

Motion was made by Vice Chairman Kesler, seconded by Ms. Boggs to adjourn the meeting.

Motion carried with members present voting unanimously.

Meeting adjourned at 4:42 p.m.

Roy Braddy, Chairman

ATTEST:

Janet Day, Admin. Assistant II