

**CITY OF DELTONA, FLORIDA
ECONOMIC DEVELOPMENT LAKESHORE ECO-ECONOMIC &
MICRO-INCUBATOR STUDY SUB-COMMITTEE MEETING
FRIDAY, MAY 15, 2013**

A Regular Meeting of the Economic Development Lakeshore Eco-Economic & Micro-Incubator Study Sub-Committee was held on Friday, May 15, 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 3:34 p.m. by Chairman Brady.

2. ROLL CALL & DETERMINATION OF QUORUM:

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

3. PLEDGE OF ALLEGIANCE: Pledge was recited.

4. APPROVAL OF MINUTES & AGENDA:

A. Adoption of the Minutes – May 15, 2013:

Chairman Braddy asked if everyone had a chance to review the minutes from April 12, 2013 and if there was any discussion; if not a motion is in order.

Motion was made by Ms. Peacock, seconded by Vice Chairman Kesler to approve the minutes for April 12, 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: None

7. OLD BUSINESS:

A. Public Sector Participants' contributions: None

8. NEW BUSINESS:

A. Guest Speaker – Lee Lopez, City of Deltona Public Information Officer: Update on Lakeshore Eco-Economic Project:

Chairman Braddy stated Mr. Lopez had been asked to defer his update so the Sub-Committee could move on to Item B since there is a lot to go through on the Micro-Incubator questions. He stated the intent is if the sub-committee can get through questions 9 – 14 so we will be able to set up a workshop with the City Commission to review the sub-committee's findings.

B. Final Meeting for the review and discussion of Micro-Incubator regarding City subsidies:

Chairman Braddy began with question #9 regarding using S.C.O.R.E. or the Small Business Development Center and making them a partner after the business plan is done. Mr. Mayes answered yes that both organizations would probably be putting on the classes for Daytona State College our institute of higher learning (IHL) partner. He suggested scratching S.C.O.R.E. since they do not have an office in W. Volusia and added that the Small Business Development Center (S.B.D.C.) is actually covering for S.C.O.R.E. until they do have an office in W. Volusia. He suggested the question if approved could read “when the business plan is done, do we use the S.B.D.C. and make them a partner”. The members present concurred with the question as stated by Mr. Mayes. Mr. Mayes stated they would and after all motions have been made on questions #9 – #14 he will go back over the motions for all the questions and make one overall motion. Mr. Cerrato asked if they shouldn’t address question #8 since S.C.O.R.E. was referred to in question #8 and should it be removed from that question also. Chairman Braddy stated he believed the sub-committee had already agreed on questions #1 – #8. Mr. Mayes agreed.

Motion was made by Ms. Peacock, seconded by Ms. Deyette to approve Question #9 as stated by Mr. Mayes.

Motion carried with members present voting unanimously.

There was discussion on question #8 and Mr. Mayes suggested modifying the agreement on question #8 to take out the words “S.C.O.R.E. or” and modify the question to read “do we require them to have a business plan to apply... or have their application approved by S.B.D.C.”. He recommended that we change that and leave it at that so that if a business plan has already been paid for it can be used even though it may not be from S.C.O.R.E or S.B.D.C. He added we could include the wording “that has been reviewed by the S.B.D.C. The members present agreed. Mr. Mayes stated question #8 will read “do we require the applicant to have a small business plan to apply that has been reviewed by S.B.D.C.”.

Motion was made by Ms. Deyette, seconded by Ms. Peacock to approve Question #8 as stated by Mr. Mayes.

Motion carried with members present voting unanimously.

Chairman Braddy stated question #10 asks since the DSC courses will cost do we approach the Center for Business Excellence (CBE) for educational grants. Mr. Cerrato suggested grants would be better than the City providing subsidies. Chairman Braddy stated in the private sector he has been very successful with the CBE providing grants for education. The members present agreed.

Motion was made by Ms. Peacock, seconded by Mr. Cerrato to approach the CBE for educational grants.

Motion carried with members present voting unanimously.

Chairman Braddy stated question #11 asks how the prospective tenants will be vetted. He suggested the vetting group/governing board could include some City officials, DSC, CBE and SBDC to have a cross section of people with a different perspective; you could also include a member of the DEDAB Committee, some members from the boards or sub-committees apart from a regular DEDAB Committee Member and ask the City to vet them. Mr. Mayes summarized that so far you have suggested having a representative from DSC, DEDAB, SBDC, a Commission appointed representative and/or a Commissioner; will that be enough. Chairman Braddy stated he believed that would be a broad enough

cross section to give a fair vetting process because each would have a different view of what their function is with the micro-incubator. Mr. Mayes suggested adding someone who does business financing. He reminded everyone that these are only recommendations that will be made to the Commission. Mr. Cerrato asked to make a motion to go ahead and form a vetting group/governing board as listed to review applicants once they have applied with a business plan. Mr. Mayes stated they should forward a suggested list of the types of people including a financial accounting expert, someone from DSC for the educational side, someone from DEDAB, someone from SBDC, someone from CBE and a representative appointed by the Commission to form a vetting group to review applicants to the Commission. He added if the Commission should want the sub-committee to suggest names for that list a special meeting can be called to form that list.

Motion was made by Mr. Cerrato to follow the suggested recommendations of people from those 6 areas to be included on the vetting group/governing board as stated by Mr. Mayes. There was no second.

Chairman Braddy stated he believed questions #11 and #12 kind of go together so how do they get vetted and who makes it up and it looks like we skipped over question #11 and went to question #12. He stated question #11 asks how they are vetted and that would be by the vetting group/governing board. Mr. Mayes suggested going back to question #11; how are they vetted. After discussion Mr. Mayes suggested the applicant should be vetted based on a completed application, a business plan, recommendations and a credit bureau report. The Board Members present agreed.

Motion was made by Ms. Peacock, seconded by Vice Chairman Kesler regarding question #11 to follow the recommendations for vetting the applicants as stated by Mr. Mayes.

Motion carried with members present voting unanimously.

Chairman Braddy stated the next question is #12 but they had answered that already. Mr. Cerrato stated he did not believe there had been a motion and a second for question #12. Mr. Mayes stated the sub-committee had previously agreed that the vetting group/governing board would be a financial/accounting expert, a representative of DSC, a DEDAB representative, a SBDC representative, a CBE representative and an appointee representing the City Commission.

Motion was made by Mr. Cerrato, seconded by Vice Chairman Kesler regarding question #12 to agree upon the recommendation of the representatives from those 6 areas to be included on the vetting group as stated by Mr. Mayes.

Motion carried with members present voting unanimously.

Chairman Braddy stated the next question #13 lists Great Oaks, LLC (landlord) and DSC (educational) as partners and asked if the CBE and SBDC (business growth) should be included. Mr. Mayes stated he believed the sub-committee had addressed this earlier during discussion of question #8 when they dropped S.C.O.R.E. He stated to readdress it we have the landlord, DSC, CBE and SBDC and asked if there are any others that should be considered as actual partners. He added there will be other groups that the sub-committee can look at in the future such as a Chamber or business association as a partner or on the vetting group/governing board.

Motion was made by Mr. Cerrato, seconded by Ms. Deyette that Great Oaks, LLC, DSC, the CBE and SBDC be partners with the micro-incubator.

Motion carried with members present voting unanimously.

Chairman Braddy stated question #14 asks if there are any other items to be discussed or included suggesting that unless anyone has something in particular to add they don't necessarily need to discuss this one. Mr. Mayes asked the members to take a moment and think if there is anything that may have been missed. Chairman Braddy stated we have to have the incubator, physical location, willing participants, oversight and the finance and it appears we have covered all these. He added we need to finish this today and have a timeline. Mr. Mayes summarized the recommendations to the City Commission.

- 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 with approval from the City appointed governing body for the micro-incubator.
- 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.
- d. a subsidy of 60% 1st year, 40% 2nd year and 20% the 3rd year for any additional storage, warehouse or bays as included in the initial business plan that is agreed upon by the vetting board at the time of 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 institute of higher learning (IHL) associated with the micro-incubator. If the business does not attend, participate and complete the required courses they must ask for a review and approval from the City appointed governing body for the micro-incubator or lose City subsidy.
- 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 semi-annually over the 3 years as part of the SDBA project.
- g. for the expense of the DSC courses that will be required we will approach CBE for educational grants.
- h. a City appointed governing board be formed to review and vet the application including a business plan as determined previously for approval for the micro-incubator project; further, it is recommended that this City appointed governing board include the following:
 - i. a commercial financial/accounting firm;
 - ii. a representative of Daytona State College;
 - iii. a representative 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. a representative appointed by the City Commission.
- i. Great Oaks, LLC (landlord), DSC (education/IHL), the CBE and the SBA/SBC (business development) become partners in the micro-incubator.

Mr. Mayes stated these are the recommendations and the sub-committee will need to make a motion to approve the recommendations as listed and agreed upon above.

Motion was made by Mr. Kesler, seconded by Ms. Peacock to approve the recommendations as listed above by Mr. Mayes.

Motion carried with members present voting unanimously.

C. Begin preparation of presentation for Commission Workshop:

Mr. Mayes stated he will prepare the presentation and once completed, typed and reviewed a copy will be forwarded to the sub-committee members to review and comment if needed. Chairman Braddy suggested they do not need to wait until the next meeting; we need move forward on this. He asked if Mr. Mayes could find out when the next workshop is available. Mr. Mayes stated he will have to get with the City Clerk to schedule this discussion at a workshop. He stated that DEDAB has a presentation on Eco-Tourism at the June 24th workshop and he would like to have Lee Lopez at our sub-committee meeting and go over the presentation prior to that. Mr. Mayes was asked if he could try to have discussion of the Micro-Incubator recommendations included on the June 24th workshop.

9. MEMBER COMMENTS:

Mr. Cerrato commented he will not be in attendance at the next meeting as he will be out of the country..

10. PUBLIC COMMENTS: None

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

Next meeting scheduled for Friday, June 14, 2013 at 3:30 p.m. in the 2nd Floor Conference Room.

12. ADJOURNMENT:

Motion was made by Ms. Deyette, seconded by Mr. Cerrato to adjourn the meeting.

Motion carried with members present voting unanimously.

Meeting adjourned at 4:34 p.m.

Roy Braddy, Chairman

ATTEST:

Janet Day, Admin. Assistant II