

ECONOMIC DEVELOPMENT ADVISORY BOARD  
November 16, 2011 - MINUTES

**1. Call to Order**

Ms. Kilian, Chair called the meeting to order at 8:00 A.M.

**2. Roll Call**

Present: Thomas Blawn Carol Kilian Carl Lentz  
Lawrence McDermott Ruth Trager

Absent: Tim Davis Bishop Derek Triplett

Ex Officio: Phillip Ehlinger, Volusia County  
Economic Development Director

Helen Cauthen, Team Volusia Economic Development Corporation  
President & CEO

Staff: Emory Counts, City of Daytona Beach  
Economic and Community Development Director

**3. Approval of Minutes August 17, 2011**

*A motion to approve the Minutes of October 19, 2011 was made by Mr. McDermott, seconded by Mr. Blawn, and approved unanimously.*

**4. Reports**

**A. Volusia County Economic Development –Phillip Ehlinger**

Mr. Ehlinger reported that he and Mr. Counts have worked closely to get Teledyne ODI, Inc. in shape to be approved for various state and local incentives. The process included several conversations with Enterprise Florida, the Governor's Office, and others but it looks very promising. Secondly, construction of the new ARK Technologies building is moving along quite nicely out off the Mason Avenue extension. Additionally, we are working with Dr. Kent Sharples to recruit a manufacturer out of New York to come down and although they are very interested in the old AO Precision building on Mason Avenue they are reluctant to make that final decision. During this company's initial visit Mr. Counts met with its representative regarding combining the ad valorem tax exemption with the other state and County incentives to help the business' decision to relocate.

Mr. Counts commented that the vote was unanimous by the City Commission on 1<sup>st</sup> Reading to grant Teledyne the exemption of ad valorem tax; and that 2<sup>nd</sup> Reading on the Ordinance would occur at the City Commission meeting later that evening. He said the total package of local and state incentives is estimated to be about \$1.6 million.

**B. Team Volusia Economic Development Corporation (TVEDC) – Helen Cauthen**

Ms. Cauthen confirmed that the New York client referenced earlier by Mr. Ehlinger and Mr. Counts is indeed interested in the AO Precision property but had not visited that particular property. In the interest of time and to keep the process moving, Team Volusia actually did some video of a number of buildings including that property to help them get

some sense of how the respective locations might conceivably meet their needs. The property they were initially interested in is now in the process of being sold. Ms. Cauthen commented that she made a similar presentation to the Vision Foundation last evening in also telling that, “Team Volusia is in the midst of finalizing the industry cluster analysis” so that we can better define which target businesses we need to focus on for recruitment. Finally, she reported that Kerry Symolan, TVEDC Director of Recruitment and Expansion was presently engaging business prospects at the “FABTEC” trade show at McCormack Center in Chicago.

C. Vision Foundation – *Larry McDermott, Vision Foundation Chair*

Mr. McDermott confirmed that Mr. Cauthen had provided a good half hour presentation before the Vision Foundation last evening. However, the main focus of the Vision meeting continued to be the lack of access to medical care for the working poor. He explained that Francine Barnes and Dr. Fulton estimated the number of persons in the County between the ages of 18-65 without medical care could be as high 47,000. There are only a few small clinics that can help located in Holly Hill, Deland, Bunnell, and Debarry. The Foundation’s strategy is find a doctor or group of persons to champion this effort. Ms. Kilian reminded the Board that “access to healthcare” is an objective identified in the Vision Plan strategies.

5. **Daytona Beach Area Economic Development Report**-*Emory Counts*

A. Draft Program Agenda - Ms. Kilian reported that she and Mr. Counts have been working on this to ensure it is the “kick off” economic development program, where each organization appearing on the program would report on what they accomplished in 2011 and what they plan to accomplish in 2012, and there would be time for questions, answers, and good interaction between the people and presenters. The *Market Trends Report* presented by the News Journal representative will still be the featured presentation. Mr. Ehlinger commented that 10 minutes would be enough time for each speaker with the exception of the Market Study Report. It might also be interesting to invite all the Mayoral candidates. Mr. McDermott also suggested there should be some sort of food to ensure a good attendance.

B. Date, Time, and Location of Program – Thursday, January 12, 2012, 6:00 p.m.-8:00p.m. in the Large Community Room at Police Headquarters, 129 Valor Drive.

C. Marketing Strategies – Contact community groups; City Boards; distribute Flyers; Susan Cerbone to market it on the City website, channel 199, and other. Mr. Counts, through the City Manager, will ask Commissioner Gilliland to comment about it during Commission meetings since the event will take place in his Zone. Mr. Lentz asked if the Board would receive a flyer so that they could send it to persons in their e-mail distributions. Ms. Kilian responded, “Yes”, the flyer is currently being finalized.

6. **Old Business**

There was no old business to come before the Board.

7. **New Business**

- A. Exemption of Ad Valorem Tax Incentive-Daytona Beverages, LLC – Mr. Counts reviewed this exemption application to facilitate a business expansion. In this case, the company will expand by (1) adding 30,000 square feet to their facility at an estimated cost of \$2 million (2) immediately bring-in 40 *new to the City* jobs, and (3) create an annual wage of \$39,333. Ms. Trager requested that the minimum goal for City residents of the new jobs should be 20% and the Board agreed. Mr. Lentz clarified that the tax exemption would only be for the new improvements and would not take property off the tax rolls for which the City is currently receiving taxes. Although the estimated value of the exemption was requested from the Property Appraiser it had not yet been received in time for this meeting, nevertheless, per the business owner and in the interest of time Mr. Counts said he needed to present this case to the Board. Once the Property Appraiser estimate is received it would be reported to the Board at the next meeting.

Further, Mr. Counts clarified that the statistic “*annual average wage*” included all of the wages of the company including management. He said that was the standard way that data was required to be reported in order to apply for state and a number of other economic development incentives. While he did not see that “*standard*” requirement changing he suggested that if the Board wanted the additional information we could request it on future applications.

Mr. Blawn commented that this company is getting ready to build a new building here and that should be encouraged. In light of an 11 percent unemployment rate, we have to be encouraging and not put roadblocks in front of developing businesses. We should not be perceived as being negative toward business development. This company is staying here and expanding in the City and there are sure to be spin-offs of purchases of other goods and services and perhaps other economic development.

Mr. Lentz asked if there is a tax exemption schedule that we normally use. Mr. Counts reported that we pretty much stick to the same basic schedule unless there is a reason to do more or less. Sometimes in order for the incentive to be significant to the client we might need to tweak the schedule a little. He noted that this is the same schedule used for Teledyne, ODI but the amounts would be different given the different capital investment amounts.

*A motion to approve the exemption of ad valorem tax incentive for Daytona Beverages, LLC tax schedule years 1-2 100%, years 3-4 75%, years 5-6 50%, years 7 25%, was made by Mr. Blawn, seconded by Mr. McDermott, and approved unanimously.*

- B. Exemption of Ad Valorem Tax Incentive-Crane Performance Products – Mr. Counts reviewed this exemption application to facilitate this business expansion. In this case the company is moving from a 17,000 sq. ft. building to a 25,000 sq. ft. building and requests to continue the previously granted exemption to its new location. Ordinance 10-328 described the intent of the City Commission to continue the exemption if the company met all applicable requirements and continued to be located in the Brownfield Area. The company will relocate from 1640 Mason Avenue to 1840 Holsonback Drive which is in the Aeronautical Redevelopment Opportunities (AERO) Research Park Brownfield Area. Additionally, the relocation will help ongoing discussions at the company’s Viola, WI

headquarters to possibly move more business to the City. Mr. Counts will advise Crane that the minimum resident hiring goal for new jobs created is 20%.

*A motion to approve continuing the previously granted exemption granted by Ordinance 10-102 for Crane Performance Products at its new address in order to continue to provide funding for Crane to be eligible to participate in the Florida Brownfield Refund Bonus Redevelopment incentive program was made by Mr. Blawn, seconded by Ms. Trager, and approved unanimously.*

*A motion to clarify that an estimate of the tax impact for Daytona Beach must be clearly stated to the Economic Development Advisory Board prior to consideration of a tax exemption, was made by Mr. McDermott, seconded by Ms. Trager, and approved unanimously.*

*A motion to clarify that a representative or their designee of the company requesting an exemption of ad valorem tax must be present at the Economic Development Advisory Board meeting in order for consideration of the exemption to occur, was made by Mr. McDermott, seconded by Ms. Trager, and approved unanimously.*

**8. Citizens' Comments**

There were no citizen comments brought before the Board.

**9. Schedule next meeting**

*A motion to re-schedule the January 11, 2012 meeting of the Economic Development Advisory Board to December 14, 2011, was made by Mr. McDermott, seconded by Ms. Trager, and approved unanimously.*

**10. Adjourn**

The meeting adjourned at 9:22 A.M.