



**CITY OF NEW SMYRNA BEACH
ECONOMIC DEVELOPMENT ADVISORY BOARD MEETING AGENDA
WEDNESDAY, FEBRUARY 15, 2012 – 6:00 PM
CITY COMMISSION CHAMBERS
210 SAMS AVE., NEW SMYRNA BEACH, FLORIDA**

1. CALL TO ORDER

2. ROLL CALL

3. CONSENT AGENDA – Approval of Regular EDAB Meeting Minutes January 18, 2012

4. PRESENTATION

Tammie Nemecek - Director of Partner Development, Florida Economic Gardening Institute
University of Central Florida Office of Research and Commercialization

5. OLD BUSINESS

None

6. NEW BUSINESS

None

7. BOARD MEMBER COMMENTS

8. REPORTS AND COMMUNICATIONS

A. Director's Report

9. FUTURE AGENDA ITEMS

- Discussion on new CRA – Draft of Blight Study Request for Proposal (RFP)
- Representative from Medical District to make presentation
- Joint Sports Complex Task Force/EDAB meeting on March 21, 2012

10. ADJOURNMENT:

Pursuant to *Florida Statutes* 286.0150, if an individual decides to appeal any decision made by the Economic Development Advisory Board with respect to any matter considered at this meeting, a record of the proceedings will be required and the individual will need to ensure that a verbatim transcript of the proceedings is made, which record includes the testimony and evidence upon which the appeal is based. Such person must provide a method for recording the proceedings. In accordance with the Americans with Disabilities Act, persons needing assistance to participate in any of these proceedings should contact the Community Redevelopment Office in person or by mail at 210 Sams Avenue, New Smyrna Beach, Florida 32168, (386) 424-2265, prior to the meeting.

CONSENT AGENDA

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**CITY OF NEW SMYRNA BEACH
ECONOMIC DEVELOPMENT ADVISORY BOARD (EDAB)
REGULAR MEETING MINUTES
JANUARY 18, 2012
City Hall Commission Chamber, New Smyrna Beach, FL**

Mayor Barringer called the meeting to order at 6:13 P.M. The EDAB meeting was preceded by a joint City Commission/CRA meeting.

ROLL CALL:

The following members answered to roll call:

Mayor Barringer
Jack Holcomb
Arlen Stauffer
Jill Carlton
Randy McHenry
Paul Mayer

Also present were CRA/EDAB Director Tony Otte; City Manager Pam Brangaccio and CRA Administrative and Program Specialist Claudia Soulie. Bill Hall (Ex Officio) was absent.

1. **CONSENT AGENDA** – Approval of Regular EDAB Meeting Minutes November 16, 2011

Mr. Mayer made the motion to approve the EDAB minutes with the correction of a scrivener's error line 98 on page 3 of 4; seconded by Mr. McHenry. Motion carried unanimously on roll call vote.

2. **OLD BUSINESS**

- a. **Sewer Assessment District Update (SR 44)**

Mr. Otte stated that the EDAB had recommended that the City move forward with providing central sewer service to the area south of SR 44 and east of Glencoe Road and that the City was taking steps to proceed with this project.

Mr. Otte continued that the City Commission was updated regarding the district at the November 8, 2011 meeting and that the City Attorney's office has been running the required 30-day ad for the assessment district. It is anticipated that the resolution of intent will be considered by the City Commission on January 24th 2012. There are then two readings of the ordinance needed to establish the sewer assessment district planned for the February City Commission meetings.

City Planning Manager Gail Henrikson was present and informed the EDAB that the City had the resolution of intent to create the assessment district and gave a summary of the next steps. Ms. Henrikson felt that construction of the new sewer line may start within five (5) months.

ECONOMIC DEVELOPMENT ADVISORY BOARD
JANUARY 18, 2012 MINUTES

50 A brief discussion ensued where the sewer line would run; possible extensions/tie-ins for future
51 developments and potential timelines for completion for several proposed developments.
52 Mr. Mayer asked if the EDAB could be kept informed about new developments.

53
54 Mr. Holcomb suggested bringing out all the positive developments and projects that are going on
55 in New Smyrna Beach. Ms. Brangaccio informed the EDAB that she has implemented an
56 economic update report that is being sent to the Board of Realtors; various owners of large
57 properties on beachside as well as being posted on the City's website and included in the
58 Chamber of Commerce newsletter etc. It was proposed to be published on a quarterly basis, but
59 due to all the recent activity, Ms. Brangaccio stated that two newsletters have already gone out
60 since December.

61
62 Mr. Holcomb also suggested using a specific selection of keywords in search engines through a
63 pay-per-click marketing campaign and stated that he has had success with this type of campaign.

64
65 **Mr. McHenry made a motion to recommend to the City Commission to use available**
66 **marketing dollars to invest in Pay-Per-Click marketing campaign assisted by Mikos**
67 **Consulting, seconded by Mr. Holcomb. Motion carried 5 – 0.**

68
69 b. Airport Plans and Activities Related to Economic Development

70
71 Ms. Rhonda Walker, City Airport Manager updated the EDAB on various projects like the FAR
72 Part 150 Noise study; tarmac expansion and fuel farm project; the revision process for the
73 Airport Masterplan; available grant funding for the Airport; proposed lease agreements and
74 planning/land use activities.

75
76 Ms. Brangaccio commended Ms. Walker on the terrific job she has been doing with Airport
77 redevelopment/infrastructure improvements and stated that the proposed new CRA would
78 include US1 and the Airport Industrial area which would further aid in those efforts.

79
80 Mr. Stauffer cautioned that sometimes even small vocal groups opposing redevelopment could
81 have a negative impact on receiving potential grant funding.

82
83 A brief discussion ensued about staff having met with the FAA about the proposed Masterplan
84 update and the associated redevelopment efforts and all the items that have already been
85 accomplished.

86
87 **3. NEW BUSINESS**

88
89 A. None

90
91 **4. BOARD MEMBER COMMENTS**

92
93 Mr. McHenry stated that in the spirit of good publicity for the City, he would contact Mr. Otte
94 with the date of the concrete pouring for the Hotel on Flagler Ave for a photo opportunity. This
95 would show positive progress for this large project.

96

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97 No further comments by Mr. Stauffer and Holcomb as well as Ms. Latty.

98
99 Mr. Mayer was pleased with the amount of activity on beachside and felt that the current work
100 on the Flagler Boardwalk as well as the Esther Street project would remedy some of the flooding
101 issues in that area. Mr. Mayer congratulated the City for all those efforts.

102
103 Mayor Barringer felt that the EDAB and the City had accomplished a lot in the past two years,
104 but stated that sometimes things happen that are beyond the City's control (Kmart and Food Lion
105 closings) and informed the EDAB of steps the City Commission had taken based on public
106 requests. Mayor Barringer asked the EDAB if they had any further suggestions on what the City
107 could do to potentially prevent these closings.

108
109 A brief discussion ensued that these business decisions are made on a corporate level and that the
110 best approach to this matter was to make sure that the location does not stay vacant.

111
112 Mr. Otte stated that staff was working with Team Volusia to list available sites in New Smyrna
113 Beach on their website.

114
115
116 **5. REPORTS AND COMMUNICATIONS**

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118 a. Director's Report

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120 Mr. Otte thanked Mr. Mayer for his involvement and work in listing available sites in New
121 Smyrna Beach, including the Airport on the Team Volusia's website and elaborated on staff's
122 efforts to continue this marketing effort.

123
124 Ms. Brangaccio commented on the recent resignation of the President and CEO for Team
125 Volusia and the recruitment efforts to keep the acquired momentum going.

126
127 **6. FUTURE AGENDA ITEMS**

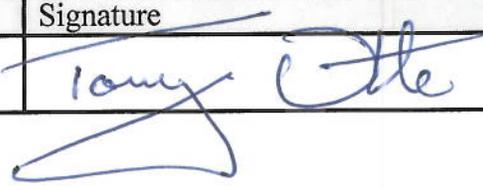
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129
- SPEAKER FROM GROW FL IN FEBRUARY ABOUT ECONOMIC GARDENING;
 - DISCUSSION ON NEW CRA - DRAFT OF BLIGHT STUDY REQUEST FOR PROPOSAL;
 - MEDICAL DISTRICT REPRESENTATIVE PRESENTATION IN THE SPRING;
 - SPORTS COMPLEX POTENTIAL JOINT MEETING IN MARCH
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136 **ADJOURNMENT:**

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138 There being no further business, the meeting was adjourned at 7:13 p.m.

PRESENTATION

EDAB AGENDA ITEM SUMMARY

Staff Member: Tony Otte		
Meeting Date: 2/15/12		
Action Item Title: Presentation: Florida Economic Gardening Institute University of Central Florida Office of Research and Commercialization – GrowFL		
Agenda Section: Consent _____ Public Hearing _____ Special Items <u> X </u>		
Summary Explanation and Background: Tammie Nemecek currently serves as Director of Partner Development for the Florida Economic Gardening Institute at the University of Central Florida. She leads partner development throughout Florida, helping local communities build entrepreneurial efforts centered on the Economic Gardening philosophy and techniques. The Florida Economic Gardening Institute at the University of Central Florida was established in 2009. Initially funded by the Florida Legislature, the Institute has provided services via the State of Florida's Economic Gardening Technical Assistance Pilot Program, known as GrowFL. With various partnerships throughout the state, including Orange County and the Florida High Tech Corridor Council, the Institute collaborates with statewide partners to support the growth of second-stage businesses through localized entrepreneurial ecosystems. Ms. Nemecek will be at the meeting for a presentation.		
Recommended Action/Motion: None, Informational Item		
Funding Analysis: N/A		
Exhibits Attached: GrowFL information		
Reviewed By:	Name	Signature
Department Director:	Tony Otte	
Board Action:		



**Florida Economic Gardening Network
Meeting Notes**

Friday, February 3, 2012

- Partner Communities Update
 - 379 total companies served and 445 technical assistance engagements since January 2009.
 - 35 of the 67 counties in Florida have at least one company that has been served. (See Map below)
 - We have a total of 162 companies funded in the 23-county Florida High Tech Corridor region, as a result of funding from the Florida High Tech Corridor Council and UCF.
 - Seminole, Marion, Brevard, Volusia, Tampa Bay Partnership and their 11 partners in that region, and Orange Counties are all close to or are already funding programs at the local level.
 - We are currently working with a number of other communities and organizations throughout Florida who are exploring a local-owned Economic Gardening program.
 - For those companies that have participated or have applied for technical assistance through the GrowFL.com website, you should have received a list from me. If you did not receive a list, or need it resent, please let me know.
- Legislative Update
 - The House has included \$2M in the budget for economic gardening. As you may know, FEDC included this as one of their priority legislative items. Dr. Tom O'Neal and three CEOs representing Brevard, Broward and Orange Counties that were participants in the program testified this past Tuesday in front of the House Transportation & Economic Development Appropriations Subcommittee chaired by Representative Horner. Representative Horner has taken the lead on this in the House. FEDC is also working through partners in the Senate. Please continue to provide your support to your legislators as we move through the rest of this session. For more information on the Florida Economic Development Council, please visit <http://fedc.net>
- Florida Economic Gardening Certification Program through the National Center for Economic Gardening
 - We will begin opening up the Florida Certification program through the National Center for Economic Gardening in March. We will hold a Webinar with Chris Gibbons and Mark Lange to review the process, discuss requirements and answer questions you might have. Part of the certification process will require professional development coursework. Timing and specifics on the certification will be sent to all the partners.
- Become a Florida Companies to Watch Community Partner
 - Florida Companies to Watch is scheduled for October 19, 2012 in Orlando. We are looking for Community Partners for this program. Please see [signup sheet](#) attached.
 - See highlights from the 2011 Florida Companies To Watch Awards - Florida Technology Journal <http://bit.ly/zKvcMK>



Florida Economic Gardening Institute at the University of Central Florida™

GrowFL
Cultivating Growth Companies
G R O W F L . C O M

- Membership Advisory Board formation – learn how you can participate
 - The Florida Economic Gardening Institute will be announcing soon a membership drive. We are looking for those interested in joining our Membership Advisory Board to support us through this campaign. The Advisory Board will meet in-person and help to provide direction on membership value and outreach. There will be 2 meetings per year, with the first meeting taking place in March. Please send me a note if you are interested in serving on the Advisory Board. We are looking for at least 15 volunteers from all areas of Florida. Please let me know as soon as possible by e-mailing me at Tammie.Nemecek@ucf.edu
 - February 7 – Webinar - The Truth about Existing Your Business – 9am. It is free to anyone that would like to participate. The next Webinars will take place on March 5, April 3 and May 8. If you have ideas or experts you would like to suggest for a webinar, please let us know. Visit <http://GrowFL.com> to register or more information.
 - Florida Rural Summit is March 14-16, 2012 at the Florida Public Safety Institute in Havana, Fla. GrowFL will be part of the panel discussion on Friday, March 16
- The next monthly meeting of the Network will be Friday, March 2, 2012 at 8am.

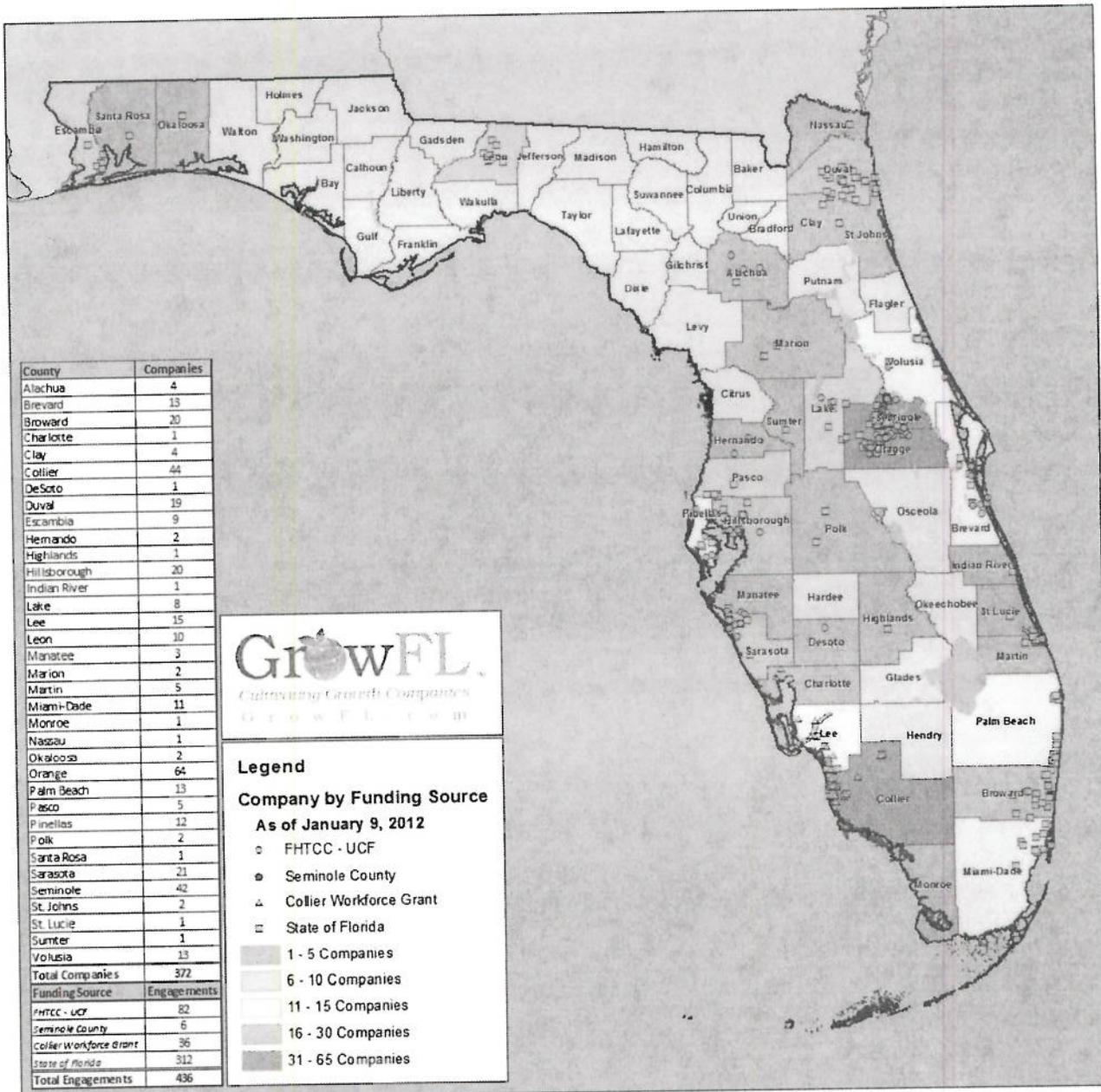
Call-in toll-free number (US/Canada): 1-877-668-4493
Access code: 23003823

For Webinar Access:

1. Go to <https://growfl.webex.com/growfl/j.php?ED=178113827&UID=0&PW=NMDdkYjQwYmNh&RT=MIMxMQ%3D%3D>
2. If a password is required, enter the Meeting Password: 23003823



**Florida Economic Gardening Institute – GrowFL
Distribution of Companies Served by County**





FLORIDA COMPANIES TO WATCH COMMUNITY PARTNERSHIP OPPORTUNITY

Community Partners are the key to build statewide relationships that will increase nominations for and support of second-stage companies throughout the State of Florida. These partnerships will ensure opportunities for local companies to be recognized as a Florida Company to Watch and to include the communities that support them in this process.

Who can be a Community Partner?

- Non-profit business organizations, agencies & associations; such as Chambers of Commerce, Economic Development Organizations, Business Resource Centers, etc.
- Not for profit education organizations, such as Community Colleges, State Colleges, Universities.
- Local Governments
- State Government Agencies
- Federal Government Agencies

Why become a Community Partner?

- You'll be connected to a national program — whose focus does not compete with your mission — that recognizes second-stage growth companies from all industries and sectors statewide.
- You'll raise your profile statewide through a reputable and highly successful program.
- Your partnership creates opportunities for your members — regardless of industry, geographical region or sector — by nominating them and thereby increasing the opportunity for winners to be selected among your audience.

Community Partners agree to do the following:

- 1) Put the Florida Companies to Watch logo on your website with a brief description and link.
- 2) Send introductory email to your membership regarding the Florida Companies to Watch program. We'll provide draft communications for you to use and customize.
- 3) Update your Calendar of Events with Florida Companies to Watch events.
- 4) Provide ongoing program news to your membership:
 - a) Current Company to Watch celebratory party happenings in the state
 - b) Monthly newsletters
 - c) Any other program announcements and updates, e.g., alumni news, sponsorship opportunities, Gala table and ticket sales, etc.



Florida Economic Gardening Institute at the University of Central Florida™



**FLORIDA
COMPANIES TO WATCH™**
CELEBRATING SECOND-STAGE ENTREPRENEURS

**In return, the Florida Economic Gardening Institute
Florida Companies to Watch agrees to do the following for you:**

- 1) List your organization's logo as a partner on the "Community Partners" page of the Florida Companies to Watch website.
- 2) List your organization as a partner of the Florida Companies to Watch on relevant promotional materials that provide a listing of Florida Companies To Watch partners, including the event program.

Get Started Today! Send the following information to Lynn Aitkin at Lynn@GrowFL.com:

- 1) Sign below to confirm your participation and return the following information
 - a) Organization point of contact and applicable contact information (i.e., name, phone number, email).
 - b) Organization name you'd like to use in promotional materials.
 - c) Electronic file of your logo (EPS format if possible).
 - d) Brief description of your organization (approx. 100 words).
 - e) Website address for linking purposes.

It's that easy.

_____ Yes, I agree to be a Florida Companies to Watch Community Partner. My logo and brief description are attached.

Organization: _____

Point of Contact: _____

Address: _____

Phone: _____ e-mail: _____

Website: _____



Economic Gardening FAQ Sheet

Q: What is Economic Gardening?

A: Economic Gardening is a philosophy to support local businesses that centers on emerging Stage One companies and Second Stage growth companies through the support of the entrepreneurs who run them. Specific tools are applied that are most relevant to the needs of these entrepreneurs to find new customers, increase revenue, share best practices and ultimately create primary jobs that support the local economy.

Q: What is a Second Stage Growth Company?

A: Second-stage companies are those that have grown past the startup stage but have not grown to maturity. They have enough employees to exceed the comfortable control span of one owner/CEO and benefit from adding professional managers, but they do not yet have a full-scale professional management team. A business typically begins to enter its second stage when it approaches \$1 million in total receipts. The transition process can continue until it hits \$100 million in receipts, although for most companies \$50 million represents the upper limit of second stage. By \$100 million, a firm will have to be professionally managed in order to continue to thrive and grow and be in its third stage of development. Employee numbers and revenue ranges vary by industry, but the population of firms with 10 to 100 employees and/or \$750,000 to \$50 million in receipts includes the vast majority of second-stage companies.

Q: What is an Emerging Stage 1 Business?

A: These businesses are growth companies with less than 10 employees, but have the ability to grow to 10 employees within twelve months.

Q: Why Economic Gardening?

A: The philosophy around Economic Gardening centers on companies and the entrepreneurs that are already in your community. About 70% of the jobs created will come from these entrepreneurs. By supporting Economic Gardening, your community is offering a tool that meets the needs of these entrepreneurs and helps to accelerate their growth. This is a proactive approach to economic development that places the community and the organizations that serve entrepreneurs in the driver's seat to deliver a balanced approach to economic development.



Q: How is this duplicative or complementary to services that might already be available to entrepreneurs?

A: Support of entrepreneurs needs to be thought of as building a robust ecosystem, equal to an industry cluster strategy. This ecosystem supports your entrepreneurs at all stages of development. The Florida Economic Gardening Institute is a service provider to local organizations that are supporting entrepreneurs on a daily basis. Consider us your “strike force,” providing a fortune 500 research team to help your companies grow. Our services are complementary and help to add value to organizations like economic development councils, chambers, small business development centers and others that are in direct contact and helping to support entrepreneurs in the growth of their companies.

Q: What is the success of the program?

A: A recent economic impact study shows that companies who participated in the GrowFL program created more than 1,400 direct jobs during the two year pilot program. (Source: <http://www.growfl.com/downloads/2011%20GrowFL%20Impacts%20Final.pdf>)

Q: Is this a statewide program?

A: Yes, this program is available statewide and is locally driven, controlled and funded. If a local organization is interested in having the services of the Florida Economic Gardening Institute available to their businesses, contact FEGL to discuss how we can customize the delivery of these services to the needs of your businesses and your organization.

Q: What communities is FEGL currently working with?

A: Currently the program has been funded for the 23-County High Tech Corridor area through funding by the Florida High Tech Corridor Council. In addition, Marion, Seminole, Brevard, Orange, and the Tampa Bay Region and Miami Dade College have all approved funding for local businesses. The Florida Economic Gardening Institute has reached out and is actively working with 70% of the communities in Florida, to date. The remaining communities will be scheduled for the first quarter of 2012.

Q: What is the minimum amount I should budget for Economic Gardening?

A: Providing technical assistance to your companies is the quickest and easiest way to get started. Each engagement for technical assistance is \$3,500 per company for 35 hours of research. Communities can customize the budget based on the number of companies they would like to service, which could be as little as 3 companies for \$10,500.

Q: What are the services provided by the Florida Economic Gardening Institute?

A: Technical Assistance, CEO Roundtables, special events and support for communities building an entrepreneurial strategy and cooperation among entrepreneurial support organizations.



Q: What is Technical Assistance?

A: Technical Assistance puts the capabilities of a Fortune 500 company's market research department in the hands of a second-stage business for the purpose of growing sales. Our team specializes in unique areas to analyze your overall business strategy. Following an initial diagnostic conference call, each team member works virtually from offices across the state through an online collaboration tool to send reports, recommendations and data lists to implement by the entrepreneur at their company. The team works with entrepreneurs on problems they identify and to provide additional perspective on potential issues or opportunities that they may not have seen. Included in this research is: Market Research/Competitive Intelligence, Internet & Social Media Strategy/Search Engine Optimization, Geographical Information Systems, Core Strategy Review, Referrals. For more detailed information on each of these areas of research, visit <http://growfl.com>.

Q: What is a CEO Roundtable?

A: CEO roundtables bring groups of 12 to 15 qualified entrepreneurs together 10 times a year for collaborative problem-solving sessions that address issues important to business owners. Led by a trained facilitator, these ongoing discussion groups are structured to provide CEOs with timely advice to problems they are currently experiencing. Participants discuss ways to overcome their company's obstacles to growth in areas such as finance, employee relations, legal compliance and marketing.

Q: How many companies has the Florida Economic Gardening Institute served?

A: There are more than 400 companies from throughout Florida that have participated in Technical Assistance and more than 100 that have participated on a CEO Roundtable.

Q: What is an Entrepreneur?

A: A person who generates new wealth by placing an emphasis on innovation through a variety of methods including: the development of new products, production methods, markets or forms of organizations, as examples. Wealth is created when such innovation results in new demand. From this viewpoint, one can define the function of the entrepreneur as one of combining various input factors in an innovative manner to generate value to the customer with the hope that this value will exceed the cost of the input factors, thus generating superior returns that result in the creation of wealth.

Q: What is a Primary Job?

A: A job available at a company for which a majority of the products or services to that company are ultimately exported to regional, statewide, national, or international markets, infusing new dollars into the local economy.



Q: What is an Entrepreneurial Support Organization (ESO)

A: ESOs include organizations, entities and individuals that **directly** affect entrepreneurs and/or the culture and infrastructure in which they do business. ESOs work in concert with the public sector to provide the resources, both tangible and intangible, to help businesses grow and succeed.

Q: What is an Entrepreneurial Ecosystem?

A: A framework that allows private sector and social actors, often with different traditions and motivations, and of different sizes and areas of influence, to act together and create wealth in a symbiotic relationship. (Prahalad C. K., 2005, p. 65)

Q: What is Economic Development?

A: The process of creating wealth through the mobilization of human, financial, capital, physical and natural resources to generate marketable goods and services. The (practitioner's) role is to influence the process for the benefit of the community through expanding job opportunities and the tax base.

Q: What is the difference between Entrepreneurship and Small Business?

A: Many people use the terms "entrepreneur" and "small business owner" synonymously. While they may have much in common, there are significant differences between the entrepreneurial venture and the small business. Entrepreneurial ventures differ from small businesses in these ways:

- **Amount of wealth creation** - rather than simply generating an income stream that replaces traditional employment, a successful entrepreneurial venture creates substantial wealth, typically in excess of several million dollars of profit.
- **Speed of wealth creation** - while a successful small business can generate several million dollars of profit over a lifetime, entrepreneurial wealth creation often is rapid; for example, within 5 years.
- **Risk** - the risk of an entrepreneurial venture must be high; otherwise, with the incentive of sure profits many entrepreneurs would be pursuing the idea and the opportunity no longer would exist.
- **Innovation** - entrepreneurship often involves substantial innovation beyond what a small business might exhibit. This innovation gives the venture the competitive advantage that results in wealth creation. The innovation may be in the product or service itself, or in the business processes used to deliver it.



Q: The Florida Economic Gardening Institute is what level of national certification from the National Center for Economic Gardening?

A: The Florida Economic Gardening Institute was certified in March of 2011 as a Level III Economic Gardening program by the National Center for Economic Gardening.

Q: What is the purpose of Economic Gardening Certification?

A: The National Center for Economic Gardening program certification has three purposes

- To encourage the Economic Gardening movement-- an entrepreneurial approach to economic development. **(Level I)**
- To encourage communities to begin using EG tools and concepts and to experiment with new tools and concepts **(Level II)**
- To ensure high fidelity programs that use the concepts, tools and practices proven to produce jobs and wealth. **(Level III)**

Q: What do each of the levels of certification mean?

- **Level I programs** (support of the entrepreneurial movement) have a general interest in the local entrepreneurial movement and have publicly stated support for the "growth from within" rationale for economic development. These programs support entrepreneurship activity primarily at the start up and early stage levels. They share values and objectives with programs like Main Street, sustainability, and local foods. Level 1 programs support the movement and philosophy of Economic Gardening but do not practice the core techniques or pursue the targeted objectives of a full fidelity level III program. The Program Director must be certified.
- **Level II programs** (experimentation) are active in local entrepreneurship support but tend to focus on start-ups, stage I companies, and local market retail and service businesses rather than stage II growth companies. They may provide other types of entrepreneurial support services and experiment with new tools and concepts. They may include SBDC, chamber of commerce programs, existing business assistance programs but show progress in using Economic Gardening tools, principles and practices targeting growth oriented companies. Programs must have a certified Program Director at least one staff member with EG professional certification.
- **Level III programs** (full fidelity) require full fidelity to the Economic Gardening concept including use of all tools, concepts and practices. The focus is on the strategic issues of stage II growth companies (urban track) or the strategic issues of high potential growth companies that export innovations (rural track). Programs must have a certified Program Administrator and at least 3 Economic Gardening Certified professional staff, adequate budget and preferably use a hub and spoke model.

REPORTS AND COMMUNICATIONS

ECONOMIC DEVELOPMENT REPORT

February 15, 2012

Announcements

- Job Fair: Saturday February 11, 10 am - 3 pm, Babe James Community Center

City Commission items regarding economic development:

- January 24
 - Approval of an interlocal agreement for the design and construction of improvements at the Swoope Site to include a public boat ramp.
 - Approval of a Joint Participation Agreement with the Florida Department of Transportation (FDOT) for the construction of aircraft fuel tanks as part of the fuel farm project.
 - Approval of design services for the new central fire station to be constructed on SR 44 east of K-Mart. This facility will replace the fire station on Faulkner St downtown.
 - Approval of a task order for work including the removal of fuel tanks at 1010 Canal St (former Hi-Mart Gas Station), to be paid with Brownfield Assessment Grant funds.
 - A resolution of intent for the creation of a sewer assessment district on SR 44 across from the Murphy Gas Station was approved.
 - The temporary moratorium for approvals on internet cafes was extended 90 days.
 - The street right of way on the Administrative Office Building site (Pescado Street) was vacated.

Update on the EDAB's Top 5 Goals:

- A. State Road 44:** Actions to establish the sewer assessment district across from Home Depot continue. The first ordinance for the creation of the district is on the February 14 City Commission agenda.
- B. US 1:**
 - a. The former used car dealership at the SW corner of US 1 and Mary Ave is being renovated as an ice cream store. This project received a CRA grant.
 - b. A buyer for the former Badcock store at the SE corner of US 1 and Canal St has been recommended for approval for an Opportunity Site

Grant. The CRA attorney is preparing a contract for this project to present to the City Commission.

c. The City has the former police station site on US 1 for sale.

C. Sports Complex: Staff is scheduling a joint meeting with the Sports Complex Task Force for the March EDAB meeting.

D. Airport: There are several construction projects underway at the airport, including the fuel farm work listed above. These improvements were reviewed by the Airport Manager with a reporter from the New Journal on Thursday for an upcoming article on aviation assets in Volusia County.

E. Brannon Center: Report on title – staff is reviewing a report on what items are needed to make the title insurable. Staff is planning to recommend the hiring of outside legal counsel in Tallahassee to process a request for title from the state Board of Trustees.

F. Hospital District: Staff attended the Chamber Business After Hours recently at the new Bert Fish Business Center on US 1 and spoke with a District official regarding staff's intention to follow-up and coordinate plans.

G. Revitalization of US1 (FEC property): At their meeting on April 6th, the Volusia Growth Management Commission found the EAR Based Amendments (including the FEC property) consistent. These amendments were approved (5-0) by the City Commission at its' April 12, 2011 meeting. There were no appeals to the amendments, so they are now in place. FEC representatives are moving forward with the planning for this project.

H. Economic Gardening: Staff has arranged for Ms. Tammie Nemecek, the Director of Partner Development for the GrowFl program, to be the speaker at the February meeting of the EDAB.

I. Historic Westside: Activities include:

a. Staff is reviewing a site on Mary Ave for possible lease as a business incubator.

b. Staff is reviewing options for improving housing conditions.

c. Capital Projects:

i. The Mary Ave Streetscape has been completed.

ii. The Myrtle Ave Streetscape has been completed.

iii. The construction plans for the Washington St Streetscape plans are under review. Staff is planning to submit an application for

grant funds to construct the sidewalk at the south side of the railroad crossing.

- iv. The owner of the property at the NW corner of Washington and Dimmick (the barbershop building) is applying for "Opportunity Site" designation. This application is on the February 14 City Commission agenda.

- d. Staff attends and makes reports at the monthly community meetings: the fourth Monday of each month at 6:15 pm, held at the Babe James Community Center.

Other Activities

1. EDAB member Paul Mayer has researched the listing of properties on county-wide economic development websites. It appears that the listings from members of the New Smyrna Beach Board of Realtors are present, but other properties are not listed. Mr. Mayer and Kevin Jameson met with Team Volusia staff to follow up to ensure that all properties available are listed.
2. EDAB member Randy McHenry made arrangements for a site visit at the Hampton Inn project on Flagler Ave. last week. The site visit was well attended with representatives from the City, County, and Chamber of Commerce. An article and pictures appeared in the News Journal on February 9.
3. The CRA Marketing Consultant continues to maintain the NSB WaterfrontLoop.com website and send out press releases on CRA topics including business openings.
4. The Wayfinding signage system has been approved by FDOT! The bid documents are now in staff review. The colorful signs will direct motorists to various attractions such as the commercial districts, the beach, the hospital, etc.
5. Staff is planning to follow-up on two items from the January EDAB meeting: a pay-per-click website campaign; and an ordinance requiring businesses that are leaving to register the soon to be vacant property with the City.

Proposed Development Activities

1. **Proposed developments in the site plan review process:** Dunkin Donuts (West of Murphy Gas Station on SR 44); McDonald's (near the new WalMart); additional parking lot for Hampton Inn on Flagler Ave; additional parking lot for Little Theatre (NE corner of Horton and Third Ave.);
2. **Rezoning:** property in the SW quadrant of SR 44 and I- 95, zoned PUD and now submitting plans: 15-20 commercial use lots, including 4 industrial use lots at the rear of the property.
3. **Utility Plans in Review:** ABC Fine Wine and Spirits (Across from Murphy Gas Station on SR 44)

(I appreciate receiving information from Gail Henrikson and Randy Walter for this section.)

January 26, 2012

Media contact:

Donna Banks
Community Resource Coordinator
New Smyrna Beach CRA
386.314.4849

NEWS FOR IMMEDIATE RELEASE

**Businesses encourage to attend New Smyrna Beach Job Fair
February 11**

Businesses may make the most of their time by participating in the first annual Job Fair from 10 a.m.- 3 p.m., Saturday, February 11, in New Smyrna Beach.

Participating businesses will have the opportunity to survey a large number of job applicants quickly and inexpensively during the event. They also will be able to network with other employers and cross-promote their business.

The event will be held at the Alonzo "Babe" James Community Center, 201 N. Myrtle Avenue.

Space is first come, first served. Advanced registration is required. The cost is \$25 per table. Checks and envelopes should be made out to NSB Job Fair and mailed to the Center.

The event is hosted by the New Smyrna Beach Community Redevelopment Agency, the Concerned Citizens of the Black African American Community of New Smyrna Beach, and Concerned Organized Men in Action (C.O.M.A.).

This is a free, city-wide event. Workers must be at least 18 years old to participate.

For more information, please contact Donna Gray-Banks at 386.314.4849 or Melvin Brown at 386.423.7936.

-30-



SUMMARY OF ACTION

**CITY OF NEW SMYRNA BEACH
ECONOMIC DEVELOPMENT ADVISORY BOARD MEETING AGENDA
WEDNESDAY, January 18, 2012 – 6:00 PM
CITY COMMISSION CHAMBERS
210 SAMS AVE., NEW SMYRNA BEACH, FLORIDA**

1. **CALL TO ORDER** – 6:13 PM (Meeting was preceded by a Joint CRA/CC meeting from 4 – 6 pm)

2. **ROLL CALL**

Mayor Barringer (Ex Officio)
Jack Holcomb
Arlen Stauffer
Jill Carlton

Randy McHenry
Paul Mayer
Bill Hall (Ex Officio) - absent

3. **CONSENT AGENDA** – Approval of Regular EDAB Meeting November 16, 2011

APPROVED WITH THE CORRECTION OF A SCRIVENOR'S ERROR LINE 98 ON PAGE 3 OF 4.

4. **OLD BUSINESS**

- A. Sewer Assessment District Update (SR 44) - **NO ACTION NECESSARY**
- B. Airport Plans and Activities Related to Economic Development - **NO ACTION NECESSARY**

5. **BOARD MEMBER COMMENTS**

MR. MCHENRY MADE A MOTION TO RECOMMEND TO THE CITY COMMISSION TO USE AVAILABLE MARKETING DOLLARS TO INVEST IN PAY-PER-CLICK MARKETING CAMPAIGN ASSISTED BY MIKOS CONSULTING, SECONDED BY MR. HOLCOMB. MOTION CARRIED 5 – 0.

6. **REPORTS AND COMMUNICATIONS**

- A. Director's Report - **NO ACTION NECESSARY**

7. **FUTURE AGENDA ITEMS**: SPEAKER FROM GROW FL IN FEBRUARY ABOUT ECONOMIC GARDENING; DISCUSSION ON NEW CRA - DRAFT OF BLIGHT STUDY REQUEST FOR PROPOSAL; MEDICAL DISTRICT REPRESENTATIVE PRESENTATION IN THE SPRING; SPORTS COMPLEX POTENTIAL JOINT MEETING IN MARCH;

8. **ADJOURNMENT**: 7:13 PM

TEAM VOLUSIA™

ECONOMIC DEVELOPMENT CORPORATION



2011 ANNUAL REPORT

Vision, Mission, and Guiding Principles | p. 3

Investor Update | p. 4

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Team Volusia EDC
 One Daytona Blvd., Suite 240
 Daytona Beach, FL 32114
 Office: 386.265.6332
 Fax: 386.238.8366
www.teamvolusiaedc.com

Contact Information

Core Values

Vision

Team Volusia Economic Development Corporation is an economic development partnership that is recognized as best in class in Florida and the Southeast, producing measurable improvement year after year in Volusia County's economy.

Mission

To serve as an economic development coordinator for Volusia County to:

1. Identify and cultivate targeted markets and business prospects across the globe; to attract high value businesses, investment and talent in order to enhance the quality of life in our communities.
2. Retain and expand our existing businesses, institutions and assets.
3. Develop the leadership necessary to sustain the journey toward increasing prosperity throughout Volusia County.

Guiding Principles

Trust | Implement economic development corporation structure that fosters collaboration, transcends parochialism, promotes sustainability and enables leaders to pursue major opportunities.

Professionalism | Hire strong economic development professionals mutually respected by public and private sectors, conveners, leaders, communicators, and dealmakers.

Competitiveness | Implement new economic development corporation, customized to fit the market and built on national best practices with a competitive level of public and private representation and investment.

Deliverables | Execute an economic development delivery system that will position Volusia County with its partners to facilitate more valuable business development and job creation opportunities.

Leadership | Assure that the new organization is led by the county's most prominent business and government leaders.

Investor Update

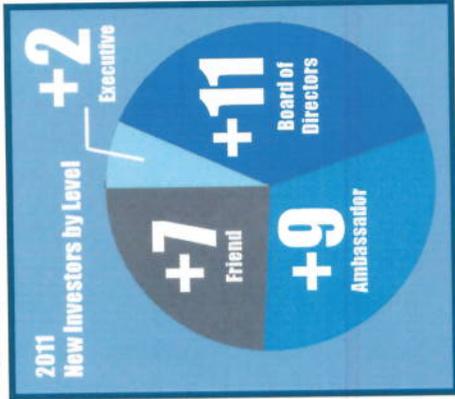
Strong overall support exists for Team Volusia as an organization and as a public-private partnership. Currently, we have sixty-eight investors and pledges totaling \$889,188. Twenty-nine of these are new investors added since January 1, 2011. The public sector currently has pledged \$457,188 (51.42% of total pledges) and the private sector has pledged \$432,000 (48.58% of total pledges). The organization has made significant progress this calendar year moving towards its goal of at least 51% private sector funding.

Investor Relations – Public

By the end of December 2010, Volusia County and the Cities of Daytona Beach, DeLand, Deltona, Holly Hill, New Smyrna Beach, Orange City, Ormond Beach, Port Orange, and South Daytona were public sector investors in Team Volusia. In April of 2011, we were pleased to welcome our 10th city – the City of DeBary – to the Board of Directors as the newest public sector investor.

Investor Relations – Private

The new organization continues to attract growing interest from the private sector. Six major higher education institutions are involved – Bethune-Cookman University, Daytona State College, Embry-Riddle Aeronautical University, Stetson University, University of Central Florida, and Palmer College of Chiropractic. Furthermore, fifty private sector companies, chambers of commerce, and community organizations have committed their support to Team Volusia.



To thank investors, who are our "job attraction visionaries", the Daytona Beach News-Journal donated a full page ad in the Sunday, October 16 edition and in the Volusia/Flagler Business Report on October 31.

Investor Update

Executive Committee

- Doran, Sims, Wolfe, & Kuntz | Ted Doran, *Chair*
- Florida Hospital – DeLand | Daryl Tol, *Vice Chair*
- Olivari & Associates | John Olivari, *Secretary/Treasurer*
- Center for Business Excellence | Rick Fraser
- City of Daytona Beach | Jim Chisholm
- City of DeLand | Michael Plans
- City of Deltona | Vice Mayor Paul Treusch
- City of New Smyrna Beach | Pam Brangaccio
- City of Ormond Beach | Joyce Shanshan
- City of Port Orange | Ken Parker
- Consolidated-Tomoka Land Co. | Bruce Teeters
- Daytona Regional Chamber of Commerce | Larry McKinney
- Florida Health Care Plans | Wendy Myers, M.D.
- NASCAR/ISC | Marcus Jodotte
- Volusia County | Jim Dinnert
- Volusia County Schools | Dr. Margaret Smith

Partner

- Giles Electric | Brad Giles
- Raydon Corporation | Mike Vollmar

Ambassador

- DeLand Chamber of Commerce | Nick Conte
- Hilton Daytona Beach | Rich Larkin
- Intraeastal Bank | Lloyd Collins
- Museum of Florida Art | Bill Hall
- Ormond Beach Chamber of Commerce | Tony Capozza
- Palmer College of Chiropractic | Peter Martin, D.C.
- Rice & Rose Law | James Rose
- SunTrust Bank | Jeff Blass
- TD Bank | Jim Weite
- Tel-Ton Technologies | Brian Dawson
- Waste Pro | Bob Wolk
- Wells Fargo Bank, N.A. | Mark Mariens

Friend

- Arthur Kowitz Realty | Arthur Kowitz
- Batten Madewell CPA, L.L.C. | David Batten
- CBC Benchmark | G.G. Galloway
- CBC Benchmark | Ed Schwarz
- Central Florida Community Development Corp. | Gerald Chester
- Compu Sys | Mahyar Okhovatian
- Cotton Enterprises, Inc. | Michael Cotton
- GEICO/Johnson Agency, Inc. | Rufus Johnson
- JRB of Ormond, Inc. | Bonnie Bledsoe
- Nova Property Management | Steve Unatin
- Reames Employee Benefits Solutions | Bert Reames
- Snell Legal | Greg Snell
- Volusia Flagler Family YMCA | Teresa Rogers

Board of Directors

- Bethune-Cookman University | Rev. Walter Monroe
- Boulevard Tire Center | Earl Cochard
- Bright House Networks | Joe Cordano
- City of DeBary | Mayor Bob Garcia
- City of Holly Hill | Jim McCrookley
- City of Orange City | Jamie Croteau
- City of South Daytona | Joe Yarbrough
- Cobb Cole, P.A. | John Ferguson
- Council on Aging (A+Large – Halifax) | Doug Beach
- Daytona Beach Area Association of Realtors | Mark Dougherty
- Daytona Beach Kennel Club | Dan Francati
- Daytona State College | Mary Bruno
- Don Bell Signs | Jim Weibethel
- Embry-Riddle Aeronautical University | Dr. Richard Heist
- Fifth Third Bank | Joseph DiSanti
- Florida Power & Light | Larry Volence
- Florida Public Utilities | Dan Lynch
- Ford Properties | Lisa Ford Williams
- ICI Homes | David Haas
- Lassiter Transportation Group | Sans Lassiter
- MacroTransport Services, Inc. | Chuck Casey
- Port Orange/South Daytona Chamber | Debbie Connors
- Practitioners Council | Joe Mannarino
- Root Organization | Phil Maroney
- Stetson University | Dr. Wendy Libby
- University of Central Florida | Linda Bradley
- Volusia County | Vice Chair Patricia Northrey
- Zev Cohen & Associates | Dwight DuRant

Marketing

Innovative Marketing

Team Volusia utilized Constant Contact to distribute electronically a fall newsletter and a holiday greeting card. Social media pages are active – Facebook, Twitter and YouTube – and are updated on a regular basis. City statistical cards were developed, featuring information similar to the city pages on the website, used at the Buy Local Expo and made available to each city.

To help a client identify additional buildings, Team Volusia developed virtual tours of several commercial properties by capturing HD video footage and pairing it with 3D renderings of assets such as proximity to airports and the interstate. Some of the videos are available for viewing on Team Volusia's YouTube page.

To help drive traffic to our new website, The Daytona Beach News-Journal ran a banner ad for Team Volusia on www.news-journalonline.com for thirty days this fall.



Marketing

Website with Site & Building Database

On September 7, Team Volusia launched its website at www.teamvolusiaedc.com. The new website is designed to provide easy access to information about Volusia County and our cities and provide optimum support for our economic development initiatives. The site also presents the many compelling reasons why we are an excellent business destination and tells the story of why “*Business Shines Brighter Here*”.

Website features include:

- **Interactive GIS Planning site and building database;**
- **Leadership highlighted with logos of our 68 investor partners who are working collaboratively to support economic development;**
- **Community Pages of our investor cities and county;**
- **Document Downloads providing detailed statistics on demographics, employment, and labor force.**



Links to any section of the Team Volusia website, e.g., the GIS Planning site and building database, can be included on the county and city websites as well as websites of chambers of commerce, real estate organizations and others. Team Volusia staff will maintain the information on the website in order to ensure information remains accurate.

Branding Initiative

Benedict Advertising completed a branding initiative to support Team Volusia in marketing the area as a business destination to prospective companies. The new logo, featuring sunrises and the State of Florida in the “o” of Team Volusia, and the tagline, “*Business Shines Brighter Here*,” were adopted by the Executive Committee on July 22. Trademark registration is pending for both marks. In addition to a brand personality, deliverables included design of letterhead, envelopes, business cards, powerpoint presentation templates, and a proposal template.

New Business Recruitment

Recruitment Trips

During the weeks of May 9 and July 18, Team Volusia participated in Enterprise Florida's trips to meet with site selection consultants in the Dallas and Chicago areas. Extensive meetings were held with 3 firms, followed by evening events attended by about 20 consultants each time. Team Volusia also travelled to Atlanta on May 12-13 for the Meet the Consultants program sponsored by the Southern Economic Development Council involving 18 site selection consultants and economic development officials from across the country. On December 4-6, Team Volusia participated in the Area Development's Consultant Forum featuring an intensive program with presentations on best practices by leading site selection consultants and providing Team Volusia access to fourteen consultants and industry leaders.

Team Volusia joined the Governor's Business Development Mission to Montreal and Toronto, Canada during the week of June 6 along with Enterprise Florida's international team and nine other Florida economic development organizations. Meetings were held with representatives of 14 companies including a site visit to a company's facilities outside of Montreal. Several opportunities throughout the week offered the chance to meet with many other Canadian business executives.

Trade Show Participation

Team Volusia representatives attended four industry trade shows to seek leads and generate interest in the area. Florida events included the Renewable Energy World Conference & Expo on March 8 at the Tampa Convention Center; the Medical Design & Manufacturing Expo (MD&M) on March 16 at the Orange County Convention Center in Orlando; and the International Council of Shopping Centers (ICSC) on August 22-23 in Kissimmee. At ICSC, Team Volusia sponsored the booth and partnered with economic development practitioners from nine of our cities to promote retail opportunities throughout the county. Team Volusia also attended FABTECH in Chicago on November 14-17, which is North America's largest metal forming, fabricating, welding and finishing event with over 1,200 exhibitors and 30,000 attendees.

Industry Cluster Approach

During the fall, Team Volusia worked to identify targeted industry clusters. Existing studies were reviewed including Winterset Development's report in 1996, Volusia County DOED's Strategic Plan, and targeted industry work led by the Florida High Tech Corridor and Space Florida. The team also carefully studied the Enterprise Florida industry clusters and gathered data on Volusia County's existing companies, number of employees and average annual pay in each NAICS code used by EFI. Team Volusia's internal analysis was complemented by a study conducted by Economic Modeling Specialists, Inc. (EMSI). Four industry clusters were recommended by staff and approved at the December 8 Board meeting.

New Business Recruitment

Partnerships

Team Volusia is working closely with the Volusia County Department of Economic Development (DOED) and the CEO Business Alliance. To help articulate the collaboration between Team Volusia and DOED, a written protocol was developed. A joint half-day visit to Enterprise Florida Inc. was held in May for DOED to introduce Team Volusia to the EFI team in Orlando. The CEO Business Alliance focuses its efforts primarily on business development and partners with Team Volusia as leads are generated that become projects.

Prospects

Advanced Transit Manufacturing, representing 35-50 new jobs and over \$2 million in new capital investment, is considering relocating to Volusia County. The Enterprise Florida required local contribution incentives were approved by the County Council on December 15 and city incentives are on the Daytona Beach City Commission agenda on January 4. This lead was identified by the CEO Business Alliance and Team Volusia has been working hand-in-hand with the Alliance every step of the way – participating in several visits by the client to the county and shooting video of possible commercial properties for the client's consideration. The project is an excellent example of the team approach to economic development and how collaboration can work between the CEO Business Alliance, Volusia County DOED and Team Volusia.

This year, Team Volusia has participated in nine client visits for six prospective companies. Team Volusia received 41 inquiries from businesses seeking more information about Volusia County, 13 of which have turned into prospects. Weekly conference calls and monthly meetings with the county and the city Practitioners continue to be held during which Team Volusia and Volusia County prospects are discussed.

Lead Generation Pilot Program

Team Volusia and the CEO Business Alliance co-funded a pilot lead generation program with Gruber Phillips International. Gruber Phillips is a New Jersey firm involved in corporate intelligence research focusing on the financial, business development and real estate plans of firms worldwide. The firm made calls to 300 targeted companies over a three-month period beginning in mid-June to identify qualified investment leads. Fourteen conference calls were held between interested companies and Team Volusia/CEO Business Alliance. One company has already visited the area twice as the result of this work.

Targeted Industry Clusters

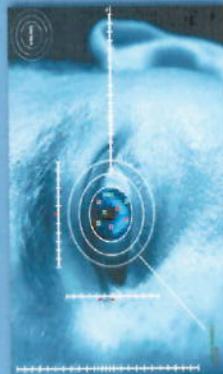
Advanced Manufacturing

- Machine Manufacturing
- Computer and Electronic Product Manufacturing
- Transportation Equipment Manufacturing



Professional & Business Services

- Regional Headquarters
- Customer Service Centers



Emerging Technologies



Aviation & Aerospace

Volusia County DOED will take the lead; Team Volusia will support their efforts

Business Retention & Expansion

As part of the "Listen & Learn Tour," Helen Cauthen held one-on-one meetings with over 150 individuals representing over 90 companies or organizations during the 1st Quarter. In addition, Team Volusia conducted 45 visits to existing companies as part of its business retention and expansion program. Team Volusia's Executive Committee approved the organization's approach to business retention and expansion at their meeting on September 8. The Practitioners had approved this document on August 3.

Financial Highlights

Cash Balances as of December 21, 2011	
\$262,750.03	TOTAL: \$443,563.41
\$30,582.75	\$150,230.63
SunTrust Private Sector Funds	Fifth Third Public Sector Funds
	Intracoastal Money Market

2011 Program of Work

I. Marketing

Create a robust marketing program to promote Volusia County as a premier location for business and industry

Goal

- Work with Website Task Force to recommend to Board of Directors an acceptable vendor to develop website by March 1
- Work with website developer to create a timeline and interim steps for website implementation to present to Board of Directors by April 1
- Finalize and complete launch and testing of website by September 1 or date agreed to by website developer
- Develop and present to Board of Directors recommendations on economic and business clusters by December 31
- Develop and present to Board of Directors a Marketing Plan by December 31

Outcome

- Solodev approved for development of website and GIS Planning approved for site and building database on 3/23
- Timeline updates presented at each Board or Executive Committee meeting starting with 4/27 Board meeting
- Website launched on 9/7
- Clusters presented and approved at 12/8 Board meeting
- Marketing Plan distributed to Board by 12/31

2011 Program of Work

II. New Business Recruitment

Grow the local economy through attraction and recruitment of new companies to Volusia County.

Goal

- Generate or participate in 35 inquiries from businesses seeking a new location for their business
- Generate or participate in 5 site visits from businesses seeking a new location for their business

Outcome

- 41 inquiries resulted in 13 projects, 7 of which are still pending
- 9 site visits by 6 different prospective companies

III. Business Retention & Expansion

Help existing businesses remain and grow in Volusia County

Goal

- Develop and present to Board of Directors a Business Retention and Expansion program by May 1
- Conduct at least 45 visits to existing businesses located throughout Volusia County, including a reasonable number of businesses located in each part of the county by December 31

Outcome

- Practitioners approved BRE approach on 8/3; Executive Committee approved plan on 9/8
- 45 existing business visits

2011 Program of Work

IV. Manage Team Volusia EDC

Goal	Outcome
<ul style="list-style-type: none"> Promote the mission of Team Volusia to business and governmental sectors of Volusia County 	<ul style="list-style-type: none"> Speaking engagements included 22 in the community and 16 to the County Council, City Councils and City Commissions Attended numerous events including Volusia League of Cities, chambers of commerce, etc.
<ul style="list-style-type: none"> Prepare and disseminate quarterly and annual reports to public and private investors 	<ul style="list-style-type: none"> 2010 annual report disseminated on 2/2; Quarterly reports emailed on 4/1, 7/1 and 9/30
<ul style="list-style-type: none"> Develop and present to Board of Directors a balanced budget for 2011 by March 1 	<ul style="list-style-type: none"> Board approved 2011 Budget on 2/23
<ul style="list-style-type: none"> Develop and present to Board of Directors an Investor Plan for private investors by November 1 	<ul style="list-style-type: none"> Prospective investor list presented to the Board of 2/23; Board members volunteered to help contact prospects
<ul style="list-style-type: none"> Develop plan to increase private sector investor support to 51% of total funding 	<ul style="list-style-type: none"> Plan presented at 10/13 Board meeting; public v. private investor definition clarified at 11/11 Executive Committee meeting; revised plan presented at 12/8 Board meeting. 28 new private sector investors and \$198,500 in new private sector support in 2011 Reached 48.58% in private sector funding
<ul style="list-style-type: none"> Retain 100% of public and private sector investors who committed support prior to January 1 	<ul style="list-style-type: none"> 39 investors as of 12/31/10; only 1 company did not renew for retention rate of 97.4%

Management of Team Volusia

Promotion of Team Volusia

Helen Cauthen started speaking to local organizations in March to promote Team Volusia. She had 22 speaking engagements in the community including the West Volusia Summit, the Civic League, the Volusia League of Cities, the Florida Engineering Technology Forum, and chamber of commerce and leadership groups. Helen also had 16 public sector speaking engagements to present updates on Team Volusia to elected officials including: Volusia County Council (three times); Commission/ City Council meetings in Daytona Beach, DeBary, Deland, Deltona, New Smyrna Beach, Orange City, Ormond Beach, Port Orange, and South Daytona; and the Economic Development Advisory Boards in Daytona Beach, Edgewater and New Smyrna Beach.

Helen was the guest columnist in DOED's April issue of the Economic Development Quarterly. She also participated in radio programs on WNDDB AM1150, WSBB AM1230, and WROD AM1340.

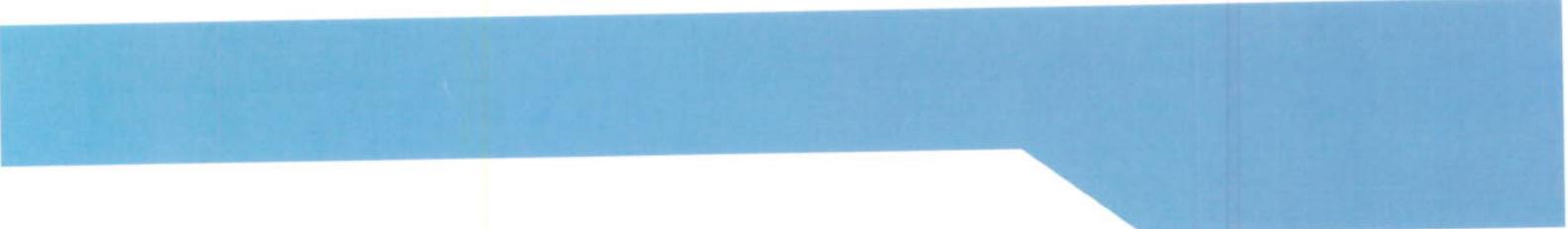
As the guest of DeLand Mayor Bob Apgar, Helen attended the "Mayor's Mean Business" trip to Tallahassee on April 13-14. County Chair Frank Bruno and Orange City Mayor Harley Strickland also participated. Representing Team Volusia, Chair Ted Doran joined the Baker Hostetler Central Florida Partnership "Trip to Washington, D.C." on May 11-12, travelling with civic, business and government leaders from across the region. They met in Washington with Senators Nelson and Rubio as well as members of the Central Florida Congressional delegation.

Budget and Program of Work

Team Volusia created its 2011 Program of Work and its 2011 Budget in February. The Board approved both on February 23. The Finance & Audit Committee reviewed the 2012 Budget in December and recommended it for approval at the December 15 Board meeting at which both the 2012 Budget and 2012 Program of Work were adopted.

Office Operations

The Team Volusia offices at One Daytona Boulevard, Suite 240 (International Motorsports Center) opened for business in the 1st Quarter. Office furniture, computers and equipment are in place including an internal small conference room and a shared 14-seat conference room on the 2nd floor. Four full-time staff persons have been hired: Helen Cauthen, President & CEO; Diane Larsen, Assistant to the President; Kerry Symolon, Director, Recruitment & Expansion; and Stephen Lawrence, Coordinator; and one part-time person, Jan Crane, Bookkeeper.



BUSINESS SHINES BRIGHTER HERE™

IEDA

12/7/2011

Approved
TEAM
Volusia

TEAM VOLUSIA
Economic Development Corporation
**TARGET INDUSTRY
RESEARCH**



Existing Studies

April 1996 Winterset Development	Volusia County DOED 5-Year Strategic Plan	Florida High Tech Corridor	Enterprise Florida
<ul style="list-style-type: none">• Boat building and repairing• Plastics products (including disposable medical-surgical supplies)• Fabricated metal products• Printing and publishing• Industrial machinery	<ul style="list-style-type: none">• Medical product manufacturing• Automotive component manufacturers• Marine recreational product manufacturing• Aviation and avionic product manufacturing• Distribution• Office and information technology companies	<ul style="list-style-type: none">• Agritechnology• Aviation and Aerospace• Digital Media / Interactive Entertainment• Financial Services• Information Technology• Life Sciences / Medical Technology• Microelectronics / Nanotechnology• Modeling, Simulation, & Training• Optics & Photonics• Sustainable Energy	<p><i>Florida Industry Clusters</i></p> <ul style="list-style-type: none">• Cleantech• Life Sciences• Information Technology• Aviation / Aerospace• Logistics and Distribution• Homeland Security / Defense• Financial / Professional Services <p><i>Strategic Areas of Emphasis</i></p> <ul style="list-style-type: none">• Manufacturing• Corporate Headquarters• Emerging Technologies
Space Florida			
<ul style="list-style-type: none">• Defense Industry• Information Technology & Telecommunications Industry• Biotechnology & Life Sciences• Clean Energy			



Recent Study

Economic Modeling Specialists, Inc. (EMSI)

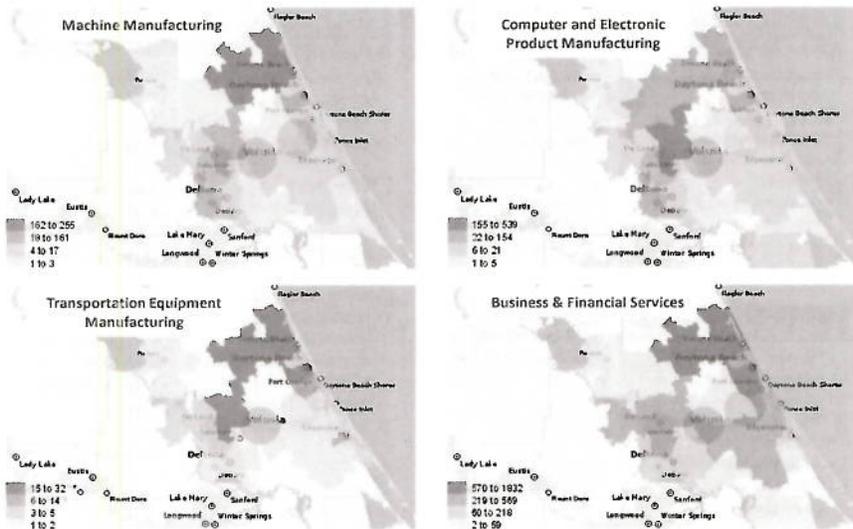
- Machine Manufacturing
- Computer and Electronic Product Manufacturing
- Transportation Equipment Manufacturing
- Business and Financial Services

Description	2011 Industry Average Wage	2006 Jobs	2011 Jobs	2006-11 Change	Average Jobs Multiplier	Average Earnings Multiplier	Total Requirements (K)	Exports per Job
Machine Manufacturing	\$19.29	683	927	244	2.19	1.65	42,719.03	\$164,246
Computer and Electronic Product Manufacturing	\$22.50	787	984	197	1.90	1.55	76,944.38	\$134,365
Transportation Equipment Manufacturing	\$16.89	72	156	84	2.05	1.86	53,196.16	\$157,308
Business & Financial Services	\$18.75	5,268	6,795	1,526	2.31	1.85	1,351,996.42	\$282,639

Hourly rate = 915.51
Volusia Co wage

Hourly rate = 17.43 - 115 no
of Volusia Co. wage

EMSI Industry Distribution



Recommendations (Targeted Industries for Recruitment/Expansion)



OED - Volusia County





Statistical Profile

Companies, Employment, and Wages, 2009

Description	NAICS code	Companies	Employees	Average Number of Workers	Average Annual Wage, \$	Total Payroll, \$ millions	Volusia County Companies	Volusia County Employees	Volusia County Average Annual Pay	Volusia County Employee % of State Total
MANUFACTURING TOTAL										
		17,632	323,857	18	\$50,092	\$16,222.6	413	7,418		2.29%
Durable Goods Subtotal										
		11,411	213,881	19	\$52,748	\$11,281.8	282	5,512		2.58%
Wood Product Manufacturing	321	603	9,139	15	\$34,338	\$313.8	12	62	\$28,628	0.68%
Nonmetallic Mineral Product Manufacturing	327	1,171	17,533	15	\$44,021	\$771.8	32	323	\$38,578	1.84%
Primary Metal Manufacturing	331	223	4,567	20	\$44,577	\$203.6	4	19	\$35,346	0.42%
Fabricated Metal Product Manufacturing	332	2,287	31,230	14	\$41,151	\$1,285.2	58	751	\$41,108	2.40%
Machinery Manufacturing	333	1,106	23,678	21	\$54,589	\$1,292.5	26	1,255	\$48,909	5.30%
Computer and Electronic Product Manufacturing	334	985	44,609	45	\$71,759	\$3,201.1	23	974	\$47,801	2.18%
Electrical Equipment and Appliance Manufacturing	335	389	9,335	24	\$45,283	\$422.7	6	ND	ND	ND
Transportation Equipment Manufacturing	336	971	34,932	36	\$59,456	\$2,076.9	29	776	\$42,382	2.22%
Furniture and Related Product Manufacturing	337	1,550	10,891	7	\$33,164	\$361.2	36	174	\$24,863	1.60%
Miscellaneous Manufacturing	339	2,126	27,967	13	\$48,378	\$1,353.0	56	1,178	\$48,950	4.21%
Nondurable Goods Subtotal										
		6,224	109,977	18	\$44,926	\$4,940.8	131	1,906		1.73%
Food Manufacturing	311	1,149	28,115	24	\$40,905	\$1,150.0	17	317	\$35,465	1.13%
Beverage and Tobacco Product Manufacturing	312	201	10,065	50	\$52,657	\$530.0	2	317	\$35,465	3.15%
Textile Mills	313	137	1,299	9	\$43,243	\$66.2	6	56	\$27,475	4.31%
Textile Product Mills	314	561	4,291	8	\$30,451	\$130.7	14	284	\$33,440	6.62%
Apparel Manufacturing	315	293	3,736	13	\$29,507	\$110.2	1	ND	ND	ND
Leather and Allied Product Manufacturing	316	72	825	11	\$36,345	\$30.0	1	ND	ND	ND
Paper Manufacturing	322	246	9,454	38	\$56,061	\$530.0	2	ND	ND	ND
Printing and Related Support Activities	323	2,158	18,709	9	\$37,105	\$694.2	58	396	ND	2.12%
Petroleum and Coal Products Manufacturing	324	86	2,758	32	\$54,335	\$149.9	2	ND	ND	ND
Chemical Manufacturing	325	738	19,415	26	\$57,199	\$1,110.5	16	362	\$41,807	1.86%
Plastics and Rubber Products Manufacturing	326	583	11,310	19	\$39,712	\$449.1	12	174	\$50,261	1.54%

Statistical Profile

Companies, Employment, and Wages, 2009

Description	NAICS code	Companies	Employees	Average Number of Workers	Average Annual Wage, \$	Total Payroll, \$ millions	Volusia County Companies	Volusia County Employees	Volusia County Average Annual Pay	Volusia County Employee % of State Total
FINANCIAL & PROFESSIONAL SERVICES TOTAL										
		122,402	837,031	7	\$64,799	\$54,239.0	4,038	19,387		2.32%
Financial Services Subtotal										
Credit Intermediation and Related Activities, of which:		33,590	322,063	10	\$63,009	\$20,292.9	1,062	6,370		1.98%
Depository Credit Intermediation	522	12,431	155,963	13	\$53,830	\$8,395.5	255	2,240	\$35,582	0.16%
Nondepository Credit Intermediation	5221	5,622	96,817	17	\$50,680	\$4,906.7	155	1,348	\$39,905	0.16%
Activities Related to Credit Intermediation	5222	4,234	40,400	10	\$59,326	\$2,396.8	75	678	\$28,962	0.19%
Intermediation	5223	2,576	18,746	7	\$68,256	\$1,092.0	25	214	\$29,311	0.13%
Securities, Commodity Contracts, and Other Financial Investments and Related Activities, of which:		7,744	40,164	5	\$108,822	\$4,370.7	149	404	\$73,945	0.37%
Securities and Commodity Contracts Intermediation and Brokerage	5231	2,744	25,548	9	\$122,676	\$3,134.1	71	245	\$98,916	0.28%
Securities and Commodity Exchanges	5232	21	33	2	\$77,585	\$2.5	2	ND	ND	6.06%
Other Financial Investment Activities	5239	4,979	14,583	3	\$84,624	\$1,234.0	76	ND	ND	0.52%
Insurance Carriers and Related Activities	524	12,960	125,936	10	\$59,766	\$7,526.7	251	1,237	\$51,032	0.20%
Funds, Trusts, and Other Financial Vehicles	525	455	n/a	n/a	n/a	n/a	3	4	\$41,694	n/a
Professional Services Subtotal										
Management of Companies and Enterprises	551	3,557	79,977	22	\$82,303	\$6,582.3	52	1,310	\$72,909	1.64%
Professional, Scientific, and Technical Services, of which:		85,255	434,991	5	\$62,907	\$27,363.8	1,462	5,853	\$41,890	1.35%
Legal Services	5411	18,517	89,134	5	\$76,255	\$6,796.9	336	1,201	\$49,767	1.35%
Accounting, Tax Preparation, Bookkeeping, and Payroll Services	5412	10,434	55,375	5	\$52,126	\$2,886.5	223	1,224	\$34,131	2.21%
Architectural, Engineering, and Related Services	5413	9,893	76,461	8	\$64,500	\$4,931.8	186	655	\$38,545	0.86%
Specialized Design Services	5414	4,081	8,607	2	\$39,279	\$338.1	57	81	\$29,453	0.94%
Computer Systems Design and Related Services	5415	11,133	61,274	6	\$73,746	\$4,518.7	144	499	\$55,250	0.81%
Management, Scientific, and Tech Consulting Services	5416	20,394	69,849	3	\$62,629	\$4,374.5	310	782	\$41,681	1.12%
Scientific R&D Services	5417	1,087	13,111	12	\$76,798	\$1,006.9	20	75	\$59,785	0.57%
Advertising and Related Services	5418	3,833	21,518	6	\$48,583	\$1,045.4	65	670	\$44,345	3.11%
Other Professional, Scientific and Tech Services	5419	5,883	39,662	7	\$36,938	\$1,465.0	121	667	\$32,510	1.68%

Note: Totals may not add up precisely due to rounding.

**Statistical Profile
Companies, Employment, and Wages, 2009**

Description	NAICS code	Companies	Employees	Average Number of Workers	Average Annual Wage, \$	Total Payroll, \$ millions	Volusia County Companies	Volusia County Employees	Volusia County Average Annual Pay	Volusia County Employee % of State Total
Biotechnology Subtotal*										
Research and Development in Biotechnology	541711	192	1,419	7	\$67,005	\$95.1	4	ND	ND	ND
*This represents only the portion of Biotechnology that is able to be classified by NAICS.										
Pharmaceutical and Medicine Manufacturing Subtotal										
Medicinal and Botanical Manufacturing	325411	25	390	16	\$43,684	\$17.1	ND	ND	ND	ND
Pharmaceutical Preparation Manufacturing	325412	106	4,872	46	\$59,788	\$291.3	2	ND	ND	ND
In-Vitro Diagnostic Substance Mfg.	325413	8	132	17	\$54,357	\$7.2	ND	ND	ND	ND
Biological Product Manufacturing	325414	12	67	6	\$48,178	\$3.2	ND	ND	ND	ND
Medical Devices Subtotal										
Electromedical and Electrotherapeutic Apparatus Manufacturing	334510	59	2,967	50	\$59,294	\$175.9	1	ND	ND	ND
Analytical Laboratory Instrument Manufacturing	334516	26	572	22	\$55,065	\$31.5	1	ND	ND	ND
Irradiation Apparatus Manufacturing	334517	10	72	7	\$88,221	\$6.3	ND	ND	ND	ND
Surgical and Medical Instrument Mfg.	339112	110	7,292	66	\$55,434	\$404.2	4	ND	ND	ND
Surgical Appliance and Supplies Mfg.	339113	222	4,864	22	\$47,008	\$228.7	10	224	\$52,782	4.61%
Ophthalmic Goods Manufacturing	339115	72	3,730	52	\$72,329	\$269.8	1	ND	ND	ND
Health Care Subtotal										
Offices of Physicians	6211	18,967	175,398	9	\$72,394	\$12,697.8	417	3,557	N/A	2.03%
Offices of Dentists	6212	7,104	44,669	6	\$45,729	\$2,042.7	162	930	N/A	2.08%
Offices of Other Health Practitioners	6213	9,252	41,904	5	\$39,443	\$1,652.8	195	985	N/A	2.35%
Outpatient Care Centers	6214	1,881	34,473	18	\$42,792	\$1,475.2	65	1,621	N/A	4.70%
Medical & Diagnostic Laboratories	6215	1,513	18,863	12	\$52,042	\$981.7	48	610	N/A	3.23%
Home Healthcare Services	6216	2,389	61,123	26	\$35,049	\$2,142.3	46	1,783	N/A	2.92%
Other Ambulatory Health Care Services	6219	519	10,984	21	\$40,064	\$440.1	12	401	N/A	3.65%
General Medical and Surgical Hospitals	6221	408	296,033	726	\$50,519	\$14,955.2	9	7,158	N/A	2.42%
Psychiatric and Substance Abuse Hospitals	6222	118	9,387	80	\$34,964	\$328.2	1	ND	ND	ND
Other Hospitals	6223	155	10,112	65	\$46,530	\$470.5	1	ND	ND	ND

Note: Totals may not add up precisely due to rounding.

Statistical Profile

Companies, Employment, and Wages, 2009

Description	NAICS code	Companies	Employees	Average Number of Workers	Average Annual Wage, \$	Total Payroll, \$ millions	Volusia County Companies	Volusia County Employees	Volusia County Average Annual Pay	Volusia County Employee % of State Total
AVIATION/AEROSPACE TOTAL		1,969	83,818	43	\$59,785	\$5,011.0	98	351		0.42%
Aviation Subtotal		1,532	52,553	34	\$50,794	\$2,669.4	74	307		0.58%
Air Transportation, of which:		623	30,676	49	\$54,328	\$1,666.5	6	34	\$41,378	0.11%
Scheduled Passenger Air Transportation	481111	175	25,802	147	\$53,335	\$1,376.1	1	ND	ND	ND
Scheduled Freight Air Transportation	481112	97	1,068	11	\$57,163	\$61.0	1	ND	ND	ND
Nonscheduled Chartered Passenger Air Transportation	481211	237	1,902	8	\$60,864	\$115.8	2	ND	ND	ND
Nonscheduled Chartered Freight Air Transportation	481212	50	1,371	27	\$57,011	\$78.2	1	ND	ND	ND
Other Nonscheduled Air Transportation	481219	65	533	8	\$66,482	\$35.4	1	ND	ND	ND
Support Activities for Air Transportation, of which:		758	19,867	26	\$45,814	\$910.2	26	186	\$30,975	0.94%
Air Traffic Control	488111	31	2,014	65	\$85,160	\$171.5	ND	ND	ND	ND
Other Airport Operations	488119	191	9,892	52	\$32,555	\$322.0	4	ND	ND	ND
Other Support Activities for Air Transportation	488190	536	7,961	15	\$52,335	\$416.6	22	ND	ND	ND
Flight Training	611512	151	2,010	13	\$46,079	\$92.6	10	87	\$33,641.0	4.33%
Aerospace Subtotal		437	31,265	72	\$74,898	\$2,341.7	24	44		0.14%
Search, Detection, Navigation, Guidance, Aeronautical, and Nautical Instrument Manufacturing	334511	68	9,179	135	\$71,184	\$653.4	5	ND	ND	N/D
Aerospace Product and Parts Manufacturing, of which:		245	19,326	79	\$74,123	\$1,432.5	9	33	\$42,461	0.17%
Aircraft Manufacturing	336411	63	3,830	61	\$66,772	\$255.8	4			0.00%
Aircraft Engine and Engine Parts Manufacturing	336412	66	3,935	60	\$66,596	\$262.1	3	11	\$35,575	0.28%
Other Aircraft Parts and Auxiliary Equipment Mfg	336413	64	3,296	52	\$50,917	\$167.8	2	ND	ND	ND
Guided Missile and Space Vehicle Manufacturing	336414	41	6,751	165	\$95,566	\$645.1	N/A	N/A	N/A	N/A
Guided Missile and Space Vehicle Propulsion Unit and Other Parts Manufacturing	336415, 336419	12	n/a	n/a	n/a	n/a	ND	ND	ND	ND
Satellite Communications	517410	109	552	5	\$73,738	\$40.7	1	ND	ND	ND
Space Research and Technology	927110	15	2,208	147	\$97,404	\$215.1	N/A	N/A	N/A	N/A

*Note: Totals may not add up precisely due to rounding.



Statistical Profile

Companies, Employment, and Wages, 2009

DISCLAIMER: This profile is based on NAICS codes commonly associated with major cleantech industry segments. Due to limitations of the NAICS system, these figures represent broad estimates and may include non-cleantech companies.

Description	NAICS code	Companies	Employees	Average Number of Workers	Average Annual Wage, \$	Total Payroll, \$ millions	Volusia County Companies	Volusia County Employees	Volusia County Average	Volusia County Employee % of State Total
Energy										
Solar, including:										
Semiconductor and Related Device Manufacturing*	334413	47	7,652	163	\$87,107	\$666.5	1	ND	ND	ND
Heating Equipment (except Warm Air Furnaces) Manufacturing	333414	22	262	12	\$36,846	\$9.6	2	ND	ND	ND
Instrument Manufacturing for Measuring and Testing Electricity and Electrical Signals*	334515	37	450	12	\$56,770	\$25.5	1	ND	ND	ND
Current-Carrying Wiring Device Manufacturing	335931	22	836	38	\$39,484	\$33.0	1 (33593)	ND	ND	ND
Plastics Material and Resin Manufacturing	325211	37	524	14	\$51,584	\$27.0	1	ND	ND	ND
Unlaminated Plastics Film and Sheet Manufacturing	326113	32	510	16	\$39,140	\$19.9	1	ND	ND	ND
Biofuels, including:										
Ethyl Alcohol Manufacturing	325193	3	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
All Other Basic Organic Chemical Manufacturing	325199	33	709	21	\$66,936	\$47.4	1	ND	ND	ND
Power Boiler and Heat Exchanger Manufacturing	332410	7	79	11	\$40,692	\$3.2	n/a	n/a	n/a	n/a
Air and Gas Compressor Manufacturing	333912	22	n/a	n/a	n/a	n/a	ND	ND	ND	ND
Instruments and Related Manufacturing for Measuring, Displaying, and Controlling Industrial Process Variables*	334513	56	914	16	\$52,432	\$47.9	1	ND	ND	ND
Industrial and Commercial Fan and Blower Manufacturing*	333412	7	280	40	\$37,455	\$10.5	n/a	n/a	n/a	n/a
Turbine and Turbine Generator Set Units Manufacturing	333611	18	256	n/a	\$76,708	\$19.6	1	ND	ND	ND
Industrial Process Furnace and Oven Manufacturing	333994	5	41	8	\$36,401	\$1.5	n/a	n/a	n/a	n/a
Motor and Generator Manufacturing	335312	29	638	22	\$40,338	\$25.7	1	ND	ND	ND
Storage, including:										
Storage Battery Manufacturing	335911	12	319	27	\$63,088	\$20.1	n/a	n/a	n/a	n/a
Semiconductor and Related Device Manufacturing*	334413	47	7,652	163	\$87,107	\$666.5	1	ND	ND	ND

*Portions of these NAICS codes are applicable to more than one segment of the cleantech industry.



Statistical Profile

Companies, Employment, and Wages, 2009

Description	NAICS code	Companies	Employees	Average Number of Workers	Average Annual Wage, \$	Total Payroll, \$ millions	Volusia County Companies	Volusia County Employees	Volusia County Average	Volusia County Employee % of State Total
<i>Energy continued</i>										
<i>Smart Grid, including:</i>										
Instrument Manufacturing for Measuring and Testing Electricity and Electrical Signals*	334515	37	450	12	\$56,770	\$25.5	1	ND	ND	ND
Instruments and Related Manufacturing for Measuring, Displaying, and Controlling Industrial Process Variables*	334513	56	914	16	\$52,432	\$47.9	1	ND	ND	ND
Semiconductor and Related Device Manufacturing*	334413	47	7,652	163	\$87,107	\$666.5	1	ND	ND	ND
Other Measuring and Controlling Device Manufacturing*	334519	44	846	19	\$63,826	\$54.0	1	ND	ND	ND
Power, Distribution, and Specialty Transformer Manufacturing	335311	21	921	44	\$58,366	\$53.8	n/a	n/a	n/a	n/a
<i>Efficiency</i>										
<i>Advanced Materials, including:</i>										
Automatic Environmental Control Manufacturing	334512	20	247	12	\$51,549	\$12.7	n/a	n/a	n/a	n/a
Electric Bulb and Part	335110	6	150	25	\$33,365	\$5.0	n/a	n/a	n/a	n/a
Semiconductor and Related Device Manufacturing*	334413	47	7,652	163	\$87,107	\$666.5	1	ND	ND	ND
Other Measuring and Controlling Device Manufacturing*	334519	44	846	19	\$63,826	\$54.0	1	ND	ND	ND
All Other Industrial Machinery Manufacturing	333298	33	477	14	\$49,163	\$23.4	2	ND	ND	ND
Industrial and Commercial Fan and Blower Manufacturing*	333412	7	280	40	\$37,455	\$10.5	n/a	n/a	n/a	n/a
<i>Green Building, including:</i>										
Engineering Services	541330	4,957	54,131	11	\$70,870	\$3,836.2	78	254	\$52,716	0.47%
Architectural Services	541310	1,916	8,155	4	\$59,473	\$485.0	20	54	\$37,317	0.66%
<i>Environment</i>										
<i>Water, including:</i>										
Water Supply and Irrigation Systems	221310	284	2,723	10	\$46,188	\$125.8	7	24	\$55,374	0.88%
Other Commercial and Service Industry Machinery Manufacturing	333319	98	4,826	49	\$79,616	\$384.2	2	ND	ND	ND
Water & Sewer Line and Related Structures Construction	237110	925	10,001	11	\$44,503	\$445.1	31	291	\$38,462	2.91%
All Other Basic Inorganic Chemical Manufacturing	325188	14	132	9	\$80,080	\$10.6	1	ND	ND	ND
<i>Air and Environment, including:</i>										
Environmental Consulting Services	541620	829	4,862	6	\$57,096	\$277.6	11	30	\$35,497	0.62%
Testing Laboratories	541380	460	4,639	10	\$49,833	\$231.2	10	107	\$36,949	2.31%
Air Purification Equipment Manufacturing	333411	28	1,089	39	\$38,621	\$42.0	1	ND	ND	ND
Waste Management and Remediation Services	562	1,268	18,946	15	\$42,336	\$802.1	31	406	\$36,361	2.14%

*Portions of these NAICS codes are applicable to more than one segment of the cleantech industry.

Statistical Profile

Companies, Employment, and Wages, 2009

Description	NAICS code	Companies	Employees	Average Number of Workers	Average Annual Wage, \$	Volusia County Companies	Volusia County Employees	Volusia County Average Annual Pay	Volusia County Employee % of State Total
INFORMATION TECHNOLOGY TOTAL									
		25,170	239,775	10					
Software and Computer Systems Subtotal		12,579	73,506	6	\$4,721	347	1,101		1.50%
Software and Computer Programming, of which:		5,806	37,978	7	\$6,741	256	843		
Software Publishers	511210	594	8,683	15	\$95,227	5	39	\$66,625	0.45%
Software Reproducing	334611	61	322	5	\$54,358	ND	ND	ND	
Custom Computer Programming Services	541511	5,151	28,973	6	\$73,356	69	288	\$59,534	0.99%
Computer System Design and Support, of which:		6,773	35,528	5	\$2,561	91	258		0.73%
Computer Systems Design	541512	4,972	23,305	5	\$77,717	57	137	\$44,823	0.59%
Computer Facilities Mgmt Services	541513	125	3,965	32	\$81,954	9	62	\$61,875	1.56%
Other Computer Related Services	541519	884	5,031	6	\$51,122	9	11	\$36,250	0.22%
Computer Training	611420	206	1,603	8	\$49,670	3	ND	ND	
Computer and Office Machine Repair and Maintenance	811212	586	1,624	3	\$39,034	13	48	\$25,492	2.96%
Photonics/Optics Subtotal*									
		271	5,757	21	n/a	1			
Portion of industry identified by NAICS, of which:		48	1,922	40		n/a	n/a	n/a	n/a
Optical Instrument and Lens Manufacturing	333314	36	1,698	47	\$59,743	1	ND	ND	ND
Photographic and Photocopying Equipment Manufacturing	333315	12	224	19	\$65,806	n/a	n/a	n/a	n/a
Digital Media Subtotal*									
		4,664	11,880	3	\$6,481	77	125		1.05%
Digital Media Components, of which:		248	1,171	5		5	38		
Digital Printing	323115	217	936	4	\$35,282	5	38	\$41,520	4.06%
Audio and Video Media Reproduction	334612	26	215	8	\$42,972	n/a	n/a	n/a	n/a
Magnetic and Optical Recording Media Manufacturing	334613	5	20	4	\$31,765	n/a	n/a	n/a	n/a
Digital Media Services, of which:		4,416	10,709	2		72	87		0.81%
Sound Recording Studios	512240	101	322	3	\$56,178	ND	ND	ND	ND
Motion Picture and Video Production	512110	1,050	3,936	4	\$63,960	14	22	\$94,570	0.56%
Teleproduction and Other Post Production	512191	109	419	4	\$46,211	1	ND	ND	ND
Other Motion Picture and Video Industries	512199	31	53	2	\$30,762	1	ND	ND	ND
Graphic Design Services	541430	1,434	3,378	2	\$38,279	24	35	\$32,140	1.04%
Independent Artists, Writers and Performers	711510	1,691	2,601	2	\$51,778	32	30	\$27,635	1.15%

*Source: Florida Photonics Cluster, 2009

*This represents only the portion of Digital Media that is able to be classified by NAICS.

Statistical Profile

Companies, Employment, and Wages, 2009

Description	NAICS code	Companies	Employees	Average Number of Workers	Average Annual Wage, \$	Volusia County Companies	Volusia County Employees	Volusia County Average Annual Pay	Volusia County Employee % of State Total
Modeling, Simulation, Training Subtotal*		304	16,041	53	??	??	??	??	??
*Source: Impact of Florida's Modeling, Simulation and Training Industry Report, 2003									
Communications Subtotal		6,712	99,775	15	\$1,243	124	1,232		
Communications Equipment Manufacturing, of which:		264	10,654	40	\$469	5	ND	ND	ND
Telephone Apparatus Manufacturing	334210	34	892	26	\$67,922	1	ND	ND	ND
Radio and TV Broadcasting and Wireless Communications Equipment Manufacturing	334220	78	5,962	76	\$92,073	1	ND	ND	ND
Other Communications Equipment Mfg.	334290	42	991	24	\$85,098	n/a	n/a	n/a	n/a
Audio and Video Equipment Manufacturing	334310	49	649	13	\$45,117	n/a	n/a	n/a	n/a
Switchgear and Switchboard Apparatus Mfg.	335313	24	1,263	53	\$53,981	2	ND	ND	ND
Fiber Optic Cable Manufacturing	335921	14	105	8	\$41,497	n/a	n/a	n/a	n/a
Other Communication and Energy Wire Manufacturing	335929	23	792	34	\$42,155	1	ND	ND	ND
Communications Services, of which:		6,448	88,121	14	\$1,335	119	1,232	\$32,715	1.38%
Electronic Shopping	454111	1,153	6,998	6	\$42,388	24	138	ND	1.97%
Electronic Auctions	454112	41	160	4	\$51,391	1	ND	ND	
Internet Publishing and Broadcasting and Web Search Portals	519130	705	3,467	5	\$69,418	9	29	\$25,630	0.84%
Data Processing, Hosting and Related Services	518210	1,243	17,153	14	\$71,482	20	71	\$50,498	0.41%
Consumer Electronics Repair and Maintenance	811211	198	823	4	\$31,980	6	ND	ND	ND
Communication Equipment Repair and Maintenance	811213	136	2,199	16	\$59,787	3	ND	ND	ND
Wired Telecom Carriers	517110	1,907	46,025	24	\$59,644	39	928	\$45,502	2.02%
Wireless Telecom Carriers	517210	865	11,414	13	\$47,745	14	66	\$41,159	0.58%
Satellite Communications	517410	109	552	5	\$73,738	1	ND	ND	ND
All Other Telecommunications	517919	91	330	4	\$57,115	2	ND	ND	ND

Note: Totals may not add up precisely due to rounding.

Statistical Profile

Companies, Employment, and Wages, 2009

Description	NAICS code	Companies	Employees	Average Number of Workers	Average Annual Wage, \$	Volusia County Companies	Volusia County Employees	Volusia County Average Annual Pay	Volusia County Employee % of State Total
Computer Products, Microelectronics, and Precision Device Manufacturing									
Computer and Peripheral Equipment, of which:									
Electronic Computer Manufacturing	334111	99	3,155	32	\$634	2	ND	ND	ND
Computer Storage Device Manufacturing	334112	37	2,022	55	\$56,865	ND	n/a	n/a	n/a
Computer Terminal Manufacturing	334113	8	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Other Computer Peripheral Equipment Manufacturing	334119	3	n/a	n/a	n/a	n/a	ND	ND	ND
Semiconductor and Related Devices, of which:									
Semiconductor and Related Device Mfg.	334413	51	1,133	22	\$76,206	2	ND	ND	ND
Semiconductor Machinery Mfg.	333295	53	7,807	147	\$256	2	ND	ND	ND
Microelectronic Components, of which:									
Electron Tube Manufacturing	334411	47	7,652	163	\$87,107	1	ND	ND	ND
Bare Printed Circuit Board Mfg.	334412	6	155	n/a	\$73,224	1	ND	ND	ND
Electronic Capacitor Manufacturing	334414	200	8,678	43	n/a	11	n/a	n/a	n/a
Electronic Resistor Manufacturing	334415	4	271	n/a	\$39,878	1	ND	ND	ND
Electronic Coil and Other Inductor Manufacturing	334416	12	n/a	n/a	n/a	1	ND	ND	ND
Electronic Connector Manufacturing	334417	12	605	50	\$52,715	1	ND	ND	ND
Printed Circuit Assembly (Electronic Assembly) Manufacturing	334418	65	2,310	36	\$72,001	1	ND	ND	ND
Other Electronic Comp. Manufacturing	334419	59	2,345	40	\$46,641	3	ND	ND	ND
Measuring, Precision, and Process Simulation Components, of which:									
Search, Detection, and Navigation Instruments	334511	288	13,176	46	\$683	9	ND	ND	ND
Automatic Environmental Control Mfg. for Residential, Commercial, and Appliance Use	334512	68	9,179	135	\$71,184	5	ND	ND	ND
Instruments and Related Products Mfg. for Measuring, Displaying, and Controlling Industrial Process Variables	334513	20	247	12	\$51,549	n/a	n/a	n/a	n/a
Totalizing Fluid Meter and Counting Device Manufacturing	334514	56	914	16	\$52,432	1	ND	ND	ND
Instrument Manufacturing for Measuring and Testing Electricity and Electrical Signals	334515	17	406	24	\$47,276	1	ND	ND	ND
Other Measuring and Controlling Device Manufacturing	334519	37	450	12	\$56,770	1	ND	ND	ND
Relay and Industrial Control Manufacturing	335314	44	846	19	\$63,826	1	ND	ND	ND
Totals									
		640	32,816	51	\$731	24			

Note: Totals may not add up precisely due to rounding.

Jan 2012
- FOAB mtg -

VII. Definition of Public v. Private Investor for Discussion

“Public Investors” are defined in the by-Laws as Volusia County and the 16 cities. At the October Board meeting, there was a question about whether the definition of public should include UCF and other entities that receive public funds. After much discussion, the Executive Committee agreed to retain the current definition of public investor – clarifying that a public investor is an entity with the ability to levy taxes – which covers the county and cities. Volusia County Schools also will remain a public investor.



VIII. EMSI Cluster Study for Approval

Helen Cauthen reported that staff has been analyzing several datasets to help us identify industry clusters to target. Helen recommends the approval of \$7,500 for EMSI, an economic consulting firm, to conduct one more piece of research. The process will take 2-3 weeks, and it is the final tool for cluster identification. Kerry Symolon shared that EMSI will look at, per industry, variables such as job growth projection, location quotient, average wage. The key piece is EMSI’s ability to analyze supply chains as well as workforce compatibility using proprietary methodologies. This information will enhance what basic data has been obtained already. Daryl Tol moved for approval of the EMSI Cluster Study. Michael Pleus seconded. It was approved unanimously.

IX. Chairman’s Report

Ted Doran had no report.

X. President’s Report

Helen Cauthen reported that we have posted for another director position, in order to be a full capacity by January. Helen also indicated that she has hired a bookkeeper for 5 hours per week.

XI. General Discussion

Bill McMunn inquired about when we plan to have a marketing and recruiting plan in place. Helen responded that by year end it will be ready.

XII. Upcoming Meetings

- The Nominating Committee meeting convened immediately following this Board Meeting.
- The next Board Meeting will be on Thursday, December 8th at 9:00 AM at Stetson University, Carlton Union Building.
- Team Volusia’s contract with the county will be on the County Council agenda on Thursday, December 15th, time TBD.

XIII. Adjournment

There being no further business to come before the Executive Committee, the meeting was adjourned at 10:00 AM.



*For Volusia Co.
Cousie*

2012 Program of Work

Vision

Team Volusia Economic Development Corporation is an economic development partnership that is recognized as Best in Class in Florida and the Southeast, producing measurable improvement year after year in Volusia County's economy.

Mission

To serve as the economic development coordinator for Volusia County to:

1. Identify and cultivate targeted markets and business prospects across the globe; to attract high value businesses, investment and talent in order to enhance the quality of life in our communities.
2. Retain and expand our existing businesses, institutions and assets.
3. Develop the leadership necessary to sustain the journey toward increasing prosperity throughout Volusia County.

Guiding Principles

- **Trust** – Implement economic development corporation structure that fosters collaboration, transcends parochialism, promotes sustainability and enables leaders to pursue major opportunities.
- **Professionalism** – Hire strong economic development professionals mutually respected by public and private sectors; conveners; leaders; communicators; dealmakers.
- **Competitiveness** – Implement new economic development corporation, customized to fit the market and built on national best practices with a competitive level of public and private representation and investment.
- **Deliverables** – Execute an economic development delivery system that will position Volusia County with its partners to facilitate more valuable business development and job creation opportunities.
- **Leadership** – Assure that the new organization is led by the county's most prominent business and government leaders.

I. New Business Recruitment

Grow the local economy through attraction and recruitment of new companies to Volusia County.

- A. Partner with the CEO Business Alliance, Volusia County Division of Economic Development and others to identify companies that may be interested in Volusia County and to generate leads
- B. Deliver superior value and service to prospects and clients through outstanding project management
 - Serve as a primary point of contact for companies considering locating in Volusia County and serve as a leader to effectively engage clients and work with them throughout the process to close deals
 - Coordinate efforts among all project team members including the county, cities, developers, utility providers, and other partners to provide customized targeted research and first class responses to Requests for Information
 - Manage projects to respond to the needs of clients; facilitate meetings between clients and local allies including county, city and community leaders, developers, brokers, colleges and universities, utility providers, and existing industries.
 - Coordinate county and state incentives with Volusia County Division of Economic Development and work with cities on requests for local incentives.

Measurables

- Communicate with 260 targeted company contacts
- By December 31, 2014, attract:
 - 505-835 new jobs at or above 115% of the Volusia County average wage;
 - \$12.5 million - \$37.5 million in new capital investment; and
 - \$18 million - \$30 million in new payroll.

II. Marketing

Promote Volusia County as a premier location for business and industry through a robust marketing program

- A. Market and elevate the national profile of Volusia County and strategically disseminate information about the County's advantages as a business location
 - Sustain and expand relationships with site selection consultants, national real estate brokers and other key decision makers by conducting call trips to major markets
 - Implement the marketing plan based on the targeted industries to strategically disseminate information
 - Participate in industry meetings, conferences and trade shows
 - Develop a social media presence for Team Volusia
 - Partner with Volusia County Economic Development and the CEO Business Alliance on their marketing initiatives
- B. Ensure integrity of the Team Volusia website as a "best in class" site
 - Implement phase II of the Team Volusia website and make needed changes on an ongoing basis to keep content up-to-date and fresh
 - Continue to bring in local realtors as partners to ensure the accuracy of available properties in the GIS Site and Building Database

Measurables

- Conduct at least four marketing trips to meet with site selection consultants and national real estate brokers
- Develop marketing piece for each targeted industry
- Monitor Google Analytics for the website

III. Business Retention & Expansion

Help existing businesses remain and grow in Volusia County

- A. In conjunction with Volusia County, the cities and Chambers of Commerce, implement a sophisticated retention and expansion business call initiative
- Call on companies in a particular jurisdiction in partnership with and at the request of the city's practitioner or Volusia County Economic Development
 - Proactively conduct business calls to local companies in each of the targeted industries in partnership with county and city practitioners, chambers of commerce, and others to learn about their needs, respond to any concerns and connect them with resources and opportunities within the community
 - Serve as an ombudsman by identifying issues and trends in the local market and facilitate resolution with the assistance of appropriate stakeholders
- B. Engage existing companies as partners for economic development
- Develop strong relationships with existing companies, particularly in targeted industries, to engage them as partners in the identification of leads and recruitment of new companies to the region

Measurables

- Conduct 50 visits to existing businesses including a reasonable number of businesses located in each part of the county

IV. Manage Team Volusia EDC

- A. Promote the mission of Team Volusia to the business and governmental sectors of Volusia County
- Actively participate in opportunities to promote Team Volusia through speaking engagements with community organizations, chambers of commerce, civic groups, Mayors/City Managers meetings, etc.
 - Meet with and/or make presentation to elected officials representing the county and each city investing in Team Volusia
 - Develop rapport with local media representatives
- B. Maintain effective fiscal policy in managing Team Volusia EDC
- Prepare and manage budget to leverage financial resources and spend efficiently
 - Secure sufficient public and private sector support for organization
- C. Establish an effective investor relations initiative
- Communicate to investors on a regular basis

- Maintain high pledge commitment by retaining current investors and attracting new investors
 - Host Annual Investor meeting
- D. Track staff performance and accountability measures
- Manage Team Volusia EDC staff to effectively execute the 2012 Program of Work

Measurables

- Prepare and disseminate quarterly and annual reports to public and private investors
- Increase private sector investor support to 51% of total funding
- Retain 100% of public and private sector investors who committed support as of January 1, 2012



2012 DRAFT BUDGET

REVENUE:

Private Investors	423,000
City Investors	207,000
County	<u>250,000</u>
TOTAL REVENUE	\$ 880,000

EXPENSES:

Salaries	320,000
Payroll Taxes	32,000
Retirement Plan	12,000
Health Insurance/Benefits	25,000
Insurance - Organizational Coverage	5,000
Performance Plan/Relocation Expenses	20,000
Office Rent	58,000
Computer Equipment/Software/Maintenance	10,000
Office Operations (copier, phone, supplies, postage)	25,000
Automobile Allowance	6,000
Marketing/Communications/Website	90,000
Printing/ Publishing	15,000
Recruiting Trips/Client Services/Cluster Development	90,000
Conferences/Continuing Education	15,000
Memberships	5,000
Subscriptions/ Reference Materials	8,000
Local Mileage/Meeting Expenses	15,000
Special Events	10,000
Investor Relations	10,000
Professional Services	32,000
Contract Labor	5,000
Other Taxes & Fees	1,000
Depreciation	TBD
Interest Expense	TBD
Reserves/Contingency	<u>TBD</u>
TOTAL EXPENSES	\$ 880,000

Gross Profit/(Loss)	\$ 0
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TEAM VOLUSIA
Economic Development Corporation

GOALS

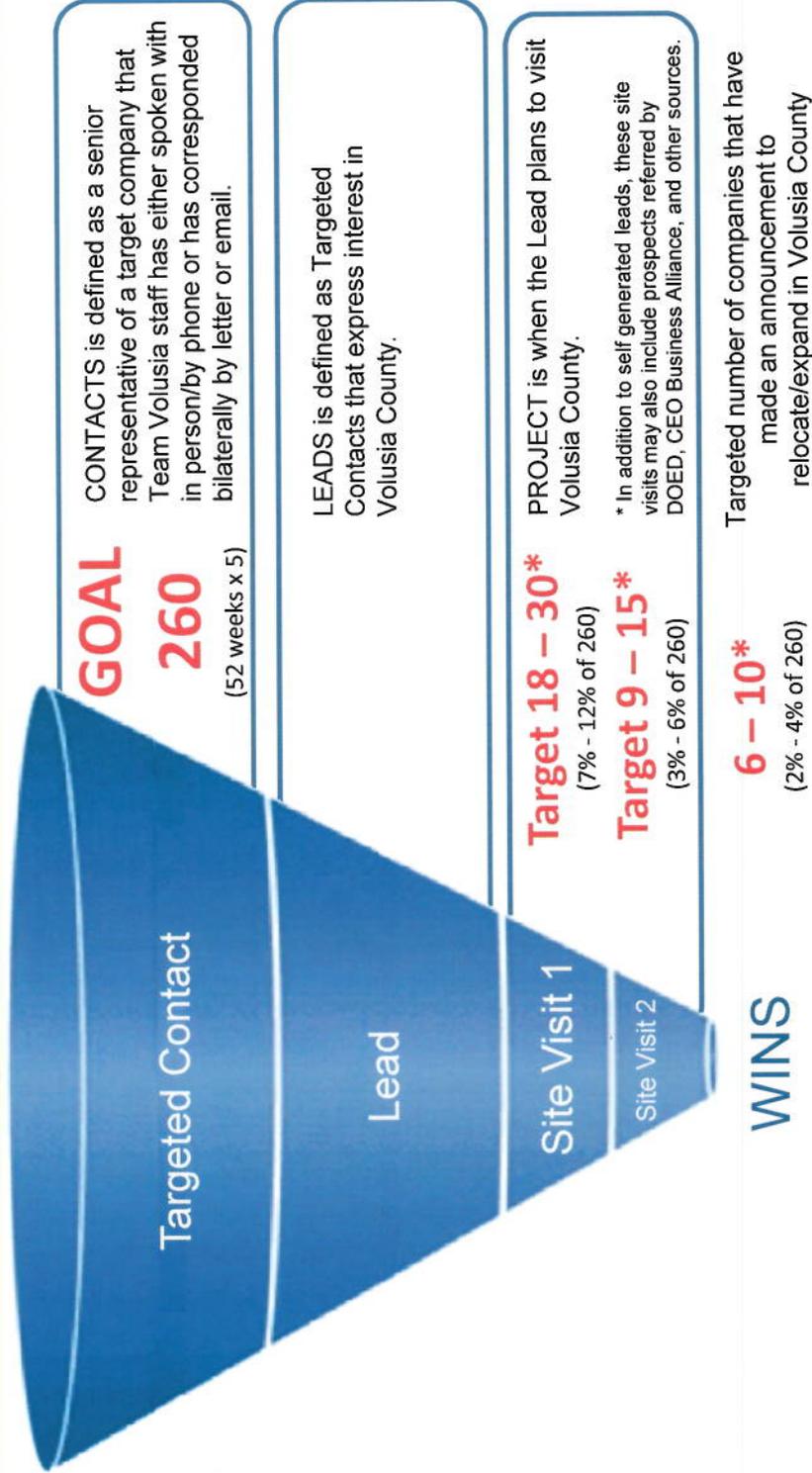
Definitions

TERM	DEFINITION						
Targeted Contact	Senior representative of a target company that Team Volusia staff has either spoken with in person/by phone or has corresponded bilaterally by letter or email.						
Win	Company has made an announcement to relocate/expand in Volusia County.						
New Job	Number of new positions the company reports that it will need at its new or expanded operation. (Goal assumes 37.5 employees per company)						
Capital Investment	Purchase of land and/or building; machinery/equipment.						
Targeted Average Wage	Average payroll of the company would exceed 115% of the average wage as defined by Enterprise Florida annually. <table border="0" data-bbox="1055 483 1209 1113"> <tr> <td style="text-align: right;"><u>Average</u></td> <td style="text-align: right;"><u>115%</u></td> </tr> <tr> <td style="text-align: right;">Annual Wage</td> <td style="text-align: right;">\$31,530 \$36,260</td> </tr> <tr> <td style="text-align: right;">Hourly Wage</td> <td style="text-align: right;">\$15.16 \$17.43</td> </tr> </table>	<u>Average</u>	<u>115%</u>	Annual Wage	\$31,530 \$36,260	Hourly Wage	\$15.16 \$17.43
<u>Average</u>	<u>115%</u>						
Annual Wage	\$31,530 \$36,260						
Hourly Wage	\$15.16 \$17.43						

* In addition to self-generated leads, these include those referred by DOED, CEO Business Alliance, and other sources that Team Volusia has worked on together with other partners.

Business Development Pipeline

Outreach to decision-makers



Methodology

TARGET COMPANY

25 – 50 Employees

37.5 average number of new employees per company at \$36,260

\$25,000 - \$45,000

New capital investment per job

	Low	High
Wins Company Announces Relocation/Expansion in Volusia	6 Companies (2% Close Ratio) 260 Targeted Contacts x .02 = 5.2)	10 Companies (4% Close Ratio) 260 Targeted Contacts x .04 = 10.4)
New Jobs	225	375
New Payroll	\$8 M	\$13.5 M
Capital	\$5,625,000	\$9,375,000
Investment	\$10,125,000	\$16,875,000

One Year

Three Year Goals

	2012	2013	2014	3-Year Cumulative Total
Targeted Contacts	260	260	260	780
New Jobs	55 – 85*	225 - 375	225 - 375	505 - 835
New Capital Investment	\$1.3 M - \$3.8 M	\$5.6 M - \$16.8 M	\$5.6M - \$16.8 M	\$12.5 M - \$37.5 M
New Payroll	\$2 M - \$3.08 M	\$8 M - \$13.5 M	\$8 M - \$13.5 M	\$18 M - \$30 M

* Lead time of 8-12 months reduces the first year goal.

Example Reporting



2012 Monthly Report JANUARY

GOALS (Recruitment)

	Jan 2012	YTD	Goal	% Attainment
Targeted Contacts	#	#	260	%
New Jobs	#	#	#	%
Capital Investment	#	#	#	%
Payroll	\$	\$	\$	%

Website

	Jan 2012	YTD
Page Views	#	#
Unique Visitors	#	#



Targeted Contacts

Code	Industry	Emp.	Location	Contact Made	Follow-Up
2012-01-001	Plastics manufacturer	34	Newark, New York	Phone call to owner	1/5 Sent packet of info; a follow up call set for 1/23
2012-01-002	Steel fabricator	21	Rochester, New York	Email to Sr. Vice President	1/5 Sent packet of info; 1/10 emailed to touch base- no response. Will follow up on 1/15
2012-01-003	Injection molder	55	Madison, Wisconsin	Spoke with President at expo	1/5 Sent packet of info; ; a follow up call set for 1/23
2012-01-004	Software programmer	10	San Diego, California	Phone call to owner	1/9 Setup site visit for Feb 14

Diminishing State Budgets and Public Scrutiny Contribute to Uncertain Business Incentives Climate

Although some state and municipal governments have scaled back their incentives offerings, monies are still available for the “right” projects deemed to benefit their constituencies.

Brian Corde, Managing Partner, Atlas Insight (2012 Directory)

The past few years have certainly come with their fair share of challenges for both corporations and government agencies alike. As a result, an intense focus and scrutiny on government incentives has surfaced on numerous fronts.

As a site selection consultant, I hear many questions about government incentives — sometimes from a company trying to understand how government incentives can assist with getting its project off the ground or approved by an executive board; other times from a state or municipal government agency trying to understand how to best position itself to be competitive with its neighbors in vying for the attention of active projects that are seeking a new home. Regardless of the entity seeking an answer, the question is somewhat similar: “What is the expectation for government incentives?”

Government Budgets Under Pressure

To best answer such a question, it would seem prudent to try and understand the pressures on governmental budgets, since the ability to offer incentives is typically directly tied to these figures. To get a quick snapshot view of this intense pressure on government budgets, we first need to look at the federal tax collections.

Generally, the federal tax collections represent a rough estimation of state tax collections; additionally, municipal budgets rely heavily on state funding, which relies on federal funding. For these reasons, when tax collections are down at the federal level, state and municipal budgets also suffer.

The picture isn't pretty. When adjusted for inflation, the federal government took in more than \$400 billion dollars less in 2009 than it did in 2000, a decline of approximately 18 percent, putting a significant strain on state and local budgets. According to The Tax Policy Center (a joint venture between the Urban Institute and Brookings Institution), 46 states faced shortfalls when passing their fiscal year-end 2011 budgets, and 17 of those states faced shortfalls of greater than 20 percent. The news doesn't get any better at the local level, where nearly 90 percent of city finance officials reported difficulties in meeting their fiscal needs in 2009, and 75 percent of city officials reported that overall economic conditions worsened in 2010, particularly in the western United States.

And, when state budgets suffer, municipal budgets suffer as well. According to the National Council of State Legislators, 14 states cut funding to municipalities in 2010 and 2011, putting an enormous amount of pressure on these municipalities to cut costs and services while raising revenue through property taxes and local sales taxes to make up for the lack of state support.

While there is a tremendous amount of pressure being applied to government agencies to boost revenues, there is an equal amount of pressure on the corporate side to reduce costs. Internal approval for projects is subject to more management scrutiny than ever before, particularly on the cost side. This has led to an increased awareness of the availability of government incentives and an internal focus to ensure that incentives are being vetted entirely before proceeding forward with a project — especially for one with any sort of scale. So with an increased focus and desire to receive government incentives on the corporate side, and the difficulty in providing funding to support these programs on the government side, the potential for disconnect exists; i.e., corporate expectations do not align with funding reality.

Stepped Up Attraction and Retention Efforts

In reaction to this intense pressure on government agencies to raise revenue, some would argue they should increase taxes and decrease incentives; however, this view seems somewhat shortsighted.

Many states have embraced the idea that incentives are an extremely powerful tool that can help in business attraction and retention. In fact, with companies of all sizes in dire need of these subsidies in order to push their projects through the approval process, some states have instituted programs to step up their business attraction/ recruitment efforts, including western states that previously were considered to hold extremely conservative views when it came to offering business incentives.

On the retention side, the appropriate use of incentives to help “stop the bleeding” — by preventing a company from downsizing or relocating — has been endorsed by states and municipalities seeking to maintain their current tax bases. Under intense scrutiny to apply funds that were normally dedicated to incentive programs to other areas of government spending in an effort to plug holes in the overall budget, other states have had to fight to justify maintaining their current programs. And other states have succumbed to this pressure, reducing or cutting their incentive programs, either partly or entirely.

Let's look at some specific cases on the state level to get an idea of the different types of incentives a company may find when investigating prospective locations for a project.

Job Creation Incentives

In the first quarter of 2011, Arizona passed sweeping legislation designed to completely revamp and power up the state's incentive toolkit. Replacing the old Enterprise Zone Tax Credit, the state now provides a Quality Jobs program that can provide as much as \$9,000 per employee for job creation projects. Even more importantly, the state added a "deal closing fund" to its arsenal. Arizona Governor Brewer has a funded program that comprises \$25 million to be used at her discretion for projects that provide a net benefit to the state. The fund also allows for the reconstitution of the training grant program, which is considered one of the best U.S. models of such programs. This trio of incentives — plus included tax reform — now gives Arizona a major competitive advantage over many other western states.

Idaho has also passed a new tax credit program designed to promote job-attraction projects (beginning with employees hired after April 15, 2011) — both from companies that are growing internally and from those locating or re-locating to Idaho from out of state. This incentive is worth up to 6 percent of a qualified employee's wages for a full year. Two characteristics of the program make it stand out: First, the credit is refundable; i.e., if a company does not have the tax liability to use the credit, it will still receive cash. Secondly, the program doesn't have any major hiring thresholds; i.e., the incentive begins to accumulate with the hiring of one incremental individual statewide. This, coupled with the state's flexible training grant program, has provided a strong foundation for recent major announcements, e.g., Allstate and Chobani.

Retention Incentives

Kansas has been staring down the bad economy for a couple of years now, passing some of the most aggressive incentive legislation seen over the past few years in 2009. With the passing of the withholding tax rebate PEAK program, Kansas rewarded businesses that move into Kansas from an out-of-state location with an incentive worth up to 95 percent of withholding taxes collected for a period of up to 10 years. In the 2010 and 2011 legislative sessions, the state enhanced the PEAK program by relaxing the qualification requirements and enabling its use by in-state growth projects and then by retention projects, making it a very versatile and powerful incentive tool.

Other states that already have strong business attraction programs in place have also stepped up their incentive offerings on the business retention side in order to "maintain their front yard" and ensure that the tax base they have in place today stays there, and the potential for organic growth and future expansion is as ripe as it can be. For example, with an already strong business attraction tool in place, New Jersey's Governor Christie turned his focus to a struggling retention incentive that had been in place but was underutilized for years. The overhaul of the program in early 2011 included relaxing the qualification requirements as well as increasing the maximum value of the incentive from \$2,250 per job up to a whopping \$13,500 per job! In addition, proposed legislation that is gaining traction would institute an even better job-retention program.

Ohio also took a major step toward bolstering its incentive toolkit by adding a job-retention program to its existing job-creation incentives. Originally signed into law in March of 2011 to help American Greeting with a retention/relocation project (the company received \$93.5 million to relocate from Brooklyn, Ohio, to Westlake, Ohio, according to an AP story), the retention program also assisted Bob Evans Restaurants and Diebold during 2011.

Some Struggles

While the above examples can boost companies' expectations for incentives in today's tough economic climate, not all states have been as aggressive. Some state legislatures have had to defend themselves from those opposed to incentives — not just newly proposed programs but, in some instances, even existing programs.

For example, the South Carolina legislature came under intense fire for the way it handled an incentive deal for online retailer Amazon. In April 2011, the legislature under Governor Haley pulled back from what supposedly was a handshake deal between former Governor Sanford and the retail giant that would have allowed for the company to forgo collection of sales taxes for in-state customers. In response, Amazon stopped construction of its fulfillment center in Spartanburg County, prompting the legislature to reverse course in May and vote to compromise to offer the sales tax advantage. This did not happen easily. This case truly pitted the philosophical debate behind government incentives against the economical one, and in the end economics prevailed.

And Illinois has continuously been defending its incentives programs against fierce public opposition. The state has a longstanding attraction/retention incentive program based upon the withholding taxes collected from employees of eligible businesses. When the state legislature voted to raise taxes, many companies used this as a springboard position to approach the state for retention incentives. With companies like Sears, Motorola, Caterpillar, and Continental Tire all approaching the state for retention incentives and threatening to leave, many called the program into question and asked if it truly was being used as a positive tool for state competitiveness.

And finally there have been some states that have not been able to weather the storm, pulling back on many of their economic development tools. Some have abandoned programs altogether, while others have put heavy handcuffs on their existing programs. New York abandoned lucrative programs in favor of new programs that packed a much smaller economic punch. However, there are still incentives available when push comes to shove. Case in point: An aerospace products company has just decided not to move 1,000 jobs out of Upstate New York after getting a \$20 million package of state aid to help replace a factory damaged by flooding in the summer of 2011. State and local authorities say Amphenol Aerospace will build the new plant near its current site in the Delaware County village of Sidney, a community near Binghamton.

Even traditionally incentive-friendly states like North Carolina have limited their use of their primary incentive tools. Currently North Carolina only awards 25 Job Development Investment Grant programs per year, which seems quite small given the size of the state. Nonetheless, Governor Perdue should be given credit for her veto of a bill that would have eliminated all of the funding from the three grant-based incentive programs that North Carolina uses to attract new jobs to the state. This sent a clear message that North Carolina was still able to be competitive when needed.

Case by Case

In sum, companies and government agencies need to adjust their respective expectations on a case-by-case basis. For a state or local government agency to assume that every competing location is being aggressive may not be accurate; and companies should not assume that their deals will automatically qualify

them for state or local benefits or that governments are no longer offering financial incentives.

Now, more than ever, a company must navigate the incentive waters carefully, ensuring that they are educated with respect to a particular agency's problems and recent responses to the reduction in their primary revenue funds. This is particularly true for a company with a brand-recognizable name, as the public sentiment toward incentives is cautious, wanting to ensure that these giveaways of taxpayer dollars are being used appropriately to better the lives of the citizens of their area.

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How an Innovative Region Can Help Grow Your Business

By leveraging the innovative assets within your region or in others, you can deliver greater value and opportunities for innovation within your own company.

Richard A. Bendis, President and CEO, Innovation America (2012 Directory)

During periods of economic turbulence such as this one, it is natural for business leaders to go back to the “œwell,” so to speak, to drum up new business or put forth new efforts to innovate within your company. Here are some thoughts, strategies, and knowledge that may help in looking to assets and resources in your area or innovative regions that could propel your efforts.

The End Game

Innovation has been and should remain the end game, since it is truly how companies are driving and sustaining growth in today’s economy. And innovation is not just defined through the building of new products; it is also the creation and transformation of knowledge and new processes and services that meet a market need. It’s about new ways to partner, and innovative interactions, entertainment forms, and ways of communicating and collaborating. Innovation truly distinguishes the leaders in today’s economy.

With these great goals in mind for growth, you begin to dig deep into the existing Rolodex. You will often take another look at the product plans that were scrapped in previous years to see if there are “œmorsels” to pick back up in internal product meetings. You may attempt to breathe some fresh life into business leads and angles within your industry or supply chain that were not there before, but held outside promise. Or, you attend trade shows and events that have also yielded contacts and roads to explore in the past. To be sure, these are all proven methods, but let’s think about opportunities from a location perspective that may generate a diverse point of view.

Innovative Regions

There has been much study of location-based economic development that enables innovation and commercialization, whether the location is defined as a county, metropolitan area, state, or region. In today’s global knowledge economy “ where value is derived from creating, evaluating, and trading intellectual products “ we can sometimes neglect to think about the composition of the very economies in which we live and work. The fact of the matter is that many of you live in innovative regions. These locations today are often filled with innovation-based assets that can be leveraged for the growth of your business.

So, how do you make innovative assets within your region benefit you and your company's goals? And, what do you look for to see what your location has to offer?

Industry Clusters

A framework commonly used when describing regional assets is industry cluster. Clusters have been used frequently in the practice of modern economic development strategy by leading practitioners, including the U.S. Economic Development Administration (EDA) and the U.S. Council on Competitiveness, as a method to characterize innovative concentrations of industry and formation of spin-offs. As noted on the EDA's website, "RICs (regional innovation clusters) are a geographically-bounded, active networks of similar, synergistic, or complementary organizations, which leverage their region's unique competitive strengths to create jobs and broader prosperity."

Further study and observation have delved into the inner workings of the cluster to see the factors driving the opportunities for innovation and growth. Cluster analysis recognizes that collaboration among small and large businesses, universities, and research parks is essential for innovation and commercialization. Often found in clusters are new institutions to connect assets within clusters, regional partnerships to bring new products and services to market, and incentives that are increasingly important to support collaboration and foster innovation.

It is these components of the innovative region or cluster that really make a difference for potential business opportunities. Today, there are vibrant cluster organizations (what I often call innovation intermediaries) that are working to spark entrepreneurship to fuel regional connectivity, encourage risk-taking on technologies that can take startups to maturity, and lead to job and economic growth for that region. A focus on supporting and promoting entrepreneurship is typically found as a primary unit of measurement that indicates the willingness to start, grow, and succeed in a location. The ability for these attitudes to come together is the ultimate reassurance of the attractiveness of locations for healthy business lifecycles.

Leveraging Innovative Resources

Bringing together this knowledge of clusters and cluster organizations, the United States today has more identifiable traditional and emerging clusters of industry, technologies, and other niche expertise. Some of these include the life sciences in Boston, semiconductors in Silicon Valley, electronics throughout Texas, aerospace in Los Angeles, cleantech in Denver, information technology in Seattle, and many advanced manufacturing specializations across the Midwest. The concentrations of knowledge in U.S. business and industry are common knowledge, but there are ways to look at the unique assets within the clusters to leverage the inherent innovation.

For instance, networking opportunities through regional industry innovative clusters are a meaningful regular exercise to understand local development. Legacy and emerging industries have deep sets of knowledge in specific functions, technologies, and processes,

and have the preponderance of specific sets of knowledge workers that can be used for business and innovation outcomes. Expected strategies follow, and organizations within clusters tend to continue to promote various programs and opportunities to exploit these core competencies.

As an example, during the down years in the automotive industry over the past couple of decades, many engineers and industrial designers were underemployed but continued to be connected throughout local industry and university activities, as well as through public-private partnerships that sprouted, including Automation Alley and TechTown at Wayne State University in Detroit. In the recent comeback of the auto industry, the region has demonstrated that the embedded knowledge base has always been in Detroit. This knowledge is again filling the pipeline for manufacturing companies in Detroit.

Simultaneously, Clemson University in South Carolina was building a critical mass around its own research park, skilled work force, and economic incentives for the automotive industry. This helped fuel a major investment from BMW into Clemson's International Center for Automotive Research to leverage university know-how for its business growth and expansion. Other initiatives have layered onto this momentum to enable the auto industry to open source opportunities and move at a faster pace with high-technology companies.

Initiatives called AutoHarvest, the Network of Automotive Excellence, and the AutoVenture Forum have taken shape recently as open source movements, but most have been grounded or influenced by economic development and location experts.

Networking Opportunities

In Detroit and South Carolina provide examples of technical know-how affiliated with innovative regions. But another great enabler for growth is the business and financial acumen affiliated with these industries. Sand Hill Road in Silicon Valley, with its rows of investment firms, has achieved the great reputation of owning the knowledge to fund the next set of groundbreaking technology companies. Access to risk capital from proof of concept to seed, early-stage, and venture capital is a priority for innovative regions. There are often innovation intermediaries that get involved with mentoring startups in your region, which facilitate networking with the funding community.

Unique assets within innovative regions can include academic strengths like cutting-edge university research, advanced facilities and research parks, savvy technology-transfer professionals, and concentrations of younger workers. The university assets provide a great opportunity for you to become involved and network within the university centers of excellence, research facilities, entrepreneurial events, and business plan competitions. Teaching in a business or technical school will provide access to professors that could help in your business, or to researchers and scientists with whom you could partner to create next-generation technology. Also, there is typically great talent available in terms of student interns who can considerably benefit your company through knowledge transfer of new advances within academia.

Everyone should think about becoming involved with the local chamber of commerce, the local innovation intermediary, university center of excellence, or work with a start-up. In one way or another, these groups will get you connected with the innovative assets within your region. If you do strike out gaining access to local resources, then the open innovation movement is yielding results for leading companies like IBM, Nokia, GlaxoSmithKline, and Procter & Gamble, which are all supporting successful open innovation platforms. However, as mentioned, many of these efforts are starting with local knowledge and support from the economic development community.

Programs, Incentives, and Tools

Naturally, the concept of location-based assets has led to a proliferation of competition between U.S and global regions, which has led to the development of new programs and incentives from risk capital funding to tax credits. One way to judge the competitiveness of regions is to see what is offered in terms of economic development assistance to help your business grow. You may find research and development or job training and hiring tax credits of which you were unaware, or even funding to enhance research labs, and facilities to foster industry partnerships. In some locations you will also find import and export assistance to help your company form global partnerships, or incubation facilities and research parks that industry can leverage.

If you would like to review benchmarking on regional attributes, there are a number of tools and regional indexes that assess how certain states, cities, regions, and/or clusters rank against one another. The U.S. Chamber of Commerce monitored state performance in a number of measures – including entrepreneurship and innovation, work force development, and incentives – in a 2010 report called *Enterprising States*. The Milken Institute has done similar analysis in the past and also benchmarked the United States against global locations. Other locations perform their own benchmarking using measures within industries and clusters that can provide leads on where you need to be connecting. These types of indices benchmark geographic research spending, patent filings, venture capital investments, start-up formation, and concentrations of advanced education.

One way or another, you are in the position to access the innovative assets within your region or in others to deliver greater value and opportunities for innovation within your company. Be proactive in addressing the opportunities, but also provide your voice to gaps that may exist to become an innovation leader in your region.

High-tech business gets back into the 'LOOP'

The New Smyrna Beach Waterfront LOOP typically is not thought of as a high-tech hub. But it's squarely on the radar of a local weather company that recently moved back into the district. "Our customers are around the globe, so we could set up shop virtually anywhere," said David St. John, WeatherFlow Chief Information Officer. "But we love the small-town, on-the-beach charm of this area. This is a great place to work for the same reasons it's a great place to live."

Earlier this year, St. John began looking for a larger office to accommodate his growing professional-level staff. He searched for at least 2,500 square feet of space in a 20-mile radius and finally settled into a second floor office on Canal Street. "We want our employees to be close to amenities," St. John said. "There's a gym, restaurants, and plenty of parking behind the building. The proximity to the water makes a big difference too." St. John said his staff all are experienced, well-paid IT professionals. "Those are relatively high-paying jobs," St. John said. "Our employees are spending that money here. They are not taking it out of the area."

The local WeatherFlow office provides specific and precise wind forecasts through internet and wireless applications. Sailors, kite boarders, and fishermen are examples of consumers who use the service. "We tell users exactly what the wind is doing and where those winds are, including by-the-hour, precise forecasts," St. John said. Over the years, WeatherFlow has had offices in the LOOP – on Canal Street and Flagler Avenue. The previous office was at the western end of Canal Street. Each move was seeking more space for the growing business. Even though he looked into other areas, St. John is glad to be back in the LOOP and enjoys the roominess of his 2,500-square-foot office. "Six months ago there were a lot of vacancies on Canal Street," St. John recalls. "Now it's pretty much full." WeatherFlow is a national company with 22 employees in several states. The local office located at 507 Canal Street, handles the information technology side of the business.

"This is an example of a successful business that could locate anywhere but has chosen the New Smyrna Beach Waterfront Loop as its home," said Tony Otte, the City's Community Redevelopment Agency (CRA) director. For information on doing business in the NSB Waterfront Loop, please call the CRA office at 386.424.2265. The NSB Waterfront Loop is an effort by the NSB Community Redevelopment Agency (CRA) to promote waterfront, historical and commercial core areas of the City. The Loop includes Canal Street, the North Causeway, Flagler Avenue, Third Avenue and parts of the Historic Westside Community.

Occupancy Report Indicates Improvement to 95% for Canal Street District

In 2008, many businesses along Canal Street in New Smyrna Beach were closing their doors. The recession was making its mark along the historic district. Even six months ago, there were 19 reported vacancies in the Canal St area. But those memories are beginning to fade as new businesses are brightening once-vacant storefronts and occupancy is now estimated at 95 percent.

"Now is the time for a business owner to take a serious look at our district," said Cindy Jones, Canal Street Historic District president. "Rent is affordable, but available space is becoming scarce." Jones is looking forward to the completion of the renovation that is now underway at the "old post office" building in the 200 block of Canal St, and thankful for the exterior renovation work done on a number of buildings.

"Credit needs to go to the efforts of our property owners," Jones said. "We've targeted retail shops on the first floor of multi-story buildings. Collectively we've increased the mix of retail and dining while improving facades."



One such property owner is Dick Rosedale, who completed building façade improvements with the help of Community Redevelopment Agency (CRA) grants. At the December 7 CRA meeting Rosedale told the CRA Commissioners, "My last property improvement grant received for the 500 block was a success. Many of you may have noticed all the new awnings and the new paint. I had substantial vacancy there...and in 5 weeks rented up 8,500 square feet of property."

The CRA began informal monthly tracking of available commercial rental space in March of 2009. Surveys include properties along Canal Street from Riverside Drive west to Myrtle Avenue and Douglas Avenue north to Washington Street, according to Tony Otte, CRA Director. "Last June we had a reported 19 vacancies in the Canal St area, and this has dropped to 9 vacancies in the recent report. I think that business owners are recognizing the potential of this area and are taking advantage of it."

The Canal Street Historic District is one of four commercial areas encompassed by the CRA district and included in "The Loop".

Community Redevelopment Agency Grant Information

The CRA has a number of grant programs for eligible businesses and residences within the CRA area, including:

Large Grant Program - Summary Program Description: Provides up to \$50,000 in CRA grant funds for commercial projects that are hospitality or retail; and residential infill projects in the Historic Westside, on a 50/50 matching, reimbursement basis.

Opportunity Site Grant Program - Provides CRA grant funds in excess of \$50,000 for commercial projects in pre-designated sites through a process of conceptual project review and approval of a negotiated development agreement by the CRA and City Commission. Funds are provided on a 50/50 matching, reimbursement basis. Program requirements apply.

Small-Scale Improvement Grant Program - Provides CRA grant funds up to \$2,500 for exterior and site improvements for both commercial and residential properties, with no matching funds required. Program requirements apply.

Independent Rental Move-In Assistance Program - The property owner must agree to a 25% reduction in the monthly rent payment. CRA funds are used to subsidize the rent at an amount equal to 25% - not to exceed \$5,000 or 18 months, and the tenant pays 50% of the rent amount. Program requirements apply.

Combined Grant Program - This program combines three previously separate grant programs and Impact Fee Grants and provides CRA funds up to \$20,000 per project on a 50/50 matching, reimbursement basis for exterior and code-related interior improvements. Impact fee payments are also eligible expenses and those payments do not require a match.

Grants and Aids Program - This program provides CRA grant funding for marketing and other approved expenses for events. (Events are a key recommendation in the CRA Master Plan Update). The program was revised to allow for a single event to be funded for the first grant application at any time during the fiscal year, but in subsequent years an application is due June 1.

Residential Improvement Grants - This program provides CRA grant funding of up to \$5,000 on a 50/50 matching, reimbursement for exterior improvements to residential structure.



NEW SMYRNA BEACH - ECONOMIC DEVELOPMENT NEWS

City Managers' Corner

2011 has been a busy year for economic development within the City with major commercial projects under construction (see Planning & Zoning below). For the City, the Commission adopted a millage rate of 3.4793 beginning October 1, 2011. This was a 4.2% decrease from a roll-back rate of 3.6329 (which would have collected the same amount of tax revenue as in 2010). The City's millage is the second lowest millage in Volusia County. The City had a 4% decrease in total tax roll valuation (Port Orange had a 2% reduction). We were the top two cities for taxable value stabilization in 2011, with a balanced budget and 25% reserves in the General Fund.

Economic Development Advisory Board (EDAB)

The EDAB's next meeting will be held on November 16th at 6:00 pm at City Hall. The Board will be reviewing the 2012 priorities from the October 22th Economic Development Summit. The Board recently recommended that Road Impact fees be suspended. The City Commission also approved this recommendation along with an extension of the current suspension of Police and Fire Impact Fees. All three impact fees are now suspended to December 2013 for non-residential projects.

Community Redevelopment Agency (CRA)

The first Opportunity Site Grant was approved by the CRA and the City Commission in October 2011, for the Pennysaver Building at the 200 block of Canal Street, as a 50/50% partnership with the CRA. Over twenty improvement grants ranging from \$2,500 to \$50,000 have been approved in 2011. Applications for Improvement Grants are limited to the CRA district, and can be found on-line at cityofnsb.com.

Airport

A FOR-LEASE Sign is up on the former NSB Police Station at US 1 and Industrial Park Avenue. Airport Manager, Rhonda Walker is now full-time at the airport, and is working on Federal grants to install a permanent fuel farm, hanger improvements, and taxiway enhancements. A brownfield designation was placed on commercial and industrial property in 2011, to provide for job creation & property development incentives. Information on the Brownfield's program can be found on-line at cityofnsb.com

Planning, Zoning and Building

Along with the Walmart opening on November 16th, and Cracker Barrel which recently closed on a two acre parcel, City staff continues to work with Regency Centers as they work to market for a large retailer, as well as five smaller out-parcels at I-95 & SR 44. Major annexations occurred on SR44 for additional commercial development proposed, just east of the Home Depot. Discussion is also underway for a commercial sewer assessment program on SR44 south, across from the Home Depot.

Projects currently under staff review include a 1,274-square foot office building on South Atlantic Avenue and a 22-unit senior housing project on Vics Way (formerly Paige Avenue).



Helen M Cauthen
83 Arlington Way
Ormond Beach FL 32176

December 19, 2011

Theodore R. Doran
Doran Sims Wolfe & Kunding
1020 W. International Speedway Blvd.
Daytona Beach, FL 32114

Dear Ted:

I am writing to officially notify you as Chairman of the Board that I am resigning from my position as President & CEO of Team Volusia Economic Development Corporation as of January 26, 2012.

Leading the organization in its first year of operation has been a terrific opportunity, and one that I have truly enjoyed. The people in Volusia County have been wonderful to me, and I appreciate how fortunate I have been to work alongside a talented and intelligent group of colleagues from the public and private sectors.

It has been an honor and privilege to serve at Team Volusia.

All the best,



Helen Cauthen

cc: Daryl Tol, Chair-Elect

December 12, 2011

Media contact:

Tony Otte: 386.424.2265

Cindy Jones: 386.547.4038

NEWS FOR IMMEDIATE RELEASE

***Occupancy grows to nearly 95 percent
in 'Loop's' Canal Street Historic District***

In 2008, many businesses along Canal Street in New Smyrna Beach were closing their doors. Occupancy rates hovered around 50 percent, according to Cindy Jones, Canal Street Historic District president. The recession was making its mark along the historic district, but those memories are beginning to fade as new businesses are brightening once-vacant storefronts and occupancy is estimated at 95 percent.

"Now is the time for a business owner to take a serious look at our district," Jones said. "Rent is affordable, but available space is becoming scarce."

Jones expects to tout occupancy at 100 percent when renovation of the "old Post Office" in the 200 block is completed and leased and an additional large property at 132 Canal Street is occupied. Both properties offer several spaces to appeal to shops and restaurants.

"Credit needs to go to the efforts of our property owners," Jones said. "We've targeted retail shops on the first floor of multi-story buildings. Collectively we've increased the mix of retail and dining while improving facades. Two other large properties have undergone exterior improvements and have made a huge impact."

The City of New Smyrna Beach's Community Redevelopment Agency (CRA) also continues to play a role in bringing new business to the area, according to Tony Otte, CRA director. For example, the agency provides funds to encourage new tenant use of commercial spaces for lease in the CRA, Otte said. Grants and incentives also are available to new and existing businesses and property owners for commercial improvements, impact and permit fees, and the development of "opportunity sites."

The CRA began informal monthly tracking of available commercial rental space in February 2011. Surveys include properties along Canal Street from Riverside Drive west to Myrtle Avenue and Douglas Avenue north to Washington Street, according to Otte.

"Since February, the available space in this district has decreased 30 percent," Otte said. "That tells us that business owners are recognizing the potential of this area and are taking advantage of it."

The Canal Street Historic District is one of four commercial areas encompassed by the CRA's district.

For information on doing business in the NSB Waterfront Loop, please call the CRA office at 386.424.2265.

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The NSB Waterfront Loop is an effort by the New Smyrna Beach Community Redevelopment Agency (CRA) to promote waterfront, historical and commercial core areas of the City. The Loop includes Canal Street, the North Causeway, Flagler Avenue, Third Avenue and parts of the Historic Westside Community.

Cluster-Based Economic Development Strategies

Clusters are geographic concentrations of competing and collaborating firms that tend to produce innovation and higher than average wages. Cluster-based economic development strategies are interventions designed to improve a cluster's performance by addressing the common needs of businesses within the cluster.

Local government managers and other local officials can enhance the success of clusters through interventions that cut across a number of domains, including economic development, education and training, workforce development, and infrastructure provision. This article offers a general introduction to clusters and provides examples of cluster-based economic development strategies.

Cluster is a relatively new term for the activities in which a region has developed specialized competencies that allow it to produce goods and services for sale outside the region. The cluster-based approach has influenced local, regional, state, and national economic development policy worldwide. It has also added significant value as a method of understanding regional economies, as a tool for engaging industries in collective problem solving, and as a tool for organizing service delivery across public sector departments, services, and functions. (1)

Looking at a local economy in terms of clusters has the added benefit of providing a framework for addressing the needs of existing businesses in a way that can also make the community more attractive to new businesses in similar or complementary industries. Addressing the needs of existing businesses is crucial because it is much more efficient to retain existing businesses than to recruit new ones: on a cost-per-job basis, bringing in new jobs can be as much as eight times more costly than preserving existing ones. Cluster strategies permit the integration and targeting of resources in ways that are consistent with the multiple goals of economic development programs: business recruitment, retention, expansion, and new-business creation.

What Are Clusters?

For the purposes of this discussion, clusters will be defined broadly as geographic concentrations of interrelated, competitive firms and related institutions that are of sufficient scale to generate external economies that are not found in regions lacking such concentrations. External economies are the tangible (e.g., reduced costs) and intangible (e.g., faster innovation) benefits generated either by the high relative concentration of a particular kind of economic activity in a region, or through firms' deliberate decisions to work together to pursue advantages that they cannot achieve on their own (e.g., economies of scale, acquisition of common resources).

The concentrations that characterize clusters typically include competitive firms, cooperating suppliers, service providers, knowledge providers, and associated institutions that do business with each other and share needs for common talent, technology, and infrastructure. Interdependencies that define clusters include supply chains, core technologies, and proximity to natural resources or distribution channels. Because of the many elements that contribute to clusters, they are sometimes referred to as "economic ecosystems."

Clusters often, but not always, develop in a region where economic activity in a specific industry, sector, or supply chain is concentrated. Examples of such clusters in the United States are the

semiconductor cluster in Northern California, the automotive cluster in and around Detroit, and the furniture cluster in northeastern Mississippi. Other clusters are based on process technologies: in the Naugatuck Valley of Connecticut, for example, the largest users of plastics technology and skills are BIC, Schick, and Lego, none of which is classified as a plastics company.

The entrepreneurial process constitutes an important component of cluster growth. The number and scope of businesses in a cluster are typically influenced by the activities of entrepreneurs, who may form new companies as spin-offs or in the wake of layoffs.

Types of Clusters

There are three fundamental reasons that economic development practitioners pay attention to clusters: clusters generate wealth in a region, clusters give a region a competitive advantage, and clusters can provide the basis for cost-effective economic development strategies. In general, clusters may fall into any of the following categories:

- Emerging (low scale; high growth)
- Competitive (high scale; growing)
- Mature (high scale; stable or declining)
- Stabilizing (diversifying)
- Strategic (based on the plans and/or needs of public sector actors rather than on current business performance)
- Potential (pinned on hopes and dreams).

The origins of a cluster and its stage of development will shape the interests and needs of the businesses within it, and will likely determine both public sector priorities and the actions that may be appropriate to support these priorities. This does not mean that economic development practitioners should “pick winners”; rather, it means that they should know as much as possible about an industry’s position before choosing whether or how to intervene.

Cluster-Based Economic Development Strategies

When public or semipublic entities attempt to improve a region’s economic situation by influencing how companies within a cluster use public resources, work together, or do business, they are using cluster-based economic development strategies (“cluster strategies”). Clusters do not need public sector strategies in order to exist; they will exist regardless. But the right public strategies can help the businesses within a cluster become more successful and competitive. And such strategies are always more successful when they are formulated to address companies’ real competitive needs.

The following five types of cluster strategies are commonly used throughout the United States and the world: defensive, offensive, prospective, cluster-based recruitment, and pre-cluster consolidation. (It is important to note that what follows is a typology describing general types of interventions, not a list of actual interventions.)

Defensive Cluster Strategies. Defensive cluster strategies are designed to fix the defects of a region’s economic infrastructure that can affect the performance of a group of existing firms. Such strategies may include

- Legal or regulatory reforms that make the business environment more friendly to a particular sector
- The development of new infrastructure (such as intermodal freight facilities or agricultural-goods markets) that will give firms more efficient access to customers or suppliers

- Changes in the licensing policies at universities that will provide easier access to new technologies or research
- Programs to provide certain types of capital.

Such strategies typically do not require cooperation between the companies that are part of the cluster, although they are more likely to be used when companies come together to articulate their needs to public officials.

Offensive Cluster Strategies. Offensive cluster strategies are designed to enhance competitiveness by delivering value-adding services to the firms in a cluster—either directly or through investments in new regional institutions or capabilities. An example of an offensive cluster strategy is the establishment of training programs designed to provide workers for specific occupations or industries. For such strategies to work, it is usually necessary for businesses in the cluster to clearly articulate their needs. And because offensive strategies often require the consent and participation of businesses, they tend to be more successful when some type of collective organization—such as a network—is present.

Prospective Cluster Strategies. Prospective cluster strategies, sometimes referred to as “cluster engineering,” are efforts to convert important assets in the regional economic infrastructure into competitive businesses. An example might be establishing a university department or a research institute to spur the growth of technology businesses in related fields. Such efforts often evoke Dr. Frankenstein’s attempt to create a walking, talking monster: while not uniformly dangerous, these strategies are likely, like the monster, to be expensive, unruly, and, in the long term, somewhat risky.

Highly visible commitment from the business community and public sector support usually accompany such initiatives, at least at the beginning. In the longer term, private sector commitment may wither—for example, when it isn’t really in businesses’ economic interest to create competition for workers in their backyard. In other instances, however, businesses will recognize that their competitiveness will be enhanced by the presence of a new or leading-edge industry. In addition, providers of specialized services (accounting firms, real estate developers, lawyers, etc.) may be instrumental in supporting prospective cluster strategies because they recognize the need to bring in new local industries to service.

In some cases, the desire to build a new industry from scratch may facilitate other types of cooperation between the public and private sectors. This was the case in Michigan and in the Kansas City metropolitan area, where efforts have been undertaken to develop life sciences clusters. However, in both of these cases, a single wealthy patron’s philanthropic largesse was a key ingredient and catalyst.

Cluster-Based Business Recruitment Strategies. Cluster-based business recruitment strategies, which are usually led by an economic development agency, are typically marketing efforts aimed at recruiting specific firms, particularly firms with competencies that could enhance the competitive advantage of other businesses in the cluster. These strategies often involve building the local supply chain of an industry in order to keep more of the cluster’s activities within the region and expand the breadth of the cluster.

It is important to understand the distinction between cluster-based business recruitment and a targeted-industry approach to business recruitment. A cluster-based approach starts with the industries and assets that are already present in the region and asks how they can be made better; in

the traditional parlance of economic development, this is a “product-improvement strategy.” A targeted-industry approach, in contrast, considers what could be done in the region and identifies strategies for inducing companies to come to the region; this is a “product-marketing strategy.”

It is often hard to tell whether cluster-based recruiting strategies originate in a real understanding of business needs or in wishful thinking and a desire to rely on traditional business recruitment as a means of economic development. However, a cluster-based approach and a targeted-industry approach can be complementary: a cluster-based approach (1) can help improve the product (the regional economic infrastructure) that will be marketed to target industries, and (2) can be used to identify target industries that will support the existing economic base.

Pre-Cluster Consolidation Strategies. Pre-cluster consolidation strategies attempt to gain the advantages associated with offensive cluster strategies by organizing cooperation among groups of firms that might not initially have the scale or prominence of a cluster. Even though there is sufficient geographic concentration in a particular industrial sector or competency, the essential linkages, institutions, or suppliers may be weak or absent.

Consolidation strategies are often deployed in cases where firms are not very aware of other related businesses in the region or of the interdependencies and possibilities for collective action. Sometimes it is more appropriate to think of these as network strategies, since they tend to bring firms together and to require their active participation.

Conclusion

Clusters and cluster strategies cannot be seen as the answer to every economic challenge faced by a community or region. However, they do represent a valuable tool that economic development stakeholders should have at their disposal. A cluster approach may be most useful in helping officials and practitioners to see a community’s economy in a new way—not as a collection of individual firms, but as a system in which interventions can assist companies, industries, and the entire community.

Note

1. Mary Jo Waits, “The Added Value of the Industry Cluster Approach to Economic Analysis, Strategy Development, and Service Delivery,” *Economic Development Quarterly* 14, no. 1 (2000): 35–50.

Source: Excerpted from ICMA’s IQ Report *Cluster-Based Economic Development*, published in 2008 and compiled by Phil Psilos, director of economic development, and Dan Broun, director of special projects, Regional Technology Strategies, Inc., of Carrboro, North Carolina. The full report also discusses in detail the nature of clusters and their importance, explains how to identify them, and provides guidance for implementing cluster strategies with an eye to equity—providing opportunities for people, places, and firms that have been historically disadvantaged or excluded from the mainstream of a region’s economy.

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Economic Development in Hard Times

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One of the greatest challenges for economic developers is to be tasked with developing their communities in times of economic recession. As large companies lay off workers, small businesses close, and money for investment becomes tight, tax receipts dwindle as well. This causes government to tend to use its remaining resources to ensure the continuation of basic services rather than expending them on development efforts. Existing companies are less likely to expand their operations or contemplate opening branch plants or offices; thus, government intervention is less likely to influence their investment decisions in any case.

All this would seem to leave few if any options open to economic developers. However, there are actions that can and should be taken:

- Engage in economic development strategic planning
- Find partners and build networks
- Invest in entrepreneurship
- Engage in bootstrapping
- Make investments in economic good times with foresight.

These strategies are discussed in the following sections.

Engage in Economic Development Strategic Planning

All too often public and private organizations faced with fiscal or financial challenges stop planning, arguing that it is a luxury they can no longer afford or that they must apply their precious financial resources to their “core business.” This is unfortunate and very shortsighted. Of all the times that planning can be highly valuable, difficult economic times rank first.

One of the main functions of strategic planning is to help organizations achieve their goals within the limitations of the resources available to them. Thus, an economic recession is a prime time for engaging in economic development planning. It not only can help the community weather the storm but also takes advantage of the slack time created by a slowdown to prepare for times of economic boom ahead.

Find Partners and Build Networks

For many economic developers, the globalization of the economy means intense competition. While this is true, it does not necessarily mean that this competition must be undertaken alone. In fact, it makes considerable sense to share the risk with others. This is particularly true in economic hard times.

Each community is part of a regional economy. Each regional economy is a component of the national economy, which in turn is a player in the global economy. This suggests that communities that share boundaries and economic realities and build social capital among themselves can benefit from what Brandenburger and Nalebuff call “co-opetition,” or collaborating to compete.⁽¹⁾ Sharing economic development resources can actually increase the impact and reach of those resources. The impacts of economic development are not constrained by jurisdictional boundaries; why should human,

financial, or physical resources be?

It is important to understand, however, that the development of social capital (i.e., networking) among economic competitors requires the building of trust. It also requires a clear understanding and commitment to the mutual benefit of the parties entering the partnership. Trust is built over time when the parties act with integrity. Mutual benefit can be reached only when each party knows what it wants and why and can express that clearly to the other parties in the partnership. This becomes the basis for negotiating an agreement that is effective and will last the lifetime of the partnership.

Invest in Entrepreneurship

Economic hard times bring challenges and hardships, but they also bring opportunities when viewed with the proper mindset. Among many opportunities, they afford the chance to reinvent and rebuild the local economy.

Entrepreneurs create the new companies—in their garages, basements, and barns—that become the corporations of tomorrow. They create wealth by building business assets. These are not merely assets to themselves and their families but to the entire community as well. In this way, a community's entrepreneurs collectively create community wealth. Entrepreneurs contribute jobs and tax revenue to the community.

Entrepreneurship can be a low-cost, bottom-up strategy for fostering economic development. It is economically sustainable because it is small scale, draws largely on local resources, and produces home-grown businesses that tend to be loyal to the community in which they were spawned.⁽²⁾ These qualities help make entrepreneurship assistance, or enterprise development, an attractive economic development strategy for hard times.

Engage in Bootstrapping

Entrepreneurs not only can help build economies but also can be role models for how to do more with less. In the world of entrepreneurship, this is called bootstrapping.

By definition, entrepreneurs are not constrained by the resources they have in hand when they pursue business opportunities.⁽³⁾ They understand that they do not have to own resources to make good use of them; they need only have control over them. Thus, bootstrapping involves a variety of techniques for attracting and utilizing other people's resources to help entrepreneurs accomplish their goals.

Translating this approach to economic development, planners need to attract investors who will provide resources that the entrepreneurial economic developer can control and use to achieve the community's development goals. The investor may be a private company that has a vested interest in the community's development. It may be a government agency or ministry at a higher level. It could be a foundation—national or community—that can be convinced that the community's economic development strategies are in keeping with its mission.

Of course, it is important that entrepreneurial economic developers demonstrate they have "skin in the game"; that is, they have made an investment in their own efforts. Prospective investors look for this. The investment could be financial (i.e., some percentage of the total cost) or it could be sweat equity (i.e., human capital and time invested in the effort). Thus, economic developers are leveraging larger investments with their own.

Bootstrapping strategies need not involve elaborate or large financing deals. They can be composed of simple arrangements. For example, a small rural community in the midwestern United States wanted to start a kitchen business incubator, but the community could not afford to buy a building and outfit it with the kitchen equipment needed by the clients who were in the food-processing industry (e.g., bakers, confectioners, salsa makers). Community planners negotiated with the local high school to give their clients access to the school's home economics lab when school was not in session.

Make Investments in Economic Good Times with Foresight

Sometimes the best defense against the hardships of an economic downturn is a good offense. Rather than waiting until the economy takes a turn for the worse and reacting to that, it is far better to look forward in good times and make the kinds of investments that will cushion the blow of a recession. This might involve investing in both hard and soft infrastructure when resources are plentiful so that a support system is already in place when hard times hit. Of course, this requires the kind of long-range anticipation that only planning can provide, which brings us full circle. Planning ahead is absolutely the best way to manage hard economic times.

Summary

Difficult economic times should not be used as an excuse to abandon planning efforts. Planning that maximizes the attainment of economic development goals within resource constraints—economic development strategic planning—becomes even more valuable under recessionary conditions. Thinking and acting in an entrepreneurial way can also be helpful to finding resource solutions a community might otherwise miss.

Notes

- 1 Adam M. Brandenburger and Barry J. Nalebuff, *Co-Opetition: A Revolutionary Mindset that Combines Competition with Cooperation* (New York: Currency Doubleday, 1997).
- 2 Thomas S. Lyons, *The Entrepreneurial League System: Transforming Your Community's Economy Through Enterprise Development* (Washington, D.C.: Appalachian Regional Commission, 2002).
- 3 Jane Wei-Skillern et al., *Entrepreneurship in the Social Sector* (San Francisco: Sage, 2007).

Excerpted and adapted from Steven G. Koven and Thomas S. Lyons, "Planning for Economic Development," chapter 3 in *Economic Development: Strategies for State and Local Practice*, 2d ed. (Washington, D.C.: ICMA Press, 2010). To learn more about this book, or to place an order, visit ICMA's online bookstore (bookstore.icma.org) and search for item no. 43614.

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