

ECONOMIC DEVELOPMENT ADVISORY BOARD MEETING
Wednesday, August 21st, 2024, 8:30 a.m.
MINUTES

The regular meeting of the Economic Development Advisory Board for the City of Daytona Beach, Florida, was held on Wednesday, August 21st, 2024, at 8:30 a.m. in the Commission Chambers of City Hall, located at 301 S. Ridgewood Avenue, Daytona Beach, Florida.

1. Call to Order:

Mr. Rand called the meeting to order at 8:32 a.m.

2. Roll Call:

Present: Bob Rand
Carol Kilian
Christos Mavronas
Harry Lloyd
Derrick Harris

Ex-officio: Keith Norden, Director of Business Development
Nancy Keefer, President & CEO, Daytona Regional Chamber of Commerce

Staff: Jeff Brown-Economic and Strategic Opportunities Director

3. Approval of Minutes:

A motion was made to approve the minutes from May 15th, 2024, by Ms. Kilian, seconded by Mr. Lloyd. The motion was carried 5-0.

4. Reports:

a) Volusia County Economic Development:

None.

b) Team Volusia Economic Development Corporation:

Mr. Norden explained that their recruitment efforts, supported by the private sector, led them to the Farnborough Airshow, the second largest in the world after Paris. This year marked the 75th anniversary of the event, held every even year. The delegation, led by the lieutenant governor, included key figures from Space Florida, Embry-Riddle, and the state's commerce and transportation departments. Florida stood out with the largest pavilion of any U.S. state, showcasing 20 companies, while other states had only a few.

The 150-member delegation is working on several projects. Mr. Norden is especially pleased that Daytona Beach, Florida, was selected for one of these projects after competing against four other states, including Texas, which offered strong incentives. He stressed that this achievement was a community effort, with support from the city of Daytona Beach, Embry-Riddle, Volusia County, Daytona Beach International Airport, the Daytona Regional Chamber, and local colleges and universities.

Mr. Norden also highlighted that they held about 50 meetings at the airshow, which generated valuable leads and potential locations. The Farnborough and Paris airshows have historically been their best sources of opportunities. They have identified aviation and aerospace as key focus areas, due to their strong presence in the northern part of the Space Triangle and the influence of Embry-Riddle. Currently, they have about 50 projects in the pipeline, with three already announced. Additionally, they recently secured a Brazilian company, marking a significant achievement for the community.

c) Daytona Beach Regional Chamber of Commerce:

Ms. Keefer announced that on August 28th, they will hold a QuickBooks training program for small businesses, continuing their series of small business training sessions. The next "Eggs and Issues" event on September 12th at the Yacht Club will feature a debate or forum for the County Council District 2 seat, with candidates Matt Reinhart and Mr. Miller. On October 3rd, they will host the Hob Nob, an event where all general election candidates are invited to meet the public. She also mentioned that an in-depth voters' guide, including candidate questionnaires, is available on their website.

Ms. Keefer stated that they are beginning to work on their next three-year strategic plan and have been fortunate to have Becca, an intern with the city, assist with outreach and understanding the needs of the business community. This year's leadership class is working on a project focused on the beachside area. The class has been tasked with gathering studies, researching demographics, and examining case studies from other communities that have successfully revitalized their beachside areas. They will present their findings at the end of September as part of their graduation.

Additionally, Ms. Keefer mentioned that the Chamber of Commerce has been involved in a discussion with the city about a new economic development tool, C-PACE funding, which is on the agenda for the city commission meeting this evening. The chamber supports this initiative.

Mr. Lloyd praised Ms. Keefer for her work on the beachside project, noting its complexity.

d) Economic and Strategic Opportunities Report:

Mr. Brown reported that the TRT report for July shows a significant decrease in activity compared to a year and a half ago, likely due to the current economy and interest rates. He expressed hope that if interest rates decrease in the future, more projects will pick up.

He also mentioned that the City has issued 139 CO's for both multifamily and single-family units, which could bring approximately 300 new residents to the city in July.

Mr. Lloyd asked Mr. Brown if he knew Waypoint's plans, and Mr. Brown said he would gather the information and send it to him.

Ms. Kilian inquired about the current population total. Mr. Brown said he would need to check and send the information later.

Mr. Lloyd added that during work on the CRC, they found the population to be nearly 80,000.

5. Old Business:

None.

6. New Business:

A. Consideration of a Commercial Property Assessed Clean Energy (C-PACE)

Mr. Brown explained that the Florida legislature has separated the Property Assessed Clean Energy (PACE) program into residential and commercial components. This year, they approved a commercial-only program, which offers additional financing options for commercial property owners to make energy efficiency improvements to their buildings. The program is administered through the Florida Development Finance Corporation (FDPC) and partners with the Florida Resiliency and Energy District (FRED), established under Florida law.

The PACE program allows commercial properties to apply for financing through bonds issued by Central Development Corporation. The commercial property owner receives the loan, makes improvements, and repays the bond through an ad valorem tax assessment over 10-15 years. The city is not involved in the process, and it does not affect the city's tax revenue. This program is only available for commercial properties, not residential ones.

Ms. Kilian asked if the purpose of discussing this was to inform people about its availability. Mr. Brown confirmed that the city commission is scheduled to consider an agreement with FRED tonight, which would enable the use of this financing tool.

Ms. Keefer noted that several other cities in Volusia County already have this program.

A motion was made to approve the C-pace funding program by Mr. Mavronas, seconded by Ms. Kilian. The motion was carried 5-0.

B. Consideration of an Economic Incentive Package for Aura Aero to be located at the Daytona International Airport.

Mr. Brown provided an update on Aura Aero, a French company they met with in Paris last year. Aura Aero plans to establish a major facility in Daytona Beach, constructing a 500,000-square-foot structure for their electric aviation platform. They will produce two aircraft models: a two-seater trainer and a hybrid electric regional aircraft that can accommodate up to 19 passengers. The project is expected to cost around \$172 million and create 700 jobs in aircraft production and assembly, along with 300 support staff roles in areas like sales, research and development, and HR. The average annual wage for these new employees is projected to be \$74,000, plus an additional \$15,000 in benefits.

Aura Aero is currently building a hangar at Embry-Riddle University's site, which will serve as their initial base. They anticipate creating 31 jobs there in the next two years. By 2027, they plan to invest \$95 million at the airport site, which would generate approximately \$520,000 in ad valorem taxes annually for the city, potentially increasing to \$936,000 as the business grows. Ultimately, they expect to create over 1,000 full-time jobs.

Regarding the grant, Mr. Brown explained that the city's current policy offers a 100% grant for the first two years, 75% for the next two, and 50% for the final two years, based on ad valorem taxes. This would amount to about \$3.5 million in total over six years to support the creation of 1,000 jobs and the facility construction.

Mr. Norden emphasized that Aura Aero is not a startup; they already operate a full-scale facility in Toulouse, France, and have strong backing from the French government, including the support of the French President. The company is connected with Airbus, and its CEO is a friend of the French President, who visited their exhibit in Paris. Aura Aero has contracts with three airlines and plans to manufacture both small and large aircraft at the new facility. The project has strong support from Space Florida and the Lieutenant Governor, despite competition from other regions in Florida.

Mr. Brown mentioned that Space Florida might fund the construction of Aura Aero's facility, which would make the project exempt from ad valorem taxes for both the city and the county. If that happens, the city grant program would not apply. However, Volusia County offers a performance-based job creation grant, expected to be between \$500,000 and \$600,000 over five years. This grant requires a 20% match from the city, totaling about \$100,000 over five years.

Tonight, the city commission will consider endorsing the incentive grant package. If Space Florida's involvement makes the project tax-exempt, the city will need to focus on the county's job creation grant instead. Mr. Brown noted that the 700 jobs created by this project will involve skills that can be taught locally and do not necessarily require a four-year degree or engineering background. Daytona State College and other institutions are expected to help with training.

Mr. Lloyd asked if it would be preferable for Space Florida to get involved. Mr. Brown responded that while there are benefits to Space Florida's involvement, it might be better in the long run if they do participate. Regardless, the community would still benefit from the \$73 million in payroll associated with the project.

A motion was made to endorse the package as presented by Mr. Harris, seconded by Mr. Mavronas. The motion was carried 5-0.

7. Public Comment Period:

Mr. Brown introduced Becca Blais, a Stanford MBA student who spent the summer working with the City. During her time here, Becca has been involved in various projects, including touring different departments and gaining insight into local government operations.

8. Scheduled Next Meeting: The next EDAB meeting is scheduled for September 18th, 2024

Mr. Harris announced two significant events in the city. Recently, they celebrated the grand opening of Turie T. Small Elementary. On August 28th, at 7:30 a.m., the community will have a chance to walk around both Turie T. Small Elementary and Campbell Middle School. The new principals at these schools are committed to fostering a strong community connection and will be introducing a financial literacy component to their programs.

Additionally, on October 7th, from 8 a.m. to 4 p.m., his church, Master's Domain, will host "Operation Safe Surrender". This event, organized in partnership with the State Public Defenders Department, State Attorney, Daytona Beach Police Department, and other agencies, will provide an opportunity for individuals with warrants and legal concerns to address these issues in one place. The event will also offer resources to help participants get back on their feet. Mr. Harris encouraged the board to help spread the word about these important initiatives.

9. Adjournment:

The meeting was adjourned at 9:22 a.m.

Transcribed by: Chernecia Stuart