

**CITY OF DELTONA, FLORIDA**  
**ECONOMIC DEVELOPMENT ADVISORY BOARD MEETING**  
**Monday, May 11, 2009**

A Regular Meeting of the Deltona Economic Development Advisory Board was held on Monday, May 11, 2009 at the City Hall, 2<sup>nd</sup> Floor Conference Room, 2345 Providence Boulevard, Deltona, Florida.

**1. CALL TO ORDER:**

The meeting was called to order at 6:30 p.m. by Chairman, Nick Conte, Jr.

**2. ROLL CALL:**

Karl Brown	Voting Member	Present
Nick Conte, Jr.	Voting Member	Present
Robert Desmond	Voting Member	Present
Susie M. Eutsey	Voting Member	Present
Richard Provini	Voting Member	Present
Frank Rodriguez	Voting Member	Present
Dennis Starke	Voting Member	Not Present
Patrice Murphy	Business Dev/Grant Manager	Present
Maria Perez-Conde	Recording Secretary	Present

Also in attendance was Kevin Davidson, Pedro Leon (Volusia County Economic Development), Judson Parker (CPH), Bob Turk (City of Deland), Linda White (West Volusia Chamber of Commerce) and Dick Harkey (Representative from Congressman John Mica's office and our guest speaker), Commissioner Deyette and Councilwoman Pat Northey.

**3. DETERMINATION OF QUORUM:**

Chairman, Nick Conte, Jr. determined there was a quorum present.

**4. APPROVAL OF MINUTES:**

1. Economic Development Advisory Board Meeting – April 13, 2009

Motion by Robert Desmond, seconded by Frank Rodriguez to adopt the minutes of the Economic Development Advisory Board Meeting of April 13, 2009 with changes.

**5. NEW BUSINESS**

Nick Conte introduced Mr. Dick Harkey. Mr. Harkey thanked everyone for inviting him to talk about the American Recovery and Reinvestment Act.

Patrice Murphy asked Mr. Harkey if Sun Rail was coming back. Mr. Harkey responded that congress is looking at all options and that we will have to wait and see. June 30<sup>th</sup> is when the agreement with CSX runs out. Something will need to be done by then.

Mr. Harkey stated that the President signed Public Law 111-5 on February 17, 2009 into law. The bill is for \$787 billion, but it is \$575 billion in spending and \$212 billion in tax relief.

For individuals in 2009 and 2010 it will provide a refundable tax credit – up to \$400 for working individuals and \$800 tax credit for families. (This bill is spread out over 11 years). The estimated cost over 11 years \$102 billion.

AMT Relief is tax relief for over 26 million families in 2009 who would otherwise be subject to the alternative minimum tax. The AMT exemption amount will be increased to \$46,700 for individuals and \$70,950 for joint filers. The estimated cost over 11 years is \$69.8 billion.

Retiree Assistance will provide a one-time payment of \$250 to retiree and or disabled individuals receiving social security benefits plus those receiving supplemental security insurance benefits or railroad benefits. The estimated cost over 11 years is \$14.2 billion.

Earned Income Tax Credit for 2009 and 2010 will increase the EITC for working families. Families with three or more children the benefit will rise 45% of first \$12,570 of earned income. The estimated cost over 11 years is \$4.7 billion.

Child Tax Credit 2009 and 2010, in 2008 the child tax credit was refundable up to 15% of the tax payers earned income up to \$8,500. The bill will reduce this floor to \$3,000. The estimated cost over 11 years is \$14.8 billion.

Education Credit for 2009-2010 will provide tax payers with a new tax credit up to \$2,500 of the cost of tuition and related expenses. The estimated cost over 11 years is \$13.9 billion.

Home Buyer Credit would expand existing refundable credit for first time homebuyers equal to 10% of the purchase price of a house up to \$7,500. Requirement of the payment of the credit is over a 15 year period. The bill will eliminate the repayment obligations for houses bought after January 1, 2009 and increase the minimum credit to \$8,000 for houses purchased before December 1, 2009. The estimated cost over 11 years is \$6.6 billion.

Business Tax cuts the bonus appreciation would extend existing law that accelerate depreciation schedules for business capital and investment expenditures through 2009. The estimated cost over 11 years is \$5.1 billion.

Energy Production Credit will extend the existing place-in-service date for electricity generation facilities for three years (through December 31, 2012). The bill would also extend the placed-in-service date for three years (through December 31, 2013) for other renewable-energy facilities.

Health Information Technology would provide incentive payments to physicians and other medical providers who make meaningful use of electronic health records by 2012. The estimated cost over 11 years \$20.8 billion.

### **Tax Exempt Bonds**

School Construction – For 2009 and 2010, would create a new category of tax credit bonds for the construction, rehabilitation or repair of public school facilities or for the acquisition of land on which a public school facility will be constructed. The bill would link the amount of school construction bonds that may be issued by state and local governments to \$22 billion. The estimated cost over 11 years \$9.9 billion.

Recovery Zones – For 2009 and 2010, would create a new category of tax credit bonds for investment in economic recovery zones. The bill would authorize \$10 billion in recovery zone economic development bonds and \$15 billion in recovery zone facility bonds. The estimated cost over 11 years is \$5.4 billion.

### **Aids to Individuals**

Jobless Benefits – Would extend unemployment benefits to 33 weeks instead of the initial 26 weeks of assistance. The bill also would boost regular jobless benefits by \$25 a week and give states additional assistance. The estimated cost over 11 years is \$39.2 billion.

Continued Health Insurance – Would provide a 65 percent premium subsidy to workers who lose health coverage before January 1, 2010 and are eligible for COBRA coverage. The estimated cost over 11 years is \$25.1 billion.

Displaced Worker Benefits – Would expand Trade Adjustment Assistance programs by, among other things, extending TAA to trade-affected service workers and workers affected by outsourcing to other countries. It would also reauthorize all TAA programs, which expired at the end of 2007, through to December 31, 2010. The estimated cost over 11 years is \$1.6 billion.

### **Aid to States**

Medicaid – would increase federal Medicaid reimbursements to states for the period beginning October 1, 2008, and ending December 31, 2010. States would get a 6.2 percent across the board increase, plus those with high unemployment

rates would get additional assistance. The estimated cost over 11 years is \$86.6 billion.

Education - \$53.6 billion for the State Fiscal Stabilization Fund, including \$39.5 billion to local school districts using existing formulas. \$5 billion to states as bonus grants for meeting education performance measures, and \$8.8 billion to states for high-priority needs such as public safety. \$13.0 billion for Title 1 basic local school grants for disadvantaged students. \$12.2 billion for special education programs and \$15.6 billion to increase the maximum Pell Grant by \$500. \$4.0 billion for job training including state formula grants for adult, dislocated workers, and youth programs.

Transportation - \$27.5 billion for highway construction projects. \$8.4 billion for mass transit and \$9.3 billion for rail transportation, including Amtrak, high-speed and intercity rail.

Low Income Assistance - \$19.9 billion for additional Supplemental Nutrition Assistance program (formerly food stamps) and an increase to the monthly benefit of 13.6 percent. \$2.0 billion to provide child care services for an additional 300,000 children in low income families. \$2.1 billion to allow an additional 124,000 children to participate in Head Start programs.

Health - \$10.0 billion to conduct biomedical research in such areas as cancer, Alzheimer's disease, heart disease, stem cell research, and to improve National Institute of Health facilities.

Public Housing - \$4.0 billion to the public housing capital fund to enable local public housing agencies to address a \$32.0 billion backlog in capital needs, especially to improve energy efficiency in aging buildings. \$2.0 billion for a full year of payments to owners receiving Section 8 projected based rental assistance. \$2.0 billion for the redevelopment of abandoned and foreclosed houses.

Environment - \$6.0 billion for environmental cleanup of former weapons production and energy research sites. \$6.0 billion for local clean and drinking water infrastructure improvements. \$1.2 billion for EPA cleanup activities, including the superfund hazardous waste program.

Science - \$11.0 billion for NASA for climate science, aviation safety and exploration. \$3.0 billion for the National Science Foundation for facilities modernization and education programs.

Energy - \$11.0 billion to modernize the nation's electric utility grid, including activities related to the "smart grid". \$4.5 billion for repair of federal buildings to increase energy efficiency using green technology. \$3.4 billion for fossil energy research and development. \$6.3 billion for Energy Efficiency and Conservation Block Grants. \$5.0 billion for the Weatherization Assistance Program. \$2.0

billion in grants for manufacturing advanced battery systems and components, and vehicle batteries produced in the United States. \$6.0 billion for new loan guarantees aimed at renewable-energy projects such as wind or solar, and for electricity transmission projects.

### **Other**

\$7.2 billion for expanding broadband internet access and usage in underserved areas.

\$4.0 billion to support law enforcement efforts.

\$2.8 billion for the Department of Homeland Security for various projects, including airport baggage and checkpoint security, construction of border points of entry, and construction of fire stations.

\$3.1 billion for repair, restoration and improvement of public facilities on public and tribal lands.

A total of \$6.5 billion for improving and modernizing Defense Department family housing, hospitals and child care, and energy efficiency improvements in other facilities.

Debt Limit Increase – would increase the statutory ceiling on federal government borrowing debt by \$789 billion, to \$12.104 trillion from \$11.315 trillion.

Mr. Harkey handed out a summary sheet to the board and guests which showed the actual projection of how the payout will be distributed over 11 years. By 2011, 71% of discretionary spending will be paid out. By 2012 84% will be paid out. The rest will trickle out over the years.

Mr. Bob Turk asked Mr. Harkey what is discretionary spending. Mr. Harkey responded that discretionary spending is anything other than social security and Medicare. Discretionary spending is roads, education, etc. The Federal budget has mandatory spending which is social security, Medicare (your entitlements). Mandatory spending is about 65% of the Federal budget. The balance is discretionary plus paying interest on the debt.

Mr. Judson Parker asked Mr. Harkey if Public Housing was discretionary. Mr. Harkey responded that Public Housing is discretionary. Under the Federal budget mandatory is social security and Medicare, anything else is discretionary.

Nick Conte introduced Commissioner Deyette, Councilwoman Pat Northey, Kevin Davidson, Pedro Leon, Judson Parker, Bob Turk, and Linda White to the Board and thanked them for coming.

Mr. Harkey stated that the next part of his presentation was “What this is going to do for Florida”.

- Create or save 206,000 jobs over the next two years.
- Provide a work pay tax cut of up to \$800 for 6,890,000 workers and their families.
- Make 195,000 families eligible for a new American Opportunity Tax credit to make college affordable.
- Offer an additional \$100 per month in unemployment insurance benefits to 761,000 workers in Florida who have lost their jobs in this recession.
- Provide funding sufficient to modernize at least 485 schools in Florida so our children can have the labs, classrooms and libraries they need to compete in the 21<sup>st</sup> century economy.

**In addition to this immediate assistance for Florida, the American Recovery and Reinvestment Act will help transform our economy by:**

- Doubling renewable energy, generating capacity over three years, creating enough renewable energy to power 6 million American homes.
- Computerizing every American’s health record in five years, reducing medical errors and saving billions of dollars in health care costs.
- Enact the most significant expansion in tax cuts for low and moderate income households ever.
- Enact the largest investment increase in our nation’s roads, bridges and mass transit systems since the creation of the national highway system in the 1950’s.

The Florida Stimulus funds for the next three years should be \$13.4 billion. This year’s budget has \$5.7 billion in stimulus funds to assist in the \$6.1 billion shortfall we faced for 2009-2010.

**In Volusia County transportation shovel ready projects are:**

- City of Holly Hill - \$31,300 to resurface 8<sup>th</sup> Street
- City of Lake Helen- \$300,00 to resurface CR 4139
- City of New Smyrna Beach - \$600,000/\$1.5 million resurface Riverside Drive
- City of Port Orange - \$51,425 to resurface Canal View Blvd.
- Volusia County - \$5,472,374/\$11,434,498 Dunn Ave. Ext. over I-95 from Tomoka Farms Road to Williamson Blvd.
- Volusia County - \$372,000 for pedestrian/bicycle facility paved pathways
- Sub Total - \$6,827,099 for projects costing \$13,317,223
- Volusia County - \$8,420,125 awarded to Votran for new buses (has already received this money and will be spending it on 12 new hybrid buses, five transit vehicles, passenger amenities and upgrading their facilities to make it more energy efficient).
- Grand Total - \$15,247,224 will be received in 2009

## Volusia County – Education Funds

### **K-12**

- Individuals with Disabilities Education Act will receive \$14,581,546 over a 30 months period with 50% - \$7,290,722 – allocated in May 2009.

### **Pre-K**

- \$459,121 over a 30 month period with 50%. \$299,560 allocated in May 2009.

### **Title I**

- \$14,622,198 over a 30 month period with 50% - \$47,311,099 allocated in May 2009. The funds will be used to serve and support Title I schools.

In last year's stimulus packet, Deltona was awarded HUD funds under the Neighborhood Stabilization Program equal to \$6.6 million. This amount was based on a formula – the number of foreclosures, number of subprime loans and number of delinquent loans. Deltona has 18 months to obligate the funds and 5 years to spend it. Step 1 – find houses, Step 2 – buy houses, Step 3 – rehab houses, Step 4 – sell houses. Deltona's plan has been approved. For funds to flow work needs to start.

Mr. Harkey stated that this was basically the end of his presentation.

Patrice mentioned to Mr. Harkey that staff has been working on the NSP and getting their strategy set up for the allocated \$6.6 million and she is also working with the Building Official on getting a proposal together to see how much funding we can get out of the Energy Efficiency and Conservation Block Grant.

Dick Harkey handed out a brochure to the Board regarding mortgage scams. Mr. Harkey suggested putting this information on the website.

Frank Rodriguez asked Mr. Harkey if a person had a home in the past or had a foreclosure do they qualify as a first time home buyer. No, they would not qualify they would have to be a first time home buyer.

Bob Desmond asked Mr. Harkey if individuals, small companies and startup companies are actually allowed to receive some of the money from the American Recovery Reinvestment Act. You can apply for an SBA loan. If you are producing energy materials you can get 30% tax credit.

Susie Eutsey mentioned that FEMA was having a panel of people discussing foreclosures, scams, etc. at the New Hope Baptist Church. Patrice asked Susie to e-mail her the information so that she can forward it to the board and staff.

Richard Provini asked that based on the monies the schools are receiving for remodeling, etc. when and how is that money being disbursed so that those projects can begin. He owns a small construction company that is affected by the trickle down affect. He would like to see some of the federal money trickle down to the small business guy.

Mr. Harkey said the state just finalized the budget last Friday. This Friday the school board will be holding a meeting at Campbell Middle School at 6 p.m. to discuss how the \$14 million they will receive will be spent.

Nick Conte thanked Mr. Harkey for coming and if anything new comes up regarding SunRail, to please come and visit us again.

Nick Conte asked staff how flexible is the HUD money. Once all the HUD money is gone the city will still face the same problem. No infrastructure. Patrice mentioned that she would get Mr. Bowley (Planning and Development Director) to come and speak to the Board about NSP and how the funding is set up.

## 6. **OLD BUSINESS**

Nick Conte mentioned that Robert Desmond and Richard Provini were reappointed to the board.

Nick also wanted the board to know that he did speak to Commissioner Treusch about Dennis Stark and the By-Laws.

Patrice handed out the Deltona Uniform Crime Report for 2007-2008. She asked everyone on the board to review so that it can be discussed at the next meeting.

Nick asked Patrice about the commercial vertical limits. Patrice responded that the commercial vertical limits were sent by email to everyone on the Board and that we do have commercial vertical limits inside the City of Deltona. The only place that we're allowed to build vertical will be in the Activity Center (DRI).

Patrice mentioned that on June 4<sup>th</sup>, the Deltona Chamber of Commerce will be holding a "Meet and Greet" for the City of Deltona.

Nick mentioned to the Board that he had asked Patrice if she could set up a joint meeting with the Commission in June or July to discuss the Business Development Partnership (BDP). The BDP has been pitching their public partnership around the county. Patrice mentioned that there is going to be a public private partnership with the BDP in Volusia County's Economic Development and she would like Volusia County's Economic Development to be at this meeting as well. July or August will be more feasible to set up a meeting.

Nick asked Patrice how the Economic Development website was coming along. Patrice mentioned that she was working on the Mayor's message, the Board's page, etc. By July it should be finalized and sent for approval.

Patrice gave the Board an assignment for the next meeting. To go over the five year strategic plan and pick out three top things out of the objectives that they would like to accomplish within the next 12 months. The focus should probably be on the 472 area.

A draft of the space analysis report was passed out by Patrice showing vacant space and land. This will eventually be posted on the website.

Maria mentioned that the Volusia/Flagler Business Report Newspaper would like to do an article on the Economic Development Department and Board. Nick stated that it was a good idea.

**7. PUBLIC PARTICIPATION -**

Pedro Leon mentioned that he was happy to participate in this meeting. Always looking at a strength for this area.

**8. MEMBER COMMENTS**

Karl Brown mentioned that the Public Market is up and running, but that more vendors are needed.

**9. NEXT MEETING**

The next meeting scheduled for Monday, June 8, 2009 at 6:30 p.m.

**10. ADJOURNMENT:**

There being no further business, Chairman, Nick Conte called for motion to adjourn, seconded by Richard Provini. Motion carried by unanimous decision. Meeting adjourned at 8:30 p.m.

Approved this \_\_\_\_\_ day of \_\_\_\_\_, 2009.

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**Nick Conte, Jr., CHAIRMAN**

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**Maria Perez-Conde, RECORDING SECRETARY**