

ECONOMIC OPPORTUNITY ADVISORY COUNCIL
December 13, 2016 MEETING MINUTES

Members Present: Robert Cahill, Greg Federline, Mike Gill Joseph Marotti, Nate McLaughlin, Donald O'Brien, Jim Ulsamer, Frank Zedar,

Members Absent: Bob Alex, Wanda Clegg

Staff Present: Helga van Eckert, Director
Katrina Austin, Project Manager
Lili Tuggle-Weir, Administrative Assistant

1. Call to Order: Chairman O'Brien called the meeting to order at 9:00 a.m. and the Pledge of Allegiance was said.
2. Roll Call: A silent roll call was taken, which reflected a quorum was present.
3. Approval of Meeting Minutes: November 23, 2016
Tabled until January meeting
4. Partner Presentations

Matt Dunn, Flagler County Tourism Director/Amy Lukasik, Director of Tourism Marketing

Mr. Dunn made a presentation to the EOAC that included tourism tax collections from 2011 – 2016, marketing and advertising results, marketing campaigns, where visitors are attracted from, tourism Development Tax Revenue, and advertising activities and annual tourism activity.

Mr. Gill commented that there have been several articles reporting on the State's neglect of replenishing the beaches for the last 10 years despite the \$30B brought in annually by oceanfront counties. He stated we need to invest in the restoration of the dunes and we need to do it now. The federal government and the county are working hard to get this done but we need additional help from the state and the federal government. He cited Mr. Dunn's presentation as highlighting the significance of the tourism tax dollars driven by Flagler County beaches.

Ms. Amy Lukasik, TDC Marketing Director, presented a TDC marketing specific presentation that highlighted post Hurricane Matthew marketing activities. She noted Visit Florida provided money to the counties hit hardest by the hurricane to help with marketing efforts with Flagler County receiving the most money of the counties. She shared the newest "open for business" marketing videos focusing on dining, shopping and accommodations.

Mr. O'Brien asked what the businesses are doing to market themselves and what their recovery looks like.

Ms. Lukasik stated some are recovering better than others.

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5. Executive Director Report

Helga van Eckert reported on the new construction incentive package on the table for consideration for Gioia Sails. The company has expanded beyond its current footprint and with the lack of building inventory, the company had two options about what to do in regards to finding a facility to support their growth; to either leave the county for an area that has an existing facility or construct a new facility here. Their experience in Flagler County has been positive and they have a good workforce here and don't want to lose it. The Department of Economic Opportunity has been working with them and they have found a piece of property they are interested in building on. They will be constructing a 20,000 sq. ft. building to accommodate their current needs and allow them to expand. The increase in space would also allow them to hire an additional 10 employees.

The incentive package is a new construction incentive based on the anticipated county taxes the company would pay. The company would get reimbursed \$15,000 the first year (at the end of the year after proof the company has paid the taxes post acquisition of the site, post building and post receipt of a certificate of occupancy). The next two years the amount would go to eighty percent. Every two years it would decrease by twenty percent. The total incentive at the end of ten years would be \$90,000. The economic impact to the community would be \$2.75M annually with an additional \$178,000 in import and production tax being generated according to an economic impact report provided by CareerSource Flagler/Volusia. The capital investment would be another \$2.8M. Over the course of ten years the total impact would be \$32M or \$3.2M annually. The annual reimbursed incentives would be \$9,000.

Mr. Ulsamer asked if the analysis assumed that if the incentives weren't approved and the company left the county the economic impact of the company would decrease to zero.

Ms. van Eckert said that is true. If the company did chose to leave then the building would never get constructed and we would not receive these county taxes at all.

Mr. Marotti asked if the company would own the building.

Ms. van Eckert stated they will. They own their current building and would lease that one to another business.

Mr. Marotti asked if the company left would we get the incentive money back.

Ms. van Eckert stated there are no claw back clauses because the incentive package is performance based and if the company left, the county would have a much needed building to house another business in. One of the biggest challenges we have is the lack of available buildings in the county and the incentive package encourages businesses to build.

Mr. Federline asked how the \$90,000 was arrived at.

Ms. van Eckert stated this number is based on the anticipated tax revenue the

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building would generate.

Mr. Gill asked what the ad valorem taxes would be each year on a 20,000 sq. ft. building.

Ms. van Eckert stated it would be \$15,000.

Mr. Gill stated he likes the way the package was structured and cited section 2 where the requirements of reimbursement of incentives requires issuance of a certificate of occupancy and the retention of fifty-three jobs.

Ms. van Eckert stated the incentive is based on new construction and not job creation.

Mr. Gill said subparagraph 2B says, "The facility will include fifty-three local jobs".

Ms. van Eckert said that will be reviewed.

Mr. O'Brien recused himself from the vote due to a conflict.

Mr. O'Brien called for a motion for the EOAC to recommend approval of the incentive package to the Board of County Commissioners.

Motion passed unanimously.

6. Council Comments - None
7. Public Comments - None
8. Next Meeting: The next meeting of the EOAC will be Wednesday January 25, 2017 at 9:00 a.m. in Board Chambers.
9. Adjournment: The meeting adjourned at 9:47 a.m. upon motion, seconded, and unanimously carried.