



Economic Development

Quarterly

An official publication of the Volusia County Economic Development Division



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Welcome to Economic Development Quarterly

Welcome to Economic Development Quarterly, a publication brought to you by the Volusia County Economic Development Division. This publication is produced for people who have an interest in the area's business, economic development and real estate market.

Our goal is to use this publication as an economic development tool, to keep you informed and to provide information and statistics that have meaning to your business. This publication is owned by Volusia County Government and is produced and sold by the Volusia/Flagler Business Report through contract. Content is solely the responsibility of the Volusia County Economic Development Division.

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Volusia County Council

Pictured, left to right, back row: Patricia Northey, District 5, and Andy Kelly, District 1. Front row: Joshua J. Wagner, District 2; Joie Alexander, District 3; Frank T. Bruno, Volusia County chair; Joyce M. Cusack, vice chair, at large, and Carl G. Persis, District 4.

Robust cultural environment cited in arts economic impact report

A report on the economic impact of the arts in Volusia County is getting new legs after its initial release four years ago. In the current challenging economic environment, arts groups are citing the report's findings as they make their case for funding from a variety of sources including governments, foundations, community groups, businesses and individual benefactors. In addition to the statistical summary of economic impact of the arts, the report sheds some light on the uplifting effect of the arts on cities.

"Across America, cities that once struggled economically are reinventing and rebuilding themselves by investing in art and culture, a catalyst for economic growth," said New York Congresswoman Louise M. Slaughter, who is quoted in the brochure. "By creating cultural hubs, nonprofit arts businesses help cities define themselves, draw tourists and attract investment." Congresswoman Slaughter is co-chair of the Congressional Arts Caucus.

The Arts & Economic Prosperity Report recently was re-circulated to members of the Halifax Area Advertising Authority by Gary Libby. Libby, a lifelong champion of the arts and culture and former chairman of the county's ECHO board, also is a former board member of HAAA and often briefs this and other organizations on cultural matters, especially those that impact tourism in the region. The organization that bears his name, the Gary R. Libby Charitable Trust, worked with Volusia County Government to conduct the study of the economic impact of the nonprofit arts and cultural organizations in Volusia County.

The Libby Trust was created to support the growth and development of the arts in Volusia County through direct financial support of projects and programs. It worked with the Volusia County Cultural Council, the designated local arts agency for Volusia County Government, to compile the report.

"As employers and consumers, arts organizations infuse the local economy with dollars from clean, creative industry," Libby said. "Spending on salaries, marketing, artist fees, operations and more can approach \$20 million." He added this does not take into account more than \$2

million invested by arts organizations in education or more than \$60 million invested in facilities and improvements creating places where people can meet and enjoy the arts.

The report cited overall community reinvestment through personnel expenses, program expenses, capital expenditures, advertising and marketing, and educational outreach programs totaling more than \$83 million. It noted that volunteers log 125,000 hours annually in support of arts organizations. And it cited admissions to arts and cultural facilities and events at more than 433,000. Further, it notes that arts organizations serve more than 1.8 million people, more than three times the population of Volusia County.

The applicability of these and other statistics are borne out by various organizations.

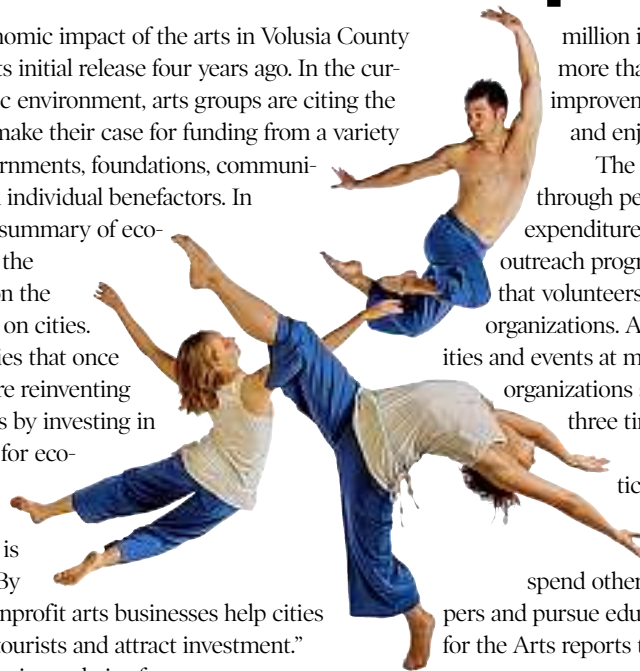
The Travel Industry Association of America states that cultural tourists outspend other visitors by nearly 45 percent, are avid shoppers and pursue educational activities. The National Endowment for the Arts reports that people who participate in the arts also

engage in positive civic and individual activities, such as volunteering, at higher rates than non-participants. The National Governors Association notes that diverse arts education programs are valuable options for states seeking to develop advanced workforce skills. The Journal of Arts Management, Law & Society reports that arts districts attract visitors and help improve a city's image, increase commercial activity and stop physical decline while helping to stabilize property values.

Volusia County has been a leader in recognizing the value of the arts. The voter-approved ECHO program, which provides infrastructure funding for environmental, cultural, heritage and outdoor resources, is seen by many as a model for broad-based support. And the county's Arts In Public Places program ensures that new construction funded by or through Volusia County Government, sets aside up to .5 percent of the cost of construction for the procurement and display of artwork in each funded facility. Cities, too, are investing in artwork to enhance their cities with sculptures at city halls, spectacular outdoor murals and environmental artwork situated in downtown areas.

Leading economists say that developing a community's creative ethos helps to produce sustainable patterns of development. Researchers maintain that a vibrant cultural landscape can enhance learning, lure travelers, uplift urban centers and attract a professional workforce. As an industry, arts and culture are

growing nationally. In Volusia County nonprofit arts are contributing to the vitality of the region in qualitative and quantitative ways.



Economic Development 101: The times they are a-changin’

Around 1974 - 1975, America was at the end of a government-ordered wage freeze (1972-1974). The Vietnam War was ending unfavorably for the U.S. in 1973. The Arab oil embargo began in October 1973 and changed perceptions about energy risk, as long lines formed at gasoline stations. Wage controls ended and President Nixon resigned in 1974. The S&P and Dow were down significantly and in a blue funk. The energy crisis and the overzealous lending of real estate investment trusts created a severe real estate crisis in 1974 and 1975.

The economy slowly adjusted and recovered. But between 1986 and 1995, more than 1,000 banks with total assets exceeding \$500 billion failed. By 1999, the crisis cost \$153 billion, with taxpayers footing the bill for \$124 billion, and the S&L industry paying the rest.

And more recently with the goals of increasing home ownership and creating new methods of financing home mortgages, the restrictions on lenders and financial institutions eased and away we went with

A universal assumption five years ago and earlier was the concept that American workers typically had the ability to be mobile... to move from one geographic area to another... from one state or city to another... to fill an open employment position.

What helped in previous years was the fact that one likely could sell their home for more than they paid for it and/or a new employer would provide a reasonable relocation package to assist one's effort to move.

Today, the movement of Americans is at its lowest level since World War II. Weak housing markets of the past 4-5 years now find millions of people buried in their homes, with no chance of selling at a profit. Note that roughly one in four homeowners across the nations is under water on their home... they owe more on their mortgage



By Phil Ehlinger,
Director
Volusia County
Economic
Development

parents, and children who cannot afford to live on their own. Cash strapped seniors may need to work longer. Those older skilled workers who took early retirement don't want to, or can't move to fill a position. Their home, once their perceived retirement equity, is worth less than the mortgage... if they could sell it.

Mobility suddenly costs more – at the pump, in lost time, and in higher tolls.

Public sector shortfalls curtail spending on repairing or rebuilding existing transportation structure. The once-vaunted interstate highways are outmoded and struggling.

But we have the ability to recognize these changes and to create and take advantage of opportunities in our community to forge our own partnerships for success.

Local leadership and willingness to

create innovative ways to invest in (re)training, and new infrastructure, such as public transit and development of an aerropolis, will open doors for new jobs and technology to create and sustain a thriving community.

We'll need to keep our young professionals and create an environment for them to grow, start families, and stay in the communities where they went to school.

Instead of looking for greener pastures elsewhere, it is time to focus on our own growth through education, training and community involvement.

“The line it is drawn, the curse is cast, the slow one now, will later be fast, as the present now, will later be past... The times they are a-changin’.” – Bob Dylan, 1963. ■

**“The line it is drawn, the curse is cast,
the slow one now, will later be fast, as
the present now, will later be past...
The times they are a-changin’.”**

—Bob Dylan - 1963

real estate values soaring. The cost of this last crisis is yet to be determined, but will make the prior ones mere blips on the charts.

And now we are wondering when and how long the recovery will take? While I don't believe this is the Great Depression II, it certainly has been the most severe downturn since then. It is improbable to imagine an annual increase in home values every year which would catch up to those inflated home prices.

As the tortoise plods toward the recovery of real estate values, I believe the impact to our society will be the greatest change since World War II.

We are no longer a mobile society. The times they are a-changin’, as the Bob Dylan song goes.

than the home is worth.

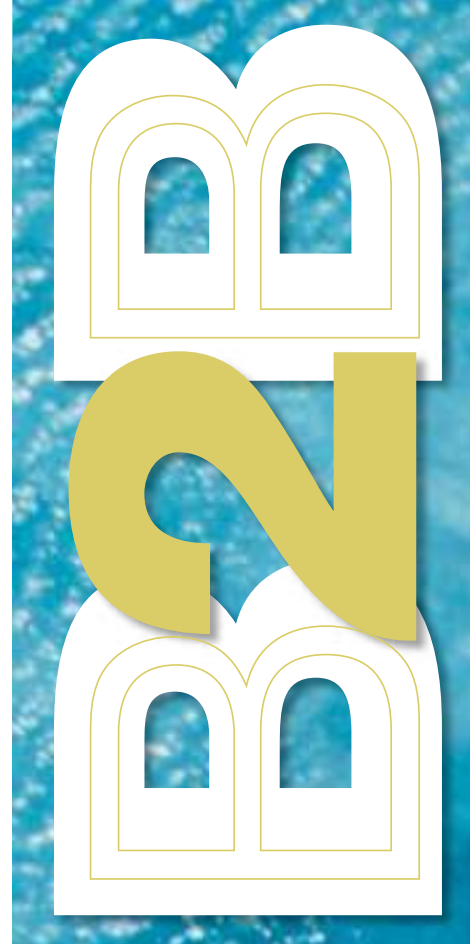
In addition, pressures upon profitability have found fewer companies willing to provide attractive relocation packages. Even fewer employers are willing to take a hit on the prospective new employee's current residence.

This has profound implications for the American economy, with perhaps the greatest impact on manufacturing firms around the nation. A recent survey noted that American manufacturers cannot fill 600,000 skilled positions, or 5 percent of all current manufacturing jobs. This mismatch of needs, skills, and inability of workers to relocate keeps the nation's unemployment rate high.

The desire for moving to a smaller home is handicapped by caring for aging

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County advisory committee to market area airports



County airports a vital tool in community's economic development strategy

Florida's economic well-being is inextricably linked with its airports and a robust aviation industry. The recent Florida Statewide Aviation Economic Impact Study concludes that the sound of an airplane overhead is the sound of Florida's economy in motion.

Volusia County has five airports that accommodate general and corporate aviation. Because they represent significant potential economic impact, the county's economic development director, Phil Ehlinger, formed the Volusia County Airports Advisory Committee as a platform to share ideas and explore opportunities for the cities and the county.

"In an increasing number of communities, airports have become an economic engine attracting new employers, capital investment and, of course, jobs," said Ehlinger, who is a pilot and aviation enthusiast. "Most airports have land that is set aside as a buffer to adjacent property. But while these lands are not likely to be used for additional aviation operations, they can be prime locations for corporate relocation or expansion activity. This can add to the vitality of the airport itself and generate significant payrolls, tax revenue and lease revenue to the municipality in which the airport is located and the entire county. Our new committee will consider marketing opportunities that may be useful to one or more members as well as to Volusia County."

The numbers back Ehlinger's statements. Aviation in Florida accounts for more than \$114 billion in annual economic activity. Locally, Volusia's airports contribute to this figure and add to the vitality of the local economy.

Daytona Beach International Airport, situated on 2,000 acres, is a highly important component of the area's economy. The airport is home to 40 tenant businesses, whose land leases contribute to the airport's operating budget. "Income from these tenants, FAA and FDOT grants, and income from ground operations fund the airport budget," said Steve Cooke,

the airport's director of business development. "As an enterprise fund in the overall county government budget, the airport operates without local property tax dollars."

Other airports in Volusia County are smaller, but also contribute to the regional economy through attracting general and corporate aviation and economic development investment. These include DeLand Municipal Airport, Ormond Beach Municipal Airport, New Smyrna Beach Municipal Airport, and Massey Ranch Airpark. Each of these airports (except Massey Ranch Airpark) logs more than 100,000 aircraft landings and takeoffs annually.

DeLand Municipal Airport consists of 1,300 acres including more than 200 acres dedicated to industrial enterprises with more than two dozen companies and organizations flanking airside operations. "It's a busy airport," said Nick Landgraff, the airport's manager. "And as one of the world's leading centers for skydiving we have a great deal of aviation involving skydiving and businesses that support skydiving activity."

The airport also has historical significance. The City of DeLand established the airport in the 1920s. The Navy came to DeLand in 1941 and the city donated the airport to the Navy which bought additional adjacent property. Navy bomber squadrons patrolled the coast of Florida for submarines and trained pilots and gunners that came here for dive bomb training. In 1946 and the Navy returned the entire field over to the City of DeLand, which established the DeLand Naval Air Station Museum in 1992. Its Master of Arms was restored in 1995 and is on the National Register of Historic Places.

New Smyrna Beach Municipal Airport, situated on 718 acres along U.S. 1, accommodates a variety of activity. "We have a fair amount of flight training here," said Rhonda Walker, airport manager. "Of course, we have recreational pilots and we also accommodate corporate aircraft for executives who live or vacation here, or NASCAR teams traveling here for practice or Speedweeks."

She said the dialogue at the county's airport committee meetings will help in promoting aviation in the area and aviation-related economic development. She regularly reviews weekly reports from Volusia County Economic Development referencing leads for industrial prospects.

Ormond Beach Municipal Airport consists of 1,128 acres which includes the airport operations area and neighboring Riverbend Golf Club. City officials said the airport committee has established dialogue with the Flagler County, DeLand and New Smyrna Beach airports to discuss common challenges and operational issues.

"Marketing aviation resources in Volusia County is helpful to us all," said Joe Mannarino, Ormond Beach economic development director. "And as we prepare 87 acres of our airport footprint for economic development prospects, we welcome the opportunity of showcasing our facility to those who put a premium on an airport location, taxiway access and other benefits."

Massey Ranch Airpark is part of a privately owned fly-in residential community, but the airport is open to the public in accommodating general and corporate aviation. In addition to serving resident aircraft owners, Massey Ranch Airpark also is used by some area flight schools and offers commercial and industrial acreage with direct taxiway access.

"When you evaluate the aviation assets in Volusia County, and combine them with the fact that Embry-Riddle Aeronautical University, the world's leading aviation and aerospace university, is in this community this has significance in the aviation industry," said Ehlinger. "Advisory committee members share the common goal of attracting and retaining aviation and avionics businesses through coordinated marketing efforts. The development of a strategic plan to accomplish that is our overarching challenge." ■

Collaboration steers economic growth within Florida's High Tech Corridor

Stretching across 23 counties in the central part of the state sits the region gaining international recognition as a major high tech hub and economic development initiative. It's called Florida's High Tech Corridor.

The region encompasses the service areas of three of the largest universities in the country — the University of Central Florida, the University of South Florida, and the University of Florida — and contains nearly 20,000 high tech companies. At the eastern end of the corridor, Volusia County and its leaders have played a critical role in driving initiatives that are helping to spur the economy's growth through this regional partnership.

Established to grow high tech industry and innovation through research, workforce and marketing partnerships, the Florida High Tech Corridor Council (FHTCC) works with its partners, including those in Volusia County, to support programs such as the Florida Virtual Entrepreneur Center (FLVEC). The FLVEC concept originally was developed in 2004 through a higher education initiative that included the University of Central Florida Volusia County campus, Daytona State College, Bethune-Cookman University, Embry-Riddle Aeronautical University and Stetson University. Their idea — combining local, county, state and national entrepreneurial

Guest Columnist: Randy Berridge

resources in one online web portal — had the potential to grow way beyond its existing Volusia County footprint.

With funding from the Florida High Tech Corridor Council, the development team expanded the site (flvec.com) to serve the 23-county corridor region, and the site is now live in 14 additional Florida counties. Since July 1, 2011, FLVEC has experienced a traffic volume increase of 17 percent — a great representation of the value of the expanding resources available through the online database. The driving force for this initiative started in Volusia County with many partners including Mary Bruno, a member of the Florida High Tech Corridor Council's core team, and fellow core team member Michael Zaharios at Daytona State College who serves as the website administrator of FLVEC.

Other Florida High Tech Corridor Council-backed projects continue to impact the local economy and create jobs, including its support for university-based incubators. For example, the University of Central Florida's successful busi-

ness incubation program has facilitated the growth of at least 100 new high tech companies in the Central Florida region and created 3,120 jobs since 1999. A recent study commissioned by FHTCC and conducted by W.H. Owen Consulting Inc. found that the total economic output of the client companies and incubator's operations is \$84.8 million annually. Volusia County is likely start to see a similar effect in the local community after companies graduate from the newly opened incubator at Daytona Beach International Airport.

The spirit of collaboration among Florida High Tech Corridor Council partners has been the driving force for creating and — more importantly — sharing innovative initiatives across city boundaries and county lines. With the creation and adoption of these and other programs, Volusia County sets the bar for spurring economic growth with strategic partnerships throughout the corridor. ■

RANDY BERRIDGE,
President, Florida High
Tech Corridor Council



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Lesla France Kennedy this year's State of the County honoree

Businesswoman Lesla France Kennedy is known internationally for her accomplishments in the highly competitive motorsports industry and locally for her support of many community initiatives. She is this year's Volusia County Community Leader of the Year, a recognition that's among the highlights of Volusia County Government's annual State of the County presentation. Volusia County Chair Frank Bruno and Daytona Beach Mayor Glenn Ritchey will be presenting the honor.

She is the fifth person to be so honored by the county.

"Lesla's contributions to motorsports are significant," said Bruno. "The fact that she was named the Most Powerful Woman in Sports by Forbes magazine is testimony to that fact. But her contributions to our community often go without fanfare. So it is an honor to shed a little light on her work that benefits all of us right here in Volusia County."

Mayor Ritchey echoed Bruno's comments. "The list of local causes and organizations that Lesla and her family have supported is a mile long," he said. "From making life better for children undergoing treatment at the state-of-the-art Speediatrics pediatric unit at Halifax Health Medical Center, to rallying support to build Habitat for Humanity homes, to joining other community leaders by rolling up her sleeves to attract new businesses to the area through the CEO Business Alliance, when there is a need in our city, in our county, it's never a surprise to see the name Lesla France Kennedy in the leadership position."

France Kennedy has long supported cultural endeavors such as many local appearances by the London Symphony Orchestra. She has also supported the American Heart Association, the Victory Junction Gang, and the Daytona Beach Museum of Arts and

Sciences.

France Kennedy serves as chief executive officer and vice

ed motorsports entertainment company. She also serves as a vice chairperson of NASCAR.



News-Journal photo/DAVID TUCKER

International Speedway Corporation CEO Lesla France Kennedy.



Photo courtesy of ISC Archives and Images

International Speedway Corporation CEO Lesla France Kennedy and son, NASCAR K&N Pro Series East driver Ben Kennedy, attend the 2011 NASCAR season finale weekend at Homestead-Miami Speedway.

chairperson of the board of directors for International Speedway Corporation (ISC), a NASDAQ-list-

Joining the company in 1983, Kennedy has been instrumental in the growth of ISC and the advance-

ment of motorsports. She has received numerous industry honors, including:

Most Powerful Woman in Sports, Forbes (2009);

Most Influential Woman in Business, Volusia Flagler Business Report (2006);

Most Influential Woman in Sports Business, Street and Smith's SportsBusiness Journal (2005);

Female Sports Executive of the Year, Street and Smith's SportsBusiness Journal (2001);

One of the 25 Most Influential People in NASCAR, Charlotte Observer - 2001 through 2006;

Juneteenth 2009 Hometown Hero, City of Daytona Beach

Founded in 1953, ISC is a leading promoter of motorsports entertainment activities in the United States.

The company owns and/or operates 13 of the nation's premier motorsports entertainment facilities, which in total have more a million grandstand seats and 525 suites. ISC's facilities are in six of the nation's top 12 media markets, and nearly 80 percent of the country's population is within the primary trading areas of its facilities.

ISC promotes major motorsports events in every month of the race season — more than any other motorsports promoter. Collectively, ISC's 13 facilities promote more than 100 motorsports events during the race season beginning with the events leading up to the Daytona 500 at Daytona International Speedway.

The company also owns and operates MRN Radio, the nation's largest independent sports radio network, and Americrown Service Corporation, a subsidiary that provides catering services, food and beverage concessions, and produces and markets motorsports-related merchandise.

Kennedy has bachelor of arts degrees in economics and psychology from Duke University. ■



Ormond Beach company achieves its goal to receive ISO quality rating. Above: Mark Andrews, president.

Hudson Technologies receives international environmental management certification

Ormond Beach-based Hudson Technologies is eco-friendly and has the documentation to prove it. The company recently announced its environmental management system has received ISO 14001: 2004 certification.

The ISO 14001: 2004 standard is an internationally recognized framework that requires a company to demonstrate compliance with applicable environmental legislation and requirements, and a continuing commitment to improvement.

According to the International Organization for Standards, ISO 14001: 2004 certification helps assure employees, customers, suppliers, its community, and regulatory agencies the company is an environmentally-responsible organization.

“This certification is the culmination of our efforts to become an environmentally sound company, efforts that began

several years ago when we eliminated the use of chlorinated lubricants and solvents,” said Mark Andrews, Hudson Technologies president. “We are very proud that our manufacturing process produces no hazardous waste.”

Hudson Technologies manufactures deep drawn, or seamless, metal cases for a variety of industries. Deep drawn cases, also called stampings, are used to enclose technology in components for aerospace, automotive, aviation, commercial battery, implantable medical devices, relay switch cases, capacitors, flow control, irrigation, semi-conductor manufacturing and other applications worldwide. Founded in 1940, Hudson Technologies has more than 200 employees and is a business of JSJ Corporation, Grand Haven, Michigan. Additional information is available at www.hudson-technologies.com and www.jsjcorp.com.

The JSJ Corporation is a privately held collection of growth companies that provide industry-leading durable goods and services globally. Established in 1919, JSJ is led today by a blend of third-generation family members and professional managers.

The corporation's six businesses include Hudson Technologies, Dake, GHSP, izzy+, McLoone and Sparks Belting. JSJ businesses provide products and services to global customers ranging in scale from small startups to the largest multinational corporations.

The company's quality management system also holds ISO 9001:2008 and 13485:2003 certifications. All three ISO certifications, registered by Orion Registrar Inc., are effective through October 2014. ■



Major study seeks big picture analysis of tourism marketing

Millions of dollars in public and private money is spent annually on tourism promotion. In perhaps the first of its kind locally, an independent analysis will evaluate the effectiveness of those expenditures in comparison with competitors.

An independent analysis of countywide tourism and convention marketing efforts by Volusia County's tourism advertising authorities and the Ocean Center is the goal of a major study commissioned by the Volusia County Council. The study kicked off with a reception for the community in January and is well under way.

"We have invested \$81 million in the expansion of the Ocean Center and now have a world class complex," said Volusia County Chair Frank Bruno. "We need to ensure we are doing everything we can to market the complex and Volusia County. We do many things very well, but it is important to get an independent analysis of our assets and our sales and marketing efforts to ensure we are competing as efficiently and effectively as we can."

While the study will include information extracted from interviews with dozens of individuals in the local tourism industry, the process is open to anyone who wishes to offer comments, observations and suggestions, according to project director Daniel Fenton of Strategic Advisory Group, which holds the contract to conduct the study. "If attendance at the kickoff event is any indication, I would say community interest in this study is very

high, which is a good indicator of spirited community participation and a solid result," said Fenton. "We have some good ideas, but how we craft those ideas will be influenced by what we hear from people who participate in the process."

Strategic Advisory Group (SAG) was selected from among seven finalists that had competed for the assignment. SAG is an advisory services firm that helps organizations navigate the road ahead by recognizing opportunity, clarifying vision, creating strategies, implementing action and measuring results. It is headquartered in Atlanta and has offices in Los Angeles, Philadelphia, Tampa Bay and Wilmington. SAG has provided consultation to clients in more than 150 domestic and international markets.

Fenton is Associate Partner with SAG. He has more than 25 years of hospitality and destination marketing experience, including having served as CEO of the San Jose Convention and Visitors Bureau. He also has held executive positions with Radisson, Amfac, and Hyatt Hotels and is a graduate of the Cornell University School of Hospitality Management.

Interested individuals who want to follow progress on the Tourism Study – or offer comments – may do so by visiting volusia.org/study. County officials and the SAG team encourage people to send their comments to the website, which will carry periodic updates on the project. ■

Buying local initiative gets new push

In 2009 the Volusia County Economic Development Division called on local residents and manufacturers and other businesses to buy from local sources and encouraged them to do so to keep our dollars in Volusia County. In 2011, the Buy Local effort again has been promoted by VCED, but this time with the full support of many business partners.

"While an increasing number of businesses and residents are taking the time to find local sources for their purchases, the potential for a dramatic increase in local purchases is enormous," said Phil Ehlinger, Volusia County Economic Development Director. "The obvious niches include commodities such as televisions, computers, and raw materials. When a local manufacturer buys from another, or a consumer shops at a local merchant rather than the internet, he or she may be saving a neighbor's job."

Volusia County Economic Development has been promoting the Buy Local effort with marketing messages on its website floridabusiness.org, at its popular quarterly breakfast briefings on the economy, and in printed material. It also produces a variety of directories that allow businesses to cross-reference each other to see which companies offer which products and services.

This effort got a significant boost in December with the inaugural Buy Local Volusia Expo. The event was held at Daytona International Speedway and was sponsored

by the Daytona Beach News-Journal, seven area chambers of commerce and Volusia County Economic Development. The event included exhibits of more than 100 local companies, each showcasing products and services useful to consumers and local manufacturers. The day-long event had a steady stream of patrons strolling among the booths and gathering information from exhibitors. Many of those patrons expressed interest in having their own company exhibit at the next edition of the event.

"Buy local efforts are not uncommon and generally produce results," said Larry McKinney, president of the Daytona Regional Chamber of Commerce. "What gave the Buy Local Business Expo significance locally is that so many entities lined up behind the event. The county's Economic Development Division, the Daytona Regional Chamber of Commerce, the chambers in Holly Hill, DeLand, Ormond Beach, and Port Orange/South Daytona were all in. And having the county sponsorship made the spotlight that much brighter."

The chamber's chief operating officer, Kevin Kilian added that the value of the forum was elevated due to the potential for savings and efficiency that comes with buying local, especially following the economic challenges that many businesses have been dealing with over the past few years. He said that plans already are under way for next year's event, which is expected to be a sell-out, as was this year's event. ■

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Scene & noted...

News and notes from recent editions of *On the Economic Scene*, the Monday morning newsletter of Volusia County Economic Development



ONLINE VERSION AT FLORIDABUSINESS.ORG

On the Economic Scene is Volusia County Economic Development's popular newsletter that is faxed every Monday and then posted on-line. The one-page communication features timely briefs on economic development-related subjects. The newsletter reaches more than 2,000 people every week. If you would like to receive it, contact Volusia County Economic Development at 386-248-8048. Here are a few briefs that appeared in recent editions. If you have news you would like to share, please send it to Dave Byron, Volusia County Community Services Department director, 123 W. Indiana Ave., DeLand, FL 32720-4612, or by e-mail at: dbyron@co.volusia.fl.us.

DSC SMALL BUSINESS DEVELOPMENT CENTER HELPS BUSINESSES AND ENTREPRENEURS — The Small Business Development Center at Daytona State College provides business owners and budding entrepreneurs with access to individual business management assistance, along with workshops and group training programs. Certified business analysts provide free confidential information and advice in person, over the phone and by email. There are counseling sites in east and west Volusia County. To take advantage of this service, complete a request for counseling form which can be accessed at: sbdcdaytona.com/counseling.cfm.

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NEW SBA REFINANCING RULES MAKE MORE COMPANIES ELIGIBLE — The Small Business Administration recently changed the rules for the 504 Debt Refinancing Program. Many more small businesses are now eligible for great 504 refinancing rates and terms plus working capital. For information go to: fffc.com or call 904-861-2270.

INTERNATIONAL MARKETING PLAN HELP AVAILABLE — Enterprise Florida is launching a program to provide new and infrequent exporters with international marketing plans. Gold Keys are available upon completion of a marketing plan. Scholarships may be available from Volusia County Economic Development. For information contact John Kizer at Volusia County Economic Development. He can be reached by email at: jkizer@co.volusia.fl.us or by telephone at 386-248-8048.

WEBSITE FOR DOING BUSINESS WITH THE STATE — MyFloridaMarketPlace is the state's online exchange for buyers and vendors. This is a source for centralized procurement activities, streamlining interactions among vendors and state government entities and providing tools to support procurement for the state. More than 139,000 vendors have registered with MyFloridaMarketPlace, which is part of the Florida Department of Management Services. Since 2002, 32 state agencies using the system placed more than 986,000 purchase orders and spent more than \$9.3 billion. For information go to: tinyurl.com/selltoflorida.

COUNTY'S ECONOMIC DEVELOPMENT QUARTERLY DISTRIBUTED TO 7,000 SUBSCRIBERS — More than 7,000 Volusia County residents and businesses receive Volusia County Economic Development Quarterly (EDQ), published by Volusia County Economic Development in partnership with the Daytona Beach News-Journal. EDQ is free and is mailed to subscribers. It also is distributed at select area locations. To learn the latest information on economic growth in the county, or to advertise to reach prospective customers, subscribe today by calling 386-248-8048. To advertise in this well-read publication, contact Lois Duncan at the Daytona Beach News-Journal at 386-681-2500.

FUNDS FOR BUDDING SMALL BUSINESSES — Startup America is a \$1 billion fund to provide matching capital to early-stage small businesses to encourage innovation and entrepreneurship by leveraging private investment. The White House has announced a private-sector partnership with \$1 billion in services — from free software and consulting to legal services — to 100,000 start-up companies over the next three years. For information go to: sba.gov/startupamerica.

Coming next month in...

The Volusia/Flagler BUSINESS REPORT

Cover Story: "Aviation/Aerospace"

Local economic development officials see this industry sector as one of the keys to growing the local economy. We'll look at local efforts in both Volusia and Flagler counties to attract more aviation/aerospace-related businesses to the area, which is home to several airports as well as Embry-Riddle Aeronautical University.

Plus:

- "One-on-One," a new monthly Q&A with a mover and shaker in the business community.
- "Moving Up," a look at notable hires, promotions and achievements of business people across the region.
- "The Buzz," a quick look at notable recent business deals, data and news tidbits you can't get anywhere else.
- "Business Seen," a photographic report of recent business events. (If you attended an event, you might just see yourself in Business Seen.)
- "How I Do It," a tip from a local expert about how to do business the right way.
- "5 minutes with ...," a quick-read feature where readers can learn things they don't know about a high-profile member of the business community.
- **Calendar Of Upcoming Business Events.**



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Peter Bauer

Exterior of the new Epic Theaters completed in December, in Deltona.



Jim Tiller (3)

Left, Greg Roberts, (white hat) and Nicolas Escobar (yellow hat) lift a wooden beam into place on a house under construction in the Brier Creek section of the Grande Champion at LPGA International subdivision in Daytona Beach. Middle, the new Chase Bank under construction at the corner of Shadow Lakes Blvd. and Nova Road in Ormond Beach. Right, construction continues at the Andros Isles Apartments off Williamson Boulevard in Daytona Beach.

New construction activity continues slow but steady to close out 2011; area builders hopeful, but expect only gradual improvement in 2012

The volume of new construction projects in Volusia County in the fourth quarter of 2011 dipped from the previous quarter, due in part to the holidays, but held relatively steady as has been the case the past several quarters, with the exception of a couple of notable big projects.

According to statistics gathered by the county's Economic Development Division from the county and city building permit offices, 111 residential building permits were issued in the final three months of the year, down from 134 in the third quarter and 142 in the second quarter, but up from the 104 issued in the first quarter of 2011.

On the commercial side, 18 building permits were issued, down from 23 in the third quarter, but up slight-

ly from the 15 issued in the second quarter. Commercial construction activity surged in the first quarter of 2011 with 30 permits issued. However, that number was influenced by a single project: the massive 10-building, 360-unit Andros Isles apartment complex on Beville Road in Daytona Beach, just east of Interstate 95.

"We're bouncing along the bottom," said Phil Ehlinger, Volusia County economic development director, of the fourth quarter building permit numbers. "This last year, it's almost been stable, but it's certainly at the bottom."

A look at the number of building permits issued each quarter for residential and commercial projects in Volusia County the past five years shows that after falling sharply in 2007, followed by smaller drop in

2008, construction activity has remained fairly stable, but way below the boom of a few years ago.

Ehlinger said he doesn't expect to see a sizeable increase in construction activity until the inventory of resale and foreclosure properties shrinks significantly. The building permit data compiled by the county is only for new projects and is not a complete measure of the level of construction activity locally.

Anthony Viscomi, president of Viscomi Construction Inc., Ormond Beach, said his company has seen an increase in job orders in the past year. "We're doing more work now and have more work in the pipeline than we've had since early 2008," he said.

However, this increase in activity wouldn't be reflected in the latest building permit data because the

majority of the work orders Viscomi has been receiving lately are for remodeling or expansion of existing homes.

That said, Viscomi added that the remodeling/renovation projects his company has been taking on are not small jobs. "Ours start at \$70,000 and up," he said. "People are adding sizeable square footage to their homes and we're also involved in several renovations of luxury condominiums and penthouses. I know other builders that are doing the same."

One recent change is the increase in customers who are paying in cash. "Hardly any of these deals are being financed through banks," he said of his company's customers. "Ninety percent are cash."

Viscomi said the key for success for his company was to lower its overhead costs, which has enabled it to offer lower prices to customers. "There is work (for builders) to be had out there, but you have to be competitive," he said. Viscomi recently began a one-year term as president of the Volusia Building Industry Association.

Jamie Adley, a co-owner of Winston-James Development, South Daytona, said new home construction activity locally has been down. "No question about it," but he said he has seen an increase in potential homebuyers in recent months. Sales were up in the fourth quarter at the Villages of Royal Palm, the master-planned community in Port Orange where Winston-James has built and sold 380 homes since 2001. The total potential buildout of the community is 476 homes.

"I'm very optimistic about 2012," he said. He added that his company is pleased with the City of Port Orange's recent decision to lower residential impact fees. He said his company plans to begin construction of a couple of "spec" homes at the Villages of Royal Palm this spring, after the city's lower impact fees take effect in March.

Spec homes are built without buyers, a practice that was common during the most recent real estate boom, which peaked in 2005, but which isn't so common when the economy is struggling.

When asked why his company would build spec homes when there are many foreclosure properties available at prices lower than builders can match, Adley responded: "There are buyers that will not buy a foreclosure. They want a new home that has all the new energy efficiency standards and that meets all the current hurricane code requirements and that doesn't have architectural obsolescence and is in a stabilized neighborhood."

Among the building permit offices, the 21 residential permits issued by county government for unincorporated Volusia County topped all jurisdictions. Most of the county-issued residential permits were in subdivisions just outside city limits. "They're spread around as opposed to being clustered in just one or two subdivisions," said Ehlinger. The 17 residential permits issued by New Smyrna Beach in the fourth quarter was the most among the county's cities. Port Orange issued 16 residential permits; DeLand 14; Daytona Beach 12; and Ormond Beach 11.

Orange City issued six commercial permits in the fourth quarter, the most among jurisdictions. Port Orange was next with five commercial permits issued.

Notable projects under construction in the fourth quarter included the 12-screen Epic Theatres movie theater in Deltona, which opened in December, and the ongoing construction at the \$50-million Andros Isles apartments in Daytona Beach, where several buildings have been completed. ■

Residential building permits issued in Volusia County fourth quarter 2011*

Ranked by total value of projects

area	October permits	November permits	December permits	total permits	total quarter
1. Unincorporated	7	6	8	21	\$ 5,212,292
2. New Smyrna Beach	7	5	5	17	\$ 5,609,795
3. Port Orange	4	4	8	16	\$ 4,496,771
4. DeLand	0	5	9	14	\$ 4,142,263
5. Daytona Beach	6	3	3	12	\$ 3,649,504
6. Ormond Beach	5	1	5	11	\$ 3,191,778
7. Deltona	0	0	7	7	\$ 2,462,137
8. DeBary	2	0	1	3	\$ 1,004,932
9. Orange City	3	2	0	5	\$ 402,103
10. South Daytona	2	0	0	2	\$ 227,550
11. Edgewater	1	0	2	3	\$ 206,864
12. Daytona Beach Shores	0	0	0	0	\$ -
12. Holly Hill	0	0	0	0	\$ -
12. Lake Helen	0	0	0	0	\$ -
12. Oak Hill	0	0	0	0	\$ -
12. Pierson	0	0	0	0	\$ -
12. Ponce Inlet	0	0	0	0	\$ -
Total	37	26	48	111	\$ 30,605,989

Source: cities and county permit offices.

* October-December, 2011. Permits listed reflect new construction only. They do not reflect permits issued to renovate or improve existing facilities.

Commercial building permits issued in Volusia County fourth quarter 2011*

Ranked by total value of projects

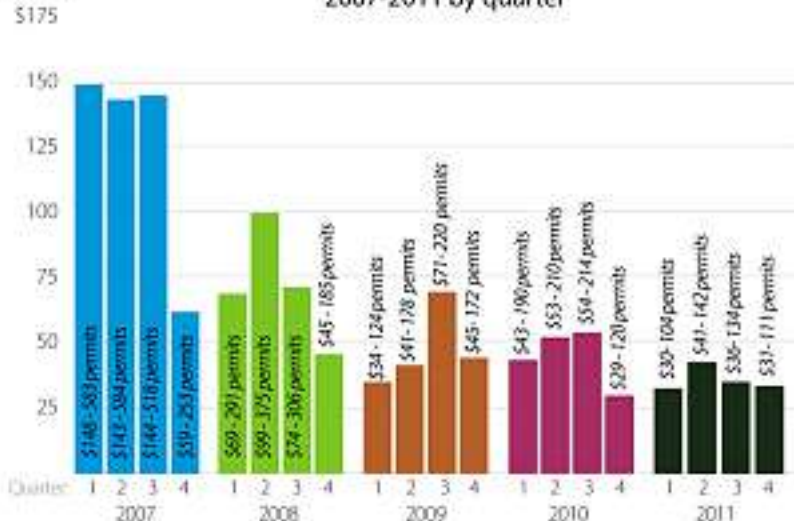
Area	October permits	November permits	December permits	Total permits	Total quarter
1. Port Orange	1	2	2	5	\$ 11,164,798
2. Orange City	3	3	0	6	\$ 5,780,135
3. New Smyrna Beach	1	0	1	2	\$ 1,291,495
4. Deltona	1	0	0	1	\$ 1,251,720
5. Ormond Beach	0	1	0	1	\$ 915,400
6. DeLand	0	1	0	1	\$ 500,000
7. Unincorporated	0	0	1	1	\$ 267,162
8. Daytona Beach	1	0	0	1	\$ 178,526
9. Daytona Beach Shores	0	0	0	0	\$ -
9. DeBary	0	0	0	0	\$ -
9. Edgewater	0	0	0	0	\$ -
9. Holly Hill	0	0	0	0	\$ -
9. Lake Helen	0	0	0	0	\$ -
9. Oak Hill	0	0	0	0	\$ -
9. Pierson	0	0	0	0	\$ -
9. Ponce Inlet	0	0	0	0	\$ -
9. South Daytona	0	0	0	0	\$ -
Total	7	7	4	18	\$ 21,349,236

Source: cities and county permit offices.

* October-December, 2011. Permits listed reflect new construction only. They do not reflect permits issued to renovate or improve existing facilities.

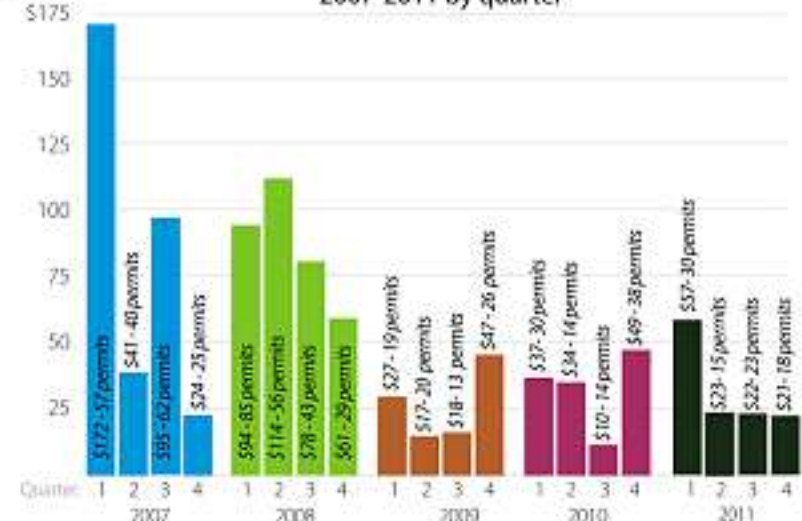
total value of permits
in million \$

Volusia County residential permit data 2007-2011 by quarter



total value of permits
in million \$

Volusia County commercial permit data 2007-2011 by quarter



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