

ORDINANCE 2019-06

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF DAYTONA BEACH SHORES, FLORIDA RELATING TO A COMPREHENSIVE ECONOMIC DEVELOPMENT PROGRAM; PROVIDING FOR LEGISLATIVE FINDINGS AND INTENT; PROVIDING FOR ECONOMIC DEVELOPMENT ACTIVITIES SUCH AS GRANT AGREEMENTS, DEVELOPMENT AGREEMENTS AND A BUSINESS LOYALTY PROGRAM; PROVIDING FOR THE CREATION OF THE CITY OF DAYTONA BEACH SHORES ECONOMIC DEVELOPMENT PROGRAM TRUST FUND; PROVIDING FOR AN ARRAY OF IMPLEMENTING ADMINISTRATIVE ACTIONS; PROVIDING FOR A SAVINGS PROVISION; PROVIDING FOR CONFLICTS; PROVIDING FOR CODIFICATION AS WELL AS THE CORRECTION OF SCRIVENER'S ERRORS; PROVIDING FOR SEVERABILITY AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City Council of the City of Daytona Beach Shores, Florida has the desire to ensure that the City of Daytona Beach Shores and its environs are desirable for economic development of a positive nature for the benefit of the citizens of the City of Daytona Beach Shores; and

WHEREAS, Section 166.021(8), *Florida Statutes*, provides as follows:

“(8) (a) The Legislature finds and declares that this state faces increasing competition from other states and other countries for the location and retention of private enterprises within its borders. Furthermore, the Legislature finds that there is a need to enhance and expand economic activity in the municipalities of this state by attracting and retaining manufacturing development, business enterprise management, and other activities conducive to economic promotion, in order to provide a stronger, more balanced, and stable economy in the state, to enhance and preserve purchasing power and employment opportunities for the residents of this state, and to improve the welfare and competitive position of the state. The Legislature declares that it is necessary and in the public interest to facilitate the growth and creation of business enterprises in the municipalities of the state.

(b) The governing body of a municipality may expend public funds to attract and retain business enterprises, and the use of public funds toward the achievement of such economic development goals constitutes a public purpose. The provisions of this chapter which confer powers and duties on the governing body of a municipality, including any powers not specifically prohibited by law which can be exercised by the governing body of a municipality, shall be liberally construed in order to effectively carry out the purposes of this subsection.

(c) For the purposes of this subsection, it constitutes a public purpose to expend public funds for economic development activities, including, but not limited to, developing or improving local infrastructure, issuing bonds to finance or refinance the cost of capital projects for industrial or manufacturing plants,

leasing or conveying real property, and making grants to private enterprises for the expansion of businesses existing in the community or the attraction of new businesses to the community.

(d) A contract between the governing body of a municipality or other entity engaged in economic development activities on behalf of the municipality and an economic development agency must require the agency or entity receiving municipal funds to submit a report to the governing body of the municipality detailing how the municipal funds are spent and detailing the results of the economic development agency's or entity's efforts on behalf of the municipality. By January 15, 2011, and annually thereafter, the municipality shall file a copy of the report with the Office of Economic and Demographic Research and post a copy of the report on the municipality's website.

(e)1. By January 15, 2011, and annually thereafter, each municipality having annual revenues or expenditures greater than \$250,000 shall report to the Office of Economic and Demographic Research the economic development incentives in excess of \$25,000 given to any business during the municipality's previous fiscal year. The Office of Economic and Demographic Research shall compile the information from the municipalities into a report and provide the report to the President of the Senate, the Speaker of the House of Representatives, and the Department of Economic Opportunity. Economic development incentives include:

a. Direct financial incentives of monetary assistance provided to a business from the municipality or through an organization authorized by the municipality. Such incentives include, but are not limited to, grants, loans, equity investments, loan insurance and guarantees, and training subsidies.

b. Indirect incentives in the form of grants and loans provided to businesses and community organizations that provide support to businesses or promote business investment or development.

c. Fee-based or tax-based incentives, including, but not limited to, credits, refunds, exemptions, and property tax abatement or assessment reductions.

d. Below-market rate leases or deeds for real property.

2. A municipality shall report its economic development incentives in the format specified by the Office of Economic and Demographic Research.

3. The Office of Economic and Demographic Research shall compile the economic development incentives provided by each municipality in a manner that shows the total of each class of economic development incentives provided by each municipality and all municipalities.

(f) This subsection does not limit the home rule powers granted by the State Constitution to municipalities."

; and

WHEREAS, Section 187.201(21), *Florida Statutes*, (part of the *State Comprehensive Plan*) provides as follows:

“(21) THE ECONOMY.--

(a) Goal. --Florida shall promote an economic climate which provides economic stability, maximizes job opportunities, and increases per capita income for its residents.

(b) *Policies.*--

1. Attract new job-producing industries, corporate headquarters, distribution and service centers, regional offices, and research and development facilities to provide quality employment for the residents of Florida.
2. Promote entrepreneurship and small and minority-owned business startup by providing technical and information resources, facilitating capital formation, and removing regulatory restraints which are unnecessary for the protection of consumers and society.
3. Maintain, as one of the state's primary economic assets, the environment, including clean air and water, beaches, forests, historic landmarks, and agricultural and natural resources.
4. Strengthen Florida's position in the world economy through attracting foreign investment and promoting international banking and trade.
5. Build on the state's attractiveness to make it a leader in the visual and performing arts and in all phases of film, television, and recording production.
6. Promote economic development for Florida residents through partnerships among education, business, industry, agriculture, and the arts.
7. Provide increased opportunities for training Florida's workforce to provide skilled employees for new and expanding business.
8. Promote economic self-sufficiency through training and educational programs which result in productive employment.
9. Promote cooperative employment arrangements between private employers and public sector employment efforts to provide productive, permanent employment opportunities for public assistance recipients through provisions of education opportunities, tax incentives, and employment training.
10. Provide for nondiscriminatory employment opportunities.
11. Provide quality child day care for public assistance families and others who need it in order to work.
12. Encourage the development of a business climate that provides opportunities for the growth and expansion of existing state industries, particularly those industries which are compatible with Florida's environment.
13. Promote coordination among Florida's ports to increase their utilization.
14. Encourage the full utilization by businesses of the economic development enhancement programs implemented by the Legislature for the purpose of extensively involving private businesses in the development and expansion of permanent job opportunities, especially for the economically disadvantaged, through the utilization of enterprise zones, community development corporations, and other programs designed to enhance economic and employment opportunities.”

; and

WHEREAS, the City Council of the City of Daytona Beach Shores, Florida desires that the economy of the City of Daytona Beach Shores be one that is vibrant, creative, flexible, dynamic, and modern as well as an economy that attracts and retains high quality businesses and economic generators to the City of Daytona Beach Shores; and

WHEREAS, the City Council of the City of Daytona Beach Shores, Florida has long recognized the economic challenges relating to the west (non-oceanfront) side of State Road A1A (South Atlantic Avenue) which is a north-south Florida State Road that runs along the Atlantic Ocean, from Key West at the southern tip of Florida, to Fernandina Beach, just south of Georgia on Amelia Island and which is the main road through most oceanfront towns such as the City of Daytona Beach Shores; and

WHEREAS, the City Council of the City of Daytona Beach Shores, Florida, desires, to a significant, but not exclusive, extent to focus on the economic challenges relating to the west side of State Road A1A (South Atlantic Avenue); and

WHEREAS, the City Council of the City of Daytona Beach Shores, Florida desires to protect the public health, safety and welfare of the citizens of the City and maintain a high quality of life for the citizens of the City; and

WHEREAS, the City Council of the City of Daytona Beach Shores hereby finds and determines that the provisions of this Ordinance provide for public benefits and serve public purposes; and

WHEREAS, this Ordinance is enacted pursuant to the home rule powers of the City of Daytona Beach Shores as set forth at Article VIII, Section 2, of the *Constitution of the State of*

Florida; Chapter 163, *Florida Statutes*; Chapter 166, *Florida Statutes*; and other applicable controlling law; and

WHEREAS, the City of Daytona Beach Shores has complied with all requirements and procedures of Florida law in processing and advertising this Ordinance; and

WHEREAS, this Ordinance, although neither creating or amending land development regulations, is consistent with the goals, objectives and policies of the *Comprehensive Plan of the City of Daytona Beach Shores*.

NOW, THEREFORE, BE IT ENACTED BY THE CITY COUNCIL OF THE CITY OF DAYTONA BEACH SHORES, FLORIDA THAT:

SECTION ONE: LEGISLATIVE FINDINGS AND INTENT.

(a). The City Council of the City of Daytona Beach Shores hereby adopts and incorporates into this Ordinance, as the legislative findings and intent of this Ordinance, the recitals (whereas clauses) to this Ordinance, the City staff report and City Council agenda memorandum relating this Ordinance.

(b). The City Council finds that attracting, retaining, and providing favorable conditions for the growth of businesses within targeted areas provides high quality employment opportunities for the citizens of the City of Daytona Beach Shores and enhances the economic tax base of the City. It is the policy of the City Council of the City of Daytona Beach Shores to encourage the growth of businesses that provide high-value-added employment and economic opportunities.

(c). There is a public need to enhance economic activity in specific targeted areas of the City of Daytona Beach Shores, as identified by the City Council. The economic well-being of the citizens of the City of Daytona Beach Shores and the economic resources of the City of

Daytona Beach Shores would be enhanced by the provision and implementation of selected economic development activities.

(d). To improve the prosperity and welfare of the City of Daytona Beach Shores and its inhabitants, it is necessary and is in the public interest for the City Council to establish and implement selected economic development activities and programs.

(e). Nothing in this Ordinance shall require the City Council to fund any activity or programs established in this Ordinance or otherwise established by the City Council relative to the economic development activities of the City.

SECTION TWO: CREATION OF ECONOMIC DEVELOPMENT PROGRAM.

(a). The City Council of the City of Daytona Beach Shores hereby creates and establishes the City of Daytona Beach Shores Economic Development Program.

(b). The purpose of the Program is to encourage the renovation, development, redevelopment and productive use of lands and buildings within the City Limits of the City of Daytona Beach Shores.

(c). In order to implement the Program set forth in this Section, the City Council may enter development agreements, under the provisions of the *Florida Local Government Development Agreement Act* as set forth at Sections 163.3220 through Section 163.3243, *Florida Statutes*, or enter such other agreements as the City Council determines are intended to enhance the high quality economic development of the City of Daytona Beach Shores.

(d). The development agreements referenced in Subsection (c) of this Section, may relate to either City-owned or non-City-owned real property and may, among other things, provide for, by way of example and not limitation, provisions such as the City providing to the purchaser of City-owned real property an up to a 10% rebate of the purchase price to allow the

purchaser to use the funds to assist in the development of the real property or, if the development agreement relates to non-City-owned real property, once the purchaser of the land applies to the City relative to the purchase price of the land and closes on the real estate transaction, the City would provide up to a 10% grant to assist the new owner of the land in order to assist in the build out the real property in a high quality plan of development. The City shall impose conditions in each development to prevent a buyer purchasing City-owned real property from holding the real property for investment purposes or implementing a flip of the real property. The City's goal is that the real property shall be expeditiously developed in a high quality manner for the benefit of the citizens of the City.

SECTION THREE: CREATION OF CITY OF DAYTONA BEACH SHORES ECONOMIC DEVELOPMENT PROGRAM TRUST FUND.

(a). A City of Daytona Beach Shores Economic Development Program Trust Fund is hereby established, into which such revenues from such funding sources, as determined by the City Council, shall be deposited and from which all expenditures related to the City's Economic Development Program shall be paid.

(b). Accounting and reporting procedures shall be consistent with controlling State law and reported to the City Council by the City Manager, or designee, at least annually.

(c). Expenditures for activities that are not related to the City's Economic Development Program shall not be permitted from the Trust Fund.

SECTION FOUR: CREATION OF ECONOMIC DEVELOPMENT COMMERCIAL LEASE SUBSIDY PROGRAM; RESPONSIBILITIES; POLICIES; PROCEDURES; ALTERNATIVE GRANT PROGRAM.

(a). The City Council of the City of Daytona Beach Shores hereby creates and establishes the “City of Daytona Beach Shores Economic Development Commercial Lease Subsidy Program” as well as programs that are of a similar nature..

(b). The purpose of the Program is to encourage the renovation and development and productive use of properties and buildings in the City of Daytona Beach Shores including, but not limited to, the expansion of existing tenancies, as solely and exclusively determined by the City Council based upon the economic development needs of the City as determined by the City Council. The Program will assist business owners to develop or redevelop properties. The Program will provide a subsidy, under appropriate circumstances, to subsidize leases relating to new businesses within the City over a 3 year period of time in order to assist selected businesses to commence economic activity and remain a going concern. Leases may be subsidized up to ~~40%~~ 30% for the first year of the lease, up to ~~%~~ 20% for the second year of the lease, and up to ~~30%~~ 10% for the third year of the lease; provided, however, that the total amount of the incentive under an agreement shall not exceed \$20,000.00. Existing businesses which desire to relocate to a larger space in the City which relocation will result in enhanced business operations or employment and businesses which extend a lease for a longer term of at least 3 years when the extension will result in enhanced business operations or employment shall also be eligible for the same benefits. Applications may be submitted and shall be evaluated in accordance with the application process set forth in this Ordinance. Generally, incentive grants made under this program shall be based upon the number of new jobs created, the desirability of the type of business for the City and the capital investment to be made.

(c). Only real property that is assigned a commercial, or similar, zoning classification consistent with the City's *Comprehensive Plan* and that will be used for a nonresidential or

mixed use purpose (as set forth in a binding development agreement or development order) are eligible under the Program for lease subsidy assistance.

(d). Lease subsidies may be made only to, or for the benefit of, a tenant and may only be used for development and renovations to real property or lease payments as determined by the City Council.

(e). Normative lease underwriting criteria and documentation must be satisfied as part of the transaction to protect the City's interests, as determined under the authority and guidance of the Finance Director in conjunction with the City Attorney.

(f). Should the grantee cease conducting business on the real property during the term of the lease subsidy; the City's subsidy payments shall cease.

(g). The City shall not in any way guarantee any underlying loan or the lease relating to real property and the City does not pledge its full faith and credit to any extent by enacting or implementing this Ordinance and shall not be deemed to have done so to any degree or extent or to be a partner or co-venturer in any way.

(h). The lease subsidy applicant must submit documentation to the City detailing the proposed development or renovation to be performed on the real property as well as details concerning the proposed lease and business activities. If approved by the City Council, the City will then issue a letter approving the subsidy subject to normal underwriting criteria as determined under the authority and guidance of the Finance Director in conjunction with the City Attorney.

(i). Once the lease subsidy is approved, the applicant must submit full details of the proposed transaction to the City. The amount of the subsidy will then be fixed and the funds will be encumbered and appropriately released from time-to-time. Escrow accounts may be

established in conjunction within City accounting systems or under the Finance Director with the City Attorney as needed.

(j). The lease subsidy documents shall include, but not be limited to, documents to be filed of record which protect the interests of the City and shall provide that the City Manager must be notified should the real property which is the subject of the lease be sold, transferred, assigned or encumbered in any way or if the lease is terminated or sought to be terminated.

(k). In the event that an owner of real property which would be otherwise eligible for lease subsidy funding has engaged in or entered a business relationship in a manner which the City determines is not conducive to a lease subsidy being granted by the City, the City may enter grant agreements with such applicants such as, by way of example only, facade or beautification grant agreements; provided that the City is attaining substantially or more of the same economic and other benefits that are substantially the same or greater than that the City would enjoy under a lease subsidy award. Such grants may be awarded under conditions that address the unique nature of the business arrangement within which context the real property is held or the business operated while substantially addressing legal requirements, benefits to the City and the purposes expressed, and protections afforded, the City as set forth in this Ordinance; provided, however, that the total amount of the grant under an agreement shall not exceed \$20,000.00.

(l). The City Council shall evaluate applications on the basis of such criteria as it deems appropriate and in the best interests of the City to include, but not be limited to, the following:

(2). Renovation and development projects that will spur additional development and private investment shall be encouraged to apply and participate.

(3). Renovation and development projects that will attract desirable new businesses and create an effective merchandise mix shall be encouraged to apply and participate.

(4). Renovation and development projects that will have a substantial positive visual and aesthetic impact to the City shall be encouraged to apply and participate.

(5). Renovation and development projects that will result in filling vacant retail space shall be encouraged to apply and participate.

(6). Renovation and development projects that will increase real property value(s) shall be encouraged to apply and participate.

(7). Renovation and development projects that will increase employment opportunities within the City shall be encouraged to apply and participate.

(8). Renovation and development projects that work in favorable concert with other development within the City by providing enhanced activities for the City shall be encouraged to apply and participate.

SECTION FIVE: CREATION OF BUSINESS LOYALTY PROGRAM.

The owner of a business that has been in good standing with the City for at least 3 consecutive years by (1). timely paying its certificate of use fee, (2). timely paying any local business tax due, and (3). not having been found to have violated a City code or ordinance; shall

be entitled, upon application filed with the City, to a waiver of 50% its certificate of use fee amount that was paid and the payments made for the local business tax for an up to 3 year period after the period of good standing. This Section shall not apply to businesses that relate to hotel, motels, condominiums, home occupations or like businesses. In order to be eligible for the award under this Section, a business owner must annually file an application with the City which, upon approval, shall entitle the business to the waiver; provided, however, that waivers shall be authorized commencing in 2022.

SECTION SIX: IMPLEMENTING ADMINISTRATIVE ACTIONS.

(a). The City Manager, City Clerk and City Attorney are hereby authorized and directed to implement the provisions of this Ordinance and to take any and all necessary administrative actions to bring into effect the purposes and provisions of this Ordinance as such Charter officials may deem appropriate in their respective roles and functions under the *City*.

(b). Without limiting the generality of the foregoing provision, the City Manager is hereby directed to develop such other economic development initiatives as may be advisable and desirable and present those proposals to the City Council for review and action which initiatives may include, but shall not be limited to, the revision of City land development regulations and the City's *Comprehensive Plan* that will encourage and incentivize high quality development and redevelopment within the City that addresses the needs of the City.

(c). The City Manager shall also work with the City Council to develop a Citywide strategic plan to sustain the future of the City's economy which plan will outline the City's vision and mission and identify goals, strategies and tactics critical to improving business expansion, recruitment, retention and job creation in the City:

(d). The City Council and the City Manager shall engage in relations and communications with other agencies and entities of government and from the private sector in an effort to receive grants, funding and other benefits that will assist the economic development and redevelopment of the City.

SECTION SEVEN: SAVINGS; EFFECT OF ORDINANCE.

The prior actions of the City of Daytona Beach Shores in terms of the matters relating to the economic development of the City of Daytona Beach Shores and any and all actions of the City of Daytona Beach Shores pertaining thereto, as well as any and all related matters and processes and procedures of the City of an associated nature, are hereby ratified and affirmed.

SECTION EIGHT: CODIFICATION; SCRIVENER'S ERRORS.

(a). The provisions of Sections One through Six of this Ordinance shall be codified while the remaining Sections shall not be codified; provided, however, that the Code codifier shall take all actions necessary to implement the codification of the provisions of this Ordinance.

(b). Typographical errors and other matters of a similar nature that do not affect the intent of this Ordinance, as determined by the City Clerk and City Attorney, may be corrected with the endorsement of the City Manager, or designee, without the need for a public hearing.

SECTION NINE: CONFLICTS.

All ordinances or parts thereof in conflict with this Ordinance are hereby repealed to the extent of such conflict.

SECTION TEN: SEVERABILITY.

If any section, subsection, sentence, clause, phrase, or portion of this Ordinance, or application hereof, is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion or application shall be deemed a separate, distinct, and independent

provision and such holding shall not affect the validity of the remaining portions thereof.

SECTION ELEVEN: EFFECTIVE DATE.

This Ordinance shall take effect immediately upon enactment.

CITY OF DAYTONA BEACH SHORES, FLORIDA

NANCY J. MILLER, MAYOR

MICHAEL T. BOOKER, CITY MANAGER

CHERI SCHWAB, CITY CLERK

Approved as to form and legality:

LONNIE GROOT, CITY ATTORNEY

Passed on first reading the 25th day of June, 2019.

Passed on second reading the ___ day of July, 2019.