

Deltona 5- Year Economic Development Plan for a Business Park

Market Assessment
November 2018



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Prepared for: City of Deltona



REINVENTING YOUR CITY

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Executive Summary

*“Not everything that can be counted, counts;
and not everything that counts, can be counted.”*

-Albert Einstein

Economic development is building wealth in a community, encouraging economic growth and improving quality of life. This is accomplished by implementation of actions that influence the five key drivers of economic development.

This Market Analysis provides an assessment for the City of Deltona that serves as the basis for the 5-year strategic economic development plan for a business park and manufacturing related recruitment. The assessment includes a collection of demographic data, existing conditions review, real estate and housing market info, and consumer/business trends organized by their respective influence on one of the five key drivers of economic development (Land, Labor, Capital, Markets and Regulation).

Each community's ability to influence these drivers is different. Below is an overview of Deltona's economic drivers.

Land

Our analysis reviews the real estate market sectors including industrial, retail, office and housing. The industrial sector has the most potential for future development of all the major real estate sectors in Deltona. Deltona has an excellent opportunity to attract industrial and manufacturing businesses including distribution centers, and logistics hubs and to position itself as a major competitive commercial center. The retail market is growing year over year, with rents psf (per square foot) increasing and vacancies dropping. These are characteristics of an improving market. The office sector has improved; however, the average vacancy rate is rather high compared to the other commercial sectors.

With neighboring Seminole County attracting major corporations to the area, there is an opportunity for Deltona to capitalize on this market activity and deliver new product that complements and competes with neighboring municipalities. This includes service providers, last mile depots, and technical support. With the Orlando-Kissimmee-Sanford MSA (Metropolitan Statistical Area) seeing the largest job growth out of all MSAs since 2012, there is also a significant opportunity to capture new growth through the housing product in Deltona.

Labor

Due to Deltona's origin as a master planned residential community, the city has primarily remained a bedroom community with limited commercial development. The city maintains a healthy and diverse workforce of over 40,000 however, the number of jobs offered in Deltona is estimated to be below 10,000. According to U.S. Census estimates, over 95% of Deltona's workforce commutes outside of the city limits for employment. The most popular employment destinations for Deltona residents are Deland (9.8% of workers), Orlando (8.7%) and Sanford (8.4%). According to ESRI estimates, In Deltona there are

approximately 2,665 workers within the manufacturing sector, 2,059 in transportation and utilities, and 888 in wholesale trade.

Capital

Deltona offers a robust incentive program that includes ad valorem tax and impact fee reimbursement incentives, job creation incentives, and other incentives/assistance designed to spur investment in Deltona. The city maintains key partnerships to aid economic development efforts including Team Volusia Economic Development Corporation (TVEDC), a public/private not-for-profit economic development group that works hand-in-hand with Volusia County's municipalities to provide business attraction and economic development support. The CEO Business Alliance and County Economic Development Department are also strong partners for the City of Deltona.

The City of Deltona and the Deltona North Wastewater Treatment Plant provide the city utility services such as water and sewer.

Business Park Development efforts may benefit by aligning with the Florida High Tech Corridor, a regional economic development initiative of three of the country's largest research institutions—the University of Central Florida, the University of South Florida and the University of Florida to grow high tech industry and innovation through partnerships that support research, marketing, workforce and entrepreneurship.

Markets

Home to over 90,000 residents, Deltona is Volusia County's most populous city. The median household income in Deltona (\$51,612) is higher than that of Volusia County (\$47,070), representing significant buying power in the area. However median housing value in Deltona (\$168,459) is lower compared to the surrounding trade areas. The median age in Deltona is 39.4. The evaluated sites feature strong traffic counts/opportunities for visibility along major thoroughfares as well as excellent access to Interstate 4. Deltona is serviced by the County's public transit system Votran, however there are currently no stops along Howland Blvd or within immediate vicinity of the sites evaluated. Volusia County also features access to the SunRail commuter rail system that connects Volusia County and the Greater Orlando area. While SunRail is contemplating expanding service in Volusia, currently the County's only stop is in DeBary.

Regulation

In some cases, cities look at their regulations as an incentive for development which could be the key to attract positive economic development; this means not only economic development for the sake of same, but economic development with a positive impact on quality of life. Private developers and investors cannot generate adequate returns on investment to justify the investment risk if the land development code for entry includes prohibitive barriers requiring additional time and money. To attract corporate headquarters or significant logistic locations, the City of Deltona must find a balance in which the vision and desires of the community are met, and private developers are motivated. This may involve other governmental agencies to spur the activity desired, and to create an equilibrium that benefits the community, the private investment, and consequently the whole City.

The land development code plays a supremely important role, because these regulations produce and create the physical environment in which people live, work, and play. Currently, the City of Deltona in its majority is designated as R1 in the zoning code. That means areas for single family dwellings with a density of 6 dwelling units per acre, which is low density. However, the second largest zoning designation that stands out at a city level is the Activity Center overlay district around I-4 and Howland Boulevard. The intention for the Activity Center designation is to promote the creation of an integrated and well-planned mixture of urban land uses. It allows higher densities and intensities, which connects to other regional centers. Within this designation there is an opportunity for mixed-use, employment center, industrial hubs, hotels, and multifamily developments. This is one of the strongest tools that Deltona possesses at this time to attract commercial development.

National and Regional Trends

Manufacturing in the United States has rebounded strongly since the Great Recession, gaining 1.1 million jobs. According to the Institute for Supply Management, 17 of the 18 major industries have been in growth mode in recent months. Manufacturers expect to add nearly 2% more jobs nationally during calendar year 2018 and the Institute's Purchasing Manager's Index has shown 20 months of continuous growth through April 2018. The pace of capital equipment spending, a key driver of manufacturing profitability, has been accelerating. After growing by a sluggish 3.5% during 2015 and then contracting by 3.4% during 2016, equipment investment growth accelerated to 4.8% during 2017. Capital spending growth for the third and fourth quarters of 2017 averaged a strong 11.1%.

This positive growth can be attributed to a number of factors, most notably economic expansion at the federal level, favorable tax reform, and other factors. After plateauing in October and November of 2017, the dollar has resumed the depreciation that began in the early months of 2017. This is a significant boon for the price competitiveness of U.S. manufacturers in global markets that have become increasingly important for their profitability.

The passage of the Tax Cuts and Jobs Act of 2017 lowers the corporate tax rate and allows businesses to more quickly write off the cost of equipment investments. Over the short-term, both are likely to support and strengthen what have already been positive U.S. manufacturing growth trends.

Florida, and Deltona specifically are well positioned for manufacturing related growth due to the lack of income taxes, reasonable housing prices and pro-development policies. Manufacturing employment in the state had risen for 86 straight months through February 2018. According to Bureau of Labor Statistics (BLS) Data, the Orlando-Kissimmee-Sanford Metropolitan Statistical Area (MSA) is tops in manufacturing job growth among the 71 largest metros (those with more than 450,000 nonfarm jobs), racking up 23.6% growth since 2012 and 7.9% last year (2017). The Deltona-Daytona Beach-Ormond Beach MSA has also seen substantial activity and job growth. The highest job growth industries in the Deltona-Daytona Beach-Ormond Beach MSA in 2017 were: mining, logging, and construction (+1,500 jobs); education and health services (+1,500 jobs); trade, transportation, and utilities (+1,400 jobs); leisure and hospitality (+1,100 jobs); manufacturing (+300 jobs); and professional and business services (+300 jobs). Deltona is

strategically located just between Orlando and Daytona Beach, making the City a prime candidate to capitalize on the positive growth.

Additional demand for business park and warehouse developments are being driven by retailers and logistics companies looking to add more space in more places. Retailers must get as close to their customers as possible, as shoppers order online more often and demand shorter delivery times. While companies continuously search for better methods to get packages to front doors, they also need a location to distribute packages to delivery drivers. The trend seen throughout the country is that companies such as Amazon will build regional warehouses and fewer major warehousing hubs. This trend, which is becoming a global phenomenon, brings the products closer to the consumer, making them easier to deliver in a timely manner. The smaller regional warehouses also take up a smaller footprint, making them easier to get approved and constructed. Currently, Deltona has land available that meets both the needs of the smaller distribution center, as well as the larger ones that both warehouse and distribute goods.

A development model that is becoming increasingly popular is the concept of “Innovation Districts.” Innovation Districts are popping up across the U.S. and abroad in cities with large areas of undeveloped land like Deltona. The concept features a dense, mixed-use development that combines innovation and employment potential of research-oriented anchor institutions, high-growth firms, and tech and creative start-ups in well-designed, amenity-rich residential and commercial environments. A report prepared for and published by the National Association for Industrial and Office Parks (NAIOP) Research Foundation in July 2016 analyzes the factors contributing to the success of these projects, as well as the challenges they must frequently overcome. The report offers the following best practices:

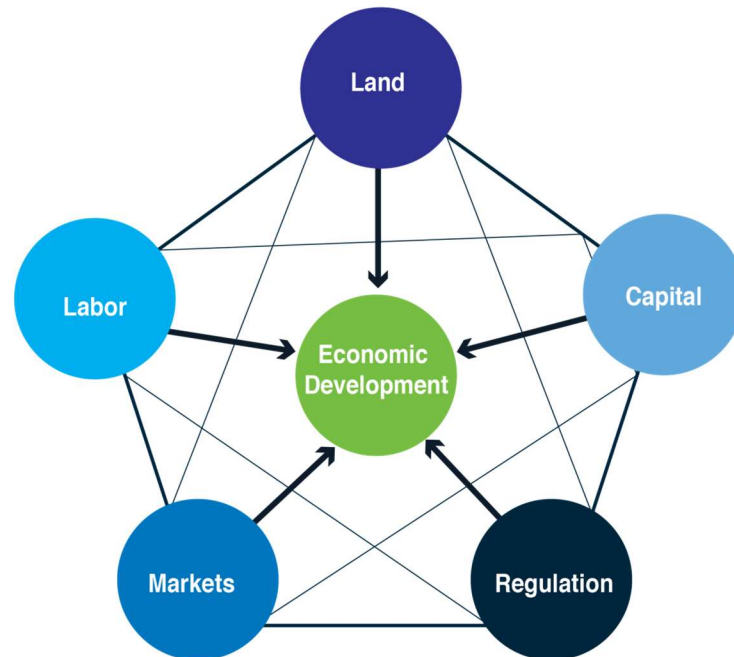
- *Ensure that development decisions are driven by a vision that promotes connectivity.*
- *Recognize the importance of scale and the role it plays in creating an innovative environment.*
- *Use amenities, design features and programming to serve “insiders” and bring in “outsiders.”*
- *Don’t underestimate the importance of effective leadership and governance structures.*

RMA’s assessment confirms that the timing is excellent to pursue the development of a commerce park in Deltona.

(Sources: MAPI Foundation: Global Outlook, Bureau of Labor Statistics, Forbes, National Association for Industrial and Office Parks, Team Volusia EDC)

Approach and Analysis

The market analysis will provide a realistic assessment of the area's economic development potential and an overview of the constraints and opportunities influencing the five drivers of economic development:



RMA's review of demographic and lifestyle data, along with real estate information, housing conditions, the labor market, business types, spending potential and other economic data points will enable the team to develop a plan that the market can support, including demand analysis for commercial development that will inform the recommendations the team will make regarding zoning and comprehensive plan changes.

Our sources and methodology for evaluating the five drivers of economic development are in keeping with the profession's most respected and dependable resources for current economic development activity and industry specific research products.

Resources include the following:

- Florida Labor Market Info- 2018 Quarterly Census of Economic Wages
- 2018 Community Facts
- US Census- American Fact Finder
- ESRI Inc- 2018
- Costar Group, Inc.
- Bureau of Labor Statistics
- MAPI Foundation
- Team Volusia Economic Development Corporation
- Volusia County Property Appraiser

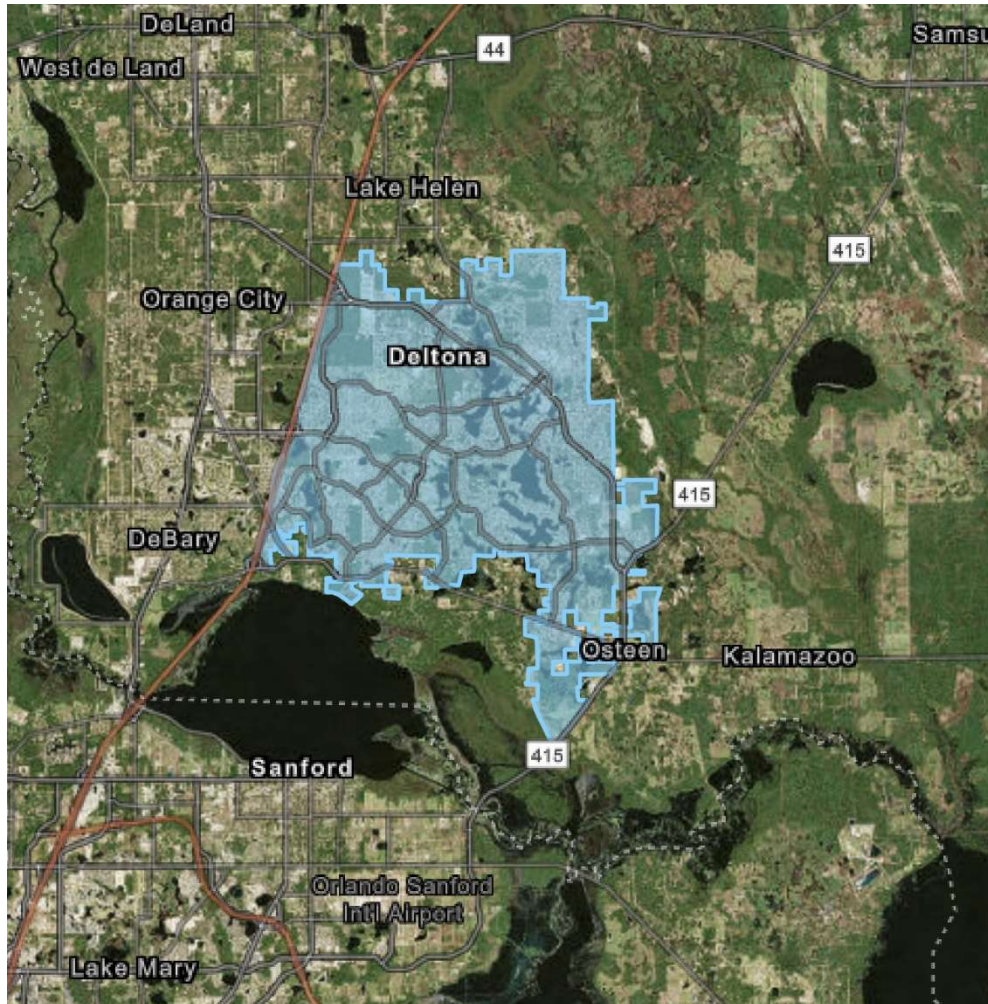
Documents Reviewed Include:

- Boyette Deltona Site Assessment
- City of Deltona Office of Economic Development Reports
- City of Deltona Comprehensive Plan

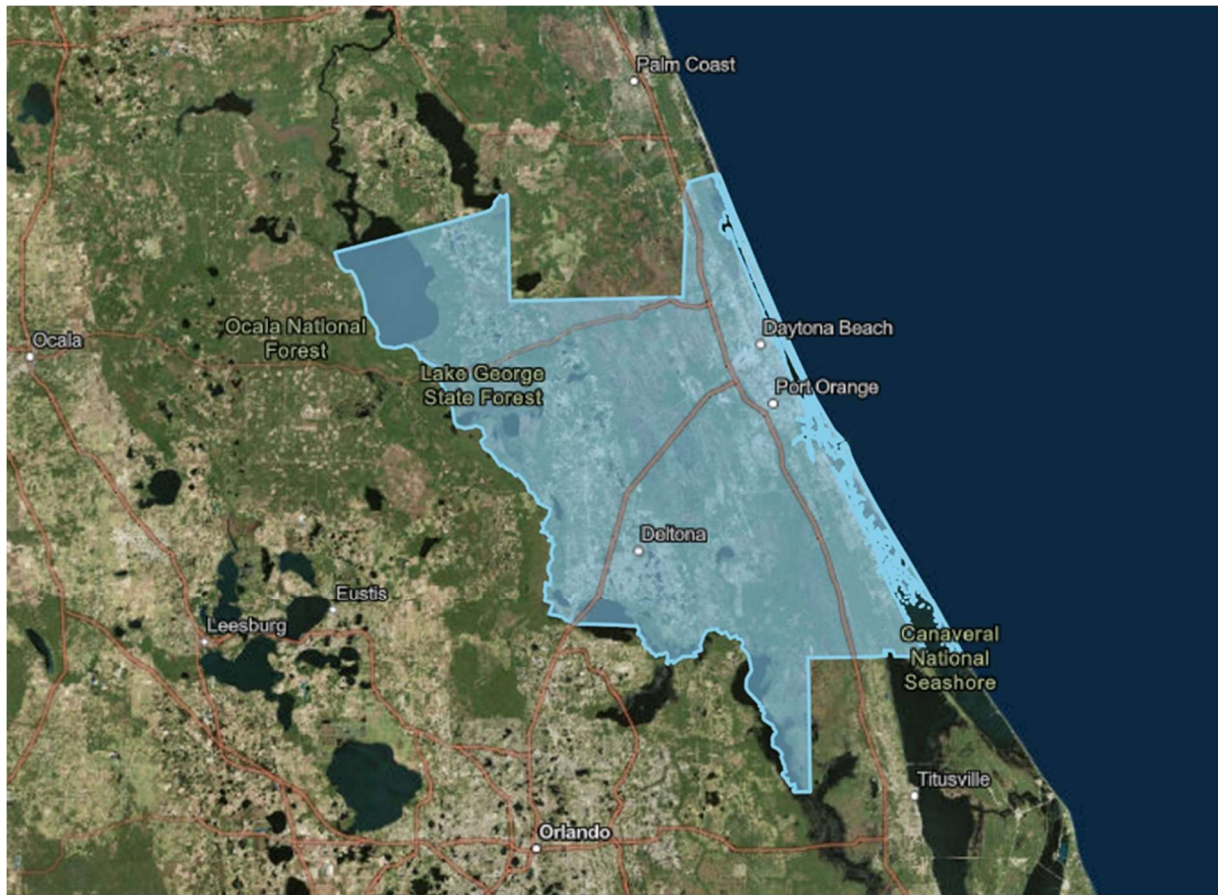
Maps

This report features several statistical comparisons for the purpose of analyzing market conditions in Deltona and surrounding trade areas. The maps below represent the five trade areas analyzed in this report; City of Deltona, Volusia County, Seminole County and 5 and 10-mile radii from Deltona.

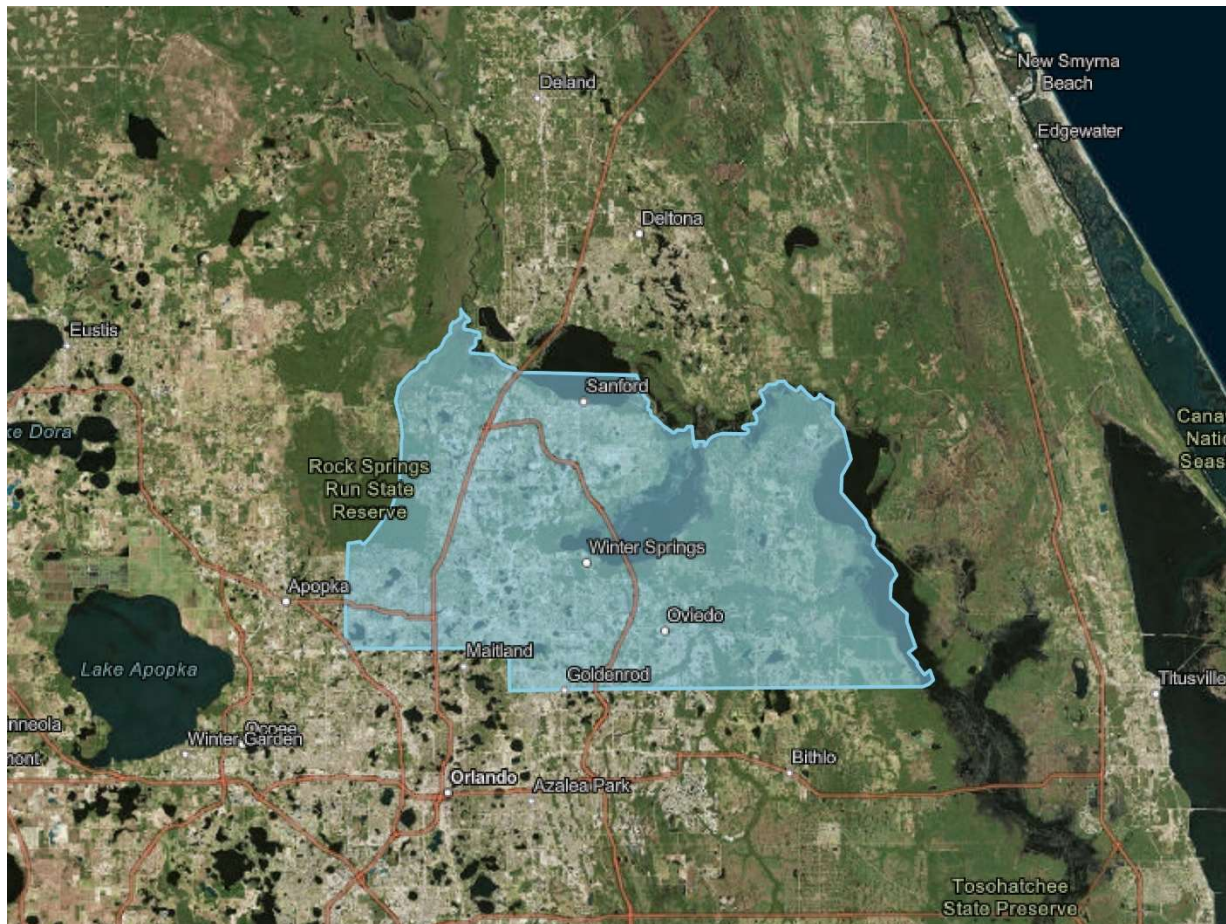
Deltona



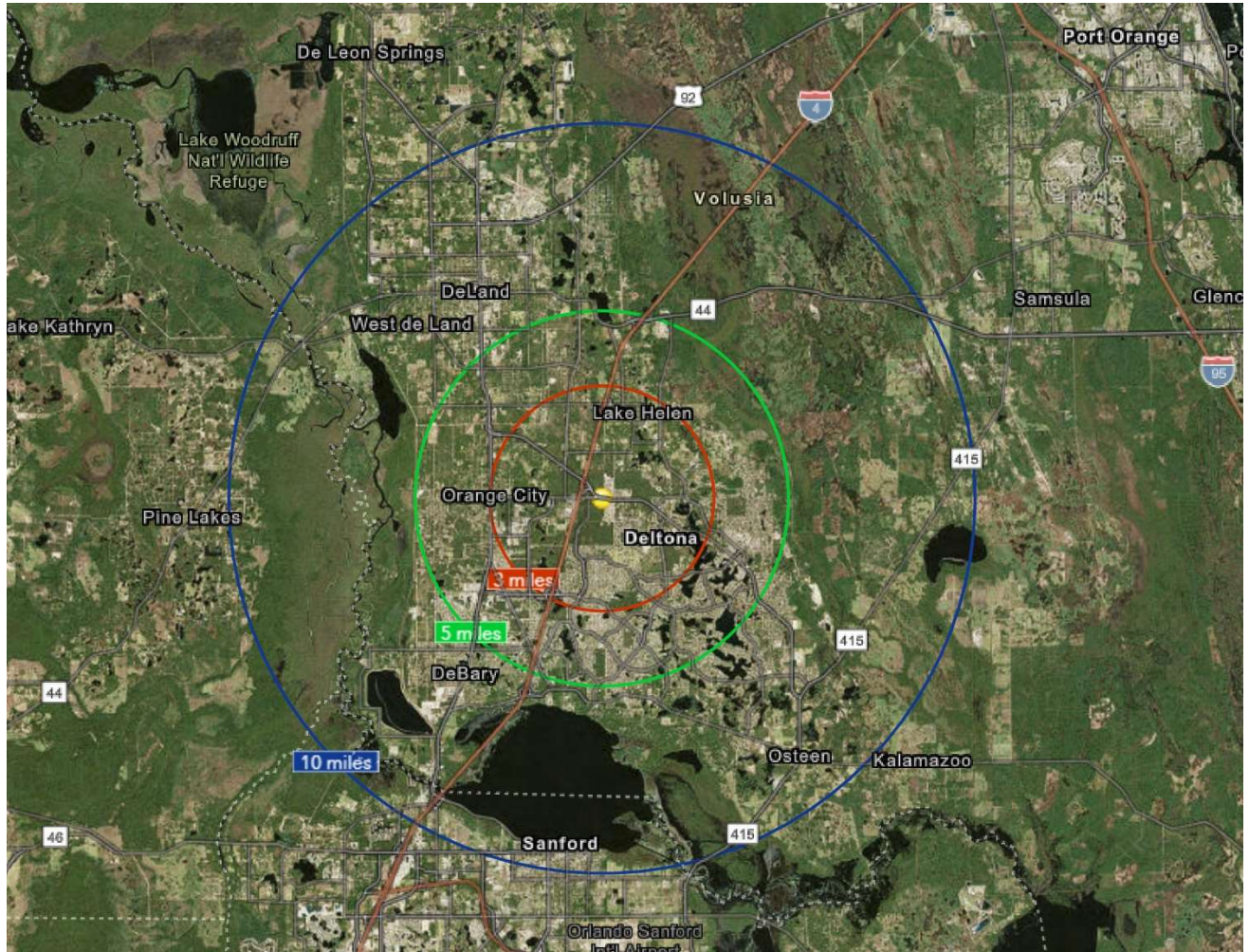
Volusia County



Seminole County



5 and 10-Mile Radii



2018 POPULATION	Deltona	Volusia County	Seminole County	5 Mile Radius	10 Mile Radius
Population	90,812	535,884	465,036	116,330	215,036

SWOT Observations

Strengths

- Approximately 20 miles from Orlando Sanford International Airport, 22 miles from Daytona Beach International Airport and 46 miles from Orlando International Airport.
- 77 miles from Port Canaveral.
- 75 miles from Kennedy Space Center.
- Location and proximity to Interstate 4 and Interstate 95.
- Strong job growth in Volusia County, particularly within the construction industry
- Orlando MSA features fastest growing manufacturing segment.
- Prime vacant parcels for new development and/or assemblage, including some of the last developable commercial/industrial real estate along Interstate 4.
- Increased commercial real estate rents.
- Decrease in vacancy for each major commercial real estate sector.
- Most populous city in Volusia County (90,812).
- Incentive availability- funding and assistance.
- Workforce availability.
- Strong median household income.

Weaknesses

- Lack of commercial product delivered citywide in the past 12 months.
- Primarily a bedroom community with little commercial development.
- Above average millage rate.
- Deltona housing values are lower than surrounding trade areas.
- Limited executive and middle management housing options.
- Limited public transportation.
- More than 33,000 people leave the City for work daily.

Opportunities

- Position Deltona as an industrial hub.
- Provide additional multifamily and retail product in the market.
- Capitalize on medical sector including education and training opportunities.
- Capture workforce that is currently leaving the city for employment.
- Capitalize on large parcels of vacant available land suitable for development.
- Target executive and middle management housing development.

Threats

- Limited amount of new office, multifamily, or industrial product delivered over the past 12 months and/or currently under construction.
- Large property owners' goals may not be the same as the City's vision.

Site Assessment and Considerations for Business Park Development

Interstate 4 Commerce Park, N Normandy Blvd, Deltona, FL

Property Description

The area currently known as I-4 Commerce Park is a 257-acre contiguous site with three private landowners located adjacent to and with immediate access to I-4 at Exit 114. Current zoning is Planned Unit Development (PUD) for approximately 25 acres with the remaining property zoned Industrial.



ASSETS

- The I-4 Commerce Park is one of the largest undeveloped sites along I-4 in the state.
- The site has direct interstate frontage and access via the Howland Boulevard Interchange.
- The site is located 23 miles from the Daytona Beach Airport, 22 miles from Sanford International Airport, and 46 miles from Orlando International Airport.
- The site is 77 miles from Port Canaveral.
- The site is 70 miles from Kennedy Space Center.
- There are no known contaminant or wetland issues on the properties.
- Electric substation on site with appx 10MVA available, new 33.6MVA bank planned for 2021.
- Several significant projects in planning for the area (see Local Developments section)

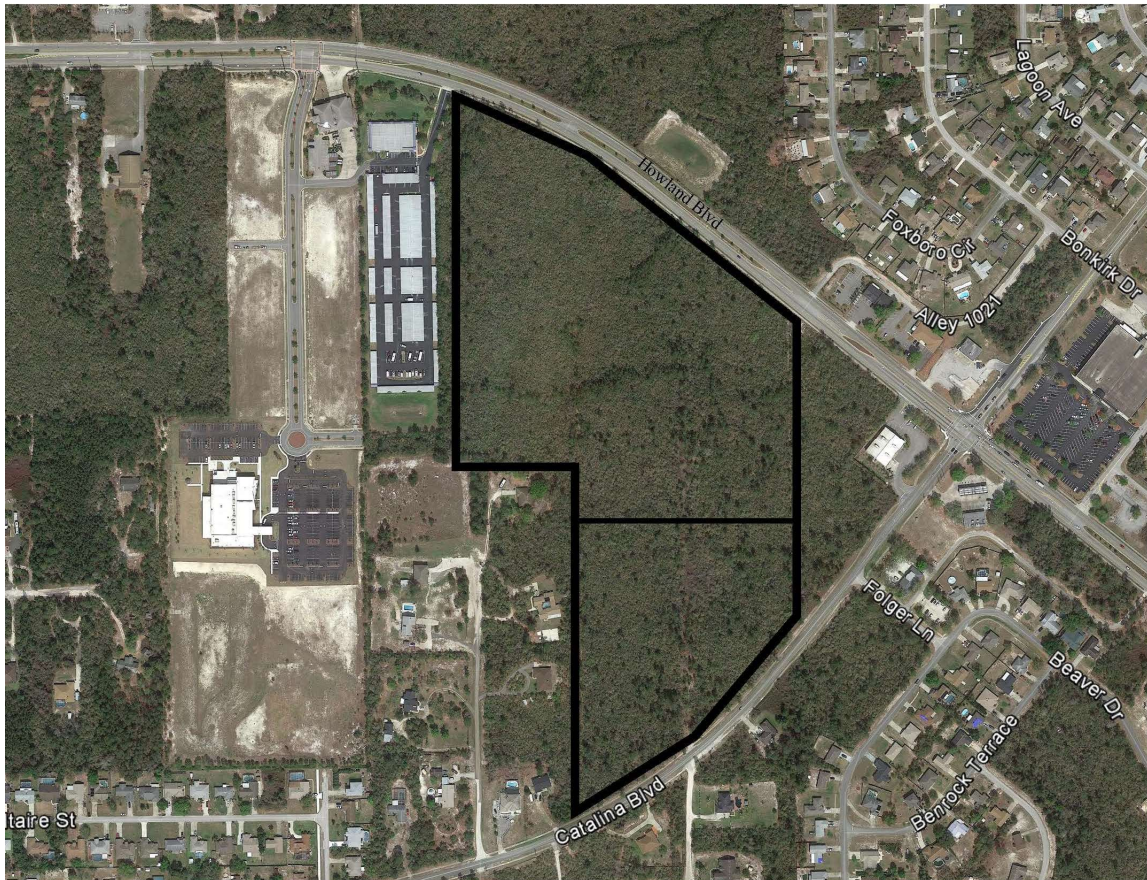
CHALLENGES

- There are three separate landowners, with different goals for development of the property.
- All utility infrastructure is available with 12" water line on Normandy and 8" and 12" gravity wastewater lines along Normandy, but extension of gas would be needed from Howland.
- Telecom/Fiber available along Normandy Blvd.
- Land is somewhat rolling.
- Current infrastructure is not capable of supporting the potential growth.
- No public transportation available in immediate area.

Howland Blvd & Catalina

Property Description

This site is located along Howland Blvd between Catalina Blvd and Martin Luther King Blvd, about 1.5 miles from Interstate 4. The site borders both Howland Blvd on its northern portion and Catalina Blvd on its southern portion, and it is in its natural state. The site includes two parcels, totaling approximately 35.9 acres.



ASSETS

- Single ownership of both parcels interested in selling or developing.
- 1.5 Miles from interstate.
- Significant traffic counts along Howland Blvd. offer opportunities for visibility.
- Several significant projects in planning for the area (see Local Developments section)

CHALLENGES

- Proximity to residential communities.
- No public transportation available in immediate area.

Local Developments

Significant projects have been recently completed, are underway, or being planned near the sites evaluated in this report. A description of the projects is provided below:

Halifax Crossing

Halifax Health opened its freestanding emergency department in June 2016. The medical center is located at the North East Corner of I4 and Howland Blvd just north of the I4 Commerce Park. The public hospital system is now building a 95-bed hospital next door as part of a planned medical village called Halifax Crossing.

Source: Halifax Health

Florida Hospital

Florida Hospital announced plans Sept 2018 to build a freestanding 14,000-square foot, 12-bed hospital-based emergency department in Deltona to care for both adults and children. The site is located along Howland Blvd. approximately one-half mile east of I4.

Source: Florida Hospital

Deltona Village

Sleiman Enterprises out of Jacksonville Florida has plans to develop Deltona Village, a 160 -acre mixed-use project east of Interstate 4/State Road 472 (Howland Boulevard) interchange. The development will include two hotels, up to 300,000 square feet of retail space including restaurants, shops and a grocery store, 150,000 square feet of medical office space, 100,000 square feet of “flex space” for light manufacturing and/or warehouses, and 660 apartments. Deltona Village will also include a car dealership and a 200,000-square-foot climate-controlled self-storage center. Epic Theaters is currently open and operating on the site.

Duke Energy Business Park

Duke Energy selected the City of DeBary in Volusia County to build a solar plant on 350 acres. The new plant will be adjacent to the current Duke Energy Plant and is expected to cost \$70 million and create more than 100 construction jobs. Construction of the solar plant is expected to start in the first quarter of 2019 and commence December of 2019. The DeBary solar plant would account for approximately 10 percent of the 700 megawatts of solar power Duke Energy Florida is looking to build or obtain by 2022.

Source: Daytona Beach News Journal

Investment Driver: Land

Utilizing Costar Group, a real estate information and marketing provider, the Deltona, Volusia County, and Seminole County real estate markets were examined. An analysis of the real estate sectors including office, retail, industrial, and multifamily was completed. Below is an overview of the existing conditions and data trends that highlight each sectors potential for expansion and future development.

Office Market Characteristics

The office market in Deltona has improved over the past 5 years and new product is feasible. Rent per square foot (psf) has increased to \$12.53, which is higher than the 5-year average and vacancy rates have dropped to 6.2%. There has been no new office product delivered to the market or under construction in the past 5 years. Since Halifax Health opened a freestanding emergency department in June 2016, there could be an opportunity to attract additional corporations to the area.

	Volusia County		Seminole County		Deltona	
Availability	Survey	5-Year	Survey	5-Year	Survey	5-Year
Rent Per SF	\$13.30	\$11.79	\$19.36	\$18.21	\$12.53	\$11.59
Vacancy Rate	4.0%	6.8%	7.3%	11.5%	6.2%	8.4%
Vacant SF	462,695	780,265	1,400,423	2,166,534	14,657	19,751
Availability Rate	6.0%	10.2%	10.9%	14.6%	9.9%	11.0%
Available SF	687,817	1,174,193	2,092,898	2,762,572	23,513	25,661
Months on Market	8.2	16.9	8.6	16.9	10.6	15.1
12 Mo. Absorption	134,050	85,158	378,556	339,930	-2,901	4,162
12 Mo. Leasing SF	391,536	236,347	1,284,995	1,233,041	2,990	7,184
Existing Buildings	1,742	1,741	1,639	1,612	56	56
Existing SF	11,493,006	11,488,911	19,115,444	18,799,783	236,469	234,431
Under Construction	33,800	25,144	146,088	158,700	0	0
12 Mo. Deliveries	16,000	25,873	80,834	148,813	0	0
Sale Price Per SF	\$90	\$77	\$129	\$147	-	\$55
Sales Volume (Mil.)	\$37	\$33	\$104	\$176	\$0.0	\$0.8
Cap Rate	8.2%	8.2%	7.5%	7.8%	-	7.0%

Source: Costar Group, Inc.

Retail Market Characteristics

The retail market in Deltona has demonstrated growth over the past five years. Rents have increased to \$14.93 from \$12.52 and vacancy rates have decreased tremendously from 7.3% to 3.6%. While there is no new retail product currently under construction, there has been 3,000 sf delivered in the past 12 months, and a major project, Deltona Village, has been announced and is moving forward with development. Activity in the market is positive and shows that the private sector is seeing an opportunity to add additional product and meet demand.

	Volusia County		Seminole County		Deltona	
Availability	Survey	5-Year	Survey	5-Year	Survey	5-Year
NNN Rent Per SF	\$14.64	\$11.80	\$15.28	\$14.52	\$14.93	\$12.52
Vacancy Rate	4.8%	6.0%	5.2%	6.7%	3.6%	7.3%
Vacant SF	1,677,348	2,051,332	1,581,633	2,041,277	62,750	128,746
Availability Rate	7.4%	8.5%	7.6%	9.9%	8.2%	8.8%
Available SF	2,610,116	2,894,257	2,307,418	2,988,510	143,755	155,846
Months on Market	9.9	19.7	10.0	20.1	20.9	18.6
12 Mo. Absorption	294,723	354,941	478,995	239,032	31,759	35,279
12 Mo. Leasing SF	1,030,439	747,292	1,206,346	906,028	49,240	44,214
Existing Buildings	3,485	3,460	2,101	2,072	121	118
Existing SF	34,650,427	33,999,989	30,404,378	30,272,761	1,762,094	1,757,992
Under Construction	523,199	212,712	307,659	57,127	0	16,940
12 Mo. Deliveries	137,253	290,098	200,717	109,387	3,000	17,207
Sale Price Per SF	\$117	\$127	\$161	\$166	\$271	\$86
Sales Volume (Mil.)	\$148	\$169	\$175	\$160	\$6.5	\$8.1
Cap Rate	7.3%	7.4%	6.6%	6.9%	8.1%	6.5%

Source: Costar Group, Inc.

Industrial Market Characteristics

The industrial product market in Deltona is very limited. According to Costars' Deltona industrial report the market is comprised of 3,800 sf of rentable logistics space and 4,608 sf of rentable flex space. This sector has the smallest amount of product out of all the major real estate sectors. While the market is small, product is 100% leased indicating that additional industrial space is needed. Deltona has a large amount of vacant land that could attract industrial uses as the City is positioned near major thoroughfares and surrounded by counties that are economically increasing year over year.

	Volusia County		Seminole County	
Availability	Survey	5-Year Average	Survey	5-Year Average
Rent Per SF	\$6.12	\$5.07	\$6.61	\$5.51
Vacancy Rate	1.6%	4.2%	4.0%	7.6%
Vacant SF	310,965	800,120	880,511	1,656,970
Availability Rate	3.8%	7.0%	6.2%	9.4%
Available SF	739,515	1,334,568	1,386,488	2,057,021
Months on Market	5.6	17.1	5.4	15.8
12 Mo. Absorption SF	398,164	480,965	626,168	390,397
12 Mo. Leasing SF	519,938	483,865	948,360	974,098
Existing Buildings	1,354	1,348	1,180	1,168
Existing SF	19,504,190	18,850,459	22,20,542	21,780,878
Under Construction	0	175,197	15,000	86,301
12 Mo. Deliveries	428,396	249,187	349,600	131,496
Sale Price Per SF	\$68	\$45	\$57	\$57
Sales Volume (Mil.)	\$50	\$32	\$81	\$51
Cap Rate	8.3%	11.1%	7.4%	8.1%

Source: Costar Group, Inc.

Deltona Industrial Market Characteristics

Total Industrial Square Feet Citywide	8,408
Logistics Square Feet Citywide	3,800
Logistics Rent Per SF	\$15.33
Flex Space Square Feet Citywide	4,608
Flex Space Rent Per SF	\$11.80
Vacancy Rate	0.0%
Vacant SF	0
Under Construction	0
12 Mo. Deliveries	0
Industrial Sales History	1 sale in 2013
Sales Volume (Mil.)	\$0.4
Avg Price/SF	\$81.18

Source: Costar Group, Inc.

	Orange City		Debarry		Deland	
Availability	Survey	5-Year	Survey	5-Year	Survey	5-Year
Rent Per SF	\$14.91	\$7.89	\$6.22	\$5.83	\$4.99	\$3.81
Vacancy Rate	0.0%	2.8%	2.7%	12.5%	0.7%	1.3%
Vacant SF	0	14,366	20,578	95,442	25,817	48,856
Availability Rate	0.0%	4.0%	2.6%	16.1%	2.8%	5.5%
Available SF	0	20,383	19,858	123,208	103,310	206,169
Months on Market	-	14.0	72.4	28.7	2.9	14.0
12 Mo. Absorption	4,200	5,893	2,408	32,987	-16,517	30,340
12 Mo. Leasing SF	11,200	9,453	73,368	72,645	67,060	53,274
Existing Buildings	62	62	62	60	236	235
Existing SF	509,112	509,112	772,356	763,739	3,747,706	3,745,197
Under Construction	0	0	0	4,273	0	1,101
12 Mo. Deliveries	0	0	4,000	8,765	0	2,446
Sale Price Per SF	\$66	\$56	\$81	\$51	\$46	\$24
Sales Volume (Mil.)	\$2.1	\$1.3	\$3.1	\$2.6	\$0.4	\$0.6
Cap Rate	-	9.0%	-	-	-	-

*Orange City is showing a higher than normal average industrial rent. Approximately 80% of the Orange City market is classified as Class B industrial. Class B properties often demand higher rents as the properties are updated with higher quality finishes.

Multifamily Market Characteristics

The multifamily market in Deltona is very small with 251 existing units. With the Orlando-Kissimmee-Sanford MSA seeing the largest job growth out of all MSAs since 2012 there may be an opportunity to capture some of the new growth through housing product. Over the past 5 years there has been no new multifamily delivered or under construction. For a city interested in growing the economy, it is most important that the private sector continues to see opportunity in higher density multifamily development citywide.

	Volusia County		Seminole County		Deltona	
Leasing Units	Survey	5-Year	Survey	5-Year	Survey	5-Year
Vacant Units	1,328	1,391	2,234	1,821	9	126
Vacancy Rate	4.4%	4.7%	5.8%	5.2%	3.6%	4.7%
1 Bed Asking Rent	\$900	\$794	\$1,086	\$937	\$2,357	\$2,195
2 Bed Asking Rent	\$1,065	\$937	\$1,272	\$1,106	\$2,055	\$1,707
3 + Bed Asking Rent	\$1,089	\$997	\$1,361	\$1,202	\$969	\$908
Existing Units	30,434	29,421	38,227	34,921	251	251
Under Construction	483	449	1,061	1,488	0	0
12 Mo. Deliveries	364	359	2,026	900	0	0
Sales Price Per Unit	\$70,918	\$63,702	\$154,201	\$118,509	-	\$178,386
Sales Volume (Mil.)	\$187	\$159	\$692	\$510	-	\$5.1
Cap Rate	7.4%	8.6%	5.5%	6.0%	-	5.9%

Source: Costar Group, Inc.

Note: There is little multifamily citywide and Sterling Court Independent Senior Living facility is skewing the average rents for one bedroom and two bedrooms. Outside of Sterling Court rents range from \$700-\$1,200.

Investment Driver: Labor

Workforce

Workforce defines the people currently working or who are available to work in an area. The chart below analyzes the workforce in Deltona and classifies them by industry. The largest workforce industries in Deltona are Services, Retail, Construction and Finance/Insurance/Real Estate.

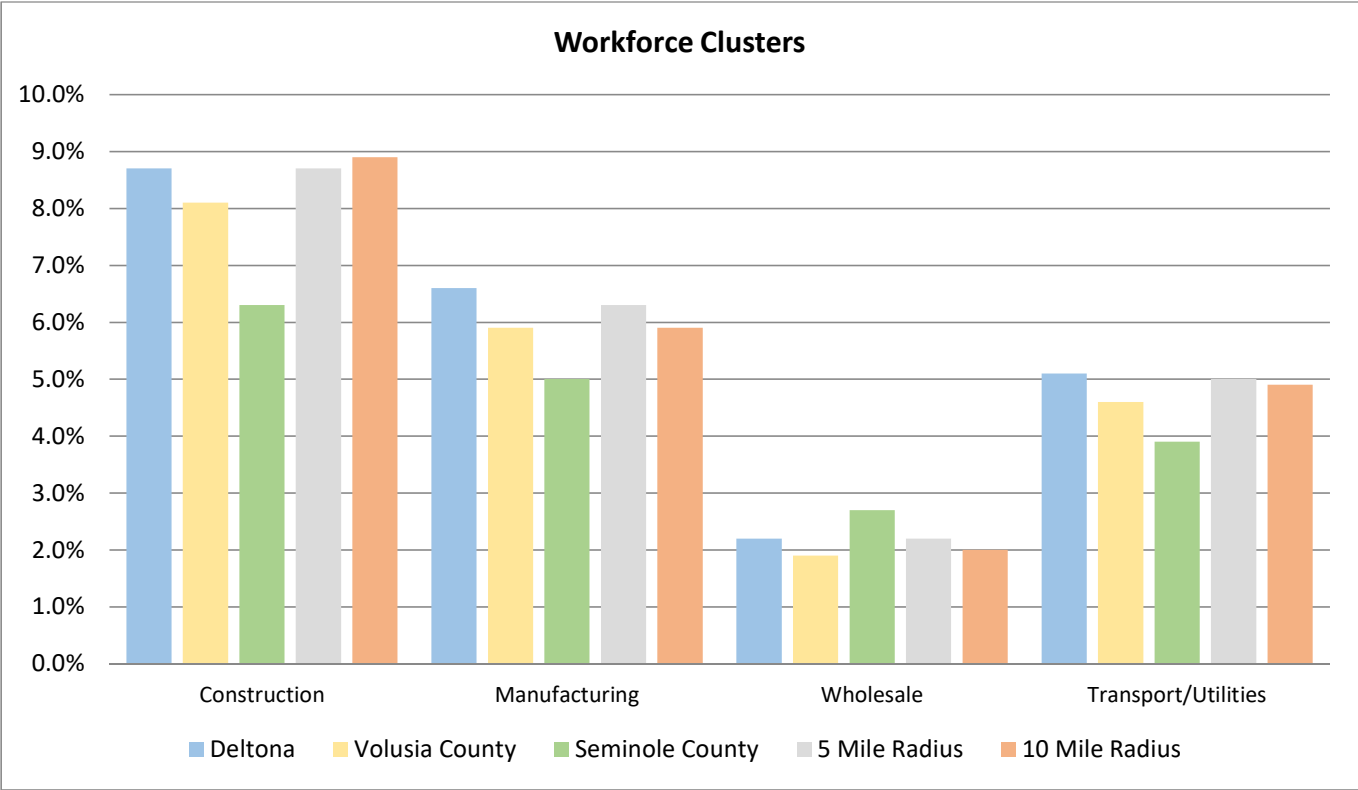
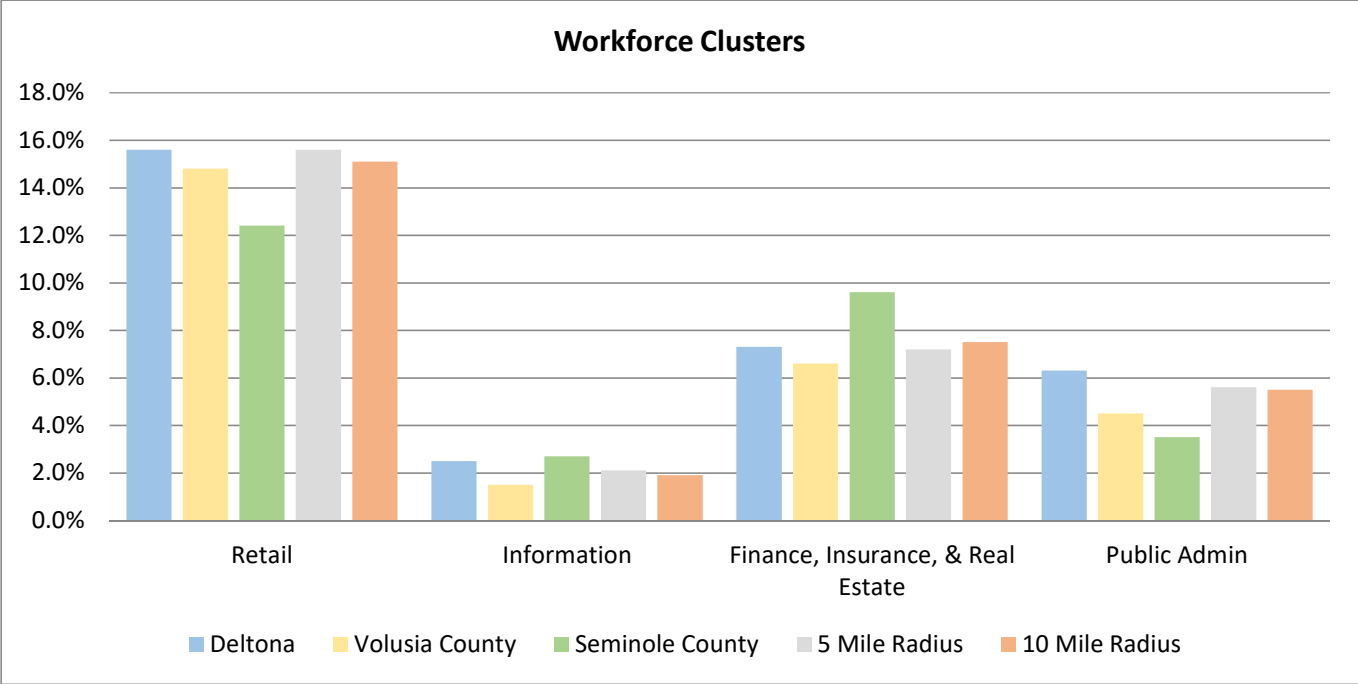
LOCAL WORKFORCE	Deltona	Volusia County	Volusia County	5 Mile Radius	10 Mile Radius
Construction	3,512	18,346	18,346	4,402	8,261
Manufacturing	2,665	13,363	13,363	3,188	5,476
Wholesale	888	4,303	4,303	1,113	1,856
Retail	6,298	33,520	33,520	7,893	14,016
Transport/Utilities	2,059	10,418	10,418	2,530	4,548
Information	1,009	3,397	3,397	1,063	1,764
Finance, Insurance, & Real Estate	2,947	14,948	14,948	3,643	6,962
Services	18,289	115,736	115,736	23,731	44,276
Public Admin	2,543	10,192	10,192	2,834	5,105
Total	40,372	226,489	226,489	50,599	92,914

(Source: 2018 ESRI Inc.)

Workforce Clusters

A workforce cluster is a geographic concentration of employees in a particular industry. Compared to the other trade areas, Deltona displays strong workforce clusters in Manufacturing, Retail Trade, Transportation/Utilities and Public Admin.

LOCAL WORKFORCE %	Deltona	Volusia County	Seminole County	5 Mile Radius	10 Mile Radius
Agriculture	0.4%	1.0%	0.4%	0.4%	0.7%
Construction	8.7%	8.1%	6.3%	8.7%	8.9%
Manufacturing	6.6%	5.9%	5.0%	6.3%	5.9%
Wholesale	2.2%	1.9%	2.7%	2.2%	2.0%
Retail	15.6%	14.8%	12.4%	15.6%	15.1%
Transport/Utilities	5.1%	4.6%	3.9%	5.0%	4.9%
Information	2.5%	1.5%	2.7%	2.1%	1.9%
Finance, Insurance, & Real Estate	7.3%	6.6%	9.6%	7.2%	7.5%
Services	45.3%	51.1%	53.5%	46.9%	47.7%
Public Admin	6.3%	4.5%	3.5%	5.6%	5.5%



Job Market

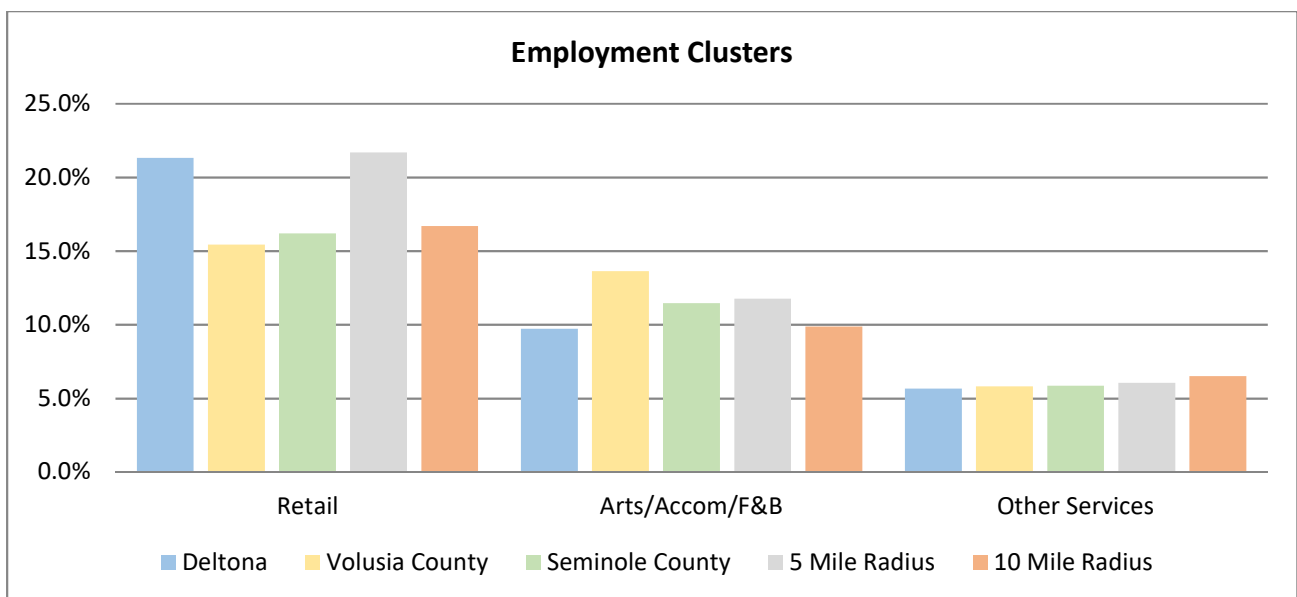
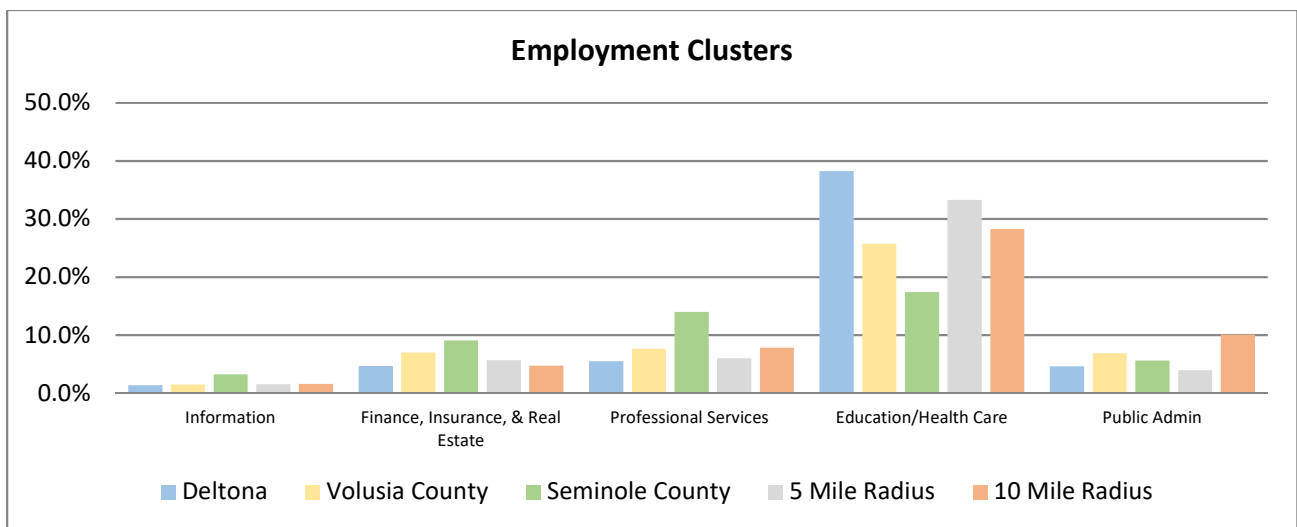
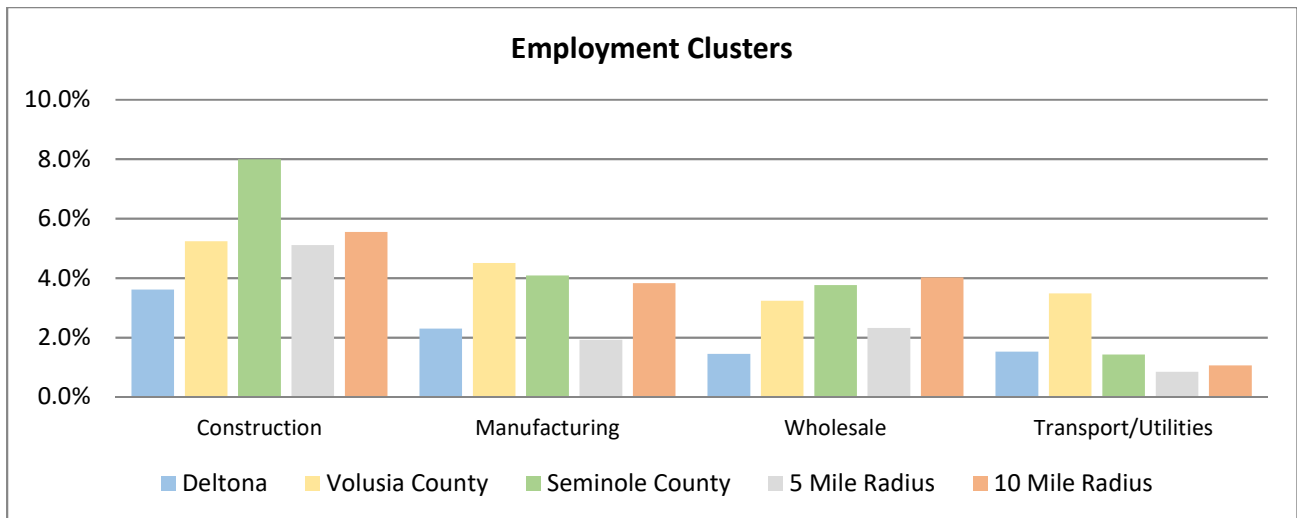
While the workforce measures the residents that are either working or available for work, employment and job market defines the jobs that are offered within the trade area. This can include employees that work in Deltona but may not live in Deltona. The largest employment industries in Deltona are Education/Health Care, Retail and Arts/Accommodation/Food & Beverage.

LOCAL JOBS	Deltona	Volusia County	Seminole County	5 Mile Radius	10 Mile Radius
Construction	335	10,617	14,096	1,198	3,378
Manufacturing	213	9,144	7,214	449	2,331
Wholesale	134	6,565	6,631	543	2,450
Retail	1,977	31,300	28,588	5,084	10,172
Transport/Utilities	141	7,050	2,517	199	649
Information	127	2,932	5,700	352	973
Finance, Insurance, & Real Estate	434	14,184	15,991	1,319	2,864
Professional Services	508	15,451	24,607	1,401	4,765
Education/Health Care	3,542	52,116	30,654	7,788	17,215
Arts/Accommodation/Food&Bev	902	27,656	20,226	2,759	6,016
Other Services	525	11,780	10,354	1,418	3,963
Public Admin	429	13,954	9,845	920	6,128
Total	9,267	202,749	176,423	23,430	60,904

Employment Clusters

Employment clusters indicate if an area has strong industry sector compared to the region by comparing the percentage of all local employment that is in a sector versus that of the region. If an area has a higher percentage of employment than the larger region, then a strong cluster is present. Deltona features strong employment clusters in Retail and Education and Health Care.

EMPLOYMENT %	Deltona	Volusia County	Seminole County	5 Mile Radius	10 Mile Radius
Construction	3.6%	5.2%	8.0%	5.1%	5.5%
Manufacturing	2.3%	4.5%	4.1%	1.9%	3.8%
Wholesale	1.4%	3.2%	3.8%	2.3%	4.0%
Retail	21.3%	15.4%	16.2%	21.7%	16.7%
Transport/Utilities	1.5%	3.5%	1.4%	0.8%	1.1%
Information	1.4%	1.4%	3.2%	1.5%	1.6%
Finance, Insurance, & Real Estate	4.7%	7.0%	9.1%	5.6%	4.7%
Professional Services	5.5%	7.6%	13.9%	6.0%	7.8%
Education/Health Care	38.2%	25.7%	17.4%	33.2%	28.3%
Arts/Accommodation/F&B	9.7%	13.6%	11.5%	11.8%	9.9%
Other Services	5.7%	5.8%	5.9%	6.1%	6.5%
Public Admin	4.6%	6.9%	5.6%	3.9%	10.1%



Volusia County- 2018 Employment and Wages

The following chart is a summary of employment and wages for the various industries in Volusia County for the year 2018. Industries are ranked from highest to lowest average quarterly wage. Currently, there are approximately 10,434 workers within the manufacturing industry, earning an average quarterly wage of \$14,278. Durable Goods Manufacturing workers total 8,372 and earn a \$15,284 average quarterly wage.

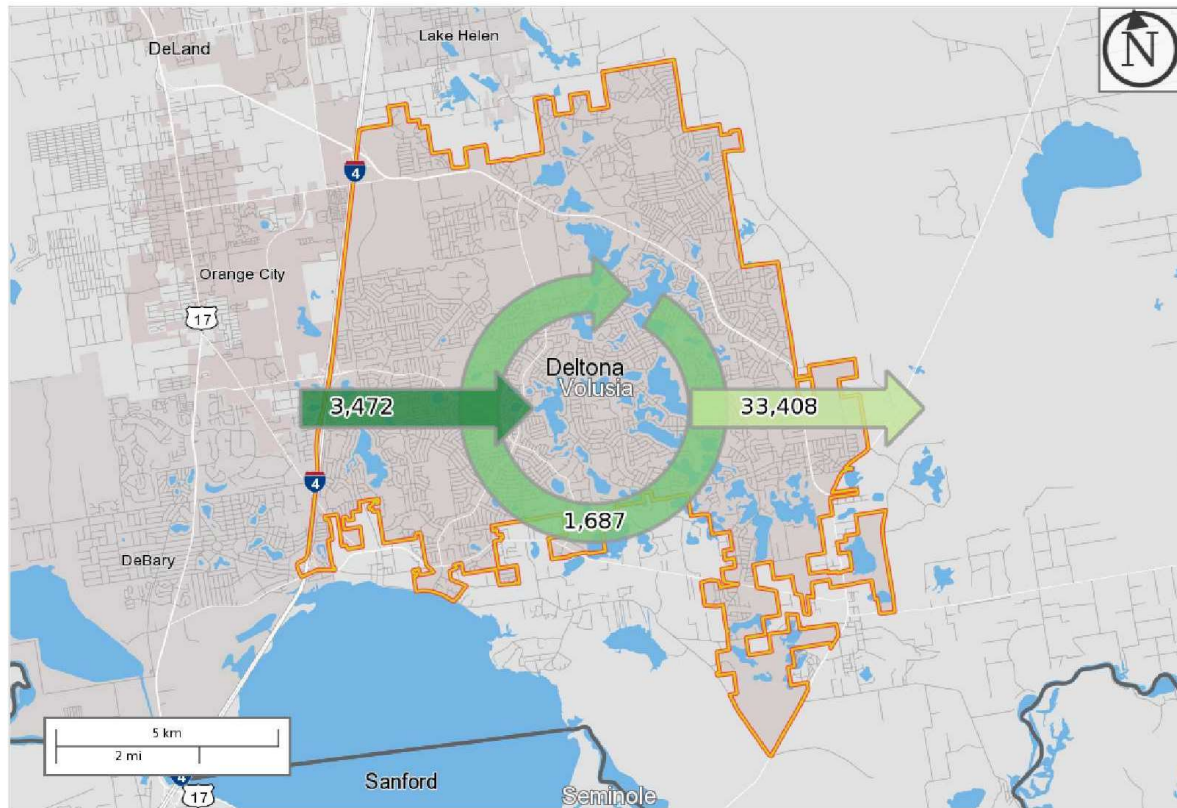
Industry Title	Total Wages	Average Monthly Employment	Average Quarterly Wage
Management of Companies and Enterprises	\$38,833,694	1,001	\$38,782
Utilities	\$10,128,657	458	\$22,115
Finance and Insurance	\$70,840,496	4,091	\$17,315
Durable Goods Manufacturing	\$127,959,093	8,372	\$15,284
Manufacturing	\$148,985,352	10,434	\$14,278
Wholesale Trade	\$62,514,907	4,404	\$14,194
Public Administration	\$107,298,976	7,585	\$14,146
Financial Activities	\$103,247,869	7,343	\$14,061
Information	\$19,299,895	1,518	\$12,717
Goods-Producing	\$283,037,210	23,675	\$11,955
Professional and Technical Services	\$82,772,796	7,000	\$11,825
Professional and Business Services	\$215,297,027	18,481	\$11,650
Health Care and Social Assistance	\$335,429,845	29,671	\$11,305
Transportation and Warehousing	\$29,826,190	2,647	\$11,267
Education and Health Services	\$498,541,092	45,822	\$10,880
Construction	\$125,074,898	11,787	\$10,612
Nondurable Goods Manufacturing	\$21,026,259	2,062	\$10,197
Educational Services	\$163,111,247	16,151	\$10,099
Real Estate and Rental and Leasing	\$32,407,374	3,252	\$9,966
Total, All Industries	\$1,708,048,867	172,598	\$9,896
Service-Providing	\$1,425,011,657	148,923	\$9,569
Administrative and Waste Services	\$93,690,538	10,480	\$8,940
Trade, Transportation, and Utilities	\$287,658,251	33,740	\$8,526
Other Services	\$47,194,316	5,654	\$8,347
Arts, Entertainment, and Recreation	\$32,074,312	4,472	\$7,172
Retail Trade	\$185,188,497	26,230	\$7,060

(Source: Florida Department of Economic Opportunity)

Workforce Inflow/Outflow

The U.S. Census Bureau, Center of Economic Studies provides mapping and data for the flow of employment, as well as the job destination for Deltona residents. The following maps represent the inflow/outflow of Deltona's workforce as well as a distribution of where Deltona residents work, also referred to as an "Employment Shed." The data shows over 95% of Deltona's workforce leaving the city for employment. The most popular employment destinations for Deltona residents are Deland (9.8%), Orlando (8.7%) and Sanford (8.4%).

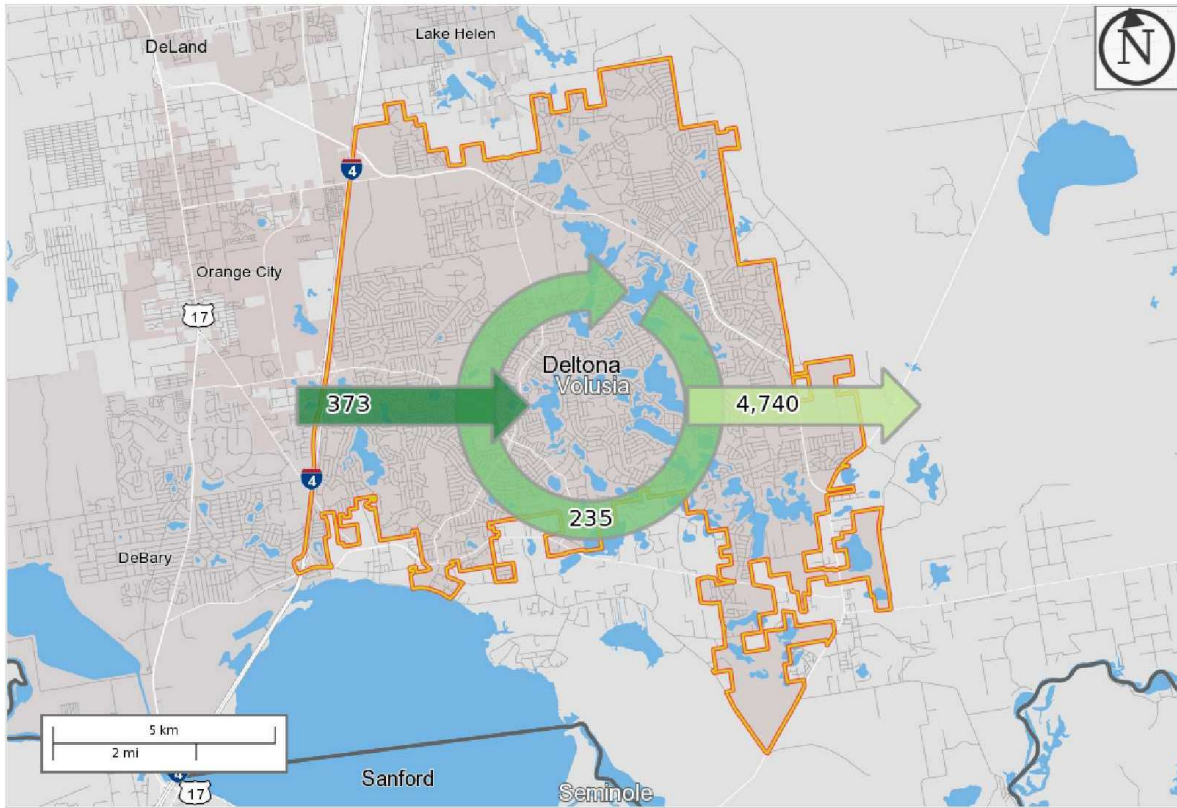
All Industries



Deltona Labor Force Efficiency (Primary Jobs)- 2015		
	Count	Share
Living in Deltona	35,095	100.0%
Living and Employed in Deltona	1,687	4.8%
Living in Deltona but Employed Outside	33,408	95.2%

Deltona Employment Efficiency (Primary Jobs)- 2015		
	Count	Share
Employed in Deltona	5,159	100.0%
Employed and Living in Deltona	1,687	32.7%
Employed in Deltona but Living Outside	3,472	67.3%

Goods Producing Industries



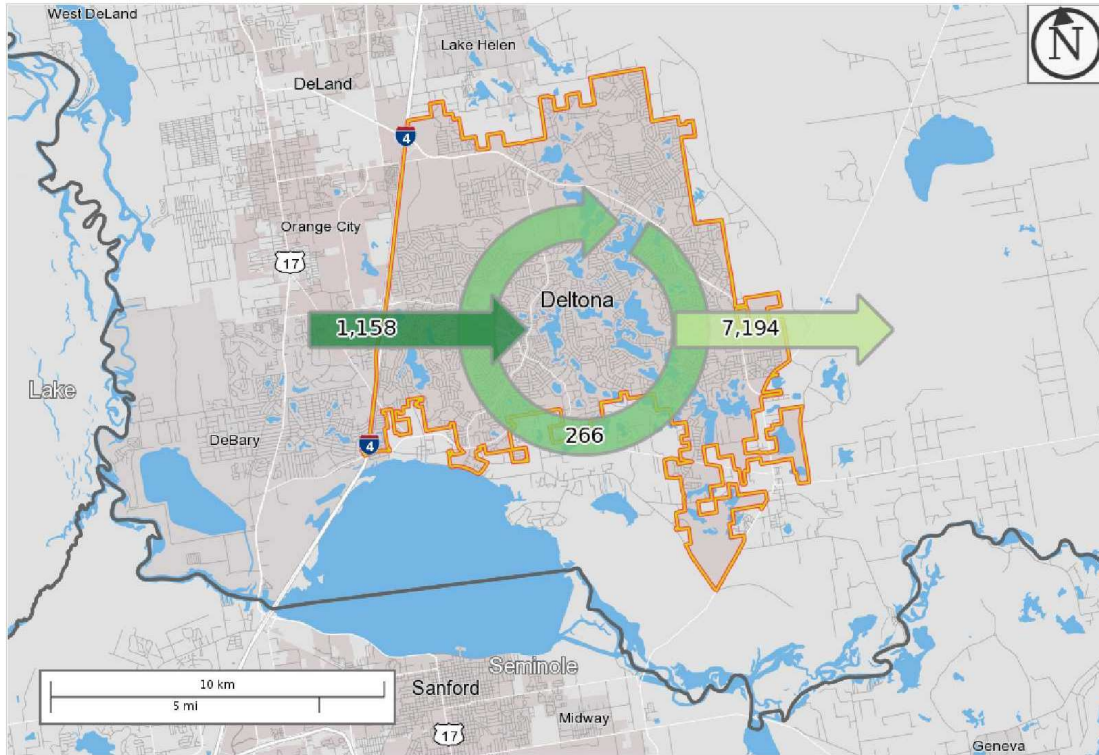
Deltona Labor Force Efficiency (Goods Producing Jobs)- 2015

	Count	Share
Living in Deltona	4,975	100.0%
Living and Employed in Deltona	235	4.7%
Living in Deltona but Employed Outside	4,740	95.3%

Deltona Employment Efficiency (Goods Producing Jobs)- 2015

	Count	Share
Employed in Deltona	608	100.0%
Employed and Living in Deltona	235	38.7%
Employed in Deltona but Living Outside	373	61.3%

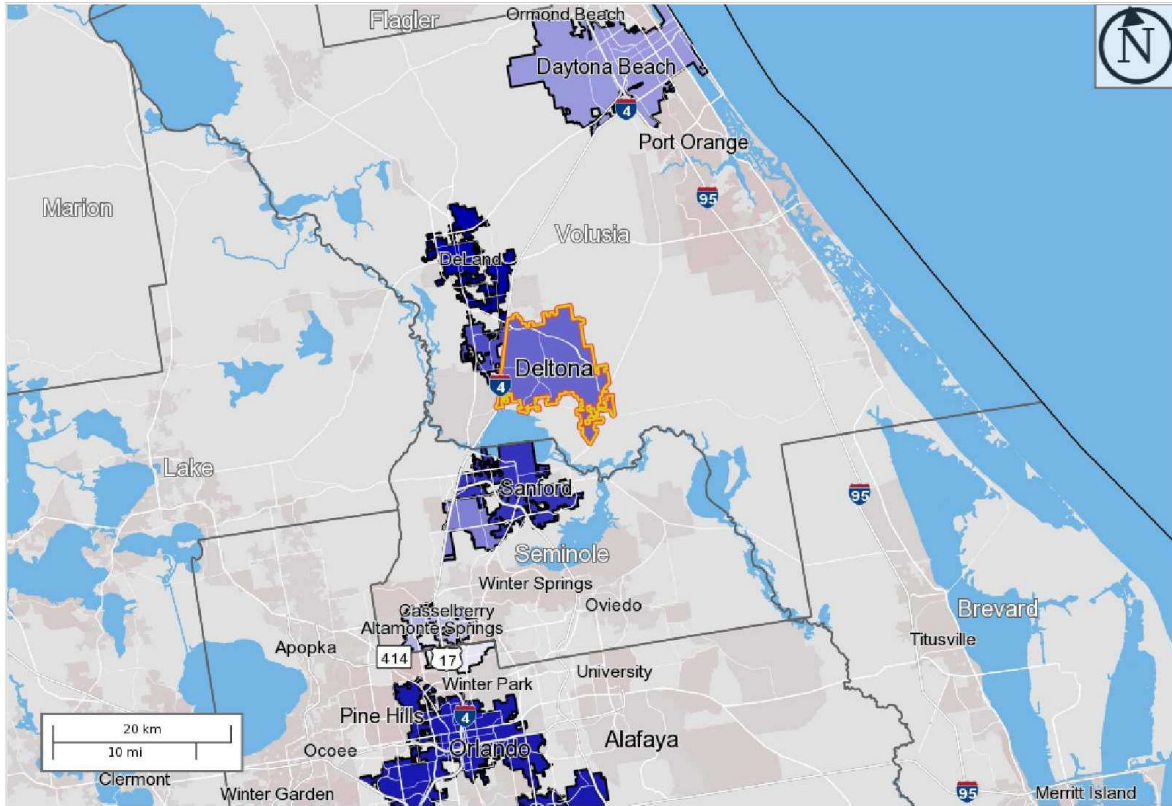
Trade, Transportation and Utilities Industries



Deltona Labor Force Efficiency (Trade, Transportation and Utilities Jobs)- 2015		
	Count	Share
Living in Deltona	7,460	100.0%
Living and Employed in Deltona	266	3.6%
Living in Deltona but Employed Outside	7,194	96.4%

In-Area Employment Efficiency (Trade, Transportation and Utilities Jobs)- 2015		
	Count	Share
Employed in the Selection Area	1,424	100.0%
Employed and Living in the Selection Area	1,158	81.3%
Employed in the Selection Area but Living Outside	266	18.7%

Workforce Destinations



2015 Jobs by Destination		
	Count	Share
DeLand city, FL	3,452	9.8%
Orlando city, FL	3,043	8.7%
Sanford city, FL	2,941	8.4%
Orange City city, FL	1,828	5.2%
Deltona city, FL	1,687	4.8%
Lake Mary city, FL	1,476	4.2%
Daytona Beach city, FL	1,472	4.2%
Altamonte Springs city, FL	864	2.5%
Jacksonville city, FL	808	2.3%
Maitland city, FL	587	1.7%
All Other Locations	16,937	48.3%

Investment Driver: Capital

Millage Rates

The millage rate is the amount per \$1,000 used to calculate taxes on property. The millage rate is multiplied by the total taxable value of the property to calculate the property taxes due. Deltona's current municipal millage rate is 7.85. Deltona's total millage rate, including the county and all other assessments, is equal to 24.0924.

(Source: Volusia County Property Appraiser)

Businesses & Partnerships

According to ESRI data, there are approximately 1,072 businesses employing 9,279 workers in Deltona.

Data for all businesses in area	Deltona	3 Miles	Volusia County
Total Businesses:	1,072	7,274	19,201
Total Employees:	9,279	779	203,591

(Source: 2018 ESRI Inc.)

Team Volusia

Team Volusia Economic Development Corporation (TVEDC), a public/private not-for-profit economic development group is a key partner for the City of Deltona. Team Volusia works alongside the municipalities to market and recruit business from outside the area to Volusia County. Team Volusia lists the following as key target industries:

- Advanced Manufacturing
- Aviation & Aerospace
- Logistics and Distribution
- Entrepreneurship and Innovation
- Headquarters
- Professional Services
- Motion Picture and Video Production
- Medical/Healthcare

The High-Tech Corridor

The Florida High Tech Corridor is a technology rich region known as much for its legacy in aerospace as it is for its growing prominence in other high-tech clusters of innovation such as Modeling and Simulation, Optics and Photonics, Digital Media and Medical Technologies. The corridor is an economic development initiative of three of the country's largest research institutions—the University of Central Florida, the University of South Florida and the University of Florida and stretches 23 Counties (including Volusia). The Council's mission is to grow high tech industry and innovation through partnerships that support research, marketing, workforce and entrepreneurship. The unique Council partnership has resulted in a strategic approach to high tech economic development that involves matching funds research, workforce development and a marketing program leveraging governmental, corporate and economic development organization budgets on a regional rather than local basis. The Council manages a research funding initiative called the Matching Grants Research Program, which has invested more than \$65 million to create a broader economic impact that has been projected to exceed \$1 billion.

Incentives

City of Deltona Performance Based Incentives

The city of Deltona offers a variety of incentives to encourage new investment and projects that support economic development goals. All grants and incentives are at the discretion of the Deltona City Commission and are approved on a case-by-case basis.

1. Ad Valorem Tax and Impact Fee Reimbursement Incentive- To encourage new construction of qualified businesses, the City of Deltona offers the following incentives.

Ad Valorem Property Tax Reimbursement - Reimburse the Ad Valorem taxes paid to the City on a graduated scale, over a five-year period.

-Year 1 through 3- 100% of the City's Ad Valorem property taxes paid to the City may be refunded.

-Year 4 through 5- 50% of the City's Ad Valorem property taxes paid to the City may be refunded.

The qualifications for this incentive are as follows:

A. The application for the Job Creation Incentive must be submitted prior to making a location decision.

B. Be a Primary Target Industry, an industry with an average annual wage of at least 115% of the then (time of application) prevailing Volusia County average wage

Fire and police impact fee reimbursements- Businesses that qualify for the "Ad Valorem Tax Reimbursement (listed above)" may apply for waivers for City of Deltona's Fire and Police Impact Fees. The reimbursement can be applied for at any time but will not be paid until after the project is completed.

Permit Fee Reimbursements- Businesses that qualify for the "Ad Valorem Tax Reimbursement (listed above)" may apply for waivers for City of Deltona permitting and inspection fees. The reimbursement can be applied for at any time but will not be paid until after the project is completed.

Expedited Program Processing- The City of Deltona Expedited Processing Program offers processing based on expedited Plan Amendments, Zoning, Plan Review, and Permitting. This processing must conform to the State Fire Code and the State Building Code. Development dictates that there must be a "predictable process".

Infrastructure Incentive Grants- The City of Deltona will consider, on an application-by application basis, offering grants on a 50/50 basis, in limited dollar amounts, to businesses negatively impacted by lack of transportation or utility infrastructure features at and to the property to be developed. Additionally, the State of Florida offers Infrastructure Incentives such as the Economic Development Transportation Fund (EDTF). The EDTF, commonly referred to as the "Road Fund", is an incentive tool designed to help alleviate transportation problems that adversely impact

specific location or expansion decisions, based on State allocation toward that fund. The award amount is based on the number of new and retained jobs and the eligible transportation project costs, up to a maximum of \$3 million. The award is made to the local government on behalf of a specific business and used for public transportation improvements.

Land Assembly Initiatives- The City of Deltona recognizes that some residential areas are currently being re-designated to commercial zoning for commercial development. The City of Deltona supports this effort in the “approved redevelopment areas”. In order to assist this lot assemblage, the City of Deltona may offer some or all of the incentives listed above. The City will consider an administrative waiver of fees for Annexations and land use/zoning amendments for assembled lots (1 acre or greater) seeking commercial, industrial and mixed-use entitlements.

Go Green-The City of Deltona is an ‘Environmentally Proud Community’ which promotes environmental sustainability. The City offers basic incentives for a “green development” commercial project to used and qualifies for LEED (Leadership in Energy and Environmental Design) projects on a case-by-case basis.

The City offers assistance through fast-track processing of permits, site plan fee reduction, marketing, and award recognition, in addition to other qualified incentives presented in the City of Deltona’s other incentives. In addition, the City of Deltona offers a “welcoming incentive package”. This incentive package may consist of (a.) a ground-breaking ceremony for new development, (b.) a ribbon cutting at the time of opening. (c.) notices posted in the City’s social media, insert in water billing, notices on Deltona TV, (d.) flyers or posters prominently displayed in City facilities, (e.) etc.

2. Job Creation Incentives- To encourage “living-wage and quality of life-based jobs” within the City of Deltona, the City of Deltona also offers the following Job Creation Incentives: Minimum Job Numbers- The project must result in a minimum of ten new full- time jobs within the City of Deltona, within one year of project completion. The burden of proof is on the company prior to any funds being transferred.

Timing of Incentive- This incentive will be paid annually over a four-year period, based on one- fourth paid annually. Incentives are based on the then prevailing Volusia County average wage. The prevailing wage changes every year and the recipient company will need to meet the then current wage. Applicant must provide agreed to proof of jobs and wages at time of annual payment request.

3. Additional incentives to encourage investment in current property- To better utilize the existing commercial properties within the City of Deltona, the following incentives are offered:

Rehabilitation Incentive- A business purchasing, renovating, or expanding an existing commercial property may apply all the above incentives listed under other incentives;

Demolition Assistance Program- This incentive is based on a limited 50/50 grant match for the demolition costs and a reimbursement of the demolition application fee if building being demolished is a “City of Deltona Targeted Blight Reduction Building”;

Beautification Grants- These potential grants would be based on a grant match. Grants for commercial beautification of buildings within certain targeted areas (example: Southwest Deltona CRA) may be ranked higher than grant applications for businesses outside certain targeted areas.

Only properties owned by the applicant at the time of application may be considered for incentives. Retail plaza (property) owners may make application, but applications from individual tenants will not be accepted.

Infrastructure & Utilities

1. Interstate 4 Commerce Park (5 Parcels)

Parcel ID: 810604000710

Acres: 22.89

Utilities: Serviced by Deltona North – Volusia County not the City of Deltona

Parcel ID: 810700000010

Acres: 40

Utilities: Serviced by Deltona North – Volusia County not the City of Deltona

Parcel ID: 810700000070

Acres: 7

Utilities: Serviced by City of Deltona- Water Only

Parcel ID: 810604000790

Acres: 132.46

Utilities: Serviced by Deltona North – Volusia County not the City of Deltona

Parcel ID: 810700000020

Acres: 40

Utilities: Serviced by Deltona North – Volusia County not the City of Deltona

2. Deltona Village, west of Normandy Blvd.

Parcel ID: 810706000070

Acres: 21.88

Utilities: Serviced by Deltona North – Volusia County not the City of Deltona

3. Howland Blvd and Catalina (2 Parcels)

Parcel ID: 810900000064

Acres: 24.75

Utilities: Serviced by Deltona North – Volusia County not the City of Deltona

Parcel ID: 810900000070

Acres: 11.23

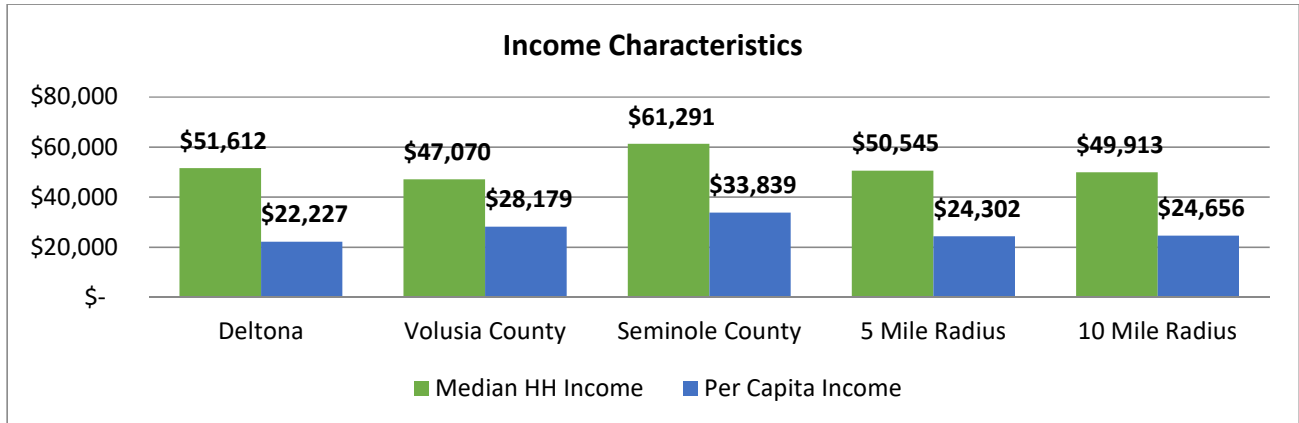
Utilities: Serviced by Deltona North – Volusia County not the City of Deltona

Note: Water and sewer available on Howland Blvd. with force main at intersection of Howland Blvd. and Catalina Blvd.

Investment Driver: Markets

Local Market Area

Home to over 90,000 residents, Deltona is Volusia County's most populous city. The median household income in Deltona (\$51,612) is slightly higher than that Volusia County (\$47,070). Median housing value in Deltona (\$168,459) is lower compared to the surrounding trade areas. The median age in Deltona is 39.4. Seminole County, an area of largely affluent communities, features significantly higher income levels and housing values when compared to Deltona and Volusia County.



(Source: 2018 ESRI Inc.)

	Population	Median Home Value	Median Household Income
Deltona	90,812	\$168,459	\$51,612
Volusia County	535,884	\$190,916	\$47,070
Seminole County	465,036	\$245,409	\$61,291
5 Mile Radius	116,330	\$178,746	\$50,545
10 Mile Radius	215,036	\$179,585	\$49,913

(Source: 2018 ESRI Inc.)

Population Age

Deltona Population by Age		
	2010	2018
0-4	6.2%	5.8%
5-9	6.9%	6.0%
10-14	7.3%	6.4%
15 - 24	13.3%	12.5%
25 - 34	12.4%	13.9%
35 - 44	13.9%	12.5%
45 - 54	15.3%	13.6%
55 - 64	11.5%	13.6%
65 - 74	7.1%	9.4%
75 - 84	4.3%	4.5%
85 +	1.6%	1.8%
Median Age	37.8	39.4

(Source: 2018 ESRI Inc.)

Education

Deltona features a workforce with nearly 30% of residents are high school graduates. Volusia County School District received its third consecutive “B” rating in 2018, and the district is making efforts to match curriculum with today’s technology and trends. Opened in 2015 as part of Pine Ridge High School in Deltona, the Pine Ridge Advanced Manufacturing Academy (PRAMA) is a school within a school program that integrates classroom instruction around the career areas in Manufacturing. Additionally, Daytona State College offers degrees and various certifications within the manufacturing and engineering disciplines. These programs provide Deltona with the opportunity to produce a trained and skilled workforce.

2017 Population 25+ by Educational Attainment	Deltona	Volusia	3 Mile
Total	63,031	400,931	26,760
Less than 9th Grade	3.4%	2.9%	2.8%
9th - 12th Grade, No Diploma	8.0%	7.6%	7.7%
High School Graduate	29.8%	27.9%	28.3%
GED/Alternative Credential	6.0%	5.1%	5.3%
Some College, No Degree	23.1%	22.7%	23.3%
Associate Degree	11.7%	10.3%	11.5%
Bachelor's Degree	13.4%	15.3%	14.2%
Graduate/Professional Degree	4.6%	8.2%	7.0%

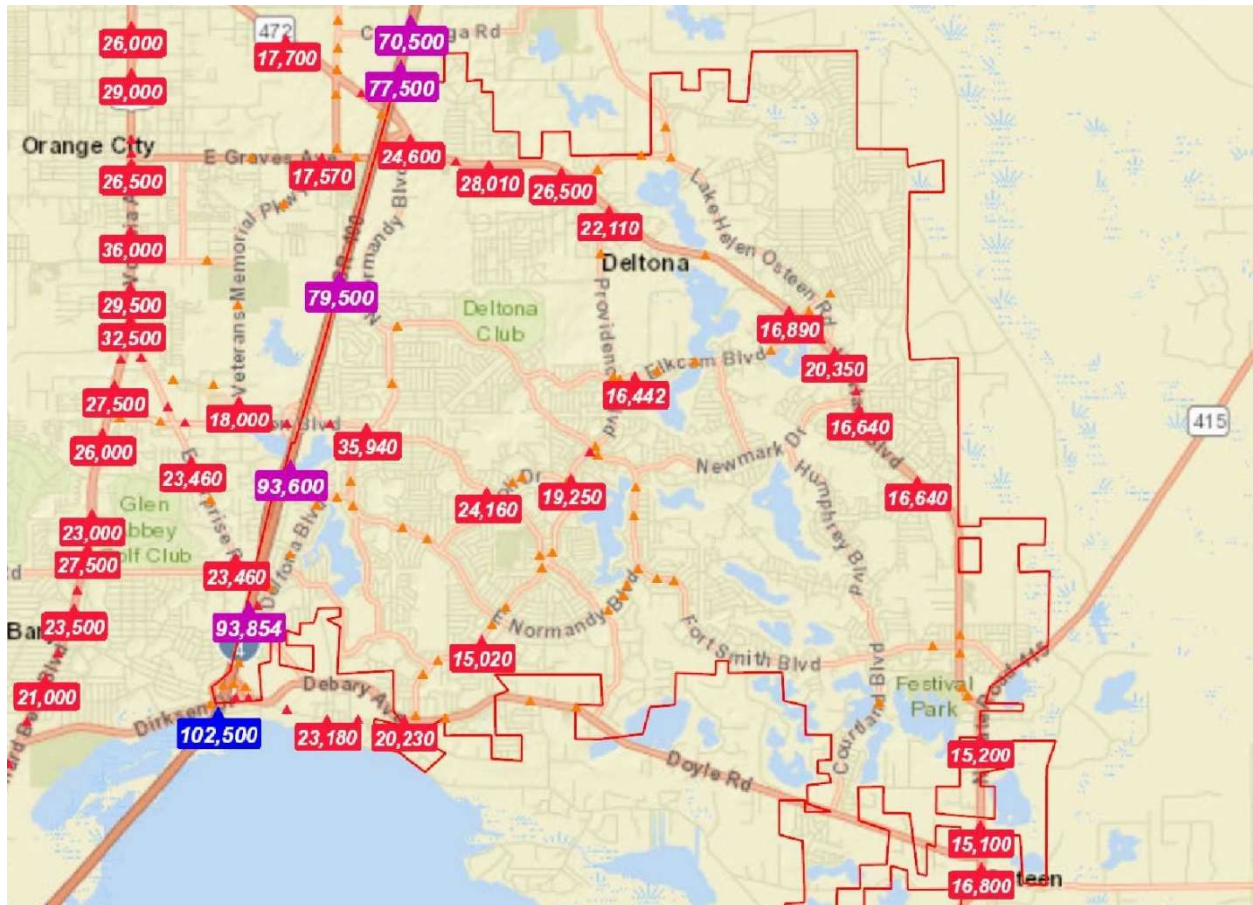
(Source: 2018 ESRI Inc., Florida Department of Education)

Transportation

Deltona features access through a network of Interstate highways, railroads and nearby airport facilities. Within a 45-minute drive, there are three international airports: Daytona Beach International, Orlando Sanford International and Orlando International, as well as nearby DeLand Regional Airport. The City is approximately 25 miles northeast of Orlando and approximately 25 miles southwest of Daytona Beach. Commercial rail customers are served in Volusia County by Florida Central Roadway, which provides access to all major rail lines and cities. SunRail, a commuter rail system, features 16 stations along a former CSX Transportation line connecting Volusia County and Osceola County through Downtown Orlando. While the development of a SunRail station is currently being planned in Deland, Debary is currently the only active station in Volusia.

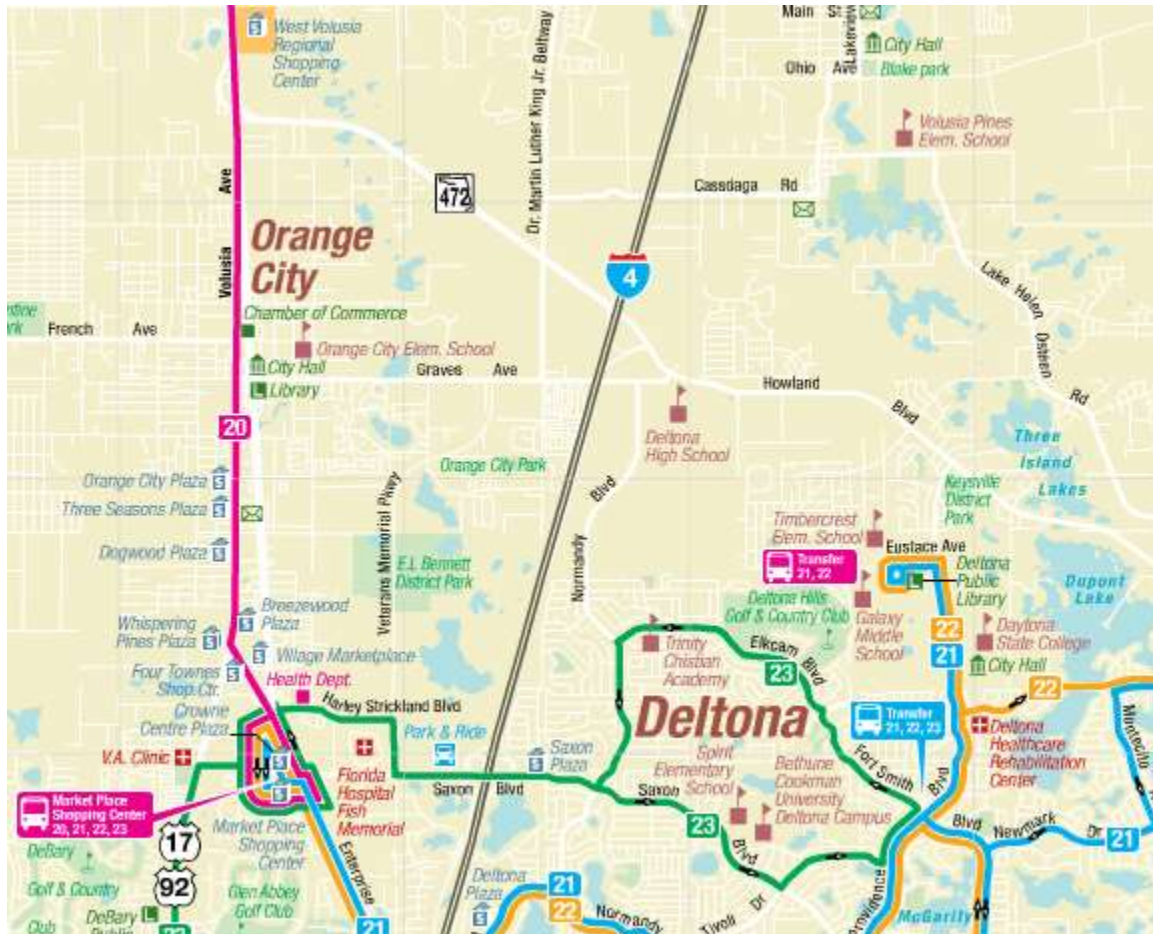
Deltona Traffic Count Map

The maps presented below represent the average daily traffic (ADT), or number of vehicles that cross a certain point of a street location. Significant traffic counts along Howland Blvd. coupled with major visibility from I4 create intriguing opportunities for businesses.



Public Transportation

Votran, Volusia County's public transit system, provides transportation to and from the County's urban areas as well as connection with the SunRail system. While Voltran services the city of Deltona, there are currently no stops along Howland Boulevard. A map of Votran's routes is provided below.



Regional Developments

Large companies including Lockheed Martin, Mitsubishi, Hitachi Power Systems, Americas and Siemens Energy have brought advanced manufacturing jobs to the Central Florida area, as well as a host of smaller firms. With access to I-95 and a manufacturing-friendly environment, Volusia County has always been a good location for manufacturers, 450 and growing, according to Volusia Manufacturers Association. Recently, many have expanded or announced plans to expand. Recently the following projects made a commitment to expand or relocate to Volusia County, according to Team Volusia EDC:

- Teletech- A NASDAQ company (TTEC), Employing 48,000 world-wide, engaged in customer support services via multiple platforms. The company took over the space formerly occupied by TopBuild, an NYSE company (BLD), that moved to its new headquarters building, also in Volusia County. Plans call for hundreds more jobs to be added this year, including about 100 management-level positions.
- Seamax This is the United States affiliate of the Brazilian company, AirMax Construções Aeronáuticas. Volusia County was selected for its US headquarters at the John Mica Engineering and Aerospace Innovation Complex at Embry-Riddle Aeronautical University Research Park (aka MicaPlex). The company is an award-winning designer and manufacturer of light sport aviation aircraft.
- BuC-ee's- This Texas-based company, which places its iconic travel stores in strategic locations, has committed to building a 50,000+ square foot store in Volusia County with 120 fueling positions, its first outside the State of Texas. The Volusia County Buc-ee's will be in close proximity to Interstate 95 at the LPGA interchange (Exit 273). Buc-ee's joins several other entities being developed in that vicinity.
- Schultz Engineered Products- Schultz Engineered Products is in the business of designing, fabricating, and manufacturing a comprehensive line of products for the aviation fuel handling industry. The company has more than 20,000 manufactured fueling products in service. Its original plant in Connecticut continues manufacturing. The company's new Volusia County plant will enhance manufacturing capacity.
- Pouchfill Packaging- Pouchfill Packaging is a contract packer supported by two U.S. subsidiaries of Japanese global companies, Toppan USA, Inc. and Mitsui Plastics, Inc. Pouchfill Packaging is a premier flexible beverage and food contract packer for stand-up pouches in the United
- Jet Machine & Design- The company offers leading-edge design, machining and manufacturing services to customers in aerospace, defense, medical and commercial markets across North America and in Europe. The company also has a fully equipped and staffed Finishing and Assembly Department.
- Standard Rivet Company- Standard Rivet Company is a leading provider of rivets, staples, setting machines and tools. Established in 1888, the company's product line has evolved from saddle and leatherwork fasteners to fashion and accessory lines. Its product applications include motorcycle apparel, leather, shoes, saddlery, clothing and toys.

Volusia County tied with nine other areas with the 18th-fastest rate of construction-employment growth at 13 percent between September 2017 and September 2018. According to data released recently by the Associated General Contractors of America, Volusia saw the number of construction jobs grow from 12,700 to 14,300 during the survey period. Dozens of builders and developers have large projects underway, including:

- Max Daytona, a luxury high-rise, is part of Volusia County's growing wave of residential development. Groundbreaking for the 12-story, 72-unit oceanfront condominium being developed by Bayshore Capital is expected later this year.
- Latitude Margaritaville Daytona Beach, a new concept that is redefining active adult living, is selling homes in its first phase of 378 home sites. Plans call for 3,000 homes, with the possibility for 6,900 at buildout. In November 2017, more than 300 hopeful residents camped overnight outside the sales center to place deposits on their future homes. Minto Communities USA, based in Florida since 1978, is the developer.
- In Ormond Beach and Flagler County, the Ford family of DeLand plans to create a 3,000-acre development called Ormond Crossings near Destination Daytona. Plans call for nearly 3,000 residential units adjacent to Interstate 95 and 4.2 million square feet of commercial space.
- Security First Insurance, which recently began clearing 13 acres to make room for a four-story, 133,000-sq.-ft. headquarters building in Ormond Crossings, is kick-starting interest.
- In New Smyrna Beach, Geosam Capital is looking to develop at least 3,000 - 4,000 homes over the next seven or eight years.
- Farmton community, south of Edgewater, is planned by Miami Corporation. The vast majority of the 47,000 acres is in conservation easements, and the planned 23,100 dwelling units will be in sustainable development areas. The community is accessible by three interstate interchanges.
- ICI Homes recently opened Mosaic in Daytona Beach, a 1,200-home "full life" community, selling 27 homes in the first 30 days. The company offers homebuyers a variety of choices in six communities in the area and plans to begin construction of model homes at Woodhaven, a 1,300-home community in Port Orange.
- In 2013, the owners of Daytona International Speedway decided to invest \$400 million to rebuild the Speedway and another \$120 - \$150 million on an entertainment district across the street.
- Embry-Riddle Aeronautical University's construction projects have totaled some \$315 million over the past five years.
- Brown & Brown, the sixth largest insurance brokerage in the world, is building a 10-story, \$30-million corporate headquarters in downtown Daytona Beach that will revitalize 10-plus acres of prime real estate, provide \$35 million in new construction and land value, and generate approximately \$8.7 million in construction related wages.
- Consolidated-Tomoka Land Co. (CTO), a substantial land owner in Volusia County, has been hyperactive in the last few years. After building the LPGA project in 1993, it moved on to diversify beyond homes and golf courses. It sold land to Trader Joe's for a distribution center in 2014. In 2015 CTO sold nearly 40 acres for the Tanger Outlet Centers for development of a 350,000-sq.-ft. outlet shopping center that opened in November 2016. And in 2017, CTO sold 1,586 acres to Minto Communities to develop Latitude Margaritaville.

- Recently, CTO developed the first new beachfront restaurants on Daytona Beach in more than 10 years: Cocina 214 Mexican Kitchen & Bar and LandShark Bar & Grill.
- Trader Joe's built their Central Florida distribution center in Daytona Beach in 2016 and employ more than 400. The \$56+ million-dollar project confirmed the attractiveness of the area for distribution centers.
- Boston Whaler continues to be a large part of southeast Volusia's manufacturing sector, employing more than 900 salaried and hourly employees. The boat manufacturer's current \$42-million expansion project includes a development partnership with the city of Edgewater and the purchase and development of 60 acres north of its current site.
- B. Braun Medical is planning a \$100-million, 54,000-sq.-ft. expansion to the former Gambro Plant it purchased, bringing in at least 175 new jobs — average annual salary near \$42,000 — to Daytona Beach, tripling the company's workforce. The company is also moving into a newly constructed 400,000-sq.-ft. distribution center.
- DaVita Labs, a diagnostic laboratory that works with dialysis organizations and physician practices to serve nearly 200,000 patients annually, is investing \$30 million to build a new medical lab in the DeLand Municipal Airport's Northwest Business Park.
- Other Volusia-based manufacturers include: Raydon, virtual training environments; Teledyne Marine, technology solutions for marine applications; Microflex and Microflex Automotive, disposable gloves and flexible metal hoses; Germfree Laboratories, modular containment labs; Daugherty Manufacturing, custom manufacturing; Hudson Technologies, deep drawn metals; BBK Performance, specialty auto parts; SeaMax Aviation, recreational aircraft; and Kingspan, commercial insulated metal roof and wall panel systems.

Volusia County is also home to Foreign Trade Zone (FTZ) No. 198. FTZ site designation gives companies the ability to utilize the benefits of the FTZ program, such as reduced duty on imports, and to be more competitive in the market. As a result of the approved reorganization, any appropriately zoned location within the geographic area of Volusia County is eligible to apply for FTZ status.

Investment Driver: Regulation

Business friendly does not only mean smiling, courteous or friendly. Cities must provide a professional response with an expedited solution.

The regulatory staff will need to continue to work to encourage growth and facilitate development of an integrated and well-planned employment center and fight any perception of non-responsiveness. Difficult, expensive, and lengthy processes to permit new and existing businesses are shown to be a significant obstacle in plans for expansion. Slow response by government costs businesses money and will influence expansion plans.

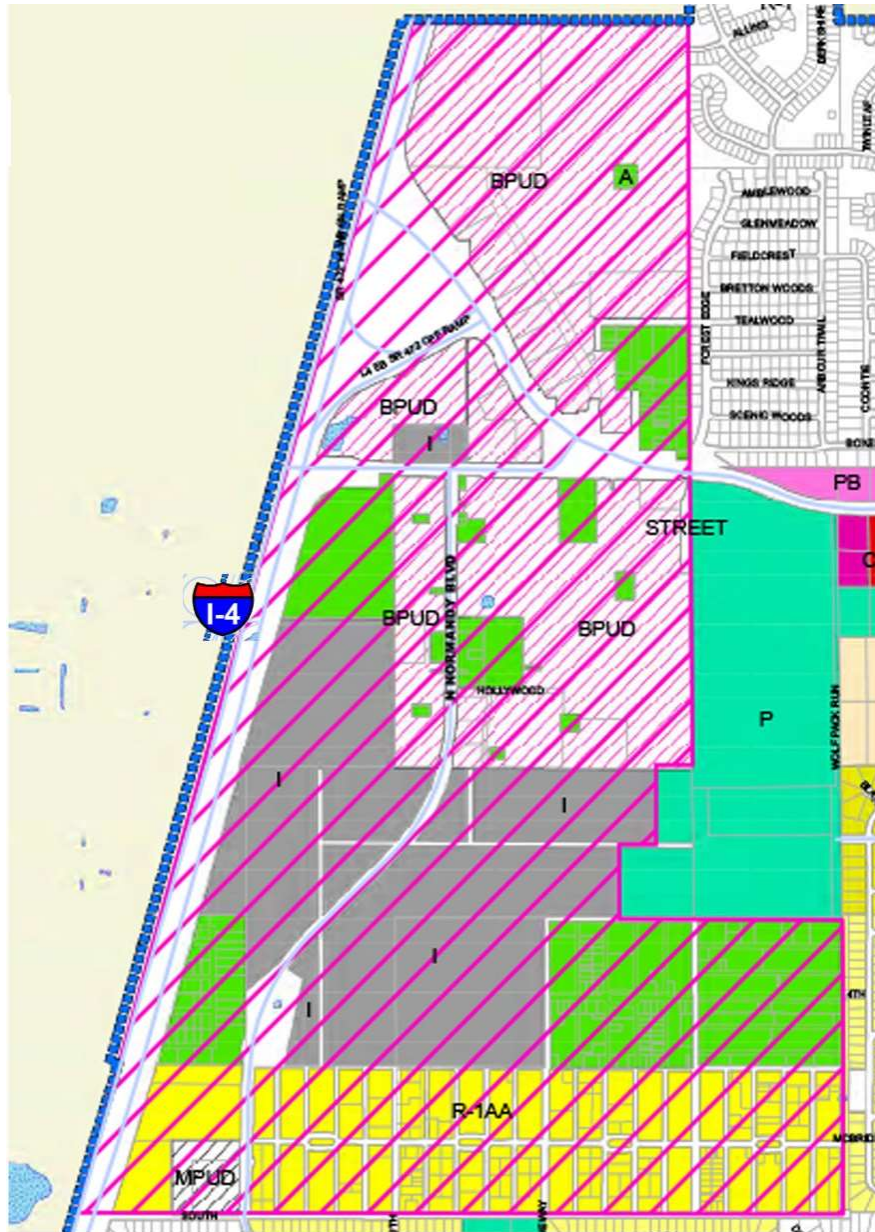
The designation of uses in the zoning and future land use maps helps us to have a better idea of the activities that take place in this area. The zoning map describes what type of use each parcel has and establishes specific regulations for development, such as the distance between the building and the street, building height, landscape, parking, size, density, intensity, and other technicalities. While the future land use map describes what the future intention of land uses is, in order to plan accordingly and provide all the needed resources for this to happen, regulations must reflect the vision for the area.

Below is a list of the current zoning classifications for the potential business park area and of the Activity Center:

Zoning Designations:

- Within the Activity Center Overlay:
 - BPUD – Business Planned Unit Development
 - Subject to development agreement and depicted as part of the PUD plan. All uses shall be approved by the city commission.
 - I – Industrial
 - Any retail or service, warehousing, laboratories, and manufacturing establishment necessary to serve the needs of the industrial area.
 - A – Agriculture
 - It is intended that this classification be applied to properties undeveloped or in agricultural use and which lie between other undeveloped or agricultural areas.
 - R-1AA
 - It is intended that this classification is established within the City to provide areas for single family dwellings, granny flats, and home offices.
 - Maximum density is three (3) dwelling units per acre.

Zoning Map for the I-4 and Howland Blvd Area



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REVISIONS	DATE	DESCRIPTION	BY	DATE	DESCRIPTION	BY
1	09/06/2016	Initial Map	SC			
2	09/06/2016	Final Map	SC			

Legend

	City Boundary		Activity Center		Enterprise Overlay		Lakes
	A		C-1		C-2		C-3
	I		BPUD		MPUD		RPUD
	IPUD		MH		OR		P
	PB		R-1		R-1A		R-1AA
	R-1AAA		R-1B		RE-1		RE-5
	RM-1		RM-2		RP		A-1(1)(C)
	A-1(C)		A-2(C)		A-3(C)		R-1(C)
	R-3(C)		R-4(C)		RA(C)		RC(C)
	RR(C)		B-5(C)				

The City of Deltona has adopted an “Open for Business” mission statement that prioritizes regulatory efficiency and customer service. The “Open for Business” mantra is predicated on the following:

- **Organization** – the City of Deltona provides an organized and predictable development review path through the use of checklists, pre-application conferences, on-going customer service, reduced number of Development Review Committee meetings, permit tracking, concurrent review, inspector accessibility, and electronic automation.
- **Consistency** – the City of Deltona is amending the Land Development Code to remove redundancy and conflicting procedures to make for a simple and expedient development process.
- **Accessibility** – the City of Deltona places a premium on customer service through a walk-in counter, meeting scheduling, electronic review of plans, a “one-stop shop” mentality, and electronic permit tracking.
- **Dynamic** – the City of Deltona believes that the much-improved development review process is dynamic to the ever-changing improvements affording increased communication (electronic media) and expedited construction methods. Therefore, the City benefits from suggestions to improve the process on an on-going basis.
- **Efficient** – the City of Deltona operates with the end goal in mind for a business or residence to receive a Certificate of Occupancy in the shortest period of time with the full cooperation of the applicant to achieve that common goal.

Closing Statement

The Florida Chamber of Commerce estimates that by the year 2030, Florida is expected to:

- Add 6 million more residents;
- Attract more than 150 million annual visitors;
- Need 2 million additional jobs to remain at 5 percent unemployment;
- Have up to 5 million new drivers;
- Need 20 percent more water; and
- Demand 76 percent more energy.

This Market Analysis provides an overview of the Deltona commercial market, specifically as it applies to industrial and commerce areas. The timeliness and accuracy of the data will help pinpoint the strategic plan that the City can develop for the future.