



City of Eustis

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TO: EUSTIS CITY COMMISSION

FROM: TOM CARRINO, CITY MANAGER

DATE: JULY 20, 2023

RE: RESOLUTION NUMBER 23-59 A RESOLUTION BY THE CITY OF EUSTIS COMMISSION OF THE CITY OF EUSTIS, LAKE COUNTY, FLORIDA, AMENDING THE FY 2022-2023 ECONOMIC DEVELOPMENT FUND (68) TO ACCEPT THE LAKE COUNTY AWARD FOR THE INCUBATOR PARTNERSHIP AGREEMENT AND ALLOW THE ECONOMIC DEVELOPMENT FUND TO ACCEPT A TRANSFER FROM THE GENERAL FUND TO COVER THE NECESSARY MATCHING OF FUNDS AS WELL AS SET UP A CORRESPONDING EXPENDITURE TO COMPENSATE THE UNIVERSITY OF CENTRAL FLORIDA RESEARCH FOUNDATION (UCFRF) FOR THE PROGRAM SUPPORT.

Recommended Action:

This report seeks acceptance of the Incubator grant from Lake County over the next four (4) years. Allowing the City to move forward with the incubator and pay The University of Central Florida Research Foundation (UCFRF) to operate the incubator.

Background:

In the FY 2022-2023, the City of Eustis will receive financial assistance from Lake County to be included in the Economic Development Fund (68). The assistance amounts is \$450,000 over a three-year period, with the City providing matching funds of \$150,000. Additionally, the City has agreed to compensate the UCFRF with \$200,000 annually for three years to support the program.

During FY 2022-232023, the City will receive \$75,000 from Lake County, which requires the City to provide matching funds of \$25,000. The compensation to the UCFRF in the same fiscal year will be \$100,000. The General Fund will be used to match the funds awarded by Lake County. These funds will come from the annual Code Violations and be transferred to the Economic Development Fund for the match.

The funding for the entire project will be as follows:

| | | | |
|--------------------------------|------------------|------------|------------------|
| FY 2022-23 Lake County Funding | \$ 75,000 | City Match | \$ 25,000 |
| FY 2023-24 Lake County Funding | \$150,000 | City Match | \$ 50,000 |
| FY 2024-25 Lake County Funding | \$150,000 | City Match | \$ 50,000 |
| FY 2025-26 Lake County Funding | <u>\$ 75,000</u> | City Match | <u>\$ 25,000</u> |
| Total | <u>\$450,000</u> | City Match | <u>\$150,000</u> |
| Grand Total to Cover UCF Cost | | | <u>\$600,000</u> |

The FY2022-23 Budget requires the following budget amendment:

| | |
|--|-----------|
| Increase Revenue Account 068-0000-366-20-00 County Aid | \$ 75,000 |
| Increase Revenue Account 068-0000-381-01-00 Transfer from Gen. Fd. | \$ 25,000 |
| Increase Expenditure Account 068-1220-552-81-01 Incubator UCFRF | \$100,000 |

Increase Expenditure Account 001-8100-581-91-68 Transfer to Fund 68 \$ 25,000
(Available from the Code Violation Collections during FY 22-23)

Alternatives:

1. Adopt Resolution Number 23-59 and approve Lake County award acceptance of the total revenue of \$450,000, including the City matching revenues along with associated expenditures. Direct staff to make specific changes to the budget and immediately adopt the revised version as Final during the hearing.
2. Reject Resolution Number 23-59, and disapprove Lake County award acceptance and the associated expenditures involved with the incubator project.

Discussion of Alternatives:

1. Alternative #1 provides for adopting Resolution Number 23-59 and approving the acceptance of County Grant along with the matching City portions of revenue moving forward with the incubator in partnership with the County award and expenditures.

Advantages of approving:

The City Incubator offers several advantages for economic development and the local community:

- Support for Startups and Entrepreneurs: The City Incubator provides a supportive environment for startups and entrepreneurs to nurture and grow their business ideas. It offers access to resources, mentorship, and networking opportunities, which can significantly increase their chances of success.
- Job Creation: The City Incubator plays a crucial role in job creation by fostering the growth of startups and small businesses. Startups that flourish within the incubator often hire local talent, contributing to employment opportunities and reducing unemployment rates in the community.
- Economic Growth: Successful startups and small businesses supported by the City Incubator contribute to the local economy through increased tax revenues,

business spending, and economic activity. They can also attract additional investments and spur further economic development in the area.

- **Community Engagement and Networking:** The City Incubator brings together entrepreneurs, mentors, investors, and community members, fostering collaboration and engagement. It provides networking opportunities, events, and workshops that help build strong business connections and a supportive entrepreneurial ecosystem.

Disadvantages of approving:

2. Alternative #2, rejection of adopting Resolution Number 23-59 and disapproving the acceptance of awards and expenditures.

Advantages of disapproving:

- None known

Disadvantages of disapproving:

- The City would have to fund the entire program on our own.

Approving the acceptance of the award will provide support from other agencies as well as supporting the economic development of the City. We will receive exposure and goodwill for our work in the community.

Prepared By:

Mike Sheppard, Finance Director

Reviewed By:

Nelly Harnisch, Deputy Finance Director

Attachment: Resolution Number 23-59