Local Economic Development Planning & Management

FIU Metropolitan Center

Instructors: Dr. Ned Murray, AICP
Kevin Greiner, MUP, JD

August 26, 2015

Course Objectives

Working Understanding of:

- Data Driven Economic Development Analysis
- Core Analytical Competencies
- Recent Trends & New Thinking
- Core Strategies & Local Capacity Building
- Planner’s Role in Economic Development

Provide Working Knowledge to Ask the Right Questions

Local Economic Development Competencies

Understanding Economic Development Goals

Regional & Local Economic Analysis

Creating Performance Based Economic Development Strategies

Building Local Management Capacity

Economic Development Goals:
Basic Economic Development Goals

- Improving Short and Long Term Business Competiveness
- Increase Employment
- Support Expansion of Existing Businesses
- Support New Business Creation
- Diversify Local Economy – Reduce Reliance on Limited Industry Segments
- Expand Employment in New Industries

Economic Development Goals: *Developing Sustainable Economies*

- Stable, Long Term Job and Wage Growth
- Low Income Inequality
- High Vertical Mobility – Opportunity to Move up the Income Ladder
- Access to Higher-income Employment
- Less Dependence on Population Increases and In-migration for Growth
- Resistant to Sharp Economic Cycles
- High Per Capita Regional GMP
- Diverse, High Value-Added Industry Clusters in Nationally Growing Sectors
- High Rates of Innovative Output: Advanced Products, Services, Technology Platforms and Business Processes
- High Horizontal mobility – knowledge and skills apply across different industries and occupations

Economic Development Goals:
Performance-Based Economic Development

- Evaluation and benchmarking for measuring the performance of economic development agencies

- Strategic planning to systemically identify the assets and liabilities of an area, determine opportunities for growth and provide local economic development organizations with a clear set of goals and objectives

Regional and Local Economic Analysis: Economic Base Analysis

Process

1. Define the Region
2. Review Regional Economic History
3. Identify Basic and Non-Basic Activity
4. Identify Industries with High Potential for Growth
5. Identify Local Strengths and Barriers to Growth
6. Assess Wider Economic Environment & Trends
7. Develop Strategic Responses

Economic Base Analysis
Step 1: Define the Region

First step in undertaking any economic-base analysis is to define the region that constitutes the local economic base

Most important factor is that you're interested in identifying the area that encompasses and includes all of the economic activities that have an impact on the community for which you are developing an economic plan

Will Provide the Basis for Benchmarking Against Other Regions – Crucial Economic Assessment Tool

Step 2: Review Regional Economic History

An analysis done outside of a historical context will lack the insights necessary to make judgments about the prospects for growth and change in the future.

These factors could be physical, economic and social.

Step 3: Identify Basic and Non Basic Activity

Economic change strategies are primarily aimed toward basic (export) industries which are the sources of growth in a community (they create local wealth).

Non basic industries survive by "servicing" the basic industries

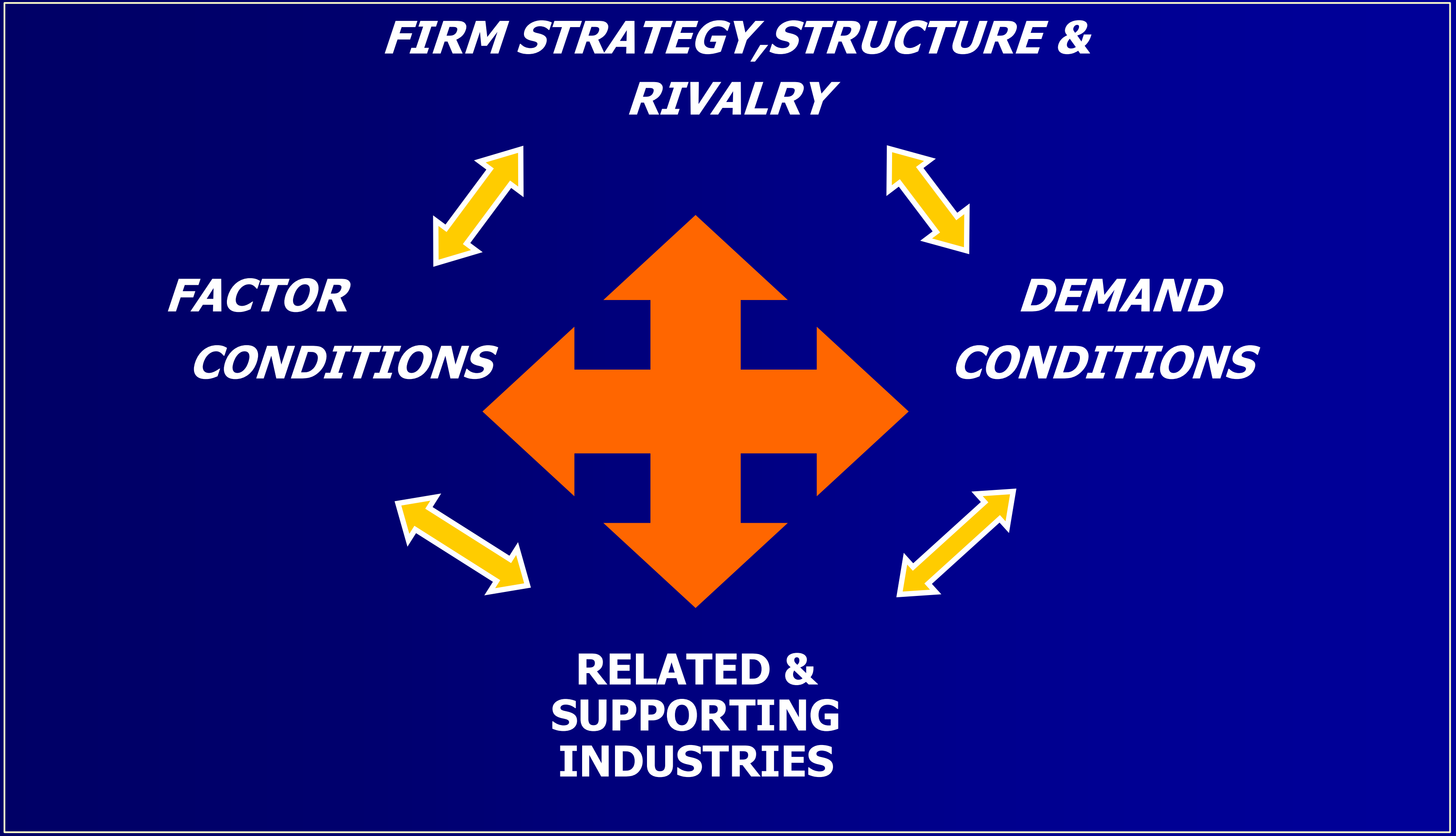
FIU | Metropolitan Center

Step 4: Identify Industries with a High Potential for Growth or Change

In most cases, major changes in employment takes place as a result of expansion or contraction of existing industries and firms

More important to identify those firms within your community that are growing and those that are declining. (Note: see U.S. Economic Census and County Business Patterns websites)

The Competitive Advantage Model: Porter



Factor Conditions (Local government input)

- *Human Resources*
- *Physical Resources*
- *Knowledge Resources*
- *Capital Resources*
- *Public Infrastructure*

Data Sets

- Economic Census
- U.S. Census- American Community Survey
- County Business Patterns
- Bureau of Labor Statistics
- Florida Department of Economic Opportunity
- Real Estate Websites: Zillow, RealtyTrac, etc.
- Proprietary Data (Nielsen Infogroup)

Economic Development Analytical Tools

Location Quotient (LQ)

- The location quotient measures the degree to which employment in a given industry in a given geographic space exceeds what that employment would be if local employment were prorated among industries according to industry percentages of national employment

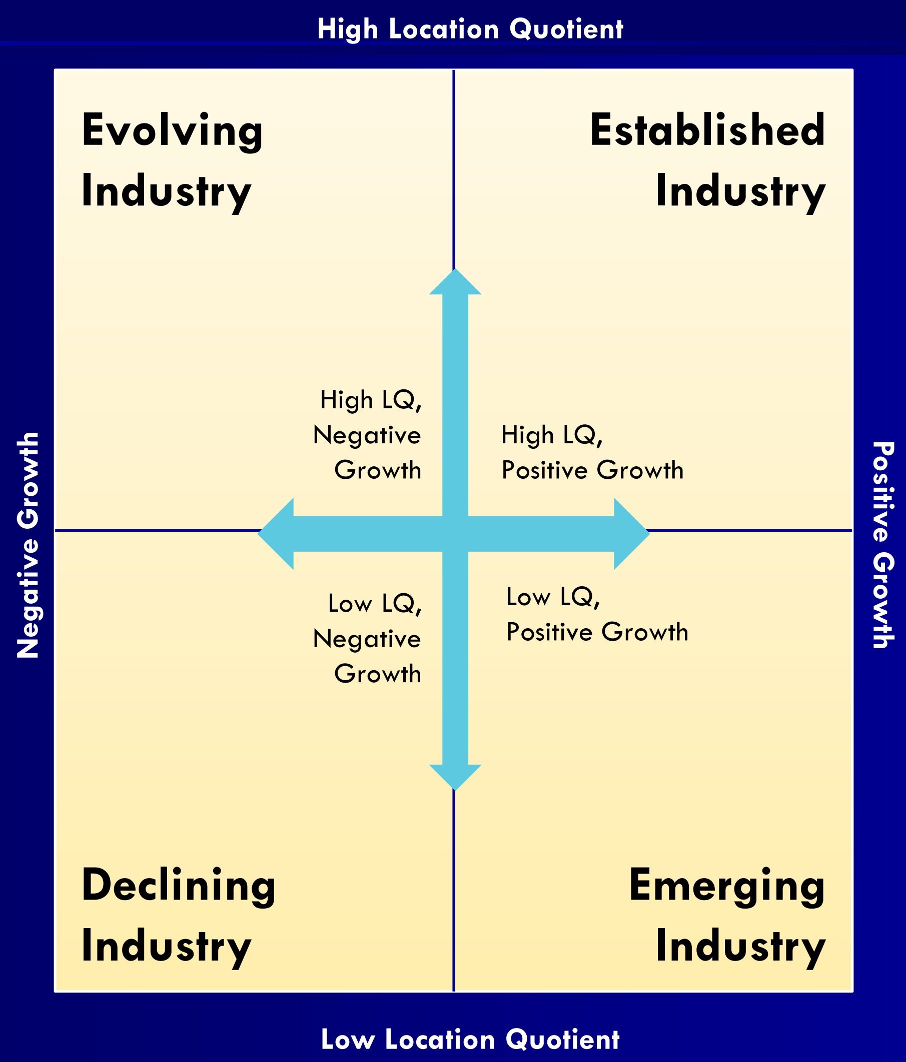
FIU | Metropolitan Center

Economic Development Analytical Tools

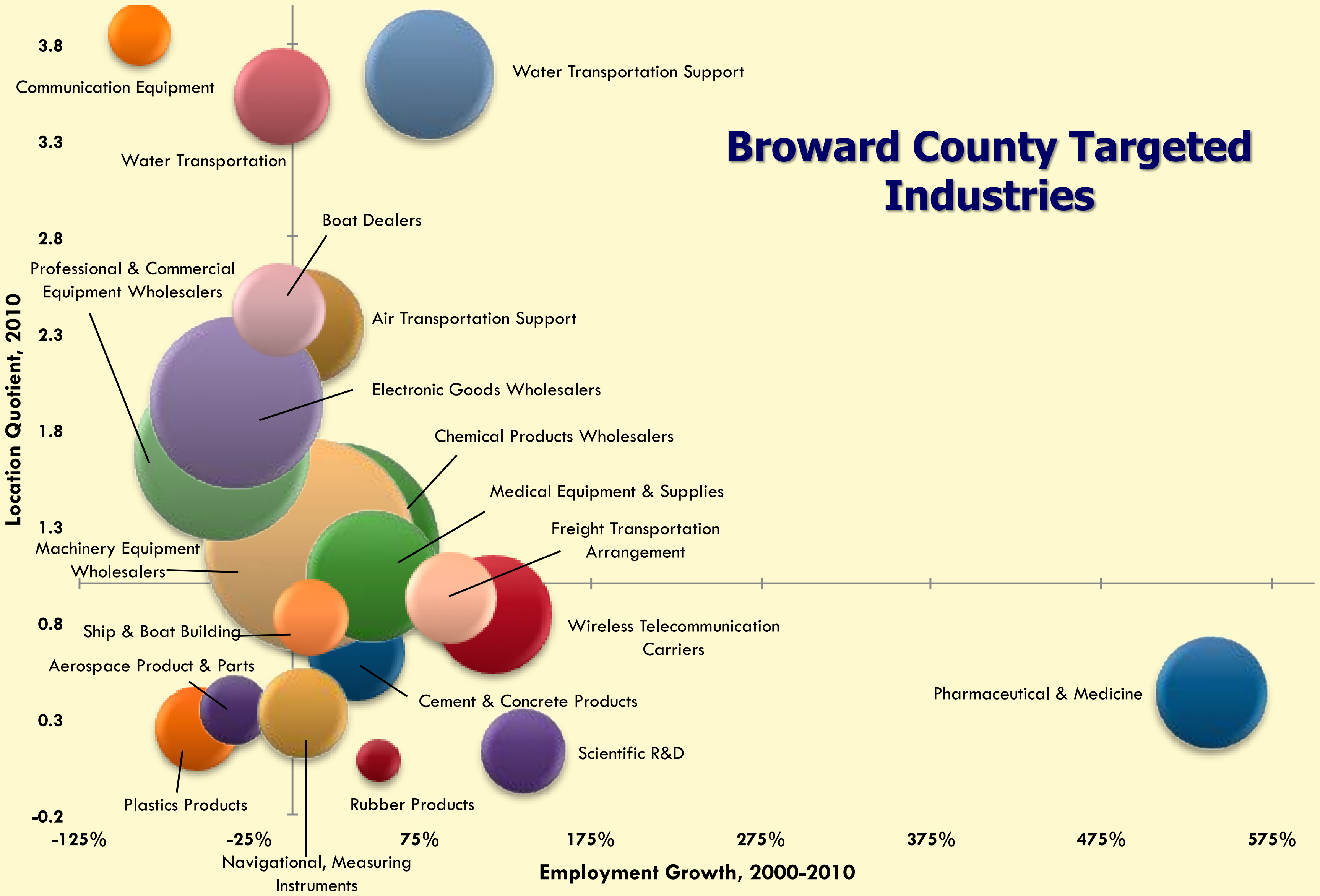
Shift-Share Analysis:

- Technique used to Identify any Change in the Mix of Employment in a Region (Shift) and to Compare that Pattern of Change with that of the National Economy (Share).

FIU | Metropolitan Center


High Location Quotient
Evolving Industry
Established Industry
High LQ, Negative Growth
High LQ, Positive Growth
Negative Growth
Positive Growth
Low LQ, Negative Growth
Low LQ, Positive Growth
Declining Industry
Emerging Industry
Low Location Quotient

Broward County Targeted Industries



Metropolitan Center

Step 5: Identify Local Strengths and Barriers to Growth

- Assess the local economy's strengths and weaknesses (SWOT analysis)
- Important to identify any structural weaknesses that may make the region vulnerable and determine what can be done to ensure economic stability
- Determine which aspects of the region (social political, and economic) promote or detract from the location or expansion of industry and trade in the community

Step 5: Identify Local Strengths and Barriers to Growth (Cont)

Understand Regional Economic Linkages that Affect Economic Growth - Relationships between the economic base and other aspects of the community, including:

- Housing market
- Land use
- Public finance
- Environmental quality
- Transportation

Step 6: Assess Wider Economic Environment & Trends

What Key Trends are Impacting the Local Economy, and are Shaping Growth and Policy Responses?

Additional & New Economic Analytical Tools

Step 6: Assess Wider Economic Environment & Trends (Cont)

The Sources of Economic (Employment) Growth:

- Small Firms Most Important Component Of New Job Creation
- Firms Less Than 20 Employees = 53% Of All Jobs Created Since 1992
- Firms Less Than 50 Employees = 62% Of All Jobs Created Since 1992
- Firms Less Than 50 Employees = 43% Of All New US Jobs Annually

Step 6: Assess Wider Economic Environment & Trends (Cont)

The Sources of Economic (Employment) Growth:

- US: 86% Of Establishments Less Than 20 Employees
- Miami Metro: 91% Of All Establishments Less Than 20 Employees
- Miami Metro: 96% Less Than 50 Employees
- Including Non-employer Establishments: 99% Of All Business Establishments Less than 50 Employees
- Miami Metro: Self-employment Grew 50% Since 2000 (US = 11%)
- High-tech Occupations: Highest Rates Of Self-employment

Step 6: Assess Wider Economic Environment & Trends (Cont)

The Sources of Economic (Employment) Growth:

Dynamic Regional Business Formation Rate

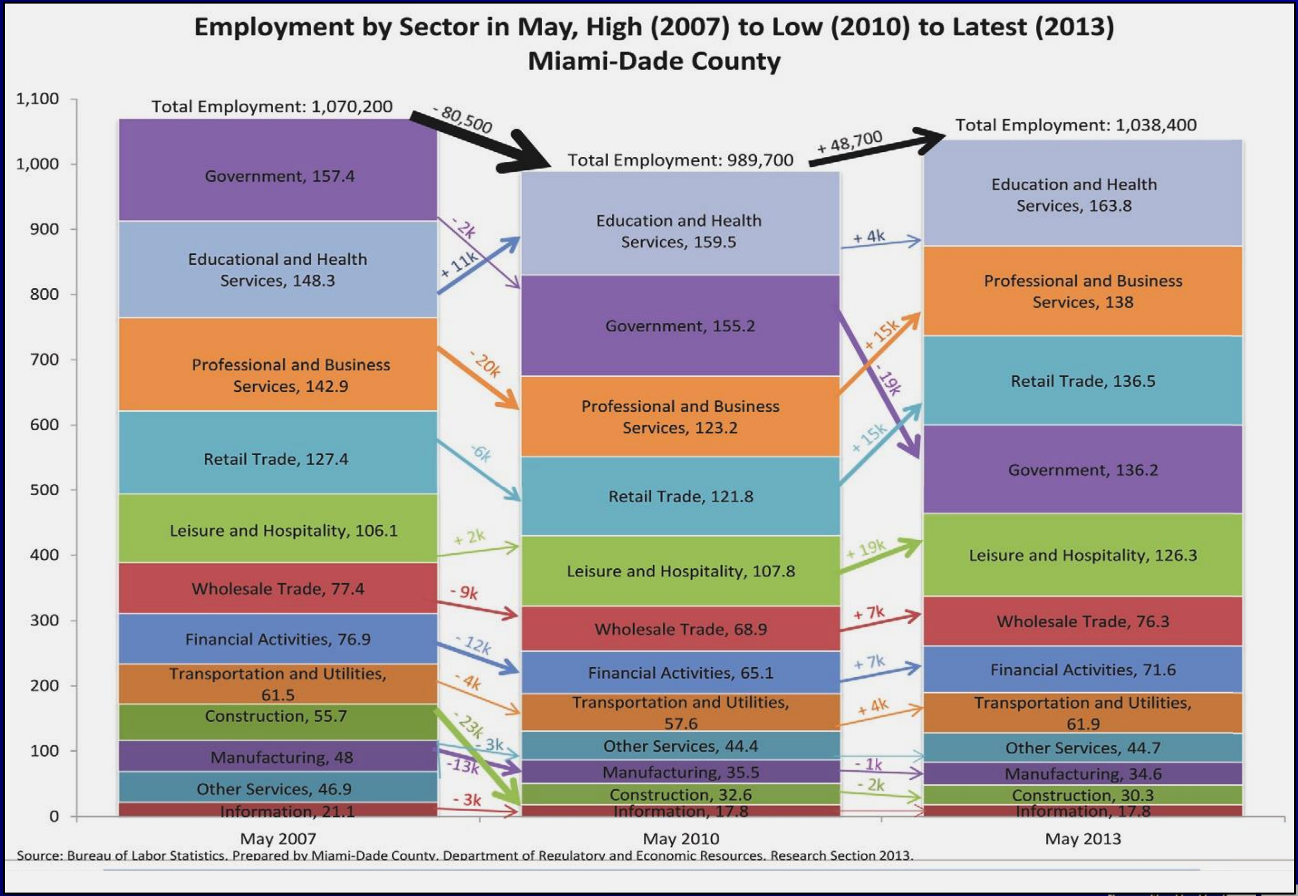
- Miami Metro: Top 3 Metros Since 2004 For New Business Creation
- Miami Metro: 2012 Highest Entrepreneurial Index — 560 New Firms Per 100,000 Persons Per Month (US Avg = 300)
- Miami Metro: 2013 — 430 New Businesses Created Per 100,000 Persons Per Month
- Miami Metro: 2013 Index 1.5 Times The National Average

South Florida Recovery Has Been Led By Small Businesses

- Miami Metro: Establishments Employing Less Than 20 Accounted For 94% Of All New Establishments Created Since The Bottom Of 2009

Step 6: Assess Wider Economic Environment & Trends (Cont)

Regional Industrial Composition



Metropolitan Center

Step 6: Assess Wider Economic Environment & Trends (Cont)

The Sources of Economic (Employment) Growth:

Sources of Employment Change 1992-2010	Percentage of Job Creation			Percentage of Job Loss		
	Establishment Expansion	Establishment Birth	Interstate Relocation (Move-In)	Establishment Contraction	Establishment Death	Interstate Relocation (Move-Out)
All Industries	**39.9**	**59.2**	**0.9**	**32.8**	**65.6**	**1.6**
Ag, Forestry, Fishing, Hunting	55.0	44.4	0.6	39.3	59.9	0.8
Mining	36.4	47.8	15.8	38.5	56.6	5
Utilities	48.6	51	0.4	42.7	55.5	1.8
Construction	47.7	51.9	0.5	31.1	67.7	1.2
Manufacturing	53.6	44.3	2.1	38.1	59.3	2.7
Wholesale Trade	44.1	54.6	1.3	28	70.1	1.8
Retail Trade	27.8	71.7	0.5	23.7	75.5	0.8
Transportation & Warehousing	36.1	63.2	0.6	33.3	64.8	1.9
Information	35.7	62.2	21	26.6	70.4	3.1
Finance & Insurance	39.2	60.1	0.7	29.3	67.3	3.5
Real Estate & Rental & Leasing	37.6	61.8	0.6	34.0	64.8	1.3
Professional & Technical Services	37.6	61.2	1.2	30.5	67.5	2.1

Step 6: Assess Wider Economic Environment & Trends (Cont)

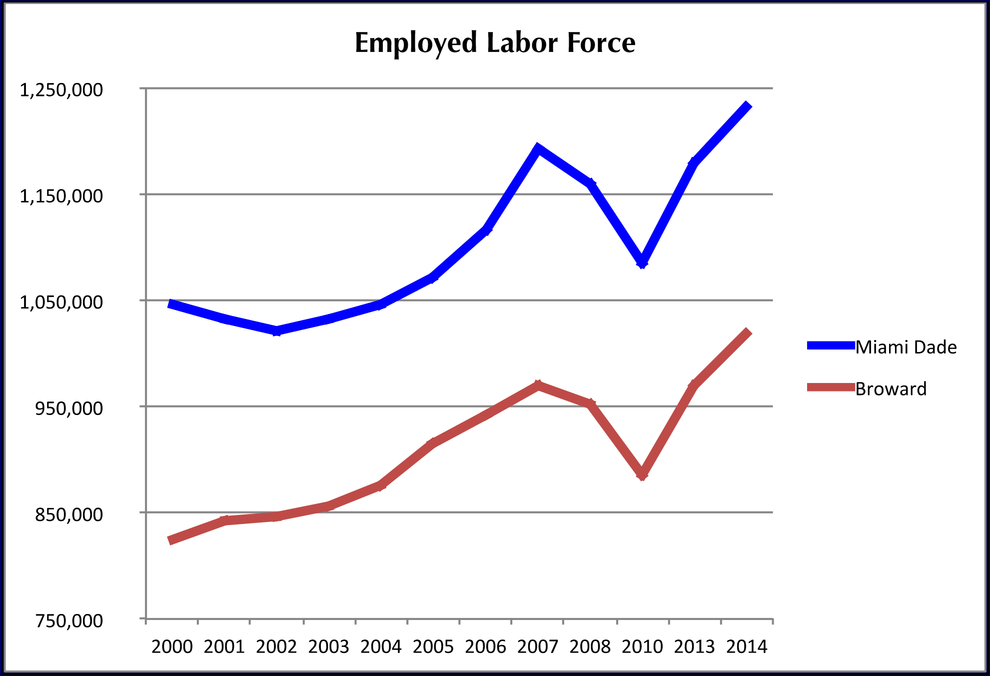
Land Availability

- Miami-Dade, Broward & Palm Beach Approaching Build-out
- Miami Dade: Only 2,083 Acres Inside Urban Infill Area Privately Owned Vacant Land
- Broward: Virtually Out Of Land Suitable For Residential – One Of Most Land Constricted Counties In US (Metrostudy)
- Parcels Larger Than 4-5 Acres Are At A Premium
- Shifting To: Infill Development, Higher Densities, Smaller Building Footprints

Step 6: Assess Wider Economic Environment & Trends (Cont)

Regional Cyclical Employment

- US 2000-2010: 0 Net Gain Jobs
- Miami-Dade County: 42,000 Net Jobs Lost



Metropolitan Center

Step 6: Assess Wider Economic Environment & Trends (Cont)

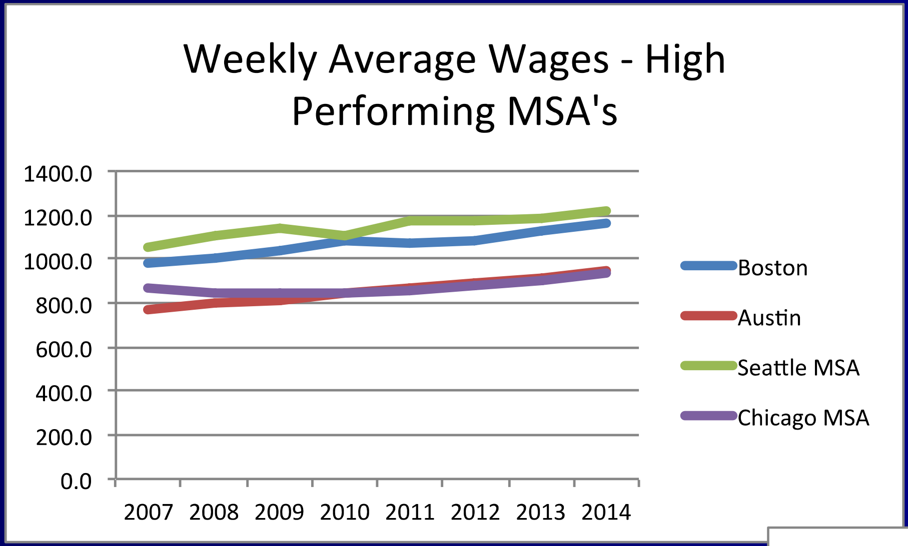
HH Income Trends

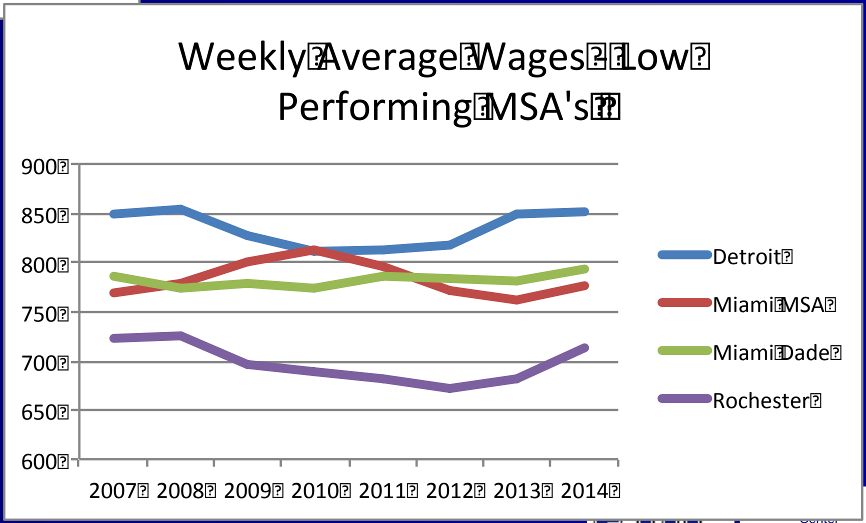
- Broward Median HH Income = $51,694; 3% Below US Median
- Miami Dade Median HH Income = $43,605 – 16% Below US
- Metro: Below Average Wages And Incomes

Slowing Wage Growth

- Wages Lower Than Their National Averages.
- Broward Wage Growth: +3% 2000-2007; Under 2% Since 2009
- At Or Less Than Current Annual Rate Of Inflation Since 2010
- Evidence Of High Wage Job Shedding During Recession

Step 6: Assess Wider Economic Environment & Trends (Cont)





Step 6: Assess Wider Economic Environment & Trends (Cont)

Income Inequality

	City	Household Income, 2013		Ratio, 2013	Change in Household Income, 2007-2013		Ratio Change, 2007-2013	Change in Household Income, 2012-2013		Ratio Change, 2012-2013
		20th percentile	*95th percentile*		*20th percentile*	*95th percentile*		*20th percentile*	*95th percentile*	
1	Atlanta, Ga.	14,988	288,159	19.23	-4,174	-12,815	3.5	-11	5,533	0.4
2	San Francisco, Calif.	24,815	423,171	17.05	-1,182	92,649	4.3	3,289	66,058	0.5
3	Boston, Mass.	15,952	239,837	15.03	-244	-2,402	0.1	1,202	13,761	-0.3
4	Miami, Fla.	11,497	169,855	14.77	-960	-1	1.1	955	4,202	-0.9
5	Washington, D.C.	21,036	302,265	14.37	-1,087	15,139	1.4	-964	8,722	1.0
6	New York, N.Y.	17,759	243,529	13.71	-1,371	4,738	1.2	469	14,587	0.5
7	Dallas, Texas	17,823	227,015	12.74	-2,675	-1,711	1.6	-166	24,644	1.5
8	Chicago, Ill.	16,706	209,574	12.54	-1,833	1,011	1.3	467	6,099	0.0
9	Los Angeles, Calif.	18,332	229,310	12.51	-2,736	-18,268	0.8	498	9,362	0.2
10	Minneapolis, Minn.	17,159	214,629	12.51	-2,361	9,644	2.0	-772	18,914	1.6
11	Cleveland, Ohio	9,371	116,034	12.38	-2,091	8,039	3.0	-155	14,122	1.7
12	Baltimore, Md.	13,588	166,924	12.28	-2,877	-8,179	1.6	-69	279	0.1
13	Oakland, Calif.	19,493	236,205	12.12	511	-5,297	-0.6	1,671	10,000	-0.6
14	Detroit, Mich.	8,982	107,521	11.97	-2,362	-15,693	1.1	-192	4,885	0.8
15	Houston, Texas	18,759	220,582	11.76	-844	1,612	0.6	1,242	13,037	-0.1
16	Philadelphia, Pa.	13,060	150,545	11.53	-1,537	-11	1.2	82	-1,991	-0.2
17	Denver, Colo.	20,326	216,825	10.67	1,282	12,238	-0.1	358	5,927	0.1
18	Seattle, Wash.	26,744	278,084	10.40	-482	23,396	1.0	326	36,139	1.2
19	Memphis, Tenn.	14,531	149,868	10.31	-435	-9,456	-0.3	876	3,403	-0.4
20	Charlotte, N.C.	22,203	225,550	10.16	-5,052	-3,692	1.7	-15	4,233	0.2
21	Portland, Ore.	21,610	215,358	9.97	-394	24,802	1.3	1,256	21,951	0.5
22	Long Beach, Calif.	19,854	195,675	9.86	-2,769	-7,090	0.9	406	8,277	0.2
23	Louisville, Ky.	17,894	175,591	9.81	-937	8,561	0.9	801	21,271	0.8
24	Tulsa, Okla.	17,708	173,549	9.80	134	-8,350	-0.5	175	-11,692	-0.8
25	San Jose, Calif.	32,018	310,325	9.69	-3,095	40,821	2.0	661	33,821	0.9

Table title: **Income Inequality in America's 50 Largest Cities, 2007-2013**

FIU | Metropolitan Center

Step 6: Assess Wider Economic Environment & Trends (Cont)

Understanding The New Economy:

- Globalization in its most current form still involves the flow of capital and labor, but it is the flow of knowledge and information, creating a global net of ideas that is so dramatic and significant

Building Local Capacity/Competitiveness:

- Competitiveness within the context of the global economy requires building local capacity within knowledge-based industries
- Fundamental to entrepreneurial environments is an educated and trained workforce

Step 6: Assess Wider Economic Environment & Trends (Cont)

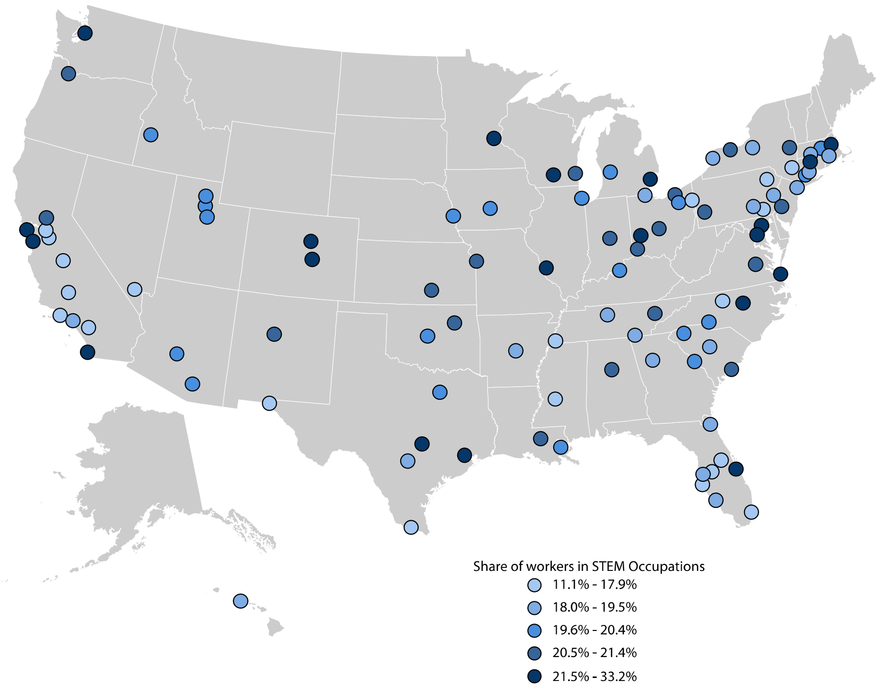
Educational Attainment

Below National Averages Across All Age Groups

Science, Technology, Engineering & Math (STEM) Employment – Important Indicator of Overall Performance: Faster Recovery, Stronger Wage Growth

Miami MSA: 81st out of 100 Largest Metros

Figure 5. Share of all Workers in STEM Occupations in the 100 Largest Metropolitan Areas



*Brookings analysis of O*NET and Bureau of Labor Statistics Occupational Employment Survey*

Metropolitan Center

Step 6: Assess Wider Economic Environment & Trends (Cont)

Patent Intensity: Directly Correlated to Job Growth

Inventor Patent Filer By County 2000-2013

	State	County	Total
1	CALIFORNIA	Santa Clara County	298,725
2	CALIFORNIA	San Diego County	92,481
3	WASHINGTON	King County	91,450
4	CALIFORNIA	San Mateo County	83,111
5	MASSACHUSETTS	Middlesex County	80,009
6	CALIFORNIA	Los Angeles County	77,222
7	CALIFORNIA	Alameda County	71,636
8	CALIFORNIA	Orange County	56,655
9	NEW YORK	Monroe County	41,144
10	MICHIGAN	Oakland County	40,373
116	**FLORIDA**	**Miami-Dade County**	**5,845**

FIU Metropolitan Center

Step 6: Assess Wider Economic Environment & Trends (Cont)

Advanced Industries:

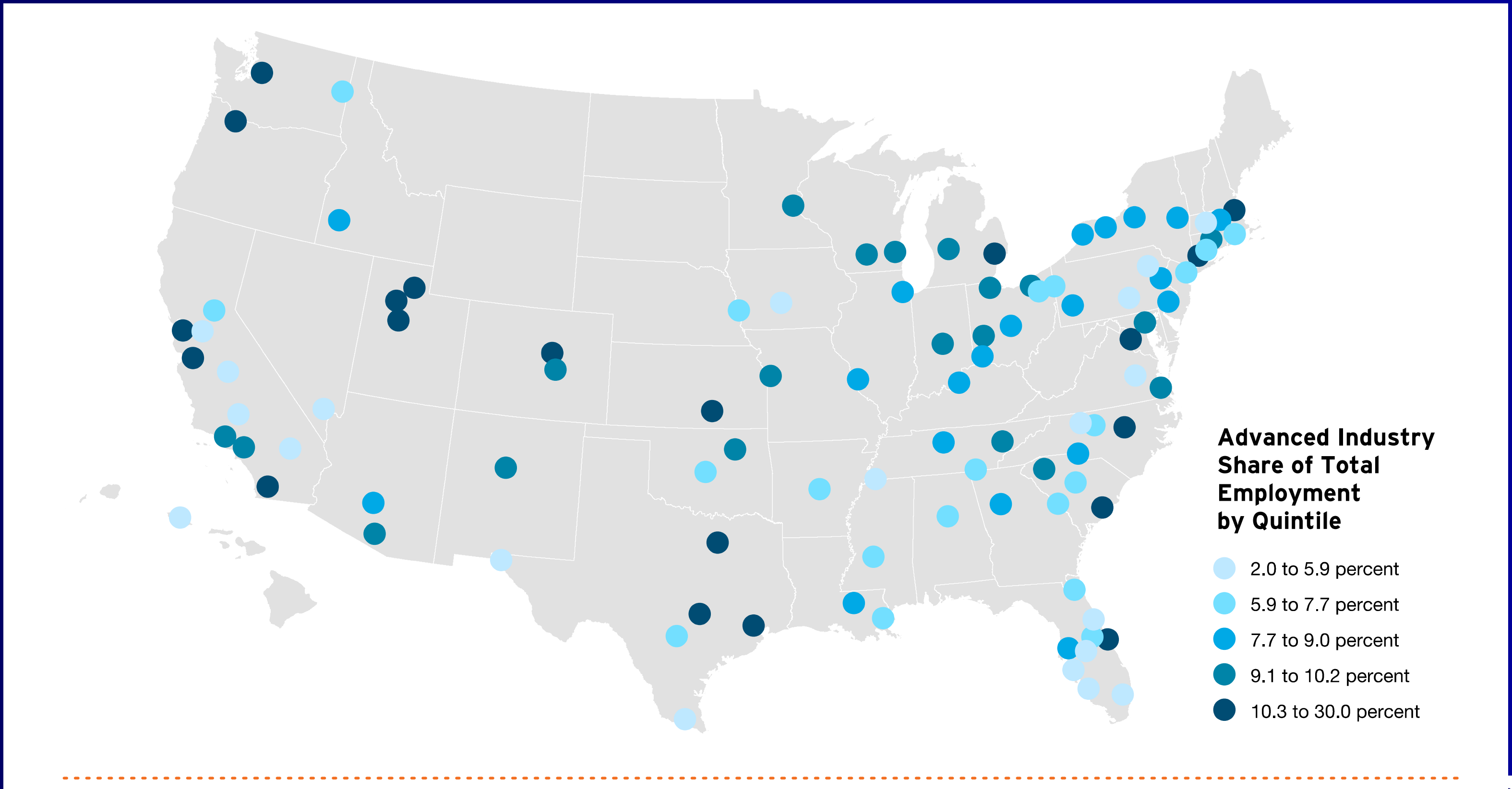
- Knowledge Intensity, High Wages, Large Employment Multipliers
- Highest Value-Added Industries

The 50 Industries That Constitute the Advanced Industries Sector

MANUFACTURING		ENERGY
Aerospace Products and Parts	Motor Vehicles	Electric Power Generation, Trans., and Distribution
Agr., Construction, and Mining Machinery	Navigation, Measurement, and Control Instruments	Metal Ore Mining
Aluminum Production and Processing	Other Chemical Products	Oil and Gas Extraction
Audio and Video Equipment	Other Electrical Equipment and Components	**SERVICES**
Basic Chemicals	Other General Purpose Machinery	Architecture and Engineering
Clay Products	Other Miscellaneous Manufacturing	Cable and Other Subscription Programming
Commercial and Service Industry Machinery	Other Nonmetallic Mineral Products	Computer Systems Design
Communications Equipment	Other Transportation Equipment	Data Processing and Hosting
Computers and Peripheral Equipment	Pesticides, Fertilizers, and Other Agr. Chemicals	Medical and Diagnostic Laboratories
Electric Lighting Equipment	Petroleum and Coal Products	Mgmt., Scientific, and Technical Consulting
Electrical Equipment	Pharmaceuticals and Medicine	Other Information Services
Engines, Turbines, and Power Trans. Equipment	Railroad Rolling Stock	Other Telecommunications
Foundries	Resins and Synthetic Rubbers, Fibers, and Filaments	Satellite Telecommunications
Household Appliances	Semiconductors and Other Electronic Components	Scientific Research and Development
Industrial Machinery	Ship and Boat Building	Software Publishers
Iron, Steel, and Ferroalloys	Medical Equipment and Supplies	Wireless Telecommunications Carriers
Motor Vehicle Bodies and Trailers	Reproducing Magnetic and Optical Media	
Motor Vehicle Parts		

Step 6: Assess Wider Economic Environment & Trends (Cont)

Advanced Industries



Step 6: Assess Wider Economic Environment & Trends (Cont)

Horizontal Job Mobility – Job Churn Dropping Nationally

TABLE 2: METROS WITH LARGEST DROPS IN NON-FARM CHURN, 2003-2013

METRO	2003	2013	DIFFERENCE IN CHURN RATE
North Port-Sarasota-Bradenton, FL	125.9%	71.8%	-54.1
Virginia Beach-Norfolk-Newport News, VA-NC	118.7%	71.9%	-46.9
Tampa-St. Petersburg-Clearwater, FL	110.3%	70.5%	-39.8
Jacksonville, FL	107.8%	68.9%	-38.9
New Orleans-Metairie, LA	112.8%	78.8%	-33.9
Albuquerque, NM	106.6%	72.9%	-33.7
Phoenix-Mesa-Scottsdale, AZ	105.0%	72.8%	-32.2
Orlando-Kissimmee-Sanford, FL	101.6%	70.2%	-31.4
Tucson, AZ	99.1%	69.2%	-29.9
Miami-Fort Lauderdale-West Palm Beach, FL	96.3%	66.7%	-29.6

Step 6: Assess Wider Economic Environment & Trends (Cont)

Slowing Construction Growth:
Retail Market

- E-commerce Sales: 40% Growth Since 2007
  - = 350 M - 500 M SF Of Leased Retail Space (1/3 All Vacant Retail In US Shopping Centers And Retail Districts)
- Store Elimination — Chains: Abercrombie & Fitch, The Gap, Best Buy
- Dramatically Smaller Stores:
  - Best Buy (40,000 SF)
  - CityTarget (60,000 SF)
  - Office Depot (15,000 SF)
  - Walmart Express (15,000 SF)
- Multi-brand Stores: "Store-within-a-store"

Step 6: Assess Wider Economic Environment & Trends (Cont)

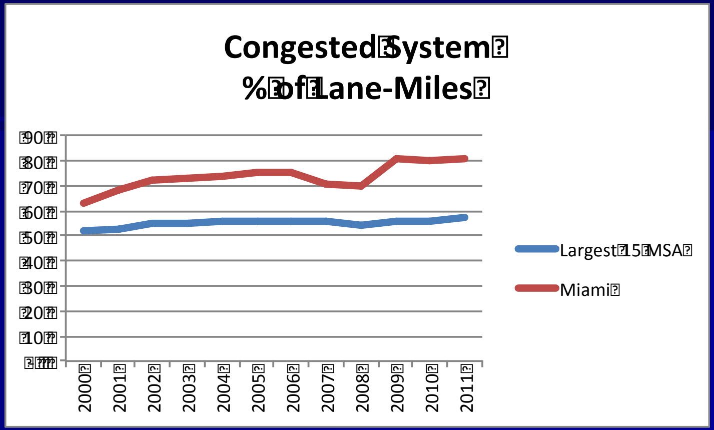
Slowing Construction Growth:

Office Market Shifts

- Outsourcing Non-core Functions - IT, Accounting, Human Resources
- Aggressively Shrinking SF Per Employee:
  - 225 SF/Employee (2010) - 176 SF (2012) - 151 SF (2017)
- Corporations Placing Talent Closer To Customers – Away From Central Office – Into Neighborhoods
- Telecommuting: 46% Of Corporate Leaders Rank Telecommuting As Second Only To Compensation As The Best Way To Attract Talent
- Using Informal Office Space
- Shared Office Space / Co-working Space / Unassigned Desks

An Officeless Regional Jobs Recovery?

Step 6: Assess Wider Economic Environment & Trends (Cont)



Roadway Congestion

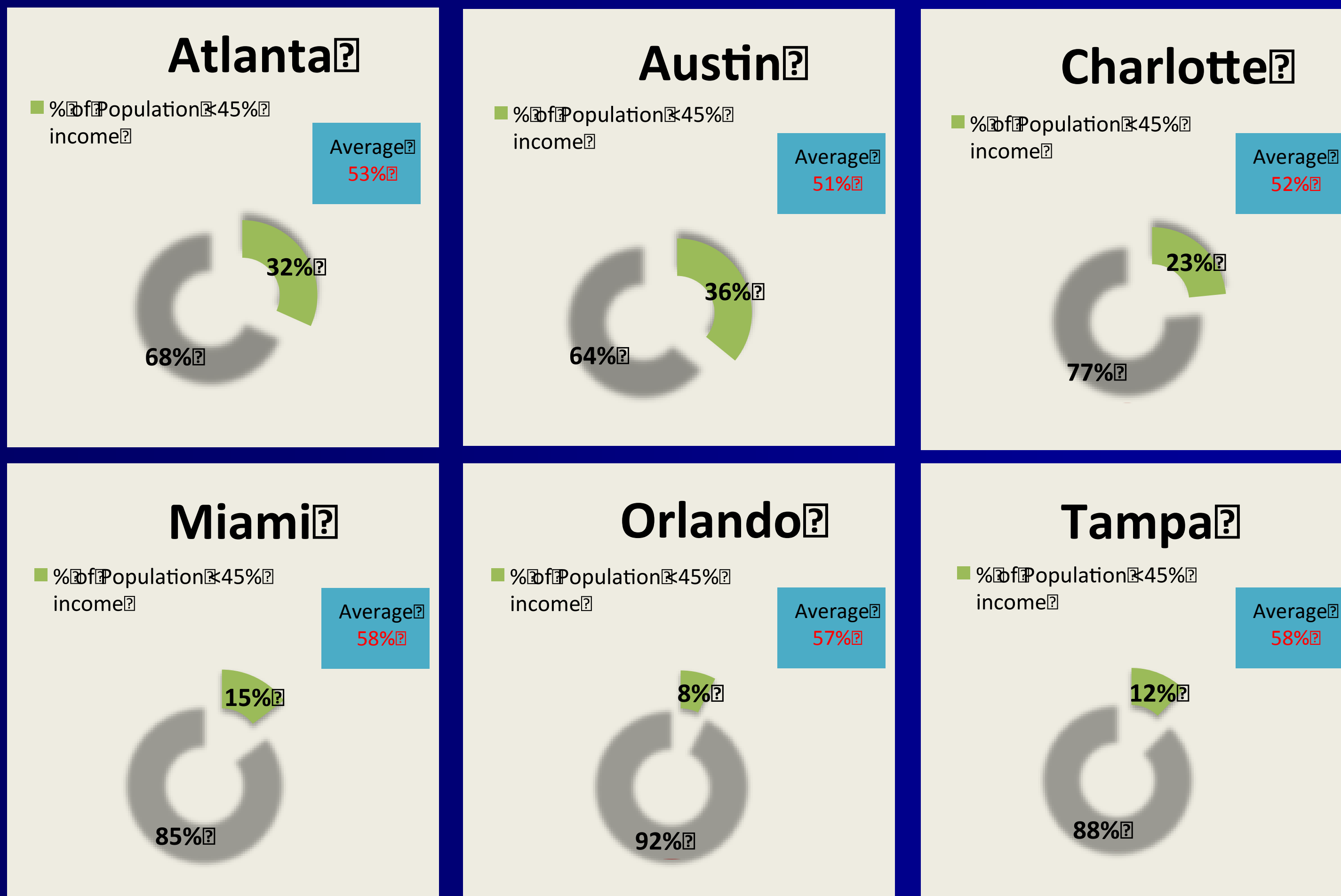
Miami Metro:

- 14th Most Traffic Congested City In North America, 11th In US
- Average Travel Times Above National Average
- 5th Highest Cost Of Congestion Delay — $3.7 Billion/YR
- Much Of Road Network Operating At LOS D And F
- MPO Forecasts Lower Level Of Service, 20% Slower Rush Hour Speeds, Increasing Congestion
- No Space For New Asphalt — Solutions Will Be Thru Land Use, Transit, Workplace And Workshift Strategies

Step 6: Assess Wider Economic Environment & Trends (Cont)

Housing Affordability Gap Approching Record High – Wages Have Not Kept Pace With Price And Rent Increases

H + T Index: Housing + Transportation Cost as % of Income



Step 6: Assess Wider Economic Environment & Trends (Cont)

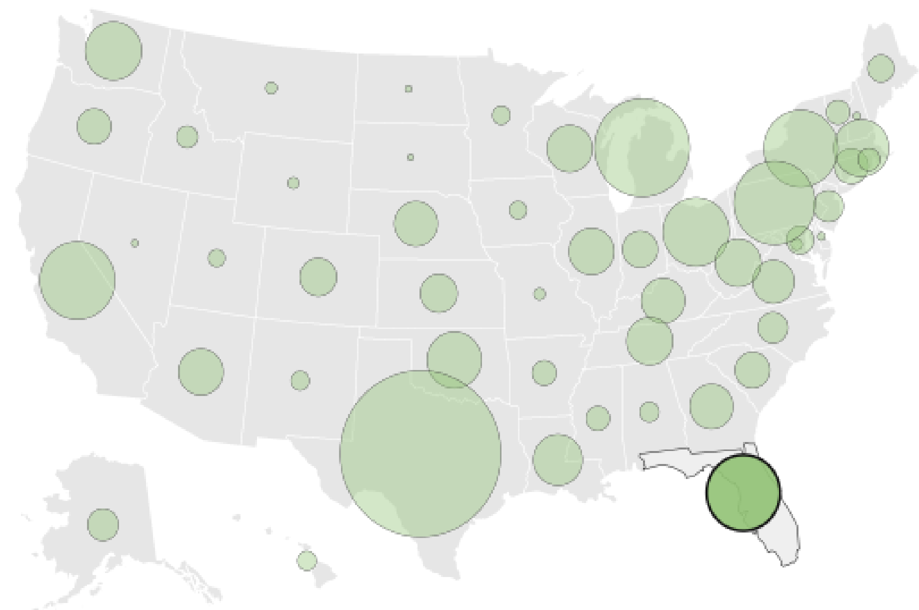
Florida

Florida spends at least **$3.98 billion** per year on incentive programs, according to the most recent data available. That is roughly:

$212 per capita

16¢ per dollar of state budget

Florida | Total cost | Per capita



Top Incentives by type

$3.66 billion in Sales tax refund, exemptions or other sales tax discounts

$108 million in Cash grant, loan or loan guarantee

$102 million in Corporate income tax credit, rebate or reduction

Top Incentives by industry

$142 million in Agriculture

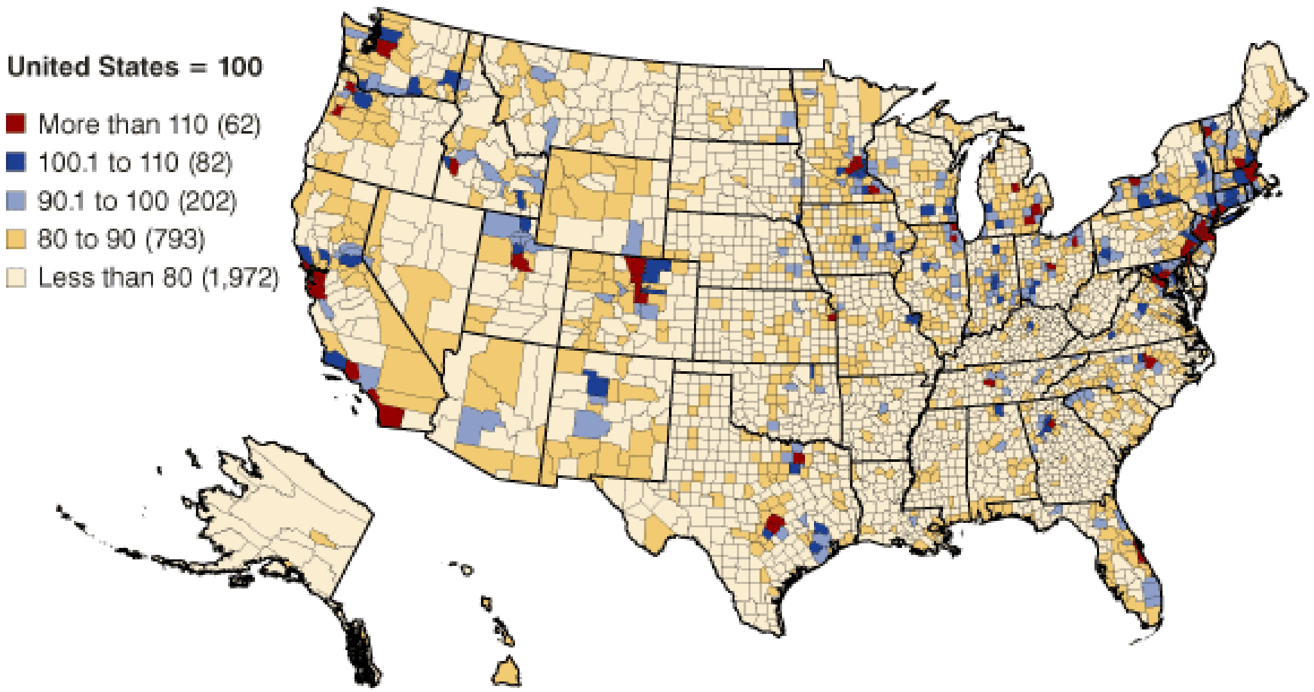
$83.9 million in Film

$43 million in Manufacturing

Step 6: Assess Wider Economic Environment & Trends (Cont)

Innovation Capacity

Figure 1: The County-Level Innovation Index for the United States



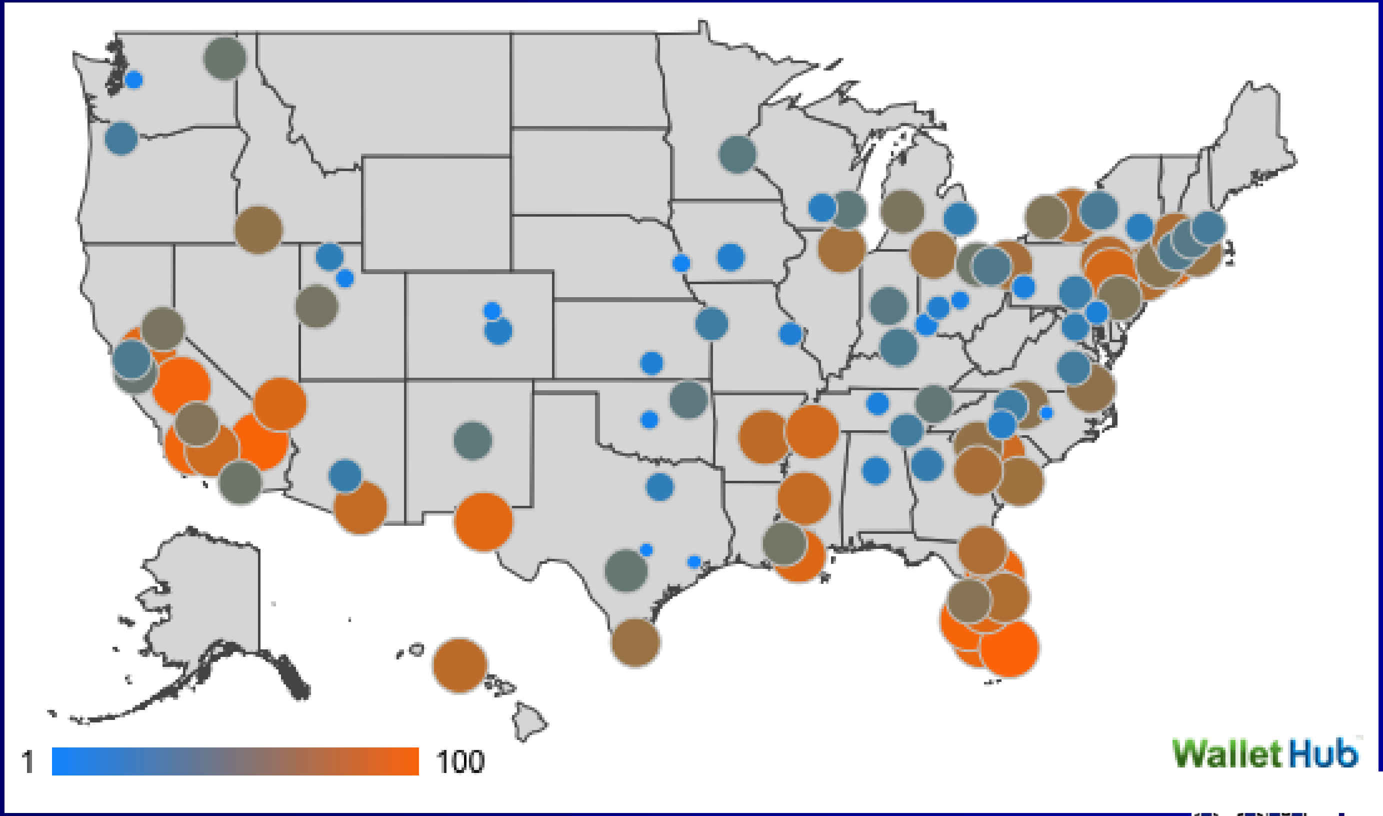
Source: Indiana Business Research Center

Step 6: Assess Wider Economic Environment & Trends (Cont)

Chickens Coming Home to Roost?

2015 Best and Worst Metro Areas for STEM Professional Employment

Miami MSA: Dead Last
100 Out of 100



Metropolitan Center

Step 7: Develop Strategic Responses

Basic Tools

- Marketing & Information – Accurate Information – Investor Grade Market Information
- Zoning
- Infrastructure Improvements
- Property Acquisition & Disposition
- Incentives:
  - Business Start-up
  - Expansion
  - Operating Incentives & Debt Service
  - Worker Training
  - Ancillary Incentives – Housing, etc.

FIU | Metropolitan Center

Step 7: Develop Strategic Responses (Cont)

Incentives – Capital Investment & Infrastructure Support

- Sales Tax Refund for Business Machinery and Equipment Used in an Enterprise
- Sales Tax Refund for Building Materials Used in an Enterprise Zone
- State of Florida Qualified Target Industry (QTI) Tax Refund
- Qualified Defense and Space Contractor Tax Refund (QDSC)
- Capital Investment Tax Credit (CITC)
- High Impact Performance Incentive Grant (HIPI)
- Economic Development Transportation Fund
- Local Government Distressed Area Matching Grant Program (LDMG)
- State of Florida Brownfield Program – Clean-up Grant
- State of Florida Brownfield Program – Jobs Tax Credit
- Small Business Grant Program
- Impact & Development Fee Relief & Rebates
- Capital Investment Tax Credits – New Markets Tax Credits

Step 7: Develop Strategic Responses (Cont)

Incentives – Employment Expansion

- Jobs Tax Credit

Incentives – Operating Cost Support & Debt Service Support

- Property Tax Rebates & Credits
- Sales Tax Exemption For Electrical Energy
- State of Florida Brownfield Program – Loan Guarantee Program
- Energy Efficiency – Free Business Energy Evaluations & Financing Assistance
- Police Security Audit & Security Services Grants
- Low Interest Loans
- Interest Rate Write-Downs
- Loan Guarantees
- Venture Capital Investment

Step 7: Develop Strategic Responses (Cont)

Incentives – Worker Training

- Quick Response Training Program (QRT)
- Incumbent Worker Training Program (IWT)

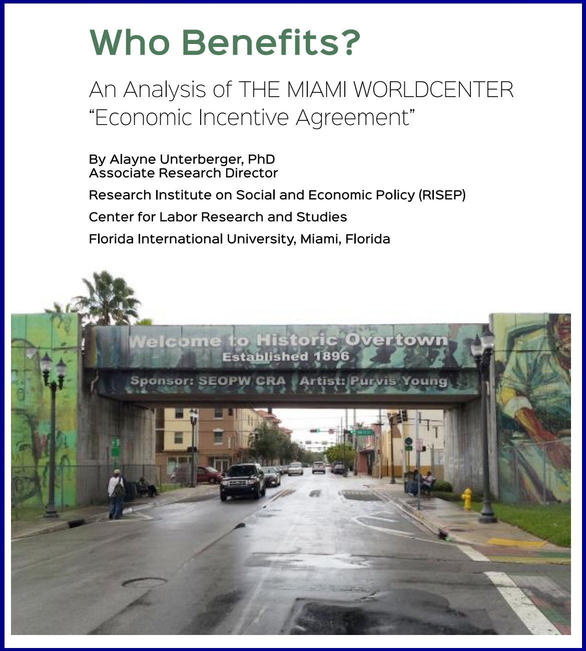
Ancillary Incentives

- Relocation Expense Grants
- Residential Improvement, Mortgage Support & Homebuyer Subsidies

Step 7: Develop Strategic Responses (Cont)

Project & Direct Development Tools

- Incubators & Accelerators
- Public-Private Partnerships
- Community Benefits Agreements


Who Benefits?

An Analysis of THE MIAMI WORLDCENTER "Economic Incentive Agreement"

By Alayne Unterberger, PhD
Associate Research Director

Research Institute on Social and Economic Policy (RISEP)

Center for Labor Research and Studies

Florida International University, Miami, Florida

Step 7: Develop Strategic Responses (Cont)

Best Practices

- Identifying and implementing local economic development programs and activities based on a clear understanding of a locality's competitive advantages

- Would ideally occur within the framework of a competitive entrepreneurial environment that has developed institutional capacity and support with respect to workforce development and inter-firm networks

Step 7: Develop Strategic Responses (Cont)

Best Practices

- The Hunt For The Great White Buffalo
  - Singles & Doubles Drive Private Investment
  - Large Projects Invite Large Risks
- Incentives Specific to the Needs of Desired Industries or Specific Problems
- EASE OF USE
- Geographic Targeting – Avoid Shotgun Approach
- Stick To A Disciplined Minimum Investment Size
- Let Users/Awardees Determine the Best use of Funds
- Leverage Other Grants
- Leverage Debt

FIU | Metropolitan Center

Step 7: Develop Strategic Responses (Cont)

Best Practices

Small Business Development Strategies

- Creating New Employment & Business Formation Opportunities Most Important Element Of CRA Structural Change
- Most Often Missing Component Of CRA Action Agenda
- Mentorship - Physical & Virtual Accelerators And Incubators Increasing
- Emphasis on Growing Local Business
  - Attraction & Relocation Only Works Over Short Distances

FIU | Metropolitan Center

Step 7: Develop Strategic Responses (Cont)

Partner For Success

- Business Mentoring
- Accelerators & Incubators
- Local Banks: Preferred Loans – Community Reinvestment Act Points
- SBA
- Area Universities: Key Economic Development Building Block – Engine Of High Wage, High Skill Job Growth

Case Study:
Deerfield Beach, Florida

Case Study: Deerfield Beach, FL

	Deerfield Beach					Broward County				
	2000	2010	2013	Percentage Change		2000	2010	2013	Percentage Change	
				2000-10	2010-13				2000-10	2010-13
Total:	64,716	74,919	77,267	15.8%	3.1%	1,623,018	1,753,578	1,838,844	8.0%	4.9%
White alone	46,393	44,031	42,335	-5.1%	-3.9%	940,692	764,305	746,144	-18.8%	-2.4%
Black or African American alone	10,098	17,644	19,545	74.7%	10.8%	322,516	453,171	495,686	40.5%	9.4%
American Indian and Alaska Native alone	59	89	68	50.8%	-23.6%	2,912	3,618	2,092	24.2%	-42.2%
Asian alone	632	893	1499	41.3%	67.9%	36,148	55,991	62,430	54.9%	11.5%
Native Hawaiian and Other Pacific Islander alone	59	0	0	-100.0%	#DIV/0!	570	918	786	61.1%	-14.4%
Some Other Race alone	341	184	398	-46.0%	116.3%	6,638	5,552	10,095	-16.4%	81.8%
Two or More Races	1,617	937	1375	-42.1%	46.7%	42,019	28,174	26,161	-32.9%	-7.1%
Hispanic or Latino (of any race)	5,517	11,141	12,047	101.9%	8.1%	271,523	441,849	495,450	62.7%	12.1%
White alone	71.7%	58.8%	54.8%	*	*	58.0%	43.6%	40.6%	*	*
Black or African American alone	15.6%	23.6%	25.3%	*	*	19.9%	25.8%	27.0%	*	*
Hispanic or Latino (of any race)	8.5%	14.9%	15.6%	*	*	16.7%	25.2%	26.9%	*	*

Source: U.S. Census ACS 2013 5-year estimates

FIU | Metropolitan Center

Case Study: Deerfield Beach, FL

Economic Base

- **N**on-durable service-providing industries = 90 percent of the employment base
- Majority of these jobs are directly related to tourism industry
- Recent employment growth in Professional, Management, Administration and Waste Management Services and Education and Health Services are indicative of growing economic diversification.

	Deerfield Beach					Broward County		
	2000	2010	2013	Percent Change 2000-10	Percent Change 2010-13	2010	2013	Percent Change 2010-13
Civilian employed population 16 years+	28,174	36,570	34,502	30%	-6%	850,849	850,129	-1%
Agriculture, forestry and mining	208	104	95	-50%	-9%	2,070	2,102	2%
Construction	2,507	4,275	2,952	71%	-31%	62,140	51,397	-17%
Manufacturing	1,874	1,961	1,776	5%	-9%	44,572	41,667	-7%
Wholesale trade	1,231	1,232	982	1%	-20%	36,309	31,739	-13%
Retail trade	3,960	5,253	4,794	33%	-9%	111,712	116,214	4%
Transportation, warehousing and utilities	1,229	1,577	1,209	28%	-23%	48,683	44,095	-9%
Information	960	823	720	-14%	-13%	24,961	19,878	-20%
Finance, insurance, real estate and rental	2,561	3,219	2,963	26%	-8%	78,319	73,473	-6%
Prof., scientific, mgmt, admin., and waste mgmt. services:	3,299	4,528	4,771	37%	5%	109,471	114,881	5%
Educational, health and social services	3,861	5,607	5,696	45%	2%	165,958	178,935	8%
Arts, entertainment, accommod. & food	3,199	4,571	5,181	43%	13%	82,267	89,346	9%
Other services	1,936	2,401	2,335	24%	-3%	47,084	48,270	2%
Public administration	995	1,018	1,028	2%	1%	37,303	38,202	2%

Source: U.S Census, 2000, 2010; American Community Survey, 2009-2013

Case Study: Deerfield Beach, FL

Historic Dynamics

- Local economy has yet to fully recover - City's economy employs 37,879 persons which is just shy of its 2006 peak employment.
- City's median household income is 25 percent less than the County.
- Adjusted for inflation (in 2015 dollars), median household income in Deerfield Beach declined 15 percent from 2009 to 2013 and is 18 percent less than in 2000.
- While gaining population, City lost 143 households from 2009 to 2013 largely due to shrinking average household size and outmigration.

Case Study: Deerfield Beach, FL

- The City has experienced rapid shifts in its household income structure. From 2009 to 2013 the largest loss of households by income were those earning $75,000 to $99,000 per year and those earning $35,000 to $49,999 per year.

- City lost 956 households alone in these two middle and upper income segments.

- The data indicates that even while the City added back jobs (to near its peak employment) the new jobs being created since 2009 are in a combination of lower wage sectors and are paying less than they were in 2009.

Case Study: Deerfield Beach, FL

Historic Dynamics – Business Establishment Formation Rate

- Dramatic slowdown in number of business establishments and firms created within or locating to the City
- From 2009 to 2013, only 27 net new business establishments were created
- Slowdown in annual rate of net new business establishments shrank from annual average of 82 new establishments per year from 2000 to 2009 to only 27 per year from 2009 to 2013

Case Study: Deerfield Beach, FL

Establishment size structure Shifts

- Local economy added 98 establishments employing 1 to 4 persons
- Added 15 more (net) employing more than 50 persons
- During the same period net loss of 84 business establishments employing between 5 and 50 employees
- While not conclusive, the data indicates that the Deerfield economy has grown significantly through expansion of its existing businesses and key new business locations, adding new employment without a significant increase in new business establishments

Case Study: Deerfield Beach, FL

Advanced Industry Sector

- High proportion of business firms and establishments in the Advanced Industries Sector.
- Home to 388 establishments and firms within the Advanced Industries Sector employing 4,178 workers, or just over 7 percent of the City's jobs base.
- The total employment of the local firms in the Sector and their parent companies is over 1.2 million workers.
- The City's Advanced Industries Sector generates over $1.1 billion in local sales, and if the parent companies of the local establishments are added generate over $569 billion in sales worldwide.

FIU | Metropolitan Center

Case Study: Deerfield Beach, FL

COMPETITIVE ADVANTAGE ANALYSIS

A. Background

The competitive advantage analysis weighs the economic development capacity of the City by assessing certain factor conditions that either enhance or diminish economic opportunity and investment. aThe enhancement of a city's f ctor conditions or inputs including the workforce, land use, inventory of industrial and commercial buildings and public infrastructure is considered an important requisite for gaining competitive advantage in the regional economy.

- Coastal Community
- Vibrant A1A
- Strategic Location
- Diversified Economic Base
- Significant Labor Force with Range of Occupations
- Industrial Inventory
- International Trade, Life Sciences and Creative Design Cluster Firms
- Advanced Industry Sectors
- City Economic Development and Planning Professional Expertise

- Declining Household and Family Incomes
- Negative Shifts in Household Income Structure
- Low Wage Job Growth
- Underdeveloped Commercial Corridors and Plazas
- Lack of a Town Center
- Undefined and Improved Gateways

Case Study: Deerfield Beach, FL

COMPETITIVE ADVANTAGE ANALYSIS

1. City Demographics:

- While the City's educational attainment levels are below that of Broward County, there has been significant improvement in recent years, i.e. 25+ year old population with bachelor's degrees and overall college attainment levels.

2. Location:

- City strategically located in Broward County and centrally located inthe larger Tri-County region
- Excellent highway access to its commercial and industrial corridors with two interchanges on I-95 and direct access to the Florida Turnpike from SW 10th Street.

3. Economic Base:

- Employment growth in professional and business services, education and health services and retail trade is directly related to the population growth during the past decade.
- City has established manufacturing sector with growth potential in several subsectors - including international trade, life sciences and creative design.
- Manufacturing sector is comprised of over 25 different industry groups that account for over 4,000 jobs
- City is well represented in several Broward County's established industry clusters including Life Sciences, Marine, International Trade & Logistics and Creative Design.
- The City is home to 388 establishments within the Advanced Industries Sector employing approximately 4,178 workers.

Case Study: Deerfield Beach, FL

4. Industrial and Commercial Inventory

- The City has a significant inventory of both industrial (881.01 acres) and commercial (898.11 acres) land
- Additional 41.42 acres is designated as office park
- Industrial land accounts for 9.43 percent of the City's land area
- City has 355.60 vacant, undeveloped acres, of which, 126+ acres are industrial and 78+ acres commercial land uses.

5. Underdeveloped Commercial Corridors

- City's major commercial corridors have large stretches of Hillsboro Boulevard, Dixie Highway and Federal Highway corridor unremarkable and generally underdeveloped
- Also, absent from the corridors are "gateway improvements" that can denote and distinguish the City's key entrance points and give a sense of city ownership to these important roadways.

FIU | Metropolitan Center

Case Study: Deerfield Beach, FL

Deerfield Beach Cluster Opportunities

Deerfield Beach Industry Clusters

NAICS	Description	Establishments	Employees	Sales
Life Sciences				
3254	Pharmaceutical and Medicine Manufacturing	1	4	*
3391	Medical Equipment and Supplies Manufacturing	11	348	$81,763,000
5417	Scientific Research and Development Services	15	93	*
Marine				
3345	Navigational, Measuring, Electromedical, and Control Instruments	3	58	$15,295,000
4412	Other Motor Vehicle Dealers (Boat Dealers)	13	47	$20,318,000
4883	Support Activities for Water Transportation	1	2	$708,000
International Trade				
4234	Professional and Commercial Equipment and Supplies Merchant	46	449	$1,025,498,000
4236	Household Appliances and Electrical and Electronic Goods Merchant	37	339	$465,125,000
4238	Machinery, Equipment, and Supplies Merchant Wholesalers	28	343	$658,250,000
4885	Freight Transportation Arrangement	7	228	$9,221,000
Advanced Materials and High Tech				
3261	Plastics Product Manufacturing	5	88	$19,348,000
3273	Cement and Concrete Product Manufacturing	2	300	$58,794,000
4246	Chemical and Allied Products Merchant Wholesalers	1	6	$14,552,000
Aerospace & Aviation				
4881	Support Activities for Air Transportation	3	86	$4,785,000
Cloud Technology/Mobile Communication				
3261	Plastics Product Manufacturing	5	88	$19,348,000
3342	Telephone Apparatus Manufacturing	2	27	$8,644,000
5172	Wireless Telecommunications Carriers (except Satellite)	27	114	$78,432,000
3342	Radio and Television Broadcasting and Wireless Communications	2	46	$12,198,000

Source: Accudata/The Nielsen Company, 2015. Analysis by FIU Metropolitan Center

FIU | Metropolitan Center

Case Study: Deerfield Beach, FL

Deerfield Beach Cluster Opportunities

City of Deerfield Beach Creative Design Cluster Analysis

NAICS	Description	Establishments	Employees	Sales
5121	Motion Picture and Video Industries	14	141	$62,446,000
5413	Architectural, Engineering, and Related Services	63	425	$80,412,000
5414	Specialized Design Services	43	115	$14,665,000
5415	Computer Systems Design and Related Services	22	157	$30,283,000

Source: The Nielsen Company, 2015. Analysis by FIU Metropolitan Center

FIU | Metropolitan Center