Local Economic Development Planning & Management

FIU Metropolitan Center

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Kevin Greiner, MUP, JD

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

*In most cases, major changes in employment take 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

**FIRM STRATEGY, STRUCTURE & RIVALRY**

- **FACTOR CONDITIONS**
- **DEMAND CONDITIONS**
- **RELATED & SUPPORTING INDUSTRIES**
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.
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).
High Location Quotient

Evolving Industry

High LQ, Positive Growth

Established Industry

High LQ, Positive Growth

Declining Industry

Low LQ, Negative Growth

Emerging Industry

Low LQ, Positive Growth

Low Location Quotient
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
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

![Graph showing employment by sector in May, high (2007) to low (2010) to latest (2013) in Miami-Dade County. The graph compares employment changes across sectors such as Government, Educational and Health Services, Professional and Business Services, Retail Trade, Leisure and Hospitality, Wholesale Trade, Financial Activities, Transportation and Utilities, Construction, Manufacturing, Other Services, and Information. Changes are indicated with arrows showing increases and decreases in employment numbers.]
Step 6: Assess Wider Economic Environment & Trends (Cont)

The Sources of Economic (Employment) Growth:

<table>
<thead>
<tr>
<th>Sources of Employment Change 1992-2010</th>
<th>Percentage of Job Creation</th>
<th>Percentage of Job Loss</th>
</tr>
</thead>
<tbody>
<tr>
<td>Establishment Expansion</td>
<td>Establishment Birth</td>
<td>Interstate Relocation (Move-In)</td>
</tr>
<tr>
<td>All Industries</td>
<td>39.9</td>
<td>59.2</td>
</tr>
<tr>
<td>Ag, Forestry, Fishing, Hunting</td>
<td>55.0</td>
<td>44.4</td>
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<tr>
<td>Mining</td>
<td>36.4</td>
<td>47.8</td>
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<tr>
<td>Utilities</td>
<td>48.6</td>
<td>51</td>
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<tr>
<td>Construction</td>
<td>47.7</td>
<td>51.9</td>
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<tr>
<td>Manufacturing</td>
<td>53.6</td>
<td>44.3</td>
</tr>
<tr>
<td>Wholesale Trade</td>
<td>44.1</td>
<td>54.6</td>
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<tr>
<td>Retail Trade</td>
<td>27.8</td>
<td>71.7</td>
</tr>
<tr>
<td>Transportation &amp; Warehousing</td>
<td>36.1</td>
<td>63.2</td>
</tr>
<tr>
<td>Information</td>
<td>35.7</td>
<td>62.2</td>
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<tr>
<td>Finance &amp; Insurance</td>
<td>39.2</td>
<td>60.1</td>
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<tr>
<td>Real Estate &amp; Rental &amp; Leasing</td>
<td>37.6</td>
<td>61.8</td>
</tr>
<tr>
<td>Professional &amp; Technical Services</td>
<td>37.6</td>
<td>61.2</td>
</tr>
</tbody>
</table>
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
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)

Weekly Average Wages - High Performing MSA's

Weekly Average Wages - Low Performing MSA's
Step 6: Assess Wider Economic Environment & Trends (Cont)

Income Inequality

<table>
<thead>
<tr>
<th></th>
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<tbody>
<tr>
<td></td>
<td>20th percentile</td>
<td>95th percentile</td>
<td>20th percentile</td>
<td>95th percentile</td>
<td>20th percentile</td>
<td>95th percentile</td>
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<tr>
<td>Atlanta, Ga.</td>
<td>14,988</td>
<td>288,159</td>
<td>19.23</td>
<td>-4,174</td>
<td>-12,815</td>
<td>3.5</td>
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<td>San Francisco, Calif.</td>
<td>24,815</td>
<td>423,171</td>
<td>17.05</td>
<td>-1,182</td>
<td>92,649</td>
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<td>Boston, Mass.</td>
<td>15,952</td>
<td>239,837</td>
<td>15.03</td>
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<td>-2,403</td>
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<td>Miami, Fla.</td>
<td>11,497</td>
<td>169,855</td>
<td>14.77</td>
<td>-960</td>
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<td>Washington, D.C.</td>
<td>21,036</td>
<td>302,265</td>
<td>14.37</td>
<td>-1,087</td>
<td>15,139</td>
<td>1.4</td>
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<td>New York, N.Y.</td>
<td>17,759</td>
<td>243,529</td>
<td>13.71</td>
<td>-1,371</td>
<td>4,738</td>
<td>1.2</td>
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<td>Dallas, Texas</td>
<td>17,823</td>
<td>227,015</td>
<td>12.74</td>
<td>-2,675</td>
<td>-1,711</td>
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<td>Chicago, Ill.</td>
<td>16,706</td>
<td>209,574</td>
<td>12.54</td>
<td>-1,833</td>
<td>1,011</td>
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<td>Los Angeles, Calif.</td>
<td>18,332</td>
<td>229,310</td>
<td>12.51</td>
<td>-2,736</td>
<td>-18,268</td>
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<td>Minneapolis, Minn.</td>
<td>17,159</td>
<td>214,629</td>
<td>12.51</td>
<td>-2,361</td>
<td>9,644</td>
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<td>Cleveland, Ohio</td>
<td>9,371</td>
<td>116,034</td>
<td>12.38</td>
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<td>8,039</td>
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<td>Baltimore, Md.</td>
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<td>12.28</td>
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<td>-8,179</td>
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<td>Oakland, Calif.</td>
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<td>236,205</td>
<td>12.12</td>
<td>511</td>
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<td>Detroit, Mich.</td>
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<td>107,521</td>
<td>11.97</td>
<td>-2,362</td>
<td>-15,693</td>
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<tr>
<td>Houston, Texas</td>
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<td>220,582</td>
<td>11.76</td>
<td>-844</td>
<td>1,612</td>
<td>0.6</td>
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<td>Philadelphia, Pa.</td>
<td>13,060</td>
<td>150,545</td>
<td>11.53</td>
<td>-1,537</td>
<td>-11</td>
<td>1.2</td>
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<td>Denver, Colo.</td>
<td>20,326</td>
<td>216,825</td>
<td>10.67</td>
<td>1,282</td>
<td>12,238</td>
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<td>Seattle, Wash.</td>
<td>26,744</td>
<td>278,084</td>
<td>10.40</td>
<td>-482</td>
<td>23,396</td>
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<td>Memphis, Tenn.</td>
<td>14,531</td>
<td>149,868</td>
<td>10.31</td>
<td>-435</td>
<td>-9,456</td>
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<td>Charlotte, N.C.</td>
<td>22,203</td>
<td>225,550</td>
<td>10.16</td>
<td>-5,052</td>
<td>-3,692</td>
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<td>Portland, Ore.</td>
<td>21,610</td>
<td>215,358</td>
<td>9.97</td>
<td>-394</td>
<td>24,802</td>
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<tr>
<td>Long Beach, Calif.</td>
<td>19,854</td>
<td>195,675</td>
<td>9.86</td>
<td>-2,769</td>
<td>-7,090</td>
<td>0.9</td>
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<td>Louisville, Ky.</td>
<td>17,894</td>
<td>175,591</td>
<td>9.81</td>
<td>-937</td>
<td>8,561</td>
<td>0.9</td>
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<td>Tulsa, Okla.</td>
<td>17,708</td>
<td>173,549</td>
<td>9.80</td>
<td>134</td>
<td>-8,350</td>
<td>-0.5</td>
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<td>San Jose, Calif.</td>
<td>32,018</td>
<td>310,325</td>
<td>9.69</td>
<td>-3,095</td>
<td>40,821</td>
<td>2.0</td>
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</tbody>
</table>
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


Miami MSA: 81st out of 100 Largest Metros
Step 6: Assess Wider Economic Environment & Trends (Cont)

*Patent Intensity: Directly Correlated to Job Growth*

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

<table>
<thead>
<tr>
<th>MANUFACTURING</th>
<th>ENERGY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aerospace Products and Parts</td>
<td>Motor Vehicles</td>
</tr>
<tr>
<td>Agr., Construction, and Mining Machinery</td>
<td>Navigation, Measurement, and Control Instruments</td>
</tr>
<tr>
<td>Aluminum Production and Processing</td>
<td>Other Chemical Products</td>
</tr>
<tr>
<td>Audio and Video Equipment</td>
<td>Other Electrical Equipment and Components</td>
</tr>
<tr>
<td>Basic Chemicals</td>
<td>Other General Purpose Machinery</td>
</tr>
<tr>
<td>Clay Products</td>
<td>Other Miscellaneous Manufacturing</td>
</tr>
<tr>
<td>Commercial and Service Industry Machinery</td>
<td>Other Nonmetallic Mineral Products</td>
</tr>
<tr>
<td>Communications Equipment</td>
<td>Other Transportation Equipment</td>
</tr>
<tr>
<td>Computers and Peripheral Equipment</td>
<td>Pesticides, Fertilizers, and Other Agr. Chemicals</td>
</tr>
<tr>
<td>Electric Lighting Equipment</td>
<td>Petroleum and Coal Products</td>
</tr>
<tr>
<td>Electrical Equipment</td>
<td>Pharmaceuticals and Medicine</td>
</tr>
<tr>
<td>Engines, Turbines, and Power Trans. Equipment</td>
<td>Railroad Rolling Stock</td>
</tr>
<tr>
<td>Foundries</td>
<td>Resins and Synthetic Rubbers, Fibers, and Filaments</td>
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<tr>
<td>Household Appliances</td>
<td>Semiconductors and Other Electronic Components</td>
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<tr>
<td>Industrial Machinery</td>
<td>Ship and Boat Building</td>
</tr>
<tr>
<td>Iron, Steel, and Ferroalloys</td>
<td>Medical Equipment and Supplies</td>
</tr>
<tr>
<td>Motor Vehicle Bodies and Trailers</td>
<td>Reproducing Magnetic and Optical Media</td>
</tr>
<tr>
<td>Motor Vehicle Parts</td>
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</table>
Step 6: Assess Wider Economic Environment & Trends (Cont)

Advanced Industries

Advanced Industry Share of Total Employment by Quintile

- 2.0 to 5.9 percent
- 5.9 to 7.7 percent
- 7.7 to 9.0 percent
- 9.1 to 10.2 percent
- 10.3 to 30.0 percent
Step 6: Assess Wider Economic Environment & Trends (Cont)

*Horizontal Job Mobility – Job Churn Dropping Nationally*

<table>
<thead>
<tr>
<th>METRO</th>
<th>2003</th>
<th>2013</th>
<th>DIFFERENCE IN CHURN RATE</th>
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</thead>
<tbody>
<tr>
<td>North Port-Sarasota-Bradenton, FL</td>
<td>125.9%</td>
<td>71.8%</td>
<td>-54.1</td>
</tr>
<tr>
<td>Virginia Beach-Norfolk-Newport News, VA-NC</td>
<td>118.7%</td>
<td>71.9%</td>
<td>-46.9</td>
</tr>
<tr>
<td>Tampa-St. Petersburg-Clearwater, FL</td>
<td>110.3%</td>
<td>70.5%</td>
<td>-39.8</td>
</tr>
<tr>
<td>Jacksonville, FL</td>
<td>107.8%</td>
<td>68.9%</td>
<td>-38.9</td>
</tr>
<tr>
<td>New Orleans-Metairie, LA</td>
<td>112.8%</td>
<td>78.8%</td>
<td>-33.9</td>
</tr>
<tr>
<td>Albuquerque, NM</td>
<td>106.6%</td>
<td>72.9%</td>
<td>-33.7</td>
</tr>
<tr>
<td>Phoenix-Mesa-Scottsdale, AZ</td>
<td>105.0%</td>
<td>72.8%</td>
<td>-32.2</td>
</tr>
<tr>
<td>Orlando-Kissimmee-Sanford, FL</td>
<td>101.6%</td>
<td>70.2%</td>
<td>-31.4</td>
</tr>
<tr>
<td>Tucson, AZ</td>
<td>99.1%</td>
<td>69.2%</td>
<td>-29.9</td>
</tr>
<tr>
<td>Miami-Fort Lauderdale-West Palm Beach, FL</td>
<td>96.3%</td>
<td>66.7%</td>
<td>-29.6</td>
</tr>
</tbody>
</table>
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)
- 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:
- 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 Approaching Record High – Wages Have Not Kept Pace With Price And Rent Increases

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

- **Atlanta**
  - 32% % of Population <45% income
  - 53% Average
  - 68% of Population

- **Austin**
  - 36% % of Population <45% income
  - 51% Average
  - 64% of Population

- **Charlotte**
  - 23% % of Population <45% income
  - 52% Average
  - 77% of Population

- **Miami**
  - 15% % of Population <45% income
  - 58% Average
  - 85% of Population

- **Orlando**
  - 8% % of Population <45% income
  - 57% Average
  - 92% of Population

- **Tampa**
  - 12% % of Population <45% income
  - 58% Average
  - 88% of Population
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

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*

United States = 100
- More than 110 (62)
- 100.1 to 110 (82)
- 90.1 to 100 (202)
- 80 to 90 (793)
- Less than 80 (1,972)

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
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.
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
- 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
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
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

## Table: Demographic Changes 2000-2013

<table>
<thead>
<tr>
<th></th>
<th>Deerfield Beach</th>
<th>Broward County</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total:</td>
<td>64,716</td>
<td>74,919</td>
</tr>
<tr>
<td>White alone</td>
<td>46,393</td>
<td>44,031</td>
</tr>
<tr>
<td>Black or African American alone</td>
<td>10,098</td>
<td>17,644</td>
</tr>
<tr>
<td>American Indian and Alaska Native alone</td>
<td>59</td>
<td>89</td>
</tr>
<tr>
<td>Asian alone</td>
<td>632</td>
<td>893</td>
</tr>
<tr>
<td>Native Hawaiian and Other Pacific Islander alone</td>
<td>59</td>
<td>0</td>
</tr>
<tr>
<td>Some Other Race alone</td>
<td>341</td>
<td>184</td>
</tr>
<tr>
<td>Two or More Races</td>
<td>1,617</td>
<td>937</td>
</tr>
<tr>
<td>Hispanic or Latino (of any race)</td>
<td>5,517</td>
<td>11,141</td>
</tr>
</tbody>
</table>

### Source: U.S. Census ACS 2013 5-year estimates
Case Study: Deerfield Beach, FL

Economic Base

- Non-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.

<table>
<thead>
<tr>
<th></th>
<th>Deerfield Beach</th>
<th>Broward County</th>
<th>Percent Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Civilian employed population 16 years+</td>
<td>28,174</td>
<td>36,570</td>
<td>34,502</td>
</tr>
<tr>
<td>Agriculture, forestry and mining</td>
<td>208</td>
<td>104</td>
<td>95</td>
</tr>
<tr>
<td>Construction</td>
<td>2,507</td>
<td>4,275</td>
<td>2,952</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>1,874</td>
<td>1,961</td>
<td>1,776</td>
</tr>
<tr>
<td>Wholesale trade</td>
<td>1,231</td>
<td>1,232</td>
<td>982</td>
</tr>
<tr>
<td>Retail trade</td>
<td>3,960</td>
<td>5,253</td>
<td>4,794</td>
</tr>
<tr>
<td>Transportation, warehousing and utilities</td>
<td>1,229</td>
<td>1,577</td>
<td>1,209</td>
</tr>
<tr>
<td>Information</td>
<td>960</td>
<td>823</td>
<td>720</td>
</tr>
<tr>
<td>Finance, insurance, real estate and rental</td>
<td>2,561</td>
<td>3,219</td>
<td>2,963</td>
</tr>
<tr>
<td>Prof., scientific, mgmt, admin., and waste mgmt. services:</td>
<td>3,299</td>
<td>4,528</td>
<td>4,771</td>
</tr>
<tr>
<td>Educational, health and social services</td>
<td>3,861</td>
<td>5,607</td>
<td>5,696</td>
</tr>
<tr>
<td>Arts, entertainment, accommod. &amp; food</td>
<td>3,199</td>
<td>4,571</td>
<td>5,181</td>
</tr>
<tr>
<td>Other services</td>
<td>1,936</td>
<td>2,401</td>
<td>2,335</td>
</tr>
<tr>
<td>Public administration</td>
<td>995</td>
<td>1,018</td>
<td>1,028</td>
</tr>
</tbody>
</table>

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.
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.
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
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
**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.
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. The enhancement of a city’s factor 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

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 in the 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.
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.
## Case Study: Deerfield Beach, FL

### Deerfield Beach Cluster Opportunities

<table>
<thead>
<tr>
<th>NAICS</th>
<th>Description</th>
<th>Establishments</th>
<th>Employees</th>
<th>Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>3254</td>
<td>Pharmaceutical and Medicine Manufacturing</td>
<td>1</td>
<td>4</td>
<td>*</td>
</tr>
<tr>
<td>3391</td>
<td>Medical Equipment and Supplies Manufacturing</td>
<td>11</td>
<td>348</td>
<td>$81,763,000</td>
</tr>
<tr>
<td>5417</td>
<td>Scientific Research and Development Services</td>
<td>15</td>
<td>93</td>
<td>*</td>
</tr>
<tr>
<td>3345</td>
<td>Navigational, Measuring, Electromedical, and Control Instruments</td>
<td>3</td>
<td>58</td>
<td>$15,295,000</td>
</tr>
<tr>
<td>4412</td>
<td>Other Motor Vehicle Dealers (Boat Dealers)</td>
<td>13</td>
<td>47</td>
<td>$20,318,000</td>
</tr>
<tr>
<td>4883</td>
<td>Support Activities for Water Transportation</td>
<td>1</td>
<td>2</td>
<td>$708,000</td>
</tr>
<tr>
<td>4234</td>
<td>Professional and Commercial Equipment and Supplies Merchant</td>
<td>46</td>
<td>449</td>
<td>$1,025,498,000</td>
</tr>
<tr>
<td>4236</td>
<td>Household Appliances and Electrical and Electronic Goods Merchant</td>
<td>37</td>
<td>339</td>
<td>$465,125,000</td>
</tr>
<tr>
<td>4238</td>
<td>Machinery, Equipment, and Supplies Merchant Wholesalers</td>
<td>28</td>
<td>343</td>
<td>$658,250,000</td>
</tr>
<tr>
<td>4885</td>
<td>Freight Transportation Arrangement</td>
<td>7</td>
<td>228</td>
<td>$9,221,000</td>
</tr>
</tbody>
</table>

**International Trade**

<table>
<thead>
<tr>
<th>NAICS</th>
<th>Description</th>
<th>Establishments</th>
<th>Employees</th>
<th>Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>4261</td>
<td>Plastics Product Manufacturing</td>
<td>5</td>
<td>88</td>
<td>$19,348,000</td>
</tr>
<tr>
<td>3273</td>
<td>Cement and Concrete Product Manufacturing</td>
<td>2</td>
<td>300</td>
<td>$58,794,000</td>
</tr>
<tr>
<td>4264</td>
<td>Chemical and Allied Products Merchant Wholesalers</td>
<td>1</td>
<td>6</td>
<td>$14,552,000</td>
</tr>
</tbody>
</table>

**Advanced Materials and High Tech**

<table>
<thead>
<tr>
<th>NAICS</th>
<th>Description</th>
<th>Establishments</th>
<th>Employees</th>
<th>Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>4881</td>
<td>Support Activities for Air Transportation</td>
<td>3</td>
<td>86</td>
<td>$4,785,000</td>
</tr>
</tbody>
</table>

**Aerospace & Aviation**

<table>
<thead>
<tr>
<th>NAICS</th>
<th>Description</th>
<th>Establishments</th>
<th>Employees</th>
<th>Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>3261</td>
<td>Plastics Product Manufacturing</td>
<td>5</td>
<td>88</td>
<td>$19,348,000</td>
</tr>
<tr>
<td>3342</td>
<td>Telephone Apparatus Manufacturing</td>
<td>2</td>
<td>27</td>
<td>$8,644,000</td>
</tr>
<tr>
<td>5172</td>
<td>Wireless Telecommunications Carriers (except Satellite)</td>
<td>27</td>
<td>114</td>
<td>$78,432,000</td>
</tr>
<tr>
<td>3342</td>
<td>Radio and Television Broadcasting and Wireless Communications</td>
<td>2</td>
<td>46</td>
<td>$12,198,000</td>
</tr>
</tbody>
</table>

**Source:** Accudata/The Nielsen Company, 2015. Analysis by FIU Metropolitan Center
Case Study: Deerfield Beach, FL

Deerfield Beach Cluster Opportunities

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

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