

SOUTHWEST FLORIDA REGIONAL PLANNING COUNCIL

COMPREHENSIVE ECONOMIC  
DEVELOPMENT STRATEGY  
2007 - 2012



SOUTHWEST FLORIDA'S ECONOMY



SERVING CHARLOTTE, COLLIER, GLADES, HENDRY, LEE AND SARASOTA COUNTIES SINCE 1973

# ECONOMIC DEVELOPMENT DISTRICT

SEPTEMBER 2007

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Further information on this economic development plan may be obtained by contacting Jennifer Pellechio, Senior Planner, Southwest Florida Regional Planning Council at (239) 338-2550 ext. 218 or email [jpellechio@swfrpc.org](mailto:jpellechio@swfrpc.org).

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# INTRODUCTION

## Background

Since its designation as an Economic Development District in 1992, the Southwest Florida Regional Planning Council (Council) has worked to promote economic development in the six-county region (Charlotte, Collier, Glades, Hendry, Lee and Sarasota) it serves. The Council has accomplished this by working closely with the cities and counties in the region and by implementing its work program that is submitted annually in the application to the Economic Development Administration.



During the past five years, the Council has undertaken a number of efforts in collaboration with its Economic Development Strategy Committee, formerly known as the Economic Development Coalition, composed of representatives from throughout the region. The mission of the Committee is to share information and to address problems concerning economic development from a regional perspective whenever possible. These efforts will continue and are expected to increase based on the range of projects identified in this Comprehensive Economic Development Strategy (CEDS).

The Council created and maintains its own web site where most of this information is available ([www.swfrpc.org](http://www.swfrpc.org)). The Council and its Committees will continue to advance and update its web site as information is made available.

In addition, staff responds to a variety of individual requests for information from communities, businesses, individuals, public and community organizations. Most of these requests are handled by phone and e-mail.

Council staff has continued to work closely with local economic development organizations to assist in implementing their programs and projects. Staff continues to alert local communities and economic development organizations of available programs that meet their needs.

## **OUR VISION**

### ***The Economic Development Strategy Committee's Vision Statement:***

Southwest Florida will attract, retain, and create quality businesses to diversify its economic base, while protecting the natural and cultural environments, to promote economic stability, greater job and educational opportunities, and higher income for its residents.

The vision statement served as the basis for the development of the following economic issues. Regional resources and facilities are listed at the end of this element.

# ANALYSIS

## A. Population Demographics

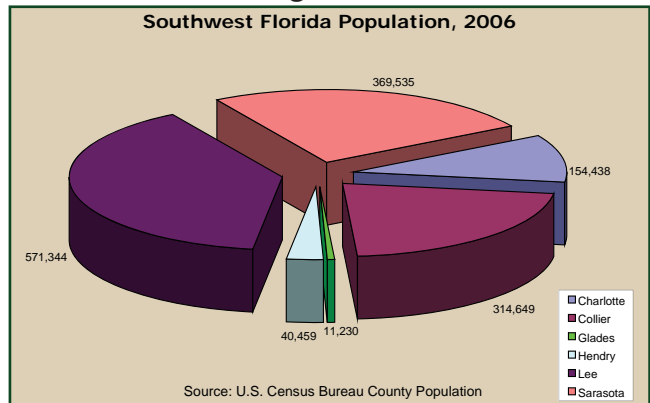
### Population growth

The Region's population has grown significantly over the past few decades. In 1960, Southwest Florida's population was 170,850 representing 3.5% of the state's population. By 1990, the Region's population was more than five times that amount at 909,327 or 7.0% of the state's population. Shortly thereafter, the Region's population surpassed one million. In 2000, the population for the Region had grown to 7.5% of the total population of the State.

It is estimated that the Region will reach 2.3 million residents by the year 2030. Projected by the Bureau of Economic and Business Research (BEBR). Although the population trend is expected to follow the same pattern for both the Region and the state, growth in Southwest Florida is outpacing the rest of the state. The Southwest Florida Region is one of the most attractive areas in the State of Florida and in the country as a whole. This is due to the abundance of natural resources including water, sub-tropical vegetation and wildlife. In addition, the close proximity of beaches and the warm climate draw a large number of people close.

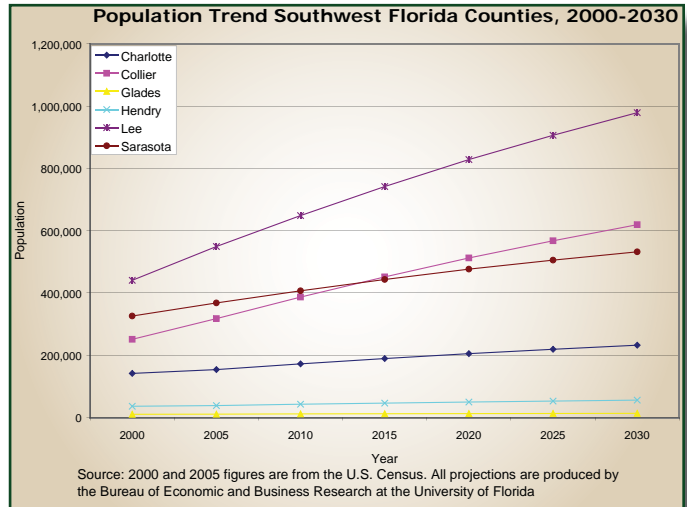
Retirees relocated to the Region to enjoy the great climate and lifestyle of Southwest Florida. The population and urban activity is concentrated along the coast. Figure 1 shows the individual counties' share of the region's population.

Figure 1



Collier has been the fastest growing county in Southwest Florida for the past 70 years. As illustrated in Figure 2, if the trend continues, by the year 2015 Collier County's population will surpass that of Sarasota County.

Figure 2



### Strategic Finding:

Southwest Florida's rapid population growth is twice the State's. This indicates a need for more investment in infrastructure than the federal and state governments are prepared to provide, so local sources are critical for success.

**Age**

The natural attributes of Southwest Florida attract people of diverse backgrounds. Most people relocate to Southwest Florida for the warm climate and lifestyle; people ages 65 and over are particularly attracted to the region for that reason. This is why retirees (age 65+) are the fastest growing age cohort in Southwest Florida. As shown in Figure 3, the retired population is expected to grow at an annual average rate of 6%.



The 2006 retired population in Southwest Florida, as estimated by BEBR, is 377,889; this is 26% of the entire population of Southwest Florida. Figure 3 shows the share of population by age in 2000, and projects the average annual growth by age between 2000-2030.

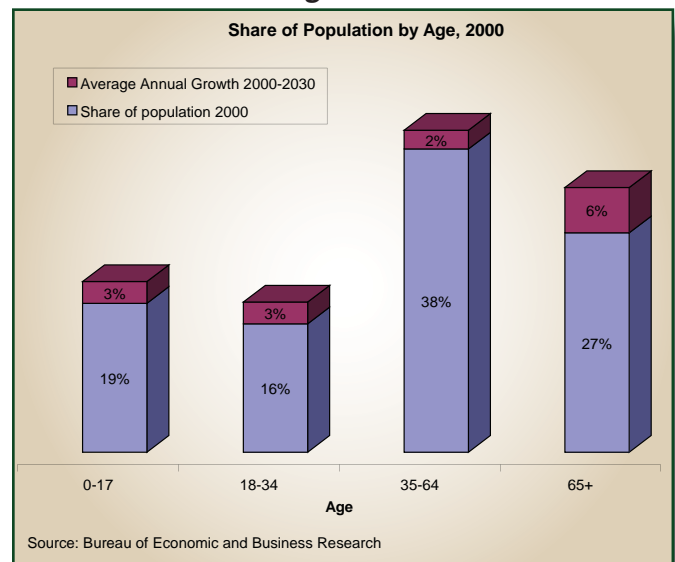
Age Group Share of Population

Age cohort 35-64 had the largest share (38%) of the population. When combined with the population share (16%) of the age group 18-34 the region's potential workforce share of the population is 54%. The region currently has a significant number of potential workers, which signals strength in the economy. However, the current trend suggests that the retiree population (65+) will be the largest age group in Southwest Florida in the next 10 years.

Within Southwest Florida, the six counties vary widely by age. Hendry County, with the youngest population, owed a larger percentage of its

growth to natural increase than any other county. Charlotte County, having an older population and thus higher death rates, maintained its population levels due to some in-migration. In the Region as a whole, Lee County has the most diverse population with a mix of the younger and older age groups.

**Figure 3**



**Strategic Finding:**

In 2005, 26% of the Region's population was over 65 and this group is rapidly becoming the largest population group in the Region. This population segment has a lower propensity to spend except for specialized services such as health care, food services and retail. Over time, this can lead to a situation of lower economic expansion of the regional economy as the population of the region matures.

**Education**

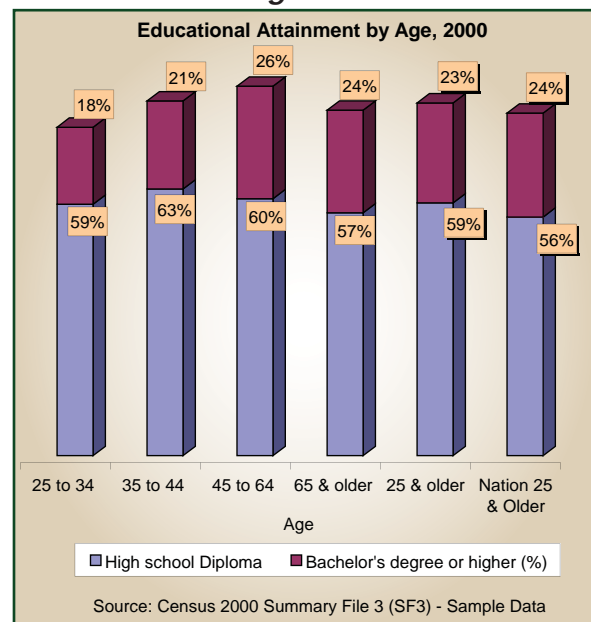
Education is an important indicator of the overall productivity of an economy. The more educated individuals are within an economy, the higher the stock of human capital available to aid the production of goods and services for the various sectors of the economy. Thus, education and productivity are positively correlated. Figure 4 illustrates educational attainment by age for 2000 for Southwest Florida.

Southwest Floridians are as educated as the nation and therefore have the potential to be as productive. Of the 910,856 people ages 25 years and older in Southwest Florida on April 1, 2000, 82% had a high school diploma or more, and 23% had completed at least a bachelor's degree. At the same time, 80% of people 25 years and older in the nation had a high school diploma or more, while 24% had at least a bachelor's degree. Eighty-four percent of people in the 35 to 44 age group had a high school diploma or more, while 86% of the age group 45 to 64 completed a high school diploma or more. Educational attainment at the bachelor's degree level was higher for the age group 45 to 64 at 26%, compared to 21% for the age group 35 to 44. Therefore, the age cohort 45 to 64 was the most educated group of people in Southwest Florida in 2000.

People ages 25 to 34 were the least educated group of people in Southwest Florida in 2000. Seventy-nine percent of this age group completed a high school diploma or higher, while 18% attained a bachelor's degree or higher.

This low level of higher education attainment among this cohort is a potential threat to the region's future social and economic position in the nation. Southwest Florida has a healthy number of working age adults that if coupled with a higher level of educational attainment could increase productivity and boost the standard of living.

**Figure 4**



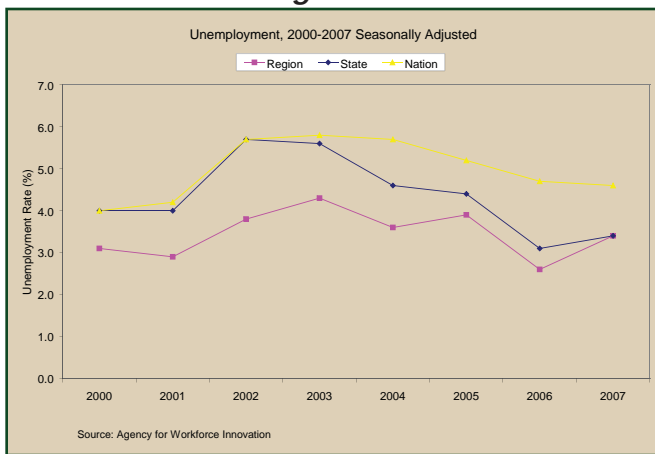
**Strategic Finding:**

The region's higher educational attainment is low, especially among the 25-34 age cohorts. The specialized services needed by the elderly require a more educated service providing industry than currently available in the region.

## Unemployment

Figure 5 shows the seasonally adjusted unemployment trend for Southwest Florida, the state, and the nation for 2000 through 2007. The regional unemployment rates reflect the state and the national trend, although the unemployment rate in the region is lower than the state's. A low and stable unemployment rate is desirable, but when the jobless rate is too low it may cause inflation to rise because low unemployment drives wages up. While the creation of high paying jobs is healthy for the Southwest Florida economy, it is important to keep a watchful eye on inflation.

**Figure 5**



The January 2007 unemployment rate rose to 4.3% for both the region and the state, which indicates an upward trend in the regional jobless rate. This upward trend in the jobless rate suggests inflationary pressure in the region has taken a downward turn. The Consumer Price Index (CPI-U) for all urban consumers measures the cost of items in several specific categories and is used as an indicator of general inflation.

As illustrated in Figure 5 the relatively low levels of unemployment have been generally good for the regional economy since inflation has also been kept at bay.

In 2006, the unemployment rate for the Region was 2.6%. This was below both the state and national rates. However, within the region, Hendry and Glades Counties experienced the highest unemployment rates (6.3% and 4.5%, respectively) Lee County enjoyed the lowest rate, 2.5%. The following are the July 2007 unemployment rates for Southwest Florida Counties: Hendry 9.9%, Glades 6.2%, Charlotte 5.5%, Collier 4.9%, Lee 4.7% and Sarasota 4.4%.

### Strategic Finding:

Unemployment levels in Southwest Florida have been below the national average for the last several years; however, there are pockets of high unemployment areas in the region and the latest unemployment numbers indicate an increase in unemployment in the area due to the slowdown in housing construction. The highest unemployment rates in the region are typically found in Glades and Hendry Counties.

**Poverty**

In 2004 over 120,000 Southwest Floridians reportedly earned below the poverty threshold, which is approximately 9% of households. Both Hendry and Glades Counties have higher percentages, 17% and 12% of the population, respectively, earned below the poverty level.

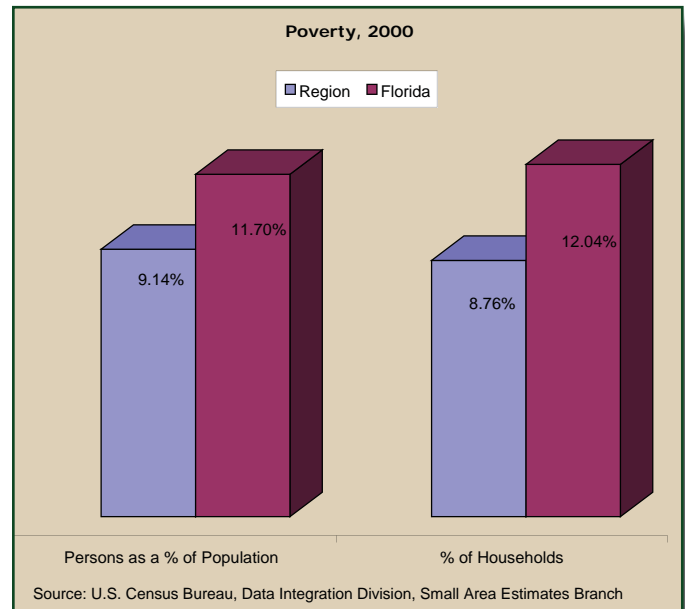
Figure 6 compares poverty levels in Southwest Florida to poverty in the State of Florida. The 2004 poverty data shows a 0.2% reduction from 2000 in the number of persons in Southwest Florida living in poverty, while the state's poverty data for the same year shows 0.2% increase in the number of people in poverty. It is important for policy makers in Southwest Florida to understand the myriad of causes of poverty, which include low level of higher education, unemployment, disability, and fixed incomes of an ageing population. Investment in education now may translate to lower poverty levels in the near future.

Figure 7 shows poverty rates for all Counties in the Southwest Florida Region from 2000 to 2006. Poverty rates continue to slowly decline in some of Southwest Florida's smallest Counties. Despite the gradual decline in poverty rates seen in recent years, Hendry County continues to exhibit one of the highest poverty rates in the State of Florida.

According to the 2006 American Community Survey (ACS), poverty rates are slowly rising in other parts of the region. In 2000, Sarasota County experienced the lowest poverty rate in

the region (one of the lowest poverty rates (7.3%) in the state); however, in 2006, that rate increased by almost 2%. Poverty rates in Collier County have risen by about 1% since 2000.

**Figure 6**



**Figure 7**

**Estimates of All Counties in Poverty**

Geography	Persons as a % of Population		
	2000	2004	2006
Charlotte	9.0	8.1	7.5
Collier	8.9	8.8	9.7
Glades*	15.5	12.1	12.5
Hendry*	19.5	16.7	18.3
Lee	9.4	8.9	9.0
Sarasota	7.3	7.6	9.1
Region	9.1	8.9	9.3
Florida	11.7	11.9	12.6

Source: U.S. Census Bureau, Data Integration Division, Small Area Estimates Branch and 2006 American Community Survey.

\*Glades and Hendry Counties' 2006 figures are SWFRPC estimates based on 2006 BEBR population estimates and Southwest Florida poverty trends.

**Strategic Finding:**

Although the poverty level in Southwest Florida as a whole is about 3% lower than the State's (12%), some counties in the region struggle with high poverty rates. For instance, 17% of households in Hendry County live well below the poverty threshold.

**Figure 8**

**Civilian Labor Force and Participation Rate**

Geography	Labor Force				
	2000	% of Population	2005	% of Population	% Change 2000-05
Charlotte	52,542	43.0	61,424	46.0	16.9
Collier	109,476	52.9	135,634	55.1	23.9
Glades	4,034	47.6	4,011	47.3	-0.6
Hendry	15,908	59.8	17,091	64.3	7.4
Lee	193,814	53.3	253,138	57.3	30.6
Sarasota	140,664	50.5	161,129	52.7	14.5
Region	516,438	51.2	632,427	53.8	22.46
Florida	7,471,977	58.6	8,472,756	61.4	13.39

Source: U.S. Census Bureau. 2005 labor force figures for Glades and Hendry Counties from Agency for Workforce Innovation (AWI). 2005 labor force participation rate for Glades and Hendry Counties are SWFRPC estimates based on AWI and U.S. Census labor force estimates.

**Strategic Finding:**

In 2004, 54% of Southwest Floridians participated in the workforce. Workforce participation rate in the region is low compared to the state (61%) and the nation (63%); this rate is due to the considerably large number of retirees in the region. Employee recruitment outside the region is necessary to meet the employment needs.

**Workforce Participation Rate**

Figure 8 depicts the Southwest Florida civilian labor force and participation rate for 2000 and 2005. In 2000, over 50% of civilians age 16 and over participated in the labor force; that number increased to approximately 54% in 2005; this was a 3% increase in the labor force participation rate from 2000. In the same time period, the state increased its labor force participation rate by 2%. This indicates that the region's labor force participation grew 1% more than the state's within those 6 years. However, current statistics continue to show higher labor force participation in the state and nation.



## Labor Market

### Employment

According to the 2005 census figures 54% of the estimated 1.2 million people ages 16 and over in Southwest Florida participated in the labor force, 3% were unemployed and 51% were gainfully employed. Specialty Trade Contractor is the leading source of employment in the Southwest Florida Region; with over 10% of the total civilian employment in 2006, this industry is expected to grow by 25% by 2014. The Specialty Trade Contractor industry has been thriving in Southwest Florida due to large scale developments currently under way in the region. We would expect a slower pace of growth in the near future as the housing market adjusts to the current slowdown. The Food Services and Drinking Places industry was the second largest employer in 2006. This industry accounts for about 9% of total civilian employment and is expected to increase its employment capacity by about 20% by 2014.

### Wages

With rising consumer prices and lower unemployment there is increased demand for high paying jobs, as such, there is need to attract high paying industries to Southwest Florida. Figure 9 shows the size and wages of high paying industries and industries with high employment in Southwest Florida.

In 2005, the highest paying industry was Management of Companies and Enterprises, with over 3,000 workers, the average wage was \$115,790. In the same year the Utilities indus-

try employed 1,670 workers, paying an average of \$59,797 in wages.

The Finance and Insurance industry was another top payer in 2005, employing over 19,000 employees and paying an average of \$53,543 in wages. Mining is the smallest industry in Southwest Florida, yet it is one of the top four high paying industries. In 2005 the industry employed 345 workers and paid an average wage of \$51,481.

In Southwest Florida the employers with the largest employee base are not paying the highest wages. In 2005 the biggest employers in the region were in the Retail Trade sector, employing over 84,627 people with wages averaging approximately \$24,799. The Construction sector was the second largest employer in 2005, paying an average \$33,701 in annual wages, and employing 76,186 workers. The Healthcare and Social Assistance sector paid the highest wages (\$33,967) of the top three employers in 2005, and it employed 69,384 people.

Southwest Florida needs to create additional incentives to attract and keep both top employers and those who pay top dollar for labor.

### Fastest Growing Industries

As the fastest growing industry in Southwest Florida, the Administrative and Support Services industry is estimated to grow at an annual average rate of 5% through 2014. This industry was responsible for the employment of 48,809 workers in 2005. With an expected annual average growth of 4%, Ambulatory Health Care

Services was the second fastest growing industry in Southwest Florida in 2005; currently employing 28,658 workers. The third fastest growing industry was Motor Vehicles and Parts Dealers; although not similar to the top two fastest growing industries in 2005 employment, it is estimated to grow at an annual average rate of 4% through 2014. Specialty Trade Contractor industry is one of Southwest Florida's economic strengths. Not only is it one of the top fastest growing industries in the region, it was the biggest employer by sector in 2005. This industry is expected to grow at an average rate of 3% per year. Of the top 20 fastest growing industries, Air Transportation is the smallest employer, but it is growing at a rate of 3% per annum on average.

Figure 9

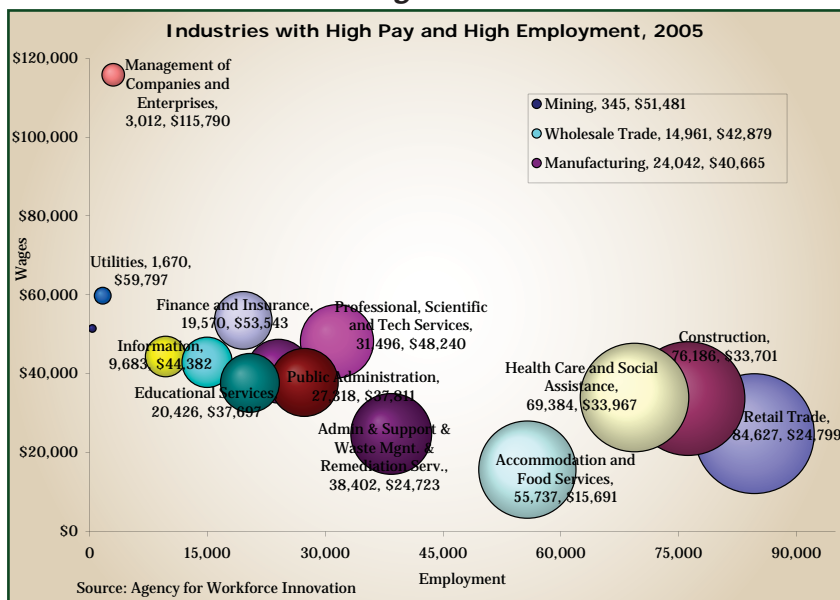
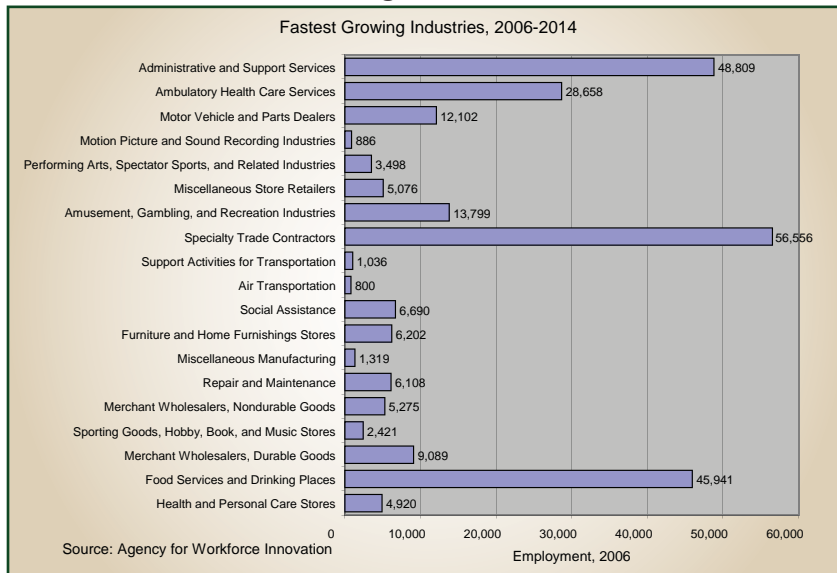


Figure 10



Industries Gaining the Most New Jobs

Figure 11 illustrates the industries gaining the most new jobs in Southwest Florida. The Administrative and Support Services industry is expected to hire the most employees on an average annual basis from 2006 through 2014.

In 2006 the industry employed a total of 48,809 workers and is expected to add 2,324 positions on average per annum. The Specialty Trade Contractor sector is the largest source of employment in the region and it is also the second industrial sector adding the most new jobs per year. This sector is expected to increase employment capacity on average by 1,810 workers per year. The Food Services and Drinking Places industry employed 45,941 people in 2006 and is estimated to gain new jobs at the rate of 1,167 workers per year on average.

**Figure 11**



In the top 20 industries gaining the most new jobs, the Miscellaneous Store Retailers are the smallest employers, ranked 19th, with the potential of adding an estimated 166 jobs per year on average. The Real Estate industry is

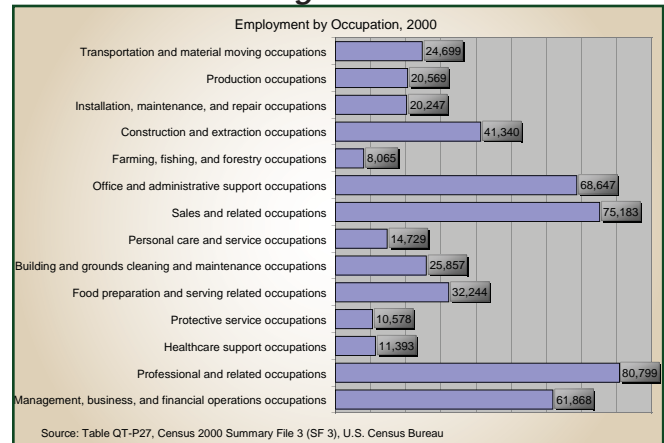
estimated to add the least amount of jobs (165) annually on average.

Employment by Occupation

In 2000, the most popular occupation in Southwest Florida was Professional and Related occupations. There were 80,799 people pursuing a career in that field, as indicated in Figure 12.

The second leading occupation in Southwest Florida was Sales and Related occupations; with 75,183 workers. With 68,647 workers, Office and Administrative Support was the third most popular occupation in the region. The occupation with the least number of jobs (8,065) was Farming, Fishing, and Forestry.

**Figure 12**



**Strategic Finding:**

There is need to attract high paying industries to Southwest Florida to diversify the regional economy. For instance, in 2005 the biggest employer in the region was Retail Trade, which accounted for 15% of total employment, but averaged only about \$25,000 in wages; an amount considerably below the mean national earnings of \$49,910.

Per Capita Income

Figure 13 shows the Southwest Florida region per capita income amounts for the year 2004. The average total personal income earned by individual Southwest Florida workers was \$30,397, the average dividends interests and rent earned was \$9,732, and transfer payments averaged \$6,470. In the State of Florida, personal income for individuals totaled \$31,469 in 2004.



**Figure 13**

**Per Capita Income, 2004**

Geography	Total personal Income	Dividends interest & rent	Total Transfer Payments
Charlotte	\$26,003	\$6,658	\$10,790
Collier	\$42,846	\$20,158	\$4,937
Glades	\$17,434	\$3,482	\$4,520
Hendry	\$20,093	\$2,237	\$4,902
Lee	\$33,073	\$9,357	\$6,407
Sarasota	\$42,933	\$16,498	\$7,263
Region	\$30,397	\$9,732	\$6,470
Florida	\$31,469	\$6,810	\$6,008

Source: Florida Statistical Abstract 2006, Table 5.12. Personal Income: Per Capita Amounts by type in the United States and in the State and Counties of Florida, 2003 and 2004

**Strategic Finding:**

Per Capita Income (PCI) in the region is \$30,397; this is 8% lower than the national PCI of \$33,050. The soaring population and particularly the high cost of living make this an affordability issue for the region.

**B. Clusters**

**Definition of Clusters**

Business clusters are geographic concentrations of interconnected businesses, suppliers, and associated institutions in a particular field. Clusters are considered to increase the productivity and competitiveness of firms, nationally and globally. The concept of business clusters, also known as competitive clusters, industry clusters, or Porter’s clusters, was first developed by Michael Porter in 1990. Cluster development has since become a focus for many government programs. According to Michael Porter, clusters have the potential to affect competition in three ways:

1. By increasing the productivity of the firms in the cluster
2. By driving innovation in the field
3. By stimulating new businesses in the field

**Methodology**

The data used in this analysis was obtained from Regional Economic Model Incorporated (REMI) Central/Southwest Florida 12 area 23 sector model. The 23 sectors were analyzed using the 2 digit North American Industry Classification Systems (NAICS). The two methodologies employed in this analysis are location quotient and shift share.

Location Quotient Method

The location quotient (LQ) method compares employment in the regional economy to that of the national economy in an attempt to identify

areas of specialization. The location quotient formula is as follows:

$$LQ = \frac{\frac{e_i}{e}}{\frac{E_i}{E}}$$

Where for the purpose of this cluster analysis:

- $e_i$  = regional employment in industry  $i$
- $e$  = total regional employment
- $E_i$  = national employment in industry  $i$
- $E$  = total national employment

The location quotient was calculated for each industry in a region to determine its share of employment with respect to the nation. Based on the location quotient, all industries are categorized into basic and non-basic clusters. Basic clusters are regional industries with a greater share of employment than their respective national industries. Regional clusters with location quotient greater than 1 are considered basic clusters. These industries are assumed exporters of goods and services. Non-basic clusters have a smaller share of employment regionally compared to the same industries nationally. An industry with a location quotient less than 1 is classified as a non-basic cluster. It is assumed that non-basic clusters support basic clusters.

Shift Share Method

The shift share method measures growth by examining the source of growth in a region. This is done through three components: share change, mix change, and shift change. The shift share formula is as follows:

$$e_i^{t+n} - e_i^t = e_i^t \left[ \frac{E^{t+n}}{E^t} - 1 \right] + e_i^t \left[ \frac{E_i^{t+n}}{E_i^t} - \frac{E^{t+n}}{E^t} \right] + e_i^t \left[ \frac{e_i^{t+n}}{e_i^t} - \frac{E_i^{t+n}}{E_i^t} \right]$$

Where:

- $e_i^{t+n} - e_i^t$  = share change + mix change + shift change
- $e_i^{t+n}$  = industry specific regional employment at time  $t + n$
- $e_i^t$  = industry specific regional employment at time  $t$
- $E^{t+n}$  = total national employment at time  $t + n$
- $E^t$  = total national employment at time  $t$
- $E_i^{t+n}$  = industry specific national employment at time  $t + n$
- $E_i^t$  = industry specific national employment at time  $t$

Where for the purpose of this analysis:

$$t = 2007$$

$$t + n = 2011$$

*Share change* measures the share of local job growth attributable to the national economy. As part of the nation, the local economy will be either positively or negatively influenced by the direction of growth in the national economy.

*Mix change* measures the change in the local economy that is due to changes in the industry as a whole. It works by isolating the industry specific growth in the national economy.

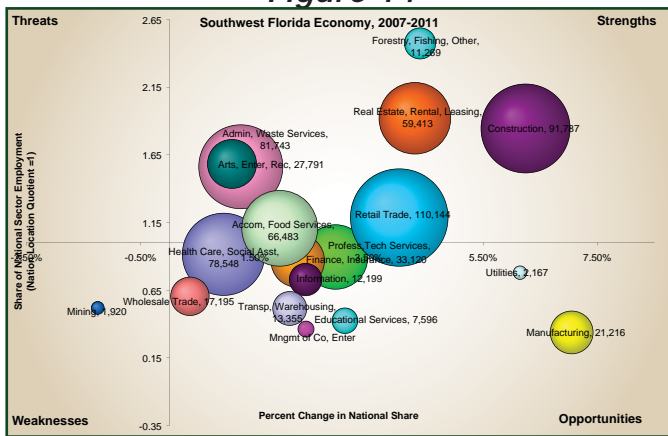
*Shift change* measures growth characteristics of the competitiveness of the regional economy. This explains the cause of growth in a certain sector of a regional economy even as the same sector is struggling nationally. This component of shift share identifies industries with comparative advantage.

**Location Quotient Analysis  
Size of Cluster Employment**

Figure 14 depicts the Southwest Florida econ-

omy by basic and non-basic Clusters based on the location quotient analysis. The figure also shows four quadrants, which depicts a SWOT analysis. A SWOT analysis in this context is used to examine the Strength, Weaknesses, Opportunities and Threats of the Southwest Florida economy. The bubble sizes show the level of employment in each cluster.

Figure 14



Basic Clusters

The biggest cluster in Southwest Florida is Retail Trade. With over 110,000 employees, Retail Trade has a location quotient of 1.19 indicating that this industry is a basic cluster. Retail trade is an economic strength of Southwest Florida. This is evidenced by its positive location quotient and percentage change in the national industry share. The Retail Trade cluster is expected to grow 4 percentage points by 2011 (as a percentage of the national growth).

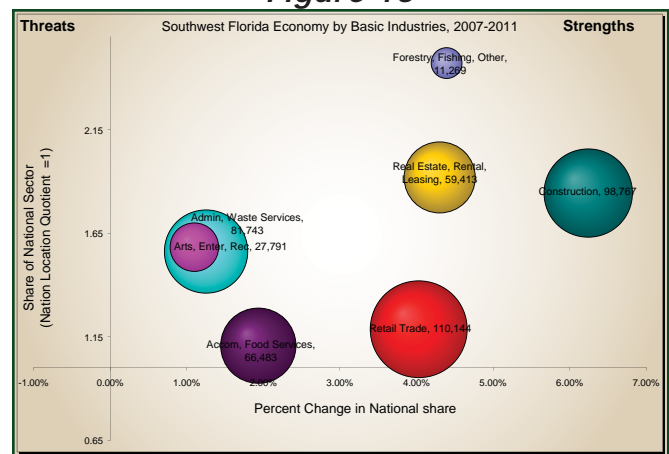
Construction is another basic cluster, with a location quotient of 1.84 and employment just under 100,000. Construction as a fraction of the national industry is estimated to grow by over 6% by 2011; this, together with a loca-

tion quotient well over 1, makes it a notable economic strength of Southwest Florida.

The Forestry, Fishing, Other cluster is another economic strength of the region. This cluster has secured a significant position in the economy; with the highest location quotient (2.49), and a 4% share of the expected national growth in 2011.

Real Estate, Rental Leasing is another cluster with a unique position in the Southwest Florida economy as shown in the second quadrant of Figure 15. This basic cluster generates a significant amount of its revenue from other parts of the nation.

Figure 15



Although a basic cluster, the Art, Entertainment, Recreation Industry is a notable supporter of the Real Estate, Rental, and Leasing cluster.

Over 10 million visitors come to Southwest Florida each year, some are temporary residents (who live here for six months out of the year), others come to enjoy a few days in the sun. Seasonal residents contribute to the growth of

the Real Estate, Rental, Leasing cluster since most own a second home in Southwest Florida, and tourists contribute by leasing real estate for the duration of their stay.

As illustrated in the second quadrant of Figure 14, all of Southwest Florida's basic clusters are considered major contributors to its economic strength. Attention should be paid to the Administrative, Waste Service, Arts, Entertainment and Recreation clusters because they are close to the threat quadrant and could become future threats. However, if these industries continue to grow at their current positive rate, they may take a stronger position as two of the driving forces in the Southwest Florida economy.

Non-Basic Clusters

The industries in Figure 16 are considered non-basic clusters. Healthcare, Social Assistance is the largest employer in this group; it also has the lowest positive expected growth as a percentage of the nation. Although it is currently a regional opportunity, if the existing growth trend subsides it may become a future threat. In addition, the Health Care, Social Assistance cluster is a potential economic strength with a location quotient of 0.92.

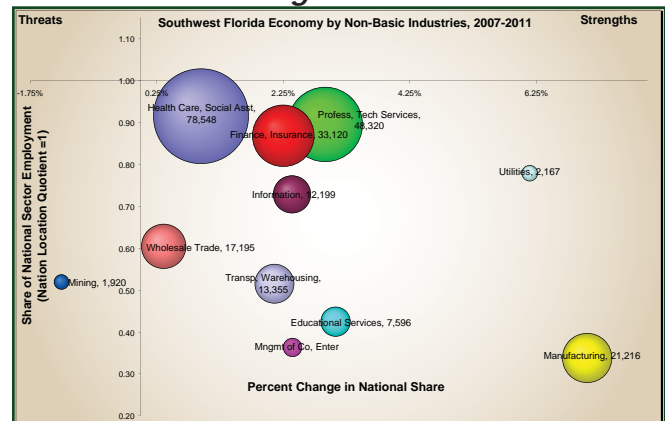
The Wholesale Trade cluster employs over 17,000 people and is expected to grow at the rate of 3% through 2011. This cluster has a location quotient of 0.60 and an estimated growth rate of 0.36% as a fraction of the nation; which places the cluster in close proximity to the

threat quadrant as illustrated in Figure 16. This cluster is therefore in danger of becoming a future threat.

Although the Utilities industry is one of the biggest shares of the expected national growth, which puts it in the opportunities quadrant of the chart, it has one of the lowest levels of employment (2,167) in the region.

The size (employment 48,320) and position (location quotient 0.91, and percentage change in national share 2.91) of the Professional, Technical Services sector makes it a notable cluster. Its position is of particular importance because of its considerable distance from the threat quadrant and its location at the top of the opportunities quadrant. If this industry maintains its current growth trend it will only get stronger to become an economic strength of the region.

**Figure 16**



The Finance and Insurance industry is another promising cluster, although it is fairly close to the threat quadrant, it still signals a firm position (location quotient 0.87, and percentage change in national share 2.25) as an economic opportunity.

Education is the single most significant indicator of economic growth and strength. This makes the Educational services sector a highly important cluster for the Southwest Florida region. This cluster supports 7,596 jobs and is expected to increase in size by an estimated 14% through 2011. This is the highest growth rate of any cluster within the Southwest Florida region. In comparison, in the rest of the nation, the Educational Services cluster is expected to grow by over 3% in the next four years.

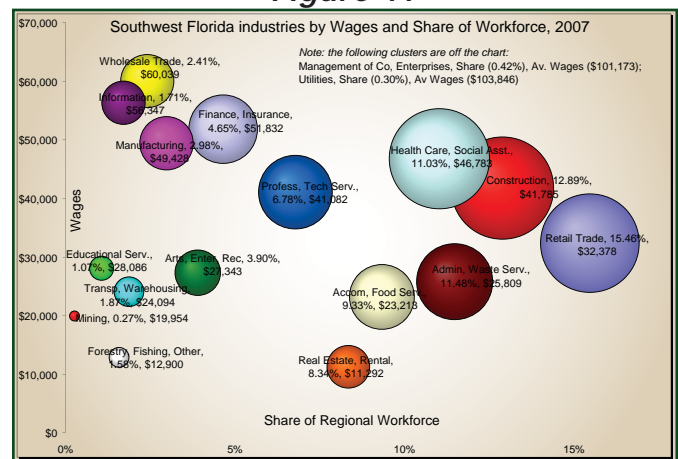
All of the non-basic clusters with the exception of Mining appear to be in the opportunities quadrant. Mining uses and employment has been decreasing similar to those in the nation and within the region. This cluster's economic position is threatened mainly because it is regressing in growth as a percentage of the nation. Over the next four years mining is expected to have reduced in size as a fraction of the nation by over 1%; and it is only expected to decline even further in the years ahead. The Mining cluster currently employs 1,920 people; the lowest employment level in all of Southwest Florida's industries.

Clusters' Share Of Regional Workforce

Figure 17 depicts the Southwest Florida industries by wages and share of workforce. The highest paying clusters will tend towards the north while clusters with the largest share of the regional workforce will tend towards the east. The bubble size depicts the total wage bill for each industry. Total wage bill is the average wage multiplied by total employment.

The industries with the highest pay are Management of Companies, Enterprises and Utilities. Management of Companies, Enterprises has a share of regional workforce of 0.42%, a size of 3,005, and average wages of \$101,173. On the other hand, the Utilities share of regional workforce is 0.30%, while its size and average wages are 2,167 and \$103,846, respectively. These two industries have one of the lowest shares of the regional workforce and are off the chart since their pay is in excess of \$70,000, which is the maximum wage value in Figure 17.

**Figure 17**



The Wholesale Trade cluster is another top paying employer. Although it only employs about 2.4% of the regional workforce, it is expected to pay over \$60,000 in wages on average in 2007. The Information cluster is also a top paying employer, with an expected average wage of about \$56,000 in 2007. This industry only has about 2% of the regional workforce share. Another top payer is Finance, Insurance employing about 5% of the workforce and paying \$60,000 in average wages. This is followed by the Manufacturing cluster which pays just un-

der \$50,000 in average wages and employs approximately 3% of the region's workforce.

Forestry, Fishing, Other is one of the lowest paying clusters in Southwest Florida. The 2007 average wages for this sector is about \$13,000 and it has one of the lowest shares of the regional workforce (1.58%). Another low paying cluster with a small share of the regional workforce is Educational Services. This cluster is expected to pay an average wage of \$28,000 in 2007, and it commands just over 1% of the regional workforce. Accommodations, Food Services is another interesting cluster with well below average pay. Although it employs 11% of the regional workforce, it pays only \$23,200 on average.

The Health Care, Social Assistance cluster is a key cluster for Southwest Florida because of the region's soaring population of retirees. This cluster employs one of the largest shares (11.03%) of the regional workforce. Its average wage (\$46,800) is well above average for the region. Construction is another notable industry in the region. This cluster employs about 13% of the regional workforce and pays an average wage of \$42,000. The Real Estate, Rental cluster is also an important sector for Southwest Florida, employing over 8% of the regional workforce. This cluster however is the lowest paying \$11,300 employer in the region.

**Shift Share Analysis**

As stated in the shift share methodology, shift share estimates the primary stimulus of growth.

In other words, it attempts to identify whether growth is a result of a healthy regional economy - shift change, a thriving industry - mix change, or a robust national economy - share change.

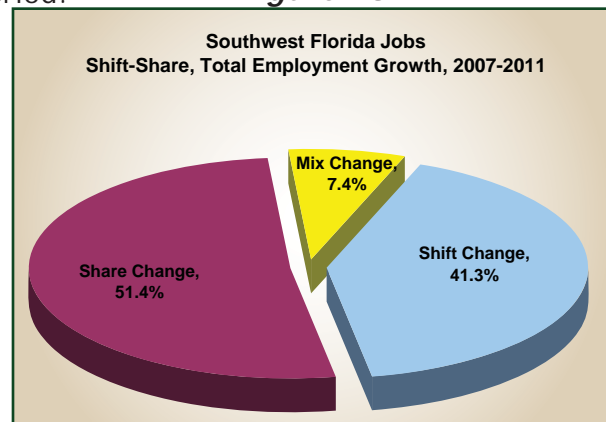
"A rising tide lifts all boats", this is how the shift share methodology works – when an overall economy is flourishing the businesses within the economy will probably follow the same pattern.

Alternatively, when an economy is depressed firms are likely to suffer the same fate. In addition to identifying the source of growth, the shift share methodology allows the analyst to identify areas of comparative advantage and clusters with the potential for job growth in an economy.

Share/Source Of Employment Growth

Figure 18 depicts the three sources of economic growth for the Southwest Florida region. The size of the pie represents the total regional employment growth between 2007 and 2011, and each slice represents the size of regional employment growth by source for the same time period.

**Figure 18**



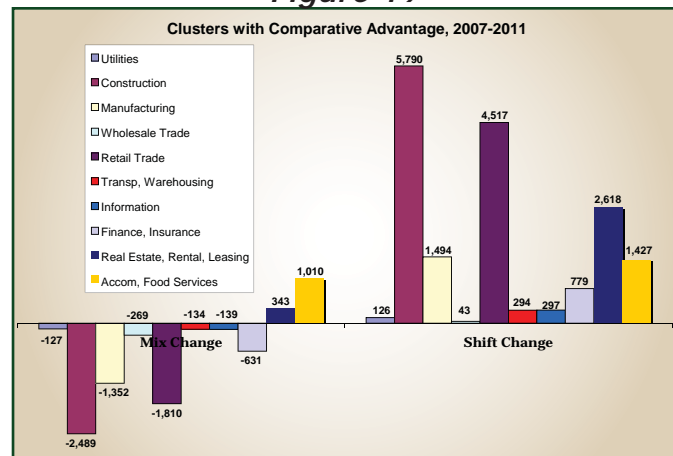
From the shift change (national share) of 51.4%, it is evident that the Southwest Florida economy benefits largely from growth in the national economy. In other words, over half of the expected regional employment growth between 2007 and 2011 is attributable to positive growth in the national economy. The shift change (regional share) value of 41.3% indicates that a highly significant amount of the overall growth in employment is due to a healthy regional economy. The mix change (industry share) value shows that only about 7% of employment growth stems from growth in specific sectors.

The share of each source of growth suggests that the ideal way to facilitate commerce in Southwest Florida is through the creation of a business friendly environment, which will enable businesses to logically flourish. This may include incentives that will attract businesses to the region such as: grant awards, subsidies, tax incentives, availability of business support centers, workforce housing, accessible educational institutions and reliable mode of public transportation.

Clusters With Comparative Advantage

Figure 19 illustrates clusters with comparative advantage, and those with the potential for comparative advantage. Two clusters, namely, 1) Real Estate, Rental, Leasing, and 2) Accommodations, Food Services have comparative advantage, while the others have the potential for comparative advantage. The difference between these two classes of clusters is the dir-

Figure 19



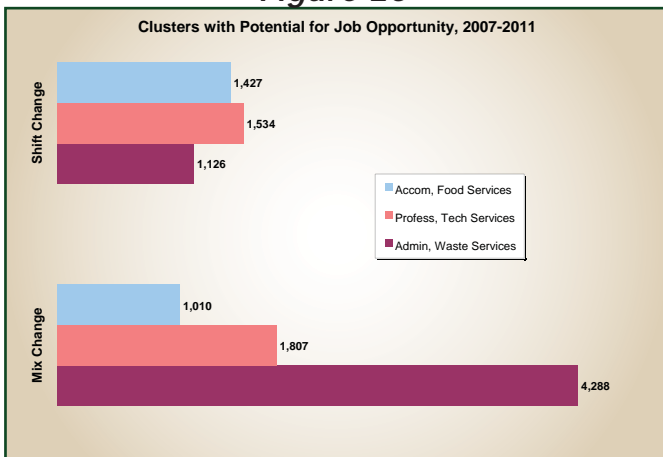
ection of their mix and shift change. For a cluster to be classified as having comparative advantage it must have a positive mix and shift change. That is, it must exhibit positive growth that is attributable to both the industry and the region. Probable reasons for comparative advantage in both the Real Estate, Rental, Leasing and Accommodations, Food Services clusters are the Southwest Florida's sub tropical climate, touristy nature, and the high population of wealthy retirees who keep a second home here or lease real estate during the winter season.

Clusters with potential for comparative advantage are those with a negative industry share (mix change) and a positive regional share (shift change). This is an indication that the local industry is fairing better than the industry at large. The fact that 42% of Southwest Florida industries are in this category suggests that many of our regional sectors are doing better than the national industry with which they identify.

Clusters With Potential For Job Opportunity

Figure 20 illustrates clusters with the potential for job opportunity. Clusters with the potential for job opportunity are those with a large positive mix change and shift change. Future job creation in these industries is due to expected high growth in both the regional economy and the individual industries. The Southwest Florida clusters with the greatest likelihood for future job creation are 1) Accommodations, Food Services, 2) Professional, Technical Services, and 3) Administrative, Waste Services.

**Figure 20**



The Accommodations, Food Services cluster is expected to add a total of 2,437 jobs (in mix and shift change combined) between 2007 and 2011. This is about half of the overall expected increase in the industry's employment over the next four years. As illustrated by Figure 19, most of the growth resulting in the potential for job opportunity stems from a healthy regional environment since the shift change is some 417 jobs more than the mix change.

The Professional, Tech Services cluster is an-

other important area of potential job growth for Southwest Florida. Most of this growth (1,807 jobs) is the result of a thriving industry. However, the shift change results of 1,534 jobs, is evidence this sector also enjoys significantly from the regional economic environment.

The Administrative, Waste Services cluster is of great interest in particular due to the expected job growth within the industry. It is expected that this industry will add a total of 8,689 jobs to the local economy by 2011; about 50% of this growth is attributable to mix change and 13% to shift change as illustrated in Figure 19.

**Strategic Finding:**

Strategic finding 1

There is a need to raise workforce income. Cluster analysis shows 37% of the workforce is being paid at or above the national per capita income.

Strategic finding 2

There is a need to diversify the economic base. The biggest clusters are largely related to the services industry; this indicates that the Southwest Florida economic base is not well diversified.

## C. Infrastructure Water

### Coastal and Interior Waters

The Southwest Florida Region has abundant water resources. The bays, inlets, estuaries, rivers and streams in the region provide a valuable contribution to the area's economy. These waters are essential to tourism, recreation, commercial fishing, and the aesthetic characteristics of the region.

### Potable Water Treatment

Public, private and franchised water treatment facilities provide potable water supplies throughout the region. Larger capacity potable water treatment plants are generally municipal or county owned and operated franchised systems. There are numerous smaller privately operated potable water treatment plants throughout the region that serve smaller development complexes such as mobile home parks, apartments, and similar facilities.

In addition to these formal and regulated water treatment facilities, there are thousands of individual wells in the region that utilize the aquifer system that underlies the region. These wells usually provide water to residential, commercial and industrial users. The vast numbers of these wells are prevalent in rural areas where no formal transmission infrastructure exists and it has been economically unfeasible to construct transmission infrastructure.

Many private wells in the region have become unusable as potable water sources due to de-

creasing water table levels. Storage of water during the rainy season, sustainability of groundwater supplies and the more prudent uses of the resource by users, such as the use of reclaimed water for irrigation and other water conservation practices, will be required as a partial solution to the problem. The reduction of widespread, private uses of well water from the aquifers by the increasing spread of potable water distribution systems will also be needed in the future to decrease unrestricted use and increase restoration of the surface water table and subsurface aquifer systems in the region.

### **Strategic Finding:**

Water degradation may be as big a threat to our economy as water shortages, for economic sustainability and growth. During visible or odor algae events, tourism accommodations and restaurants have recorded occupancy and business drops of 20%. Discharges from the river systems containing high amounts of suspended solids and other contaminants have led to loss of fishing tournaments, and the ability to harvest clams, crabs, bait shrimp, and reductions of guided fishing charters as high as 50% over normal conditions.

## Wastewater

### Wastewater Treatment

Southwest Florida utilizes primarily three major types wastewater treatment systems: centralized collection and treatment systems, package plants, and septic tanks. The service areas of collection systems are restricted and the level of treatment varies by system. The region is becoming more willing to request tertiary treatment in these types of plants. There are currently over 300 package plants located in the region. These package plants are usually located in areas where collection systems are economically unfeasible and usually provide only a secondary level of treatment, although disposal methods vary among the facilities. The most popular disposal methods include retention ponds, drain fields, percolation ponds, and spray irrigation systems. The region is moving away from the use of package plants due to their negative impact on the water quality. Attributable to their lack of complete treatment levels of the wastewater processed in the facilities.

Regional wastewater treatment plants are considered significant if they have a capacity to treat over 1 million gallons per day, or serve the citizens of more than one county. There are more than 30 such plants in Southwest Florida.

In areas of the region where large collection systems or package plant systems are not available (mainly in the rural or platted land areas), septic tanks are often used to serve homes

that are isolated.

To address and alleviate potential water quality problems, the region is attempting to increase the coverage of major regional collection systems. As the health and welfare benefits of collection and high standard treatment systems are required, the percentage of homes on septic tanks and package systems will be decreasing.

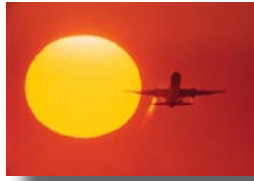
### **Strategic Finding:**

Inadequate sanitation restricts the size, location, and sophistication of businesses and employment that would otherwise capitalize on modern waste treatment systems.

## Ports

### Air Service

The majority of the Southwest Florida's scheduled airline passenger and shipping service are provided by regional facilities such as the Southwest Florida International Airport and the Sarasota/Bradenton International Airport. Other smaller facilities such as the Naples Airport and Charlotte County Airport also support limited commercial passenger service. There are a number of additional airports that accommodate charter and general aviation traffic and include: Page Field in Lee County; Buchan Field and Venice Airport in Sarasota County; the Labelle Airport and Airglades Airport in Hendry County; and the Marco Island, Everglades City, and Immokalee Regional Airports in Collier County.



Southwest Florida International Airport (RSW), located off Interstate 75, consistently ranks among the 60 busiest airports in the nation. It serves a diverse domestic market and rapidly-growing international market and offers a full array of cargo services. The airport is also a designated Foreign Trade Zone. A recently completed \$438-million expansion added a midfield terminal complex, including a new terminal building twice the size of the old one, more parking and new roads, ramps and taxiways. Page Field, located just south of downtown Fort Myers, is one of the busiest general aviation airports in the United States. It serves both business and recreational flyers.

The Sarasota Bradenton International Airport (SBIA) is located partly in northwestern Sarasota County and the City of Sarasota and mostly in southwestern Manatee County all of which is adjacent to and east of U.S. 41. The airport handled over 1.4 million passengers in 2006.

Southwest Florida's aviation system provides integrated linkages to a network of state, national and international air travel. By the year 2020, airspace corridors over Florida may be a significant concern. It is estimated by FDOT in the Florida Aviation System Plan that interstate air travel is expected to increase by more than 3.7% by the year 2021.

The increased aviation traffic will impact the 19 larger commercial airports as well as the 132 general aviation airports in Florida. The air transportation system will realize strong growth and infrastructure needs at the General Aviation Airports due in part to the market for Very Light Jet (VLJ) traffic, which is growing exponentially. The next five years project delivery of almost 4000 VLJ's worldwide. That's about equal or greater than the United States fleet of commercial aircraft. Florida will be a major user of the VLJ aircraft and the internet is helping to enhance the flexibility of VLJ transportation. This increase in VLJ usage is going to require substantial infrastructure improvements at strategic general aviation airports. Those airports will be close to medium and large cities but not utilizing the airspace capacity of the commercial airports.

The Florida Tradeport/Immokalee Regional Airport is located 7 miles north of the new Ave Maria University and Town and is expected to realize 10 to 15 percent annual growth over the next five years. In an effort to accommodate the University and associated residential and industrial growth, the increased demand for VLJ's, Charter Flights and other business aviation, increased infrastructure is needed. The runway will need to be extended to accommodate a larger variety of aircraft types, an air traffic control tower to ensure safety and expanded the Tradeport infrastructure, such as aircraft parking and hangar storage. Construction needs to start now to meet the needs of tomorrow.

Rail Service

Seminole Gulf Railroad continues to operate freight service to Southwest Florida via one short-rail line using connections with the CSX line in Arcadia. There is no intermodal terminal in Southwest Florida where containers and trailers on flatcars can be loaded and unloaded. Since Southwest Florida has no water based port facilities, the lack of intermodal access means that there are few alternatives to the highway system for most types of shipment goods into and out of the region.

Presently, most of the intermodal traffic bound for the Southwest Florida region is processed through the CSX intermodal terminal in Tampa. Tampa serves as the southern terminus for truck-to-rail transfer facilities on Florida's west coast.

The Seminole Gulf Railroad line continues to enter Southwest Florida via two routes. The western most route operated by Seminole Gulf follows U.S. 17 from Arcadia in DeSoto County to Punta Gorda in Charlotte County. From there, it proceeds through Fort Myers to terminate east of U.S. 41 in Collier County. The two segments cover 51.6 miles and 26.7 miles respectively. Operating speeds are between 25 and 40 mph.

The second, more eastern, route enters Glades County along the U.S. 27 corridor from Sebring in Highlands County. From there, it extends on to Moore Haven and then to Clewiston in Hendry County. From Clewiston, the route continues east into Palm Beach County. The distance from Sebring to Palmdale is 43 miles. The operating speed ranges from 10 to 25 mph.

**Strategic Finding:**

The dominance of the road system for freight movement, and the absence of other modes for handling large volumes of commodities, increases costs of commodities brought into the region, and limits our competitiveness. Transportation facilities are forecasted to be under funded by over half for what is needed to maintain current service levels at current usage levels. The general aviation airports in the region are in need of expansion and the continued growth forces them to operate above their available capacity, discouraging new entrants and creating safety issues.

### **Industrial Parks (Business Parks)**

The region continues to construct industrial parks for the development of business opportunities and the production of goods. These parks are located throughout the region and are usually sited near major roadways in order to facilitate the easy movement of goods and services within and out of the region.



Although most business and industrial parks are located in the coastal urban areas, both Hendry and Glades Counties provide opportunities to transport goods from industrial parks to the center of the state. In fact, the rural counties in the region are being viewed by many business interests as excellent distribution centers due to their location in the central part of the south Florida and less expensive land costs.

In a recent study prepared for Lee County by Basile Baumann Prost & Associates, industrial warehouse space in the region has shown a strong growth trend over the four-year period from 2002 through 2005. In 2006, there was a net loss of approximately 15,000 square feet, according to data provided by C.B. Richard Ellis. This business sector achieved a positive annual net absorption of greater than 381,000 square feet per year on average since 2002. Along with the absorption levels, vacancy rates have been cut in half since 2003. Additionally, rents have trended higher as well, to an average \$6.85 per square foot as of the end of

2006. Land and building values have skyrocketed during this same period. This asset price escalation reflects total demand for land that can be utilized for alternate uses. According to a prominent commercial broker in the region, demand for additional residential land uses and other commercial uses has driven land values up. This escalation should place a floor on rental rates as new development would have to recoup the cost of the land by maintaining the current rental levels.

### **Platted areas**

Platted lands are another situation that affects industrial uses in the region is the existence of large platted lot subdivisions. Large areas of Southwest Florida was platted in the 1950s and 60s with over one million lots. These platted lands were specifically done for lot sales and did not consider the need for other necessary land uses including industrial uses. As a result, it is difficult to locate appropriately sized parcels of land in the residential platted areas due to the increased land values and because of the way the land was subdivided with little or no planning for future industrial needs. The small amount of industrial use that did occur has been increasingly rezoned to residential uses.

Glades County is home to 1517 acres of industrially zoned property, and roughly 2000 acres more, currently zoned transitional on the county's future land use map available for rezoning, some with rail access, available potable water, sewer and electricity and access

to US 27, affording the opportunity for a company to participate on the ground floor with a build to suit construction. Property owners may consider joint ventures as well as long term lease or outright subdivision and sale of the property, depending on the particular site. The county has completed conceptual site plans for the 30-plus acre Glades County Business and Commerce park adjacent to the new Glades County Detention Center, with plans to make available 2 and 2.5 acre parcels to light industrial manufacturers. Other industrial parcels include a 194 'railport' property zoned heavy industrial, a 90-acre property, with ten acres zoned industrial on the Caloosahatchee River, smaller 20 acre parcels with existing building stock on US 27 and a 30-plus acre site just off the Caloosahatchee River which might be perfect for a research and development complex or a destination retailer. All of these properties will be included in Glades County's state designated enterprise zone when a pending boundary amendment is approved in early 2008, making companies locating on those properties eligible for a host of tax incentives for job creation, building materials and supplies, and other credits against corporate or sales tax. Glades County is centrally located and almost equidistant to markets in Fort Myers, West Palm Beach, Orlando and Miami. It is also located on the inter-coastal waterway, which bisects the east and west coasts of Florida from the Gulf in Fort Myers, via the Caloosahatchee River, across Lake Okeechobee, to Stuart and the Atlantic.

#### **Strategic Finding:**

In previous growth cycles, development mostly produced lower-density residential housing subdivisions to meet the needs of people moving to the region. However, in recent years, growth has been fueled in part by the influx of younger workers and businesses taking advantages of Southwest Florida's growing industrial base and superior environmental amenities. In the future, development in the region is expected to be fueled by the continuing growth of jobs and businesses relating to service and informational industries. Based on these trends, the region will need to protect existing industrial land uses from other land uses.

## Roads/Bridges

### Roads

The Region continues to expand the transportation infrastructure since the region has no significant port facility and the railroad lines that access the region are limited. The infrastructure necessary to retain and expand higher wage jobs includes a regional network of roads and facilities. The principal north-south roadways that provide access to the Region include I-75 and U.S. 41. In addition to these two major highways, several other regionally significant north-south roads serve the Region and include S.R. 29, U.S. 27, S.R. 17, and S.R. 31. The main east-west routes in the Region include S.R. 62, S.R. 64, S.R. 70, S.R. 72, S.R. 78, S.R. 80 and S.R. 82. Other regional significant east-west roads serving Southwest Florida include C.R. 846, S.R./C.R. 884 and C.R. 74.

### Trucks & Freight

Trucking and the movement of goods and freight play critically important roles in the regional, state, and global economy. Measured by its value, nearly 78% of freight in Florida is carried exclusively by truck. Trucks are the dominant mode of transportation for businesses shipping goods into and out of the Southwest Florida region. Overall, trucks accounted for about 88% of total shipments, on average, according to the companies responding to a recent Florida Chamber freight survey.

As noted in a recent research report, the highway system is vital in maintaining national superiority in productivity. Our region's competi-

tiveness depends on a variety of factors, one of which is the efficiency of transport and distribution costs.

### Bridges

The safety of the traveling public is always the number one priority of both the public and private sector. As reported following the tragic bridge collapse in Minnesota, the Florida Department of Transportation (FDOT) has an extensive and thorough bridge inspection program which inspects bridges at least every two years.

Because of the coastal location of the Region, there are numerous water bodies that must be crossed. There are major bridges in the Region that cross the Braden River, Myakka River, the Peace River /Charlotte Harbor and across the Caloosahatchee River. There are also major bridges that cross the Intracoastal Waterway that access the various barrier islands located along the gulf coast. In addition, there are numerous smaller bridges that cross the many smaller streams located along the coast and that cross the various passes between barrier islands.

### **Strategic Finding:**

The population growth in the Region and the resulting increase in the number of cars and trucks has placed an increased demand on the roadways network in the region. At the present time, needed network improvements are extremely under funded and there is no funding source to obtain maximization of the system.

### Broadband telecommunications

Broadband service capable of transmitting large amounts of data at high speeds is a fundamental infrastructure foundation for the 21st century economy. Widespread affordable broadband service for high-speed Internet access and other technologic applications is needed to provide high quality health care, educational services, economic development, public health and general community well-being.



Access to high speed Internet is becoming accepted as a necessity, just like electricity, water, and telephone service. For rural Americans getting adequate access is problematic. Rural America is characterized by low population density, vastness and isolation. Without a large customer base, potential revenue from common Internet Service Provider (ISP) services does not cover the large capital investment required to build the Broadband infrastructure. Unlike urban America, this infrastructure usually requires the construction of the "middle mile" to connect rural communities to the Internet backbone which is found only in the US' largest cities and the "final mile" to bring Internet service to the customer. The choice of final mile technology is further complicated by rural customers' propensity to only slowly migrate from dial-up to Broadband. But then, with widespread adoption, rural customers typically use the Internet for bandwidth intensive applications and therefore potentially require speeds greater than

those delivered to their urban/suburban neighbors. The result is that an ISP needs to build its first network to deliver a fast Internet service at a competitive price to facilitate "dumping the dial-up", and another with much greater speeds to stay competitive. This ??? creates a large capital investment challenge for ISPs.

As a result of a widely held misconception about a lack of demand, private funding is not readily available. Locally funding the buildout is rarely an option. With smaller businesses, and other businesses leaving Rural America, small towns do not have a tax base needed to fund the infrastructure. While some state and federal funding options exist, a successful rural ISP (RISP) must build the community relationships to reduce the total capital employed and deliver a range of services that are relevant to the rural communities it serves.

Various studies have determined that a million dollars of investment in Broadband creates 18 new jobs. Another study predicts that for every worker employed in the manufacturing and constructing a broadband network produces four other workers in the economy.

Industry's need for speed has Sarasota County voice, data and video service providers retooling their distribution systems with next-generation broadband technologies. Comcast of West Florida is the dominant telecommunications operator, offering integrated two-way products and features from a single connection. Digital video recorders, high definition television and

video on demand are broadly deployed on Comcast's digital cable service.

Amongst investors, it is believed that there is a lack of Broadband demand in Rural America. However, this perceived lack of demand can be tied to at least two factors: fewer choices for the delivery of Broadband, i.e., DSL, cable, T-1, or wireless. And, second more expensive, less reliable, service when compared to urban and suburban areas. We currently have 55% and 18% DSL coverage in Hendry and Glades Counties, respectively leaving 16,445 in Hendry County and 8,706 in Glades County without broadband access.

In the coastal counties the region has several options with regard to providing broadband access. Embarq (formerly Sprint), Comcast and Level (3) Communications are two of the local exchange carriers for Lee County. Each company's central offices have 5ESS digital switches with SS7 capabilities and advanced user features. Sprint has a fiber optic network that connects its central offices and assures high network availability. Both carriers offer businesses a wide range of advanced services.

Charlotte County is currently using its patented EVDO (Evolution Data Optimized) technology, which allows a user to access this flexible service anywhere in the area and in most of the United States. DayStar Communications is a regional voice and data services provider in southwest Florida. Using a modern packet-based local access network that delivers a com-

ination of voice and data services to subscribers, their VoBB (voice over broadband) local access network comes in two forms. Voice over DSL, VoDSL, technology allows multiple telephone lines and high-speed data service over a single access line. Voice over T1, VoT1, provides high speed internet access and multiple telephone lines over a T1 line.

Embarq, Comcast and Verizon are the primary providers of broadband telecommunications service to the coastal counties in the region. The Embarq MPLS VPN solution offers a wide range of features and services that can be tailored to answer an individual business' requirements, and provides a maximum speed of 5 Mbps. Comcast provides the fastest speed of 8 Mbps through its cable broadband network. Verizon's FiOS (Fiber-Optic Services) provides the bandwidth and speed for next-generation Internet access, voice and digital-high definition video applications. With the wide range of broadband alternatives in the county, businesses have the ability to find the optimum level of broadband service to fit their requirements.

**Strategic Finding:**

The benefits of employing the use of mobile broadband, and direct wireless broadband technology will benefit the economic activities of the region and will be expanded as demand for the service expands.

**Electricity**

Electrical Power

Currently within the Southwest Florida Region, there are five companies that supply electric service to the area. These companies are:

1. Glades Electric Cooperative;
2. Lee County Electric Cooperative;
3. Florida Power and Light Company;
4. Peace River Electric Cooperative; and
5. Clewiston Electric Utilities.

The cooperatives purchase power from the Florida Power and Light Company and Seminole Electric Cooperative. Glades Electric Cooperative provides power to the majority of Glades and Hendry Counties. The Peace River Electric Cooperative provides power to a small section of rural Sarasota County. In addition, the Clewiston Electric Company provides electricity to its incorporated area in Hendry County. Lee County Electric Cooperative purchases its power from the Seminole Electric Cooperative, a generation and transmission utility located in Palatka, Florida.

Power is provided to regional users through an interconnected network of generating plants located throughout the state. The one electrical generating facility in the region is operated by Florida Power and Light Company near Fort Myers. This facility has been recently converted from a coal-fired plant to a natural gas-fired plant. It has a total capacity of 1,440 megawatts. The Fort Myers plant is the terminus of the natural gas pipeline that uses the SR 31 corridor to access the region.

Lee County celebrated the 10th anniversary of its award-winning Waste-to-Energy Facility in August 2004. The plant - also called the Re-

source Recovery Facility or incinerator - was completed in August 1994 and disposes of the county's garbage by burning it and generating electricity from a steam driven turbine. The facility burns 395,000 tons of garbage a year and generates up to 34 megawatts of electricity - or enough to power about 30,000 homes.

The plant exceeds strict environmental and emissions standards and has been the recipient of many awards since opening, including the Power Engineering and Power Engineering International magazines' 1995 Project of the Year Award, the 1996 Environmental Citizen of the Year Award from the Florida Department of Environmental Protection, the 1999 Waste-to-Energy Excellence Gold Award from The Solid Waste Association of North America (SWANA), and the 2001 Facility Recognition Award from The Solid Waste Processing Division of the American Society of Mechanical Engineers (ASME).

The county currently is in the process of expanding the facility from a capacity of 1,200 tons per day to 1,800 tons per day by adding a third, 600-ton combustion unit. The \$85-million expansion is needed to keep up the area's tremendous growth and increased generation of garbage. Construction is expected to be completed sometime in 2006.

**Strategic Finding:**

Growth will strain current electrical generation facilities, which in turn are challenged to replace current fuel sources with those that are less subject to oil and gas volatile markets in availability and in refining.

**D. Financial Resources**

Federal sources and State sources both contribute to the function of the local economy. Local Government, however, is the level of government that is most directly related to the local economy. The contributions of local governments to the Southwest Florida economy result mainly from the provision of services to the community. The revenues received by the local governments in order to provide these services, come from state and federal sources, as well as from local government's ability to assess fees, charges and taxes.

Differing needs and expenses among jurisdictions make generalization on the cost of governmental services in the Region difficult. Many factors determine the cost and scope of public services. The ultimate decisions are made by the elected officials based upon their perceptions of their constituencies' needs and desires.

**County Budgeted Fund Reserves<sup>1</sup>**

Each local government's measure of its ideal Budgeted Fund Reserve level is as varied as there are local governments. The local governing body, given its own nature and disposition, establishes the level of Reserve it thinks is appropriate and fiscally sound.

For the Region, Total Fund Reserve information was compiled, as depicted in Figure 21, and a simple per-capita analysis was undertaken.

<sup>1</sup> Throughout the Financial Resource Section, information is based from the respective 2006 Comprehensive Audited Financial Reports (CAFR) except for Glades and Hendry Counties where the 2005 CAFR had to be used in the absence of a fully audited 2006 CAFR.

<sup>2</sup> Glades County data for fiscal year 2005/2006

**Figure 21**

**Total Budgeted Fund Reserves**

County	Total Budgeted Fund Reserves 2006/2007	2006 Population *	General Fund Reserve Per Capita
Charlotte	\$10,621,849	154,094	\$69
Collier	\$17,203,100	330,455	\$52
Glades <sup>2</sup>	\$2,155,216	10,817	\$199
Hendry	\$22,438,815	39,326	\$571
Lee	\$148,739,566	573,885	\$259
Sarasota	\$23,107,501	376,667	\$61

\* Source: Florida Legislature EDR

Figure 21 shows the Budgeted Fund Reserves that each county has set aside for their anticipated needs for fiscal year 2006/2007. Lee County has the highest gross amount at almost \$149 million, while Glades County has the least at a little over \$2 million. However, on a per capita basis, Hendry County has the highest reserve set aside per resident at \$571 while Collier County has the least at \$52. Among coastal counties, Lee County has the highest per capita reserves at \$259.

Figure 22 p.33 shows the behavior of Budgeted Fund Reserves over the past few years. While each County sets its own targeted level depending on the local economic, social and fiscal conditions, within statutory limits, there is a conscious effort to set aside more each year especially for Charlotte County whose contingency funds were used heavily in the post-Hurricane Charley reconstruction period.

**Strategic Finding:**

County Governments find it necessary to cope with the increased demands on its resources to provide essential services to its residents not just for the present time, but also in anticipation of future requirements. To this end, Budgeted Fund Reserves have fluctuated as County needs become more diverse and more difficult to forecast. This is especially true for coastal Counties, so Inland counties must heed this trend relative to their population growth forecast. For the Region as a whole, maintaining a healthy level of Reserves is imperative to maintain its fiscal viability and thereby keep a stable footing when it comes to utilizing Long-Term Debt instruments.

**County Long Term Debt**

The Total Capital Budget for each county reflects the Region's cumulative investment in the infrastructure to maintain and enhance the Region's quality of life and economic vitality. The Total Capital Budget is typically more volatile on an annual basis since the annual investment is a function of funding opportunities and the capital needs that must be met that year. One financing option actively used by the counties is Revenue Bonds.

Figure 23 pg 33 reflects total Revenue Bond Debt for each county. Lee County utilizes Revenue Bonds more than other counties in order to finance the many social and economic infrastructures it has in place; for example, the Lee County Port Authority accounts for more than a third of the County's total Bond Debt due to the much-improved Southwest Florida International Airport. Glades County issued a long-term note in December of 2005 for the amount of \$800,000, and tends to shy away from using Revenue Bonds.

Figure 23 also shows Lee County's long term debt of \$1.3 billion as the highest in the Region, followed by Collier County at \$709 million, with Glades County showing the least Long Term Debt at \$0.8 million. The per capita Long Term Debt shows commensurate debt ratios to each County's population size. Lee County has the highest at \$2,299 per capita followed by Collier County at \$2,145 per capita, and Glades County with the least at \$74 per capita. Charlotte County's long term debt is higher than Sarasota County at \$2,076 per capita.

Typically, local governments engaging in heavy leveraging is viewed with tolerance since the benefits of such actions accrue toward the common good. However, it is worthwhile to take a closer look at these debts vis-à-vis County Revenues.

**Strategic Finding:**

Larger population base suggests the presence of more sophisticated capital improvements and thereby entail the extensive use of various financing instruments for Counties as they cope with these increased capital improvement projects. To maintain the level of service required by the growing population, Counties have favored the use of Revenue Bonds to finance revenue generating public services such as utilities, transportation and waste services.

**County Revenues**

The value of property in the Region is an important factor for determining county revenues, since it serves as a primary source of tax revenues. In 2007, the Florida State Legislature adopted House Bill 1B that will have a significant impact on property taxes levied statewide. The Bill includes a roll back of property tax rates levied and caps them based on a formula for a five year period, unless overridden by an extraordinary majority vote of the governing body or by referendum. Under the new state legislation, Counties are required to roll-back property tax levied based on the relative per capita property tax increase that occurred over the past five years. Required reductions ranged from zero to nine percent. Counties with the highest increase in per capita property taxes are required to make the largest tax cuts. Charlotte, Collier, Lee and Sarasota Counties were all classified in the top-tier group with the largest required tax cut of 7%. Glades and Hendry County were exempt from additional cuts due to their economic fiscal constraints. The adopted legislation limits total county property tax levies in FY 2008 to the taxes levied in FY 2007 minus the required tax cut.

Figure 24 pg. 33 reflects the reductions based on the legislative mandates. Glades County was previously at the maximum property tax of 10 mills allowed by the Florida Constitution.

A constitutional amendment may be on the 2008 ballot that could, if adopted, further change the property tax structure for local governments.

**Figure 22**

**Budgeted Fund Reserves**

County	FY 2002/2003	FY 2003/2004	FY 2004/2005	FY 2005/2006	FY 2006/2007
Charlotte	\$752,663	\$1,112,352	\$8,895,474	\$12,498,278	\$10,621,849
Collier	\$13,754,300	\$20,536,600	\$26,840,200	\$14,346,900	\$17,203,100
Glades	\$1,882,079	\$1,192,799	\$1,363,532	\$2,155,216	\$1,540,555
Hendry	\$19,738,052	\$12,836,054	\$13,041,884	\$11,161,083	\$22,438,815
Lee	\$53,795,576	\$63,274,571	\$70,075,472	\$146,387,245	\$148,739,566
Sarasota	\$6,319,526	\$10,119,526	\$14,798,026	\$19,952,334	\$23,107,501

**Figure 23**

**Total Revenue Bond Debt**

County	Total Revenue Bond Debt	General Obligation Bond	Other Debt	Total Long-term Debt	Long-term Debt Per Capita
Charlotte	\$159,975,929	\$0	\$159,864,825	\$319,840,754	\$2,076
Collier	\$501,465,469	\$31,343,605	\$176,175,154	\$708,984,228	\$2,145
Glades	\$0	\$160,604	\$639,396	\$800,000	\$74
Hendry	\$4,181,800	\$0	\$771,587	\$4,953,387	\$126
Lee	\$986,645,000	\$229,165,000	\$103,715,000	\$1,319,525,000	\$2,299
Sarasota	\$370,354,069	\$1,613,878	\$239,095,462	\$611,063,409	\$1,622

**Figure 24**

**County Millage Rates**

County	2006/2007 Millage	2007/2008 Millage	Millage Rate Decrease 2006/2007	Total County Assessed Value	Property Tax Share of Revenue
Charlotte	4.8409	4.6426	-4.10%	\$24,280,088,571	\$111,996,948
Collier	3.9790	3.5790	-10.05%	\$77,037,903,134	\$293,240,000
Glades	10.0000	9.1367	-8.63%	\$674,818,844	\$4,211,000
Hendry	6.5000	6.3880	-1.72%	\$2,776,747,775	\$4,156,588
Lee	4.4752	4.1506	-7.25%	\$89,514,738,503	\$377,567,000
Sarasota	3.5691	3.2491	-8.97%	\$58,915,964,438	\$190,173,000

**Figure 25**

**Total Property Tax Share of Revenue**

County	Total Property Tax Share of Revenue	Total Taxes Share of Revenue	Total Revenue	Property Tax Revenue Per Capita	Property Tax as % of Total Revenue	Total Taxes as % of Total Revenue
Charlotte	\$111,996,948	\$175,458,902	\$325,857,534	\$727	34%	54%
Collier	\$293,240,000	\$327,605,000	\$634,147,000	\$887	46%	52%
Glades	\$4,211,000	\$5,140,221	\$6,495,682	\$389	64%	79%
Hendry	\$4,156,588	\$7,834,898	\$16,001,002	\$106	26%	49%
Lee	\$377,567,000	\$434,782,000	\$810,513,000	\$658	47%	54%
Sarasota	\$190,173,000	\$293,020,176	\$511,216,290	\$505	37%	57%

Looking at Property Tax as a proportion of Total Revenues, Figure 25 shows that Hendry County is the least dependent on Property Tax for its Total Revenues (26%), followed by Charlotte County at 34%. Glades County at 64% relies most on its Property Tax to generate Total Revenue. Figure 24 also shows a Region-wide dependence on Taxes to generate Revenue; except for Hendry County which derives 49% of its Total Revenue from Total Taxes, the Region derives more than 50% of its Total Revenue from Total Taxes.

**Strategic Finding:**

House Bill 1-B's impact on Total Revenue will be significant given the fact that Property Tax account for 34%-64% of Total Revenue. The cities, counties, and special districts will need to consider alternative funding sources to make up for lost revenue and to diversify its funding sources or face reductions in services and programs.

**Financial Health**

Local governments provide basic services not generally provided by the private sector. Therefore, determining whether or not they are viable in the long-term is an important financial goal. Financial indicators which portend long term health are Debt, Revenue and Asset.

Looking at the Counties' Long-Term Debt compared to Total Revenues, larger counties such as Lee County, Sarasota County and Collier County all have gross Long-Term Debt that exceed their Total Revenue, whereas, both Glades and Hendry Counties' gross Long Term Debt are much lower. In the private sector, such high ratios may be cause for serious concern, however, this is not necessarily the case for local governments where the principal objective is social benefits to residents, rather than purely financial goals; that is, to continue to provide much-needed services to its residents.

*Figure 26*

**Total Long Term Debt**

County	Total Long-term Debt	Total Revenue	Debt to Revenue Share
Charlotte	\$323,964,825	\$325,857,534	99%
Collier	\$708,984,228	\$634,147,000	112%
Glades	\$800,000	\$6,495,682	12%
Hendry	\$7,764,266	\$16,001,002	49%
Lee	\$1,319,525,000	\$810,513,000	163%
Sarasota	\$611,063,409	\$511,216,290	120%

**Figure 27**

**Net Assests**

County	Net Assets 2005	Net Assets 2006	Change in Net Assets
Charlotte	\$584,769,000	\$713,647,000	22%
Collier	\$1,647,500,000	\$1,896,700,000	15%
Glades	\$12,772,000	\$15,482,000	21%
Hendry	\$58,694,866	\$76,580,130	30%
Lee	\$300,878,000	\$406,830,000	35%
Sarasota	\$1,709,154,000	\$1,881,242,000	10%

Alternatively, a better measure of a local government’s financial position is the movement of its Net Assets over time. Government’s unique ability to tax over a period of time, rather than recouping its expenses in a fixed time frame, lends its Net Assets greater importance compared to a private company.

An analysis of Net Assets movement over the previous year’s in Figure 27 shows Hendry County with a healthy 30% net asset growth followed by Charlotte County and Glades at 22% and 21%. Sarasota County’s 10% net gain is lowest when compared to the rest of the Region.

**Strategic Finding:**

The Region grew in concert with the explosive growth experienced during the United States’ housing boom of 2000-2005. As a result, local Governments have taken steps to finance the concomitant sharp increase in the need for services as the population increased more than 19% in a 5-year period. While current Total Debt and Long-Term Debt per Capita statistics may be viewed as untenable ratios, especially by the private sector, the Region’s Local Governments have been wise to ensure consistent growth of Net Assets, in turn, ensuring the viability of their existence as long term cash flow projections remain positive.

## D. External Forces

### Natural Environment

The potential for large scale loss of life and property from coastal storm tidal surge, inland storm surge from Lake Okeechobee, freshwater riverine and sheetflow flooding and damaging winds during a hurricane is great. The probability of hurricane occurrence in the Region is based upon historical occurrences in Southwest Florida, as evidenced in data available from the National Hurricane Center, Miami, Florida, the Fort Myers and Tampa Area Offices of National Weather Service, and analysis of this historical data recently completed for the Statewide Regional Evacuation Study Update.

Since record keeping started in 1851, a total of 126 tropical storms and hurricanes passed by or through the Region within a 50 radius from any edge of the Region, averaging one every 1.24 years. Within 100 mile radius from any edge of the region a total of 156 tropical storms and hurricanes passed by or through the region at a rate of one every year. Based on this information, using a 100 mile radius as a minimum distance for issuing hurricane warnings, Southwest Florida can expect to receive such warnings every year. During the 2005 hurricane season, for example, four warnings were issued in Southwest Florida. The 2004 and 2005 hurricane season is also an example of the damage that can occur from hurricanes, such as Charley and Welma for both coastal and inland counties. These storms



have increased the awareness that no one on the Florida Peninsula has immunity from the damage caused by hurricanes.

Hurricanes that cause the greatest amount of damage have wind velocities averaging greater than 111 miles per hour. Twenty-eight such storms passed by or through the region on the average of once every 5.5 years. The official Atlantic hurricane season is June 1 through November 30. The period of greatest hurricane frequency in Southwest Florida is the three month period from August to October, when 90% of all hurricanes passing within 100 miles have historically occurred. September is the worst single-month for hurricanes in the region.

#### Strategic Finding:

As a result of increased use of lands for development, particularly in the urban coastal areas, increased water demands and a lack of sanitary sewer service in some areas of the region, the natural eco-systems of the region are at risk of being damaged and hurting the regions' tourist industry. Southwest Florida has been identified by the National Weather Service as one of the most hurricane-vulnerable areas of the United States. Insurance and reserves are critical for recovery.

**Political Environment**

Federal

Federal initiatives concerning economic development planning activities occur primarily through the Economic Development Districts designated and funded by the Economic Development Administration. Additional planning activities are funded through the Department of Housing and Urban Development (HUD) via the Consolidated Plan which is required of entitlement communities that receive Community Development Block Grant (CDBG) funding from HUD. HUD generally requires local governments to prepare a five-year plan and one-year action plans. The focus of CDBG funding is neighborhood, housing, or community rehabilitation and revitalization. Several communities in the region are entitlement communities and receive CDBG funds directly from HUD. Other communities apply on an annual basis to the Florida Department of Community Affairs (DCA) to receive funding under the Small Cities CDBG program. Several of the communities receiving CDBG funds have set aside a portion of those dollars to make loans to small businesses.

The U.S. Department of Agriculture’s Rural Development Division sponsors several loan and grant programs that are beneficial to communities in the region. Some of these programs, such as Rural Water and Waste Disposal Loans and Grants and Community Facility Loans, can be used to finance infrastructure projects. Other programs, such as the Business and Industry Guaranteed Loan Program, are intended to

help a specific business become established or expand.

State

In 1996, Florida became the first state in the country to place principal responsibility for economic development, international trade, research and business image marketing in the hands of a business-government partnership. The move was the result of several years of effort by business and government leaders. Driving the effort was the belief that, with hands-on participation by Florida businesses, the State could move from its traditional economic drivers of tourism and agriculture to a sophisticated mix of industries and international business.

Enterprise Florida, Inc., (EFI) is a partnership between Florida’s business and government leaders and is the principal economic development organization for the State of Florida. The organization’s mission is to increase economic opportunities for all Floridians by supporting the creation of quality jobs, a well-trained workforce and globally competitive businesses. It pursues its mission in cooperation with its statewide network of economic development partners.

Enterprise Florida is the official economic development and international trade development organization for Florida. In addition to recruiting new industries and assisting expanding Florida business, EFI supports development of a workforce that makes Florida employers and workers competitive in today’s technology-intensive workplace. Enterprise Florida manages pro-

grams that target special needs communities, such as small and minority businesses, as well as business opportunities for rural areas and programs to retain military bases and defense installations. Every effort is made to ensure that all regions of Florida benefit from the state's economic growth. Enterprise Florida programs are the key to building strong economic foundations which can support the high-quality, value-added industries essential for a globally competitive, leadership economy.

Visit Florida is the official tourism-marketing corporation for Florida. It is not a government agency, but the operating company of the Florida Commission on Tourism, which is a public/private partnership, comprised of top state government officials and representatives of the Florida tourism industry.

In 1996, the Legislature created the Office of Tourism, Trade, and Economic Development (OTTED) in the Executive Office of the Governor to act as the contract manager since state funds continue to fuel many of these programs. When the Legislature placed the state's economic development functions with public/private partnerships, several related activities remained in the public sector. Although OTTED's primary mission is managing the contracts with the public/private partnerships, economic development incentive programs are jointly managed by Enterprise Florida and OTTED. Each partnership operates under a performance-based contract with OTTED. Each contract defines what the partnership will have to do to guide, stimulate,

and promote the economic development of the state within their respective specific missions and responsibilities.

**Strategic Finding:**

The overall political environment fosters good communication and cooperation. There are many federal and state plans in place; however funding is always a challenge.

**Economic Environment**

As one would expect, different portions of the region have ties to different surrounding counties and regions. For example, the rural counties of Glades and Hendry have strong ties with the other nearby rural counties including DeSoto, Hardee, Highlands, and Okeechobee. In fact, Glades and Hendry Counties participate in a state-initiated effort called Florida Heartland Rural Economic Development Initiative (FHREDI). FHREDI covers the six counties listed above. It is an incorporated economic development organization with a Board of Directors.



Glades and Hendry Counties have found it helpful to work with other rural counties to address similar problems faced in small communities with very limited resources.

Also within the region, Sarasota County has strong ties to the counties just north of it including Manatee, Hillsborough, and Pinellas. Sarasota County is currently a member of the Tampa Bay Partnership which serves as a marketing umbrella organization for the seven counties it covers. There is considerable back and forth of both workers and residents between Sarasota and Manatee Counties. Additionally, the Manatee Community College, the Suncoast Workforce Development Board, and the Sarasota-Bradenton International Airport cover both Sarasota and Manatee Counties.

**Strategic Finding:**

Private sector enterprises (have been or may be) reluctant to move facilities to the region due to the (perceived) lack of a skilled workforce, infrastructure and problems with transportation systems that hinder movement of finished goods out of the region.

# PUBLIC/PRIVATE PARTICIPATION

## Community & Private Sector Participation

The local economic development organizations work closely with Enterprise Florida and its various programs to meet the needs of new and existing businesses. A number of the local organizations have utilized the Qualified Target Industry Tax Refund Program, a Florida incentive program, economic development transportation fund and rural infrastructure fund, and the Quick Response Training Program, a job-training program, to assist new or existing businesses in Southwest Florida. Enterprise Florida also developed a new bond program that will be useful to communities in assisting businesses.

The Florida Department of Community Affairs offers the Small Cities CDBG Program. The Florida Department of State handles the Florida Main Street Program under Community Development and Revitalization, which is a program designed to help small communities rebuild and revitalize their central business districts. The Main Street Program relies heavily on community and volunteer support and involvement to make it successful. A number of communities in the region are designated Florida Main Street Communities.

The Regional Planning Council and the economic development organizations work closely with the regional universities and colleges. Florida Gulf Coast University, Hodges University and Edison College are important participants in

the overall regional economic development process providing expertise and studies. In addition, the regional economic development organizations are working with the universities and colleges to develop key training and degree programs to meet the future regional employment needs.

Regional economic development planning efforts and technical assistance are handled primarily through the Regional Planning Council.

The Southwest Florida Regional Planning Council was designated an Economic Development District by the Economic Development Administration (EDA) in 1992. The Council has an Economic Development Strategy Committee that meets to share information on programs and projects. With representatives from each of the six counties in the region, the Committee frequently discusses problems or issues of importance to the entire region. Members also share information regarding programs they have developed or utilized to resolve local issues. As a result, the Committee serves as a network allowing members of the various economic development organizations to meet and discuss situations that are similar throughout the region.

The Economic Development Corporation of Sarasota County (EDC) is the professional economic development entity for Sarasota County.

It is a non-profit, public/private partnership that assists existing companies with expansions, attracts and retains quality jobs, solicits new businesses compatible with the assets and values of Sarasota County, promotes Sarasota County's business image, and enhances Sarasota County's overall quality of life.

In Charlotte County, the Board of County Commissioners approved funding for an economic development office in February 2001. A public/private partnership has been formed with Enterprise Charlotte, an advisory board appointed by the Board of County Commissioners and Enterprise Charlotte Foundation, Inc., their private partner in economic development. The staff is building the foundation for a solid economic development base in Charlotte County.

Lee County has an umbrella economic development organization called the Horizon Council. The Horizon Council consists of representatives from area businesses and local governments and is staffed by the Lee County Economic Development Office (EDO), a county agency. The Horizon Council serves as an advisory board to the Lee County Board of County Commissioners.

Another group that is active in Lee County is the City of Cape Coral's Economic Development Office. The staff in that office works with potential new businesses to the city and provides technical assistance as needed to new and existing businesses. The city currently operates a Revolving Loan Fund with its CDBG funds.

The Economic Development Council of Collier County was created in 1976. It is a private, not for profit corporation and has a public/private partnership with the Collier County Board of Commissioners, which focuses its efforts on high wage job creation through business expansion and relocation activities. As an entitlement community, Collier County receives Community Development Block Grant funds that are available to organizations countywide on a competitive basis.

Hendry County Economic Development Council (HCEDC), incorporated in 1997, actively works to improve the economic stability and tax base of Hendry County, enhancing economic opportunities, personal income, and the quality of life of the citizens of Hendry County. HCEDC coordinates business development activities, including the creation and/or attraction of new businesses, development and expansion of minority businesses, and the encouragement of existing businesses to remain and expand within Hendry County.

The Glades County Economic Development Council, Inc. was established in 1999, and is a public private partnership, receiving funding from both Glades County, the City of Moore Haven and members. The mission of the Glades County EDC is to promote new commercial and industrial development while protecting the quality of life residents enjoy.

As mentioned earlier, Glades, Hendry and Immokalee participate in the Florida Heartland

Rural Economic Development Initiative (FHRE-DI) and the Rural Area of Critical Economic Concern. This is a six-county organization that promotes economic development in the rural areas of Florida.

Along with the local organizations mentioned above, there are also a number of smaller efforts that are directed to very specific areas. They include the Chambers of Commerce (currently there are 26 in the region), the Development Authorities, the Community Redevelopment Agencies, and the Downtown Redevelopment Agencies.

Another partner is the Empowerment Alliance of Southwest Florida, a non-profit organization created to administer the strategic plan for the federally designated Round II Enterprise Community covering Immokalee and eastern Hendry County. The Empowerment Alliance focuses on four main areas: education and job training, economic development, affordable housing, and community image. The Empowerment Alliance works closely with its community partners to undertake and implement projects in these four areas.



The Southwest Florida Workforce Development Board, Inc. is a public/private non-profit organization that administers and coordinates workforce related programs for the state. It operates career and service centers throughout the region, providing a single point of contact for employers and workers to connect.

# VITAL PROJECTS

## Project 1 - FHREDT/Catalyst

Rank #	Program/Project*	Location	Cost	Anticipated Start Date
1	Sebring Regional Airport	Highlands County	TBD	TBD
2	Hendry Airglades Industrial Park**	Hendry County	TBD	TBD
3	Wal-Mart Distribution Area	DeSoto County	TBD	TBD
4	Palmdale**	Glades County	TBD	TBD
5	Florida Tradeport / Immokalee Regional Airport**	Collier County	TBD	TBD

\* These are the top 5 sites. An additional 8 sites are still eligible.

\*\* These sites are located within Southwest Florida

### Strategic Findings Addressed

**Population Growth** - Southwest Florida's rapid population growth is twice the State's. This indicates a need for more investment in infrastructure than the federal and state governments are prepared to provide, so local sources are critical for success.

**Roads/Bridges** - The population growth in the Region and the resulting increase in the number of cars and trucks has placed an increased demand on the roadways network in the region. At the present time, needed network improvements are extremely under funded and there is no funding source to obtain maximization of the system.

**Job Training/Labor Market** - There is need to attract high paying industries to Southwest Florida to diversify the regional economy. For instance, in 2005 the biggest employer in the region was Retail Trade, which accounted for 15% of total employment, but averaged only about \$25,000 in wages; an amount considerably below the mean national earnings of \$49,910.

**Industrial Parks** - In previous growth cycles, development mostly produced lower-density residential housing subdivisions to meet the needs of people moving to the region. However, in recent years, growth has been fueled in part by the influx of younger workers and businesses taking advantages of Southwest Florida's growing industrial base and superior environmental amenities. In the future, development in the region is expected to be fueled by the continuing growth of jobs and businesses relating to service and informational industries. Based on these trends, the region will need to protect existing industrial land uses from other land uses.

### Outcome

- Estimated number of jobs created or retained
- Estimated amount of private sector investment generated
- Estimated amount of public sector investment generated
- Identify funding sources such as state, local, EDA

### Goals and Objectives

Over the next five years the main goals are to enhance regional catalyst sites for marketability. Also, working together with Central Florida Regional Planning Council as a partnership.

- Work with economic development staff and site managers to plan additional site improvements.
- Sharing of all target industry assessments rolled out in August and September RACEC Sessions.
- Go to market in November and December.
- Narrowing and clarifying a list of site "filters."
- Identifying the best date and time for future REDI Sessions.

# VITAL PROJECTS

## Project 2 - Regional Incubator Network

Program/Project	Location	Project Cost	Anticipated Start Date
Feasibility Study	Southwest Florida Region	TBD	TBD
Start Up Funding	TBD	TBD	TBD
Program Funding	TBD	TBD	TBD
Building & Construction	TBD	TBD	TBD
Virtual Incubator	TBD	TBD	TBD

### Strategic Findings Addressed

**Labor Market** - There is need to attract high paying industries to Southwest Florida to diversify the regional economy. For instance, in 2005 the biggest employer in the region was Retail Trade, which accounted for 15% of total employment, but averaged only about \$25,000 in wages; an amount considerably below the mean national earnings of \$49,910.

**Education** - The region's higher educational attainment is low, especially among the 25-34 age cohorts. The specialized services needed by the elderly require a more educated service providing industry than currently available in the region.

**Workforce Participation Rate** - In 2004, 54% of Southwest Floridians participated in the workforce. Workforce participation rate in the region is low compared to the state (61%) and the nation (63%); this rate is due to the considerably large number of retirees in the region. Employee recruitment outside the region is necessary to meet the employment needs.

**Clusters** - There is a need to raise workforce income. Cluster analysis shows 37% of the workforce is being paid at or above the national per capita income. There is a need to diversify the economic base. The biggest clusters are largely related to the services industry; this indicates that the Southwest Florida economic base is not well diversified.

### Outcome

- Estimated number of jobs created or retained
- Estimated amount of private sector investment generated
- Estimated amount of public sector investment generated
- Identify funding sources such as state, local, EDA

### Goals and Objectives

The Center for Leadership and Innovation (CLI) in the Lutgert College of Business at Florida Gulf Coast University, will be a key resource for education, training, communication and research to support the network. The CLI will also develop relationships with regional businesses, current incubator projects, and venture capitalists. The first project will be a feasibility study for incubators in the region. The study will update the current status of incubator projects in the region, assess the need for additional incubator development and make recommendations to the Council.

- Networking and recruiting partners and sponsors for the center. These stakeholders, both public and private, are key to the future success.
- Land use zoning and developing a shared vision are equally important has developing policies and procedures to operate under a sound business model.
- Securing financial support. Approximately ½ of funding must come from matching dollars. Partnership agreements and community support from public and private organizations and businesses is critical.
- Develop a strategic vision and focus that is shared by all stakeholders.

# VITAL PROJECTS

## Project 3 - Airport Economic Projects

Program/Project	Location	Project Cost	Anticipated Start Date
Immokalee Master Plan Immokalee Regional Airport/Tradeport Corporate Hangars, T-Hangers Air Traffic Control Tower Apron/Ramp Extension Rehabilitation of Runway Rehabilitate Runway Lights Runway Extension	Collier County	\$150,000 \$3 million \$1 million \$3 million \$2 million \$9 million	5 year Master Plan Update
Airport master Plan Update Airport Land Use Consensus Plan Airport Master Drainage Plan Design and Construct Road and Utilities Demolish Circus Arena Building	Sarasota County (Venice)	\$351,000 \$250,000 \$180,000 \$3.2 million \$1.2 million	TBD
Extension Utilities and Road	Charlotte County	TBD	TBD
Access Road Improvements T-Hangars Rehab Runway 13/31 Rehab Runway Lighting (Labelle Airport) Acquire Land for North RPZ Apron/Ramp Expansion Airport Layout Plan Update Construct Terminal Building	Hendry County (Airglades)	\$1.3 million \$750,000 \$2 million \$500,000 \$2.2 million \$900,000 \$120,000 \$2.3 million	5 Year Master Plan Work Program

### Strategic Findings Addressed

**Ports** - The dominance of the road system for freight movement, and the absence of other modes for handling large volumes of commodities, increases costs of commodities brought into the region, and limits our competitiveness. Transportation facilities are forecasted to be under funded by over half for what is needed to maintain current service levels at current usage levels. The general aviation airports in the region are in need of expansion and the continued growth forces them to operate above their available capacity, discouraging new entrants and creating safety issues.

**Labor Market** - There is need to attract high paying industries to Southwest Florida to diversify the regional economy. For instance, in 2005 the biggest employer in the region was Retail Trade, which accounted for 15% of total employment, but averaged only about \$25,000 in wages; an amount considerably below the mean national earnings of \$49,910.

### Outcome

- Estimated number of jobs created or retained
- Estimated amount of private sector investment generated
- Estimated amount of public sector investment generated
- Identify funding sources such as state, local, EDA

### Goals and Objectives

1. Find the funding. Position the Projects, i.e. Complete Master Plans, design infrastructure, obtain permitting, secure local matching funds, so that when funding becomes available, the projects are ready to go.
2. Create the Infrastructure. Create the necessary infrastructure for roads, highways, airports, and railroads in order to accommodate future growth and attract quality and diverse industry.
3. Train the People. Provide the facilities, transportation and training to the local labor to create a viable, productive, skilled labor.
4. Market the area.

# ACTION PLAN

## Project 1 - FHREDI/Catalyst

This section illustrates the implementation steps to be taken, the lead parties and the timeline that will help develop the Vital Projects identified previously in the Strategic Projects section of the CEDS.

Project	Tasks	Lead Organization	Project Cost	Projected Date
<i>FHREDI/Catalyst</i>	Catalyst Site Short List	<b>Mary Helen Blakeslee</b> <i>Office of Tourism, Trade, and Economic Development</i>	N/A	April - May 2007
<i>FHREDI/Catalyst</i>	RACEC Session IV Site SWOT Analysis	Phone: (850) 922-8743 <a href="mailto:maryhelen.blakeslee@myflorida.com">maryhelen.blakeslee@myflorida.com</a>	N/A	May - June 2007
<i>FHREDI/Catalyst</i>	Site Institutes - Gap Response	<b>Bridget Merrill</b> <i>Enterprise Florida, Inc.</i> Phone: (850) 922-8655 <a href="mailto:bmerrill@myflorida.com">bmerrill@myflorida.com</a>	N/A	April - July 2007
<i>FHREDI/Catalyst</i>	Memorandum of Agreement	<b>Lynn Topel</b> <i>Executive Director - FHREDI</i>	TBD	September - October 2007
<i>FHREDI/Catalyst</i>	Go-to-market	Phone: (863) 385-4900 <a href="mailto:ltopel_fhredi@heartland-workforce.org">ltopel_fhredi@heartland-workforce.org</a>	TBD	November - December 2007

- Enhance the regional website to include the inventory of buildings and properties available, workforce updates, and education availability along with providing partner links.
- Continue to work with Enterprise Florida and OTTED to promote catalyst project marketing.

# ACTION PLAN

## Project 2 - Regional Incubator Network

This section illustrates the implementation steps to be taken, the lead parties and the timeline that will help develop the Vital Projects identified previously in the Strategic Projects section of the CEDS.

Project	Project Tasks	Lead Organization	Project Cost	Projected Date
<i>Regional Incubator Network</i>	Project Pre-Planning, Identifying Partners	<b>Dr. David Kakkuri</b> <i>Florida Gulf Coast University</i> Phone: <a href="mailto:dkakkuri@fgcu.edu">dkakkuri@fgcu.edu</a>	TBD	2007-2008
<i>Regional Incubator Network</i>	Coordinate Meeting Times and Schedules with all Partners		TBD	2007-2008
<i>Regional Incubator Network</i>	Establish Plan for Feasibility Study	<b>Dr. David</b> <i>University of South Florida</i>	TBD	2008-2009
<i>Regional Incubator Network</i>	Conduct & Develop Feasibility Study	<b>Dan Regelski</b> <i>Small Business Development Center</i> Phone: 239-225-4216 <a href="mailto:dregelsk@fgcu.edu">dregelsk@fgcu.edu</a>	TBD	2009-2010
<i>Regional Incubator Network</i>	Identify Sites		TBD	2011-2012

- The estimated cost for capital development of a 50,000 square foot facility is \$4.5 million. Funding for the capital development of the project would include an EDA grant and matching funds.
- If counties decide to do a virtual incubator the cost may be substantially less.
- By implementing several incubators in the region, the cost may be substantially lower by developing a master plan.

# ACTION PLAN

## Project 3 - Airport Economic Projects (CHARLOTTE COUNTY)

This section illustrates the implementation steps to be taken, the lead parties and the timeline that will help develop the Vital Projects identified previously in the Strategic Projects section of the CEDS.

Project	Lead Organization	Project Cost	Projected Date
Extension Utilities & Road	<b>Gary Quill</b> <i>Charlotte County Airport Authority</i> Phone: 941-639-1101 <a href="mailto:gary@flypgd.com">gary@flypgd.com</a>	TBD	2007-2008

# ACTION PLAN

## Project 3 - Airport Economic Projects (COLLIER COUNTY)

This section illustrates the implementation steps to be taken, the lead parties and the timeline that will help develop the Vital Projects identified previously in the Strategic Projects section of the CEDS.

Project	Lead Organization/ Justification	Project Cost	Projected Date
Immokalee Master Plan	<b>Theresa Cook</b> <i>Executive Director, Collier County Florida Tradeport/Airport Authority</i> Phone: 239-642-7878 Ext.35 <a href="mailto:theresacook@colliergov.net">theresacook@colliergov.net</a>	\$150,000 FAA: 142,500 FDOT: 3750.00 LOCAL: 3750.00 EDA: N/A	2007-2008
Air Traffic Control Tower	An ATC tower is needed to provide safe operations, attract corporate users required to operate only at airports with towers. Towers also attract student pilots and other training levels.	\$3 Million FAA: 2,850,000 FDOT: 75,000 LOCAL: 75,000 EDA: 2,850,000	2008
Apron/Ramp Extension	The airport is already beyond its aircraft parking capacity, the development of Ave Marie has attracted larger corporate jets on a continuous basis and forced relocation of smaller aircraft to park on the grass.	\$1 Million FAA: 950,000 FDOT: 25,000 Local: 25,000 EDA: TBD	2008-2009
Rehabilitation of Runway	The runway is over 50 years old, the more use it receive, the more wear and tear, the pavement is in poor condition and can become a safety and capacity issue.	\$3 Million FAA: 2,850,000 FDOT: 75,000 LOCAL: 75,000 EDA: TBD	2009-2010
Rehabilitate Runway Lights	Lighting is very important for use during darkness, the lighting is very old and has intermittent failure which causes schedule aircraft arrivals to be diverted and is a safety concern.	\$2 Million FAA: 1,900,000 FDOT: 50,000 LOCAL: 50,000 EDA: TBD	2008
Construct Runway Extension	A runway extension allows for up to 98% of the corporate and general aviation fleet to land and takeoff at Immokalee, this is a necessity for attracting certain new industry and other users.	\$9 Million EDA: 9,000,000	2011-2012

### Strategic Implementation:

To complete the projects listed above each project will have to be planned, justified, funding obtained for the design phase, designed, permitted, funding obtained at the bidding and construction phase. Finally Constructed.

# ACTION PLAN

## Project 3 - Airport Economic Projects (HENDRY COUNTY)

This section illustrates the implementation steps to be taken, the lead parties and the timeline that will help develop the Vital Projects identified previously in the Strategic Projects section of the CEDS.

Project	Lead Organization	Project Cost	Projected Date
(Airglades) Access Road Improvements	<b>Thomas Vaughan</b> <i>LaBelle/Airglades Airports</i> Phone: 863-675-1568 <a href="mailto:tvaughan@hendryfla.net">tvaughan@hendryfla.net</a>	\$1.3 Million FAA: 300,000 FDOT: 311,530 LOCAL: 688,470 EDA: TBD	2007-2008
(Airglades) T Hangars		\$750,000 FAA: FDOT: 600,000 LOCAL: 150,000 EDA: TBD	2009
(Airglades) Rehab Runway 13/31		\$2 Million FAA: 1,859,550 FDOT: 70,225 LOCAL: 70,225 EDA: TBD	2010-2011
(Airglades) Rehab Runway Lighting		\$500,000 FAA: 484,400 FDOT: 7,800 LOCAL: 7,800 EDA: TBD	2012
(LaBelle Airport) Acquire Land for North RPZ		\$2.2 Million FAA: DOT: 1,800,000 LOCAL: 400,000 EDA: TBD	2009-2010
(LaBelle Airport) Apron/Ramp Expansion		\$900,000 FAA: 500,000 FDOT: 388,000 LOCAL: 12,000 EDA: TBD	2012
(LaBelle Airport) Airport Layout Plan Update		\$120,000 FAA: FDOT: 96,000 LOCAL: 24,000 EDA: TBD	2011
(LaBelle Airport) Construct Ter- minal Building		\$2.3 Million FAA: FDOT: 1,800,000 LOCAL: 500,000 EDA: TBD	2008-2012

# ACTION PLAN

## Project 3 - Airport Economic Projects (SARASOTA COUNTY)

This section illustrates the implementation steps to be taken, the lead parties and the timeline that will help develop the Vital Projects identified previously in the Strategic Projects section of the CEDS.

Venice Municipal Airport Economic Development Projects	Lead Organization	Project Cost	Projected Date
Airport master Plan Update	<b>Fred Watts</b> <i>Airport Manager,</i> <i>Venice Municipal Airport</i> Phone: 941-486-2711 <a href="mailto:fwatts@ci.venice.fl.us">fwatts@ci.venice.fl.us</a>	\$351,000	2007-2008
Airport Land Use Consensus Plan		\$250,000	TBD
Airport Master Drainage Plan		\$180,000	TBD
Design and Construct Road and Utilities		\$3.2 million	TBD
Demolish Circus Arena Building		\$1.2 million	TBD

# PERFORMANCE MEASURES

Most of the projects and programs undertaken under this CEDS will be for the purpose of creating jobs and diversifying the economy. This will occur either directly through programs such as technical assistance for businesses to help them grow and expand, or indirectly through the development of research and marketing material or the enhancement of existing infrastructure that could eventually result in a new business locating in Southwest Florida.

Through the Economic Development Strategy Committee, the Regional Planning Council will gather information on the items listed. This information will be included in the CEDS update and will demonstrate the progress being made to diversify the local economy and create new, higher paying jobs. The following can be used to measure progress in each outcome area of the plan:

## **Financial Support**

- ❖ Private sector investment
- ❖ Public sector investment
- ❖ EDA funding
- ❖ State funding
- ❖ Local funding
- ❖ Per capita income

## **Development**

- ❖ Business innovation
- ❖ Number businesses assisted with incubator
- ❖ Venture capital
- ❖ Infrastructure research & development
- ❖ Educating public & private communities
- ❖ Job creation

## **Infrastructure**

- ❖ Transportation infrastructure
- ❖ Research & development
- ❖ Establish industrial parks