

Sarasota County Economic Development Strategic Plan Update Phase One Report Highlights

December, 2008

Prepared for the Economic Development Corporation of Sarasota County
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In September 2008, Scruggs & Associates LLC, in partnership with RTI International and IronWolf Community Resources were contracted to provide an update to the five year economic development plan for Sarasota County. This update builds on current plan's economic strategies of diversifying jobs in high value industries, strengthening the ability to start and grow companies in the region, and enhancing the business climate to be more competitive with other regions. In the past five years, there have been significant advancements not only in terms of overall job growth and business diversification, but in the way in which the county pursues economic development. A more integrated county-wide approach to economic development has been created through the establishment of the EDC and the Partners Council, and stronger relationships have been forged with Manatee County, Tampa Bay Partnership and Southwest Florida.

This document represents highlights from the 72 page Phase One Report that contains an economic profile of the county and regional economy, an assessment of economic assets and gaps, and a first phase evaluation of opportunities for continued economic diversification.

Highlights from the Economic Profile:

In the past five years, Sarasota County has increased jobs and businesses in an array of industries, including higher wage professional and technical sectors. While the last twelve to eighteen months has been overshadowed by a dramatic decline in housing markets and construction, many sectors with markets outside the region continued to grow or remained stable. Highlights of the economic profile for the county include:

Recent Employment: In 2007, approximately 155,159 people were employed by firms in Sarasota County, with 140,485 of those jobs in the private sector. This represents a loss of almost 4,000 jobs in the private sector over 2006 employment figures. The majority of the job loss came from construction (-2,525 jobs) with an additional 1,308 jobs lost in manufacturing. Health care and arts and recreation experienced the largest job gains in 2007. In September 2008, the percentage of unemployed in Sarasota County was estimated at 7.6%, a 49% increase over the prior year, and 30% higher than the U.S. average.

Five Year Trend: Looking at five year trends, higher wage industries such as professional and technical services, management of companies, and health care added more jobs than construction, indicating progress towards a more diversified economy. Compared to other regions in the U.S., the county has a higher percent of its jobs in performing arts, health care services, and membership organizations and foundations (as well as a high concentration of employment in tourism related sectors).

Wages: The average 2007 wage of Sarasota County remained below the U.S. average (\$36,903 compared to \$43,524). This lower wage can be a disadvantage when the cost of living (due primarily to housing prices) remains above U.S. averages. Lower than average wages in technical and degreed occupations can make it harder to attract professionals or keep young talent in the area.

New Businesses & Entrepreneurs: Despite a loss of jobs, Sarasota County continues to increase the number of new companies, adding over 250 new establishments in 2007. In addition, the county has a high percent of self-employed individuals; nearly 35,000 people were sole proprietors with earnings significantly above the US average for self-employed.

Demographics: The median age in Sarasota County is 49.2 years, compared to 36.4 years for the U.S., with a lower than average percent of the population participating in the labor force. Working residents of Sarasota County and the metro region tend to be in occupations that support construction and local and retail services and are much less likely to be employed in a computer, engineering, scientific or management occupation.

Educational Attainment: While college educational attainment of the population 25 years and older in Sarasota is slightly above the US average (28.4% for the county in 2006), it is decreasing for younger workers. Workers in the county 25-44 years of age have an educational attainment of 21%, compared to 36% for workers 45-64 years of age.

Highlights from the Community Assessment

In the fall of 2008, over 70 interviews were conducted and a community survey with over 450 responses was completed. When the community was asked to describe a desired economic direction for the next five years five themes resulted.

Desired Economic Outcomes

- ♦ Enhancing our ability to compete in a knowledge-based economy, by diversifying the number of businesses in industries with livable wages and broad-based markets.
- ♦ Building an economy that attracts and retains young professionals, especially through the growth of science and technology-based industries.
- ♦ Capitalizing on what we have: turning an older demographic and array of design talent and assets into business opportunities.
- ♦ Growing our own businesses through focused retention and expansion programs, more coordinated entrepreneurial development efforts, and enhanced connections to university R&D in the broader region.
- ♦ Integrating the concept of sustainable development into economic development opportunities for growing green jobs.

SWOT Assessment

This community input, along with the data from the economic profile resulted in an evaluation of county's strengths and weakness. The assessment of community assets indicates that the county has a strong set of business leadership and organizations, and an expansive array of educational institutions for a region of its size. There was an overwhelming feeling that a significant stumbling block to diversifying the economic base has been the attitude, pace and regulatory environment of local governments, and the public perception that economic development directly equates to traffic congestion and uncontrolled growth. High wage and traded sector industries noted a lack of business resources as compared to businesses in tourism, retail and construction industries. This was underscored by the underdeveloped relationships with research institutions and other businesses that drive innovation and entrepreneurial development.

While the Phase One Report details in five topic areas (business development, innovation and entrepreneurial development, infrastructure, workforce and education, and business climate), the following table highlights the overall strengths and weaknesses as identified by business leaders.

Top Five Strengths	Top Five Weaknesses
<ul style="list-style-type: none"> ♦ Active entrepreneurial environment as noted by the percent of self-employed and above average rate of new business formation. ♦ An array of higher educational institutions with a good track record of working with the business community. ♦ Proximity to an array of R&D centers and institutions that could be tapped for expanded economic opportunities. ♦ Institutions like Mote and Ringling College of Art + Design that have national and international recognition. ♦ Multiple foundations and community organizations that are actively involved in the county's well-being. 	<ul style="list-style-type: none"> ♦ A low concentration of skilled workers (and low wages) in occupations and industries that the community seeks to grow. ♦ A lack of a systematic approach for using public finance tools as an incentive for growing targeted industries. ♦ An over-reliance on the quality of life as the primary attractor for business development. ♦ Comparatively lower levels of public investment in infrastructure or incentives for growing knowledge-based businesses. ♦ Lack of community recognition and attention to existing businesses that have a higher than average economic impact on regional economies (manufacturing, technology, life and medical sciences).

Opportunities for Economic Diversification

While much has been accomplished in the past few years, much more is needed. The current economic downturn may offer an opportunity to reassess some fundamental building blocks for growing quality jobs and reaching desired economic outcomes. Two parallel pathways have risen to the top of this first planning phase:

- 1) Significantly strengthen the foundations for diversification (enhance business retention, retool incumbent worker skills to match new jobs, and connect entrepreneurial resources with opportunities of significant potential), and
- 2) Make high impact, strategic investments in a limited number of projects, scaled to be competitive with similar initiatives in other regions.

In addition to specific business development opportunities, infrastructure and community development investments and public finance tools will need to work hand-in-hand with these economic strategies. It will be important to protect commercial and industrial land for non-retail uses, to streamline permit and regulatory processes for business looking to expand or modify their sites, to examine areas for redevelopment that can serve industry sectors such as interactive design or high technology firms that prefer downtown locations near other services and amenities.

This will also be a unique time for expanded partnerships. Educational institutions can expand their efforts to work with industry to retrain and retool workers. Strategic partnerships with organization like the Tampa Bay Technology Forum can offer expanded services for entrepreneurs seeking to start or grow businesses in technology related sectors, and stronger collaboration with universities can provide commercial opportunities for various research programs.

Examples of Diversification Opportunities

	Key Opportunities
Medical and Life Sciences	<p>Enhance clinical trial and product testing opportunities, especially as they relate to health and medical treatment/products for aging populations</p> <p>Strengthen connections with USF and UCF research efforts</p> <p>Refine targeted economic opportunities associated with the Sarasota Institute for the Ages, and wellness and health management products and services</p>
Applied Environmental Services & Sustainable Systems	<p>Build on the region's marine and water resource expertise including key programs at MOTE</p> <p>Explore how redevelopment opportunities can support efforts in green design and building practices</p> <p>Strengthen connections with USF and UCF energy & environmental efforts and explore means by which the county can be a demonstration site for state and national research initiatives</p>
Digital & Web-enabled Technologies	<p>Leverage the interactive, digital and high technology assets in the region to cultivate next-generation web enabled technologies and services</p>
Creative Services	<p>Enhance brand awareness to targeted markets outside the region</p> <p>Leverage national trends and local assets in developing commercial applications for design thinking and creativity-related productivity tools</p>
Specialty Manufacturing	<p>Expand business retention and expansion efforts</p> <p>Enhance access to resources that increase competitiveness and productivity</p>