

# Sarasota County Economic Development Strategic Plan Update

## Phase Two Highlights

February, 2009

Prepared for the Economic Development Corporation of Sarasota County  
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During the community assessment (Phase I of the project) we discovered that Sarasota County had slowly begun to diversify its economy, yet was still heavily dependent on housing development and tourism for its economic growth. Phase II identifies economic opportunities that build on unique assets in the Sarasota region, and identifies a framework to update the current economic development plan.

Progress has been made on many fronts: a better understanding of value-added industries, stronger regional partnerships, and efforts to raise awareness and build capacity within high wage industries are just a few examples of the foundation built in the past five years. Business and community leaders agree that more needs to be done to reduce dependency on any one sector and increase the quality of jobs that are created. To this end, there appears to be agreement on the following goal for the next five years:

*ECONOMIC GOAL: To create a robust and vibrant economy, which*

- ♦ *Maintains and enhances a high quality of life*
- ♦ *Increases wages and employment opportunities for residents*
- ♦ *Promotes an environment that retains and attracts younger workers (including our children)*

Reaching this goal will require resources to stimulate near-term growth, position the region for future opportunities, build capacity in expertise and resources, and enhance the region's agility and responsiveness to economic change.

### Potential Economic Opportunities

Economic practitioners agree that increasing industry diversity and growing high value jobs are most effectively accomplished by building on core strengths and strategically targeting new markets – not a shotgun approach. In Phase II, we evaluated how economic assets in Sarasota County compared to those of other regions—what stood out? What gave the region a competitive advantage? How could resources be leveraged? We also researched best practices for strengthening the base of existing businesses, knowing that the majority of job growth comes from companies resident in the county. This process led us to the four-part economic framework described below.

#### I Diversify the Economy Through Platforms that Build on Unique Assets

Building on the strengths of existing industry clusters and finding where markets intersect multiple industries can provide a much needed focus to the county's economic efforts. Among the many economic assets in the county, several stood out as unique or differentiating assets that provided significant market opportunities. These included:

- *An Aging Platform:* Domestic and international markets serving an aging population are expected to grow at steady rates. The region is home to many medical and life science companies with specializations in products, treatment, and services for an older population, and USF and UCF are engaged in multiple, relevant research efforts. According to SCOPE, the county is the "oldest" large county in the country. Based on these assets, the Sarasota region could pursue economic opportunities related to this demographic, including: medical and health care markets, public health, "aging in place" (a trend combining healthcare, built design, personal and financial

services, etc. to help aging people continue to live in the housing of their choice), and a variety of consumer markets and wellness products.

- *Creative & Digital Platform:* The region's creative talent includes professionals and businesses with skills and expertise in design, interactive media, web, and performing arts. While many regions have concentrations in different aspects of creative services, Sarasota County's breadth of talent along with a nationally recognized design school are not common in a region this size. A growing demand for digital content and web-enabled tools, as well as the increasing use of design and creativity as a part of research and product development for other industries, create an array of opportunities for industry sectors from software to performing arts.

## **II Make Strategic Plays in Emerging Markets**

The recent focus on green jobs and clean technology has resulted in a flurry of activity throughout the country. Some communities have spent a decade or more making significant investment in business and workforce development, and others are quickly entering the game. Like the experiences of communities in the 1990s trying to make headway in the biotechnology market, strategies for growing green jobs will require both focus and agility—knowing your strengths and leveraging existing resources.

*Marine Sciences & Sustainable Systems:* In the Sarasota region, the most significant resources are found in marine sciences and water resources. These are two areas with growing national and international markets, yet fewer domestic competitors compared to other sustainability issues such as energy. The biggest differentiating asset in this area is Mote Marine Laboratory, with an international reputation in marine sciences and aquaculture. The potential to expand Mote's education efforts and commercialize aquaculture research offers unique opportunities to the region. The region also has a unique set of professional services ranging from resource management and conservation to low-impact design and development, which can tap the construction industry to be a leader in whole systems design and green redevelopment, including local retrofit markets. Past collaboration efforts like the Sarasota School of Architecture provide a model for this.

## **III Accelerate the competitiveness and growth of entrepreneurs and existing businesses**

*Support Value-added Industries:* Sarasota County is home to an array of value-added industries that pay above-average wages and have made significant investments in the community. The region's manufacturing base and financial services are among the industries that provide high economic multipliers in terms of the wealth they bring into the county and the indirect jobs they support. A critical element of this economic plan will be to support the retention and expansion of these businesses in more focused ways, including more intentional development of supply chains.

*Grow Small Businesses:* Another group of existing businesses with significant growth opportunities are those with 5-50 employees that have the potential to increase their employment by 50 percent or more. Over the past decade, the county has expanded its set of small businesses services and as a result, has experienced a healthy rate of growth in start-up companies and sole proprietorships. Yet data indicates that few ever reach 10 or more employees, even in industries that typically enjoy steady growth elsewhere. Now that a foundation for small business services is in place, more attention needs to be paid to the growth of these start-ups, through economic gardening efforts and/or expanded use of web-based tools that are being implemented by various chambers.

*Create An Environment for Innovation.* During the past five years, progress has been made in developing the networks and relationships between universities, research organizations and industry clusters that require continuous innovation. Stronger connections with venture capital forums, high technology organizations, and federal funding programs are a few examples of the recent activities to improve innovation. With new connections in place, the next level of intense services and facilities – innovation-based business services, incubators, and collaborative space and networks – should be developed.

#### IV Develop Capacity and Partnerships That Align Resources and Investments

The county has a number of public and nonprofit organizations that are involved in economic development. These organizations collaborate on a number of projects, yet the region lacks a clear set of economic goals or intended outcomes with which to coordinate or prioritize these projects. While working at a project level has resulted in some progress, most organizations recognize a more strategic approach will be needed to leverage limited resources and accelerate the pace of business and job creation.

Preliminary recommendations include:

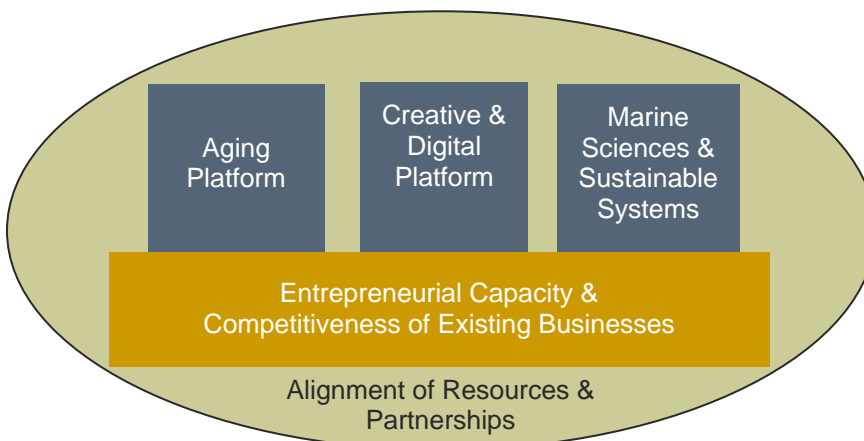
- Develop a clear set of economic incentives and an accompanying opportunity fund for the growth of existing and new businesses in targeted industries.
- Use underutilized public facilities as incubation/temporary space for business start-ups and/or businesses relocating to the county.
- Align public sector investments so resources and efforts in community development and public works function hand-in-hand with economic and private investment. Examples of this could be infrastructure projects that employ storm water /water management technologies and services of local businesses or planned redevelopment efforts that promote demand for low-impact design.
- Revise sustainability policies and priorities to act as short-term stimulus for green jobs. As example would be to ensure the county's solar hot water project fosters involvement of local businesses and workers.

#### Measuring Progress

The last decade has shifted the dialog on how to measure economic progress. Jobs are no longer the primary indicator of success. The ability of a given company to retain jobs rely on its capacity to develop new products and services (innovation), increase productivity and reduce costs (competitiveness), and increase revenues (profitability). Regions with strong entrepreneurial capacity and the ability to attract outside investment have the most sustained levels of job, wage and business growth. These and other factors have resulted in a new set of economic performance measures that include

- The health and growth of businesses (firm, revenue, and job growth)
- Wages and earned income of residents
- Leveraged investment
- Business climate

#### Illustration of Proposed Economic Framework



## Highlights of Diversification Platforms

### Around “Aging”

<p><b>Differentiating Assets</b></p> <ul style="list-style-type: none"> <li>○ Market demographics</li> <li>○ Specialized service providers</li> <li>○ Supporting technologies &amp; expertise</li> </ul> <p><b>Market Opportunities</b></p> <ul style="list-style-type: none"> <li>○ Aging in place</li> <li>○ Medical research/clinical trials</li> <li>○ Wellness &amp; aging lifestyle products</li> <li>○ Public health &amp; public policy</li> </ul>	<p><b>Diversification Potential</b></p> <ul style="list-style-type: none"> <li>▪ Medical and life science</li> <li>▪ Architecture &amp; construction</li> <li>▪ Home &amp; consumer products (design, mfg, &amp; distribution)</li> <li>▪ Tourism</li> </ul> <p><b>Key Gaps</b></p> <ul style="list-style-type: none"> <li>▪ An attractor/accelerator (Institute for the Ages)</li> <li>▪ Innovation capacity (connections to specific research)</li> <li>▪ Growth capacity (conference/training center)</li> </ul>
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### Around “Creative & Digital Design”

<p><b>Differentiating Assets</b></p> <ul style="list-style-type: none"> <li>▪ Market leaders in specific technologies</li> <li>▪ Top Tier Design School</li> <li>▪ Reputation for quality “boutique” shops</li> </ul> <p><b>Market Opportunities</b></p> <ul style="list-style-type: none"> <li>▪ Web-enabled collaboration &amp; social networking tools</li> <li>▪ Digital content &amp; broadcast</li> <li>▪ Design integration in research &amp; consumer product development</li> </ul>	<p><b>Diversification Potential</b></p> <ul style="list-style-type: none"> <li>▪ Creative services</li> <li>▪ Software/IT development &amp; applications</li> <li>▪ Performing arts</li> </ul> <p><b>Key Gaps</b></p> <ul style="list-style-type: none"> <li>▪ An accelerator/innovation capacity (Innovation center/incubator)</li> <li>▪ Growth capacity (clear market identity; connections to capital )</li> </ul>
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### Around “Sustainable Systems”

<p><b>Differentiating Assets</b></p> <ul style="list-style-type: none"> <li>○ Mote and aquaculture research</li> <li>○ Reputation for collaborative efforts (Sarasota School of Architecture)</li> </ul> <p><b>Market Opportunities</b></p> <ul style="list-style-type: none"> <li>○ Marine management &amp; aquaculture</li> <li>○ Water resource management and water to soil/energy</li> <li>○ Low Impact Development (LID) and use of LID for redevelopment</li> </ul>	<p><b>Diversification Potential</b></p> <ul style="list-style-type: none"> <li>▪ Education &amp; research</li> <li>▪ Marine sciences</li> <li>▪ Environmental services</li> <li>▪ Architecture, development/ construction industries</li> </ul> <p><b>Key Gaps</b></p> <ul style="list-style-type: none"> <li>▪ Lack of clear identity or focal point</li> <li>▪ Underdeveloped public &amp; private investments</li> <li>▪ Undeveloped connections to relevant regional university research</li> </ul>
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## Capacity Building Strategies

<b>Building Capacity: Business Strategies</b>		
<i>Strategic Objective</i>	<i>Recent Accomplishments</i>	<i>Potential Expansion</i>
Business Expansion & Retention (expanding value)	One-on-one assistance; industry cluster working groups	Value/supply chain program Local control incentives
Entrepreneurial Climate (from start-up to growth)	Expanded small business services; new tools for assistance/training	Early stage growth: Economic Gardening
Innovation (from information to application)	Connections to R&D resources/organizations; SBIR training/VC Forums	Tech-based incubator Intense knowledge-based services

<b>Building Capacity: Resource Strategies</b>		
<i>Strategic Objective</i>	<i>Recent Accomplishments</i>	<i>Potential Expansion</i>
Business Climate/Regulatory (reward desired economic outcomes)	Key issues & efforts defined in Sarasota Tomorrow; sustainability policies	Incentive and Opportunity Fund; Green job stimulus through public sector demand
Infrastructure (align investments)	Prioritized list of investment projects; Investments in sustainability efforts;	Leveraged use of public facilities; Telecom & utility partnerships; Alignment of public works & economic investments
Organizational Capacity (leverage resources)	Partners Council Regional Partnerships (TB & SW)	Collaboration by economic platform; Expansion of funding opportunities