



Sarasota County Five-year Economic Development Strategic Plan

A Roadmap to a Robust and Agile Economy

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in partnership with

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Contents

Executive Summary	1
Introduction	8
A Snapshot of the Region’s Economic Assets and Gaps	11
Opportunities for Economic Diversification	18
Cluster Assessment	21
An Economic Framework.....	29
Strategies	32
Goal A: Grow and strengthen the competitiveness of existing businesses.	32
Goal B: Develop a robust environment for innovation and entrepreneurship.	38
Goal C: Become a national leader in research and businesses that serve the growing needs of aging populations.	45
Goal D: Build our reputation as a premier location for businesses and institutions with design expertise.	50
Goal E: Expand business opportunities in applied environmental and sustainable systems.	56
Goal F: Optimize the ways people, policies, and investments work together to attain economic goals.	61
Measuring Progress	69
Enhancing County and Regional Cooperation	70

List of Tables

Table 1.1. Summary of Goals, Strategies, and Outcomes..... 4
Table 1.2. SWOT Summary 14
Table 1-3. Summary of Traded Sector Five-Year Growth (2002–2007)..... 21
Table 1-4. Aging Platform Summary 24
Table 1-5. Design Platform Summary 26
Table 1-6. Sustainable Systems Platform Summary 28
Table 1.7. Overall Metrics..... 69
Table 1.8. Goal-specific Metrics: Targets to be determined by Partners
Council 70

Executive Summary

Like many counties across the United States, Sarasota County has experienced a sharp downturn in jobs and the tax base. Because the region was highly dependent on housing and development industries, the county took an early hit as that market declined. Other industries soon followed with job losses. To return to employment levels of 2005 and 2006 and grow at a steady rate of approximately 2–3% per year, **Sarasota County will need to add approximately 15,000 jobs to its economy over the next five years.** On an annual basis, that is approximately 3,000 jobs per year.

This next economic development plan will need to accomplish ***three key objectives:***

- Identify opportunities for short-term stimulus.
- Strategically position the county for long-term and diversified business and job growth.
- Build needed capacity in expertise and resources to compete in a changing economy

Business and community leaders are acutely aware of the need to diversify the industry base and be less reliant on just a few sectors. To take advantage of growing markets, the quality of Sarasota County's workforce will need to be enhanced. The county is aware that it has not maximized opportunities for our growing base of innovation-based companies (e.g., technology, medical sciences, manufacturing, environmental services) and will need to pay attention to these resident businesses. Yet, self-assessment shows a heightened willingness to work together and to think more strategically about the economy. As one business leader noted, *"Now is the time to put aside our need to take credit and worry about results."*

Community and business leaders have made it clear that a shotgun approach will no longer work. This proposed plan is based on **five guiding principles:**

- Promote the growth/health of existing businesses.
- Create an environment that promotes homegrown businesses and innovation.
- Diversify the economy through platforms that build on our unique assets.
- Make strategic plays in emerging markets.
- Leverage resources and investments to grow capacity to pursue economic opportunities.

Identifying the Opportunities

Economic development 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* using a shotgun approach. Chasing economic markets where a region has limited infrastructure, workforce, and business expertise is an expensive venture and produces few results. Asset-based opportunities in Sarasota County include:

Existing Businesses: While job growth is down, the number of new companies continues to grow. In 2008, there were more than 15,450 business establishments, up from 14,780 businesses in 2006. The ability to foster growth for existing businesses offers significant potential. If just 20% of the county's establishments add on average four jobs each, the total job creation would be more than 12,300 jobs, or all jobs lost over the past few years. More needs to be done to grow businesses that have already made investments in our community.

Aging: By 2010, one in three adults in the United States will be over the age of 50, and by 2020, over 40% of adults will have passed their 65th birthday. This represents strong market-driven opportunities for developing products, services, and housing for an older demographic—medical services and products, aging-in-place design and construction markets, and consumer products and services for wellness. As we have witnessed through healthcare being one of the only sectors not to lose jobs recently, this market offers a robust diversification strategy and builds on expertise already in the county.

Sustainable Systems: Along with energy, water is at the forefront of sustainability efforts and builds on the region's expertise in marine sciences and aquaculture and water resource management. It is also a market that is not being strongly pursued by every other community. Growing opportunities for low-impact development support regional businesses in architecture, construction, landscaping, water, and energy management. Other green business opportunities can be augmented by stimulus projects from local, state, and federal governments.

Design: The multi-billion dollar markets of social networks, interactive technologies, and Internet broadcasting allow for many possibilities for the region's software and IT, design and advertising, film and video, and performing arts businesses. Design is rapidly growing as a productivity and development tool in other industries. Design thinking applies a designer's approach to problem solving, characterized by a deep understanding of the user, creative resolution of tensions, collaborative prototyping, and continuous modification and enhancement of ideas and solutions. Sarasota County's leading-edge design community could help

other industries develop more transformative services and technologies.

Innovation and Entrepreneurs: Industries depend on the ability to continually turn ideas and discoveries into new products or services to maintain their competitive edge. Regions with an innovation mind-set have a higher rate of entrepreneurial development and attraction, higher growth rates in high-wage, high value industries, and more diversification of industries. The significant array of research, capital, and professional expertise in the broader region is currently underutilized by entrepreneurs in the county, limiting the ability to start or grow innovation-based companies. With many of the pieces in place, there are immediate opportunities to strengthen the county's innovation capacity.

An Economic Framework for Sarasota County

Reaching a target of 15,000 jobs and 2,500 new firms in five years will require the county to enhance its overall capacity for economic development and pursue targeted markets that build on the community's strengths and interests. With limited budgets from the public sector and private companies, it will be more important than ever to make the best use of existing resources and expertise. To this end, the five-year economic development strategic plan consists of six goals, summarized in the box below, and in the table on the following page.

Economic Development Goals

1. *Grow and strengthen the competitiveness of **existing businesses**.*
2. *Develop a robust environment for **innovation and entrepreneurs**.*
3. *Be a national leader for businesses and institutions that develop products and services for an aging demographic: **Aging Platform**.*
4. *Build our reputation as a premier location for design expertise: **Design Platform**.*
5. *Expand expertise and business opportunities in applied environmental and sustainable systems: **Sustainable Systems Platform**.*
6. *Optimize how people, policies, and investments **work together** to reach our economic goals.*

Reaching these goals will mean a more strategic focus of our resources, supported by clear outcomes and strategies, and shared accountability. **Table 1.1** highlights key strategies for this plan.

Table 1.1. Summary of Goals, Strategies, and Outcomes

GOAL/STRATEGY	PROPOSED LEAD	PROPOSED TASKS & <i>ADDITIONAL PARTNERS</i>
Goal A: Grow and strengthen the competitiveness of existing businesses		
<p>Strategy A-1: Develop a robust business retention and expansion (“BRE”) program for traded-sector businesses and high value clusters</p> <ul style="list-style-type: none"> • Develop supply and value chains for major segments (start with existing clusters); plug the leaks within the region • Enhance assistance for programs/services that increase competitiveness and productivity 	EDC	Lead development of value chain mapping for major industry clusters with information from Chambers and other economic partners.
<p>Strategy A-2: Expand capacity and expertise in international business development</p> <ul style="list-style-type: none"> • Trade development efforts in targeted markets • Education & training programs 	Sarasota and Manatee EDCs	Act as focal point for gathering data on international market opportunities and identifying appropriate partners for assistance. <i>Tampa Bay Partnership and Enterprise Florida would be key partners.</i>
<p>Strategy A-3: Actively pursue the growth of targeted small businesses</p> <ul style="list-style-type: none"> • Pursue an economic gardening effort • Strengthen collaboration among small business service providers • Connect small businesses to value chain/procurement efforts 	Chambers of Commerce	Manage the overall process and provide assistance to businesses with local and regional markets. Assist traded-sector-based businesses identified by this process. <i>(EDC)</i> Work with public agencies to link local businesses to procurement policies.
<p>Desired Outcomes</p> <p>Increased revenues and profitability for existing businesses</p> <p>Growth of small businesses</p>		
Goal B: Develop a robust environment for innovation & entrepreneurship		
<p>Strategy B-1: Facilitate the start-up and expansion of innovation-based businesses</p> <ul style="list-style-type: none"> • Establish a regional Innovation Center that provides services and facilities for innovation-based industries 	EDC Foundation as a joint project of the Sarasota and Manatee County EDCs	<i>Establish an advisory board of colleges, universities, capital funds, and technology groups.</i>
<p>Strategy B-2: Enhance the entrepreneurial pool in the County including access to capital and commercialization services.</p> <ul style="list-style-type: none"> • Strengthening connections with research institutions • Angel capital network and alliances with equity funds 	EDC	<i>Collaborate with regional partners (Tampa Bay Technology Forum, Florida Venture Forum, Gulf Coast Venture Forum, 82 Degrees, Startup Florida).</i>
<p>Strategy B-3: Develop districts or hubs of business and innovation activities (“eco-districts” or “design districts”)</p>	County and municipal governments	<i>Establish a public-private partnership that include developers, educational institutions, and key industry associations.</i>

GOAL/STRATEGY	PROPOSED LEAD	PROPOSED TASKS & ADDITIONAL PARTNERS
Desired Outcomes		
Increased number and growth of start-up companies in innovation-based industries Increased private sector investment in local businesses		
Goal C: Become a national leader for businesses and services that serve an older demographic: Aging Platform		
Strategy C-1: Establish an Institute for the Ages that can act as a focal point and aggregator for markets and industries <ul style="list-style-type: none"> ▪ Aggregate, organize, and make data available ▪ Formulate and host forums on key aging issues ▪ Develop an “open innovation” facility and business model 	Partners Council Strategic Team on Aging partnering with SCOPE	Oversee development of a business plan to identify lead organizations for implementation and operations.
Strategy C-2: Increase the capacity for existing businesses to grow and expand their market share <ul style="list-style-type: none"> ▪ Enhance connections with relevant research in the region ▪ Act as broker to help to increase clinical trials and research ▪ Establish a consortium that specializes in “aging in place” 	Institute/EDC	Initial efforts can be managed through contracts with the EDC; ongoing effort would be managed by the Institute.
Strategy C-3: Establish Sarasota County as the learning center for aging markets <ul style="list-style-type: none"> ▪ Provide training and learning facilities ▪ Actively recruit training and continuing education events ▪ Establish an annual <i>Aging in Place</i> Expo 	Institute/EDC	<i>Tourism Development Board</i> could play a role in the funding and planning, given the likely potential for increased tourism and related impacts.
Desired Outcomes		
National reputation as leader in products and services in markets serving older demographics Growth of existing businesses and attraction of new businesses serving an “aging” market: medical, healthcare, design, construction, and related industries		
Goal D: Build our reputation as a premier location for businesses and institutions with design expertise: Design Platform		
Strategy D-1: Expand business development opportunities by building expertise in the application of design thinking <ul style="list-style-type: none"> ▪ Hold workshops and training for design thinking ▪ Conduct a feasibility study for a Design Thinking Consortium & Prototyping Center 	Ringling College of Art + Design, with support from Partners Council Strategy Team on Design	Use the Proof of Concept Fund (strategy F-5) to conduct feasibility study
Strategy D-2: Facilitate the start-up and expansion of businesses in key sectors <ul style="list-style-type: none"> ▪ Identify and access new markets & technologies ▪ Develop capital access strategies and build capacity of technical/management teams 	Sarasota and Manatee County EDCs, jointly	As described in Strategy B-1.
Strategy D-3: Sponsor a business plan competition in conjunction with the annual Design Summit to promote the commercialization of ideas/research	EDC	<i>Support from Startup Florida, the Florida Venture Forum, and the Tampa Bay Technology Forum</i>

GOAL/STRATEGY	PROPOSED LEAD	PROPOSED TASKS & <i>ADDITIONAL PARTNERS</i>
Strategy D-4: Develop a targeted marketing campaign to increase awareness of the region's design-related sectors	Sarasota County Arts Council,	<i>Support from EDC & Convention and Visitor's Bureau</i>
Strategy D-5: Continually explore new market opportunities for traditional creative segments	The Film & Entertainment Office and the Arts Council	
Desired Outcomes Enhanced national reputation as a leader in design and design thinking Growth of firms and jobs in design-related industries Development of new design-based products and services		
Goal E: Expand business opportunities in applied environmental and sustainable systems: Sustainability Platform		
Strategy E-1: Support development and commercialization of sustainable aquaculture technologies and expansion of regional aquaculture industry	Mote Marine Laboratory, with support from the Partners Council Strategy Team on Sustainable Systems	
Strategy E-2: Expand marine sciences educational programs to draw students and visitors from outside the region	Mote Marine Laboratory	Support from EDC and TDC
Strategy E-3: Assist local businesses with environmental and sustainable products/services to maximize their market share within Florida and expand product/service offerings	Chambers EDC	Identify state and national policies where businesses have expertise. Provide connections to research and innovation resources to commercialize products.
Strategy E-4: Develop a consortium model that promotes Sarasota County as a location for applied and integrated sustainable concepts.	Partners Council Strategy Team on Sustainable Systems	Develop a full business and operating plan that would identify funding resources and lead partners for implementation and operations
Desired Outcomes Development of businesses that develop products and provide professional and technical services in sustainable markets Training and education of local workforce to seize opportunities for green jobs		
Goal F: Optimize how people, policies and investments work together to reach our economic goals		
Strategy F-1: Create green jobs and develop local expertise in sustainable development through public sector investments and programs. <ul style="list-style-type: none"> ▪ Key public sector rehabilitation and development projects. ▪ 2-3 signature projects ▪ Use of public facilities as test sites 	Public sector agencies, county and city governments Workforce Investment Board/ education & training institutions	Ensure outreach to and training of local businesses and workers

GOAL/STRATEGY	PROPOSED LEAD	PROPOSED TASKS & <i>ADDITIONAL PARTNERS</i>
<p>Strategy F-2: Make it easier for businesses to expand in or locate to the region by using public facilities for temporary ramp-up operations</p>	<p>Public sector agencies and EDC/Chambers of Commerce</p>	<p>Collaborate on an inventory of facilities in various communities around the county. Use the inventory for business development activities</p>
<p>Strategy F-3: Utilize public policies and procurement practices to maximize support of local businesses</p> <ul style="list-style-type: none"> ▪ Establish a policy requiring companies receiving public assistance to file a local procurement plan. ▪ Enhance purchasing strategies to give local preference while maintaining legal obligations. 	<p>EDC – lead organization County and city governments</p>	<p>Chambers of Commerce to partner in this effort and assist companies filing local procurement plans to access the local marketplace through connections with their members</p>
<p>Strategy F-4: Develop locally controlled incentives for business development</p> <ul style="list-style-type: none"> ▪ Seed incentive fund with escheated lot funds. ▪ Market, provide technical assistance, and make recommendations for the use of incentives. 	<p>Sarasota County EDC</p>	<p>EDC Board approve use of funds under a set amount; Board of County Commissioners approve larger projects.</p>
<p>Strategy F-5: Develop a “proof of concept” fund to move targeted industry cluster or platform initiatives from idea to fully developed business concepts with funding and operating plans.</p>	<p>EDC or EDC Foundation Partners Council Strategy Team</p>	
<p style="text-align: center;">Desired Outcomes</p> <p style="text-align: center;">Alignment and leverage of public and private resources to do “more with less” The ability to move economic efforts from idea to implementation stages</p>		

Introduction

This planning process began as the nation pushed further into a recession. During the six-month planning process, jobs in all industries except healthcare continued to tumble, indicating serious times ahead. Throughout the planning process, business and community leaders consistently noted the need to diversify the industry base and be less dependent on just a few sectors. There was widespread awareness that the quality of jobs required for the future needs to be enhanced—focusing on wages, skills, and industries that will maintain a high quality of life and be attractive to young workers and families. Along with this self-assessment came a heightened willingness to work together and to think more creatively and strategically about opportunities.

While the road to economic recovery will be tough, the downturn has strengthened the resolve of the county to work together to build a more robust and diversified economy.

Like many regions across the nation, Sarasota County has seen a sharp downturn in jobs and a decrease in the region's payroll and tax base. To return to employment levels of 2005 and 2006 and to grow jobs at a modest rate, Sarasota County will need to add approximately 15,000 jobs to its economy in the next five years. On an annual basis, that is approximately 2,600 to 2,700 jobs per year. The Tampa Bay Partnership has calculated that the six-county region (Pasco, Pinellas, Hillsborough, Hernando, Manatee, Polk, and Sarasota) needs to add to 50,000 jobs in the short term and 30,000 jobs each year thereafter to recover from the recent current recession. Sarasota County represents approximately 9% of the region's job base; that equates to 4,500 jobs in the next 12 months and 2,700 jobs in each following year. Whichever way you cut it, a long road lies ahead for Sarasota County -- and all communities in this country.

This new strategic plan is an update of the 2004 Sarasota County five-year economic development plan that focused on strengthening the economy through the growth of traded-sector industries, accelerated entrepreneurial development, and the enhancement of the business climate. While progress has been made in many of these areas, rapid growth from 2004 to 2006 in real estate and related industries drew community attention away from the need for a more diversified industry base.

An economic roadmap for the next five years will need to be robust and agile enough to shift between immediate opportunities and longer-term positioning. In essence, it will need to accomplish **three key objectives**:

1. To identify **opportunities for short-term job stimulus**,
2. To develop strategic opportunities that position the county for **sustained and diversified business and job growth**, and
3. To build the necessary **capacity in expertise and resources** to compete in a changing economy.

Planning Phases and Methodology

In September 2008, the consulting team of Scruggs & Associates LLC, IronWolf Community Resources, and RTI International were chosen to update the county's economic development plan. The project was conducted in three major phases: Phase One provided a community assessment to identify economic assets, and gaps. Phase Two identified a specific set of opportunities for economic diversification, and Phase Three developed these opportunities into a strategic plan completed in the spring of 2009.

Phase One

Economic Profile (October – November 2008)

The economic profile summarized recent industry and employment changes and trends to provide insights on growth patterns of business sectors and occupations. Most employment, wage, and demographic data contained in this report came from federal and state government sources, including the Bureau of Labor Statistics, Bureau of Economic Analysis, Census Bureau, National Realtors Association, and the Florida Agency for Workforce Innovation. For growth trends, the report uses 2002 as the baseline year and 2007 as the most recent data.

Community Assessment (October – November 2008)

The community assessment identified and evaluated the county's economic strengths and weaknesses as viewed by community and business leaders. The community input began in October 2008 with the consultant team conducting more than 70 individual and group interviews. The information collected in the personal interviews defined topics and directions for an Internet-based survey that was sent to various businesses and community organizations throughout the county. The team evaluated more than 450 validated responses to understand the community's perception of its current economic condition and the capacity for building a strong economy over the next five years.

Evaluation of Industry Clusters (October – December 2008)

The consulting team conducted an evaluation of the targeted industry clusters defined in the 2004 Strategic Plan. The evaluation included the identification of key assets, data on the past five-year performance, and research on promising economic opportunities. Economic data from the Bureau of Labor Statistics and the Florida Agency for Workforce Innovation were used to assess performance; information from interviews, the survey, and secondary research was used to identify assets and gaps. Technical staff at RTI International researched market trends and provided recommendations for business development.

Phase Two

Identification of Economic Opportunities (December 2008 – February 2009)

The economic opportunity phase expanded the information gathered from the community assessment, and researched existing industry clusters and emerging market segments that aligned with existing economic assets. The consulting team identified “differentiating” economic assets—those areas where Sarasota County or the immediate region had a competitive advantage over many other regions. The team explored new markets for existing industries, and examined ways in which public sector investments could act as a short-term job creator, building marketable expertise for local businesses.

The process also included multiple focus groups, strategy sessions, and conference calls with businesses and economic leadership. This research led us to a set of opportunities to assist existing businesses and three “platforms” or strategic plays that connected multiple industry sectors to a set of targeted market opportunities. Opportunities related to small business development, business retention, innovation, and public finance models were identified by conducting a gap analysis of key issues and researching best practices. These issues were then vetted with a variety of economic development organizations and public sector leaders.

“Now is the time to put aside our need to take credit, and worry about results.”

Business Leader

Strategy Development (March – April 2009)

The final phase of the project combined the work of the previous two phases and developed a planning framework that contained targeted goals, key strategies, performance metrics, and partnership recommendations. The initial framework was reviewed by the Economic Development Corporation of Sarasota County (EDC) Partners Council and Board of Directors to ensure that the strategies were aligned with community interest. A draft plan was then presented at an economic leadership forum on March 20, 2009, where more than 110 business and community leaders reviewed the plan and refined goals and strategies. The final draft plan (this report) was developed using results and insights from all previous phases.

A Snapshot of the Region's Economic Assets and Gaps

This section contains highlights of the full community or SWOT¹ assessment found in Appendix A of this report. These highlights underscore the assets and gaps that set the stage for assessing the potential value of various economic opportunities.

Highlights from the Economic Profile

From 2002 to 2007², Sarasota County increased jobs and businesses in an array of industries, including higher-wage professional and technical sectors. While the last 12 to 18 months have been overshadowed by a dramatic decline in real estate and related sectors, many industry segments with markets outside the region grew slightly or remained stable.

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. Healthcare 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. In February 2009, unemployment reached double digits in Sarasota County.

Five-Year Trend (2002–2007): Looking at the past five-year trend, higher-wage industries, such as professional and technical services, management of companies, and healthcare, added more jobs than construction, indicating progress toward a more diversified economy. Compared to other regions in the United States, the county has a higher percentage of its jobs in tourism, performing arts, healthcare services, and membership organizations and foundations. Recently released 2008–2016 labor market projection data from the Florida Agency for Workforce Innovation shows occupation growth in architects, engineers, life scientists, and education all outperforming a recovery in construction jobs.

Wages: The average 2007 wage of Sarasota County remained below the U.S. average (\$36,903 compared to \$43,524). This lower wage is a disadvantage since 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 and keep young talent in the area.

¹ SWOT assessment includes information on the county's strengths, weaknesses, opportunities, and threats to economic development activities.

² 2007 was the last year for which there is annual government data available for Florida and other states.

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

Demographics: The median age in Sarasota County is 49.2 years, compared to 36.4 years for the United States, with a lower than average percentage 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 (28.4% in 2006) is slightly above the U.S. average, 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

The community assessment asked businesses and public leaders to describe a desired economic future, and identify potential opportunities, strengths, and weaknesses in key areas of economic development.

When the community was asked to describe desired economic outcomes for the next five years, the following themes emerged:

- Enhancing the 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 design, science, and technology-based industries
- Capitalizing on the region's strengths and turning assets into business opportunities

Capitalizing on the older demographics and the higher-than-average level of disposable income among this population – an economic strategy to identify, attract, and grow businesses that develop new products, technologies, and medical devices for an aging population. Ideas included leading-edge wellness and health care and aging-in-place innovations (incorporating “smart home” monitoring with energy efficiency and the green/clean tech concept).

Promoting design thinking – going beyond art to incorporate design thinking as an innovation tool for all types of industries,

enhancing how products and services are developed and delivered. The region's design and architectural and engineering talent, combined with Web-enabled technologies, could be utilized in this type of effort.

- Growing existing 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, centered around attracting various alternative energy, green building design, environmental services, and water resource management businesses.

Many interviews noted that the county will need to play "catch-up" with other communities that have made significant investments in entrepreneurial programs and incubators, research centers of excellence, academic and workforce programs, and business incentives to promote a greener and more sustainable economy.

While this plan focuses on diversification of jobs to provide a more robust economic climate, it cannot (and does not) ignore the importance of the region's tourism industry. Tourism brings in significant revenues to the county and often provides the "introduction" to the region for potential companies and workers. Strategies to grow other industries will continue to include connections to the strong tourism base in Sarasota County.

For a region its size, the Bradenton-Sarasota-Venice metropolitan area has a significant number of educational institutions serving a wide range of interests. Institutions such as Mote Marine Laboratory and Ringling College of Art + Design have international reputations. Yet, to a large extent, the economic potential they represent has not been fully tapped.

Another unique asset in Sarasota County is the large number of private foundations and community organizations that are active in a variety of community and education efforts. These organizations provide a unique blend of leadership and financial support not found in most other regions.

Many comments in the survey and interviews made it evident that there is still widespread perception of the economy as bounded by county borders, rather than the county as a player in a regional economy where it can gather additional assets to pursue economic efforts. Rich regional assets, especially in research and development, offer expanded opportunities for Sarasota County. Furthermore, many assets required for economic diversification are specialized and difficult or costly to duplicate (e.g., research

centers or prototyping labs). This insular pressure for everything to be within the county may be inhibiting the scale and pace of many economic activities.

There also appears to be a perception that quality of life is by far the most significant means to attract new businesses or keep existing businesses in the region. While this may be a logical conclusion for industries like real estate and tourism that rely on the region’s weather and cultural and recreational amenities to attract new business, it does not always hold true for other industries the county is seeking to expand. For most high-wage industries, quality of a skilled workforce, costs of doing business, access to markets, and capacity for innovation top the list for location decisions. While Sarasota County has an array of assets attractive to knowledge-based businesses (higher education institutions, nearby R&D centers, etc.), they are underutilized in the marketing of the area, and this lack of awareness helps to perpetuate the county’s reputation as “just a place to vacation.”

Table 1.2. SWOT Summary

Top Five Strengths	Top Five Weaknesses
Active entrepreneurial environment as noted by the percentage of self-employed and above-average rate of new business formation	A low concentration of skilled workers (and low wages) in occupations and industries that the community seeks to grow
An array of higher educational institutions with a good track record of working with the business community	A lack of a systematic approach for using public finance tools as an incentive for growing targeted industries
Proximity to an array of R&D centers and institutions that could be tapped for expanded economic opportunities	An over-reliance on the quality of life as the primary attractor for business development
Institutions like Mote and Ringling College of Art + Design that have national and international recognition	Comparatively lower levels of public investment in infrastructure or incentives for growing knowledge-based businesses
Multiple foundations and community organizations that are actively involved in the county’s well-being	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)

A further analysis of strengths and weaknesses was conducted for five specific areas of economic development—business retention and attraction, innovation and entrepreneurship, infrastructure, workforce development, and business climate.

Business Retention, Expansion, and Attraction

It is far less costly to retain an existing high-wage job than to recruit or create a new job, which may or may not have an above-average wage. The county has some incredible examples of innovative companies such as PGT Industries, IntegraClick, Sun Hydraulics, Tervis Tumbler, atLarge, FCCI, and Medical Education Technologies, Inc. (METI). A budding core of small science and technology companies seem to operate and grow beneath the radar. These success stories have largely been in the background of most economic conversations, due to rapid growth of the real estate sector.

Given the lack of economic tools and locally controlled incentives, economic organizations in Sarasota County have been at a disadvantage in terms of providing assistance to existing companies or attracting new high value businesses to the area. Rapidly increasing real estate prices turned out to be a double-edged sword that has now made commercial and industrial land more expensive than in many other areas, inhibiting expansion and relocation options for many industry segments. More attention will need to be paid to business development needs of existing companies—an expanding business retention and expansion effort to assist traded sector businesses that already reside in the county.

Entrepreneurial Development and Innovation

There is an array of entrepreneurial and small business development services, and data indicate a fairly active start-up environment. Yet the employment growth of these businesses appears to be relatively low, indicating that a large percentage of businesses may be falling short of their growth potential.

Compared to other regions, the innovation capacity in the county is lacking. There are few incubators/accelerators where new and growing businesses can access capital resources and technical assistance. R&D activity that could provide the basis for additional high-wage businesses is lacking. Largely, this disconnect seems to be related to the view that assets in Tampa and Orlando are not part of the region.

The county's desire to stimulate the innovation that supports economic opportunities will require a more regional orientation, connecting with assets to the north and south. Relationships with Universities of South Florida (USF) and Central Florida (UCF), nonprofit institutions like Moffitt and SRI, the Tampa Bay Technology Forum, and Florida Venture Forum will need to be established or strengthened and deliberately connected to growing industry sectors. The significant population of retired and semi-retired professionals and senior-level managers could be tapped to provide mentoring and temporary services to start-ups.

Workforce and Education

Although data show that the overall college educational attainment rate is higher than the U.S. average, it is concentrated in people over 45 years of age, while workers 25–44 have a much lower-than-average educational attainment level than in the rest of the nation. There is wide concern that the focus on upgrading the skills of the existing workforce is not sufficient to be competitive with other regions.

The overall number and quality of educational institutions in the region is seen as one of the community's greatest assets for economic development. While the educational institutions are viewed as strong, many graduates leave the region—exporting the talent and investment to other areas.

The community college and technical institutes are viewed as having quality training programs; however, there is a sense that more programs will be needed, especially to support technically oriented jobs that are expected to grow at above average rates from 2008–2016.

Infrastructure and Facilities

In terms of infrastructure and facilities, several points were repeated throughout the community input phase. Costs and availability of industrial and commercial land is a concern, and while the economic downturn has somewhat mitigated the price pressure on business properties, it is still relatively expensive compared to other parts of country (as is the cost of utilities). The overall lack of appropriately zoned and serviced locations for non-retail businesses is viewed as a major constraint for diversification.

Since developable land is scarce and expensive, interest in promoting redevelopment and infill is strong, especially in an environmentally friendly way. Redevelopment can also be a way to enhance mass transit, seen as lacking in many areas. In lieu of a strong redevelopment focus complete with incentives, the community envisions further development “sprawl” (characterized by inefficient planning, expensive infrastructure investments, and congestion).

Investments in community development do not appear to be well connected to economic development strategies; because of this, the full economic potential of public investments is not being realized. An oft-repeated example is the public sector's desire to grow “green jobs” without the supporting investment in facilities that would serve as a center or hub for such jobs, or the inclusion of workforce organizations that could train local workers.

Employment centers must retain the ability to house the desired level of high-wage and non-retail jobs and minimize conversion from industrial/commercial to other uses. Since significant near-

term economic progress will be made through the growth of existing small business or the attraction of small- to medium-sized enterprises, redevelopment of commercial property, especially in the city centers, will provide viable sites that are near other businesses and professional services. Creating the conditions for economic diversification will mean a strong coordination of community development strategies and projects in support of economic strategies.

Business Climate

There is an overwhelming perception that the county has an unfriendly business climate. Local governments are viewed as being “indifferent at best” to the needs of business, with almost all interviews noting lengthy permitting processes and cumbersome regulations. The lack of clear incentives and strategic application of these incentives was at the forefront of many conversations. The pace of public investment in economic development is also a concern, with comments about slow decisions that resulted in lost economic opportunities. The general consensus is that the public sector leadership did not have a realistic view about what it really takes to be economically competitive.

Guiding Principles

Community and business leaders have made it clear that a shotgun approach will no longer work. The results of the community assessment clearly indicated that future economic efforts will need to be based on several *guiding principles*:

- **Knowing the region’s competitive strengths.** Leveraging our economic assets in markets where we already have a foothold will minimize the amount of investment and time it takes to see results.
- **Taking care of the businesses, large and small, that have already chosen Sarasota County as their home.** We know that most job growth comes from within a region, and now is the time to step up our support of existing companies.
- **Thinking strategically about emerging markets.** While it is easy to get caught up in fast-moving trends like green jobs, the region needs to identify its niches, AND ensure that these efforts contribute to the long-term capacity for success.
- **Aligning resources.** Doing a better job at coordinating our public and private resources will make us more flexible and agile, move faster, and maximize the return on our investment.

Opportunities for Economic Diversification

While much has been accomplished in the past few years, much more is needed to diversify Sarasota County's economy. The current economic downturn may offer an opportunity to reassess some fundamental building blocks for growing quality jobs and reaching desired economic outcomes. Specifically, we evaluated economic opportunities on their ability to:

- Increase the number and growth rate of high value jobs and new businesses created through proactive expansion, retention, and recruitment efforts,
- Foster active and sustained growth of companies within targeted industry clusters and market platforms,
- Enhance the efforts to connect tourism to other economic activities, and
- Expand the market awareness of Sarasota County as an attractive and growing region for business development.

One approach to creating jobs is to foster the growth of existing businesses. Although job growth is down, the number of business establishments continues to increase. At the peak of employment in 2006, Sarasota County had approximately 14,690 businesses with employees (not counting self-employed). Second quarter 2008 estimates indicated more than 15,300 establishments in the county. While economic development of the past focused on recruiting new companies to the region, the ability to help grow businesses already in the county offers significant potential.

The opportunity for internal growth is an important element of this economic plan. Helping existing businesses grow jobs means they must also grow markets, increase productivity and revenues, and continually find ways to innovate their products or services. This requires the region to develop strong industry networks and active supply and value chains, open doors to new markets, and help companies find skilled workers or access to needed technical assistance.

Past economic downturns have provided an opportunity to look at things differently. Disruptive or breakthrough technologies are often created during downturns, and retooling of business models and the labor force tends to occur. While it is a time for creativity, it is also a time to take inventory of core strengths, identify strategic gaps, and look for ways to be more efficient and agile.

Sarasota County and the surrounding region have specific economic and demographic assets that differentiate them from other regions. Many of these assets—an aging, affluent, and well-

If just 10% of the county's establishments added 8 jobs each (or 20% added 4 jobs each), then the total job creation would be 12,240 jobs or almost all jobs lost between 2006 and 2008.

educated demographic; international expertise in marine sciences; a creative workforce—have been at the forefront of community dialogue for years. Yet, despite the conversations, specific strategies to capture and implement the economic potential of these and other assets have been slow in materializing.

The good news is that many of the county's assets have strong future markets, represent an array of emerging and traditional industries, and can help position the county for new economic opportunities. There are strong markets for developing products, services, and housing for an older demographic—everything from medical services and products that support existing life sciences, healthcare, and tourism businesses, to aging-in-place opportunities that incorporate the design and construction industries, and consumer products that offer new opportunities for the region.

A growing green economy is providing an array of opportunities for existing companies and new recruitment possibilities. Along with energy, water is at the forefront of environmental and sustainability efforts. The region's expertise in marine sciences and aquaculture, supported by Mote Marine Laboratory; a growing number of businesses with expertise in water resource management; and the interest in developing water-energy connections provide the possibility of being on the leading edge of a market that will soon be comparable with and potentially outpace alternative energy. The new solar facility in Venice could become an attractor to businesses with applied technologies for solar energy, which tend to create more jobs than do research efforts.

The region's creative economy is alive and well. While performing arts and Ringling College of Art + Design are established and well known, new economic opportunities are also emerging—these include the growing markets of Web-enabled and interactive technologies, product and industrial design, and Internet content and services. Businesses in creative services not only have their own end markets such as advertising and video production, they are also a growing supplier to research organizations and traditional industries that need design and design thinking to stay ahead of the curve. This dual market opens many possibilities for the region's software and IT, design and advertising, film and video, and performing arts businesses.

Seizing economic opportunities will require focused attention on several gaps that were identified. The community can do a better job in connecting to resources outside the county border, especially with the array of research and innovation efforts in the region. The leading-edge research being done by institutions such as USF and UCF (some of which is even conducted within Sarasota

County) often goes unnoticed. Public sector spending is seldom aligned with economic objectives, limiting the impact of public investment. Public sector policies that could have favorable impact on economic outcomes are either lacking or not implemented to their full potential.

In many ways, future economic opportunities will be driven by developing unique and competitive niches. This will demand targeted attention on existing businesses and their ability to compete in expanding and emerging markets. It will also be based on opportunities that connect two or more industry sectors—e.g., medical devices with design to create new products with better form and function, or architectural design with software and alternative energy to develop “smart” homes, useful not only for green applications but also for aging in place.

These new intersections of expertise will also require economic development resources to be developed and managed at a more strategic level than in previous years.

Cluster Assessment

In addition to conducting the economic profile and community assessment described above, the consultant team analyzed the county's existing traded-sector industry clusters. The clusters were selected because they have been the focus of a significant portion of EDC efforts and activity over the last five years, and most saw job and firm growth at higher-than-average county rates. As shown in Table 1-3, employment in creative services and web-enabled technologies, medical and life sciences, and environmental services and sustainable development grew at rates between 25% and 32% over the five years from 2002 to 2007, all far outpacing the County employment growth rate of 10.8%. While Sarasota County's specialty manufacturers lost 5% of their jobs over the same period, this compared favorably with manufacturing employment nationwide, which declined by 20%. In terms of enterprise creation, medical and life sciences saw a 48% increase in the number of firms, as compared to the healthy 25% growth in firms in all sectors in the County. A complete assessment of clusters can be found in Appendix A.

Table 1-3. Summary of Traded Sector Five-Year Growth (2002–2007)

	Employment, 2007	Employment Growth, 2002–2007	Firms, 2007	Firm Growth, 2002–2007
Creative services and Web-enabled technologies	10,108	29%	1,142	22%
Medical and life sciences	2,208	25%	231	48%
Environmental sciences and sustainable development	2,218	32%	340	27%
Specialty manufacturing	5,246	-5%	183	0%

In addition to employment and firm growth, the location quotients (LQs) of critical sectors within these clusters also increased, indicating that concentrations of employment grew at rates faster than elsewhere in the United States. The LQ of the performing arts and spectator sports sector, for example, was 4.23, indicating a concentration more than four times greater than that of the nation. The LQ for the sector also grew by the greatest amount, 2.74, in the preceding five years.

For all of these reasons, the consulting team sought to identify economic opportunities within these clusters during the strategy development phase. The team looked closely at these clusters to formulate the next phase of cluster-based development in the

“We can be more than a community of tribes. We are a community of believers. We CAN make things happen.”

Forum participant

county—strategies that cut across clusters and sectors, as well as narrower, more focused opportunities in clusters where the county has significant and/or differentiating assets. These areas are where the plan has focused—economic opportunities based on regional assets generally form a stronger foundation for job and business creation, allowing for efficient and strategic use of limited resources.

To identify economic opportunities with the most promise, the consulting team conducted primary and secondary research on cluster trends, developed an initial list of key assets, and compared this information to other communities to see where the region had a comparative advantage. The team then examined the differentiating assets of the region through a market lens, considering the regional, national, and international market trends and characteristics. This led to the identification of strategies that were based on a logical ability for the county to develop market niches or industry expertise.

Defining Platforms

The iterative process described above identified a series of economic opportunities—promising potential initiatives that could be leading edge, first of their kind, and/or generate significant economic benefit for Sarasota County and the region. Further, given that these opportunities are based on the work and progress of the last five years (and have been formulated with community input over the last eight months), most already have significant community support.

Moving forward, there is a significant opportunity to build economic efforts around a series of related market opportunities that cross two or more industries in the county and region. These “**Platforms**” utilize the region’s existing strengths and target emerging markets, providing both short- and long-term possibilities. By managing efforts at this strategic level, the community can leverage resources for more than one activity, maximizing the use of limited funding and staff.

Aging Platform

The Aging Platform relates to the business and institutions that develop products and services for older demographics. They include not just medical and healthcare sectors, but industries such as architectural or industrial design, construction, and product manufacturing. What is common among these industries is the need to design, test, and produce a set of goods and services that serve a growing market segment of our economy.

Sarasota County’s older-than-average population actually represents what the United States is estimated to look like in 2025. The fact that Sarasota County has both the target demographics

and the related businesses makes this platform a natural fit for the region.

Examples of Identified Opportunities

- Aging in place is a trend combining healthcare and wellness, information technology, and design/build expertise to help aging people continue to live in the housing of their choice. The vast majority (92%) of older adults want to continue to live in their own apartments and homes. Innovative construction, design, and technologies can enable older adults to live independently and maximize caregivers' efficacy by delivering more effective care and providing timely health information.³ Sarasota County's existing concentrations of industry and employment in the construction, architecture and engineering, information technology, and design fields provide a significant supply of expertise to pursue opportunities in this area. There is potential for the county to differentiate itself further in this area through scale, i.e., demonstrating practices and technologies at full neighborhood/community scale, potentially in publicly funded or supported projects
- A supporting infrastructure for research and testing would allow companies to engage in an integrated fashion with not only older consumers but also with professionals in delivery of medical and wellness products and services. Candidate products and services could address a full range of health and wellness areas, such as nutrition, exercise, and rehabilitation. Both medical and social research through partnership with local and regional hospitals and universities are possible (again, through intentional connections). Expanding the clinical trials and research capacity in the county will directly benefit existing organizations such as Dattoli Cancer Center and Silverstein Institute's Ear Research Foundation. Companies from outside the region that leverage this resource would also be clear candidates for recruitment to relocate or expand in the county. Such infrastructure would also be a logical connector for medical and life sciences firms to the county's design expertise—such connections have happened (e.g., rehabilitation and accessibility product developers at USF Tampa sought out design expertise from Ringling College), but should be established and cultivated much more proactively and systematically.
- The unique demographic characteristics of Sarasota County also make it a potential testing ground for more social and policy-oriented issues such as those related to continuing education, intergenerational relations, transportation, and insurance. Establishing a reputation in these areas will require

³ *Ibid.*

the presence and marketing of thought leadership in the field. In addition to generating research, such pilot projects could also draw significant numbers of convention/business visitors interested in conferences, seminars, and training.

Table 1-4. Aging Platform Summary

<p>Assets as defined by the community</p> <ul style="list-style-type: none"> ▪ Demographics ▪ Existing/potential research activity, data ▪ Clinical trials ▪ Expertise/industry: <ul style="list-style-type: none"> - Medical device - Simulation, training - Design, animation - Destination (weather, etc.) - Institutions (hospitals, academic) 	<p>Market characterization</p> <ul style="list-style-type: none"> ▪ 1 in 3 adults will be over 50 by 2010; 40% will be over 65 by 2020 ▪ 50–60-year age cohort represents \$1 trillion/year in spending power ▪ 92% of adults 65 to 74 intend to stay in their own apartments and homes as they get older 								
<p>Differentiating assets</p> <ul style="list-style-type: none"> ▪ Older, affluent, demographics ▪ Potential research activity, longitudinal data ▪ Expertise/industry: <ul style="list-style-type: none"> - Medical specialists - Medical simulation - Design expertise 	<p>Market opportunities</p> <ul style="list-style-type: none"> ▪ Open innovation model for design and testing of products, services, and technologies (e.g., related to aging in place⁴, consumer products, medical devices) ▪ Clinical research support ▪ Convention, business, training visitation ▪ Medical tourism 								
<p>Primary sectors this platform will impact</p> <table border="0" style="width: 100%;"> <tr> <td style="width: 50%;">Architecture</td> <td style="width: 50%;">Tourism and hospitality</td> </tr> <tr> <td>Scientific services and testing</td> <td>Construction</td> </tr> <tr> <td>Medical (pharmaceutical/device/supply) manufacturing</td> <td>Medical providers and specialists</td> </tr> <tr> <td></td> <td>Design firms/institutions</td> </tr> </table>		Architecture	Tourism and hospitality	Scientific services and testing	Construction	Medical (pharmaceutical/device/supply) manufacturing	Medical providers and specialists		Design firms/institutions
Architecture	Tourism and hospitality								
Scientific services and testing	Construction								
Medical (pharmaceutical/device/supply) manufacturing	Medical providers and specialists								
	Design firms/institutions								

Design Platform

The region’s creative talent includes professionals and businesses with skills and expertise in design, interactive media, web-enabled technologies, 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

⁴ “Aging in place” is a trend combining healthcare, information technology, and design/build expertise to help aging people continue to live independently and maximize caregivers’ efficacy by delivering more effective care and providing timely health information.

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.

Examples of Identified Opportunities

- Design thinking involves taking a “designer's approach to solving problems ... that can be applied to all components of business. Great design is characterized by a deep understanding of the user, creative resolution of tensions, collaborative prototyping and continuous modification and enhancement of ideas and solutions.”⁵ Connections between Sarasota County's leading-edge design community and other industries could yield more transformative ideas and technologies, faster and more efficiently.
- There is an immediate opportunity to increase the connection between creative firms and other businesses in the region by supporting efforts like the Arts Council's Arts and Business Bash and expanding Film & Video mixers to invite businesses that represent potential customers. The self-interest by local companies for such a campaign and the significant resident talent and technologies available should minimize the development costs of this effort.
- Demand for web broadcasts, short digital content, digital widgets, and other products and services for next-generation Internet advertising and social networking provides new opportunities for long-standing creative segments in the county. The EDC, the Film & Entertainment Office, and the Arts Council should establish a *business expansion forum* to explore the economic potential of ideas such as digital broadcast of performing arts shows, and a sound stage for film and video, performing arts, and other applications.

⁵ Adapted from materials from the Rotman School of Management at the University of Toronto, a leading school in design thinking

Table 1-5. Design Platform Summary

<p>Assets as defined by the community</p> <ul style="list-style-type: none"> ▪ Ringling College of Art + Design ▪ Expertise in <ul style="list-style-type: none"> Creative/design services Interactive branding Marketing communication Film & video Web-enabled technologies Performing arts ▪ Active nonprofit organizations 	<p>Market characterization</p> <ul style="list-style-type: none"> ▪ Online marketers spent \$2.1 billion on affiliate marketing in 2008, with an increase to \$3.3 billion expected in 2012. ▪ Estimated social network ad spending, 2008: \$1.6 billion ▪ Some studies estimate one-third of all businesses, and as much as two-thirds of small businesses use design to drive competitiveness 						
<p>Differentiating assets</p> <ul style="list-style-type: none"> ▪ Ringling College of Art + Design ▪ High concentration of performing artists ▪ Critical mass of commercial design businesses 	<p>Market opportunities</p> <ul style="list-style-type: none"> ▪ Design for next-generation Internet advertising and social networking tools ▪ Design to improve product/process performance and company competitiveness, across industry sectors ▪ Digital video and broadcasting to advance existing/transforming sectors such as performing arts 						
<p>Primary sectors this platform will impact</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 50%;">Software, Web, and IT</td> <td style="width: 50%;">Industrial design</td> </tr> <tr> <td>Commercial design/advertising</td> <td>Film & Video</td> </tr> <tr> <td>Performing arts</td> <td>Fine Arts Schools</td> </tr> </table>		Software, Web, and IT	Industrial design	Commercial design/advertising	Film & Video	Performing arts	Fine Arts Schools
Software, Web, and IT	Industrial design						
Commercial design/advertising	Film & Video						
Performing arts	Fine Arts Schools						

Sustainable Systems Platform

Nationwide, sustainability and green jobs are now a major part of most economic development conversations. Initiatives in these categories have significant support by residents and elected officials of Sarasota County. "Sustainability" encompasses so many concepts—from recycling and renewable energy to green building and smart growth—that the challenge for communities pursuing these opportunities is to find a niche in which they can differentiate themselves. For Sarasota County, that niche is clearly in the area of water, supported by assets including Mote Marine Laboratory and a growing number of specialized practitioners in the related fields of water and soil management and low-impact development. The county's businesses and institutions have the opportunity to rally community and government support and be on the forefront of technology and systems development in this \$400 billion/year market, attracting talent and targeting growing, global markets.

Examples of Identified Opportunities

- Rising global demand for seafood has outpaced potential supply by wild capture fisheries. Aquaculture—the farming of seafood—is helping to fill this gap between supply and demand. Currently a \$70 billion/year (and rapidly growing) market, aquaculture has historically been the target of criticism for its unsustainable environmental impacts (particularly water resource over-use). Mote Marine Laboratory is developing water re-use technologies and processes with applications in the growing field of sustainable aquaculture, in Sarasota County. The county has a role in supporting/ expanding this leading-edge work. Assistance in forging industry collaborations and partnerships, in particular, could create a national or even worldwide reputation for Mote in the applied sciences and help promote the development of a new, technology-intensive industry in the region.
- Very few institutions offer both R&D opportunities and academic curricula for bachelor's, master's, and PhD students. By establishing additional educational programs for undergraduate, master's level, and/or PhD students, Mote could further differentiate itself, while increasing regional employment and stimulating the local economy by attracting new students and faculty to the area. The community can support this strategic move by helping Mote forge connections with potential university partners (e.g., landlocked institutions interested in offering/expanding marine sciences curricula/ programs, regional institutions like USF) and in identifying/ providing the necessary infrastructure (e.g., housing, land, or additional built space) to support such an expansion.
- For the past several years, sustainable businesses in the region have proposed A *Center for Collaborative Leadership in Sustainability* that would build on the Sarasota School of Architecture and develop a transferable model for multi-disciplinary collaboration in the field. An industry-driven applied research center could house demonstration and training elements. A marketing and awareness campaign could establish and elevate a new *Sarasota School of Sustainability*. This type of effort would require clear articulation of a differentiator in this space, such as expertise in/focus on whole systems/integrated design, subtropical climates, institutional markets, and/or community-scale demonstration.

It should be noted that the consulting team also considered opportunities related to renewable energy—including solar—in the development of the sustainable systems platform. However, as compared to other regions competing in the sustainability space, the Sarasota area has fewer businesses and little recognition outside the state as a leader in this area. This is not to say that the

community should not seize other opportunities in the sustainability space (e.g., opportunities that may arise as a result of the Venice solar array), just that the county's longer-term strategies are best focused on an area where it can boast differentiating assets, like water resources.

Table 1-6. Sustainable Systems Platform Summary

<p>Assets defined by the community</p> <ul style="list-style-type: none"> ▪ Mote Marine Laboratory ▪ Specialized expertise: arborists, aquaculture, landscape and building design/architecture, integrated water/soil management ▪ Environmental reputation (within Florida) ▪ Center for Integrated Agriculture ▪ Climate/ecosystem that is similar to the majority of the world's population ▪ Legacy of the Sarasota School of Architecture 	<p>Market characterization</p> <ul style="list-style-type: none"> ▪ The worldwide market for water-related technologies is estimated at \$400 billion annually. ▪ The global aquaculture market is estimated at \$70 billion annually. ▪ Very few marine laboratories offer both R&D opportunities and academic curricula for bachelor's, master's, and PhD students. 						
<p>Differentiating assets Mote Marine Laboratory</p>	<p>Market opportunities</p> <ul style="list-style-type: none"> ▪ Sustainable aquaculture technologies ▪ Education/training/convention visitation ▪ Integrated water resource management systems and technologies ▪ Low-impact design/development ▪ Integrated "smart building" technologies that monitor and manage resource consumption 						
<p>Primary sectors this platform will impact</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 50%;">Aquaculture</td> <td style="width: 50%;">Education</td> </tr> <tr> <td>Environmental services & product development</td> <td>Scientific services & testing</td> </tr> <tr> <td>Architecture and landscape architecture</td> <td></td> </tr> </table>		Aquaculture	Education	Environmental services & product development	Scientific services & testing	Architecture and landscape architecture	
Aquaculture	Education						
Environmental services & product development	Scientific services & testing						
Architecture and landscape architecture							

The sections that follow describe the economic framework and actionable strategies developed through this process. Specific suggestions for next steps and measures to gauge progress toward goals are included. It will fall to champions and strategic partners (also identified for each strategy) in the region to take up this roadmap and lead the way forward.

An Economic Framework

Economic development 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* using a shotgun approach. In Phase Two, we evaluated how economic assets in Sarasota County compared other regions—what stood out? What gave the region a competitive advantage? Where could resources best 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 a four-part economic framework described below.

Accelerate the competitiveness and growth of entrepreneurs and existing businesses.

Support Traded-sector Industries: Sarasota County is home to an array of industries that pay above-average wages and have made significant investments in the community. The region's manufacturing firms and professional and financial services are examples of 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.

Grow Small Businesses: Other existing businesses with significant growth opportunities are those with 5 to 50 employees, which have the potential to increase their employment by double-digit growth. Over the past decade, the county has expanded its set of small businesses services and as a result, has experienced a healthy rate of start-up companies and sole proprietors. Yet data indicate that few ever reach 10 or more employees, even in industries that typically enjoy steady growth elsewhere.

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 providing intense services and facilities should be developed.

Diversify the economy through platforms that build on unique assets.

Economic opportunities that are built on regional assets and strengths have proven to be a strong foundation for job and

business creation, allowing for efficient and strategic use of limited resources. Chasing economic trends for which a region has insufficient infrastructure, workforce, and business expertise is an expensive endeavor that often fails to produce results. A better strategy for economic success is to link and leverage existing assets, forward-looking market opportunities, and community desires.

Building on the strengths of existing industry clusters and finding where markets intersect with 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 comparative advantages that could create significant market opportunities.

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.

Develop capacity and partnerships that align resources and investments.

Some leaders note that the county's historically strong tax base has allowed the region to complete various public works and community development and economic development projects with little alignment and coordination of resources. Organizations within the region often competed with each other rather than form a united front to compete with other regions. Given the economic downturn, more attention is being paid to working together, leveraging resources, and finding ways to "grow the pie, rather than fight over how to divide it." Developing structures to encourage a more strategic level of coordination between public and private resources will be required if the economic strategies contained within this plan are to be paid for or implemented primarily with existing resources.

Establishing Strategic Goals

When the region's economic assets are combined with market opportunities, it points to a set of strategic objectives that blend the need to build crosscutting capacity in business development, as well as grow specific industry segments and the connections among industry clusters.

Through the input of business and community leadership, six economic goals were developed for the updated five-year

economic development strategic plan. Two of these goals represent critical factors for creating the capacity for economic activity; two goals focus on comprehensive market opportunities where two or more industries can benefit from coordinated activity; one goal targets emerging markets; and one goal fosters the type of collaboration that will maximize resources and expertise.

Economic Development Goals

- Grow and strengthen the competitiveness of **existing businesses**.
- Develop a robust environment for **innovation and entrepreneurs**.
- Be a national leader for businesses and institutions that develop products and services for an aging demographic: **Aging Platform**.
- Build our reputation as a premier location for design expertise: **Design Platform**.
- Expand expertise and business opportunities in applied environmental and sustainable systems: **Sustainable Systems Platform**.
- Optimize the ways people, policies, and investments **work together** to reach our economic goals.

Strategies

This section details specific strategies for each of the plan's six goals. The end of this section contains a table summarizing the metrics that could be used to measure the progress of this plan.

Goal A: Grow and strengthen the competitiveness of existing businesses.

The majority of job growth comes from businesses that are already in a region. Many companies that make Sarasota County home have stayed in business because they find ways to make regional assets work for them. In an economic downturn and recovery, it is essential to keep these businesses as competitive as possible; otherwise you risk "poaching" by other communities, regions, or even countries. Often, it is too late to be reactive to a business's issues. Having a proactive attitude can more effectively assist resident businesses and provide information that improves the overall business climate and capacity for economic growth. The strategies related to this goal focus on providing direct assistance to businesses and creating a climate that helps existing companies grow their competitive advantage.

During the community engagement process, community members were asked to identify weaknesses and opportunities in supporting existing businesses. Their comments were supplemented with observations made by participants during the economic forum. Key observations included:

- Business recruitment is not the only answer; homegrown businesses must be encouraged and supported in order to develop a diverse and stable economy.
- A targeted effort is needed to help existing companies increase revenues, access markets, and improve productivity and competitiveness; the community's goals should be to have resources available for resident businesses and to encourage a supportive business environment.
- Actions should focus on strategies to employ current residents and enhance our homegrown talent to have the opportunity to stay and work in the county.
- While tourism and development will remain key parts of the economy, diversification beyond these traditional industries is highly desirable in order to avoid the "boom and bust" cycles of the past.

Progress to Date: The Sarasota County EDC and the Chambers of Commerce are very active in their efforts to support local businesses. The Sarasota County "ONE" campaign builds

awareness for buying locally, and workshops help businesses connect to procurement opportunities. There are multiple small-business service providers and a Web portal that identifies the programs and services available to businesses. Much progress has been made in developing organizational capacity around major business clusters that provides insights into the needs and directions of those clusters. (These efforts are expanded in the Cluster section). Finally, the EDC has committed to a new information tracking system (Synchronist) that will facilitate organizing and updating information on key regional businesses and industries.

Key Lessons from Research and Best Practices

- It is very important to assist enterprises through their early growth stages onto a trajectory of profitability that will pay dividends for the company and community through job growth, increased local purchasing, and an expanded tax base.
- Regions across the country are beginning to adopt “economic gardening” as a portion of their overall economic development strategy. Economic gardening examines business by size, industry, and ownership patterns to identify companies with a higher-than-average probability for growth. Since data indicate that a region’s job creation and business health comes primarily from businesses with 10–100 employees (what is referred to as “Phase II” businesses), the economic gardening strategy provides a systematic method to identify and assess the needs of this targeted group.
- Understanding the value chains of local industries is critical for ongoing business development. If a complete chain of suppliers, allied companies, customers, and even competitors exists in an area, it is less likely that a company will relocate and leave those connections behind. Value chain analysis can illustrate opportunities for assisting existing companies, targeting business recruitment, and identifying entrepreneurial opportunities.

Recommended Strategies

Strategy A-1: Develop a robust business retention and expansion (BRE) program for traded-sector businesses and high value clusters.

Identified Need: The region needs to significantly enhance efforts to gather information about the leading traded-sector businesses and clusters and to identify the business development needs of these high value companies. This is especially applicable in industries such as manufacturing, medical and life sciences, software and IT, financial services, and energy/environmental services.

Recommendations

Establish a more enhanced and coordinated system for serving the retention and expansion needs of traded-sector industries.

- Develop value chain maps (suppliers, markets/customers, competitors, etc.) for key industries. This value chain mapping process needs to clearly identify the drivers for each industry's productivity and profitability.
- Work with individual businesses and industry clusters to seek ways to increase their business advantage for being in this region, including:
 - identifying and recruiting key suppliers to fill out and maximize local supply chains,
 - connecting to education and training providers to address workforce needs,
 - identifying regional, state, and national programs to increase innovation, productivity, and competitiveness, and
 - providing assistance in accessing new or growing markets.

Lead Organization: Sarasota County EDC should lead the effort to develop value chain mapping for major industry clusters, utilizing information from Chambers and other economic partners.

Other Regional Examples

State of Colorado: The State supports a business retention program to assist local economic development organizations in assessing the needs and barriers of existing business. The business retention program monitors changing marketplace dynamics so that policy makers and community leaders can make decisions that can decrease threats or enhance opportunities and enhance community economic growth.

El Paso, Texas: The City of El Paso has a business retention and expansion program that uses ACT prospect software as the mechanism to track activities and monitor business issues in an organized and regularized format to assist in crafting the City's response to key concerns and opportunities.

Nottawasaga, Ontario: In 2005–06, over 800 jobs were created or retained by the BRE program in this relatively small area through assisting resident businesses address their key issues, primarily in workforce availability and training and access to capital.

Strategy A-2: Expand capacity and expertise in international business development.

Identified Need: The region has a growing number of businesses with international markets or international market opportunities. The market opportunities could be enhanced by a more comprehensive program focused on international trade development and a more active approach that encourages direct international business investment in Sarasota County and the region.

Recommendations

Enhance efforts to identify companies with international market opportunities and assist in their market development efforts. This type of effort lends itself to regional approach.

- Identify local companies with international market experience through a combination of BRE activities and secondary trade data; use those companies to mentor other resident companies and entrepreneurs who have opportunities in international markets. Port authorities and private sector transportation and logistics firms (especially customs brokers and freight forwarders) can be especially helpful in identifying companies and opportunities.
- Expand education, information, and training programs on international trade targeted at current or prospective international market participants.
- Access potential funding sources for financial assistance to help companies engage in developing international markets (e.g., State of Florida grants awarded to Manatee/Sarasota EDCs). Provide funding to companies for trade development activities in targeted markets; collaborate with regional, state, and federal agencies in market development efforts.
- Target opportunities to promote direct international investment in the county and region.

Lead Organizations: Sarasota and Manatee EDCs and the Sarasota Convention and Visitor's Bureau should be the focal point for gathering data on international market opportunities and identifying the appropriate partners for various types of assistance. Tampa Bay Partnership and Enterprise Florida would be key partners in marketing and trade development efforts.

Other Regional Examples

Brevard County, Florida: Earlier this year, the Economic Development Commission of Florida's Space Coast was awarded funding from the Florida International Business Expansion Initiative, a committee of Enterprise Florida, for an International Trade and Market Development Cooperative Program Grant. The grant's focus surrounds expanding Brevard County's export capacity and increasing the number of companies interested in relocating or expanding to Brevard County. A key tool in helping to open up trade opportunities on the Space Coast is the ability to provide mini-grants to local companies interested in securing new foreign business, principally in aerospace, aviation, defense, manufacturing, and high-tech industries.

King County, Washington: The King County Office of Business Relations and Economic Development encourages international trade among small/medium businesses by:

- Acting as a central clearinghouse for trade information
- Offering a mentoring program organized by the Office
- Organizing or making available subsidized trade shows or trade missions
- Providing such core services as an Internet Website for trade information, strategic planning, training in cultures and foreign languages, a calendar of trade events, and international market research

Strategy A-3: Actively pursue the growth of targeted small businesses.

Identified Need: Sarasota County has an active environment for starting businesses; however, few firms grow past just five or ten employees. The analysis of small business data on growth rates underscores this observation. It is important that service providers in the region expand their focus beyond networking and general assistance, and increase efforts that help businesses to grow, enhance competitiveness, and access new technologies and tools.

We need to align public and private resources to give support to new and growing businesses.”
Forum participant

Recommendations

Develop an Economic Gardening Strategy. The Chambers should lead an economic gardening effort to systematically identify and assist the growth of Phase Two companies, especially those with fewer than 50 employees. (This effort could easily be a bi-county or tri-county program.)

Create a more seamless network of small business services. The Chambers should enhance the means for the county's Small Business network to cross-promote programs and coordinate the delivery of services in a way that is transparent to the small business seeking assistance.

Maximize the potential for local markets. In addition to the recently enacted "Sarasota County One" campaign, Chambers can utilize their brokering and networking capabilities to help connect small businesses to the purchasing needs of local government. (See Strategy F-3.)

Lead Organizations: A coordinated Chamber of Commerce approach would be a natural lead for this effort in terms of managing the overall process. Assistance to businesses with local and regional markets would be provided by Chambers, whereas the EDC would provide assistance to the traded-sector-based businesses identified by this process. The Chambers would work closely with public agencies to link local businesses to procurement policies.

Other Regional Examples

Loveland, Colorado: Loveland's economic gardening program provides access to technology and business expertise for helping both new and existing small businesses located within the city of Loveland.

State of Connecticut: The state's economic gardening group assists Connecticut businesses to grow by providing customized market analyses and data that open the doors to new growth opportunities.

Metrics

The growth and strengthening of local businesses can be evaluated through the following metrics.

- The positive impacts of business retention/expansion for the region, including:
 - Number and quality of jobs retained/created
 - Private sector investment
 - Growth of local tax base
- The increase in international sales of companies participating in international development efforts
- The level of direct foreign investment in the region due to increased international activity
- The job and revenue growth of the targeted small businesses associated with an economic gardening effort

Goal B: Develop a robust environment for innovation and entrepreneurship.

The ability to continually develop and adapt new products and services is at the forefront of industry growth. This innovation comes in all forms and is not limited to just science and technology industries. Starbucks has been an innovator for coffee; Amazon is an innovator in retail. Manufacturing by its competitive nature innovates. Design firms use the creative process to redefine products and services. All of these industries are supported by the existence of companies that develop the core technologies and scientific discoveries that allow this innovation to occur. In other words, a region's competitiveness is closely associated with its attitude toward an environment for innovation.

Innovation comes from a variety of sources: universities commercializing research, garage inventors starting new companies, and existing companies developing new products and services (the majority of innovation). Models for enhancing the entrepreneurial and innovation capacity depend on the resident industries in the region, the entrepreneurial pool, the entrepreneurial infrastructure, start-up and follow-on funding, and support services and networks. A recent study for Southwest Florida⁶ noted the need for the region to improve the entrepreneurial pool, infrastructure, and funding tools.

The strategies under this goal focus on building the capacity for innovation and entrepreneurship in the county and connecting that capacity to the growing network of partners in the region.

Current Indicators

- Even as employment declined in the county, new innovation-based firms continued to start, especially in the areas of life and medical sciences and Web/information technology.
- R&D expenditures of USF and UCF continue to increase, providing the potential for businesses in Sarasota County to tap into these regional resources.
- Patents issued to Sarasota County business (an indicator for intellectual capital) remains below national averages, indicating the innovation capacity within companies and connections to external R&D resources are underutilized. In 2006, the marine and medical-related industries generated most of the patents issued. Specific concepts included radars, motors, water/soil remediation, optics and lenses, and products for muscle disorders.

⁶ Southwest Florida Regional Angel Fund Assessment, Southwest Regional Assessment Team, October 2008

Recent accomplishments

In recent years, more attention has been paid to innovation companies and entrepreneurs with examples that include:

- The EDC- hosted training for Small Business Innovation Research (SBIR) programs and promoted equity capital workshops.
- Expanded research connections have been made in the county as illustrated by USF research and economic development efforts with Mote Marine Laboratory and Ringling College of Art + Design.
- The county has expanded its networks for entrepreneurs and tech-based companies through organizations like 82 Degrees, Tampa Bay Technology Forum, and Start-up Florida.

While these examples indicate progress toward the support of innovation and entrepreneurial development, these efforts are not as intentional or directed as they could be.

Highlights from Best Practice Research

- Innovation is not just a technology issue; it is a mind-set that a business or region can continually develop new and improved products and services that meet the changing needs of markets.
- Research indicates that regions promoting innovation have a higher percentage of high-wage science and technology companies, develop more local entrepreneurs and attract outside entrepreneurs, and provide more opportunities for local university students to stay in the region.
- While the perception is that innovative regions tend to be associated with research universities, the vast majority of innovation comes from industry. Therefore, innovation capacity is directly related to the business climate of a region.
- While only a small percentage of businesses actually qualify for and receive equity-based funding (e.g., angel or venture capital), the business services and technical assistance associated with this type of funding creates a high performance environment for a much broader array of companies.

Recommended Strategies

Strategy B-1: Facilitate the start-up and expansion of innovation-based businesses.

Identified Need: The region lacks targeted and intense business development services for innovation-based companies, especially those related to growing areas in software, the Web, and life

sciences. Many regions have developed accelerator models that combine in-depth services with an incubator facility. With a heavy emphasis on services that are provided to businesses in and outside of the incubator, these models can serve an array of companies at start-up and early-growth stages of development. Unlike other small business centers, these technology centers target companies that have high growth potential, are science or technology based, and typically have national and international markets.

Recommendations

Establish a regional *Innovation Center* that provides services and facilities for innovation-based industries, especially software/Web and life science companies. This innovation center would:

- Deliver intense one-on-one business and technology development services to assist with technology commercialization, business plan development, access to capital, and market development.
- Provide incubator space for start-up companies.
- Have collaboration and training space for existing industries.
- Host networking and education functions.
- Tap into the array of the region's executive talent (retired and active) to provide mentoring and coaching on needs unique to each company.

To begin immediate assistance, services can be developed and started without an operating incubator facility. It is important that the center be operated by experienced entrepreneurs and it should have strategic relationships with equity capital networks, high growth management talent, and research institutions. While some earlier models of incubators provided deeply discounted space, we do not recommend a model with subsidized space. Cost advantage or any subsidy is best placed in the services provided to entrepreneurs. In other working models, entrepreneurs pay a basic fee and receive two to four times that value in actual services.

Lead Organization: Facilities are typically run by a nonprofit institution that are closely tied to the region's industry base or affiliated with a specific research university. Given the number of educational institutions in the broader Sarasota region, the Innovation Center might best be affiliated with the **EDC Foundation as a joint project of the Sarasota and Manatee County EDCs**. An advisory board of colleges, universities, capital funds, and technology groups would be beneficial.

Other Regional Examples

The SPARK Regional Incubator Network (SRIN) in Ann Arbor, Michigan is composed of two business and one wet lab incubators. The incubators provide physical space, essential business services, and business development guidance for innovation start-up companies within 1–2 years of sustainable commercial revenues OR significant investment. The network offers educational courses and workshops, entrepreneurial bootcamps, and more.

VT KnowledgeWorks in Blacksburg, Virginia is an accelerator that offers incubation space as just one component of its comprehensive mix of services and ongoing support for growing businesses. VT KnowledgeWorks assists start-ups as they plan and launch, but also enables leaders of mature companies to share vision, insight and experience as they grow. The Pre-Launch segment of the program helps market-worthy ventures organize, formulate strategy, obtain outside investment, and launch efficiently. Services offered in the Enterprise category emphasize strategic support for continual expansion, intra-preneurship, and personal and professional development for business leaders in more mature, operating companies.

Strategy B-2: Enhance the entrepreneurial pool in the County including access to capital and commercialization services.

Need: The recently released Southwest Florida Regional Angel Fund Assessment noted a lack of an entrepreneurial pool in the region and an entrepreneurial infrastructure that could be improved. These issues were also observed by our consulting team.

Recommendation

Develop a more intentional set process for identifying and connecting capital and technology needs of high value industries with appropriate organizations.

- Strengthen connections with technology transfer and economic development efforts of University of South Florida, University of Central Florida, and the High Tech Corridor, utilizing existing programs such as USF Connects and others. As Sarasota County seeks to diversify its industry base to include more technology, science, and sustainability-based companies, the connections to research and technology development will be more important. Through cluster work, business retention and expansion efforts, and other endeavors, the EDC is in a position to collect and evaluate the R&D needs

of resident businesses and help connect them to appropriate resources.

- The EDC, in collaboration with educational institutions, local chambers, and municipalities, should expand education and training for innovation-based industries. Currently, the EDC hosts SBIR training and promotes workshops on equity capital.
- The EDC and public sector should actively support the formation of a Southwest Florida Angel Fund through the Gulf Coast Venture Forum. The EDC should promote the “Power of Angel Investing” education classes to potential angel investors in Sarasota County. The EDC Foundation can seek additional grants to expand local networks and services in support of a regional angel network. The EDC should also develop strategic alliances with equity and near equity funds investing in targeted industries that align with Sarasota County’s industry clusters.

Lead Organization: The EDC should be the lead economic development organization for these innovation efforts, working in close collaboration with regional partners such as the Tampa Bay Technology Forum, Florida Venture Forum, Gulf Coast Venture Forum, 82 Degrees, and Startup Florida. These efforts would be best coordinated by a single staff person rather than divided among staff.

Other Regional Examples

JumpStart in Cleveland, Ohio is a venture development organization that accelerates the progress of high potential, early-stage businesses. It assists entrepreneurs in creating and articulating high growth strategic and operational plans, accessing investment funds and moving their businesses toward key milestones. JumpStart also manages a venture fund that invests in start-up companies.

i2E, Oklahoma, is a nonprofit organization with a mission to create “home grown economic development by fostering the birth and nurturing the growth of advanced technology companies.” The organization provides services to help develop technologies, develop business plans, and assess business risk; develop marketing and capital strategies; and develop high-performing management and technology teams for businesses.

Strategy B-3: Establish districts or hubs for business and innovation activities.

Identified Need: Geographic concentrations of related industries have shown to spur innovation and collaborative competition among clusters. Other regions have employed public zoning and finance tools to create special districts for key clusters that act as a hub or focal point for related businesses and promote economic opportunities in industries through collaboration and integration of services.

Recommendation

For Sarasota County “eco-districts” or “design districts” would help to form a hub or focal point of related businesses and promote economic opportunities in industries where collaboration and integration of services provide additional value to potential clients. An “eco-district” opportunity may exist with the recent announcement of the 40 mega-watt solar project in Venice or with sustainable aquaculture and food production in east parts of the county. The north section of Tamiami Trail provides a focal point for design companies and institutions. Developing designated districts would include:

- Zoning or land use policies that allow for specific business and cultural uses or densities associated with the desired group of industries. Most districts target zoning that allows for mixed use or integrated live-work space.
- Urban design and marketing that represents the best practices of these industries.
- Gathering or networking places for the industry, including incubators, training facilities, etc.
- Use of public finance tools that create a critical mass of industries and suppliers within the district, including low-interest loans, business development incentives, and gap financing.

Lead Organization: Most specific districts are a public-private partnership led by county and municipal governments with strategic partners that include developers, educational institutions, and key industry associations.

Other Regional Examples

Portland, Oregon: EcoDISTRICTS is a strategy to accelerate, and eventually codify the next generation of best practices in green development that can be scaled to create neighborhoods with the lowest environmental impact and highest economic and social resiliency in the United States. EcoDISTRICTS combines best practices in smart growth and urban design, community participation and institutional alignment, zoning and building codes, financial models for infrastructure and building retrofits, and green building and infrastructure technologies and practices. EcoDISTRICTS is a unique public-private partnership between the City of Portland; real estate, design, and construction industries; state of Oregon; Portland Development Commission; the Oregon university and community college system; and Oregon BEST. It is a concerted effort to keep the Portland region at the front of applied sustainability that has a direct link to green job growth and research and development.

Kansas City: Kansas City has a thriving arts district. The Arts Incubator of Kansas City provides extensive business training and affordable studio space to nearly 40 artists. The Urban Culture project, begun in 2003, transforms vacant downtown storefronts into innovative free studio and exhibition spaces to artists. Artists have begun to be priced out of the district. New tax abatements and private initiatives are being developed to help the established arts community stay put and keep younger artists moving in. Over the last year, the Crossroads Community Association has been working with the office of Mayor Kay Barnes to draw up a plan that would enable property owners using buildings for creative purposes like studios, fine arts schools, or art dealerships to get a tax break. Those same tax benefits were originally given on a project-by-project basis to real estate and commercial developers via Kansas City's Planned Industrial Expansion Authority to jumpstart growth downtown. www.artistlink.org provides current examples of arts and cultural districts throughout the United States.

Metrics

Success in innovation and entrepreneurship can be measured though the following metrics:

- The number of start-up companies in targeted science and technology sectors
- The growth of innovation-based companies receiving assistance or located in special districts (as compared to overall growth of companies in that sector)
- The amount of private capital invested in resident businesses

Goal C: Become a national leader in research and businesses that serve the growing needs of aging populations.

Aging is one of the County's biggest opportunities for leadership and differentiation in an area in which it has recognized assets. It is critical that the community incorporate true economic opportunities—revenue-generating, job-creating programs—into a strategic framework.

The United States is among the most rapidly aging developed nations in the world. In 2000, an estimated 35 million people were age 65 and over in the United States, accounting for almost 13% of the national population. Sarasota County is on the forefront of these aging trends—with nearly 32% of the population over age 65, it is the nation's oldest county with a population over 250,000. Further, the 50–60-year age cohort alone represents \$1 trillion/year in spending power.

The convergence of Sarasota County's demographic asset with relevant national and global market trends, community support for the platform, and innovation assets in the broader region indicate multiple economic opportunities for the county to pursue. The strategies under this goal focus on creating a focal point for activity and opportunities within this platform, enabling strategic collaboration among existing businesses, and positioning the county as an anchor and attractor for research and learning in the field.

Forum participants had ambitious goals for this platform, envisioning the Sarasota Institute for the Ages (SAI) with physical space and significant learning/training programs (including distance learning offerings) within five years. In ten years, they said the SAI and community "brand" would have enough draw to generate demand for new hotels and create an endowment sizable enough to defray operations costs of the SAI. They also said they expect a not-inconsequential side effect to this effort: healthier seniors.

Regional Assets

As noted above, the county's **demographics** are a differentiator in and of themselves. Sarasota County's current age profile is similar to that projected for the developed world in 2025. Additionally, the relatively higher education and income levels in these cohorts suggest that these residents may be more likely to be early adopters of technology/other advances.

The **existing research and clinical trials activity** in the county (particularly that associated with Dattoli Cancer Center, Silverstein Institute, and Sarasota Memorial Hospital) provides a base from

"We need a singular community focus [on this platform] – and not just to create an *institute* for healthy aging, but to make Sarasota the *Community for Healthy Aging.*"
Forum participant

which to expand activity and—consistent with broader objectives of this plan—to encourage growth of existing businesses.

The region has a critical mass of relevant expertise in sectors with growing markets in this area, including:

- Medical devices
- Simulation and training
- Design and animation
- Architectural design and construction

Given **weather and existing tourism infrastructure**, the county's appeal as a travel destination for convention, business, and training/learning visitors is another differentiator that can enhance the county's reputation as a national leader in this field.

The **number and caliber of hospitals, medical specialists, and academic institutions** doing relevant work in the region represent significant opportunities for strategic partnerships that will advance the Aging Platform and raise the profile of the county in the region and state.

Market Context

The trajectory of innovation and consumer preferences in markets relevant to the Aging Platform indicates an array of market opportunities that directly align with the region's assets. Trends include:

- The **repositioning of aging** as a positive concept
- A **focus on wellness/preventative medicine**, as contrasted with curative medicine
- Consumer demand for convenient access to and control over their own health information, driving **advancements in health information management**
- Companies using **open innovation** to interact with and respond to customers, researchers, and suppliers
- An increase in **medical tourism** – traveling for elective procedures and/or specialized surgeries
- Products, technologies, and services that enable **aging in place**, helping older people live independently and increasing the efficacy of their service/care providers

Recommended Strategies

Strategy C-1: Establish the Sarasota Institute for the Ages (SAI) that can act as a focal point and aggregator for markets and industries.

Identified need: Platform opportunities will need to be pursued in a cohesive, deliberate way, which indicates the need for a central organization or entity to manage or coordinate them. The expertise and resources for such an effort do not currently exist.

Recommendations

Establish an Aging Center or Institute that would be a focal point for business development of aging markets. Envisioned as a “Think and Do Tank,” such an organization could

- Increase Sarasota County’s national and international visibility as a place where thought leadership on aging resides.
- Aggregate, organize, and make available data and information on targeted demographics for research, design, and market development purposes.
- Formulate and host community and national forums on key aging issues, influencing policies, and programs.
- Develop an “open innovation” business model to enable companies to engage in an integrated fashion with not only older consumers but also with professionals in delivery of medical and wellness products and services. Clinical research organizations are well entrenched in the drug and medical device testing markets—and currently perform research with regional hospitals and medical specialists. While one can seek to grow Sarasota’s share of this sector, another attractive opportunity could also be in community-based research into the efficacy of health and medical products used in the home and community with limited supervision of medical professionals. Candidate products and services could address nutrition, exercise, home-based monitoring devices, and rehabilitation products.
- Foster connections to design talent in the region, brokering design collaborations between industry and university researchers and local design organizations.

Comparable/competitive centers on aging

University of California’s Academic Geriatric Resource Centers (6)
Center for Aging Service Technologies, Washington, DC

Healthy Aging Research Network (consortium of 9 research universities)

National Ageing Research Institute, Australia

As a first step in developing the SAI, the Partners Council should appoint an advisory board or strategic team to guide a detailed business plan that builds upon the work already initiated by SCOPE and the stakeholder input provided as part of this strategic planning effort. The business planning process should evaluate and select a business model (for-profit, nonprofit, or hybrid), research/policy focus areas, and organizational structure for the

SAI. The process should also produce financials and marketing materials that can be used to secure funding for start-up and initial operations.

Economic impacts, in the near term, will be related to direct employment and program revenue (grants, contracts, conferences) in the focal organization. As the strategy matures, the SAI and its programming will serve an attractor function, drawing companies and researchers to locate close to the leadership and programs offered by the Institute.

A number of existing research centers and think tanks function in this market space (see sidebar). It is critical that the SAI incorporate economic opportunities that cut across multiple industry sectors—both to differentiate the SAI from others in the space and to generate significantly higher economic impacts for the county, as detailed in Appendix B.

Lead organization: The Partners Council, in cooperation with SCOPE, would oversee the development of a business plan that would then identify the lead organizations for implementation and operations. Forum participants suggested that the Sarasota Convention & Visitor's Bureau/Tourism Development Board play a role in the funding and planning, given the likely potential for increased tourism and related impacts.

Strategy C-2: Increase the capacity for existing businesses to grow and expand their market share.

Identified need: Without exception, the platforms described in the plan will require the County to seek, establish, and maintain intentional connections to the broader region's economic and innovation assets. This includes, but is not limited to, research and development on aging at regional universities (e.g., USF, UCF) and in companies and service providers in relevant industry sectors.

Recommendations

- Launch an *Innovators' Workshop* to bring together researchers and businesses to identify common interests and opportunities for collaborative projects.
- Establish a brokering function for clinical trials and research opportunities.
- Establish a consortium (including, for example, architects, designers, software developers) that specializes in "aging in place"; explore opportunities for this consortium to build or provide technologies and services to assisted living and active living developments and assist existing businesses (like PGT) to expand their product lines for this market space.

It should be noted that the consultant team has been particularly impressed with the technology transfer and economic development outreach efforts out of USF Tampa. This organization could be a valuable avenue to build relationships with relevant programs and researchers within USF. As compared to many other communities where we have worked, the county is fortunate to be able to tap into such a resource, employing a number of best practices in regional outreach.

Lead organization: All of these activities can eventually be managed by the Center, but they need not wait until the Center has been established. In the meantime, the EDC can engage a contractor (or several contractors) to launch the activities.

Strategy C-3: Establish Sarasota County as the learning center for aging markets.

Identified need: To continue to raise the profile of Sarasota County as a center for innovation related to aging and to provide a venue and hub for learning and training in the field.

Recommendations

- Align existing plans for a conference center with the training and learning activities planned for the Aging Platform.
- Actively recruit the training and continuing education events of national and regional organizations with agendas focused on aging.
- Establish an annual *Aging in Place* Expo that profiles new products, technologies, and designs from around the country. Spotlight local businesses and use the event as a business recruitment opportunity.

Lead organization: This is a longer-term strategy that would be lead by the SAI and the Sarasota Convention & Visitor's Bureau.

Metrics

Progress toward this goal can be measured through the following metrics:

- Number of jobs retained and created by companies directly associated with the Aging Platform efforts
- The increase in the number/size of aging research efforts and clinical trials conducted in the county
- Convention/business/training visitation and expenditure

Goal D: Build our reputation as a premier location for businesses and institutions with design expertise.



Design thinking is the use of design and creativity for product development and problem solving, across industry sectors. The “design innovation ladder” at left shows the progression in level and sophistication of the application of design and design thinking in a region’s businesses. The higher up the ladder, the greater the strategic use of design.⁷

While many regions have concentrations in different aspects of design and creative services, Sarasota County’s breadth of talent, along with a nationally recognized design school, are not common in a region this size. These assets position County businesses and educational institutions to be among the pioneers in community-wide, pervasive use of design thinking.

Growing demand for digital content and Web-enabled tools for Internet advertising and social networking represent additional opportunities for existing companies that overlap the creative services and information technology clusters.

Forum participants saw major opportunity in this platform, particularly in its potential to draw support from and affect multiple industry sectors and stakeholder groups: design-related businesses, educators, urban planners and developers, and philanthropic groups. Design efforts would also provide key support for the Aging and Sustainable Systems platforms.

The strategies under this goal focus on moving new and existing enterprises in Sarasota County up the design innovation ladder and assisting them to identify, tap, and develop new markets.

Regional Assets

Ringling College of Art + Design is nationally known for its programs in computer animation, graphic and interactive communication, digital imaging, and game design. While the community has typically thought of Ringling as a resource for traditional art and design applications (just Step 2 on the design innovation ladder), its points of convergence (creative/technology, design/business) set it apart from most other institutions of its kind and position it as a differentiating asset with as-yet-untapped economic potential for the region.

⁷ Definition and graphic adapted from “Five Years On; Victoria’s Design Sector,” Wallis Consulting Group for Design Victoria, December 2008.

Additionally, the county has a critical mass of residents and workers with relevant expertise in:

- Creative/design services
- Interactive branding
- Marketing communication
- Film and video
- Web-enabled technologies
- Performing arts
- Active nonprofit organizations

Market Drivers

In addition to growth within the various vertical markets in the creative industry (film and video, advertising/marketing, IT, etc., as shown in the Phase One assessment), the following trends cross creative and information technology sectors and build on the region's existing assets.

- Increasing use of **design thinking**, which uses design concepts as a methodology for improving services, operating processes, and product design across an array of industries. Some studies estimate that one-third of all businesses, and as much as two-thirds of small businesses, use design to drive competitiveness.⁸
- The crowded nature of online advertising is driving an increasing reliance on great digital creative content. In addition, tough economic times means that advertisers will be spending less on general brand marketing and more on direct customer acquisition. This **next-generation Internet advertising** demands creative content such as short, humorous video clips or online shows that lead potential customers directly to advertisers' Websites. Jupiter Research estimates that online marketers spent \$2.1 billion on this affiliate marketing in 2008, with an increase to \$3.3 billion expected in 2012.
- Opportunities for using **social networking tools** for advertising will increase. This "viral marketing" occurs when a product is recommended through a social network, creating brand trust and further interest in the product. One technique for social network marketing is the use of digital widgets that users on sites such as Facebook add to their homepages. The widgets represent a product or brand and can be mini-applications that provide entertainment or make a personal statement about the user. The estimated market for digital widgets was \$40 million in 2008.

⁸ "Five Years On; Victoria's Design Sector," Wallis Consulting Group for Design Victoria, December 2008.

Recommended Strategies

Strategy D-1: Expand business development opportunities by building expertise in the application of design thinking.

Identified need: As introduced above, design thinking is a concept that is rapidly being applied across an array of industries as an innovation and productivity tool. It uses design concepts as a problem-solving methodology to improve services and operating processes as well as product design. Sarasota's array of design talent and Ringling College of Art + Design offer a unique opportunity to provide businesses and researchers with these "extended" design services.

Recommendations

Build the capacity of existing creative services businesses and students at Ringling College to apply design thinking to business problems.

- In the short term, this should include seminars and workshops in conjunction with the *Innovation Center* (See Strategies B-1 and D-2), with topics including basic design thinking concepts, best practices and case studies in design thinking, and immersion-type courses where designer participants are linked with regional businesses to solve discrete business problems.
- Over the long-term, design thinking coursework should be offered in undergraduate and continuing education formats through Ringling College or by a for-profit affiliate of the College, such as the center/consortium described below.

Conduct a feasibility study and develop a business plan (similar in scope to the one outlined for an Aging Center) for a center or consortium for design thinking. Such an analysis will need to identify the resources, facilities, and expertise needed to position the region as a national leader in the application of design thinking as an innovation tool for product and service development. The center's services would be piloted in local companies and organizations (an extension of the immersion courses described above) and eventually offered outside the region. A prototyping and training facility, where firms could easily collaborate, would be located in the Design District (see Strategy B-3).

Leading organizations: Ringling College of Art + Design, with support from the Partners Council Strategic Team on Design

Other Regional Examples

Victoria, Australia: Recognizing the significant role that design and innovation play in its economy, the Victorian Government has made significant investments in its design cluster, studying and publicizing the non-traditional applications of design across industries. Design Victoria aims to:

- Empower Victorian designers with the skills and knowledge to grow their businesses;
- Educate Victorian firms in using design to improve business performance and increase competitive advantage; and
- Demonstrate to the community the impact and benefit of design on everyday life.

A recent study highlighting five years of progress since the launch of the Design Victoria initiative showed:

- Victoria's design sector is highly competitive and well recognized, and contributes \$7 billion to the state's economy.
- 37% of all businesses in Victoria (69,000 businesses and organizations) use design.
- The number of design consultancies increased 35% over five years.
- The number of people employed in design roles increased 14% over five years.
- Victorian businesses that use design show higher rates of profit growth.

"Five Years On: Victoria's Design Sector 2003–2008," Design Victoria, RIMT University.

Strategy D-2: Facilitate the start-up and expansion of businesses in key sectors.

Identified Need: The region lacks targeted and intense business development services for innovation-based companies, especially those related to growing areas in creative services and technologies. As detailed further in Strategy B-1, an accelerator model for business incubation can serve an array of companies at start-up and early-growth stages of development.

Recommendations

Utilize the expertise and services of the proposed Innovation Center to promote collaboration among creative services and technology companies and assist them to:

- Identify and access new markets.
- Develop/find new applications for technologies and forge connections to university research.
- Develop capital access strategies.

- Identify, attract, and build the capacity of technical and management teams.

Lead organizations: Sarasota and Manatee County EDCs, jointly, as described in Strategy B-1

Strategy D-3: Sponsor a business plan competition in conjunction with the annual Design Summit to promote the commercialization of ideas/research.

Identified need: A business plan competition can educate potential entrepreneurs in the process of creating and evaluating new business ventures; encourage innovation and entrepreneurship; and leverage the presence of the Design Summit.

Recommendations

Provide a business plan competition in to leverage the attendance at and innovative ideas in circulation at the Design Summit. Such a business plan competition will

- Offer prospective entrepreneurs in-kind advisory services to develop their business plan and an opportunity to pitch their business plan to potential investors;
- Launch/accelerate business concepts in a format that provides a “reality check” for participants, identifying strengths and weaknesses of all submitted concepts; and
- Provide start-up funding for the winner(s).

Lead organizations: EDC, with support from Startup Florida, the Florida Venture Forum, and the Tampa Bay Technology Forum

Strategy D-4: Develop a targeted marketing campaign to increase awareness of the region’s design-related sectors.

Identified need: There is little recognition outside the region of the array of design talent resident in Sarasota County. A need exists for an initiative to develop a regional strategy that raises the profile of the county and touts the benefits of starting/growing a design-related business in Sarasota County.

Recommendations

Develop an identity campaign that establishes a defined image for the region’s design and technology industries and enables collaboration and networking among related businesses.

- An interactive media strategy
- Web presence and tools that provide a platform for intra- and inter-industry education and dialogue about design and its applications

- Web-based directory/network of designers and design-related businesses and organizations
- A unified regional presence at targeted association/trade shows

There is an immediate opportunity to increase the local connection between creative firms and other businesses in the region by supporting efforts like the Arts Council's Arts and Business Bash and expanding Film & Video mixers to invite businesses that represent potential customers. The self-interest by local companies for such a campaign and the significant resident talent and technologies available should minimize the development costs of this effort.

Lead organizations: Sarasota County Arts Council, with support from the Sarasota County EDC

Strategy D-5: Continually explore new market opportunities for traditional creative segments.

Identified need: Web broadcasts, short digital content, and other market trends provide new opportunities for long-standing creative segments in the county.

Recommendations

Continue to support the county's efforts to find new market opportunities for existing sectors of creative services, including ideas such as

- Digital broadcast of performing arts shows, and
- A sound stage for film and video, performing arts, and other applications.

Lead organizations: The Film & Entertainment Office and the Arts Council

Metrics

Progress toward this goal can be measured through the following metrics:

- Revenue, employment, and firm growth in the design platform
- Market penetration measured by revenues from clients outside the region
- Convention/business/training visitation and expenditure

Goal E: Expand business opportunities in applied environmental and sustainable systems.

With sustainable development and green jobs at the top of every community's economic development strategy, Sarasota County will need to focus on areas where it can build a competitive advantage and stand out from other regions. With few large university research efforts, the county is best suited as a location for applied research or demonstration projects and initiatives that illustrate the integration of multiple sustainable development practices or clean technologies. For example, Mote Marine Laboratory's aquaculture demonstration work incorporates sustainability elements (water re-use and solar power) to minimize environmental impact. Such sustainable systems have potential applications in agricultural, commercial, and residential settings. Additionally, the region's growing expertise in water resource management can be integrated with local food production, energy conservation, low-impact development, and environmental resource management, representing a broad array of market and business opportunities.

This goal contains recommendations to build expertise in markets that build on existing assets and where there is long-term potential for growth (Goal F contains additional strategies for promoting green jobs through public policies and resources). Forum participants formulated a methodical approach to this platform: they envisioned the first five years being focused on building capacity and core expertise in niche markets and the following five years focused on business and market expansion.

Regional Assets

Mote Marine Laboratory – Mote is known to the community primarily as an aquarium—a tourist destination. However, it is one of the world's few independent marine research laboratories, and is doing leading-edge research and development in the area of sustainable aquaculture.

Specialized expertise – The region has a growing core of specialized practitioners:

- Arboriculture
- Aquaculture
- Landscape and building design/architecture
- Integrated water/soil management

Reputation – Sarasota County has a reputation as an environmentally friendly, "green" community within Florida.

Market Drivers

- **Water resources** (fresh and marine) are a growing environmental and community concern and, as compared to alternative energy, is an area on which few regions are focusing attention. Meanwhile, the worldwide market for water-related technologies is estimated at \$400 billion annually.
- Demand is increasing for **sustainable aquaculture** technologies and products—the global aquaculture market is estimated at \$70 billion annually.
- Few academic institutions in the United States offer both **marine sciences R&D opportunities, and academic curricula** (at the bachelor's, master's, and PhD levels).
- Demand is increasing for **comprehensive resource management systems and intelligent systems integration**—products and processes that incorporate multi-/cross-disciplinary expertise (e.g., design, water/energy resource management, sensor technologies)

Recommended Strategies

Strategy E-1: Support development and commercialization of sustainable aquaculture technologies and expansion of regional aquaculture industry.

Identified need: The technologies and processes being developed at Mote Marine Laboratory represent opportunities to launch new businesses or draw new industry partners to the region. Mote may require assistance developing a targeted and/or phased strategy to approach this new area of business.

Recommendations

Assist and complement Mote's efforts to develop and commercialize aquaculture technologies by

- Identifying potential partner organizations/companies to develop, demonstrate, or transfer, selected Mote technologies;
- Seeking matching funds for Mote to develop a broader commercialization/partnership strategy for earlier-stage technologies; and
- Evaluating the feasibility (in terms of infrastructure capacity, land availability, and other market, regulatory, community factors) of the development of the regional aquaculture industry.

Lead organizations: Mote Marine Laboratory, with support from the Partners Council Strategy Team on Sustainable Systems.

Strategy E-2: Expand marine sciences educational programs to draw students and visitors from outside the region.

Identified need: Establishing additional marine sciences educational programs for undergraduate, master's level, and/or PhD students could increase employment as well as stimulate the local economy by attracting new students and faculty to the area.

Recommendations

Identify and facilitate potential collaborations between Mote and likely university partners (e.g., landlocked institutions interested in offering/expanding marine sciences curricula/programs or regional institutions like USF).

Identify/provide the necessary infrastructure to enable an expansion of residential programs (e.g., housing, land, and/or building space).

Lead organizations: Mote Marine Laboratory, with support from the EDC and the Sarasota Convention & Visitor's Bureau/Tourism Development Board.

Strategy E-3: Assist local businesses with environmental and sustainable products/services to maximize their market share within Florida and expand product/service offerings.

Identified Need: The rapidly increasing demand for green products and services represents a significant opportunity for existing local businesses. Businesses may need assistance entering these markets, increasing their market share, and/or accessing available state and federal resources.

Recommendations

- Develop a directory of environmental and sustainable system businesses. While the directory could include retail sales, the focus should be on value-added companies that develop new technologies or sell goods/services outside the region.
- Identify new or modified state policies (e.g., stormwater management) where the county has existing business expertise that can be marketed to other parts of the state.
- Work with state energy/environmental boards and commissions to identify the resources and assets needed in the region to attract demonstration or pilot projects.
- Host *Innovators Workshops* with university researchers and local businesses to connect business needs and regional resources.

Lead organizations: As explained further in the *Enhancing Local and Regional Cooperation* section, the Chambers will lead those efforts that pertain to economic gardening, training, and

dissemination of information on available resources. The EDC will lead efforts requiring technical market/policy intelligence and/or innovation-based capacity building.

Other Regional Examples

PDX Lounge, Portland, Oregon: PDX Lounge is a joint branding effort and collaborative supported by the Portland Development Commission (PDC), the Oregon Sustainable Economy Network (OSEN), and the Portland + Oregon Sustainability Institute.

PDX Lounge partner companies have represented Oregon's green building industry at conferences including Greenbuild and West Coast Green. It fosters sustainability initiatives in the Portland metropolitan region and promotes Oregon's sustainable industries within the state and beyond.

PDX Lounge also supports Oregon's sustainable industries day-to-day, providing business-to-business networking opportunities and convening sustainable industry work groups to advocate for a more sustainable future.

Strategy E-4: Develop a consortium model that promotes Sarasota County as a location for applied and integrated sustainable concepts.

Identified need: Promotion of Sarasota County as a leader in applied and integrated sustainable concepts will require clear articulation of business assets and expertise (see environmental and sustainable businesses directory in E-3) and identification of niche markets (e.g., subtropical climates, institutional design) that could serve as initial efforts in which to fully develop and demonstrate a model of systems thinking or an integrated approach to sustainable development.

As is the case with other consortium models, results will be maximized when collaborative space and/or demonstration centers are available in which businesses can work jointly on projects and where customers can see applied demonstrations.

Recommendations

Based on the previous Sarasota School of Architecture model, develop a consortium model for multi-disciplinary collaboration in the field.

- Use the plans already developed by local businesses for a possible demonstration center as a foundation for further development.
- Similar to the Center proposed in C-1, develop a full business plan for the consortium and related facility to identify costs, timelines, potential economic impacts, and funding sources.

Lead organizations: Partners Council Strategy Team on Sustainable Systems would oversee an industry-led effort to develop a full business and operating plan that would identify funding resources and lead partners for implementation and operations.

Other Regional Examples

Envirolink Northwest (United Kingdom) was established in 2000 as part of the Northwest Regional Development Agency's first Regional Economic Strategy (RES). It is the organization charged with developing the energy and environmental technologies and services (ETS) sector in England's Northwest.

Today, energy and environmental technologies and services make up one of the fastest growing business sectors in the region. Envirolink Northwest helps organizations commercialize new technologies and services and market these solutions in the marketplace. The organization's objectives are to:

- Increase the levels of innovation, knowledge, and technology transfer within the sector.
- Increase the level of learning and skills for the current and future sector workforce.
- Promote the sector in regional, national, and international markets.

Envirolink Northwest helps develop the region's energy and environmental technologies and services sector by promoting specific supply chains, identifying financing for business growth and new product development, and stimulating partnership formation to address market opportunities. Activities are delivered by three specialist teams focusing on the following growth sectors:

- Environmental technologies, specifically:
 - remediation and reclamation of land
 - water and wastewater treatment
- Energy management, specifically:
 - energy efficiency
 - renewable energy
 - waste management and recycling technologies

From <http://www.envirolinknorthwest.co.uk/>

Metrics

Progress toward this goal can be measured through the following metrics:

- Number of new technologies commercialized
- Number of jobs and firms retained or created in the Sustainable Systems platform
- Convention/education/training visitation and expenditure

Goal F: Optimize the ways people, policies, and investments work together to attain economic goals.

"Success needs to be measured by results, not level of activity."
Forum participant

In years past, Sarasota County has had a growing tax base driven by a healthy real estate market that provided significant public funds for a variety of community efforts. The current economic climate and sharp declines in real estate values have placed limitations on public coffers. Now these resources have declined, and the region will need to look carefully how it can utilize public and private resources to leverage and maximize the effectiveness of investments. This will require focus and strategically based choices to ensure that resources are not spread too thinly to have significant outcomes. Perhaps the need for better alignment was best summarized by one business leader who noted, "*The community is willing to make investments in the future ... but what is their focus?*"

This section of the five-year economic plan recommends strategies that can align public and private resources to optimize the economic and community value of each effort. Additionally, aligning resources for maximum impact can assist in combating the perception that Sarasota County does not have a business-friendly ethic.

During the community engagement process to identify weaknesses and opportunities, the following observations were made by community members:

- There is a widespread perception that county government and most municipalities are not business friendly and tend to create roadblocks rather than to facilitate economic opportunities.
- Public sector investments and public policy need to better support economic development; many economic development efforts among governments are fragmented and lack a unity of purpose that could better leverage resources.
- There is a lack of local public finance tools or waivers that can be used as incentives, especially for existing businesses that have the opportunity to expand as the economy improves.
- More strategic, targeted public investments could be used to support the community's interest in sustainability and growth in "green" jobs.

At the economic forum held in March 2009, the participants were much attuned to aligning resources, coordinating strategies and investments, and consolidating organizations to minimize overlap and redundancies. One group recommended "a county-wide

Chamber of Commerce, with local chapters.” In the words of another group, “We need more cross-pollination of ideas and less ‘silo’ mentality.” Finally, in support of thinking differently and creatively, it was suggested that the community “make it safe to try new approaches, so we can learn as we go without being stymied by the fear of failure.”

Progress to Date: Sarasota County’s public leaders are very aware of the key role that the public sector must play in economic diversification. County commissioners, city councilors and mayors, business leaders, and nonprofit boards all agree that the “old model” of working in silos needs to be replaced with more productive public-private partnerships that work toward shared goals. Recently, the county government passed a local procurement policy to encourage the purchase of goods and services from county businesses. North Port is developing a locally controlled incentive program to encourage business growth in their jurisdiction.

Key Lessons from Research and Best Practices

- The alignment of public works and infrastructure projects with economic development efforts can help accelerate the growth of desired industries. Public projects can be a catalyst or a demonstration lab that encourages the development of targeted industries or workforce skills.
- Local governments can encourage the growth of local businesses through public policies and their own procurement practices.
- Development of a “business friendly” ethic in local government does not need to involve complex or expensive programs.
- The ability to secure outside funding or resources is most likely to be achieved when locally available public and private resources are aligned and coordinated.

“We should build demand for energy conservation, alternative energy applications, ‘Florida-friendly’ landscaping, and water resource conservation and efficiency.”

Forum participant

Recommended Strategies

Strategy F-1: Create green jobs and develop local expertise in sustainable development through public sector investments and programs.

Identified Need: The community consistently expressed the desire to be a leader in applied sustainability concepts, and to use that leadership to create green jobs and support the development of local businesses and expertise in that market area. Putting these concepts into practice, and demonstrating their effectiveness, can stimulate job and business growth related to sustainable practices. An immediate opportunity lies in the current federal economic stimulus package, which provides a variety of funding for efforts such as weatherizing and increasing the energy efficiency of low-income housing.

Recommendations

Develop a countywide strategy among public sector agencies, businesses, and workforce and education organizations to utilize public projects as a way to stimulate green jobs and expand local expertise for sustainable development practices.

To the fullest possible extent, incorporate green building and low-impact development elements in targeted projects, such as public housing or community buildings. Use those projects to demonstrate markets for practices that can lower overall operating costs of buildings and reduce environmental impacts; ensure outreach to local businesses to keep job creation within the local economy. An example would be the recent dialogue on incorporating green/sustainable elements in housing rehabilitation projects in New Town and training local residents in the job skills necessary to accomplish this project.

Over the next 12 months, target two or three signature projects (e.g., the current plans for a solar hot water effort or the greening of foreclosed properties) to accelerate green jobs and provide the critical mass of jobs needed to develop business and workforce training programs in the region.

Help local companies demonstrate commercial value of new or expanding green products or services by utilizing publicly owned facilities as a test space. For example, a manufacturer in Oregon used the local emergency response center's backup power system as a test site for its new fuel cell.

Lead Organizations: Public sector agencies, including county and city governments, would need to lead the effort to incorporate these elements into public projects. The Workforce Investment Board and education/training institutions will need to be included to ensure that local businesses and workers have the necessary training.

Other Regional Examples

Minneapolis: One aspect of Minneapolis' sustainability plan includes the percentage of available housing units that are green and that are affordable to the lowest income quartile.

Dallas: To meet growing demands, the City of Dallas provides educational resources on green building standards for local developers.

Austin, Texas: The City maintains a list of designers, architects, and builders who are members of the City-supported "Green Builder Program" in order to promote green development in the city.

Strategy F-2: Make it easier for businesses to expand in, or locate to, the region by using public facilities for temporary ramp-up operations.

Identified Need: A recurring theme expressed during interviews and in survey responses by various elements in the community was concern over the “anti-business” sentiment of the public sector in the county. Using public sector resources to facilitate business location and/or expansion could assist in mitigating this perception while at the same time making more efficient use of assets in which the public has already invested.

Recommendation

Establish a countywide policy that allows publicly owned facilities to be used in business development efforts.

Utilize vacant public facilities as interim space for existing businesses expanding or new businesses relocating to the region, providing businesses with the opportunity to jump-start new operations or expand their training programs.

Lead Organizations: Public sector agencies and local Chambers of Commerce should collaborate on compiling an inventory of facilities in various communities around the county that could be used for this purpose. The inventory can then be used by the Chambers and EDC for business development activities.

Other Regional Examples

Hillsboro, Oregon: The City utilized publicly controlled space to transition Yahoo! and Netflix customer care operations as they located to Hillsboro. The companies used these facilities for employee screening, interviewing, hiring, and training, as well as project management, until their permanent locations were built out and ready for occupancy.

London: The City is offering free space for one year to foreign businesses locating operations within the city.

Rockville, Maryland: The City and County are offering a year of free space to the company that wins a business plan competition focused on firms in technology, aerospace, or IT.

Savannah, Georgia: The Savannah EDA is offering a year of free space to digital media companies who will locate in their new game development and digital media center.

Strategy F-3: Use public sector procurement policies to stimulate purchases from local businesses.

Identified Need: Chambers of Commerce and the Sarasota County EDC are currently supporting a “buy local” campaign to stimulate local business activity. Often, the stimulus to “buy local” is merely creating awareness that local sources for goods and services are available and competitive in price and quality to

products coming from outside the region. The purchasing power of the public sector can be an important addition to this effort and can assist in furthering a “business friendly” attitude.

Recommendation

Expand local procurements of goods and services by both the public and private sectors through procurement policies and program requirements.

Establish a countywide policy where companies that receive public assistance are required to file a local procurement plan accompanied by a good faith effort to increase local purchases.

Increase the local preference or procurement goals of goods and services purchases by the county and municipal governments.

Develop partnerships between the public sectors and business organizations to help connect local companies to these procurement opportunities.

Lead Organizations: The EDC should be the lead organization for establishing a policy that requires companies receiving public assistance to file a local procurement plan. County and municipal governments should enhance their own purchasing strategies that will allow them to give local preference while maintaining their legal obligations. The local Chambers of Commerce should be partners in this effort, and assist companies filing local procurement plans to access the local marketplace through connections with their members.

Other Regional Examples

Gresham, Oregon: Companies who receive enterprise zone tax benefits are required to file a local procurement plan, outlining how they will purchase goods and services from local vendors.

Barcelona: Local procurement policies encouraged the growth of green and sustainable businesses by ensuring a public sector market for goods and services.

Lawrence, Kansas: Local procurement policies allow for up to a 5% premium for products that are “environmentally preferable,” including locally produced products.

Strategy F-4: Develop a locally controlled incentive fund for the expansion and recruitment of targeted industries and start-up companies.

Identified Need: Locally controlled incentives are not readily available in Sarasota County, and no specific eligibility criteria are in place. In the past, incentives have been created based on emergency conditions, where resident businesses were considering a move out of the county and were being courted by another region. As a consequence, there is a broad interest in

creating locally controlled incentives that can harmonize with community priorities and support strategic economic goals.

Recommendations

Develop a qualified industry incentive program to support economic objectives of the community, including quality job retention and creation, private sector investment, and economic diversification.

Establish a \$2-million-fund level through the county government's funds from North Port's escheated lots. The fund would be used for projects throughout the county, not just in unincorporated parts of the county.

Incentives should be based on a multi-tiered formula of wage levels, job creation/retention, capital investment, and other economic goals. As an example, Oklahoma City has developed an econometric model that determines the total amount of local incentive funding available based on the number of jobs created/retained, the quality of jobs (wages and benefits), the amount of private capital investment the incentive would leverage, and the anticipated tax contribution (property, sales, and income) that the project would generate. North Port has laid out a very clear set of objectives and criteria that can be used as a model for the county.

Cities can also develop their own incentive packages for use within their specific jurisdictions (as currently envisioned by North Port) that would be in addition to the countywide incentive.

Lead Organizations: Sarasota County would seed incentive fund with escheated lot funds. Since the Sarasota County EDC is the primary organization for recruitment and expansion projects, it would market, provide technical assistance, and make recommendations for the use of incentives. The EDC Board would approve the use of funds under a set amount, with the Board of County Commissioners approving larger projects.

Other Regional Examples

Gresham, Oregon: The City established a program to help businesses in targeted industries to finance development fees (water and road impacts). The program offers financing at the cost of city money, currently 10-year U.S. Treasury bills plus 2%.

Oklahoma City, Oklahoma: Voters approved a \$75 million bond-backed fund for local cash incentives directed at traded-sector companies locating or expanding in the city; awards are based on a formula including consideration of the number of jobs created/retained, quality of jobs (wages and benefits), size of private investment, and contribution to tax base.

Tulsa, Oklahoma: The Tulsa Chamber of Commerce has local cash incentives directed at aerospace companies locating or expanding near the Tulsa airport.

St. Joseph, Missouri: The City used incremental sales and income taxes generated by an expansion of a large manufacturing company to pay for necessary infrastructure improvements for that company.

Strategy F-5: Develop a proof of concept fund for industry-led strategies.

Identified Need: Business and community leaders in Sarasota County are not short on ideas. The many summits and community workshops have led to a multitude of strategies to diversify the economy, some of which continually rise to the top of the list. Despite an apparent consensus on ideas, little happens to move them to reality. There is no process or seed funding to evaluate top ideas and identify specific costs and resources for implementation.

Recommendation

Establish a “proof of concept fund” (seeded at \$500,000) to conduct a complete market assessment and determine a business plan model.

Similar to proof of concept funds targeted to individual businesses, these funds would be targeted to industry collaboratives that would develop capacity and infrastructure for a groups of related businesses. Examples of these types of projects might be the aging center or the design thinking center/consortium described in Strategies C-1 and D-1, respectively.

Like other practices across the country, the projects would pay for the development of a market assessment and business plan to prove the validity of an idea that can assist a group of businesses or industries. Eligible industries would be those targeted for diversification and which have identified industry support and cash and in-kind match (usually 1:1). Typically a fund this size would have the capacity to fund three to four projects.

The monies for this fund could come from contributions from each local government or from North Port's escheated lot funds.

Lead Organization: The EDC or the EDC Foundation would be a logical administrator for this fund. The development of assessment criteria and the evaluation of proposals could be the work of a strategy team within the Partners Council, which would recommend projects for funding.

Metrics

Success in the coordination of people, policies, and investments could be measured through the following metrics.

- The impact of companies utilizing interim public facilities
 - The number of jobs retained or created
 - The amount of private sector investment in their final project
- The number of local workers employed by targeted public projects to promote sustainable industries and green jobs
- The impact of local incentives
 - The number of jobs created/retained through the incentive program
 - The amount of leveraged investment influenced by local incentives
 - Tax impacts of the program, including property tax and sales tax multipliers

Measuring Progress

Knowing how well and how fast the county is reaching its economic goals will require a set of metrics that measures both outcomes and progress. The last decade has shifted the dialogue on how to measure economic progress. Jobs are no longer the primary indicator of success. The competitiveness of a company, and its ability to retain jobs, relies on its ability 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 been the ones with the most sustained levels of job, wage, and business growth. While specific metrics are recommended for each strategy, economic efforts should contribute to one or more of the following measures:

Health and growth of businesses: Job retention; employment, firm & payroll growth; gross metropolitan product (GMP)

Wages and earned income of residents: Average earned income of residents, and wages of targeted sectors compared to State and U.S.

Leveraged investment: Capital investment into the community by businesses, sales tax, and state and federal funding

Business climate (measured by survey): Public sector support/friendliness, and business leadership

Considering the county’s current and desired economic status, **Table 1.7** describes a set of overall metrics for the plan, while **Table 1.8** summarizes metrics for each goal.

Table 1.7. Overall Metrics

	2014 target
Overall growth rate of jobs and firms	15,000 new jobs 2,500 new firms
Percent of employment in value-added industries (currently 25.23%)	30% (will require 4 out of every 10 new jobs be in value-added industries)
Average wage of job: overall and for target industries	Average wage of \$42,000 Average wage of target industries within 95% of US average
New investment in land, buildings, and equipment through expansions and relocation assistance	Average of \$60 million per year
Percent of employment in management, business, professional, and scientific occupations (2007: 14% national average; 9.7% Sarasota-Bradenton MSA average)	12% or within two percentage points of national average

Table 1.8. Goal-specific Metrics: Targets to be determined by Partners Council

<p>Goal A: Existing and Small Businesses</p>	<p>The impacts of business retention and expansion (BRE) efforts:</p> <ul style="list-style-type: none"> ▪ Number of jobs retained and created in assisted companies ▪ Percentage of companies with average wage of at least 15% higher than county average <p>The increase in international sales of those companies participating in the county's international development efforts</p> <p>The level of direct foreign investment in region due to increased international activity</p> <p>The job and revenue growth of the targeted small businesses associated with an economic gardening effort</p>
<p>Goal B: Innovation and Entrepreneurship</p>	<p>The number of start-up companies and associated jobs in targeted science and technology sectors</p> <p>The growth of innovation-based companies receiving assistance or located in special districts (as compared to overall growth of companies in that sector)</p> <p>The amount of private capital invested in resident businesses</p>
<p>Goal C: Aging Platform</p>	<p>Number of jobs retained and created by companies directly associated with the aging platform</p> <p>The increase in the number of aging research efforts and clinical trials conducted in the county</p> <p>Convention/business/training visitation and expenditure</p>
<p>Goal D: Design Platform</p>	<p>Revenue, employment, and firm growth in the design platform</p> <p>Market penetration measured by revenues from clients out of region</p> <p>Convention/business/training visitation and expenditure</p>
<p>Goal E: Sustainable Systems Platform</p>	<p>Number of new technologies commercialized</p> <p>Number of jobs and firms retained or created in the Sustainable Systems platform</p> <p>Convention/business/training visitation and expenditure</p>
<p>Goal F: Alignment of Resources</p>	<p>The impact of companies utilizing interim public facilities: The number of jobs retained or created and the amount of private sector investment in their final project</p> <p>The number of local workers employed by targeted public projects to promote sustainable industries and green jobs</p> <p>The number of jobs created/retained through the incentive program</p> <p>The amount of leveraged investment influenced by local incentives</p>

Enhancing County and Regional Cooperation

In Sarasota County, numerous chambers, business groups, educational institutions, and workforce partners, along with public sector agencies, are engaged in economic development.

While there appears to be a considerable amount of interaction among economic partners, coordination toward a common set of economic objectives is lacking. In good faith, community and business leaders attempt to engage in the array of similar projects (e.g., five different committees addressing “green jobs”), and a significant amount of time is spent on planning meetings and communications. The absence of strategic coordination has resulted in duplicated efforts where resources are continually put into the idea-generation stage, inhibiting the capacity for implementation.

Over the course of this planning process, the consulting team observed how a lack of shared economic goals and specific outcome measures has limited the ability to prioritize and implement economic opportunities and, as a result, has created an environment with the following characteristics:

“We need to reconvene in 9 months to get an update on progress ... or lack thereof.”
Forum participant

- The lack of regional economic goals and strategies means that each organization has its own set of priorities and spends significant time on developing projects similar to those of others. Without early coordination, the “pride in ownership” for each organization limits the ability to leverage the multiple efforts under a shared economic goal.
- Without a clear economic strategy and measurable outcomes, there is no framework to assess and prioritize multiple projects or to leverage investments. Economic priorities are perceived as being set by default: the squeaky wheel, a political agenda, etc.
- The fear of missing an opportunity to access limited resources compels everyone to attend every meeting.
- Few opportunities exist to align and leverage existing public spending with economic efforts.
- The ability to pursue external funds is limited.
- With resources spread thin among multiple projects, it is hard to gain forward momentum and shared ownership. Projects get stuck at the idea stage and seldom move to implementation—perpetuating more planning meetings.
- Key business leaders feel their time or contributions are not being leveraged or used strategically, which limits sustained level of private sector contributions.

Recommendations for County and Regional Cooperation

Knowing that additional resources for economic development are limited, especially in the foreseeable future, it is important that economic partners in Sarasota County do their best to reduce duplication of effort and maximize the skills and contributions each

partner brings to the table. Some straightforward ways to enhance the effectiveness of county and regional cooperation, proven to be effective in other regions, include building consensus around economic goals and desired outcomes, rather than projects; clearly defining the contribution and value of each partner; and coordinating economic efforts at the strategic level.

The following five operational principles can help serve as a foundation for coordination and to maximize the existing capacity and resources of economic partners.

1. Economic efforts should be driven by a shared set of goals and outcomes that is fully supported by all key economic partners.

Economic leadership needs to reach consensus and drive toward a shared set of goals and outcomes, recognizing that as a whole, the plan builds on the strengths and contributions of all parts of the county, yet not all strategies contribute equally to each sub-region of the county. The absence of clear and shared goals and performance measures means that each organization must respond first to their own leadership's priorities and then, if time and resources permit, work with others.

With a shared commitment, economic partners can expand their efforts to leverage external resources and funding (*making the pie bigger*), rather than competing for limited resources within the county. The most appropriate organizational body to agree and own an economic plan is the Partners Council.

2. Clear performance metrics should be developed to increase accountability and delegate effort to the most appropriate organization(s).

When there is consensus on desired economic outcomes, it is easier to divide responsibilities among partners and expand the capacity of existing organizations to pursue economic projects. A clear set of performance measures also helps to attract investors and strategic partners who can buy into a set of outcomes, and keeps current investors focused on results rather than process.

3. Identify and maximize the value-added contributions of each partner.

Currently, almost every economic organization is involved in each stage of planning and implementation, regardless of their expertise or contribution. This limits the capacity for the number of strategies that can be managed, and inhibits the amount of resources available for implementation and operations. It is often appropriate for an organization not to have a role in each strategy. To maximize the region's economic capacity, each organization should clearly identify their value-added contributions. With a shared vision and an understanding of

partners' contributions, it is easier to divide and delegate responsibilities and, in the process, expand the capacity to pursue economic projects.

4. Manage multi-faceted projects on a strategic level.

Most economic opportunities cross different industry sectors and require a mix of public and private investment and ownership. The ability to pursue these opportunities and achieve results is maximized when they are managed at a strategic level—connecting a set of related efforts rather than managing by independent projects.

Managing at the strategic level can be illustrated using the Aging Platform. By themselves, specific projects such as the proposed Institute for the Ages, an effort to enhance clinical trials, or an initiative to develop a training center could be designed and implemented independently. However, when these related projects are brought together under a single strategy, the Institute for the Ages could play a key role in accelerating clinical trials, broker training needs of companies, and promote venues for a conference center. This creates a situation where the whole is greater than the sum of its parts.

5. Establish clear lines of responsibility.

With so many organizations typically involved in each economic project, it has been hard to determine the lines of responsibility and accountability that ultimately move an idea to implementation. We recommend that key strategies or platform areas have defined roles for partners that could be described as:

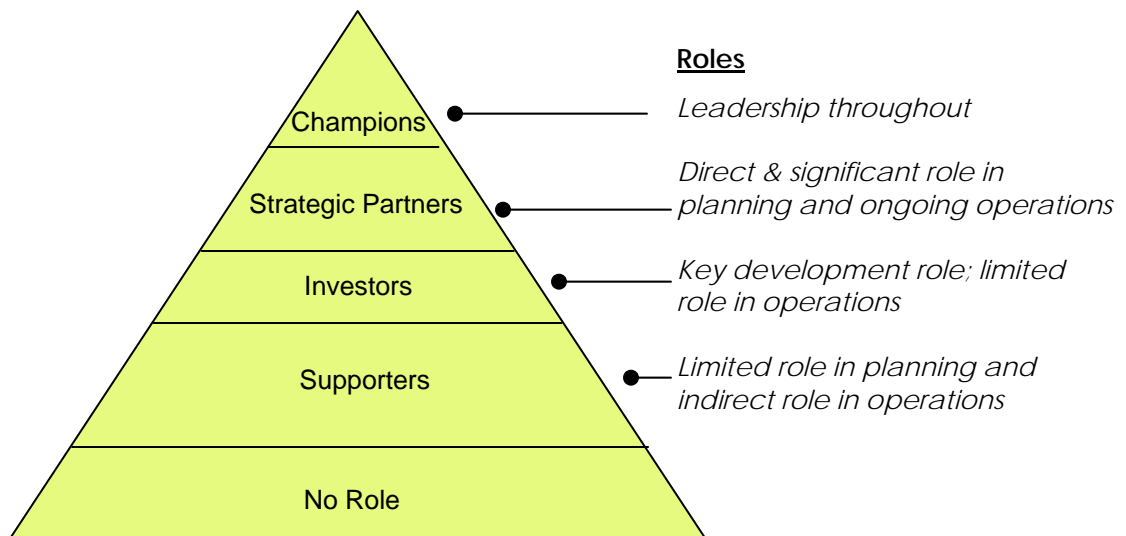
Champion: The organizations or individuals that take overall responsibility for the strategy and have a significant stake in the outcome. The champion would manage the strategy and lead the coordination of partners involved in planning and implementation. This is the point of passion for a strategy—low in numbers, high on leadership. If there are no champions, the likelihood of success is limited.

Strategic Partner: An organization or individual that would have a significant role in the execution and operations of an economic strategy. For example, if a strategy had a significant workforce component, the workforce board and appropriate educational institution would likely be strategic partners.

Investor: An organization that provides resources and investments in terms of funding, facilities, or significant in-kind contributions. Public sector agencies, corporate sponsorships, foundations, and state or federal agencies are typical investors. Most invest in a set of outcomes, yet have a limited role in operations.

Supporter: Organizations and individuals with a limited direct benefit or role, yet they understand the value of the strategy for the community and can assist in indirect ways such as using their organization as an outreach or marketing channel, providing meeting space, supporting events, etc.

No Role: Effectively implementing an economic plan will mean that resources will need to be deliberately applied, and not all organizations can or should participate in all strategies. The county's capacity to move from planning to implementation will mean reserving people's energy and resources for the operational stage. If an organization does not contribute unique value to a strategy, then it should carefully consider its role.



Maximizing Existing Organizational Structures

Sarasota County has significant capacity when it comes to the number of organizations working on economic development issues. Clarifying roles and more effectively utilizing existing structures will help to maximize the contributions of each organization.

The Partners Council

Recently, the EDC formed a Partners Council to enhance the coordination among economic development partners serving the Sarasota region. The Council is currently a mechanism for communication of activities among partners, yet this group provides the basis for managing and overseeing specific aspects of the county's economic plan. The combination of economic organizations, education, and the public sector representation on the council makes it a natural to:

- “Own” the countywide economic development strategic plan, agreeing on the set of goals and committing to work collaboratively toward these goals.
- Develop countywide economic performance metrics, building on the recommendations in this plan.
- Lead multi-faceted economic strategies that incorporate two or more industries or markets such as the aging or design platforms.
- Manage targeted economic strategies where there are multiple committees or interests across different communities, including issues like green jobs, economic gardening, or incentives.

Since the Partners Council consists of multiple organizations, the ability to work in *strategy teams* or committees, tapping the most appropriate expertise as champions, will allow for effective use of time and resources and reduce the duplication of effort that currently exists. Team structures for specific platforms allow the county to strategically engage other organizations (like Mote Marine Laboratory or a certain set of businesses) that offer expertise or would be key partners or investors. Using the roles defined above, teams should be made up of those organizations that are the champions, strategic partners, and investors that drive a strategy.

Since these strategy teams consist of the core expertise surrounding an issue, they are the logical groups to develop recommendations on key activities and resulting performance measures, which would then be vetted with the Partners Council for final agreement. Strategy teams would be responsible for developing and implementing an action plan, securing necessary resources, and participation for each specific platform. Logical strategy teams for this plan would include:

- Aging
- Design
- Sustainable Systems
- Incentives and leveraging of public policies
- Specific workforce initiatives related to needs of industry clusters or sectors

The EDC and Chambers

Not all recommendations of this plan should be managed by the Partners Council. Many efforts have a natural lead organization. The EDC and Chambers are the two types of organizations that would likely lead certain elements of this plan.

Currently, there is overlap between efforts that are typically led by one type of organization or the other. The EDC of Sarasota County occasionally host events typically run by Chambers, and some Chambers are entering innovation-based development activities that are typically aligned with an EDC focus. This is causing confusion in the business community and public sector as to how economic development efforts are being allocated and coordinated. The consulting team recommends that the roles within key economic organization be better defined.

Sarasota County EDC: The EDC is typically the organization with the primary responsibility for the development of value-added industries and innovation-based economic efforts. Another essential role for the EDC is one of developing intelligence about the region's economy and diversification opportunities. This requires constant interface with businesses, as well as ongoing research. This role is very strategic in nature and requires a focused effort that should not be underestimated in terms of its value or its resource requirement.

Specific activities that would typically fall within the responsibility of an EDC include:

Value-added Industry Development

- Business retention and expansion efforts of traded-sector industry clusters such as manufacturing; creative/design; medical/life sciences; professional, technical and environmental services, etc. While these industries are often a part of broader efforts (for example. medical and life sciences' role in the Aging Platform), the basic health and vitality of the industry sector, including the expansion/retention needs of individual businesses within a sector, is typically the domain of an EDC.
- Recruitment and attraction efforts, with active leads coordinated with local chambers
- International and national market development, including trade missions with state and regional partners

Capacity Building

- Innovation-based entrepreneurial development, including development of incubators, Angel capital networks, and related training
- Development of R&D and commercialization efforts with federal agencies, state and regional technology-based economic efforts, universities, and nonprofit research centers

Market Intelligence

- In-depth understanding of what businesses in targeted industries need in order to remain competitive in their market

space and stay in the region. This is done at the cluster and individual business level.

- Research on economic and market opportunities in strategic areas of interest
- Development of customized data and information for rapid response to expansion and recruitment projects and in support of the Partners Council

Chambers: In regions where there is an EDC and Chambers, the Chambers typically provide activities related to:

- Small business development efforts, including the coordination of efforts among small business development centers, outreach and training to small businesses, and economic gardening efforts
- Participation in expansion and attraction projects, usually in cooperation with the EDC
- Identification and resolution of regulatory issues
- “Buy local” and similar efforts to spur spending within the local community
- Identification of and advocacy for transportation and infrastructure development needs
- Image development of the community as a place to do business
- General business networking

Other Partners in Sarasota County: Community nonprofits, educational institutions, real estate associations, downtown associations, and others play a critical role in economic development efforts. For each of the economic objectives/strategies listed in this plan, organizations will need to think critically about what role they can play (champion, strategic partner, investor, supporter, or no role) in the planning and operations of various efforts. It will be important that organizations focus their attention on the strategies where they can add maximum value.

Regional Partners: In addition to economic partners in the county, a number of other partners in neighboring counties and those that represent regional and state interests have a stake in the Sarasota County economy. These organizations include Manatee County and Charlotte County EDC, the Tampa Bay Partnership, the Southwest Florida economic consortium, the Tampa Bay Technology Forum, Florida High Tech Corridor, USF Connects, University of Central Florida, and others.

Because Sarasota County is a part of a broader regional economy, and business resources, labor markets, and other

economic assets cross county boundaries, these organizations bring an array of expertise and access that augment the capacity of groups within the county. Interviews with many of these organizations led to similar responses, summarized in the following paragraphs.

The participation of regional organizations is best when there is a specific role or contribution for them. Ongoing participation in general planning meetings or community summits are not an effective use of their time. Some organizations noted too many planning meetings and not enough action in Sarasota County projects.

Organizations in Sarasota County need to take a more proactive role in reaching out to regional partners. This is especially true for universities where we heard "*it's hard for us to know your needs if you are not at the table.*" However, there was also a word of caution about too many random points of contacts and the need to identify one or two primary points of contact for the county. For instance, the EDC would be the logical point of contact for technology-related organizations and those focusing on the development of industry clusters that align with Sarasota County.

Regional partners are more than willing to participate in efforts where they believe there is mutual benefit and where their contributions add value to the process. This underscores the importance of managing larger efforts at a strategic level where regional resources can be effectively leveraged in one or more related projects.

Regional partners can increase their contribution and effectiveness to economic efforts in Sarasota County when the goals, assets, and desired outcomes of the county's economic strategy are clearly presented to them. Getting the most from marketing efforts, recruitment leads, and other economic opportunities for Sarasota County will mean that Tampa Bay Partnership, High Tech Corridor, Enterprise Florida, and others understand the county's priorities and assets.

It would be helpful if economic organizations in Sarasota County could acquire additional expertise to effectively coordinate with regional partners. This is especially true in innovation and research-based efforts that require experience and understanding of commercialization processes, equity capital business models, and technology infrastructure.



Sarasota County Five-year Economic Development Strategic Plan

A Roadmap to a Robust and Agile Economy

APPENDICES

April 2009

Prepared by:
Scruggs & Associates LLC
in partnership with
IronWolf Community Resources and
RTI International

APPENDIX A: Phase One Report – Economic Profile Community Assessment and Cluster Evaluation

Contents

Section	Page
Introduction	1
Methodology	1
ECONOMIC PROFILE	3
Part I: Demographics.....	3
Population and Labor Force.....	3
Unemployment	3
Age of Population	4
Occupational Distribution	4
Educational Attainment	7
Income	8
Housing-Wage Comparisons	9
Part II: Industry Profile	10
Current Metropolitan Employment	10
Sarasota County Employment	10
Recent Employment Growth by Major Industries.....	11
Employment Growth by Specific Industries	13
Wage Growth	15
Wages by Industry Sectors.....	15
Establishment (Firm) Growth	17
Firm Growth by Major Industry	19
Concentration Of Employment.....	19
Size of Establishments	23
Sole Proprietor (Self-employed) Data	23
PART III: INNOVATION AND COMPETITIVENESS	26
Patent Activity	26
University & Nonprofit Research & Development	26
Export Activity	29
Gross Metropolitan Product.....	29

COMMUNITY ASSESSMENT	31
Introduction	31
Future Economic Vision	32
Assessment of Sarasota County's Economic Assets.....	34
Business Retention, Expansion & Attraction.....	35
Entrepreneurial Development & Innovation	38
Workforce & Education.....	40
Infrastructure & Facilities	42
Business Climate.....	44
Assessment Summary	45
 INDUSTRY CLUSTER EVALUATION	 48
Introduction	48
Medical and Life Sciences	50
Regional Assets	52
Opportunities	55
Health and Wellness <i>Management</i>	56
Applied Environment Services & Sustainable Systems.....	57
Regional Assets	58
Opportunities	59
Digital Media and Web-enabled Technologies	62
Regional Assets	63
Opportunities	64
Creative Services	66
Business Development Needs	68
Expanded Opportunities	68
Specialty Manufacturing Cluster.....	69
Business Development Needs	70

Phase One Report

INTRODUCTION

In September 2008, the consulting team of Scruggs & Associates LLC, IronWolf Community Resources, and RTI International were chosen to update the county's economic development plan. The project was to be conducted in three major phases: Phase One would provide a community assessment to identify strengths, gaps and general opportunities. Phase Two would identify a specific set of opportunities for economic diversification, and Phase Three would develop these opportunities into a strategic plan to be completed in the Spring of 2009.

The Sarasota County's current five-year economic development plan focuses on strengthening the capacity to diversify the job and industry base through more focused attention on value-added or high wage industries, entrepreneurial development, and business climate issues. While conversations in the past five years included diversification, the steady growth of existing segments such as construction and tourism drew community attention away from the need for a more varied array of businesses.

As effort toward updating the five-year plan begins, a slumping economy accelerated by the credit crisis and a very stagnant real estate market signals serious times ahead. These factors and a desire by the community to create a more diversified and stable economy have galvanized the county to work toward a five-year plan with action items that are specific, directed and measurable.

Methodology

The **Phase One Report** for the updated economic development strategic plan contains three sections: an assessment of the county and regional economic assets, a quantitative economic profile, and an update on high impact industry groups (e.g. industry clusters). Together, these three methods of evaluation create a foundation of information by which economic strategies can be developed and benchmarked.

Section A: Economic Profile

This economic profile summarizes recent industry and employment changes and trends to provide insights on growth patterns of business sectors and occupations. Most employment, wage, and demographic data contained in this report came from federal and state government sources including the Bureau of Labor Statistics, Bureau of Economic Analysis, Census Bureau, National Realtors Association, and the Florida Agency for Workforce Innovation. For growth trends, the report uses 2002 as the baseline year and 2007 as the most recent data. Exceptions to this time series are noted. The profile is divided into three parts:

Part I: Demographic and business climate information that supports the growth of the overall economy and targeted industry clusters including data on the labor force, population, and housing affordability.

Part II: Overall economic and industry measures including employment, wage, and establishment figures by major and specific industry segments. Information on concentrations of employment for various industries

Part III: Measures of innovation and competitiveness including research and development activity and assets, export activity, and Gross Metropolitan Product.

Section B: Community Assessment

This section summarizes the economic strengths and weaknesses as viewed by community and business leaders in the county. The community input began in late September 2008 with the consultant team conducting more than 70 individual and group interviews. The information collected in the personal interviews defined topics and directions for an Internet-based survey that was sent to various businesses and community organizations throughout the county. More than 450 validated responses were evaluated to understand the community's perception of its current economic condition and the capacity for building a strong economy over the next five years.

Section C: Industry Clusters

This section contains an assessment of the county's industry clusters including recommendations for modification, identification of key assets, data on the past five-year performance, and suggestions for promising economic opportunities. Economic data from Bureau of Labor Statistics and the Florida Agency for Workforce Innovation were used to assess performance; information from interviews, the survey, and secondary research was used to identify assets and gaps, and technical staff at RTI International provided recommendations for business development.

AN ECONOMIC PROFILE OF SARASOTA COUNTY

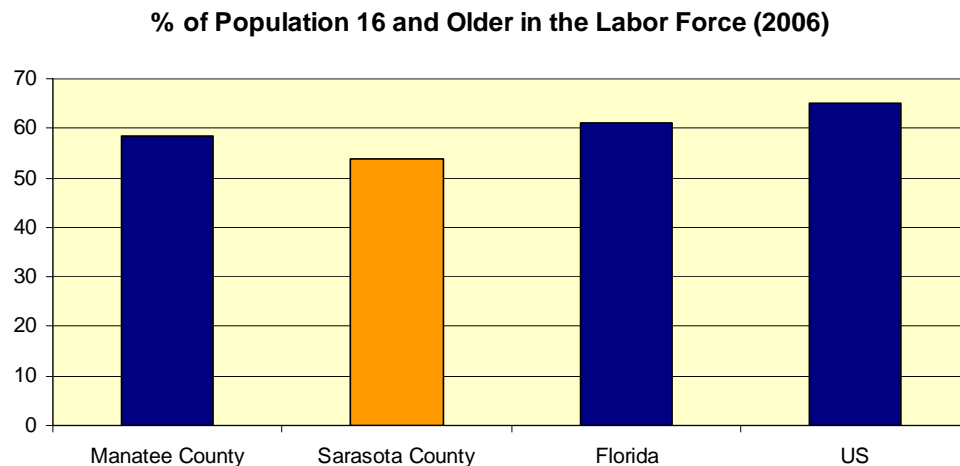
THIS SECTION OF THE REPORT PRESENTS ECONOMIC DATA ON THE COUNTY'S WORKFORCE AND INDUSTRIES, AS WELL AS FACTORS THAT SUPPORT COMPETITIVENESS AND INNOVATION. IN MOST CASES COUNTY DATA IS COMPARED TO STATE AND NATIONAL AVERAGES TO UNDERSTAND THE RELATIVE STRENGTH OF THE REGION'S ECONOMY.

PART I: DEMOGRAPHICS

Population and Labor Force

Population estimates for 2007 indicate that approximately 372,073 people – about 2% of the state's population – live in Sarasota County. Of that population, an estimated 178,448 residents are in the labor force. Compared to other regions, a smaller percentage of the population participates in the labor force, which can be seen as by employers as limiting the availability of workers.

Figure 1: Labor Force Participation Rates



Source: U.S. Census Bureau

Unemployment

For many years, Sarasota County enjoyed below average unemployment rates with businesses worried about finding new workers. In the past two years, however, unemployment has crept above state and U.S. averages. 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.

Figure 2: Recent Unemployment Figures

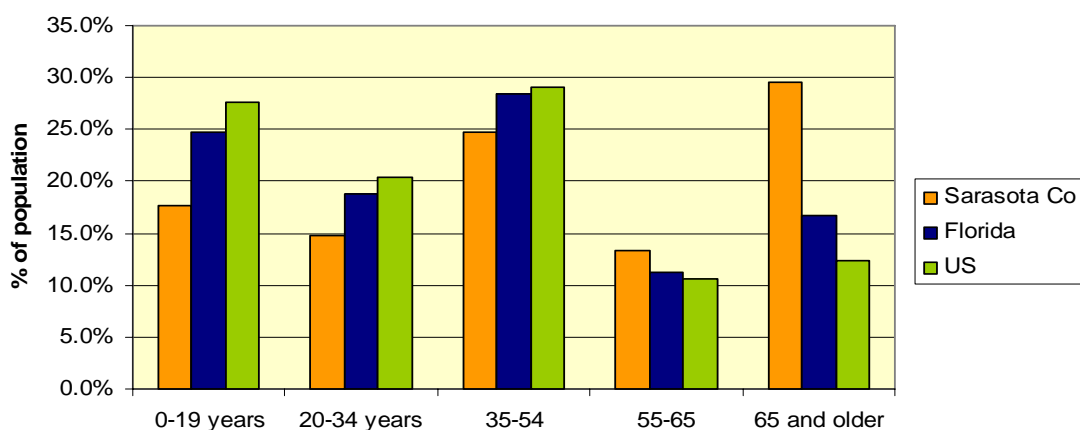
	SEPTEMBER 2008			SEPTEMBER 2007		
	LABOR FORCE	EMPLOYMENT	UNEMPLOY. RATE %	LABOR FORCE	EMPLOYMENT	UNEMPLOY. RATE %
HILLSBOROUGH	620,369	578,414	6.8	615,741	588,954	4.4
MANATEE	155,229	143,704	7.4	153,880	147,046	4.4
PASCO	199,788	183,695	8.1	197,339	187,043	5.2
PINELLAS	479,379	447,372	6.7	475,780	455,524	4.3
POLK	272,815	251,394	7.9	271,597	257,483	5.2
SARASOTA	179,906	166,295	7.6	179,379	170,162	5.1
FLORIDA	9,367,0	8,729,000	6.8	9,207,000	8,797,000	4.4
UNITED STATES	154,509,000	145,310,000	6.0	153,400,000	146,448,000	4.5

Source: Florida Agency for Workforce Innovation

Age of Population

The median age in Sarasota County is 49.2 years, compared to 39.8 years for the State of Florida, 42.9 years for Manatee County or 36.4 years for the U.S. The distribution of population, as shown in Figure 3, indicates far fewer school age residents and far more residents 65 years and older.

Figure 3: Distribution of Population By Age



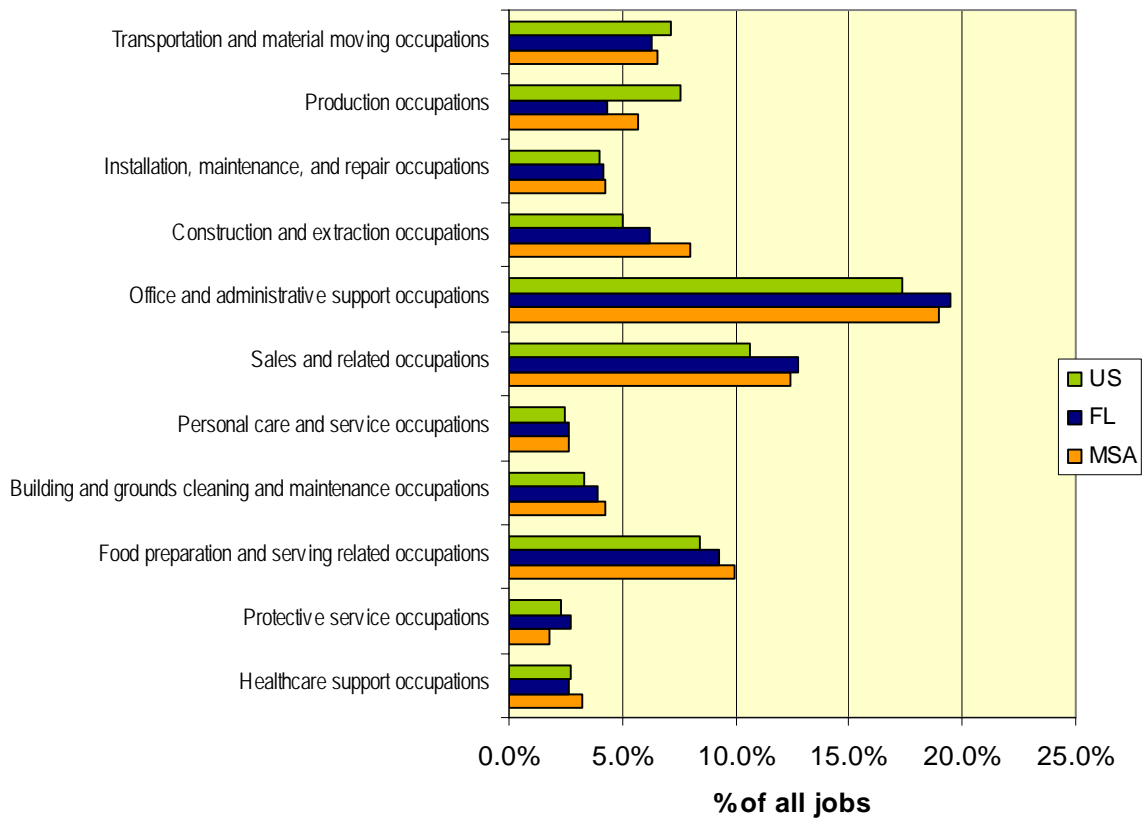
Occupational Distribution

Occupational data describe the jobs in which residents of the metropolitan are employed. Since labor markets are rarely bound by county borders, metropolitan statistics provide a better description of what businesses look for as they expand or relocate. Unlike industry data, the place of employment for occupational data can be located in or outside the region. For the Bradenton-Sarasota MSA,

approximately 73% of residents work and live within the region; 11% commute north to Hillsborough or Pinellas Counties, and 3% commute to Charlotte County.

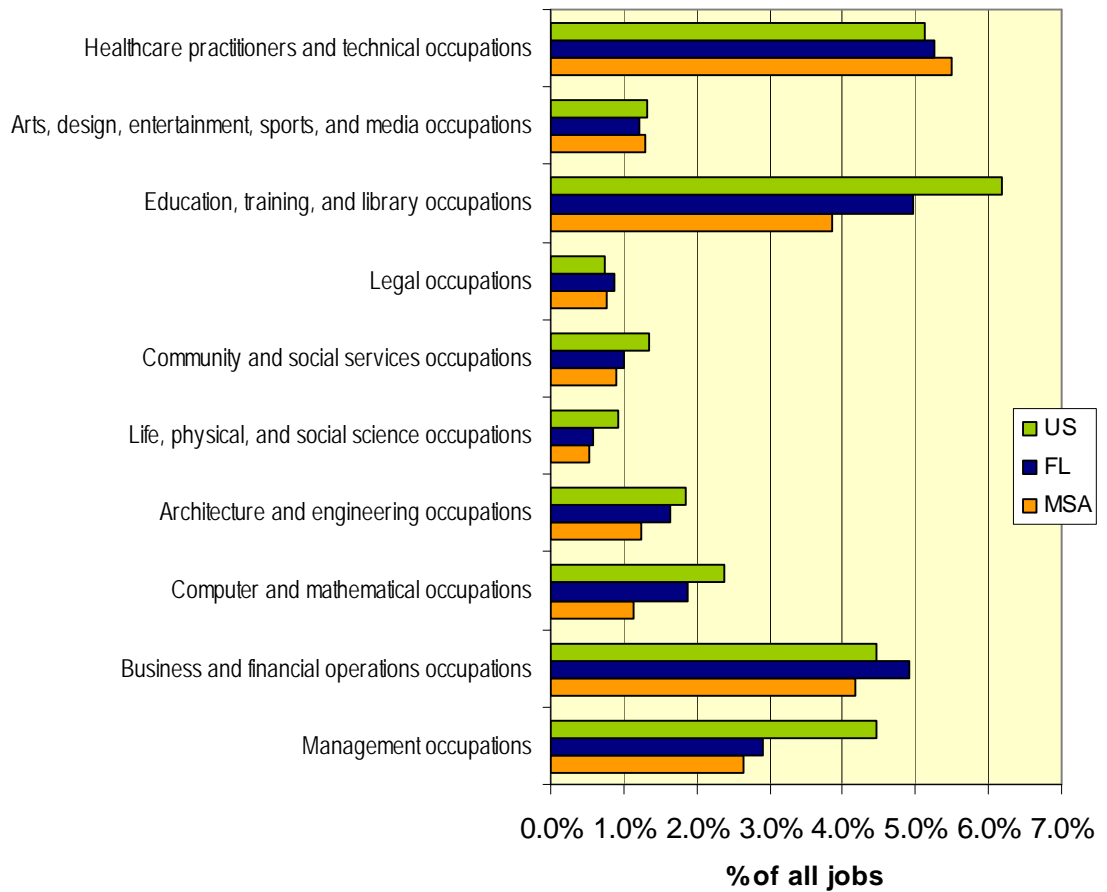
Not surprisingly, working residents of Sarasota County and the metro region tend to be in occupations that support the higher than average concentration of construction and local and retail services including food preparation, office and sales occupations. (Figure 4). Healthcare providers, artists, and legal occupations are the only groups of professional and higher skilled jobs that are more prevalent in the metro region. Compared to the U.S., residents are much less likely to be employed as a computer, engineering, scientific or management occupation. (Figure 5)

Figure 4: Employment Distribution by Occupation: Lower Wage Occupations, Bradenton-Sarasota MSA, 2007



Source: Bureau of Labor Statistics, Occupational Employment Statistics 2007 estimates

Figure 5: Employment Distribution by Occupation: Professional, Technical and Management Occupations, Bradenton-Sarasota MSA, 2007



Source: Bureau of Labor Statistics, Occupational Employment Statistics 2007 estimates

The distribution of occupations often indicates to businesses the level of available workforce. The comparative wages of these occupations also provides insights into the labor market. For some lower-skilled occupations where profit margins are tight, lower wages can be a sign of competitive advantage if other costs of doing business are relatively similar. Yet for higher skilled occupations, especially when cost of doing business or living is on par with U.S. averages, lower wages are often a sign of a less robust or sophisticated workforce. These lower wages become an impediment for attracting young professionals. Figure 6 shows the comparison of regional wages by major occupation group. For those professional occupations where the region has significantly fewer jobs than the national average, wages tend to be much lower.

Figure 6: Occupational Distribution for Sarasota County, Florida and the U.S.

	Mean Annual Wage 2007			% of US Wage
	Sarasota County	Florida	US	
All Occupations (of residents)	\$ 35,640	\$ 37,260	\$ 40,690	88%
Management	\$ 95,640	\$ 98,650	\$ 96,150	99%
Business and financial operations	\$ 54,310	\$ 57,580	\$ 62,410	87%
Computer and mathematical	\$ 57,590	\$ 61,980	\$ 72,190	80%
Architecture and engineering	\$ 55,780	\$ 61,020	\$ 68,880	81%
Life, physical, and social science	\$ 52,820	\$ 54,710	\$ 62,020	85%
Community and social services	\$ 37,610	\$ 39,050	\$ 40,540	93%
Legal	\$ 71,920	\$ 79,120	\$ 88,450	81%
Education, training, and library	\$ 40,610	\$ 46,310	\$ 46,610	87%
Arts, design, entertainment, sports, and media	\$ 44,120	\$ 43,720	\$ 48,410	91%
Healthcare practitioners and technical	\$ 62,230	\$ 62,530	\$ 65,020	96%
Healthcare support	\$ 26,260	\$ 24,980	\$ 25,600	103%
Protective service	\$ 39,430	\$ 35,840	\$ 38,750	102%
Food preparation and serving related	\$ 21,050	\$ 20,070	\$ 19,440	108%
Building and grounds cleaning and maintenance	\$ 22,660	\$ 21,840	\$ 23,560	96%
Personal care and service	\$ 22,990	\$ 23,990	\$ 23,980	96%
Sales and related	\$ 35,220	\$ 35,580	\$ 35,240	100%
Office and administrative support	\$ 28,400	\$ 28,840	\$ 31,200	91%
Farming, fishing, and forestry	\$ 23,070	\$ 20,820	\$ 22,640	102%
Construction and extraction	\$ 34,410	\$ 34,330	\$ 40,620	85%
Installation, maintenance, and repair	\$ 36,500	\$ 36,180	\$ 39,930	91%
Production	\$ 30,520	\$ 28,790	\$ 31,310	97%
Transportation and material moving	\$ 26,390	\$ 28,980	\$ 30,680	86%

Source: Bureau of Labor Statistics, Occupational Employment Statistics 2007 estimates

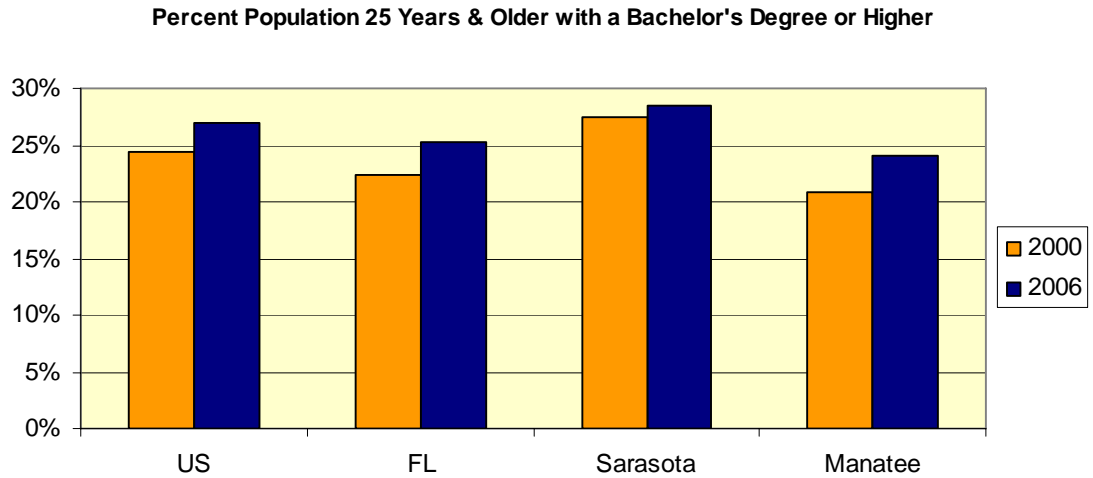
Note: wages in this table represent those earned by residents, which may differ from the average wage paid by industries as shown in Figure 18.

Educational Attainment

A key indicator of the ability to attract well-paying jobs is the education level of an area's workforce, especially the percentage of the population with a bachelor's degree or higher. The percentage of residents over 25 with a bachelor's degree or higher is higher in Sarasota County than it is in Manatee, Florida, or the U.S.

In 2000, it was estimated that 27.4% of the county's population 25 years or older had a bachelor's degree or higher, three percentage points higher than the U.S. average, five points higher than the state average. By 2006, Sarasota County's percentage had increased to 28.4%, yet Florida and the United States had closed the gap significantly. This decreasing advantage for education is witnessed by data that shows the college education level of workers 25-44 in Sarasota County is only 21%, compared to 36% for workers 45-64.

Figure 7: Educational Attainment

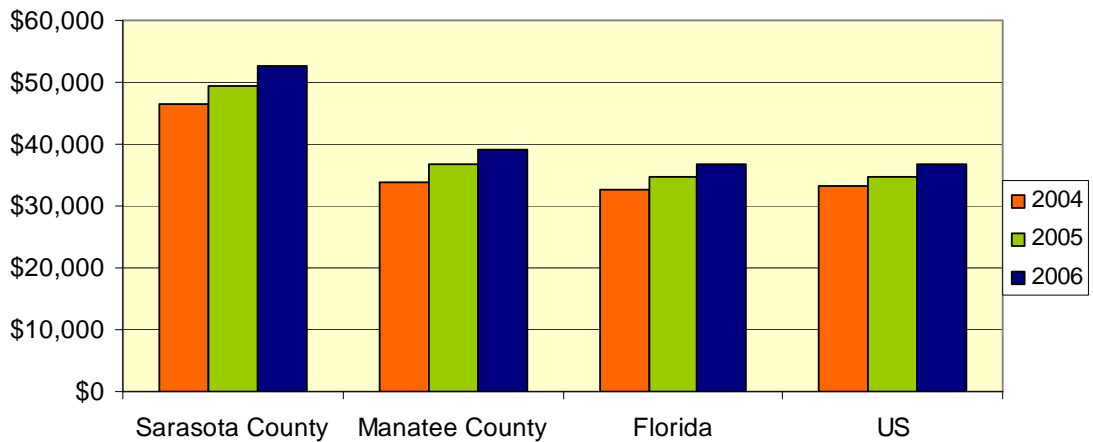


Source: U.S. Census Bureau

Income

Per capita income in Sarasota County continues to be above state and national averages. In 2006, the per capita personal income was more \$52,700, the sixth highest in the state, and well above the \$36,720 income level for Florida.

Figure 8: Per Capita Personal Income, 2004-2006

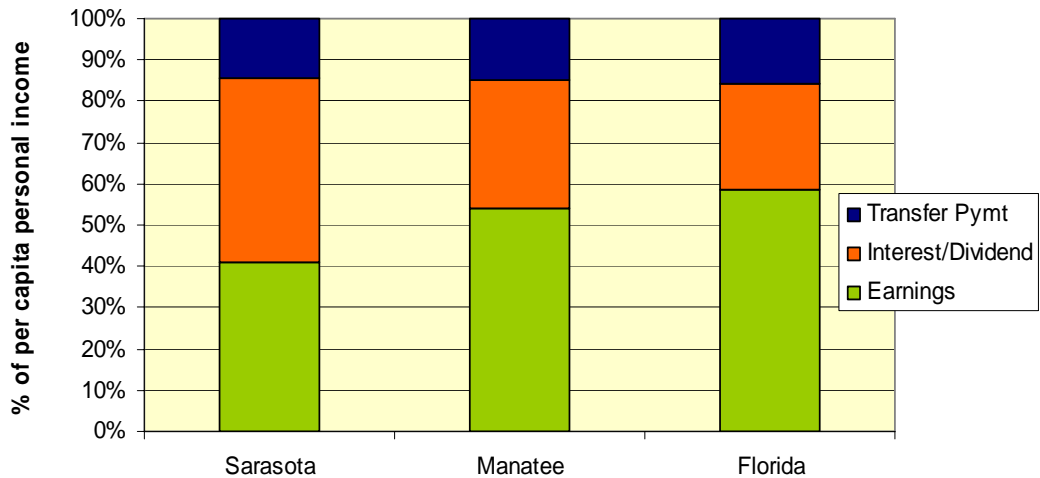


Source: Bureau of Economic Analysis, Bearfacts

While per capita income is higher than average, a larger than average portion of income is derived from investments, dividends and interests (nearly 45%), rather than earnings (41%)¹. Income from earnings is well below the averages in Florida (59%) and neighboring Manatee (54%). This is in contrast to metro regions like Atlanta and Charlotte, where earnings account for nearly 70% of per capita income.

¹ Earning reported for this comparison does not include proprietary income.

Figure 9: Components of Personal Income, 2006



Source: Bureau of Economic Analysis, Bearfacts

Housing-Wage Comparisons

Attraction of traded sector and value-added jobs depends on many factors. One factor is a region's affordability of housing in order to recruit companies and their workers into the area. One such measure compares a region's average price of a single family home compared to the average wage. Since many other regions of the country have housing prices similar to the Bradenton-Sarasota region, it is the average wage that drives affordability.

According to the National Association of Realtors, the price of a single family home in Bradenton-Sarasota-Venice reached an all time high of over \$364,000 in 2005. By the fourth quarter of 2006, the average single family home fell to just over \$300,000 and estimates for 2007 indicate a further decrease to \$263,200. While this was a sharp decrease from housing prices in 2005, it was still significantly higher than the average U.S. metropolitan price of \$205,000.

Comparing competitive metropolitan areas, the Bradenton-Sarasota-Venice region had the lowest average wage, yet the highest housing cost along with Providence, RI. This combination of low wages and high home prices, gave the region the highest housing-wage ratio (the ratio of average home price divided by annual wage).

Figure 10: Housing-Wage Ratios of Metropolitan Regions

	1Q 2008 Avg Single Home Price	Avg Wage	2007 Housing-Wage Ratio
Bradenton-Sarasota MSA, FL	\$262,700	\$36,424	7.2
Atlanta MSA, GA	\$154,000	\$47,840	3.2
Charlotte MSA, NC	\$192,700	\$46,975	4.1
Colorado Springs MSA, CO	\$214,700	\$39,745	5.4
Jacksonville MSA, FL	\$185,700	\$41,437	4.5
Providence MSA, RI	\$262,900	\$40,674	6.5
Tucson MSA, AZ	\$221,000	\$38,524	5.7

Source: National Association of Realtors and the Bureau of Labor Statistics;

PART II: INDUSTRY PROFILE

This section highlights trends in the county's industry base including employment, firm, and wage information.

Current Metropolitan Employment

From September 2007 to September 2008, the two county metropolitan region lost more than 8,000 jobs. The single biggest loss of jobs was in business services—primarily administrative services (e.g., leased employees) where continued changes to reporting by the state have reallocated jobs to other sectors or counties making it difficult to gauge the real level of job loss in this sector. Construction, retail trade and manufacturing combined lost 5,500 jobs in the last 12 months. Financial services experienced a slight decline in employment, while education and leisure and hospitality showed slight gains.

Figure 11: General Overview of Industry Employment in Bradenton-Sarasota MSA

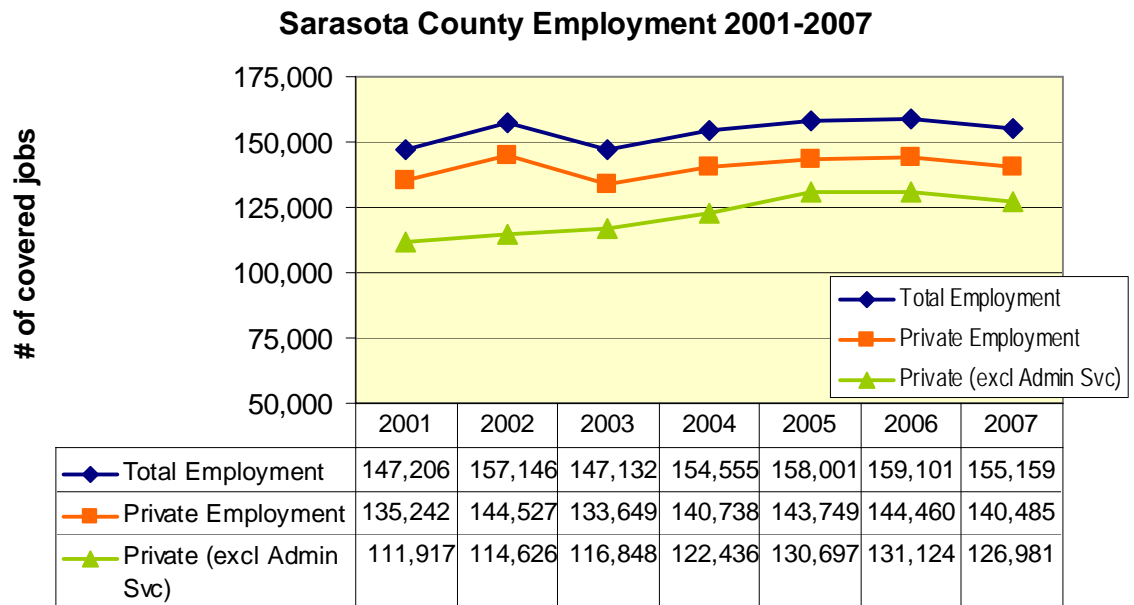
Industry Title	September	September	Sep 2007 - Sep 2008	
	2008	2007	Level	Percent
Total Nonagricultural Employment	285,500	293,600	-8,100	-2.8%
Total Private	255,600	264,400	-8,800	-3.3%
Natural Resources, Mining, and Construction	21,100	24,100	-3,000	-12.4%
Manufacturing	16,200	17,200	-1,000	-5.8%
Trade, Transportation, and Utilities	47,600	49,100	-1,500	-3.1%
Wholesale Trade	8,600	8,500	100	1.2%
Retail Trade	35,700	37,000	-1,300	-3.5%
Transportation, Warehousing, and Utilities	3,300	3,600	-300	-8.3%
Information	4,000	4,100	-100	-2.4%
Financial Activities (Finance, insurance & real estate)	15,600	15,900	-300	-1.9%
Professional and Business Services (Incl. admin svc)	64,400	69,600	-5,200	-7.5%
Education and Health Services	41,500	40,300	1,200	3.0%
Leisure and Hospitality	32,400	31,100	1,300	4.2%
Other Services	12,800	13,000	-200	-1.5%
Total Government	29,900	29,200	700	2.4%

Source: Florida Agency for Workforce Innovation, Labor Market Statistics, QCEW data

Sarasota County Employment

In 2007, Sarasota County reported just over 155,000 jobs, not including estimates for self-employed persons. Approximately 140,485 workers were employed by the private sector, representing a decrease of just under 4,000 jobs from 2006.

Figure 12: Five-year Employment Trend



Source: Florida Agency for Workforce Innovation, Labor Market Statistics, QCEW data

* [Note that in 2002 changes were made to employment reporting within the Administrative Services industry between Sarasota and Manatee counties, reallocating employment in this sector to Manatee County, and to other industries where leased workers were employed. Therefore, the severe drop between 2002 & 2003 reflect changes in reporting more than actual job loss. A more accurate pattern of job growth can be seen when administrative jobs are removed]

When administrative services are removed from job growth calculations, Sarasota County experienced a 10.7% growth rate in covered employed from 2002 to 2007, very similar to Florida’s 11% growth rate, and higher than the 7% growth rate in the U.S. Over the last year though, Sarasota County experienced a more significant decline than the state or nation: with a 2.8% decline in jobs compared to -0.1% for Florida and 1.7% for the U.S. This decline, as expected, came primarily from construction and related industries as the national economic downturn was led by a significant decline in the housing market.

Recent Employment Growth by Major Industries

From 2006 to 2007, more than 95% of the job loss could be accounted for by two sectors, construction and manufacturing. (See Figure 13) Other sectors that declined in employment during the past 12-month reporting period were retail trade (significant job losses in home and garden centers), finance and insurance, information services, and professional and technical services (job losses primarily in architecture and engineering, accounting, and some legal). In the past 12 months employment in healthcare and social assistance, arts and recreation, management of companies, and portions of professional and technical services (design, computer systems, and other scientific and technical services) all increased.

Over a five-year period, all sectors except for manufacturing and information services added jobs. This pattern paralleled national employment trends. As noted above, the unique number of administrative service firms in the two-county area, and changes in data reporting made it difficult to determine actual jobs growth or decline in this sector.

Figure 13: Sarasota County Employment and Employment Growth by Major Industry

Industry Title	2002 Jobs	2006 Jobs	2007 Jobs	12 Month Change	5 Year Change
Agriculture, forestry, fishing and hunting	N/A	336	281	-55	N/A
Construction	11,798	17,935	15,410	-2,525	3,612
Manufacturing	8,460	8,790	7,482	-1,308	-978
Wholesale trade	3,827	4,319	4,217	-102	390
Retail trade	21,555	22,146	21,847	-299	292
Transportation and warehousing	2,220	2,263	2,226	-37	6
Information	2,953	2,930	2,804	-126	-149
Finance and insurance	6,726	7,096	6,780	-316	54
Real estate and rental and leasing	2,789	3,564	3,654	90	865
Professional and technical services	8,070	10,018	9,684	-334	1,614
Management of companies and enterprises	266	677	759	82	493
Administrative and waste services*	29,091	13,336	13,504	168	-15,587
Educational services	1,866	2,230	2,243	13	377
Health care and social assistance	21,694	22,934	23,727	793	2,033
Arts, entertainment, and recreation	4,028	4,464	4,768	304	740
Accommodation and food services	13,459	15,198	15,214	16	1,755

Source: Bureau of Labor Statistics, OCEW data

Figure 14 clearly illustrates the county's recent dependency on construction and related services. Sarasota County, like the state of Florida, benefited greatly from the upswing in construction with a five-year growth rate exceeding the U.S. average. This sector was similarly impacted by the downturn, where job loss was greater than U.S. rates. Yet, over a five-year period, the growth in this sector remains positive. While manufacturing employment in the county dropped dramatically in the past 12 months, five-year employment trends were still slightly better than national averages.

There is a set of industries that lost jobs in Sarasota County while the state and U.S. gained jobs between 2006 and 2007. These include wholesale trade, retail trade, transportation and distribution, and portions of professional and technical services. On the other hand, Sarasota County outperformed the state and U.S. in short- and long-term job growth in management of companies, arts and recreation and education services.

Figure 14: Job Growth Rates

Industry Title	12 Month Growth Rate			5 Year Growth Rate		
	Sarasota Co	Florida	USA	Sarasota Co	Florida	USA
Total, All Industries	-2.5%	-0.1%	1.1%	-1.3%	10.9%	5.6%
Agriculture, forestry, fishing and hunting	-16.4%	-2.6%	0.4%	--	-8.3%	0.7%
Construction	-14.1%	-6.5%	0.5%	30.6%	38.2%	-3.1%
Manufacturing	-14.9%	-3.5%	-0.5%	-11.6%	-4.5%	-20.5%
Wholesale trade	-2.4%	2.8%	1.7%	10.2%	14.5%	6.6%
Retail trade	-1.4%	0.2%	0.9%	1.4%	9.0%	3.3%
Transportation and warehousing	-1.6%	0.5%	1.5%	0.3%	4.4%	4.3%
Information	-4.3%	-3.3%	-0.3%	-5.0%	-9.0%	-9.4%
Finance and insurance	-4.5%	-0.3%	-0.2%	0.8%	13.3%	5.5%
Real estate and rental and leasing	2.5%	-2.7%	-0.1%	31.0%	14.9%	5.7%
Professional and technical services	-3.3%	0.8%	3.2%	20.0%	20.7%	14.3%
Management of companies and enterprises	12.1%	7.1%	3.0%	185.3%	22.6%	8.5%
Administrative and waste services	1.3%	-4.4%	1.1%	-53.6%	1.1%	10.5%
Educational services	0.6%	1.6%	1.6%	20.2%	9.1%	7.0%
Health care and social assistance	3.5%	3.6%	2.9%	9.4%	16.0%	12.3%
Arts, entertainment, and recreation	6.8%	4.0%	2.7%	18.4%	13.1%	8.8%
Accommodation and food services	0.1%	2.5%	2.3%	13.0%	17.1%	11.8%

Source: Florida Agency for Workforce Innovation, Labor Market Statistics, QCEW data

Employment Growth by Specific Industries

Further insight is provided into employment trends by looking at a more detailed list of industry sectors in Figure 15. Examining the 10 sectors that added the most jobs during the past five years:

- ◆ Three sectors were in professional, management and education sectors;
- ◆ Three sectors were in construction and real estate;
- ◆ Two sectors were in health care; and
- ◆ One sector was in performing arts.

In addition, employment also increased in chemical manufacturing, fabricated metal manufacturing and wholesale of durable goods.

Figure 15: Top Industries by Total Employment Growth

NAICS	Industry Title	2002 Jobs	2006 Jobs	2007 Jobs	12 Month Change	2002-07 Change	2002-07 Growth Rate
238	Specialty trade contractors	8,502	12,705	10,574	-2131	2,072	24%
621	Ambulatory health care services	7,940	9,548	9,592	44	1,652	21%
541	Professional and technical services	8,071	10,020	9,648	-372	1,577	20%
711	Performing arts and spectator sports	760	1,892	2,118	226	1,358	179%
236	Construction of buildings	2,066	3,743	3,376	-367	1,310	63%
531	Real estate	2,053	2,924	2,959	35	906	44%
623	Nursing and residential care facilities	5,220	5,451	6,023	572	803	15%
441	Motor vehicle and parts dealers	2,775	3,420	3,402	-18	627	23%
551	Management of companies and enterprises	266	711	760	49	494	186%
611	Educational services	1,189	1,417	1,552	135	363	31%
423	Merchant wholesalers, durable goods	2,134	2,549	2,481	-68	347	16%
444	Building material and garden supply stores	1,569	2,140	1,884	-256	315	20%
325	Chemical manufacturing	50	324	342	18	292	584%
452	General merchandise stores	2,980	3,142	3,212	70	232	8%
237	Heavy and civil engineering construction	1,247	1,477	1,473	-4	226	18%
522	Credit intermediation and related activities	2,725	3,071	2,948	-123	223	8%
332	Fabricated metal product manufacturing	2,271	2,937	2,488	-449	217	10%
721	Accommodation	2,353	2,611	2,569	-42	216	9%
524	Insurance carriers and related activities	2,551	2,782	2,755	-27	204	8%

Source: Florida Agency for Workforce Innovation, Labor Market Statistics, QCEW data

High Growth Industries: Figure 16 highlights industries that grew employment at a rate higher than 25% since 2002. The top three sectors in overall employment growth were chemical manufacturing, management of companies and enterprises, and performing arts and spectator sports.

Figure 16: Industries with the High Growth Rate of Employment (100 jobs or more)

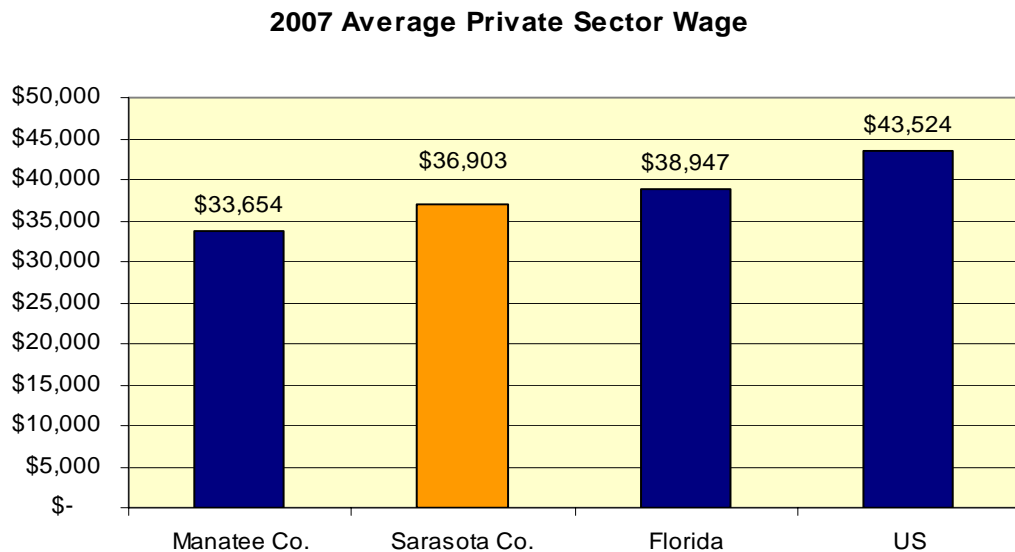
NAICS	Industry Title	2002 Jobs	2006 Jobs	2007 Jobs	12 month change	2002-07 Change	2002-07 Growth Rate
325	Chemical manufacturing	50	324	342	18	292	584%
551	Management of companies & enterprises	266	711	760	49	494	186%
711	Performing arts and spectator sports	760	1,892	2,118	226	1,358	179%
562	Waste management & remediation svcs	234	485	394	-91	160	68%
236	Construction of buildings	2,066	3,743	3,376	-367	1,310	63%
531	Real estate	2,053	2,924	2,959	35	906	44%
485	Transit and ground passenger transportation	78	109	104	-5	26	33%
611	Educational services	1,189	1,417	1,552	135	363	31%
448	Clothing and clothing accessories stores	1,659	2,092	2,158	66	499	30%
323	Printing and related support activities	381	491	476	-15	95	25%

Source: Florida Agency for Workforce Innovation, Labor Market Statistics, QCEW data

Wage Growth

The average annual Sarasota County wage in 2007 was **\$37,767**, representing a modest increase of just under \$400 from 2006. Private sector wages averaged \$36,903 in 2007, below state and national averages, as shown in Figure 17.

Figure 17: Comparison of Private Sector Wages



Source: Bureau of Labor Statistics, QCEW data

Wages by Industry Sectors

Five-year growth in county wages outpaced state and U.S. averages. From 2002-2007 Sarasota County wages increased by more than 29%, while Florida wages grew by 22% and the U.S. increased wages by 19%. Yet from 2006 to 2007, the modest increase in wages of less than 1% in Sarasota County was far less than a 3% increase in Florida wages and a 2.6% increase in U.S. covered wages.

While wages grew in all sectors over a five-year period, several industry sectors (primarily those with significant job loss) experienced a decline in wages during the past 12 months. These sectors included manufacturing, information services, and real estate.

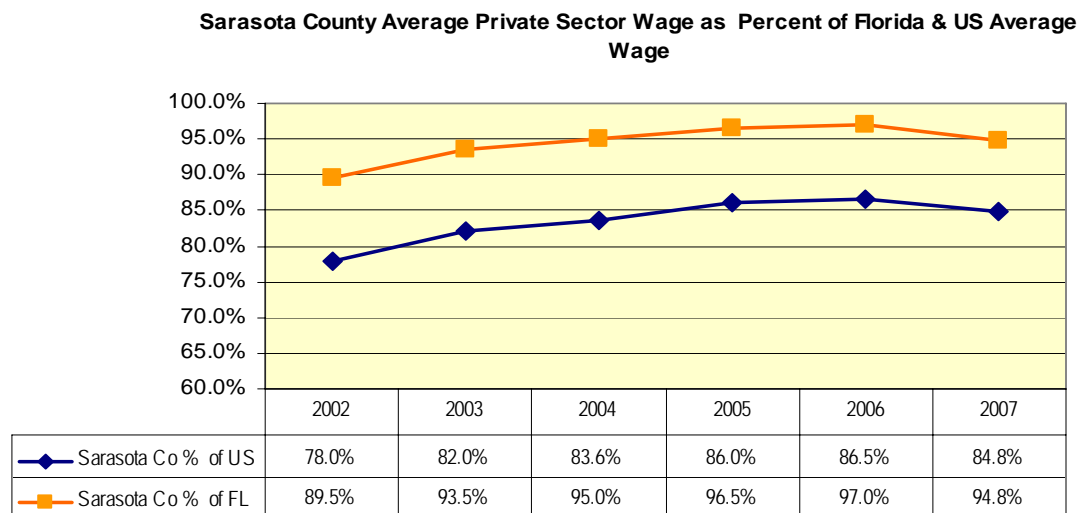
Figure 18: Sarasota County Annual Wage and Wage Growth by Major Industry

	2002 Avg. Annual Wage	2006 Avg. Annual Wage	2007 Avg. Annual Wage	12 Month Change	2002-07 Change
Total, All Industries	\$29,273	\$37,376	\$37,767	\$391	\$8,494
Agriculture, Forestry, Fishing & Hunting	\$21,874	\$26,026	\$28,615	\$2,589	\$6,741
Utilities	\$44,751	\$69,887	\$73,506	\$3,619	\$28,755
Construction	\$32,172	\$38,905	\$40,083	\$1,178	\$7,911
Manufacturing	\$34,906	\$45,620	\$40,990	-\$4,630	\$6,084
Wholesale Trade	\$42,028	\$47,403	\$47,865	\$462	\$5,837
Retail Trade	\$23,845	\$27,827	\$27,773	-\$54	\$3,928
Transportation/Distribution	\$32,317	\$40,539	\$39,784	-\$755	\$7,467
Information	\$43,179	\$61,499	\$56,492	-\$5,007	\$13,313
Finance and Insurance	\$55,851	\$73,103	\$73,157	\$54	\$17,306
Real Estate and Rental and Leasing	\$25,377	\$34,715	\$32,806	-\$1,909	\$7,429
Professional, Scientific & Tech Services	\$44,405	\$52,105	\$55,166	\$3,061	\$10,761
Management of Companies & Enterprises	\$55,741	\$64,186	\$80,229	\$16,043	\$24,488
Admin & Support & Waste Mgmt.	\$19,835	\$26,391	\$27,834	\$1,443	\$7,999
Educational Services	\$36,245	\$41,174	\$42,790	\$1,616	\$6,545
Health Care and Social Assistance	\$34,283	\$39,993	\$40,814	\$821	\$6,531
Arts, Entertainment, and Recreation	\$18,829	\$25,353	\$26,128	\$775	\$7,299
Accommodation and Food Services	\$14,573	\$18,394	\$18,692	\$298	\$4,119
Other Services	\$20,368	\$24,478	\$24,807	\$329	\$4,439
Public Administration	\$36,796	\$45,127	\$46,939	\$1,812	\$10,143

Source: Florida Agency for Workforce Innovation, Labor Market Statistics, QCEW data

Even with steady growth in wages over the past five years, Sarasota County wages remain well below the national average, and have recently begun to lose ground as illustrated in Figure 19.

Figure 19: Comparison of County Wage to State and U.S. Averages



Source: Bureau of Labor Statistics

Lower than average wages can be correlated to the large number of jobs in administrative services, retail, and tourism related industries as well as the compensation levels of traded sector industries in areas such as manufacturing, wholesale trade or professional services that pay only 75 to 90% of the wages paid to their counterparts elsewhere in the U.S.

Figure 20: Sarasota County Average Annual Wage of Industries Compared to U.S.

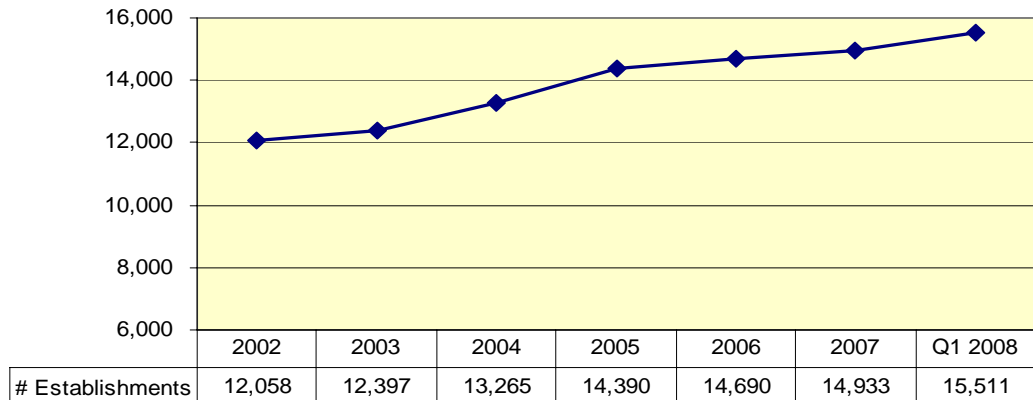
	% of Sarasota Co. Employment	Sarasota Co. 2007 Avg. Annual Wage	US 2007 Avg. Annual Wage	Ratio Sarasota Co/US Wage
NAICS 62 Health care and social assistance	16.89%	\$40,814	\$40,686	100%
NAICS 44-45 Retail trade	15.55%	\$27,773	\$26,124	106%
NAICS 23 Construction	10.97%	\$40,083	\$46,784	86%
NAICS 72 Accommodation and food services	10.83%	\$18,692	\$16,363	114%
NAICS 56 Administrative and waste services	9.61%	\$27,834	\$30,897	90%
NAICS 54 Professional and technical services	6.89%	\$55,166	\$72,033	77%
NAICS 31-33 Manufacturing	5.33%	\$40,990	\$53,489	77%
NAICS 52 Finance and insurance	4.83%	\$73,157	\$84,952	86%
NAICS 81 Other services, except public administration	4.63%	\$24,807	\$27,970	89%
NAICS 71 Arts, entertainment, and recreation	3.39%	\$26,128	\$30,909	85%
NAICS 42 Wholesale trade	3.00%	\$47,865	\$60,719	79%
NAICS 53 Real estate and rental and leasing	2.60%	\$32,806	\$43,449	76%
NAICS 51 Information	2.00%	\$56,492	\$69,140	82%
NAICS 61 Educational services	1.10%	\$42,790	\$39,485	108%
NAICS 48-49 Transportation and warehousing	1.07%	\$39,784	\$42,615	93%
NAICS 55 Management of companies and enterprises	0.54%	\$80,229	\$95,519	84%
NAICS 22 Utilities	0.41%	\$73,506	\$82,275	89%
NAICS 11 Agriculture, forestry, fishing and hunting	0.20%	\$28,615	\$25,191	114%

Source: Florida Agency for Workforce Innovation, Labor Market Statistics, QCEW data

Establishment (Firm) Growth

Figure 21 shows the growth in number of establishments in Sarasota County since 2002. Average annual growth was strong over the period. Growth peaked in 2004 and 2005, with growth rates of 7.0% and 8.5%, respectively, over the previous years. Establishment growth has since stabilized, closer to 2% annually in 2006 and 2007.

Figure 21: Private Sector Establishment Growth, 2001-2008



Source: Florida Agency for Workforce Innovation

While growth in jobs was highly correlated to the housing market, growth in firms were even more skewed toward construction and related industries. From 2002 to 2007, the state and county added more than 60% more construction companies, compared to just over 12% for the U.S. With the growth in construction jobs approximately 30% for the same time period, most of these new firms were small establishments. The same pattern of firm growth exceeding job growth holds true for financial services and real estate. Professional and technical services grew the number of firms at the same rate it grew jobs, while growth new establishments in management of companies was more than double U.S. averages for the past five years.

Figure 22: Firm Growth Rates

Industry Title	12 Month Growth Rate			5 Year Growth Rate		
	Sarasota Co	Florida	USA	Sarasota Co	Florida	USA
Total, All Industries	1.7%	3.5%	2.1%	23.7%	26.8%	10.7%
Agriculture, forestry, fishing and hunting	-5.1%	1.4%	-0.6%	N/A	1.6%	-5.1%
Construction	1.8%	5.0%	1.7%	60.1%	65.5%	12.4%
Manufacturing	1.2%	1.0%	-0.4%	0.2%	-0.3%	-6.6%
Wholesale trade	1.4%	3.8%	1.9%	9.6%	17.6%	7.4%
Retail trade	0.3%	2.3%	0.5%	3.8%	11.5%	0.8%
Transportation and warehousing	7.0%	8.8%	6.2%	17.2%	25.8%	10.8%
Information	2.7%	-3.4%	0.1%	5.6%	7.9%	-3.6%
Finance and insurance	2.6%	5.1%	2.5%	37.9%	43.5%	16.6%
Real estate and rental and leasing	0.1%	2.0%	2.2%	65.6%	59.6%	19.1%
Professional and technical services	2.6%	4.1%	3.1%	24.3%	32.2%	14.4%
Management of companies and enterprises	17.6%	15.6%	6.3%	63.3%	69.0%	29.4%
Administrative and waste services	2.5%	5.0%	4.2%	20.7%	29.6%	13.2%
Educational services	8.0%	6.0%	3.1%	37.8%	34.7%	19.6%
Health care and social assistance	2.2%	4.1%	3.0%	15.0%	22.4%	15.6%
Arts, entertainment, and recreation	-2.6%	4.4%	1.8%	7.5%	35.9%	14.4%
Accommodation and food services	4.9%	4.6%	2.4%	18.3%	22.8%	11.3%

Firm Growth by Major Industry

Sarasota County has steadily been adding firms to the county since 2002; this growth is mostly driven by construction, real estate, professional and technical services and finance and insurance as illustrated in Figure 23.

Figure 23: Sarasota County Establishment Growth by Major Industry

Industry Title	2002 Firms	2006 Firms	2007 Firms	12 Month Change	5 Year Change
Total, All Industries	12,150	14,780	15,031	251	2,881
Agriculture, forestry, fishing and hunting	0	59	56	-3	56
Construction	1,613	2,536	2,582	46	969
Specialty trade contractors	1,162	1,768	1,726	-42	564
Construction of buildings	383	667	685	18	302
Manufacturing	434	430	435	5	1
Chemical manufacturing	11	18	19	1	8
Wholesale trade	655	708	718	10	63
Electronic markets and agents and brokers	120	186	200	14	80
Retail trade	1,637	1,694	1,699	5	62
Transportation and warehousing	169	185	198	13	29
Information	178	183	188	5	10
Finance and insurance	680	914	938	24	258
Credit intermediation and related activities	245	343	363	20	118
Securities, commodity contracts, investments	153	268	253	-15	100
Insurance carriers and related activities	272	311	313	2	41
Real estate and rental and leasing	631	1,044	1,045	1	414
Real estate	535	964	937	-27	402
Professional and technical services	1,582	1,918	1,967	49	385
Management of companies and enterprises	49	68	80	12	31
Administrative and waste services	942	1,109	1,137	28	195
Administrative and support services	929	1,099	1,115	16	186
Educational services	98	125	135	10	37
Health care and social assistance	1,184	1,333	1,362	29	178
Ambulatory health care services	1,000	1,153	1,174	21	174
Arts, entertainment, and recreation	212	234	228	-6	16
Accommodation and food services	682	769	807	38	125

Source: Florida Agency for Workforce Innovation, Labor Market Statistics, QCEW data

Concentration Of Employment

A primary determinant for industry competitiveness is the concentration of employment, or location quotient (LQ). The location quotient is defined as the regional concentration of employment for a specific industry compared to the average concentration of employment for that industry in the U.S. Industries with a concentration the same as the U.S. have a LQ of 1.0; those with regional concentrations greater than the U.S. have LQs greater than 1.0; and those with lower than average concentrations have LQs less than 1.0.

As shown in Figure 24, Sarasota County appears to be highly concentrated in a few selected industries with employment in other sectors having lower than average concentrations of services. Performing arts and spectator sports, specialty trade contractors and nursing and residential care facilities, and membership organizations were the top four industries in terms of employment concentrations. Performing arts and spectator sports had at least two times the Florida average in concentration of jobs with most of these being concentrated in Sarasota County (not the MSA). Traded sector industries with a higher than average employment concentration include fabricated metal product manufacturing, publishing, nonmetallic mineral product manufacturing, and professional and technical services.

Figure 24: Industries with a LQ Greater than 1.0

Industry	Sarasota County Jobs	Sarasota County LQ	Bradenton-Sarasota MSA LQ	FL LO
NAICS 711 Performing arts and spectator sports	2,118	4.23	2.51	1.35
NAICS 238 Specialty trade contractors	10,577	1.78	1.59	1.35
NAICS 623 Nursing and residential care facilities	6,017	1.66	1.33	0.92
NAICS 813 Membership associations and organizations	2,723	1.66	1.28	1.00
NAICS 531 Real estate	2,958	1.61	1.39	1.41
NAICS 442 Furniture and home furnishings stores	1,106	1.57	1.25	1.27
NAICS 236 Construction of buildings	3,374	1.55	1.18	1.19
NAICS 441 Motor vehicle and parts dealers	3,402	1.45	1.26	1.17
NAICS 621 Ambulatory health care services	9,590	1.42	1.27	1.09
NAICS 713 Amusements, gambling, and recreation	2,486	1.42	1.60	1.66
NAICS 453 Miscellaneous store retailers	1,486	1.38	1.09	1.02
NAICS 445 Food and beverage stores	4,671	1.33	1.30	1.13
NAICS 561 Administrative and support services	13,110	1.32	ND	1.58
NAICS 332 Fabricated metal product manufacturing	2,472	1.29	1.15	0.42
NAICS 812 Personal and laundry services	1,990	1.24	1.00	1.04
NAICS 237 Heavy and civil engineering construction	1,460	1.20	1.41	1.26
NAICS 446 Health and personal care stores	1,467	1.20	1.11	1.17
NAICS 448 Clothing and clothing accessories stores	2,182	1.18	1.24	1.22
NAICS 444 Building material and garden supply stores	1,888	1.17	1.08	1.05
NAICS 622 Hospitals	6,407	1.16	0.93	0.90
NAICS 511 Publishing industries, except Internet	1,244	1.12	0.86	0.80
NAICS 721 Accommodation	2,569	1.12	0.85	1.42
NAICS 487 Scenic and sightseeing transportation	39	1.11	0.73	1.49
NAICS 722 Food services and drinking places	12,644	1.08	1.02	1.03
NAICS 523 Securities, commodity contracts, investments	1,128	1.07	0.77	0.80
NAICS 327 Nonmetallic mineral product manufacturing	342	1.06	0.82	0.87
NAICS 712 Museums, historical sites, zoos, and parks	163	1.05	0.71	0.80
NAICS 443 Electronics and appliance stores	690	1.03	0.88	1.12
NAICS 541 Professional and Technical Services	9,683	1.03	0.81	0.99
NAICS 451 Sporting goods, hobby, book music stores	818	1.01	0.96	0.90

Source: Bureau of Labor Statistics

Areas with significant numbers in both jobs and concentration of employment are typically considered to be industries with a comparative advantage in the region. In Sarasota County, these tend to be construction, health care and retail/tourism services, rather than higher-wage industries with significant export activity outside the region.

In contrast, high wage industries including financial services, insurance, professional services, and wholesale trade all have more than 1,000 jobs in Sarasota County yet their concentration of employment is the same or less than elsewhere in the U.S.

Figure 25: LQ of Industries with more than 1,000 jobs, 2007

	Sarasota County Jobs	Sarasota County LQ	Bradenton-Sarasota MSA LQ	FL LQ
NAICS 561 Administrative and support services	13,110	1.32	ND	1.58
NAICS 722 Food services and drinking places	12,644	1.08	1.02	1.03
NAICS 238 Specialty trade contractors	10,577	1.78	1.59	1.35
NAICS 541 Professional and Technical Services	9,683	1.03	0.81	0.99
NAICS 621 Ambulatory health care services	9,590	1.42	1.27	1.09
NAICS 622 Hospitals	6,407	1.16	0.93	0.9
NAICS 623 Nursing and residential care facilities	6,017	1.66	1.33	0.92
NAICS 445 Food and beverage stores	4,671	1.33	1.3	1.13
NAICS 441 Motor vehicle and parts dealers	3,402	1.45	1.26	1.17
NAICS 236 Construction of buildings	3,374	1.55	1.18	1.19
NAICS 452 General merchandise stores	3,212	0.86	0.99	1.02
NAICS 531 Real estate	2,958	1.61	1.39	1.41
NAICS 522 Credit intermediation and related activities	2,946	0.83	0.74	1.08
NAICS 813 Membership associations and organizations	2,723	1.66	1.28	1
NAICS 524 Insurance carriers and related activities	2,644	0.99	0.75	1.03
NAICS 721 Accommodation	2,569	1.12	0.85	1.42
NAICS 713 Amusements, gambling, and recreation	2,486	1.42	1.6	1.66
NAICS 443 Electronics and appliance stores	2,476	1.03	0.88	1.12
NAICS 332 Fabricated metal product manufacturing	2,472	1.29	1.15	0.37
NAICS 448 Clothing and clothing accessories stores	2,182	1.18	1.24	1.22
NAICS 711 Performing arts and spectator sports	2,118	4.23	2.51	1.35
NAICS 812 Personal and laundry services	1,990	1.24	1	1.04
NAICS 444 Building material and garden supply stores	1,888	1.17	1.08	1.05
NAICS 624 Social assistance	1,714	0.61	0.64	0.75
NAICS 611 Educational services	1,552	0.55	0.44	0.77
NAICS 453 Miscellaneous store retailers	1,486	1.38	1.09	1.02
NAICS 446 Health and personal care stores	1,467	1.2	1.11	1.17
NAICS 237 Heavy and civil engineering construction	1,460	1.2	1.41	1.26
NAICS 811 Repair and maintenance	1,430	0.93	0.93	1
NAICS 511 Publishing industries, except Internet	1,244	1.12	0.86	0.8
NAICS 424 Merchant wholesalers, nondurable goods	1,230	0.49	0.65	1
NAICS 523 Securities, commodity contracts, investments	1,128	1.07	0.77	0.8

Source: Bureau of Labor Statistics

Growth in Employment Concentration: Another factor in examining industry trends is the growth in employment concentration over time. The growth in LQ value can represent strengthening of an already established industry or the presence of an emerging industry.

- An array of traded sector services industries increased their employment concentration, which is a positive sign that these high wage jobs are growing in Sarasota County at rates faster than the U.S. average.
- Growth in retail and tourism related industries reflect the growth of the region as a destination point and a location for a “second” home.

Figure 26: Industries with an Increase in Employment Concentration

	2002 LQ	2007 LQ	LQ Change
Creative Services			
NAICS 711 Performing arts and spectator sports	1.49	4.23	2.74
NAICS 515 Broadcasting, except Internet	0.23	0.45	0.22
NAICS 323 Printing and related support activities	0.4	0.62	0.22
NAICS 517 Telecommunications	0.67	0.85	0.18
NAICS 511 Publishing industries, except Internet	.092	1.12	0.2
Health Services, Medical and Life Science			
NAICS 623 Nursing and residential care facilities	1.42	1.66	0.24
NAICS 621 Ambulatory health care services	1.27	1.42	0.15
Manufacturing			
NAICS 325 Chemical manufacturing	0.04	0.32	0.28
NAICS 339 Miscellaneous manufacturing	0.6	0.71	0.11
NAICS 332 Fabricated metal product manufacturing	1.1	1.29	0.19
Construction & Related Industries			
NAICS 236 Construction of buildings	0.98	1.55	0.57
NAICS 531 Real estate	1.13	1.61	0.48
NAICS 237 Heavy and civil engineering construction	1	1.2	0.2
NAICS 238 Specialty trade contractors	1.51	1.78	0.27
Professional & Financial Services			
NAICS 551 Management of companies and enterprises	0.12	0.33	0.21
NAICS 525 Funds, trusts, and other financial vehicles	0.31	0.57	0.26
NAICS 611 Educational services	0.45	0.55	0.1
NAICS 541 Professional and Technical Services	0.9	1.03	0.13
NAICS 524 Insurance carriers and related activities	0.87	0.99	0.12
Retail & Local Services			
NAICS 423 Merchant wholesalers, durable goods	0.53	0.65	0.12
NAICS 441 Motor vehicle and parts dealers	1.1	1.45	0.35
NAICS 442 Furniture and home furnishings stores	1.37	1.57	0.2
NAICS 444 Building material and garden supply stores	1	1.17	0.17
NAICS 448 Clothing and clothing accessories stores	0.94	1.18	0.24
NAICS 721 Accommodation	0.99	1.12	0.13
NAICS 722 Food services and drinking places	0.98	1.08	0.1
Other			
NAICS 562 Waste management and remediation services	0.55	0.9	0.35
NAICS 813 Membership associations and organizations	1.31	1.66	0.35

Source: Bureau of Labor Statistics, QCEW data

Size of Establishments

In 2005, fully two-thirds (66%) of firms in the Bradenton-Sarasota-Venice MSA had four or fewer employees, as compared to 61% of firms nationwide. Nearly a quarter (25%) of employees worked in firms with fewer than 20 employees (as compared to 18% of employees state- and nationwide) and 61% of employees worked in firms with fewer than 500 employees (as compared to 45% of employees in the state and 50% of employees in the U.S.).

While distribution of firms in the 20 employees and fewer categories remained constant at the state and national levels from 2003 to 2005, the trend at the MSA level was toward higher concentrations of employment in smaller firms (all categories under 20 employees).

Figure 27: Size of Firms, Bradenton-Sarasota-Venice MSA, 2003-2005

	Employment Size of Firm							
	0-4	5-9	10-19	<20	20-99	100-499	<500	500+
2003								
Bradenton-Sarasota-Venice, FL								
Establishments	57%	13%	7%	77%	7%	3%	87%	13%
Employment	7%	7%	8%	22%	18%	14%	54%	46%
Annual payroll	8%	6%	7%	22%	18%	14%	53%	47%
2004								
Bradenton-Sarasota-Venice, FL								
Establishments	59%	12%	7%	78%	7%	3%	88%	12%
Employment	8%	7%	8%	22%	18%	15%	56%	44%
Annual payroll	10%	6%	8%	23%	18%	15%	56%	44%
2005								
Bradenton-Sarasota-Venice, FL								
Establishments	60%	12%	7%	78%	6%	3%	88%	12%
Employment	8%	7%	8%	24%	19%	16%	59%	41%
Annual payroll	11%	7%	8%	25%	19%	16%	61%	39%

Source: U.S. Small Business Administration

Sole Proprietor (Self-employed) Data

There were nearly 35,000 non-employer firms² in Sarasota County in 2006, up 2.5% annually since 2003. These firms had receipts of more than \$2 billion in 2006, up 4.6% annually since 2003. Sarasota County has significantly higher numbers of non-employer firms, relative to population, than other counties in the region, Florida, and the U.S. – Sarasota County's sole proprietorship per capita rate is 9.4%; the next county (Pinellas) lags two percentage points behind; and the U.S. rate is 7.0%.

² As defined by the US Census, a non-employer firm is one that has no paid employees, has annual business receipts of \$1,000 or more (\$1 or more in the construction industries), and is subject to federal income taxes. Most non-employers are self-employed individuals operating very small unincorporated businesses, which may or may not be the owner's principal source of income.

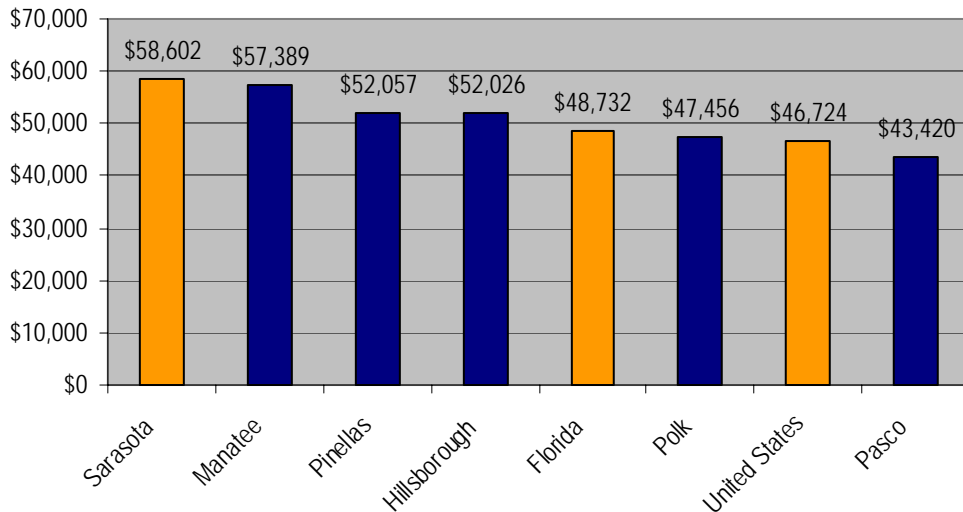
Figure 28: Non-employer Statistics, 2003-2006

Sarasota County	2003	2006	Annual Growth Rate
Nonemployer Firms	32,263	34,735	2.5%
Receipts (\$000)	1,779,974	2,035,553	4.6%
Receipts/Proprietor	\$55,171	\$58,602	2.0%
Manatee County			
Nonemployer Firms	18,802	22,478	6.1%
Receipts (\$000)	1,012,706	1,289,986	8.4%
Receipts/Proprietor	\$53,862	\$57,389	2.1%
Hillsborough County			
Nonemployer Firms	67,816	84,418	7.6%
Receipts (\$000)	3,353,966	4,391,894	9.4%
Receipts/Proprietor	\$49,457	\$52,026	1.7%
Pasco County			
Nonemployer Firms	23,682	29,114	7.1%
Receipts (\$000)	974,004	1,264,128	9.1%
Receipts/Proprietor	\$41,128	\$43,420	1.8%
Pinellas County			
Nonemployer Firms	63,860	69,594	2.9%
Receipts (\$000)	3,137,569	3,622,866	4.9%
Receipts/Proprietor	\$49,132	\$52,057	1.9%
Polk County			
Nonemployer Firms	26,391	32,989	7.7%
Receipts (\$000)	1,169,734	1,565,540	10.2%
Receipts/Proprietor	\$44,323	\$47,456	2.3%
Florida			
Nonemployer Firms	1,272,863	1,523,250	6.2%
Receipts (\$000)	57,484,918	74,230,278	8.9%
Receipts/Proprietor	\$45,162	\$48,732	2.6%
United States			
Nonemployer Firms	18,649,114	20,768,555	3.7%
Receipts (\$000)	829,819,228	970,384,137	5.4%
Receipts/Proprietor	\$44,496	\$46,724	1.6%

Source: U.S. Census Bureau

Sarasota County non-employer firms had the highest receipts per proprietor of the six-county region for all years 2003 to 2006. The County's 2006 receipts per proprietor (\$58,600) were 20% and 25% higher than the receipts/proprietor for Florida and the U.S., respectively. Growth in both number of sole proprietorships and receipts appear to be slowing as compared to the other counties. Accordingly, the county's proportion of Florida's sole proprietorships has declined from 2003 to 2006.

Figure 29: Receipts per Proprietor, Nonemployer Establishments, 2003-2006



Source: U.S. Census Bureau

Of the top ten industries (at the 3-digit NAICS level) for the self-employed, only two – real estate and specialty trade contractors were associated with the county's traditional core industries. Rounding out the top five sectors were professional, scientific, & technical services; ambulatory health care services; and performing arts, spectator sports, & related industries. The specialty trade contractors had the highest receipts per proprietor (\$71,300) followed by real estate (\$67,800) and ambulatory health care services (\$60,300).

Figure 30: Top Ten Industries for Non-Employer Firms, Sarasota County, 2006

	Non-Employer Firms	Receipts	Receipts/ proprietor
Real estate	6,356	431,011	\$67,812
Professional, scientific, & technical services	4,859	257,837	\$53,064
Specialty trade contractors	3,295	234,949	\$71,305
Personal & laundry services	3,203	103,060	\$32,176
Administrative & support services	2,590	104,103	\$40,194
Ambulatory health care services	1,733	104,433	\$60,261
Performing arts, spectator sports, & related industries	1,549	39,047	\$25,208
Repair & maintenance	1,270	64,102	\$50,474
Non-store retailers	1,064	34,333	\$32,268
Insurance carriers & related activities	820	43,359	\$52,877

Source: U.S. Census Bureau

PART III: INNOVATION AND COMPETITIVENESS

Patent Activity

In 2007, 13 Sarasota County-based companies applied for 23 patents and six companies received 10 patents. Since 2002, patent applications have increased in Sarasota County, while U.S. trends show a solid decline (See Figure 32). The number of patents issued to Sarasota County assignees, on the other hand, has decreased over the same time period (See Figure 31).

Figure 31: Patent Applications

Assignee Location	2002 Patent Apps	2006 Patents Apps	2007 Patents Apps	12 Month Change	5 Year Change
Sarasota County	2	14	23	9	21
Florida	230	932	676	-256	446
USA	245802	278197	205365	-72832	-40437

Figure 32: Patents Issued

Assignee Location	2002 Patents	2006 Patents	2007 Patents	12 Month Change	5 Year Change
Sarasota County	33	8	10	2	-23
Florida	1754	545	270	-275	-1484
USA	214,859	62,669	24,726	-37,943	-190,133

Of the 10 issued patents issued in 2007, more than half were for flexible pouches assigned to Pouch Pac Innovations/PPI Technologies and were all sourced to the same inventor. Other patents included innovations relating to boats, a salon hair comb, and a tool light. In addition to Pouch Pac, xG Technology, Inc. was the other significant company applying for patents in Sarasota County in 2007. Patent applications covered a broader array of innovations such as lighting, saw filters and modulated radio frequency.

In 2006, the marine and medical related industries generated most of the patents issued. Specific concepts included radars, motors, water/soil remediation, optics and lenses and products for muscle disorders. Patent applications related to motors, radars, medical devices and flexible pouches.

University & Nonprofit Research & Development

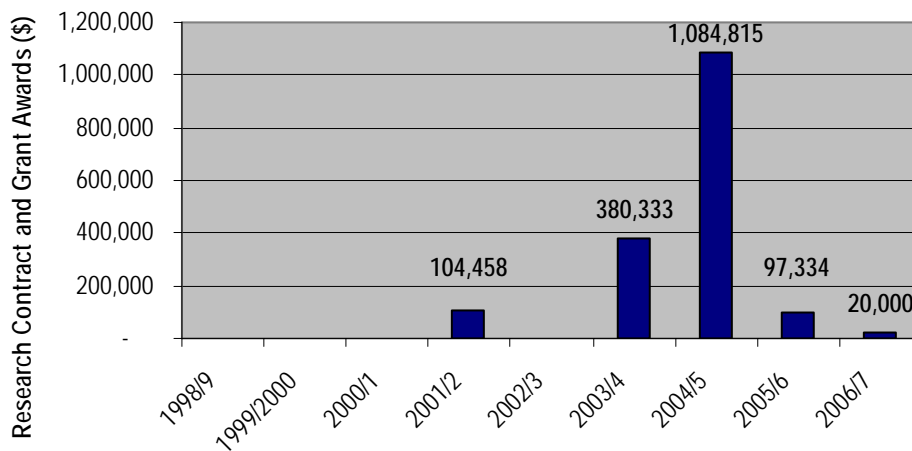
A region's research and development institutions are a key source of knowledge and innovation, introducing new products and technologies into the marketplace, and creating new businesses. A region's ability to connect its industry base to research is rapidly becoming a key economic strategy.

Sarasota County is home to **Mote Marine Laboratory**, one of the world's few remaining independent marine research laboratories. The non-profit organization has a budget of more than \$23 million, funded through federal, state and local grants and by private donors and foundations. Research is distributed among

seven centers, including the Center for Aquaculture Research and Development, which develops systems and techniques to produce high-value marine and freshwater fish and invertebrates. The Center has an existing commercial demonstration site on 200 acres on Fruitville Road and plans for additional demonstration sites in the County. Research at Mote's Center for Ecotoxicology encompasses Florida red tide and chemical pollution and their effects, and has produced monitoring and warning technologies with potential commercial application.

The **Sarasota-Manatee campus of USF** serves more than 3,500 students annually with 42 academic programs. Research at the local campus (the trend of which is shown in the graph below) has historically been very limited to basic social and education research, but that research is expanding to include some small-scale technology-based research. Two relatively small information technologies (IT) research projects are pending funding through the National Science Foundation: \$93,000 to explore ways to improve the teaching of online programming courses; and \$169,000 to fund a collaborative effort among Florida educational institutions on information security programs.

Figure 33: Research Contract and Grant Awards, USF Sarasota-Manatee Campus, 1998-2007



New College is an independent public honors college that was ranked fourth nationwide among public liberal arts colleges in U.S. News & World Report's America's Best Colleges in 2008. New College's undergraduate programs have a strong emphasis on applied research. Students at New College work with research organizations and businesses in marine sciences (at the college's Pritzker Marine Biology Research Center), neurobiology, and applied mathematics, and also partner with companies for projects in creative arts, social sciences and urban planning. While large-scale commercialized research is not a part of New College, the presence of students with research experience can contribute directly to the ongoing development of a skilled workforce.

Florida's university system, with its state-funded Centers of Excellence, along with private non-profit research institutions provides a number of research strengths with connections to industries in the Sarasota County region.

University of South Florida (USF) had over \$265 million in research expenditures in 2006, executed 21 new licenses, applied for 88 patents, and was issued 29 patents. USF has more than 95 state-approved centers and institutes, including 14 in the engineering and mathematics fields, 16 in medicine and life sciences, and 9 in public health. The USF Connect program seeks to link the university's research resources with industry through its incubator, research park, entrepreneurial services and related efforts.

University of Central Florida obtained more than \$120 million in research awards in 2007, with a large portion of research focused on engineering and material applications, optics, and solar energy. In 2006, UCF executed 17 new licenses and applied for 30 new patents. The commercialization of this research is accelerated by the UCF Technology Incubator, the National Entrepreneur Center, the Orange County Venture Lab, and the Technology Entrepreneurship Center.

University of Florida's research awards total a record \$518.8 million, placing UF among the nation's leading institutions. More than \$270 million of that total was for health-related research through efforts such as the McKnight Brain Institute, Genetics Institute and throughout the six colleges of the Health Science Center. In 2006, UF executed 73 licenses, applied for 124 patents, and was issued 78 patents.

Figure 34: Selected R&D Assets in the Broader Region

USF	University of Florida
Biomolecular Identification and Targeted Therapeutics	Florida Institute for Sustainable Energy
Center for Research in Healthcare Systems and Policies	Center of Excellence for Regenerative Health Biotechnology
Center for Applied Research in Medical Devices	Nanoscience Institute for Medical and Engineering Technology
Center for Environmental/Occupational Risk Analysis & Management	Water Institute
Clean Energy Research Center	Center for the Arts in Healthcare
Wireless/RF Characterization Laboratory Institute for Marine Remote Sensing	Interdisciplinary Center for Biotechnology Research
Nanotechnology Research Center	Center for Food-Drug Interaction
Rehabilitation Engineering & Technology	Center for Exercise Science
Suncoast Alzheimer's & Gerontology Center	Institute on Aging
UCF	Brooks Center for Rehabilitation Studies
Advanced Materials Processing and Analysis Center	Center for Renewable Chemicals and Fuels
Siemens Center of Excellence	Center for Vision, Graphics, and Medical Imaging
Institute for Simulation and Training	Non-profit research institutions
Center for Research and Education in Optics and Lasers	Burnham Institute for Medical Research, Orlando
Solar Energy Center	Johnnie B. Byrd Alzheimer's Center & Research Institute,
Center for Lifestyle Medicine	Moffitt Cancer Center & Research Institute, Tampa
NanoScience Technology Center	SRI International, Tampa
Biomolecular Science Center	Roskamp Institute
Consortium for Research and Education in Arts & Technology	
Stormwater Management Academy	

Export Activity

As shown in the table below, the Bradenton-Sarasota MSA lags significantly behind comparable metro areas in terms of export value per capita. Its exports per capita in 2005 and 2006 represented only 60% of the next-ranked metro area, Jacksonville, and a mere 18% of the value per capita of the highest-ranked MSA among the comparable areas used here, Colorado Springs.

Figure 35: Export Value per Capita, Bradenton-Sarasota and Comparable MSAs, 2005-2007

	2005	2006	First Half 2007
Bradenton-Sarasota-Venice, FL	\$573	\$674	\$473
Atlanta, GA	\$2,232	\$2,222	\$1,133
Charlotte, NC	\$2,707	\$2,639	\$1,237
Colorado Springs, CO	\$3,339	\$3,697	\$1,521
Jacksonville, FL	\$961	\$1,131	\$661
Providence, RI	\$1,656	\$2,047	\$1,145
Tucson, AZ	\$3,252	\$3,433	\$1,345
United States	\$3,056	\$3,472	\$1,856

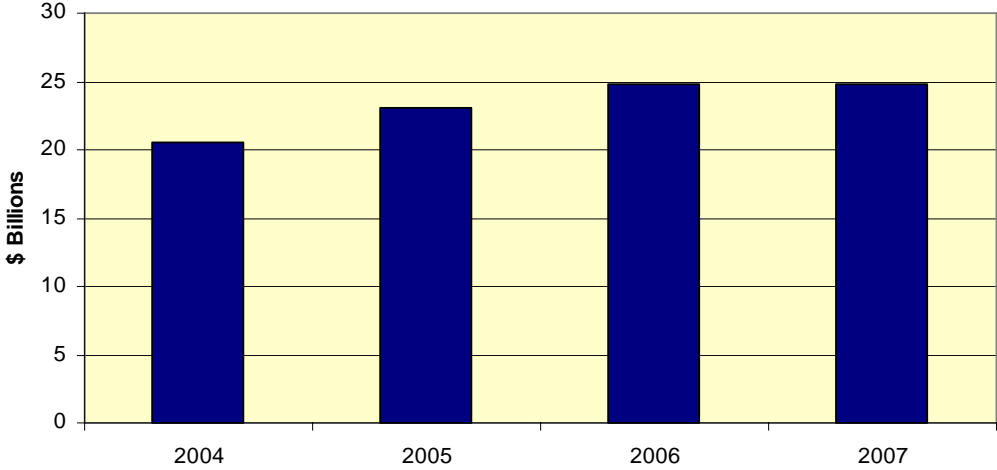
Gross Metropolitan Product

The Gross Metropolitan Product (GMP) measures the total value of goods and services produced in a region. Global Insights, an international consulting firm, publishes a GMP comparison each year for the Conference of Mayors. From 1995 to 2005, Bradenton-Sarasota GMP had been growing steadily with an annual growth rate that ranked in the top 10 of all major metro regions. However, the decline in the housing market and construction sector has had a significant impact on regions like the Bradenton-Sarasota MSA and other Florida markets where the value of real estate rose rapidly then declined at equally sharp rates. This dependency on construction and real estate has resulted in declines of real output and has influenced overall GMP growth.

In 2007, the region's GMP was approximately \$24.8 billion with 2008 estimates indicating a decrease in GMP of \$266 million. In 2002, the Bradenton-Sarasota region's GMP per capita was \$29,990. By 2005, it had increased 25% to over \$37,535 per person. In 2007, however, GMP per capita fell to \$36,319, reflecting the decline in overall output of the region.

The graph below illustrates the region's GMP growth between 2004 and 2007.

Figure 36: Gross Metropolitan Product, Bradenton-Sarasota MSA, 2004-2007



Source: Global Insights, June 2008

SECTION B: Community Assessment

THIS SECTION REFLECTS THE COMMUNITY INPUT SOUGHT IN THE FALL OF 2008 THROUGH 70 INTERVIEWS AND A SURVEY OF BUSINESS AND COMMUNITY LEADERS THAT PRODUCED MORE THAN 450 RESPONSES. THIS SECTION INCLUDES INPUT AS TO THE DESIRED DIRECTION OF THE COUNTY'S ECONOMY AND AN ASSESSMENT OF VARIOUS ECONOMIC FACTORS THAT WILL PLAY A ROLE IN DIVERSIFICATION OF THE COUNTY'S JOB BASE – A GOAL SET FORTH BY THE EDC, TO REDUCE ECONOMIC DEPENDENCE ON ONLY ONE OR TWO SECTORS OF THE ECONOMY.

INTRODUCTION

The updated five-year plan for [the Economic Development Corporation of Sarasota County](#) (EDC) is being formulated in a tumultuous economic time. The gravity of the economic situation lends a degree of urgency to the development of a plan that is based in the realities of Sarasota County and calls for business and community leaders to undertake difficult tasks and make tough decisions.

There have been notable accomplishments in economic development over the past several years, due in large part to the continuing collaboration of public and private sector entities and individuals. The willingness of diverse groups to convene and focus on matters of common interest is valuable, and continues to be a strong asset for the region. Examples of these accomplishments include:

- ◆ A more integrated county-wide approach to economic development through the creation of the EDC's and the Partners Council.
- ◆ A better understanding of economic development as more than just recruitment, recognizing the need to grow our own businesses and to build on the assets we have in the community.
- ◆ The willingness of partners to think creatively when it comes to the retention of existing traded sector businesses.
- ◆ A more regional approach to economic development with stronger relationships with Manatee County, Tampa Bay Partnership and Southwest Florida.

Economic partners have worked together on issues that affect the overall business climate of Sarasota County. In the case of underutilized and/or underserved industrial land, or industrial land being converted to residential or commercial uses, the community evaluated impacts on major employment centers ("MEC") and developed specific recommendations and an action plan to mitigate those impacts. The desire to support local businesses has resulted in programs for area entrepreneurs including "Sarasota One" campaign to foster greater support of local businesses. "Sarasota Tomorrow" is a major milestone in identifying the business climate, infrastructure and marketing issues facing the county's economy.

There have been notable successful business location, retention, and expansion activities that underscore the effective partnerships between industry and education. As part of fostering a positive business climate, the community has decided to celebrate its successes through the “hall of fame” program, to focus attention on local success stories. These accomplishments, while impressive, leave much work to be done.

FUTURE ECONOMIC VISION

In interviews and the survey, people were asked to provide their thoughts on factors that should drive the county’s economic vision for the next five years. There appears to be a fairly established consensus among various stakeholders as to the future focus of an economic vision and resulting set of outcomes. There are five themes consistently used to describe a desired economic direction:

- ◆ Enhancing our ability to compete in a knowledge-based economy,
- ◆ Building an economy that attracts and retains young professionals,
- ◆ Capitalizing on what we have,
- ◆ Growing our own businesses, and
- ◆ Integrating the concept of sustainable development.

Enhancing our ability to compete in a knowledge-based economy

The most common vision of the county’s future economy is one with a diversified set of industries and more knowledge-based jobs that pay above average wages. The county’s higher than average employment concentration in tourism, hospitality, retail and lower skilled health services means that the average wage of a job for residents is far lower than the national average. So in times of an economic downturn, the county’s businesses and workers are hit particularly hard.

There is recognition that the county must increase its share of knowledge or high-impact businesses if average wages are to come in line with housing affordability; if the region wishes to keep young talent; and if the county wishes to maintain a stable tax base. The definitions of knowledge-based industries include manufacturing, high-tech services (software/IT, or digital media), creative services, and environmental and scientific industries including “green” jobs.

Building an economy that attracts and retains young professionals

Another theme for this economic development plan is the need to retain and attract young professionals—ways to keep talented graduates from higher education institutions in the region, encourage young entrepreneurs to start businesses in Sarasota County, and provide adequate career ladder opportunities in existing businesses. While there

are many factors that make communities attractive to younger workers, the primary attractor is simple: jobs or businesses that match their skills and interests.

Attracting and retaining young professionals is directly related to the diversity of industries, especially in technology, media, creative and scientific sectors. In general, the county has a lower percentage of jobs in these sectors, and the jobs that they do have pay only 80 to 90% of the wages found in other metro regions (many of which have lower housing costs). Focusing on the diversification and growth of knowledge-based industries will directly contribute to the vision of attracting and retaining younger workers.

Capitalizing On What We Have

Every community has unique assets that influence the potential impact and benefits of various economic opportunities. Business and community leaders in Sarasota County repeatedly comment on two assets the county should consider and capitalize on in terms of the economic plan. These included: “How do we take the fact that we have an older than average population and turn it into an economic advantage?” and “How do we take our creative assets to the next level and be more than a place for performing arts?”

Conversations about tapping into an older population focus on connecting the business experience and wealth of the population to assist and mentor new businesses or entrepreneurs, and utilizing this population as a market for testing medical and lifestyle products and services.

Ideas for tapping the creative talent center on stronger collaboration with Ringling and other educational institutions with design and technology talent, and using creative thinking and design processes as a tool to help other industries develop better products and services.

Growing Our Own Businesses

Another theme that permeated many conversations, especially with businesses, is the need to provide more assistance to companies already in the community. This is often illustrated in two ways: helping businesses “raise the bar” in terms of competitiveness, and promoting the concept of “economic gardening” or helping what is known as stage II companies (those with 10-100 employees) grow revenues and jobs.

Competitiveness issues range from enhancing the e-marketing skills of small local businesses to providing assistance and incentives for manufacturers to increase productivity, innovation, and market access. It is noted that for high impact industries like manufacturing, medical technologies, or software to be competitive and keep their doors open, they measure success in improved productivity, increased revenues per employees, and other factors that do not equate with job creation as readily as in times past.

In addition to assisting existing businesses, stakeholders identified a complementary theme: strengthening the entrepreneurial culture and cultivating of a climate for starting new businesses. There is recognition that the county and region have multiple resources to assist in starting new ventures yet there is concern about the coordination of these resources and their ability to serve the knowledge-based industries needed for diversification.

Integrating the Concept of Sustainable Development

Throughout interviews and surveys, residents and businesses gave a clear message that sustainable development should be a central focus of the region's future economy. Definitions for this terms range from more green and clean jobs and being more environmentally friendly to a community that integrates environmental and social aspects into their economic system.

While the businesses and residents of Sarasota County have long supported concepts of sustainable development, leaders within the county also note there is still no comprehensive strategy for this issue, nor has the community made any significant investment to move such opportunities forward.

The region should focus on sustainable living-- community and county should have ownership of "sustainability" as a requirement for our quality of life, and the understanding that this approach is economically profitable.

ASSESSMENT OF SARASOTA COUNTY'S ECONOMIC ASSETS

Many economists have noted that most "disruptive" technologies and high-impact opportunities occur in times of economic recession. In many ways, investments made in lean times can have the most significant returns. If out of crisis comes opportunity, then this is the time for county leadership to be proactive and bold.

In addition to general observations at the end of this section, information gathered through interviews, the community survey, and the economic profile are evaluated in five sub-areas:

- ◆ Business retention, expansion and attraction
- ◆ Entrepreneurship and innovation
- ◆ Infrastructure, land and buildings
- ◆ Business climate, including costs of doing business
- ◆ Education and workforce development

Business Retention, Expansion & Attraction

Community input indicates the overall perception that the previous years of good economic growth limited the willingness/ability to focus on diversification strategies. Rapidly increasing real estate prices turned out to be a double-edge sword that has now made commercial and industrial land more expensive than in many other areas. There is also a strong feeling among the community that the local government's slow and burdensome regulatory climate only added to the inability to rapidly seize new job and business opportunities for the region.

The county has some incredible examples of innovative companies such as PGT industries, IntegraClick, Sun Hydraulics, atLarge, FCCI, and Medical Education Technologies, Inc. (METI). There is a budding core of small science and technology companies that seem to operate beneath the radar. For the most part, these success stories have been in the background of most economic conversations, and while the real estate sector is declining, many of these companies continued to grow, due to markets outside the state and nation. What this illustrates is factors that assist small businesses serving local markets do not tend to be the priority for these knowledge-based businesses with broad markets.

Key observations from interviews

The opinions of business and community leaders – obtained through individual and group interviews – are summarized below.

- ◆ There are assets in the region (ranging from educational institutions, to health services, to an older population) which are relatively untapped in terms of economic opportunities.
- ◆ In an era of economic slowdown, there may be too much focus on business recruitment when we need greater emphasis on business retention/expansion.
- ◆ While there appear to be multiple organizations providing support for small businesses, there is a general sense that those efforts are disjointed and uncoordinated.
- ◆ With a recognition that a majority of new jobs will be created by existing businesses, there is an increased interest in “economic gardening” or other focused ways to support and grow businesses that are already located in the county.
- ◆ There is too slow of a pace in providing targeted economic incentives and training programs for capturing local economic opportunities.
- ◆ Elected officials would be well served to visit local companies and research institutions in the region (not just the county) to experience these business operations first hand and understand their needs.
- ◆ The regulatory climate and “lackadaisical” attitude toward business by local government staff is an impediment to business development.

“We need to keep our current businesses strong and encourage them to remain here and do business here. We must not encourage them to leave.”

Representative Responses from the Community Survey

Strengths/Assets	Weaknesses/Gaps
<ul style="list-style-type: none"> ◆ The major strength is far and away the quality of life. Climate, culture, beaches, available financial capital are all combined with a diversity of outdoor activities and access to good restaurants. ◆ Our region enjoys a relatively low tax burden compared to most other areas ◆ We have a close knit business community that works from within to promote synergy. ◆ We are located in a state that is positioned well internationally. ◆ Strengths include a wealthy retired community and the infancy of a core of "creative class" members (tenuous hold, though --). ◆ We have smart, experienced middle and top execs, a great quality of life and a great place to raise a family. ◆ Strengths are our cultural community, highly educated retirees, and good public school system. ◆ Our demographics and the business experience of our retired population could be a strength. ◆ Our residents have higher than average disposable income and investment resources. ◆ We have a diverse transportation infrastructure, including: I-75, SRQ airport, and Port Manatee. ◆ Our region has a reputation for quality in existing businesses (such as Sun Hydraulics, Tervis Tumblers, etc.). ◆ Our proximity to the Tampa and Orlando metro areas is a strength. 	<ul style="list-style-type: none"> ◆ We under-support local entrepreneurs, especially in small business development. ◆ We are too reliant on a single economic sector, i.e., tourism, and only engage in token development of diversified local economy; we need to redirect our thinking toward attracting a diversity of businesses. ◆ There seems to be fragmented economic development messages and efforts. ◆ We lack of a clear vision that we are a place for companies to build their business rather than just a place to entertain because it is a retirement/vacation community. We have the reputation of being a tourist town and geriatric haven. ◆ The region lacks incentives to help existing businesses grow or attract new companies (green jobs) that offer better paying opportunities. ◆ A lack of innovation at the government level is combined with a slow and unfriendly regulatory system and difficulty in changing zoning/land use of property. ◆ The elected officials do not take a primary role in economic develop or appreciate the existing businesses; the red carpet for new and/or existing businesses needs to be put out. ◆ Creative class people, especially young people from racial or ethnic minorities, find few social supports that encourage them to "stick" w/ Sarasota County ◆ We have an imbalanced cost of living; a lack of affordable housing is combined with low wages. ◆ There is a lack of funds for supporting business development at a level that is competitive with other areas. ◆ Old attitudes seem to stymie progress.

Implications for the Updated Economic Development Plan

More attention will need to be paid to business development needs of traded sector companies--An expanded business retention and expansion effort to assist traded sector businesses that already reside in the county. A safety net (i.e., increased technical and financial assistance to help businesses with emergency workforce, facility or other needs) may be required during this extreme economic downturn.

Entrepreneurial Development & Innovation

There is an array of entrepreneurial and small business development services, and data indicates a fairly active start-up environment. Yet the employment growth of these businesses appears to be relatively low, indicating a large percentage of lifestyle businesses rather than businesses with high growth potential. The significant population of retired and semi-retired professionals could be tapped to provide mentoring and temporary services to start-ups.

Compared to other regions, the innovation capacity in the county is lacking. There are few incubators/accelerators where new and growing businesses can access capital resources and technical assistance. There is a lack of research and development activity that could provide the basis for additional high wage businesses. To a large extent, this disconnect seems to be related to the view that assets in Tampa and Orlando are not part of the region.

Key Observations from Interviews

The opinions of business and community leaders – obtained through individual and group interviews – are summarized below.

- ◆ The region has an abundance of retired and semi-retired executives that can be an incredible asset to new businesses and young entrepreneurs- - “We need to stop talking about it and figure out how to tap this resource!”
- ◆ There is growing recognition about the need to grow more knowledge and technology-based businesses in the county. There is little formalized effort to create connections between businesses/entrepreneurs and research institutions. Partnering with USF Connects and UCF Venture Lab could bring opportunities to Sarasota County.
- ◆ There is no central location (and a lack of start-up facilities) that serves as a hub for new knowledge-based companies. There is a split opinion as to the need for a brick-and-mortar incubator as opposed to a virtual incubator/accelerator; however, there is a unanimous opinion that MORE must be done, however that may be accomplished.
- ◆ The region would benefit from having research institutes such as the proposed Sarasota Institute for the Ages, and more needs to be done to develop these opportunities.
- ◆ There is an array of assistance available for entrepreneurs/small business, yet most interviews noted that “programs exist but they are uncoordinated or disjointed” and “programs exist but no one knows about them.”
- ◆ There is a split opinion on the availability of equity and start-up capital for entrepreneurs in science and technology sectors – the general consensus is that the community lacks adequate venture funding, while executives in local tech companies note a fairly active angel and venture community that, for obvious reasons, keeps a low profile.
- ◆ The community should highlight and celebrate successful local entrepreneurs; the EDC’s awards program is a good start; engage local

press to feature unique and successful locally-grown science and technology businesses.

Representative Responses from the Community Survey

Strengths/Assets	Weaknesses/Gaps
<ul style="list-style-type: none"> ◆ We have untapped talents and a great knowledge base in our retired and semi-retired citizens, many of whom are successful entrepreneurs, who might be willing to mentor and encourage new businesses. ◆ There is potential for wealthy residents to act as angel investors. ◆ We have great creative people and institutional resources such as Ringling College of Art + Design. Yet, we need to apply more hard core business savvy and capital to support and inspire new startup enterprises. ◆ There are great resources available: such as SBDC, SCORE, YES!, the university, Suncoast Workforce Board, EDC and chambers of commerce ◆ There is untapped potential in University of South Florida, Ringling College and Art + Design, New College, and MCC ◆ We can play off a core of innovative firms that are already here. (e.g. Sun Hydraulics) 	<ul style="list-style-type: none"> ◆ There is a lack of a unified vision and defined policies that can help drive entrepreneurship. ◆ There does not appear to be a fully developed network that brings all the resources of the mega region together to be accessed by our entrepreneurial businesses. ◆ We don't take advantage of the knowledge base we have. We focus too much on low-skill, low-wage jobs. ◆ There are inadequate incubator facilities, no significant industrial or technology parks, and no tax advantages to attract high value manufacturing and/or technology companies. ◆ The region lacks adequate venture and early stage development capital to fund growing and emerging companies. There are few financial incentives to start high wage companies. ◆ A problem is a lack of connections with research institutions spinning off commercially viable discoveries and inventions. ◆ There is a lack of development of a green technology corridor; there is no "go-to" center for science/technology and associated research such as the Schoenbaum Center for human services.

Implications for the Updated Economic Development Plan

Entrepreneurial resources will likely require strengthening in two areas: enhanced coordination and cross-promotion among various service providers, and expanded capabilities to serve science and technology-based companies (including environmentally focused businesses).

The county's desire to stimulate the innovation that supports economic opportunities will require a more regional orientation, connecting with assets to

the north and south. Relationships with Universities of South Florida and Central Florida, nonprofit institutions like Moffitt and SRI, the Tampa Bay Technology Forum, and Florida Venture Forum will need to be established or strengthened, as well as deliberately connected to growing industry sectors.

Workforce & Education

The overall number and quality of educational institutions in the region is seen as one of the community's greatest assets for economic development. While the educational institutions are viewed as strong, there were also suggestions to enhance the connection between employers and the education system, especially in areas such as internships and incumbent worker training.

While data shows the overall college educational attainment rate higher than the US average, it is concentrated in people over 45 years of age, while workers 25-44 have a much lower than average educational attainment level. There is wide concern that the focus on upgrading the skills of the existing workforce is not sufficient to be competitive with other regions. While the community college and technical institutes have quality training programs, there is a sense that more programs will be needed, especially to support technically-oriented jobs.

Key Observations from Interviews

The opinions of business and community leaders – obtained through individual and group interviews – are summarized below.

- ◆ The training/retraining of the existing workforce is consistently identified as one area that needed be enhanced.
- ◆ There is a feeling that business and education have not identified workforce training needs on a community level; rather, individual institutions are left on their own to identify and develop specific training needs as they arise. It is also noted that these schools (Manatee Community College in particular) have worked hard to foster good relations with the regional business community, and are responsive with their curricula and programs.
- ◆ Educational institutions noted that it is difficult to get local businesses to participate in internship programs, and therefore many internship opportunities (as well as follow-on employment options) were out of the region.
- ◆ Relatively low wages are an obstacle to retaining the talent being produced by the educational institutions; combine lower wages with relatively high housing costs and it is very difficult to attract/keep the younger workers that “everyone wants.”
- ◆ There is an acknowledgment that research is being commercialized at various institutions (e.g., USF and Mote), yet people were unsure how to tap into this opportunity.

“If a town can't provide an area where young people can afford to rent or buy a first home, then they lose the entry level labor that most business needs as a workforce. In other words our shortcoming is a young and trainable workforce can't afford to live here!”

- ◆ Progress is being made on connecting K-12 with post-secondary education to create a more seamless transition from high school to various ongoing training and education options.
- ◆ Like many other regions, student and adult interest in apprenticeship trades and technical vocations is decreasing, which is puts additional pressure on industries employing these workers.

Representative Responses from the Community Survey

Strengths/Assets	Weaknesses/Gaps
<ul style="list-style-type: none"> ◆ We enjoy a variety of public and private educational opportunities, especially for a community this size (USF, New College, Ringling, MCC, SCTI, etc.) ◆ The post-secondary system is very involved in economic and workforce development efforts ◆ There are unique educational institutions like Ringling School of Art + Design which are not found in many other areas. ◆ A strong community college system (MCC) is combined with technical institutes. ◆ There is a young work force in South County, especially in North Port. ◆ We have higher than average education levels of residents. ◆ There are excellent relationships between K-12 and tech institutes and community college & universities--willingness to be at the table and then take the feedback to enhance learning outcomes. ◆ Citizen support for education. The residents continually vote their tax dollars to have a quality school system. 	<ul style="list-style-type: none"> ◆ It is tough to recruit people to area because of low wages and high cost of living. Wages are just not competitive. ◆ We don't have the availability of skilled labor, and there is not enough training for existing workers to move into better paying jobs. ◆ The bad economy has caused cuts in business budgets and funds to offer the training opportunities to the employees. There is a lack of local tax credits for investing in training. ◆ There is poor promotion of our many education institutions, so many businesses do not know about available training programs ◆ There is a need for more high-end technical education in the engineering, technical trades, and healthcare fields. ◆ Attracting students to technical institutes is difficult, and affects the quality of technical and trades education. We need a unified strategy between employers and education.

Implications for the Updated Economic Development Plan

The need to upgrade the skills and education level of the existing workforce will likely increase, especially as unemployment rates remain high and industry budgets for training are temporarily cut. Creative ways to leverage private resources, public assistance and incentives to expand this retooling effort will be warranted.

The efforts of workforce and economic development agencies will need to be more fully coordinated, especially at the strategic level. Workforce considerations should be a part of industry cluster strategies, and efforts like internship programs that connect young talent to employment possibility within the region will help to retain talent and build the base of skilled workers.

Infrastructure & Facilities

In terms of infrastructure and facilities, several points were repeated throughout the community input phase. Costs and availability of industrial and commercial land is a concern, and while the economic downturn has somewhat mitigated the price pressure on business properties, it is still relatively expensive (as is the cost of utilities compared to other regions). The overall lack of appropriately zoned and serviced locations for non-retail businesses is viewed as a major constraint.

Since developable land is scarce and expensive, there is a strong interest in promoting redevelopment and infill, especially in an environmentally friendly way, and with public policy and incentives. Redevelopment is also seen as a way to enhance mass transit that is lacking in many areas. In lieu of a strong redevelopment focus complete with incentives, the community will experience further development “sprawl” (characterized by inefficient planning, expensive infrastructure investments, and congestion).

Investments in community development do not appear to be well connected to economic development strategies, and because of this, the full economic potential of public investments is not being realized. An oft-repeated example is the public sector’s desire to grow “green jobs” without the supporting investment in facilities that would serve as a center or hub for such jobs.

Key observations from interviews

The opinions of business and community leaders – obtained through individual and group interviews – are summarized below.

- ◆ There is widespread skepticism about whether there is an adequate supply of appropriately zoned and served land and/or buildings in the county to match the desire for industry diversification and expansion.
- ◆ The housing boom has strained infrastructure of all kinds (roads and utilities); the community is challenged as to how to make “good investments” in infrastructure that will support economic development while dealing with alternative demands for projects and funds.
- ◆ The electric utilities are seen to be relatively disengaged in economic development activities in the county; if the “green/clean tech” agenda is to be pursued, the utilities must become more active partners.
- ◆ The telecom and broadband networks were identified as a strength in North County, but as a constraint in South County; parity in those systems

There needs to be a willingness of all parties to think “outside the box” in how we link economic growth to how we build and rebuild our communities.

is recommended, to make them more effective tools in growing all kinds of businesses.

- ◆ There is a disconnect between where the developable land is located and where infrastructure investments have been made; this disconnect seems to fuel intra-county competition and discontent, especially between the north and south parts of the county.

Representative Responses from the Community Survey

Strengths/Assets	Weaknesses/Gaps
<ul style="list-style-type: none"> ◆ The downturn has created more vacancies at lower prices which might be attractive for companies seeking to locate here. ◆ Our county should be willing to look at redevelopment and redesign of our communities as an opportunity to make better use of all resources. Redevelopment opportunities offer prospects to areas more centrally located. ◆ South County has a lot of room to expand. There is some availability of green space East of I-75 along with an array of redevelopment opportunities throughout the county ◆ Multi-modal transportation options are available for shipping products: air, sea port, and interstate highways. ◆ We have a diverse transportation infrastructure, including: I-75, SRQ airport, and Port Manatee 	<ul style="list-style-type: none"> ◆ There is a conversion of land designated for manufacturing and light industrial to retail or residential. ◆ We have a limited public transportation system to move people across Manatee/Sarasota counties and particularly out east. ◆ The high cost of land and buildings for both businesses and individuals is an obstacle; we are overpriced even in a down economy. ◆ There is poor planning, especially regarding occupancy rates. Many long-time projects are experiencing new and extended vacancies, yet new projects continue to be permitted and built. ◆ There is a lack of infrastructure with little public transportation and not a livable workable downtown that appeals to those not retired. We seem to be targeting only tourism/retiree businesses. ◆ There is a high cost of renting facilities, and the lack of a convention center with the capacity to serve multi-dimensional business events.

Implications for the Updated Economic Development Plan

Employment centers must retain the ability to house the desired level of high wage and non-retail jobs and minimize conversion from industrial/commercial to other uses. Since significant near-term economic progress will be made through the growth of existing small business or the attraction of small- to medium-sized enterprises, redevelopment of commercial property, especially in the city centers, will provide viable sites that are near other businesses and professional services.

Creating the conditions for economic diversification will mean a strong coordination of community development strategies and projects in support of economic strategies. As detailed economic opportunities are explored further in the next phase of the planning process, specific infrastructure investments will be identified.

Business Climate

There is an overwhelming perception that the county has an unfriendly business climate. Local governments are viewed as being “indifferent at best” to the needs of business, with almost all interviews noting lengthy permitting processes and cumbersome regulations. The lack of clear incentives and strategic application of these incentives to diversify jobs and industries is at the forefront of many conversations. There is also a concern about the pace of public investment in economic development, with comments about slow decisions that resulted in lost economic opportunities. The general consensus is that the public sector leadership did not have a realistic view about what it really takes to be economically competitive.

A strong interest exists to get more technology companies to start or expand here; the question is, how will the county choose to become competitive?

Key observations from interviews

- ◆ Incentives are generally viewed as lacking or ineffective and not eliciting desired behaviors in any significant way.
- ◆ The regulatory environment (at all levels of government) is consistently mentioned as an impediment for business development:
 - “working on a project here was the worst experience of my career”
 - “it takes too long to get things going, and there is too much red tape”
- ◆ A large percent of retired and part-time residents tilt the public opinion for economic development:
 - “they have found their paradise and want it to remain unchanged”
 - “who cares about economic development in a place you vacation?”
- ◆ It is opined that the general community view is that economic development means “growth”, and it is not recognized for its critical role in community health and vitality.

Representative Responses from the Community Survey

Strengths/Assets	Weaknesses/Gaps
<ul style="list-style-type: none">◆ No income tax and a relatively low corporate tax burden when compared to other regions is a significant advantage.◆ There are opportunities for the community to create science/technological friendly zoning laws which provides a balance between economic growth and natural resource preservation.	<ul style="list-style-type: none">◆ We have a lengthy planning process for changes to land use & zoning; out-dated zoning codes and the lengthy process for re-zoning properties discourage many businesses.◆ Present anti-growth climate is a huge impediment.◆ The scarcity of affordable housing and jobs that pay a viable wage will have very significant future impacts.◆ City and county processes seem to create roadblocks in the approval process for business development.◆ A lack of public finance tools or waivers that can be used as elected incentives when needed.

Implications for the Updated Economic Development Plan

It is far less costly to retain an existing high-wage job, than to recruit or create a new job which may or not have an above-average wage. Local government would be wise to increase their agility and responsiveness by developing clear guidelines for incentives including the waiving of fees, deferred loans or other means to use public financing tools as a means to retain high wage jobs. For industries targeted for diversification, incentives should be clear upfront, not recreated case by case.

ASSESSMENT SUMMARY

The assessment of the community's economic assets and its position to seize future economic opportunities point to two overall needs.

- 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.

These needs are supported by the ability to build on strengths and the need to address key weaknesses.

Top Five Strengths

- ◆ 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 School of Art + Design that have national and international recognition.
- ◆ An array of foundations and community organizations that are actively involved in the county's well-being.

Top Five Weaknesses

- ◆ 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.
- ◆ Little public investment in developing the infrastructure for growing knowledge-based businesses that is found in most other competitive regions.
- ◆ Lack of recognition and attention to existing businesses that have a higher than average economic impact on regional economies (manufacturing, technology, life and medical sciences).

Recurring Themes

Several recurring themes presented themselves throughout the community input process. There is a desire to "figure out" how to capitalize on demographics and community assets that are fairly unique to the region, summarized as follows.

- ◆ Developing a "Silver to Gold" effort to capitalize on the older demographics and the higher than average level of disposable income among this population--an economic strategy to identify, attract and grow businesses that develop new products, technologies and medical devices for an aging population. Ideas included leading-edge geriatric health care (including product and procedural testing), and aging-in-place innovations (incorporating "smart home" monitoring with energy efficiency and the green/clean tech concept).
- ◆ Promoting "the Creative Coast" – going beyond design and art to incorporate design thinking as a competitive advantage into traditional industries to enhance how products and services are developed and delivered. The region's design and architectural and engineering talent, combined with web-enabled technologies could be utilized in this type of effort.

There is a strong desire to ensure the updated economic development plan is firmly grounded in the concept of sustainable development. By far the greatest request for recruitment activities centered around attracting various alternative energy, green building design, environmental service, and water resource management businesses, building on the small cores of activity already in the region. Many interviews noted the county will need to play "catch-up" with other communities that have made significant investments in entrepreneurial programs

and incubators, research centers of excellence, academic and workforce programs, and business incentives to promote a greener and more sustainable economy.

Another unique asset in Sarasota County is the large number of private foundations (e.g., Gulf Coast, Patterson, Community Foundation, and Selby) and community organizations (e.g., SCOPE, Florida House) that are active in a variety of community development and education programs. These organizations provide a unique blend of leadership and financial support not found in many other areas. Proposals such as the Sarasota Institute for Ages provide opportunities to not only serve residents of the community, but create jobs that uniquely serve this population. With the downturn in the economy, their involvement will be more important than ever.

Cautionary Concerns

Many comments in the survey and interviews made it evident that there is still too much thinking about the economy as bounded by county borders, rather than the county being a player in a regional economy where it can gather additional assets to pursue economic efforts. Furthermore, many assets required for economic diversification are specialized and difficult or costly to duplicate (e.g., research centers or prototyping labs). This insular pressure for everything to be within the county seems to be inhibiting the scale and pace of many economic activities.

There appears to be a perception that quality of life is enough to attract new businesses or keep existing businesses in the region. While this may be a logical conclusion for industries like real estate and tourism that rely on the region's weather and cultural and recreational amenities to attract new business, it is not as true for other industries the county seeks to expand. For most high-wage industries, the quality of a skilled workforce, costs of doing business, access to markets, and the capacity for innovation top the list for location decisions. While Sarasota County has an array of assets attractive to knowledge-based businesses (higher education institutions, nearby R&D centers, etc.), they are underutilized in the marketing of the area, and this lack of awareness helps to perpetuate the county's reputation as "just a place to vacation."

Section C: Industry Cluster Evaluation

INTRODUCTION

The current economic development plan for Sarasota County defines a set of industry clusters that were identified as having potential to develop an array of jobs that typically have broad markets and pay above-average wages. These clusters included Creative Services, Life and Environmental Sciences, Specialty Manufacturing, and High Technology.

The EDC's work with clusters has produced a number of ongoing projects ranging from the Specialty Manufacturing cluster's development of an outreach program to middle and high school students to generate interest in manufacturing careers, to the successful annual design summit conceived by the Creative Services cluster. A new Film & Entertainment Office was established, and 82 Degrees was formed to support the high technology and digital media companies in the region.

Interviews and focus groups conducted as part of this update indicated that – while there remains work to be done – the community acknowledges marked progress toward critical goals established in 2004, such as improvement in business climate, and financial resources and entrepreneurial websites. There was also wide agreement that current economic conditions represent an opportunity to push to more fully accomplish those goals.

While the cluster groups established over the past several years have generated successful projects and effective venues for networking, participants cited a need to focus more on business development needs and opportunities going forward, including enhancing access to markets, workforce development, and competitiveness. This update to the strategic plan affords the ability to performance to date and reassess the clusters.

This cluster profile presents 5-year cluster trends, existing local and regional assets (including existing industry and research), and potential opportunities within each cluster. Most cluster segments have been modified to better refine the region's strengths and opportunities. The chart below summarizes key findings.

Figure 37: Summary of Cluster Opportunities

Cluster	Revised Focus	Key Opportunities
Medical and Life Sciences	A set of business opportunities that bridge the functions of research to consumer based health services—including clinical trials, product testing, and health information management.	Enhance clinical trial and product testing opportunities, especially as they relate to aging populations Refine targeted economic opportunities associated with the Sarasota Institute for the Ages

Cluster	Revised Focus	Key Opportunities
Applied Environmental Services & Sustainable Systems	Separate environmental and sustainable development opportunities from life and medical sciences. Build on major assets which would suggest a focus on water (rather than energy), the built environment.	<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 research efforts</p>
Digital & Web-enabled Technologies	A segment of high tech services combined with creative services elements focused on the development and application of digital, interactive and web-enabled technologies. These technologies not only define a market segment, they support a variety of applications in other clusters.	Leverage strengths and industry trends to cultivate a cluster of entrepreneurs and small businesses entering or engaged in next-generation web enabled technologies and services
Creative Services	Not a one-size fits all: there are distinct sub-sectors: performing arts; commercial services; and film & video; These have different business development needs and markets	<p>Enhance brand awareness to targeted markets</p> <p>Leverage national trends and local assets in design thinking</p>
Specialty Manufacturing	None	<p>Expand business retention and expansion efforts</p> <p>Enhance access to resources that increase competitiveness and productivity</p>

MEDICAL AND LIFE SCIENCES

Perhaps one of the most repeated themes throughout interviews and community input was the ability to capitalize on the region's higher than average percent of older persons as an economic strategy-- "Turning Silver into Gold" as coined by a recent book by Mary Furlong.

Sarasota County's climate and quality of life have made it an established destination for relocating retirees and part-time residents. The United States is among the most rapidly-aging developed nations in the world. In 2000, there were an estimated 35 million people age 65 and over in the United States, accounting for almost 13 percent of the national population. The data suggests that this number will continue to grow in the future, due in large part to the baby boom generation, the largest demographic group in our history.

Sarasota County is well ahead of all these aging trends. Nearly 32% of the population is over age 65, making Sarasota County the oldest among counties with a population over 250,000 people. Nearly half of all households have someone over age 65 as well. As detailed in the Economic Profile, the median age in Sarasota County is more than 13 years higher than that of the US, and 10 years higher than that of Florida. A recurring theme from multiple sources – stakeholder interviews for this update to the strategic plan, STAR survey responses, the ROLE summit – was that the presence of the aging population, is an asset that the County has not fully leveraged.

The ability to grow economic opportunities related to medical and life sciences can build on a combination of a region's health care delivery system, research and device, instrument and drug based manufacturing. Taking industry segments that typically support this sector, and which build on a theme of aging populations we evaluated three segments of manufacturing, testing and scientific services, and specialized health care services.

This cluster profile presents 5-year cluster trends, existing local and regional assets (including existing industry and research), potential opportunities within the cluster over the coming five years, and gaps that may need to be mitigated to pursue those opportunities.

Trends

As defined here, the Medical and Life Science cluster employed more than 2,200 people in 231 establishments in 2007. The cluster added 442 employees and 75 new establishments over the five-year period 2002 to 2007 – an increase of nearly 50% in establishments and 25% in employment.

Offices of specialty therapists accounted for nearly half of the total growth in cluster establishments with medical wholesalers, medical labs, and diagnostic imaging centers accounting for the balance. The cluster lost four total establishments over the period, in scientific R&D services and medical-related manufacturing.

Figure 38: Medical and Life Science Establishments, Sarasota County, 2002-2007

NAICS	Industry	2002	2007	% Change 02-07
3254	Pharmaceutical and medicine manufacturing	2	5	150%
3345	Electronic Instruments Manufacturing	10	10	0%
3391	Medical equipment and supplies manufacturing	27	26	-4%
541380	Testing laboratories	ND	6	20%
5417	Scientific research and development services	16	13	-19%
423450	Medical equipment merchant wholesalers	25	40	60%
621511	Medical laboratories	19	27	42%
621512	Diagnostic Imaging Centers	7	20	186%
62134	Offices of Specialty Therapists	50	84	68%
Totals		156	231	48%

Notes: Highlighted rows are industries not previously included in EDC's cluster definition
 ND=not disclosed

Source: Bureau of Labor Statistics, QCEW data

Electronic instruments manufacturing, diagnostic imaging centers, and specialty therapists created the most new jobs in the cluster (432 total). Medical equipment supplies and manufacturing accounted for the largest job loss in the cluster, consistent with trends in the broader manufacturing sector.

Figure 39: Medical and Life Science Employment, Sarasota County, 2002-2007

NAICS	Industry	2002	2007	% Change 02-07
3254	Pharmaceutical and medicine manufacturing	36	39	8%
3345	Electronic Instruments Manufacturing	520	653	26%
3391	Medical equipment and supplies manufacturing	347	271	-22%
541380	Testing laboratories*	ND	54	54%
5417	Scientific research and development services	307	289	-6%
423450	Medical equipment merchant wholesalers	56	92	64%
621511	Medical laboratories	167	178	7%
621512	Diagnostic Imaging Centers	31	201	548%
62134	Offices of Specialty Therapists	302	431	43%
Totals		1,766	2,208	25%

Notes: Highlighted rows are industries not previously included in EDC's cluster definition
 ND=not disclosed

Source: Bureau of Labor Statistics, QCEW data

Regional Assets

This section provides highlights of the existing basis for a Medical and Life Sciences cluster (demographics and key existing companies) as well as regional assets that can be tapped to grow the cluster (research and business development assets).

Existing Industry Assets

As shown in the Trends section, Sarasota County has significant concentrations of employment in manufacturing, scientific R&D services, and specialty therapists, which both form the existing cluster and provide an indication of the strategic direction the cluster may be able to take in the next five years. Almost 17% of Sarasota County employment resides in NAICS 62 Health care and social assistance—the location quotient is well above 1.0 and increasing. Examples of existing companies in the cluster are shown in the table below.

Figure 40: Key Medical and Life Science Companies, Bradenton-Sarasota MSA

Organization	Industry
JSB Orthotics & Medical Supply Inc	Orthotics
Roskamp Institute	Neuropsychiatric and neurodegenerative disorders and addictions
Southeastern Spine Center & Research Institute	Spine treatment & surgery
Clinyx Cardiovascular Research Solutions	
Popper and Company LLC	Management consulting – life science
Sarasota Memorial Health Care System Clinical Research Center	Non-teaching hospital; clinical research
Silverstein Institute	ENT research enter
Technology Access Partners LLC	Healthcare reimbursement consulting
Toxin Technology, Inc.	Toxins and related products
Medical Education Technologies, Inc (METI)	Patient simulators; medical training
Aso LLC	Adhesive bandages
Hoveround Corporation	Power wheelchairs
COW Industries	Eye exam office equipment
Benz R&D	Contact and intraocular lens
Legacy Healthcare	Physical therapy
DNAprint Genomics	Genetic testing products and services
Biolife, LLC	Wound care
Dattoli Cancer Center	Prostrate cancer
Partners in Practice	Medical billing

Beyond the region, the Tampa Bay area is home to a number of medical device manufacturers that place the region in the top 20 medical device clusters nationwide. The industry in the region employs over 10,000 people and produces over \$2 billion worth of goods and services. The Florida Medical Manufacturer's Consortium, The Tampa Bay Technology Forum and the Tampa Bay Technology Incubator further the interests of this cluster locally and throughout the state. According to a study done by the University of South Florida (USF) Center for

Economic Development Research, 26 percent of the state’s medical products industry and 33 percent of the related employment is based in Tampa Bay. Florida ranks No. 2 in the nation for FDA registered medical device manufacturers. Following is a listing of companies in this medical cluster in the Tampa region.

Figure 41: Key Medical Cluster Companies, Tampa Region

Organization	Industry
Baxter Healthcare Corp.	Renal dialysis and blood collection instruments
Linvatec Corporation	Orthopedic surgical instruments
Intelligent Micro Patterning	Micro-devices (e.g., minute circuit boards and sensors) used by medical researchers
Doyen Medipharm, Inc.	Packaging and fabricating machinery for medical and surgical supplies
Gold Standard Multimedia	Clinical drug information and medical education software
Biolife, LLC	First-aid powder that stops bleeding
Transitions Optical, Inc.	Photochromic ophthalmic lenses
Essilor	Corrective lenses
SRI/Surgical Express, Inc.	Reusable and disposable surgical products
Oscor, Inc.	Pacing lead systems used in cardiac pacemakers
Halkey-Roberts Corp.	Plastic medical devices
Cardinal Health, Inc.	Soft gelatin capsules
Florida Infusion Services, Inc.	Home infusion pharmaceutical distributor
VLOC, Inc	Precision optics and laser crystals
Twin Star Optics	Medical lasers
Romark Laboratories	Drugs for treating infectious diseases and cancer
Iliant	Technology & management services for physician practices
Clinication	Patient compliance software system for physicians
Omega Health Systems	Software for medical necessity compliance, revenue management and cash protection
Smith-Nephew	Wound management unit

Regional Research Assets

As detailed in the Economic Profile, research activity within Sarasota County is limited. However, in the broader region, there are multiple university and non-profit research institutions with which County companies and organizations can forge or strengthen relationships to grow the Medical and Life Science cluster.

Figure 42: Examples of Research Assets, Broader Region

University of Florida	USF
Center of Excellence for Regenerative Health Biotechnology Nanoscience Institute for Medical and Engineering Technology Center for the Arts in Healthcare Interdisciplinary Center for Biotechnology Research Center for Food-Drug Interaction Center for Exercise Science Institute on Aging Brooks Center for Rehabilitation Studies Shands Cancer Center Center for Vision, Graphics, and Medical Imaging	Center for Aging and Brain Repair Biomolecular Identification and Targeted Therapeutics Center for Applied Research in Medical Devices Nanotechnology Research Center Rehabilitation Engineering & Technology Suncoast Alzheimer's & Gerontology Center Cardiac Hormone Center Florida Health Information Center Center for Leadership in Public Health Practices Center for Hospice, Palliative Care and End of Life Studies Center for Research in Healthcare Systems & Policies
UCF	Non-profit research institutions
Advanced Materials Processing and Analysis Center Institute for Simulation and Training Center for Research and Education in Optics and Lasers Photonics Center of Excellence Center for Lifestyle Medicine NanoScience Technology Center Biomolecular Science Center	Burnham Institute for Medical Research, Orlando Johnnie B. Byrd Alzheimer's Center & Research Institute, Tampa Moffitt Cancer Center & Research Institute, Tampa

Tampa Bay is a center of excellence for hospitals, research and medical-related firms – and the gateway to the Florida High-Tech Corridor, a 21-county area that is home to more than 3,000 high-tech companies. This region's assets include:

- ◆ Nationally ranked top 20 cluster for medical device manufacturing
- ◆ Site of one of 38 NCI designated Comprehensive Care Centers in the U.S.
- ◆ Home to a top 60 public research university
- ◆ 12 research centers
- ◆ Over 50 hospitals, clinics & ambulatory care centers
- ◆ 2 Veterans Administration hospitals
- ◆ One of 22 Shriners Hospitals in the U.S.
- ◆ 6th Medical Group Hospital at MacDill Air Force Base
- ◆ 2nd largest acute care public hospital in Florida
- ◆ 3 Top 100 Hospitals in the U.S. (2003 U.S. News & World Report)
- ◆ 3 medical schools (one osteopathic)
- ◆ Over 62,000 licensed nurses and doctors
- ◆ More than 10 educational facilities for healthcare professionals
- ◆ Two hospital transplant centers
- ◆ 13 teaching hospitals
- ◆ Florida's only college of public health

The **University of South Florida** is ranked 29th in medical science research and development expenditures and known for discoveries in medical sciences, biotechnology, marine science, MEMS (microelectromechanical systems), engineering, nanotechnology and medical science. The USF Research Park is a center of biotechnology and life science research and entrepreneurship. The park includes the USF Center for Biological Defense, the Tampa Bay Technology Incubator, USF Center for Entrepreneurship and the Florida Medical Manufacturers Consortium. The USF Life Sciences Entrepreneurship program was ranked #1 for training new entrepreneurs, especially in pharmaceuticals, biotechnology and medical devices.

The **H. Lee Moffitt Cancer Center & Research Institute** is a nationally recognized hospital and research center and one of 38 National Cancer Institute-designated Comprehensive Care Centers.

Opportunities

Sarasota County has two as yet untapped assets in this area – a much-higher-than-average population over 65 years of age that live active lifestyles, and proximity to a significant medical industry cluster in the Tampa Bay region – that present an array of opportunities for Sarasota County.

A test bed for products serving an aging population

Many regions can claim that they have a large proportion of older citizens; leveraging this asset to mutual benefit will require the county to mobilize these citizens in innovative ways to help conceive, develop, and test new products. In this way, they are not merely passive consumers, but rather contribute to economic opportunities.

Sarasota County could be positioned as a one-stop destination for healthcare companies to conduct product innovation interactively with their consumers, medical professionals, medical service delivery providers, and the research community. As companies begin to leverage this resource, they can also be encouraged to move or expand a full-time presence in the County.

This approach takes advantage of a pervasive trend called “open innovation” in which companies look proactively outside their organizations for new ideas. Companies are involving their customers in creative ways to understand consumer needs/wants and to create innovative products to meet these needs. Similarly companies seek innovations from research institutions and from other participants in their value chain (suppliers, distributors, service delivery professionals).

Connections to Regional Research and Clinical Trials

Medical research through partnership with local hospitals and universities could be expanded, including linkage to research leaders from the premier institutions in the Tampa Bay region. Examples of areas for research include:

- ◆ More frequent yet less intrusive means for monitoring chronic medical conditions
- ◆ Phase II and Phase III clinical trails
- ◆ Post-market clinical trials, e.g., to look for drug interactions

HEALTH AND WELLNESS *MANAGEMENT*

Sarasota's demographics, combined with public health and social research at Florida universities and the proposed Sarasota Institute for the Ages, provide some unique opportunities for the region. Advancements in health information systems are creating new markets for research, health care management by providers and consumers. Specific market opportunities may exist for:

- ◆ Research on the efficacy of various nutrition and exercise programs on wellness and disease management, especially for aging populations
- ◆ Innovative approaches to supporting long-term care and in-home health providers
- ◆ Consumer based health care decision and wellness management tools
- ◆ Health information tools for providers to better identify and manage issues such as drug interactions

APPLIED ENVIRONMENT SERVICES & SUSTAINABLE SYSTEMS

The current chase for regions to have a significant play in alternative and renewable energy is similar to that of the 1990s when communities were all scrambling to capture the biotechnology market. While Sarasota County residents may have a broad understanding of principals of sustainability, the hard assets in place to pursue green jobs is limited – especially when compared to many other regions that have been investing in clean and renewable energy for a decade. There are, however, aspects of sustainable development in which the market is less saturated, and where Sarasota County may have some competitive advantage.

Many researchers note that water resources (both fresh and marine) represent the “next energy crisis.” As contrasted with available assets related to energy, Sarasota County may have more assets and expertise to pursue various water management opportunities. Another area of promising focus is green building systems and design.

Trends

As defined here, the Energy and Environment cluster employed more than 2,200 people in 340 establishments in 2007. The cluster added 542 employees and 72 new establishments over the five-year period 2002 to 2007 – an increase of 27% in establishments and 32% in employment.

Architectural and engineering services accounted for the lion’s share of the total growth in cluster establishments with environmental consulting services accounting for the balance. The cluster lost five total establishments over the period, in scientific R&D services and recyclable material merchant wholesalers.

Figure 43: Energy and Environment Establishments, Sarasota County, 2002-2007

NAICS	Industry	2002	2007	% Change 02-07
5413	Architectural and engineering services	214	252	18%
5417	Scientific research and development services	16	13	-19%
423930	Recyclable material merchant wholesalers	12	10	-17%
541620	Environmental consulting services	9	14	56%
541690	Other technical consulting services	17	51	200%
Totals		268	340	27%

Source: Bureau of Labor Statistics, QCEW data

Architectural and engineering services and environmental consulting services establishments created the most new jobs in the cluster (478 total). The only job losses (18) occurred within scientific research and development services firms.

Figure 44: Energy and Environment Employment, Sarasota County, 2002-2007

NAICS	Industry	2002	2007	% Change 02-07
5413	Architectural and engineering services	1,195	1,589	33%
5417	Scientific research and development services	307	289	-6%
423930	Recyclable material merchant wholesalers	109	124	14%
541620	Environmental consulting services	38	122	221%
541690	Other technical consulting services	27	94	248%
Totals		1,676	2,218	32%

Source: Bureau of Labor Statistics, QCEW data

Regional Assets

This section provides highlights of the existing basis for an Energy and Environment cluster (including key existing companies) as well as regional assets that can be tapped to grow the cluster (research and business development assets).

Sarasota County's small and growing core of progressive architecture, environmental services and related companies, along with a strong community interest in and orientation toward concepts of sustainability, form the current basis for a focus on this cluster. While demonstration projects like Florida House (completed in 1994) galvanized the region around a central project, no one initiative has provided that necessary central focus, since.

Existing Industry Assets

From interviews with business and community leaders, it was noted that a core group of architectural and engineering services is oriented toward green building/sustainable planning practices. Additionally, employment growth in environmental and other technical consulting services has more than tripled over the five-year period. Examples of these key companies are shown below.

Figure 45: Key Energy and Environment Firms

Carlson Studio Architecture	Stewart Engineering Consultants
Carollo Engineers	Two Trails
EarthBalance	Willis A. Smith Construction
Eco-Smart Inc.	Scrap All Of Sarasota
Florikan E.S.A. Corp.	A M Engineering
Homefront, Inc.	DMK Associates
Industrial Biotechnology Corporation	Stewart Engineering Consultants
Kimal Lumber Co.	Sanders Laboratories
Osprey Biotechnics	ECo Consultants
Progressive Water Resources	Resource Conservation Technologies
Stantec	My Green Building

Regional Research Assets

As detailed in the Economic Profile, research activity within Sarasota County is limited. However, in the broader region, there are multiple university and non-profit research institutions with which County companies and organizations can forge or strengthen relationships within this cluster.

Sarasota County is home to **Mote Marine Laboratory**, one of the world’s few remaining independent marine research laboratories. Research is distributed among seven centers, including the [Center for Aquaculture Research and Development](#), which develops systems and techniques to produce high-value marine and freshwater fish and invertebrates. The Center has an existing [commercial demonstration site](#) on 200 acres on Fruitville Road and plans for additional demonstration sites in the County. Research at Mote’s Center for [Ecotoxicology](#) encompasses Florida red tide and chemical pollution and their effects, and has produced monitoring and warning technologies with potential commercial application. **New College** students work with research organizations and businesses in marine sciences (at the college’s Pritzker Marine Biology Research Center. The **Florida Institute of Oceanography** acts as a statewide organization, working with an array of universities and agencies to support, and promote marine science education and research, including Mote & New College.

As detailed in the Economic Profile, Florida’s university system, with its state-funded Centers of Excellence, along with private non-profit research institutions provide a number of research strengths with connections to industries in the broader region. Selected research centers relevant to the Energy and Environment cluster appear in Figure 4.

Figure 46: Cluster Research Assets, Broader Region

UCF	University of Florida
Solar Energy Center	Florida Institute for Sustainable Energy
Stormwater Management Academy	Powell Center for Construction & Environment
USF	Water Institute
Clean Energy Research Center	Center for Renewable Chemicals and Fuels
Center for Urban Transportation Research	Non-profit research institutions
National Center for Transit Research	SRI International, Tampa
Institute for Marine Remote Sensing	
Florida Center for Community Design and Research	

Opportunities

The size of the market for jobs, businesses and communities that promote sustainable development is still relatively unknown, and the competition for this space is increasingly fierce. Communities like Portland, Oregon or San Francisco, California have had offices of sustainability and sustainable development strategies for more than 15 years. Other communities like San Jose, Seattle,

Minneapolis, Grand Rapids, Baltimore, and Wilmington are not far behind. Furthermore, these communities have targeted and invested public and private resources for years. Although there is local interest in the topic of sustainability, the community appears to have few tangible/distinguishable assets as compared to other communities competing in this space.

Sustainable Systems Demonstration Center

The region appears to have a small and diverse core of companies in energy and environmental industries, yet no critical mass in any specific sector. In addition, there is a variety of energy and environmental research efforts at USF and UCF. Compared to other regions, Sarasota County has limited capacity for large scale production, therefore demonstration sites and small scale systems would be more in keeping with the assets of the community.

One opportunity that could utilize the diverse industry mix and small scale footprint would be to create a demonstration center --a place for commercialization or demonstration of research concepts, for testing new products, and incubating or growing existing companies with green markets. The project would need to explore the feasibility of whether universities would locate demonstration projects to the site, and manufacturers be willing to participate in a demonstration center.

Water Resource Management

Water resource management is another sustainable development theme worth considering. Several consulting/engineering companies are located in the area with expertise in stormwater management, specifically related to low-impact development. Although it is uncertain how these companies can be distinguished from similar companies in other geographic areas, this asset could be leveraged to create and sustain a stormwater management testing/demonstration site in the County. A national [stormwater center](#) is located at the University of New Hampshire; however, an additional site with different environmental conditions (e.g., different climate, soils) could prove beneficial. The stormwater facility could serve various university, government, and industry researchers across the U.S. The facility could also potentially serve as a satellite location for the University of New Hampshire Stormwater Center (through a partnership agreement).

Environmental Education & Research

Mote has a strong focus in education and outreach, specifically geared towards three groups: the general public, teachers and students (Grades 9-12), and college interns. By establishing additional educational programs for undergraduate, master's level, and/or PhD students, Mote could increase employment as well as stimulate the local economy by attracting new students and faculty to the area. This expansion could be done in partnership with local/regional universities (e.g., New College) or with out-of-state institutions. For example, arrangements could be made with out-of-state, "land-locked" universities that have a desire to establish marine science curricula/programs. Very few marine laboratories exist in the U.S. that offer both R&D opportunities and academic curricula for bachelor's, master's, and PhD students. Thus, this could be a distinguishing trait for Mote if this opportunity is pursued.

Aquaculture

Mote’s strong R&D activities in aquaculture represent another asset that could be leveraged to stimulate local economic growth. According to [NOAA](#), aquaculture in the U.S. is a \$1-billion-per-year industry, and U.S. production is expected to triple by 2025. Several federally-funded aquaculture centers are located throughout the United States. These facilities include the University of New Hampshire (NOAA-funded), Mississippi State University (USDA-funded), University of Hawaii (USDA-funded), University of Washington (USDA-funded), University of Maryland (USDA-funded), Michigan State University (USDA-funded), and Iowa State University (USDA-funded). However, no major marine aquaculture programs appear to exist in Florida or on the Gulf Coast. Thus, an opportunity may exist to establish a program or center in Sarasota County that builds on the existing Mote programs in this space, as well as their demonstration site.

Green Building & Design focused on Redevelopment

Another possible area of strength for Sarasota County lies in redevelopment that incorporates green design and sustainable systems. Given existing strengths and employment concentrations in the construction industry and in environmental consulting services, along with decreasing availability of land, the county may have significant opportunities in green redevelopment. Green redevelopment provides a bridge between needed community development and economic development efforts that can build nationally recognized expertise through applied projects within Sarasota County.

DIGITAL MEDIA AND WEB-ENABLED TECHNOLOGIES

The definition of the digital and web-enabled technologies represents a refinement of the previous definition of the high technology/IT sectors in Sarasota County. The new focus is on the development and intense application of web-enabled software and digital technologies.

This cluster is closely related to many aspects of and, in fact, overlaps with the creative services cluster, especially in the areas of design services and interactive media. This cluster can be a cross-cutting one; technologies and products developed in the sector can also support growth in the medical and life sciences and energy and environmental clusters. With its employment concentrations in both information technology and creative services, along with the presence of the Ringling College of Art + Design, Sarasota County could position itself as a center for industries related to digital media and web-enabled technologies.

Trends

As defined here, the digital and web-enabled technologies cluster was comprised of more than 2,200 employees in 277 establishments in 2007. Computer Systems Design showed the most significant growth in establishments – 59 – while Data Processing, Hosting, and Related Services lost nine firms. Note: Many interactive companies (e.g., atLarge) are categorized as advertising and marketing firms, which are represented in the data on Creative Services. Therefore, the related employment base for this cluster is underestimated to avoid duplication of data.

Figure 47: Digital and Web-Enabled Technologies Establishments, Sarasota County, 2002-2007

NAICS	Industry	2002	2007	% Change 02-07
511210	Software publishers	11	11	0%
517	Telecommunications	48	48	0%
518	Data Processing, Hosting, and Related Services	30	21	-30%
5415	Computer Systems Design and Related Services	138	197	43%
Totals		227	277	22%

Source: Bureau of Labor Statistics, QCEW data

The cluster, in aggregate, was more or less stagnant in terms of job creation between 2002 and 2007, but there was significant positive growth in Computer Systems Design. That growth was offset by job losses (108, total) in Software Publishing and Data Processing, Hosting, and Related Services.

Figure 48: Digital and Web-Enabled Technologies Employment, Sarasota County, 2002-2007

NAICS	Industry	2002	2007	% Change 02-07
511210	Software publishers	109	72	-34%
517	Telecommunications	1,052	1,085	3%
518	Data Processing, Hosting, and Related Services	138	67	-51%
5415	Computer Systems Design and Related Services	904	986	9%
Totals		2,203	2,210	0%

Source: Bureau of Labor Statistics, OCEW data

There were a number of NAICS industries – most notably 516110 Internet Publishing – that warrant inclusion in this cluster, but for which data were not disclosed at the county level for most years in the period. Internet Publishing, for example, had establishment data for 2004 and 2006 (8 establishments growing to 13) and employment data for 2004 (24 employees). However, key companies in the category appear in Figure 49.

Regional Assets

This section provides highlights of the existing basis for a Digital and Web-Enabled cluster (existing companies and related higher education assets) as well as regional assets that can be tapped to grow the cluster (research and business development assets). 82 Degrees and various young professional groups in the region offer network opportunities for many of these companies.

Existing Industry Assets

As shown in the trends section, the region has significant concentrations of employment in telecommunications and computer systems design, but companies of all sizes populate other industries within the cluster as well. The strengths and (in some cases, marked) growth of these companies provide an indication of the strategic direction the cluster may be able to take in the next five years. Examples of existing companies in the cluster are shown in the table below.

Figure 49: Key Digital and Web-enabled Establishments

Akuwa Solutions Group Inc.	Infosun
atLarge	Integraclick
Campus Works	Method Factory
CAP Creative	Neighborhood America
CSI Networks	Robrady
cyberstreme.com	SEO Aware
Digital Three Studios	Swain Film & Video
GravityFree	Symtech Corporation
Infoblazer	Whole Tomato Software

Higher Education Assets

The **Ringling College of Art + Design** is a private, four-year accredited college in Sarasota County with degree programs in Computer Animation, Graphic and Interactive Communication, Digital Imaging, Game Design, and the Business of Art and Design. Ringling's Computer Animation program, in particular, is nationally known – it was named Best Computer Animation Program in North America by 3D World magazine in 2007 and graduates are heavily recruited by employers including Sony Pictures Imageworks, ElectronicArts (EA), DreamWorks, and Cartoon Network each year. The college places particular emphasis on technology in the arts – of the current 1,200 students enrolled, approximately one quarter are majoring in Computer Animation/Game Art & Design and 15% in graphic & interactive communication. While the community has typically thought of Ringling as a resource for traditional art and design applications, its creative/technology convergence is what sets it apart from most other institutions of its kind.

The [Sarasota-Manatee Campus](#) of USF offers certificates and bachelor's degrees in IT and [Manatee Community College](#) offers associate's level programs that support this cluster.

In the broader region, UCF's [Department of Digital Media](#) offers undergraduate and graduate degrees in Visual Language and Digital Interactive Systems.

Research Assets

As detailed in the Economic Profile, research activity within Sarasota County is limited. However, the university research assets listed in Figure in the broader region with which county companies and organizations can forge or strengthen relationships to grow the Digital and Web-enabled cluster.

Figure 50: Research Assets, Broader Region

USF
Center for Wireless and Microwave Information Systems
UCF
Consortium for Research and Education in Arts & Technology
Department of Information Systems Technology
Institute for Simulation and Training
Media Convergence Lab

Opportunities

Next-Generation Internet Advertising: Companies Integraclick, SEO Aware, and GravityFree already provide services such as banner advertising and increasing search engine awareness of company websites. Company Neighborhood America provides enterprise level collaboration tools that supports social networking. An opportunity may exist to use these strengths to move into the next wave of Internet advertising. Social media marketing uses the power of online social networks and viral marketing to increase brand awareness and generate

Internet traffic to advertisers' websites. Though there are several companies in the area that are already in the Internet marketing industry, more experienced management talent with knowledge of the business models of this industry is needed to pull together the digital creative talents of the region and information technology skills from outside the region to be able to form companies with a chance of success.

According to Strange Corporation's report on upcoming trends in online marketing, crowded online advertising will increasingly rely on great creative content to make digital marketing strategies work. Also, tough economic times mean that advertisers will be spending less on general brand marketing and more on direct customer acquisition. Creative content such as short, humorous video clips or established online shows leads potential customers directly to advertisers' websites. Jupiter Research estimates that online marketers spent \$2.1 billion on affiliate marketing in 2008, with an increase to \$3.3 billion expected in 2012. Affiliate companies are paid by advertisers for every visit or customer their websites or marketing efforts bring to the advertiser sites.

Social Networking Tools: Strange also reports that opportunities for using social networks for advertising will increase. Viral marketing occurs when a product is recommended through a social network, creating brand trust and further interest in the product. One technique for social network marketing is the use of digital widgets that users on sites such as Facebook add to their homepages. The widgets represent a product or brand and can be mini-applications that provide entertainment, or make a personal statement about the user. The estimated market in 2008 for digital widgets is \$40 million. Brandweek Magazine reports that marketers pay widget developers between \$1 and \$5 for every widget installation on user sites.

Though the region has a high concentration of creative skills necessary to produce great content for social media marketing, the computer programming industry is not as strong. This could indicate a lack of professionals with technical development skills. There are some limited information technology programs in the region, but the larger educational programs at UCF and UF are 2.5-3 hours away. Developing a strategy for workforce development issues with USF and MCC to assist with gaps in technical talent would greatly support this.

Technology Incubator: To foster the growth of companies in markets described above, the development of a technology-based incubator or accelerator would provide comprehensive services to start-up companies. A preliminary business plan has already been developed for this concept, and would need to be updated.

CREATIVE SERVICES

Creative Services is a group of industries that combine art and design with technology and communications to produce products and services that serve local to international markets.

Compared to the industry cluster defined in 2004, the Creative Services cluster has been refined to better represent the economic activity in Sarasota County. To reflect emerging strengths and develop a more comprehensive understanding of firms that supply key services and talent to this cluster, we expanded the definitions to include, among others, motion picture and sound recording, arts promotion, and photographic services.

The high location quotient of the arts, entertainment, and recreation industry in Sarasota County, and the presence of several theater companies and events such as the Sarasota Film Festival indicate a creative strength in the workforce. The highly ranked Ringling College of Art + Design provides a training ground for students not only in the fine arts, but also in advertising design, digital film and computer animation. Companies such as Digital Three Studios, Swain Film and Video, and Dreams Into Motion, LLC put this creativity to work. Sarasota County's Sound Stage One, a video and film production soundstage also provides the infrastructure that could be used to expand into the social media marketing industry, as described in the preceding section.

Regional Assets	Regional Gaps
<ul style="list-style-type: none"> ◆ Professionals with design and interactive media skills ◆ Ringling School of Art & Design ◆ Annual Design Summit ◆ Higher than average percent of jobs in performing arts ◆ Young professional group ◆ 82 Degrees industry network ◆ Printers or specialized suppliers ◆ Community recognition of creative assets (although still primarily thought of as a cultural arts rather than commercial assets) 	<ul style="list-style-type: none"> ◆ Professionals with technical development (software/network) skills ◆ Experienced management talent ◆ Flexible start-up space that allows for ebbs and flows of ramp-up. ◆ Lower than average wages for jobs in same industry elsewhere ◆ Overall business environment that keeps young talent in region (few big or leading edge companies to build their resumes) ◆ Lack of larger sound stage and production facility to create local content

Trends

This cluster has been growing steadily since 2002, with performing arts companies perhaps showing some of the most dynamic growth in jobs. Professional schools, marketing/opinion polling and printing are also solid contributors. The motion picture and sound recording industry show the greatest losses.

Figure 51: Creative Establishments, Sarasota County, 2002-2007

NAICS	Industry	2002	2007	% Change 02-07
512	Motion picture and sound recording industries	33	29	-12%
3231	Printing and related support activities	59	63	7%
5111	Newspaper, book, and directory publishers	35	52	49%
5151	Radio and television broadcasting	ND	10	N/A
5413	Architectural and engineering services	214	252	18%
5414	Specialized design services	110	145	32%
5418	Advertising, PR, and related services	72	86	19%
7111	Performing arts companies	29	27	-7%
7113	Promoters of performing arts and sports	6	6	0%
7115	Independent artists, writers, and performers	35	49	40%
54191	Marketing research and public opinion polling	12	15	25%
54192	Photographic services	23	30	30%
611310	Colleges, Universities, Professional Schools ¹	8	8	0%
61161	Fine arts schools	10	15	50%
541613	Marketing consulting services	61	78	28%
Totals		707	865	22%

Notes: Highlighted rows are industries not previously included in EDC's cluster definition
 ND=not disclosed

Source: Bureau of Labor Statistics, QCEW data

Figure 52: Creative Employment, Sarasota County, 2002-2007

NAICS	Industry	2002	2007	% Change 02-07
512	Motion picture and sound recording industries	430	168	-61%
3231	Printing and related support activities	381	476	25%
5111	Newspaper, book, and directory publishers	1,077	1,173	9%
5151	Radio and television broadcasting	ND	182	N/A
5413	Architectural and engineering services	1,195	1,589	33%
5414	Specialized design services	246	374	52%
5418	Advertising, PR, and related services	234	379	62%
7111	Performing arts companies	448	1,704	280%
7113	Promoters of performing arts and sports	10	70	600%
7115	Independent artists, writers, and performers	39	60	54%
54191	Marketing research and public opinion polling	811	931	15%
54192	Photographic services	131	ND	N/A
611310	Colleges, Universities, Professional Schools*	356	495	39%
61161	Fine arts schools	42	ND	N/A
541613	Marketing consulting services	206	297	44%
Totals		5,606	7,898	41%

Notes: Highlighted rows are industries not previously included in EDC's cluster definition
 ND=not disclosed

Source: Bureau of Labor Statistics, QCEW data

Business Development Needs

Facilities: With available commercial space, facilities for creative firms appear to be in adequate supply. There is perhaps a need for tenant improvements to make necessary enhancements to facilities that accommodate the look and technology of creative firms. Other regions have used deferred and low-interest loans to help with initial upfit costs, especially in downtown and selected redevelopment areas. Others have used tax increment financing to provide forgivable loans if companies reached certain job creation or business development goals. If the county wishes to foster a physical cluster of creative firms, these types of financial tools might warrant further evaluation.

Market expansion: The creative service industry is segmented into several distinct sectors. There may be opportunities to help these sectors brand the region to their selected markets. Since the firms themselves would provide the creative content for a branding program, the cost to the region would be the media production and placement of the content.

Expanded Opportunities

Creativity and Design Thinking

The creative thought process, including the recently coined "design thinking" is enabling companies in all sectors (from manufacturing to health care services) to provide better products and services to their customers. It is quickly becoming a competitive advantage. Sarasota County could leverage its assets in this area, including Ringling School of Art + Design, to position itself as a hub for professional service companies in the field, and/or as a destination for related training, education, and services.

SPECIALTY MANUFACTURING CLUSTER

As established in the 2004 Strategic Plan, Sarasota County is home to a sizable specialty manufacturing cluster – a group of specialized, engineering-intensive companies that produce premium products within their respective industry segments, focusing more on high-quality/customized products rather than low-cost commodities.

Trends

Total employment and establishments in the specialty manufacturing cluster were relatively stable from 2002 to 2007, although there were significant shifts among sub-industries. There was a surge in chemical manufacturing (not included in the prior cluster analysis) that added eight new establishments and close to 300 jobs. This gain was more than offset by job losses in communications and equipment manufacturing, which shed almost 500 jobs and 5 establishments. Consistent with national trends in wood and furniture manufacturing, these industries also contributed to overall job losses in the cluster, losing nearly a quarter of their jobs over the period.

Figure 53: Specialty Manufacturing Establishments, Sarasota County, 2002-2007

NAICS	Industry	2002	2007	% Change 02-07
321	Wood product manufacturing	10	13	30%
325	Chemical Manufacturing	10	18	80%
3261	Plastics product manufacturing	17	13	-24%
3273	Cement and concrete product manufacturing	20	22	10%
332	Fabricated metal product manufacturing	51	53	4%
3342	Communications equipment manufacturing ¹	9	4	-56%
3345	Electronic instrument manufacturing	10	10	0%
3371	Household and institutional furniture mfg.	56	50	-11%
Totals		183	183	0%

Note: Highlighted row is an industry not previously included in EDC's cluster definition.

¹Number of firms in 2002 taken from data collected by EDC

Source: Bureau of Labor Statistics, QCEW data

Figure 54: Specialty Manufacturing Employment, Sarasota County, 2002-2007

NAICS	Industry	2002	2007	% Change 02-07
321	Wood product manufacturing	504	316	-37%
325	Chemical Manufacturing	50	342	584%
3261	Plastics product manufacturing ¹	575	564	-2%
3273	Cement and concrete product manufacturing	659	475	-28%
332	Fabricated metal product manufacturing	2,271	2,472	9%
3342	Communications equipment manufacturing ²	516	23	-96%
3345	Electronic instrument manufacturing	520	653	26%
3371	Household and institutional furniture mfg.	421	401	-5%
Totals		5,516	5,246	-5%

Note: Highlighted row is an industry not previously included in EDC's cluster definition.

¹ Most recent year available 2006

² Number of firms in 2002 taken from data collected by EDC

Source: Bureau of Labor Statistics, QCEW data

Business Development Needs

The representatives of the specialty manufacturing companies that participated in interviews and focus groups for this update reported garnering more value from participation in the cluster groups than did representatives of other clusters. Notably, the areas in which they report needs for ongoing business development support are the same as they were five years ago.

Sarasota County manufacturers overwhelmingly feel that their presence and the economic development benefits derived from that presence are neither acknowledged nor appreciated. The relatively high wages, technology orientation, low levels of negative environmental impacts, and economic stability that the cluster lends to the region appear to be dismissed by local authorities and residents alike. Therefore, while participants acknowledge progress resulting from cluster group activities over the last five years, their strategic goals remain nearly the same:

- ◆ Educate County officials and residents on unique aspects of manufacturing in Sarasota County (cluster group participants noted that the EDC Hall of Fame event helped make inroads here);
- ◆ Forge and/or enhance local business-to-business connections with local resources (again, with the Hall of Fame event noted as supporting this goal);
- ◆ Assist SAMA in advocating for political support at state and national levels; and
- ◆ Continue manufacturing facility tours and outreach to inform youth/parents, workforce and educators on local manufacturing employment opportunities.

Additionally, specialty manufacturers reported that the county needs to offer better incentives for business expansion – particularly to a sector that is negatively impacted by regressive state-level policies vis-à-vis manufacturing, and in which other Sunbelt states are competing aggressively with business recruitment efforts. In addition to offering such incentives, the County and/or EDC may be able to lend support to the formation (already underway) of an industrial development authority, which would be able to assemble and offer incentive packages beyond what localities can or will.

APPENDIX B: Prospective Economic Impacts of Innovation Strategy Alternatives

Economic development strategies offer roadmaps and investment priorities to achieve greater economic and community welfare in the future. Deciding among strategic alternatives however can be challenging, particularly as any outcomes from a selected strategy may not accrue in the near term. Policymakers face the challenge of reviewing strategic alternatives and making decisions without the benefit of concrete evidence that their selected alternative will generate the desired impacts, given any unique characteristics of their region and community. Economists deal with these same uncertainties on a daily basis and have developed a set of evidence-based development theory, time series datasets of economic activity, and software tools to analyze strategic alternatives under a host of scenarios.

For the EDC, RTI analyzed the potential economic impacts of two alternatives identified by Scruggs & Associates as having significant potential for Sarasota County: (1) a business incubator to support start-up companies in strategic industries and (2) a research center on aging that leverages Sarasota's hospitality, biomedical device, and medical industries.

The prospective analyses in this section are based on general assumptions about, and specific goals of each alternative, as specified by Scruggs. Implicit in this approach is that each alternative would be fully successful. When reviewing the prospective economic impact data we offer, keep in mind that the impacts presented assume that the incubator and/or research institute have met all the goals set for them in other chapters of this report.

This section is organized as follows:

Section B.1. offers a primer in how economic impacts accrue in regional economies, how changes in one sector influence other sectors, and how to measure these interactions.

Section B.2 offers a brief discussion of economic development tools to catalyze economic development.

Section B.3 discusses the potential economic impacts of the business incubation alternative.

Section B.4 discusses the potential economic impacts of the research center for ageing alternative.

B.1 Economic Flows and Multipliers in Regional Economies: Methodologies for Analyzing Policy Alternatives

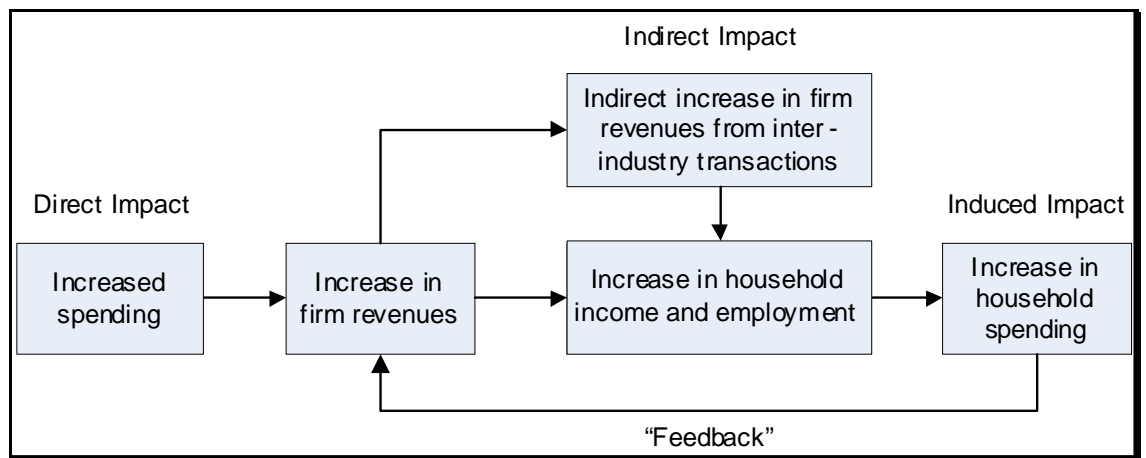
To measure the potential economic contributions of alternative economic development, RTI used an input-output (I/O) model of Sarasota County that simulates how sales and employment in one industry can affect other industries and the county economy as a whole. The process of how these impacts are generated in the I/O model is illustrated in Figure B-1. This process can be separated into three types of impact:

Direct Impacts: the immediate consequences the industry that experiences new revenue (e.g., the start-up of a research firm or a device manufacturer).

Indirect Impacts: responses in other industries to changes in the industry experiencing direct impacts.

Induced Impacts: responses by households to the extra income received as the economy expands. Since additional wage payments will be received as the economy grows, households will purchase more goods and services, which will lead to greater expansion of the economy.

Figure B-1. Feedback Process That Generates a Program’s Total Economic Impact



To understand how these impacts relate to the context of this study, consider the following example. A company producing medical instruments commences operations and sells the majority of its products to customers outside of Sarasota County. The sale of these products represents new demand for products made in the county and directly stimulates economic activity as the company hires new employees. This is considered the “direct impact” of the incubated company on the county economy.

The introduction of the medical instrument company also creates new demand for products produced in other industries by

purchasing services and materials from other companies for use in its production process. To meet this new demand, those service and materials companies themselves hire additional employees and purchase more intermediate inputs to use in their own production processes. The revenue and employment generated by these expanding companies are the “indirect impacts” of the company on the county economy.

As these companies expand, new job opportunities are created and individual household incomes rise, permitting households to purchase more goods and services. This leads to further expansion of the economy and is known as the “induced effect.” Ultimately, the total impact is the sum of the direct, indirect, and induced impacts.

The IMPLAN County-Level Input-Output Model

The I/O model of the Sarasota County economy was constructed using IMPLAN economic modeling software. RTI selected IMPLAN because it is one of the most widely used I/O modeling software packages in economic development analysis. It has also been used in other studies that sought to measure the economic impacts of business incubators and other public-private ventures (Markely and McNamara, 1995; RESI, 2001; and RTI, 2007).

The economic database that IMPLAN uses comes from official government statistics (e.g., the National Income and Product Accounts [NIPA] published annually by the Bureau of Economic Analysis [BEA], the BEA I/O accounts for the United States, and numerous other data sources). These data are constructed to be internally consistent (i.e., county data sum to state totals and state data sum to national totals).

Like all I/O models, IMPLAN quantifies the economic impact associated with a change in final demand using mathematical representations of the direct, indirect, and induced impacts discussed earlier. These mathematical representations are called “multipliers.” IMPLAN offers three different types of multiplier that can be used in estimating economic impacts, each taking different effects and information into account.

Type I Multipliers only measure the direct and indirect impacts of a change in economic activity.

Type II Multipliers measure the direct and indirect impacts of changes in final demand as well as take into account induced effects on household spending. However, households are assumed to spend all their additional income on personal consumption.

Type SAM Multipliers measure direct, indirect, and induced impacts of changes in final demand using all information about the institutions selected to include in the model. For example, for households, Type SAM multipliers account for commuting, social

security tax payments, and household income taxes and savings, among other things.

The analysis in this study used Type SAM multipliers, because they contain the most information available in IMPLAN for estimating economic impacts of final changes in demand. IMPLAN can construct these Type SAM multipliers for several measures of regional economic activity (including output, income and salaries, and jobs) for 440 industries and institutions. Table B-1 provides a listing of average multipliers for the 17 major sectors of the Sarasota County economy. These sectors are composed of the 440 industries and institutions contained in IMPLAN. For example, electromedical equipment manufacturing (IMPLAN Code 248) is part of the durable goods manufacturing sector.

Using Multipliers Generated by IMPLAN

The multipliers generated by IMPLAN can be used in two ways. First, they can be used to estimate changes in macroeconomic variables that result from a change in final demand for the products produced by one sector or industry.

For example, suppose that an increase in demand for durable goods occurs and leads companies in the durable goods manufacturing sector to hire 100 new employees. Using the total employment multiplier derived from IMPLAN, reported in Table B-1, one can see this would result in a total employment effect (impact after direct, indirect, and induced impacts have been taken into account) of 200 employees (100×2.0). This means that the 100 jobs initially created in the durable goods sector resulted in 100 additional jobs throughout the economy ($200 - 100$).

Similar calculations can be conducted to estimate other types of impacts. For example, suppose that the employees hired by the durable goods manufacturing firms receive approximately \$10,000 per year in labor income and generate approximately \$100,000 of output. In this case, we would expect the 100 employees to earn a total of \$1,000,000 in income and generate \$10,000,000 of output. Just as changes in employment in one sector led to changes in employment in other sectors, changes in labor income and output in one sector also lead to changes in labor income and output in other sectors. Using IMPLAN to model Sarasota's economy we learn that \$700,000 of labor income and \$5,000,000 of output was created in other sectors as a result of the firm expanding its operations in the durable goods sector.¹

¹ To estimate the sum effect of these changes, we once again use the multipliers in Table 1. In this example, \$1,000,000 of new labor income in the durable goods sector results in creating a total of \$1,700,000 of labor income ($\$1,000,000 \times 1.7$) and \$15,000,000 of output ($\$10,000,000 \times 1.5$).

Table B-1. IMPLAN Multipliers for Major Industry Groups, Sarasota County (2007)

Sector	Total Employment Impact Multiplier	Total Labor Income Multiplier	Total Output Impact Multiplier
Agriculture	1.4	1.7	1.4
Construction	1.9	1.6	1.5
Durable Goods Manufacturing	2.0	1.7	1.5
Education	1.3	1.3	1.6
Finance Insurance & Real Estate	2.4	2.0	1.8
Government	1.6	1.3	1.6
Health	1.5	1.4	1.6
Information	2.3	2.0	1.6
Mining	2.7	2.0	1.5
Nondurable Goods Manufacturing	3.0	2.1	1.4
Other Services	1.4	1.5	1.6
Professional Services	2.0	2.0	1.6
Retail Trade	1.3	1.4	1.5
Transportation	1.9	1.9	1.5
Utilities	2.1	1.5	1.3
Warehousing	1.4	1.4	1.6
Wholesale Trade	1.7	1.5	1.5
Median	1.7	1.6	1.5
Average	2.0	1.8	1.5

A second analytical approach is to use multipliers to compare the relative influence an industry or sector has on the county economy. For example, a 100-employee increase in the retail sector leads to only 30 additional jobs—less than half the number of jobs that would be produced by a similar increase in the durable goods sector. This implies that employment increases in the retail sector will have a smaller impact on the county economy than increases in the durable goods sector. Highlighting these differences can support and strengthen claims about the importance of a particular industry.

As part of this study, RTI used both analytical approaches. First, we used multipliers generated by IMPLAN to estimate the economy-wide impact of current and former incubator clients as measured by increase in GSP, salaries and benefits, and number of jobs created. Then we compared multipliers of industries occupied by

incubator companies to demonstrate that these companies have above average “multiplier” impacts on the Sarasota County economy.

B.2 Overview of Economic Tools and Incentives to Catalyze Regional Economic Development

Regional authorities have a number of tools and mechanisms through which they may act to catalyze economic development beyond marketing their regions to prospective employers, federal authorities, and consumers. The following brief overview of economic tools and incentives is segmented into two general categories – incentives and partnership programs.

Simply put, incentive programs aim to offset the costs of locating and operating within a region, thereby attracting, retaining, and stimulating business and its growth. Incentive programs are most commonly known for their role in attracting large employers in industries with high labor income and employment multipliers. For firms that have tax liabilities, R&D tax credits offset those liabilities by some proportion of their R&D expenditures to stimulate or retain high value-add R&D activity in a region. But only assessing these benefits that the employers bring to a region underestimates total impact. They also anchor activity clusters and provide both a talent draw for the region and a training ground for entrepreneurs and highly skilled workers, developing the workforce and providing stable supply of employment opportunities.

Financial incentives include:

- sales & use tax exemptions
- infrastructure improvements
- foreign trade, enterprise, and technology zones
- manufacturing tax abatements
- property tax abatements
- downtown development authorities
- research & development tax credits

Best practice in regional innovation and economic development increasingly suggests that partnership between economic development authorities and strategic industry groups can complement or even amplify direct assistance programs. Policies that implement the following alternatives rely on effective, lasting, and productive between the funding organizations, community partnerships, and business leaders:

- business incubators – creating an office and support infrastructure to support entrepreneurs in their endeavors to launch new businesses

- research and development centers – designing research institutes that align with a region’s strengths and existing economy to catalyze higher-value activity in the region
- technology extension centers – learning centers for the state of the art in technology, especially in manufacturing-intensive regions
- commercialization support and gap financing – providing grants to emerging small businesses that are on the cusp of commercializing their first product or service
- workforce training programs – training centers to educate new employees, especially within in regions with large pools of unskilled labor
- networking forums and informal support systems for entrepreneurs
- shared service programs and economic resource facilitation – providing centralized support services for businesses and providing a clearinghouse through which connections may be made

Most of these mechanisms are oriented towards actively encouraging the development of activity clusters that align with a region’s current and emerging strengths.

B.3 Prospective Analysis of Alternative 1: A Business Incubator

The proposed incubator could be expected to attract and support up to 10 client businesses in a typical year. Firms attracted by the incubator are expected to be involved in activities such as developing web-enabled technologies and computer software as well bioscience research, medical and surgical device manufacturing, and other life science fields.

By making a series of assumptions RTI estimated potential annual economic impacts of such a proposed incubator using multipliers generated by the 2007 IMPLAN model for Sarasota County, Florida. The results of this analysis are summarized in Table B-2. The remainder of this section focuses on describing how these impacts were estimated.

Table B-2. Prospective Total Economic Impacts of Business Incubator Alternative

Industry Description	Prospective Annual Impact
Total Employment Impact	95
Total Labor Income Impact	\$4.8 million
Total Output Impact	\$18.8 million

Note: Excludes future graduate companies and their growth following incubation.

Overview of Business Incubation

Business incubators provide services and resources to young companies to help them grow and survive the start-up period when they are most vulnerable. Once a company is relatively sustainable and is ready to expand its activities, it graduates from the incubator, making room for other new companies. In this way, incubators help encourage the creation and growth of companies that may not have been founded or succeeded without initial assistance. As a result, incubator programs are often pursued as a method for promoting regional economic growth.

The overall objective for an incubator in the region would be to facilitate the success and growth of information and life science driven technology businesses in Sarasota and Manatee Counties. This objective is consistent with the missions of the community to create a more diverse and sustainable economy that is less reliant on legacy industries such as real estate development, tourism, and agriculture. The focus may include, but not be limited to, firms involved in (a) computer software, database management digital media, web-enabled technologies, internet protocols, informatics, website design and development and (b) bioscience research, medical and surgical device manufacturing, and a broad array of related businesses in both industry sectors.

The incubator will initially provide basic incubator services over time and may grow those services as the incubator matures. The basic services to be offered will include:

- Management guidance and support (mentoring)
- Technical assistance and consulting (training, business plan, budgeting, marketing)
- Leased space for companies (real estate)
- Shared business services (receptionist, access to IT, office equipment)
- Access to resources (financial, networking, university support including technology transfer)
- Assumptions for Estimating Annual Economic Impacts of a Potential Incubator in Sarasota

Firms involved in industries targeted for the incubator are already making important contributions to the Sarasota County economy. Descriptive statistics for these industries as they currently exist are provided in Table B-3. As this table shows, these industries employed more than 1,000 individuals in Sarasota County in 2007 and generated more than \$200 million of output.

Table B-3. Descriptive Statistics of Industries Targeted for Incubation, Sarasota County (2007)

Industry Description	IMPLAN Code	Employment (# of employees)	Labor Income	Output
Computer Technology Industries				
Software publishers	345	104	\$8,745,776	\$30,273,256
Internet publishing and broadcasting	350	128	\$4,433,664	\$27,506,432
Data processing and web services	352	135	\$5,108,535	\$21,868,650
Life Science Technology Industries				
Electromedical and electrotherapeutic apparatus manufacturing	248	199	\$14,475,459	\$87,264,883
Analytical laboratory instrument manufacturing	254	17	\$1,061,599	\$6,203,028
Scientific research and development services	376	442	\$20,573,774	\$46,530,666
Totals		1,025	\$54,398,807	\$219,646,915

Source: IMPLAN, 2009

The proposed incubator has the potential to encourage growth in these industries by fostering the creation of businesses that may not have been created or would not have survived without incubation. The creation of these businesses could generate significant impacts through out the Sarasota County economy. In order to estimate these prospective economic impacts we need to know a collection of things about the firms that will might be created. In particular, we need to know:

- Where will their customer base be located—inside or outside Sarasota County?
- Which industries will incubated firms occupy?
- How many employees will the incubated companies employ in a typical year?
- How much income will the employees employed by the incubator receive?
- How much output will incubated firms produce?

Since this is a prospective analysis, we cannot answer these questions with absolute certainty. Rather, we will rely on a series of assumptions that are based on publicly available economic data and RTI's experience in evaluating incubator projects. The

assumptions made to answer each of these five questions are detailed below.

First, where is the customer base of incubated firms located? As described in Section B.1, a new firm can only generate economic impacts if it is attracting demand from outside the region of interest—that is to say that its customer base is located outside the region. Therefore, for this analysis to estimate any impacts, we must assume that incubated firms are primarily selling their products and services to customers outside Sarasota County. Based on RTI's previous experience with business incubators, we do not believe this assumption is unrealistic. In a 2007 survey of firms that graduated from NCSU Technology Incubator, RTI found that firms that graduated from the incubator primarily served customers outside the state (the region of interest for that study) (RTI, 2007).

Second, which industries will incubated firms occupy? Since IMPLAN multipliers differ by industry, the economic impacts generated by incubated firms will depend on which industries they occupy. For this prospective analysis, we assume that all 10 companies will occupy the industries that are listed in Table B-2. RTI assumed that the 10 firms would be split evenly between the two types of industry being targeted by the incubator—5 firms would be among the computer-based technology industries and 5 firms would be among the life-science technology industries. RTI then allocated the firms based on relative output. For example, we assume that 5 firms will be in one of the three computer-based technology industries. Since software publishers generated approximately 40% of the combined output of these 3 industries in 2007, we allocate 40% of the 5 firms to this industry.

Third, how many employees will incubated companies employ? Based on RTI's experience with previous studies of technology incubators, one can expect that a typical incubated company could employ up to 4 full-time employees during their incubation period and substantially more following graduation (RTI, 2007). Returning to the previous example, this means that we assume that the two new software publishing firms will employ a total of 8 FTEs ($2 \times 4 = 8$). This is considered the direct employment impact of each firm.

Fourth, how much income will employees employed by incubated companies receive? We can estimate the average income per employee of these employees using the data reported in Table B-2. Specifically, we assume that the average labor income received by employees in incubated firms will be the same as the average labor income received by employees in their respective industries. This can be calculated by taking total labor income generated by a specific industry and dividing it by the total number of employees employed in that industry. For example, labor income in the software publishing industry is approximately

\$84,000 per employee. We can then use labor income per employee to estimate the direct labor income impact of incubated firms by multiplying it by the number of employees they employ. For example, the direct labor income impact of firms in the software publishing industry is approximately \$672,000 (2 firms x 4 employees per firm x \$84,000 per employee).

Fifth, how much output will incubated firms produce? Similar to labor income, we can use data reported in Table B-2 to estimate the total output produced by incubated firms. We assume that incubated firms have the same average output per employee ratio as other firms in their respective industries. For example, the average output per employee in the software publishing industry is approximately \$291,000. This ratio estimates the total output of hypothetical firms by multiplying it by the number of employees they employ. For example, the total output generated by the 2 firms we assumed to be in the software publishing industry will be approximately \$2 million (2 firms x 4 employees per firm x \$291,000 per employee).

Based on these 5 assumptions, we now have a detailed set of the direct impacts that might be created by incubated firms. These direct impacts are summarized in Table B-4. It should be noted that these direct impact estimates only consider the economic impact of 10 incubated firms. This is important because, as discussed in Section B.3.1, firms are not intended to stay incubator clients forever. Once a firm has grown to the point it can succeed without incubator services, it "graduates" and moves out of the incubator, thus making room for new firms.

So long as incubator graduates remain operating in Sarasota County, they will continue to impact the county's economy. Thus, impacts will accelerate and accumulate over time.

Table B-4. Direct Annual Impact Assumptions for Incubator Alternative Analysis

Industry Description	IMPLAN Code	Direct Annual Impacts (# of employees)	Direct Annual Labor Income Impact (thousands)	Direct Annual Output Impact (thousands)
Computer Technology Firms				
Software publishers	345	8	\$673	\$2,329
Internet publishing and broadcasting	350	8	\$277	\$1,719
Data processing web services	352	4	\$151	\$648
Life Science Technology Firms				
Electromedical and electrotherapeutic apparatus manufacturing	248	12	\$873	\$5,262
Analytical laboratory instrument manufacturing	254	4	\$250	\$1,460
Scientific research and development services	376	4	\$186	\$421
Total Direct Annual Impacts		40	\$2,410	\$11,839

Prospective Economic Impact

Inter-industry impacts can be represented mathematically using multipliers. The multipliers for the industries that are the subject of this analysis are presented in Table B-5.

Table B-5. Multipliers for Industries Targeted for Incubation, Sarasota County (2007)

Industry Description	IMPLAN Code	Total Employment Impact Multiplier	Total Labor Income Multiplier	Total Output Impact Multiplier
Computer Technology Firms				
Software publishers	345	2.8	1.9	1.7
Internet publishing and broadcasting	350	1.7	1.9	1.4
Data processing and web services	352	2.1	2.1	1.8
Life Science Technology Firms				
Electromedical and electrotherapeutic apparatus manufacturing	248	2.7	2.1	1.6

Industry Description	IMPLAN Code	Total Employment Impact Multiplier	Total Labor Income Multiplier	Total Output Impact Multiplier
Analytical laboratory instrument manufacturing	254	2.6	2.2	1.6
Scientific research and development services	376	1.8	1.7	1.8

Source: IMPLAN, 2009

The multipliers estimated for many of these industries are higher than the average and median multipliers reported in Table B-1 for all industries in the Sarasota County economy. This indicates that changes in final demand for products produced by these industries will have larger impacts on the Sarasota economy as a whole than changes in final demand for products produced in most other industries. Therefore, to the extent the incubator focuses on encouraging the creating of firms in technology-based industries such as these, it will be targeting industries with comparatively higher economic impacts.

To estimate the total annual impact that incubated firms will have on the Sarasota County economy, we multiply the direct impacts reported in Table B-4 for each industry by their respective multipliers in Table B-5. For example, since we assume that 8 FTEs will be employed by two firms in the software publishing industry, and the multiplier for this industry is 2.8, we can say that these two firms will generate 14.8 jobs in other industries through out the Sarasota economy, resulting in total job creation of 22.8.

Table B-6 summarizes the total annual economic impact of incubated firms by industry. As this table indicates, based on our assumptions, we can estimates that firms supported by the incubator could generate approximately 23 jobs, \$4.8 million in labor income, and \$19 million in output.

Table B-6. Prospective Total Impacts of Incubator Alternative

Industry Description	IMPLAN Code	Total Employment Impacts (# of employees)	Total Annual Labor Income Impact (thousands)	Total Annual Output Impact (thousands)
Computer Technology Firms				
Software publishers	345	22.8	\$1,247	\$3,860
Internet publishing and broadcasting	350	13.7	\$518	2,438

Industry Description	IMPLAN Code	Total Employment Impacts (# of employees)	Total Annual Labor Income Impact (thousands)	Total Annual Output Impact (thousands)
Data processing and web services	352	8.2	\$322	\$1,149
Life Science Technology Firms				
Electromedical and electrotherapeutic apparatus manufacturing	248	32.7	\$1,865	\$8,260
Analytical laboratory instrument manufacturing	254	10.3	\$547	\$2,303
Scientific research and development services	376	7.2	\$313	\$777
Total Annual Economic Impacts		94.9	\$4,812	\$18,786

B.4 Prospective Analysis of Alternative 2: Aging Center

A second alternative for promoting regional economic growth is the creation of a Center for Aging & Medical Sciences. By making a series of assumptions RTI estimated potential annual economic impacts of such a proposed center using multipliers generated by the 2007 IMPLAN model for Sarasota County, Florida. The results of this analysis are summarized in Table B-8. The remainder of this section focuses on describing how these impacts were estimated.

Table B-8. Prospective Economic Impacts of Research Center Alternative

Industry Description	Prospective Annual Impact
Total Employment Impact	706 to 758 jobs
Total Labor Income Impact	\$30 to \$32 million
Total Output Impact	\$76 to \$82 million

Overview of Center Strategy

In this analysis we estimate the center will be 25,000 square feet in size and cost approximately \$6 million in initial development. Once the facility is constructed it will require \$750,000 per year in annual operations.

The center will be the home to

- a research center for data collection and analysis of aging population trends and demographics that aggregates demand for clinical trials,
- a training/learning center, which will serve the local community and also provide specialty training courses to individuals from outside Sarasota County, and
- approximately 10 related businesses that will support research being conducted at the facility.

The research center is assumed to employ between 7 and 15 employees. In addition to research activities being performed by the center itself, it also is also expected to stimulate research among 3 hospitals and 10 medical specialists with whom it shares contractual relationships.

Assumptions for a Center in Sarasota

The proposed center has the potential to encourage growth in a variety of industries through (1) new research funding attracted to Sarasota County (which will be received by the center and its contractual partners) and (2) new visitors to Sarasota County seeking training at the center or specialized medical services (known as medical tourists). In this analysis, we will analyze the economic impacts of the proposed center's research activities separate from the impact of visitors to Sarasota County.²

Assumptions for Estimating the Economic Impact of Center's Research Activities

First, where will research funding for the center come from? We assume that the majority of the center's funding will originate from sources outside Sarasota County.

Second, which industry will these research funds impact? For the purposes of this analysis, we will be treating the economic impact of the center as an increase in the final demand for scientific research and development services produced in Sarasota County. In 2007, this industry employed 442 employees, earning \$21 million in labor income, and producing \$47 million of output (Table B-9).

² The 10 businesses supporting the Aging Center are excluded from this analysis because they are essentially just local businesses providing products and services to support the growing scientific research industry. Therefore, conceptually the creation of these businesses represents an indirect impact of the center that should be captured in the multiplier process and therefore included in the IMPLAN multipliers.

Table B-9. Descriptive Statistics of Scientific Research Industry, Sarasota County (2007)

Industry Description	IMPLAN Code	Employment (# of employees)	Labor Income	Output
Scientific research and development services	376	442	\$20,573,774	\$46,530,666

Source: IMPLAN, 2009

Third, how many employees will the center and its contractual affiliates employ? In this analysis, we assume the center might employ 7-15 individuals engaged in research activities at the center itself. In addition, we also estimate the center will help foster research at other organizations through its contractual relationships. As research activities expand at other organizations, they will have to hire additional employees to meet the new and growing research needs. Discussions with various companies in the region already doing work in sectors related to this center reveal that as many as 300 new researchers could be employed as a result of expanding activities at the center’s contractual partners. In total, this analysis will assume that 310 new employees will be employed in the scientific research industry. This is the direct employment impact of the center and its contractual partners.

Fourth, how much income will these employees receive? We assume that employees employed at the Aging Center and its contractual partners will receive the industry average income per employee: \$47,000. We can then use labor income per employee to estimate the direct labor income impact of incubated firms by multiplying it by the number of employees they employ. Therefore, we estimate that the direct labor income impact of the center and its contractual partners will be approximately \$14 million.

Fifth, How much output will output will the center itself produce? We assume that the same average output per employee ratio as other firms in their respective industries holds: approximately \$105,000. We can use this ratio to estimate the total output of our hypothetical firms by multiplying it by the number of employees they will employ. Based on this calculation we estimate the center and its contractual partners will produce \$33 million of research activity (310 employees per firm x \$105,000 per employee).

Based on these 5 assumptions, we now have a detailed set of the direct impacts that might be created by the center. These direct impacts are summarized in Table B-10.

Table B-10. Direct Annual Impact Assumptions for Research Center Alternative Analysis

Industry Description	IMPLAN Code	Direct Annual Employment Impacts (# of employees)	Direct Annual Labor Income Impact (thousands)	Direct Annual Output Impact (thousands)
Scientific research and development services	376	310.0	\$14,430	\$32,635

Assumptions for Estimating the Economic Impact of New Trainees and Medical Tourists

In addition to the economic impacts generated by research activity, we can also expect economic impacts to be generated by new visitors attracted to Sarasota County. In order to estimate the economic impact of these visitors, we must estimate:

How many new visitors will be attracted to Sarasota County each year and how long will they stay?

How much will these visitors spend during their visit?

What will these visitors spend their money on?

How can visitor spending be expressed in terms of employment and labor income?

First, how many new visitors will be attracted to Sarasota County each year and how long will they stay? The training program is expected to attract between 1,500 and 2,000 individuals from outside Sarasota County each year, with each individual staying an average of 5 days. In addition, 1,000 new individuals may start seeking specialized medical services inside Sarasota County as the center grows. In order to estimate the impact of these visitors, we assume that they have the same per day spending habits as individuals visiting for training, but that they stay an average of 3 to 4 weeks

Second, how much will these visitors spend during their visit? Based on conversations with individuals close to the center project, people visiting the region to attend the center’s training program are expected to spend approximately \$2,000 during their 5 day stay, or \$300-400 per day. Due to a lack of data for spending estimates for individuals traveling to Sarasota County to seek specialized medical services, this is also the per day estimate that will be used for medical tourists. However, it should be noted that this will likely underestimate the impact of medical tourists on the county because it does not take into account the amount they spend on medical procedures inside the county.

Third, what will visitors spend their money on? In order to determine how visitor expenditures will impact the Sarasota County economy, we must make several assumptions about they spend their money each day. For the purposes of this analysis, we assume that visitor spending falls into four primary categories:

- Lodging (Hotels/Motels),
- Food and Drink,
- Car Rental, and
- General Retail Merchandise.

We assume that \$250 per day goes to lodging, \$40 per day goes to food and drink, \$70 per day goes to car rental, and \$40 per day goes to general retail merchandise. This is the direct output impact of visitors. Industries providing these goods and services already contribute significantly to the Sarasota County economy. As Table B-11 indicates, these industries provided almost 19,000 jobs and generated more than \$1 billion in output in 2007.

Table B-11. Descriptive Statistics of Industries Impacted by Visitors, Sarasota County 2007)

Industry Description	IMPLAN Code	Employment (# of employees)	Labor Income (\$2007)	Output (\$2007)
Retail Stores - General merchandise	329	3,252	\$78,210,600	\$172,720,224
Automotive equipment rental and leasing	362	227	\$9,478,385	\$41,635,205
Hotels and motels- including casino hotels	411	1,621	\$61,627,178	\$174,351,518
Food services and drinking places	413	13,879	\$302,367,894	\$827,618,649
Total		18,979	\$451,684,057	\$1,216,325,596

Source: IMPLAN, 2009

Fourth, how can visitor spending be expressed in terms of employment and labor income? Since employees must be hired to provide the products and services that visitors buy, visitor impacts can also be expressed in terms of employment and labor income. We can do this by using the data in Table B-11 to estimate the ratio of employment and labor to purchased output. For example, it takes 0.00002 employees (13,879 / \$828 million) and \$0.365 of labor income (\$302 million / \$828 million) to produce \$1 of food and drink purchased by visitors.

We can use these ratios to estimate the direct employment and labor income impacts of visitor spending by multiplying them by the money visitors are expected to spend in Sarasota County. For example, since visitors are assumed to spend \$40 per day on food and drink, this means they are generating a direct impact of 0.0007 jobs and \$15 of labor income.

Using these four assumptions we can create daily direct impacts measures, which are reported in Table B-12.

Table B-12. Estimated Daily Direct Impact per Visitor, per Day

Industry Description	IMPLAN Code	Direct Daily Employment Impacts	Direct Daily Labor Income Impact	Direct Daily Output Impact
Retail Stores - General merchandise	329	0.0008	\$18	\$40
Automotive equipment rental and leasing	362	0.0004	\$16	\$70
Hotels and motels- including casino hotels	411	0.0023	\$88	\$250
Food services and drinking places	413	0.0007	\$15	\$40
Total		0.0036	\$124	\$371

Prospective Economic Impact

As discussed in Section B.1, direct economic impacts result from increases in final demand for products produced by one industry ripple through the economy to other industries. We used a series of assumptions to create potential direct impacts of the creation of an aging center both in terms of the research activities it will promote and the new visitors to Sarasota County it will attract. For convenience, we will present the prospective economic impacts of the proposed center's research activities separate from the impact of visitors to Sarasota County the center will attract.

Prospective Economic Impact – Center Research Activities

The multipliers for the scientific research industry are presented in Table B-13. As one can see, the multipliers for this industry are fairly close to the average multipliers for all industries in Sarasota County (reported in Table B-1).

Table B-13. 2007 Multipliers for Scientific Research Industry, Sarasota County (2007)

Industry Description	IMPLAN Code	Total Employment Impact Multiplier	Total Labor Income Multiplier	Total Output Impact Multiplier
Scientific research and development services	376	1.8	1.7	1.8

Source: IMPLAN, 2009

Multiplying the direct impacts noted in Table B-12 by these multipliers yields our measures of total economic impact, which are reported in Table B-14. As this table indicates, the research activities of the center are expected to result in creating 551 jobs, \$24 million in labor income, and approximately \$60 million of output.

Table B-14. Prospective Annual Impacts of Center Research Activity

Industry Description	IMPLAN Code	Direct Employment Impacts (# of employees)	Direct Labor Income Impact (thousands)	Direct Output Impact (thousands)
Scientific research and development services	376	551.3	\$24,036	\$59,609

Prospective Economic Impact of New Visitors to Sarasota County

The multipliers necessary for computing the economic impact of visitors to the center and medical tourists are provided in Table B-15. The multipliers reported for these industries are typically (with the exception of automotive equipment rental) close to the average for all industries as reported in Table B-1.

Table B-15. Multipliers for Industries Supported by Visitors, Sarasota County (2007)

Industry Description	IMPLAN Code	Total Employment Impact Multiplier	Total Labor Income Multiplier	Total Output Impact Multiplier
Retail Stores - General merchandise	329	1.2	1.4	1.5
Automotive equipment rental and leasing	362	2.1	2.1	1.7
Hotels and motels- including casino hotels	411	1.5	1.6	1.5
Food services and drinking places	413	1.3	1.5	1.5

Source: IMPLAN, 2009

We can also use IMPLAN multipliers to estimate the total economic impact of the visitors the Aging Center is intended to attract. This can be done by multiplying the multipliers for each industry by the direct impacts reported in Table B-12. However, unlike before, we must take into account that we do not know what bundle of goods will be purchased from retail stores. This information is necessary to fully estimate the economic impact of these purchases because the general merchandise industry only provides retail services, while other industries produce the products they sell. When this is the case, the Minnesota IMPLAN Group recommends that only the retail services being provided be taken into account when computing economic impact estimates (IMPLAN, 2008). According to 2007 IMPLAN data for Sarasota County, the retail margin is 23.7%. Therefore, to only estimate the direct impact of the retail margins themselves, we must multiply the direct impact on the general merchandise retail sector 23.7%. As a result, only \$11 per day of visitor spending will be included in the following total economic impact calculations.

After multiplying the direct impacts in Table B-12 by the multipliers in Table B-15 we calculate the total daily economic impact of visitors, which is reported in Table B-16. This table indicated that 0.005 jobs, \$200 of labor income, and \$585 of output will be generated per day by visitor expenditures.

Table B-16. Total Estimated Impact per Visitor, per Day

Industry Description	IMPLAN Code	Total Daily Employment Impacts	Total Daily Labor Income Impact	Total Daily Output Impact
Retail Stores - General merchandise	329	0.0003	\$6.9	\$16.8
Automotive equipment rental and leasing	362	0.0008	\$33.9	\$121.3
Hotels and motels- including casino hotels	411	0.0035	\$137.2	\$386.9
Food services and drinking places	413	0.0008	\$21.4	\$59.9
Total Daily Impacts		0.0054	\$199.4	\$584.8

If we assume that 1,500-2,000 individuals visit for training for 5 days each year, we can use these total daily impact estimates to calculate annual impact estimates. These calculations reveal that individuals visiting Sarasota County to attend the aging Center's program will create:

41 to 54 jobs

\$1.5 to 2 million of labor income, and

\$4 to 6 million of output each year.

Similarly, if we assume that 1,000 individuals visit Sarasota County seeking specialized medical services for 3-4 weeks each, we can estimate that these visitors will create:

114 to 152 jobs,

\$4 to 5 million of labor income, and

\$13 to 16 million in output each year.

A summary of the combined impact of individuals visiting for training and individuals visiting to receive specialized medical services is presented in Table B-17.

Table B-17. Prospective Annual Impact of New Visitors to Sarasota County

Industry Description	IMPLAN Code	Total Annual Employment Impacts	Total Annual Labor Income Impact (thousands)	Total Annual Output Impact (thousands)
Retail Stores - General merchandise	329	7.3-9.7	\$198 - \$264	\$478 - \$638
Automotive equipment rental and leasing	362	23-30.7	\$967 - \$1,289	\$3,457 - \$4,609
Hotels and motels- including casino hotels	411	100.5-134.1	\$3,909 - \$5,212	\$11,026 - \$14,701
Food services and drinking places	413	23.9-31.9	\$610 - \$814	\$1,707 \$2,276
Total Annual Impacts		154.8-206.4	\$5,684 - \$7,579	\$16,667 - \$22,223

References:

RTI International. 2007. "Maryland Incubator Impact Analysis and Evaluation of Additional Incubator Capacity." Prepared for the Maryland Technology Development Corporation.

RTI International. 2007. "Maryland Incubator Impact Analysis and Evaluation of Additional Incubator Capacity." Prepared for the Maryland Technology Development Corporation.

IMPLAN.

APPENDIX C: Glossary of Terms

BRE: business retention and expansion is an economic tool to assist local businesses with issues in order to keep them competitive and successful.

Economic gardening: a proactive method for growing local economies by nurturing entrepreneurial businesses, both start-ups and existing businesses, who want to grow. Typically, attention is paid to businesses with 10-100 employees, and which have other desired growth characteristics.

“Green” jobs: jobs that are generated by any of a variety of activities focused on environmentally-friendly practices, such as energy conservation, water conservation and re-use, low impact development, energy generation from solar power or wind, etc.

High Value Company or Industry: an enterprise or industry that provides higher than average value to the community in terms of wages, multiplier effect, new wealth creation, or growth potential. Often associated with the term “value-added industry.”

Industry Cluster: a geographic concentration of interconnected businesses, suppliers, and associated institutions in a particular industry. Clusters are considered to increase companies’ productivity and competitiveness.

Infrastructure: usually refers to streets and roads, water lines and treatment facilities, sewer and storm water lines and treatment facilities, and utilities such as natural gas and electric power.

Local procurement: the practice of securing goods and services from local vendors as opposed to those from outside the region.

Location quotient (LQ): A primary determinant for industry competitiveness, the location quotient represents the concentration of employment in a given area. The location quotient is defined as the regional concentration of employment for a specific industry compared to the average concentration of employment for that industry in the U.S. Industries with a concentration the same as the U.S. have a LQ of 1.0; those with regional concentrations greater than the U.S. have LQs greater than 1.0; and those with lower than average concentrations have LQs less than 1.0.

Public assets: typically land, buildings, or infrastructure owned by a public entity.

Public investments: public funds spent on projects and programs; examples could be public housing projects or building streets.

Public resources: funding from government entities at all levels (federal, state, local).

Locally-controlled Incentives: usually tax benefits or financial support to incentivize businesses to locate, expand, or remain in a region.

Sustainable development: a pattern of resource use that aims to meet human needs while preserving the environment so that these needs can be met not only in the present, but also for future generations.

Traded sector: companies or industries that sell their goods and services outside the local area thereby bringing new wealth into a region.

Trajectory of profitability: the time it takes for businesses to expand their profits in order to fund expanded employment and company operations.

Value chain: the eco-system of suppliers, vendors, customers and competitors that exist around businesses and industries.

Value Added Industries: manufacturing, utilities/energy, wholesale trade, transportation, information services, financial services, professional and technical services, and management of companies sectors.