

MEC Land Use Study

Attachment D

Economic Profile and Target Industry Recommendations

ECONOMIC PROFILE

In order to make projections on future demand for MECs, the consultants performed detailed analysis on trends, population, and demographics found in Sarasota County. As such, an Economic Profile was created (see Study Appendix). This profile includes workforce, industry, and population projections, and is summarized in brief, below:

- EDAW/ERA found that the County's average wages are below average for Florida, although wage growth rate is higher than average, indicating gradual improvement. Employment strength for the County is found in small businesses, as the County has 32,000 self-employed workers and a high number of firms with less than 20 employees.
- One of the factors that make the County unique is a high proportion of personal income from interest and dividend income instead of wages. Unemployment in the County is low and below the U.S. average. Education attainment in the County is above average. One of the greatest challenges to the County's economic development plan and economic diversification is the lack of affordable housing. The County is much less affordable than most other places in the U.S., partially because of the high number of wealthy retirees.
- The University of South Florida is identified as an important economic development resource that plays a leading role in promoting research and developing new technologies for the region.
- A review of the County's economic development planning efforts is noteworthy. The County's plans have a solid basis in empirical analysis and current national and global trends.
- The Comprehensive Plan includes a chapter on economic development that reviews history, context, land use policy, and articulates goals in economic development. Elements of business climate are reviewed, including impact fees, Ad Valorem taxes, and the development review process. Aspects of quality of life that are reviewed include the natural environment, arts, culture, recreation, educational excellence, social, health and safety issues, and affordable housing.
- Workforce development is also mentioned, and reference is made to the 21st Century Workforce Study along with the County's Economic Development Strategic Plan.
- Some target industries identified in the Economic Development Plan may be difficult for the County to grow and recruit. It may be appropriate to re-evaluate some of the target industries or to refine the business recruitment and local business growth strategy to ensure that scarce economic development resources are being allocated efficiently.

TARGET INDUSTRY RECOMMENDATIONS

In addition to reviewing the County's land use policies, EDAW/ERA also performed analysis on the County's Economic Development Plan. The Plan identifies target industry clusters, and the following is a brief synopsis of EDAW/ERA's review:

- **Specialty Manufacturing** - Current trends seem to work against the growth or expansion of specialty manufacturing in the County. Mobilizing political representation for manufacturing centers is an important factor in recruitment of this industry. Finally, developing better connections between young job seekers and employment opportunities in the County is another strategy for promoting this industry.
- **Creative Services** - It is recommended that a Creative Services District be created within Sarasota County. Organization of creative industries into a unified voice for collaborative marketing is another strategy for promoting creative services.
- **Life and Environmental Services** – It is recommended that the County initiate a Clinical Research Organization in collaboration with a nearby educational institution to promote life and environmental sciences. Also, a life sciences incubator is recommended as a strategy for promoting this industry.
- **High Tech and Entrepreneurship** – Greater marketing efforts for promoting the County's current and emerging technology firms by establishing a technology district is one strategy for promoting this cluster. Enhancing the entrepreneurial climate to improve access to capital, build strong executive teams, and foster new start ups is a second related strategy for promoting high-tech in Sarasota County.

ECONOMIC DEMOGRAPHIC KEY FINDINGS

As mentioned earlier, EDAW/ERA completed an Economic Profile of the County, which included demographic analysis. The following is a brief synopsis of their findings:

- Almost half (48%) of the County's employment is in Services, a sector that includes a wide-range of occupations ranging from lodging/hospitality to education to medical to professional and business services such as legal and engineering.
- The greatest number of jobs is in healthcare and social assistance sector (13%). Administrative, waste management and retail trade also provide large numbers of jobs (12.8% and 12.3% respectively).

- Between 2005 and 2013, state forecasts suggest that administrative and waste management jobs will increase at the fastest clip – 4.5% per year – or more than 1,200 new jobs annually. Job losses are predicted in the agriculture, mining, and utilities sectors.
- Finance/Insurance/Real Estate (FIRE) is the core sector generating demand for office space, as well as manufacturing and transportation, which fuel demand for MEC-related uses such as light industrial and warehousing and distribution space. Manufacturing and transportation comprise 7% of the County's total employment base.
- County population is expected to increase by 68,800 new residents by 2010. Much of this growth is focused in the southern parts of the County, such as North Port and Venice.
- As a proportion of the County's total population, the City of Sarasota has declined from 18 percent in 1990 to less than 15 percent in 2006. ERA believes that the degree to which this proportional change continues will be largely determined by opportunities for higher-density, infill redevelopment in various locations in the City over the next five to ten years.
- 41% of County residents are over the age of 55. No significant changes in the distribution of age brackets are expected by 2011. Notably, the number of residents ages 35-44 is expected to decline by almost two percent, reinforcing the anecdotal information that high housing costs as well as the type and number of jobs available may be factors in anticipated changes among this entry-level segment of the housing market.
- The cities of Sarasota, North Port, and Venice have median household incomes below that of the County; the County is fortunate to have a relatively large number of affluent residents. In fact, fully 25% of residents between the ages of 55 and 64 earn more than \$100,000 per year.
- Majority of County residents hold high school diplomas; 27% hold a Bachelor's Degree or higher; Longboat Key has the highest percentage of residents with a Bachelor's Degree (although residents are largely older and out of the workforce); the City of Sarasota has the highest percentage of residents who have not completed high school.
- Although arts and recreation have high concentrations of employment in the County, annual median wages for these categories (\$34,130) are below the state and national wages.