

# ***Target Employers & Incentives***

## **Technical Memorandum**



**June 4, 2004**

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Executive Summary of Studies  
for the  
Economic Development and Redevelopment Plan.

POLICOM Corporation

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## 1.0 Preface

Community and government leaders across the nation have come to realize that their actions can change, alter, and direct the condition of their local economy. The economic quality of life of the residents and the success of businesses are many times directly affected by the policies and leadership of those who have the influence and power to create a climate conducive to economic growth.

In areas with strong economies, local governments do not struggle to fund essential services and are usually able to provide expanded programs benefiting all that reside in the area. In such areas, schools are strong, streets safe and clean, park and recreation programs abundant, and the need to provide social-welfare programs for impoverished citizens is reduced.

Citizens living in an area with a strong economy enjoy consistent employment, regular wage gains, opportunities for personal advancement, and the ability to reliably save and invest in their future.

Businesses are able to plan for consistent expansion, hire full-time employees for the long term, and are willing to risk significant capital investing in their operations.

Communities grow more tight-knit as young men and women, after completing high school or college, remain in the area as growing employment opportunities in their hometown capture their interest.

Unfortunately, in areas with weak or declining economies, the opposite occurs. Local governments struggle to fund essential programs, with budgets under growing pressure to assist the impoverished. Residents have uncertain futures, filled with personal anxieties, with limited employment opportunities, stuck in subsistence level jobs. Businesses employ part-time workers and are unwilling to risk significant capital because of an uncertain future. The best and brightest young men and women must move from the area to seek quality employment, which is not available in their hometown.

Even though local community leaders cannot control the actions or policies of the federal or state governments, they can establish policies and create local programs to assist and foster economic growth. Nationally, there are more than 6,000 economic development organizations, Chambers of Commerce, and local, regional, and state government offices working in some fashion to improve the economy of their respective areas. Never before in history has there been such an effort.

Some organizations have large budgets, better community cooperation, and a stronger commitment from local government than others do. These areas have the best chance to either maintain or improve the economic quality of life and standard of living of their citizens. Some areas, however, provide little or no attention to economic development programs. They do not fully understand the need to have a constant, aggressive economic development program just to maintain the existing condition. In these areas, typically, the local economy is in decline.

To assist the leadership of Pinellas County in maintaining and improving the area economy, POLICOM Corporation<sup>1</sup> created seven studies for the *Economic Development and Redevelopment Plan*. The studies are linked in successive topic order as the results of one study lead to the next one. The studies include:

- 1) Economic Impact of Reaching Physical Buildout
- 2) Historical, Comparative Economic Analysis
- 3) Economic Development Goal Setting Study
- 4) Target Industry Study
- 5) Business Incentive Program – Descriptive Narrative
- 6) Business Incentives Qualification System
- 7) Economic Development Performance Evaluation

The following are summaries of these studies. The studies in their entirety can be found on the web at [www.siliconbay.org](http://www.siliconbay.org), the home page of the Pinellas County Economic Development Department, under “Redevelopment Summit” in the home page topic list.

## **2.0 Economic Impact of Reaching Physical Buildout – September, 2001**

The Pinellas economy has grown in size and quality on a par with some of the most successful areas in the nation. The “size” of a local economy is the amount of money flowing into and being circulated throughout the area. The “quality” of the economy is the standard of living for people who live and work in the area. However, after the county absorbs its last greenfield industrial property, the overall quality and size of the economy will begin to decline without positive actions being taken to forestall that occurrence. Absent available land, existing companies desiring to expand will have to move, new companies needing to construct facilities will not come to the area, and existing facilities will deteriorate over time, becoming physically obsolete. All of these will cause the loss of high-wage contributory jobs.

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Pinellas County is one of four component counties of the Tampa-St. Petersburg-Clearwater, Florida metropolitan area. The metropolitan area is ranked 70<sup>th</sup> among the 318 metropolitan areas for economic strength by POLICOM in its 2001 study. The county's economy is extremely well diversified and has been growing in size and quality for many years.

Employment and earnings growth for the county, since 1980, have been faster than those of a vast majority of the metropolitan areas. Growth in the size of the economy has been comparable to the ten strongest metropolitan areas in the United States since 1970.

Economic projections, based upon the history of the county's economic growth and the nature of the area's industry, have been created. The projections show that the county should, under normal circumstances, continue to experience rapid growth in both the size and the quality of the economy.

However, the projections cannot be realized, since Pinellas County will soon reach physical buildout. This is the land use condition that exists when, for practical purposes, there is no more greenfield land upon which new companies can locate or existing companies can expand.

When a city or a county reaches buildout, new companies cannot locate in the area. Existing companies needing to expand have no place to build in the area and are forced to leave. As a result, the economy begins to slow and eventually decline. As time goes by, existing business facilities begin to deteriorate, finally reaching a point when they are abandoned, causing more companies to leave the area, accelerating economic decline.

In the oldest parts of the United States, most cities and many counties have reached buildout. It is more common in areas that are small geographically and have experienced rapid growth. Pinellas County will likely become the first in Florida to experience this phenomenon, reaching practical buildout in approximately 2010. The impact of aging facilities in the oldest parts of the county, combined with the effects of buildout, will cause growth in the size and quality of the economy to stall between 2012 and 2015.

Leaders in Pinellas County have an advantage over other areas, in that they can gain insight from the experiences of communities that have already reached buildout. As a result, they can initiate programs now to forestall or even prevent some of its negative aspects. These programs are addressed in subsequent reports.

### **3.0 Historical, Comparative Economic Analysis – October, 2002**

The growth in the size and quality of the Pinellas County economy was reviewed over a twenty-five year period and compared to the rest of the nation. The retirement industry is the single largest economic contributor in the county. The manufacturing and business services sectors have also grown rapidly, and each is now a close second. When compared to the other 318 metropolitan areas, during the 1990s the Pinellas County economy grew rapidly in size and quality. However, this growth is beginning to slow.

An individual or business is most affected by the economic condition of the area in proximity to where the individual lives or the business is located. The economic growth of the local economy typically determines the standard of living for the individual and the success of the business. Local economies throughout the United States many times behave in significant contrast to national or state trends, since national and state data represent the aggregation and/or average of the data for thousands of small economies. Average national growth rates can, therefore, be much different than local growth rates.

The condition of a local economy can also be much different than neighboring counties, as each has its own characteristics and composition. The *Historical, Comparative Economic Analysis* examines in great detail the composition, history, and trends of the economy of Pinellas County. By examining the contents of this report, the reader can gain significant insight as to what is driving the economy and how it compares to the rest of the nation. The analysis is composed of four distinct sections:

- Section 1 presents the existing composition, impact, and history of thirteen important economic categories. The most important factors affecting Pinellas County are shown in charts and graphs.
- Section 2 examines the quality and quantity of the economy, as they influence the economic quality of life for the people living and working in the area.
- Section 3 compares the growth rate, stability, and economic importance of 118 items over five time periods to the rest of the nation. Short- and long-term trends, shifts in the importance of various economic sectors, and the stability of the economy are demonstrated. The data are statistically measured against the 318 metropolitan areas in the United States.
- Section 4 includes a list of the “economic strength” rankings of all the metropolitan areas in the United States, and the raw economic data for Pinellas County that was used to create this analysis.

## Economic Overview

Pinellas County, Florida is one of four component counties of the Tampa-St. Petersburg-Clearwater metropolitan area. Hillsborough, Pasco, and Hernando counties comprise the balance of the MSA.

The county has a population greater than 250 of the 318 metropolitan areas in the United States. It has had, over the last ten years, exceptional economic growth, while the growth rate in population has been relatively slow. The size and quality of the Pinellas economy has grown at a rate comparable to the top 20% of the metropolitan area economies.

The following chart shows how the county's rate of growth for selected sectors ranked among the 318 metropolitan areas from 1991 to 2000. The average annual percentage increase was calculated and compared to the growth rates of the 318 areas.<sup>2</sup>

<b>Pinellas 1991-2000</b>	<b>Annual Growth</b>	<b>Rank x/318</b>
Population	0.74%	215
Per Capita - Personal Income	3.91%	209
Earnings - All Workers	6.60%	53
Employment - All Workers	2.61%	81
AEPW - All Workers	3.90%	47
Earnings - Construction	4.09%	269
Employment - Construction	0.86%	269
AEPW - Construction	3.18%	121
Earnings - Manufacturing	3.43%	160
Employment - Manufacturing	0.41%	116
AEPW - Manufacturing	3.05%	209
Earnings - Transportation and Utilities	8.42%	30
Employment - Transportation & Public Utilities	4.08%	41
AEPW - Transportation & Public Utilities	4.23%	47
Earnings - Wholesale Trade	10.37%	5
Employment - Wholesale Trade	3.97%	33
AEPW - Wholesale Trade	6.12%	8
Earnings - Retail Trade	3.78%	265
Employment - Retail Trade	0.05%	305
AEPW - Retail	3.76%	53
Earnings - Finance, Insurance, Real Estate (FIRE)	9.60%	86
Employment - Finance, Insurance, Real Estate (FIRE)	3.19%	114
AEPW - Finance, Insurance, Real Estate (FIRE)	6.40%	85
Earnings - Services	8.47%	41
Employment - Services	4.89%	32
AEPW - Services	3.43%	155

<sup>2</sup> Please see Section 3 of the Historical, Comparative Analysis for all comparative rankings.

When compared to the 318 metropolitan areas, Pinellas County has had substantial growth in many industrial sectors, especially wholesale trade. Note, however, that the rate of growth in the construction industry has been very slow. This coincides with the slow growth in total population.

Additionally, note how the rate of growth in the number of people employed in retail trade has been slow, while the average earnings per worker (AEPW) have increased very rapidly. This is the result of the consolidation of part-time retail trade workers into full-time workers, which is a characteristic of a strong economy.<sup>3</sup> Nationally, the AEPW in retail trade is 52% of the area average wage. However, retail workers earn 63% of the Pinellas County average AEPW. In 2000, the county AEPW in retail trade was \$19,661, which is ranked 74<sup>th</sup> highest among the 318 metropolitan areas. The overall Pinellas County AEPW was \$31,162, ranked 146<sup>th</sup>.

The retirement industry is the largest economic contributor in the county, as government transfers (e.g., Social Security payments) for retirement age individuals account for approximately 30% of the money imported to the area.

However, the county has numerous economic contributors, many of which include high-wage employers. Manufacturing is the second biggest contributor and includes precision instruments, electronic equipment, publishing, and industrial machinery. The finance and insurance sector, wholesale trade, and computer software development and programming are also important to the economy.

#### **4.0 Economic Development Goal Setting Study – Revised – November, 2003**

As a result of reaching physical buildout, if nothing is done, the Pinellas County economy will decline in quality and size. To prevent this from happening, the area needs to increase the number of high-wage, contributory jobs. This will import more money to the county and improve the standard of living for the residents.

Community leaders in Pinellas County are making a commitment to improve the economic quality of life for the citizens in the area. They, like the leaders in successful communities across the nation, understand that a strong, vibrant economy is needed to maintain and enhance the overall quality of life.

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<sup>3</sup> In labor statistics, a part-time job is counted the same as a full-time job. Two part-time jobs equal two jobs. In the retail sector, there are a large number of part-time workers. If a retailer consolidates ten part-time workers into five full-time workers, there is a statistical loss of five jobs.

To assist this process, POLICOM Corporation was asked to establish employment and earnings targets (or “milestones”) out to the year 2023, which, when achieved, will maintain and improve the Pinellas County economy. By establishing these benchmarks, Pinellas County leaders will have a clear path to follow to improve the standard of living for residents and to foster consistent economic growth in both size and quality.

This study is composed of three parts:

- 1) The economy’s history and existing condition were examined for growth in quality and quantity.
- 2) Economic projections to the year 2023 were generated to estimate the future level of the economy.
- 3) An achievable goal was set for the year 2023, determining the economic level that the community can reach if the employment and earnings milestones are met.

**Goal Study Annual Milestones – Annual Primary Jobs and Annual Earnings  
Per Worker (Wages)**

<u>GOAL Pinellas</u>	<u>New Jobs</u>	<u>New Job Wage</u>	<u>Area Avg. Wage</u>	<u>% of Area Avg.</u>
2003	2,352	44,750	34,628	129%
2004	2,449	45,745	35,775	128%
2005	2,519	47,530	36,960	129%
2006	2,592	49,380	38,183	129%
2007	2,667	51,299	39,447	130%
2008	2,658	53,051	40,726	130%
2009	2,645	54,918	42,021	131%
2010	2,718	57,188	43,361	132%
2011	2,794	59,551	44,747	133%
2012	2,872	62,011	46,180	134%
2013	2,544	64,107	47,689	134%
2014	2,189	65,873	49,283	134%
2015	2,237	67,887	50,938	133%
2016	2,286	69,960	52,657	133%
2017	2,336	72,094	54,442	132%
2018	2,387	74,291	56,297	132%
2019	2,055	76,260	58,325	131%
2020	1,701	78,158	60,543	129%
2021	1,727	80,911	62,858	129%
2022	1,754	83,766	65,273	128%
2023	1,782	86,727	67,793	128%

The milestones represent net gains in employment and earnings, and can be achieved either by recruiting new companies to the county, or as a result of the expansion of existing companies. However, achieving the goal is dependent upon having available real estate for the location and expansion of high-wage employers.

## **5.0 Economic Development Target Industry Study – August, 2003**

In order to prevent a decline in the quality of the Pinellas County economy, it is necessary to attract and/or encourage the expansion of high-wage contributory businesses. The county has a number of geographic-economic assets, such as air transportation, higher education, a skilled workforce, competitive wages, and a relatively short commuting time. As a result, a list of targeted business sectors has been created, consisting of those that require the assets of the area and will pay a wage which will meet the goal.

Communities around the country are concerned with the economic quality of life of their residents, and have initiated economic development programs. A comprehensive program includes three major activity areas:

- 1) An Existing Industry Program, which retains and causes the expansion of existing contributory industries.
- 2) A Recruitment Program designed to lure new contributory employers to the area.
- 3) A Start-Up Program which fosters the creation of new contributory business entities in the community.

All three programs are necessary for the long-term economic health of an area. Varying degrees of emphasis may be placed upon each, depending upon the condition and character of the local economy. However, in order to achieve the annual milestones established in the *Goal Setting Study*, an aggressive recruitment program must be undertaken. As a result, a *Target Industry Study* was created.

### **Why “Target” Industries?**

A recruitment program is designed in a similar manner as a marketing-sales plan for almost any business. The process is very simple:

- 1) Identify the product you have to sell (the community)
- 2) Determine who wants to buy your product (what businesses will locate in the area)
- 3) Market to those businesses

Marketing involves advertising, direct mail, cold calling, direct visitation, and a host of other means of contacting and “selling” the prospective client. The process and tools are very similar for selling any product. As with any business enterprise, an economic development organization has limited time and financial resources with which to conduct a recruitment program.

With unlimited resources, the economic development group could purchase advertisements on every TV and radio station, and every newspaper and magazine. It could telephone and mail repeatedly and have sufficient staff to visit every business in the country. Of course, this is not the case for any economic development organization or any business in America. Therefore, as with any business, the time and resources of the economic development organization must be focused upon those businesses which are most likely to purchase the product, in this case, relocate to Pinellas County.

The more money the organization has, the wider the range of companies it can approach. The less money it has, the narrower the target must be. Based on the amount of available resources, the organization should market toward the types of industries, in declining order of priority, which have the best potential to benefit the area, and are most likely to locate within it. The *Target Industry Study* provides a list of priority industries for Pinellas County to focus upon, to guide the use of marketing resources and provide the best chance of achieving the jobs/wage goal.

The community should not ignore or discourage contributory businesses which desire to locate in the area if they do not pay a wage set by the goal or are not on the target list. The county needs as many contributory employers as possible. However, the company should pay at least 110% of the area average, or its presence will cause a dilution in the quality of the economy.

The *Target Industry Study* examined the geographic economic assets and liabilities of the county. From this review, specific business types were identified which could utilize the strengths and cope with the weaknesses of the county. To determine which are to be included on the target list, a mathematical matrix was developed to score the impact and likelihood of the business locating in Pinellas County, based on the following:

- 1) % AEPW (average earnings per worker) is above the goal for Pinellas County
- 2) Growth in AEPW
- 3) Growth in employment
- 4) Growth in business units
- 5) Growth in earnings
- 6) Growth and presence in Florida
- 7) Growth and presence in the area

From more than 1,500 industrial sectors<sup>4</sup>, 79 were identified as most appropriate for Pinellas County. It is on these sectors that the county should focus its marketing efforts. The following are a sample:

### **333314 Optical Instruments and Lens Manufacturing**

This industry comprises establishments primarily engaged in one or more of the following: (1) manufacturing optical instruments and lens, such as binoculars, microscopes (except electron, proton), telescopes, prisms, and lenses (except ophthalmic); (2) coating or polishing lenses (except ophthalmic); and (3) mounting lenses (except ophthalmic).

### **334113 Computer Terminal Manufacturing**

This industry comprises establishments primarily engaged in manufacturing computer terminals. Computer terminals are input/output devices that connect with a central computer for processing.

### **334513 Instruments and Related Products Manufacturing for Measuring, Displaying, and Controlling Industrial Process Variables**

This industry comprises establishments primarily engaged in manufacturing instruments and related devices for measuring, displaying, indicating, recording, transmitting, and controlling industrial process variables. These instruments measure, display, or control (monitor, analyze, and so forth) industrial process variables, such as temperature, humidity, pressure, vacuum, combustion, flow, level, viscosity, density, acidity, concentration, and rotation.

### **454111 Electronic Shopping**

This industry comprises establishments engaged in retailing all types of merchandise using the Internet.

### **511210 Software Publishers**

This industry comprises establishments primarily engaged in computer software publishing or publishing and reproduction. Establishments in this industry carry out operations necessary for producing and distributing computer software, such as

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<sup>4</sup> Industry sectors were based on the six-digit North American Industry Classification System (NAICS).

designing, providing documentation, assisting in installation, and providing support services to software purchasers. These establishments may design, develop, and publish, or publish only.

## **524114 Direct Health and Medical Insurance Carriers**

This industry comprises establishments primarily engaged in initially under-writing (i.e., assuming the risk and assigning premiums) health and medical insurance policies. Group hospitalization plans and HMO establishments (except those providing health care services) that provide health and medical insurance policies without providing health care services are included in this industry.

## **6.0 Business Incentive Program – Descriptive Narrative – October, 2003**

Communities across the nation offer financial inducements to contributory businesses if they expand in or relocate to the area. There are four basic types of incentives: 1) tax abatement, 2) low interest loans, 3) grants and gifts, and 4) regulatory relief. Since there are a limited number of high-wage companies locating each year, in order to be competitive in the marketplace, Pinellas County should develop an incentive program which provides a variety of inducements to companies.

It will be the responsibility of the Pinellas County Economic Development Department (PCED) and other affected organizations in the county to conduct a vigorous economic development program. As previously described, there are three basic components to economic development: 1) an Existing Industry Program, 2) a Recruitment Program, and 3) a Start-Up Program.

Nationally, there are thousands of economic development organizations all attempting to improve the condition of their local economies. Competition for a limited number of expanding or relocating contributory businesses is extremely fierce. As a result, over the last fifteen to twenty years, the number and type of business incentives being offered to companies by communities and states has ballooned to billions of dollars annually. There are basically four different types of incentives offered to businesses by communities. These include:

- 1) Tax abatement
- 2) Low interest loans
- 3) Grants or gifts
- 4) Regulatory relief

From these four core incentives, a plethora of incentive packages are offered by communities. In April 2001, POLICOM Corporation conducted a nationwide *Business Incentives Survey*, which identified what was being offered on a local basis as an inducement for primary businesses to expand in or locate to an area. More than ten percent of the counties in the United States participated in the survey.<sup>5</sup>

The results of the survey showed that virtually every county offered some type of incentive. The most frequent incentive was the abatement of locally levied real property taxes and the issuance of Industrial Development Revenue Bonds. However, the most important incentives offered, those which had the greatest impact, were discounting the price of land for a community-owned industrial park and paying for worker training.

The *Target Industry Study* has identified the business sectors which, if they expand in or locate to the area, will achieve the goal. The list includes rapidly growing high-technology, high-paying businesses. They are the most desirable and most coveted business types across the United States. As a result, they are routinely offered incentives by various communities.

In order to compete for these companies, Pinellas County should give serious consideration to developing an array of incentive packages, which if needed, can be offered to targeted businesses. This is not to say the county will automatically award incentives to every company. Specific criteria need to be developed which measure the impact a company has upon a community, helping to determine what, if any, incentives will be offered.

## **7.0 Business Incentives Qualification System – February 2004**

To determine if a company should receive an incentive to expand in or relocate to Pinellas County, a system has been developed which identifies what types of incentives will be offered, and when they will be given. Recommendations have been made for the creation of a “pallet” or variety of incentives, ranging from property tax reimbursement to low interest loans to worker training programs to regulatory relief. Additionally, mathematical formulas have been created which determine if a company qualifies for any or all of the incentives. The formulas are based upon criteria such as the wage level to be paid, the degree to which the company is contributory in nature, and the concentration of workers in a facility.

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<sup>5</sup> The entire text of the *Business Incentive Survey* can be found at [www.policom.com](http://www.policom.com), under “Economic Development” in the home page topic list.

The amount and type of incentives offered to a company should be based upon the amount of economic impact the company would have upon the community. However, many times the decision-making process, including what to offer and how much, is not orderly and can be confusing not only to the company but also to the community at large, which ultimately pays for the incentive.

From information provided by the participants in the *Economic Development - Planning and Policies Workshop* held December 4, 2003, it has been determined that there is significant public support for incentive programs for qualified companies, providing they meet certain wage and investment criteria. Additionally, the community supports a wide range of different types of incentives, so that the area can offer the flexibility needed to attract diverse companies.

As a result of the information provided by the public, POLICOM Corporation has created mathematical formulas which will assist the County Commission, the PCED, and other local governments in determining, during negotiations with a company, which incentives will be offered as an inducement.

The process gives the most incentives to companies which:

- Are the most contributory in nature
- Pay the highest wages
- Have the largest number of workers per square foot of building and per acre of land
- Provide bonus incentives for the redevelopment of an existing building

The last two of the above criteria are driven by the growing shortage of available greenfield industrial land and the need for the area to redevelop existing industrial/business facilities.

The following principles should also be followed by the incentives program:

- The business is determined to be creditworthy.
- “Claw back” procedures will be in place to protect the county against non-performance by the company.
- Incentives will be offered to existing companies on equal footing with new companies.
- Incentives will run with the company, not be tied to a geographic location.

A mathematical Incentives Matrix (Excel spreadsheet) has been created which assists in determining what incentives should be offered. The formulas included in the matrix have

been tested by POLICOM Corporation and PCED. Actual and hypothetical projects were used to determine if the formulas were realistic and provided the desired results.

There are two important features of the Incentives Matrix:

- A methodology has been created to determine if a company is eligible for the incentives.
- An inventory of the various incentives offered by the community has been created.

The final mathematical formulas will be refined by the PCED and presented to the County Commission for conceptual approval.

## **8.0 Economic Development Performance Evaluation – March, 2004**

As discussed above, in November 2003, POLICOM Corporation created the *Economic Development Goal Setting Study (Revised) for Pinellas County, Florida*. This study discussed the existing condition of the economy, projected the condition to the year 2023, and established economic goals for the size and the quality of the economy to be attained by the year 2023.

In order for the economy to improve in quality and grow in size, annual milestones for the number of new contributory/primary jobs and their ancillary wages were created. To measure the progress toward reaching the milestones, a Primary Job/Wage Matrix was created.

The matrix identifies the number of primary or contributory jobs and their respective wage in Pinellas County by industrial sector, using 2002 as the baseline year. Each year hereafter, when annualized data is released (usually in September of the following year) the new data will be applied to the same matrix to determine the actual gain or loss of primary jobs from the previous year. The total is then compared to the annual milestones contained in the *Goal Setting Study*.

The Pinellas County Economic Development Department (PCED) is the organization which implements and coordinates economic development programs for Pinellas County. Its principal mission is to improve the standard of living for the people in the area by increasing the size and improving the quality of the local economy. Through its direct programs and the activities of other organizations in the area, it attempts to increase the number of primary industry jobs in the community.

This is accomplished by encouraging existing primary employers to expand, recruiting new employers to the area, and helping new primary businesses start up. PCED works in

conjunction with the Tampa Bay Partnership and several municipal organizations in the county.

Since the annual milestones for the creation of new primary industry jobs were established in the *Goal Setting Study*, it is the desire of the community and the PCED to determine, on an annual basis, if the milestones are achieved by the community.

The *Economic Development Performance Evaluation - Baseline Data Summary* attempts to determine the net gain or loss of the number of primary industry jobs in the economy along with their ancillary wage levels. From this evaluation, it can be determined if the annual milestone was achieved for the preceding year.

The purpose of the report is to establish a baseline for the number of existing primary industry jobs in the economy. This is accomplished by creating mathematical formulas, or a “matrix,” which separates or identifies primary industry jobs from the total number of jobs in the area using available labor data.

Since 2003 is the first milestone year in the *Goal Setting Study*, 2002 was chosen as the baseline year. This report determined the number of primary industry jobs existing in the economy during 2002 and established the matrix for ensuing years.

It should be understood at the outset the job generating results of future evaluations, whether positive or negative, are not claimed to be the direct result of PCED programs alone, but are the result of the overall condition of the national economy, state economy, and the combined efforts of the various economic and community development organizations and local government entities in Pinellas County.

The mathematical matrix used to create the baseline will be frozen in time, and applied to the data for each successive year, in order to determine the net gain or loss. It is important, for the veracity of the results, to use the same formulas and methodology each year in calculating the number of primary jobs in the economy.

Not only is Pinellas County interested in determining if the area achieved its annual milestones, but it additionally wants to measure its success with other economies. POLICOM has been asked to compare the growth rate in primary jobs and wages to three other areas. These include Wake County (Raleigh), NC, Travis County (Austin), TX, and Miami-Dade County, FL.

The following are the baselines for the number of primary jobs in each area:

**Primary Job Baseline - 2002**

<b>Pinellas County</b>				<b>Average</b>
Pinellas County, FL		<b>Jobs</b>	<b>Earnings</b>	<b>Wages</b>
Total - Private Sector	380,415	\$12,039,465,851		\$31,648
Total - Primary	80,498	\$3,475,816,881		\$43,178
<b>Miami-Dade</b>				<b>Average</b>
Miami-Dade County, FL		<b>Jobs</b>	<b>Earnings</b>	<b>Wages</b>
Total - Private Sector	831,463	\$28,845,474,581		\$34,692
Total - Primary	177,483	\$7,652,322,989		\$43,116
<b>Wake</b>				<b>Average</b>
Wake County, NC (Raleigh)		<b>Jobs</b>	<b>Earnings</b>	<b>Wages</b>
Total - Private Sector	312,155	\$11,663,694,927		\$37,365
Total - Primary	80,356	\$4,435,066,464		\$55,192
<b>Travis</b>				<b>Average</b>
Travis County, TX (Austin)		<b>Jobs</b>	<b>Earnings</b>	<b>Wages</b>
Total - Private Sector	404,494	\$17,039,167,345		\$42,125
Total - Primary	112,402	\$7,222,835,736		\$64,259

After data is released for ensuing years, it will be applied to the same mathematical matrix to determine the net gain or loss of primary jobs each year.

## 9.0 Conclusion

Over the last fifteen to twenty years, Pinellas County has enjoyed rapid growth in both the size and the quality of its economy. However, by the end of this decade, the economy will begin to decline as a result of reaching physical buildout.

To prevent this from happening, an aggressive economic redevelopment program needs to be initiated. An important goal of this program is the formation of high-wage primary industry jobs. The various steps outlined in this technical memorandum should, if followed, help to attract and nurture such jobs.

If the county is able to achieve its jobs/wage goal, the size of the economy will continue to grow and the standard of living for the people will continue to improve for the foreseeable future.