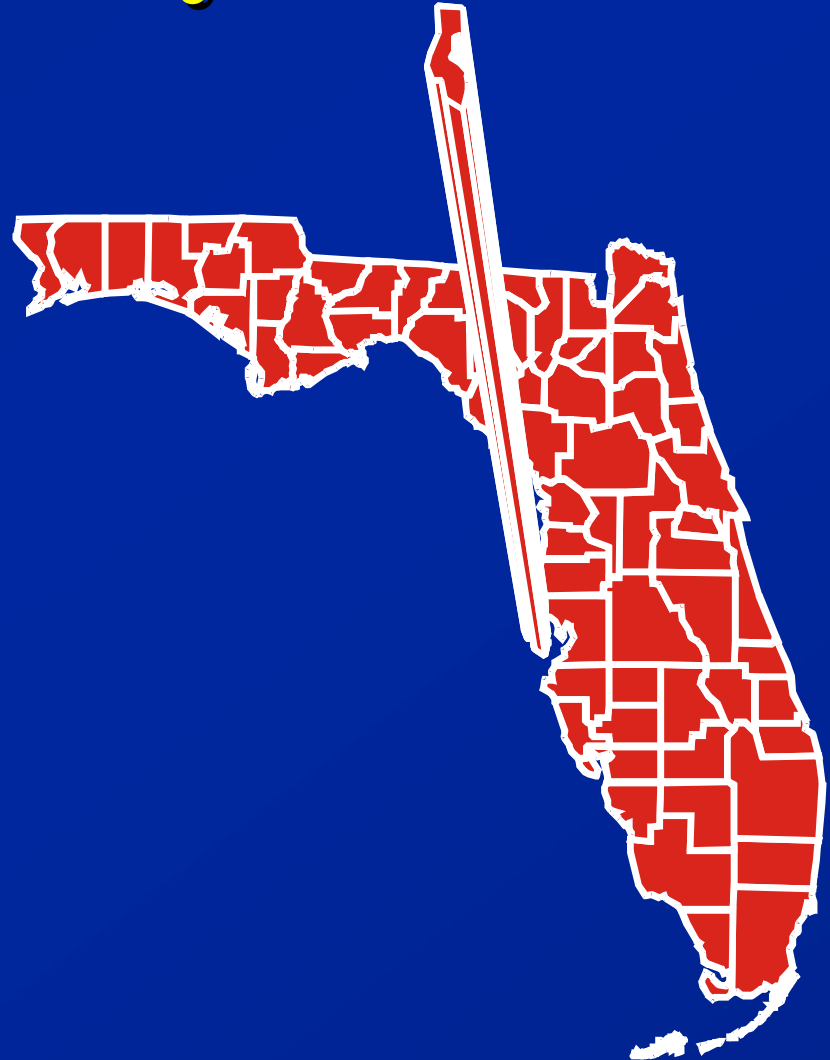


**Where the Money Is ...**

**In the  
Pinellas  
County  
Economy...**



*Presented by*

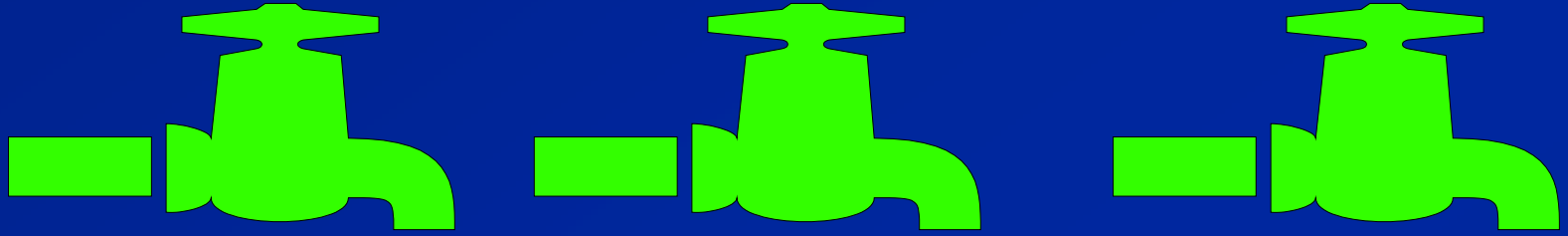
# ***William H. Fruth***

***POLICOM Corporation  
2740 Martin Downs Blvd. #279  
Palm City, FL 34990***

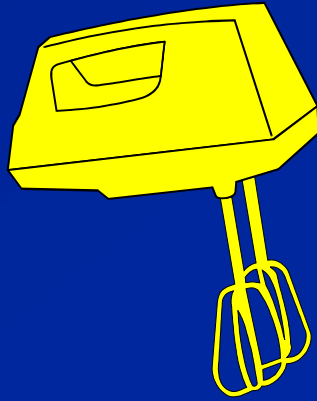
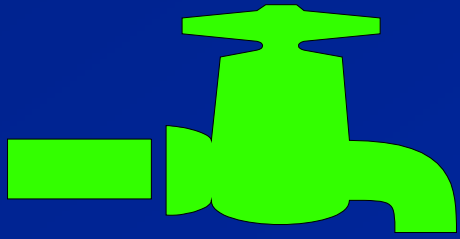
***772-781-5559  
fruth@policom.com  
www.policom.com***

# Today we will....

- **Learn how a local economy works and the characteristics of strong and weak economies.**
- **Review the Pinellas County Economy**
- **Projections as to where it is going.**
- **Affect of reaching physical build-out.**
- **Consider an economic “Goal.”**
- **What it will take to reach the GOAL.**

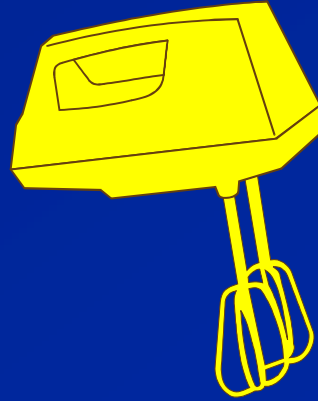


- Farming
- Manufacturing
- Transportation
- Wholesaling
- Mining



- Finance, Insurance,  
Real Estate (FIRE)
- State Government
- Federal Government

\$\$\$



\$\$\$

- Retail
- Services
- Local Government
- Construction

***Any business  
enterprise can be a  
contributory industry...  
Just follow the  
money...***

# Government Transfers

**WILD**

- Retirement
- Medical
- Income  
Maintenance
- Unemployment



# Population - Percentage Over 65

<b>USA</b>	<b>12.4</b>
<b>Florida</b>	<b>17.6</b>
<b>Pinellas</b>	<b>22.5</b>

***Primary Industry  
Earnings  
2000 - 1971***



# Strongest Economies

- 1 Austin-San Marcos, TX (MSA)**
- 2 Denver, CO (PMSA)**
- 3 Atlanta, GA (MSA)**
- 4 Phoenix-Mesa, AZ (MSA)**
- 5 Dallas, TX (PMSA)**

- 6 Raleigh-Durham-Chapel Hill, NC (MSA)**
- 7 Salt Lake City-Ogden, UT (MSA)**
- 8 Fort Collins-Loveland, CO (MSA)**
- 9 Seattle-Bellevue-Everett, WA (PMSA)**
- 10 Minneapolis-St. Paul, MN-WI (MSA)**

# Weakest Economies

**318 Odessa-Midland, TX (MSA)**

**317 Pine Bluff, AR (MSA)**

**316 Casper, WY (MSA)**

**315 Yuma, AZ (MSA)**

**314 Steubenville-Weirton, OH-WV (MSA)**

**313 Enid, OK (MSA)**

**312 Houma, LA (MSA)**

**311 Anchorage, AK (MSA)**

**310 Lawton, OK (MSA)**

**309 Beaumont-Port Arthur, TX (MSA)**

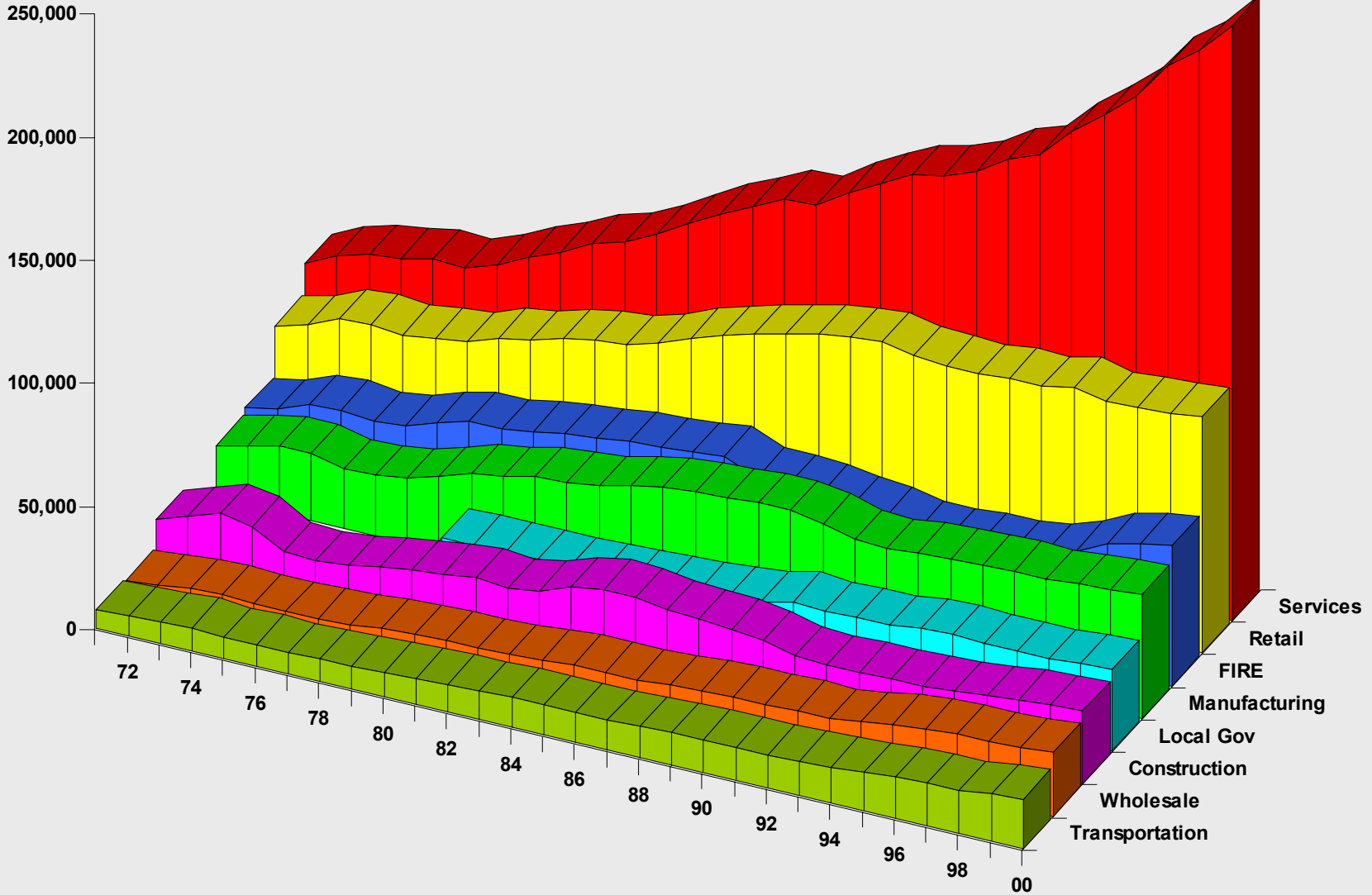
***Employment  
Growth  
2000 - 1971***



# Pinellas

1971-2000

## Employment

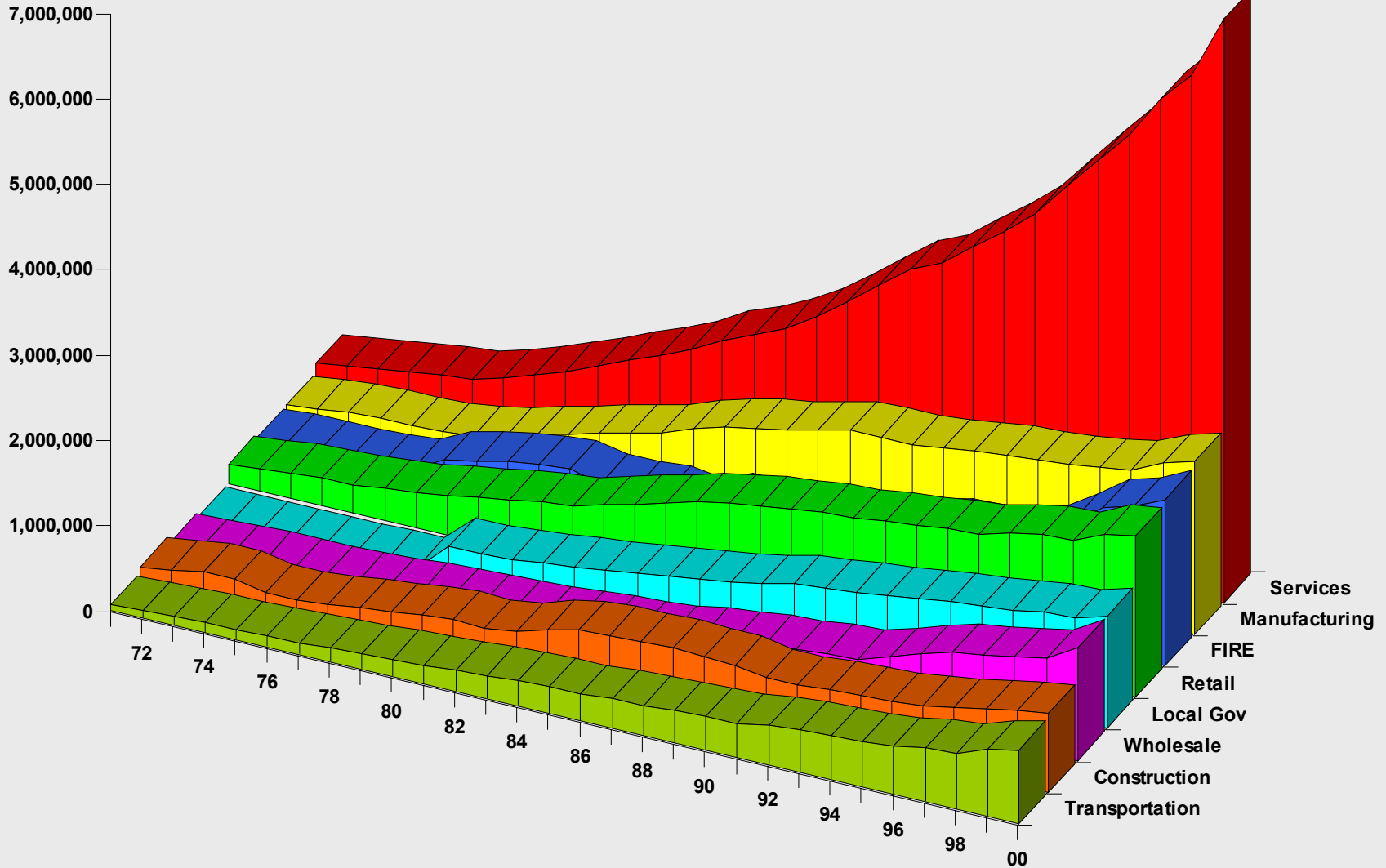


***Earnings By  
Workers  
Growth  
2000 - 1971***

# Pinellas

1971-2000

Earnings (000)



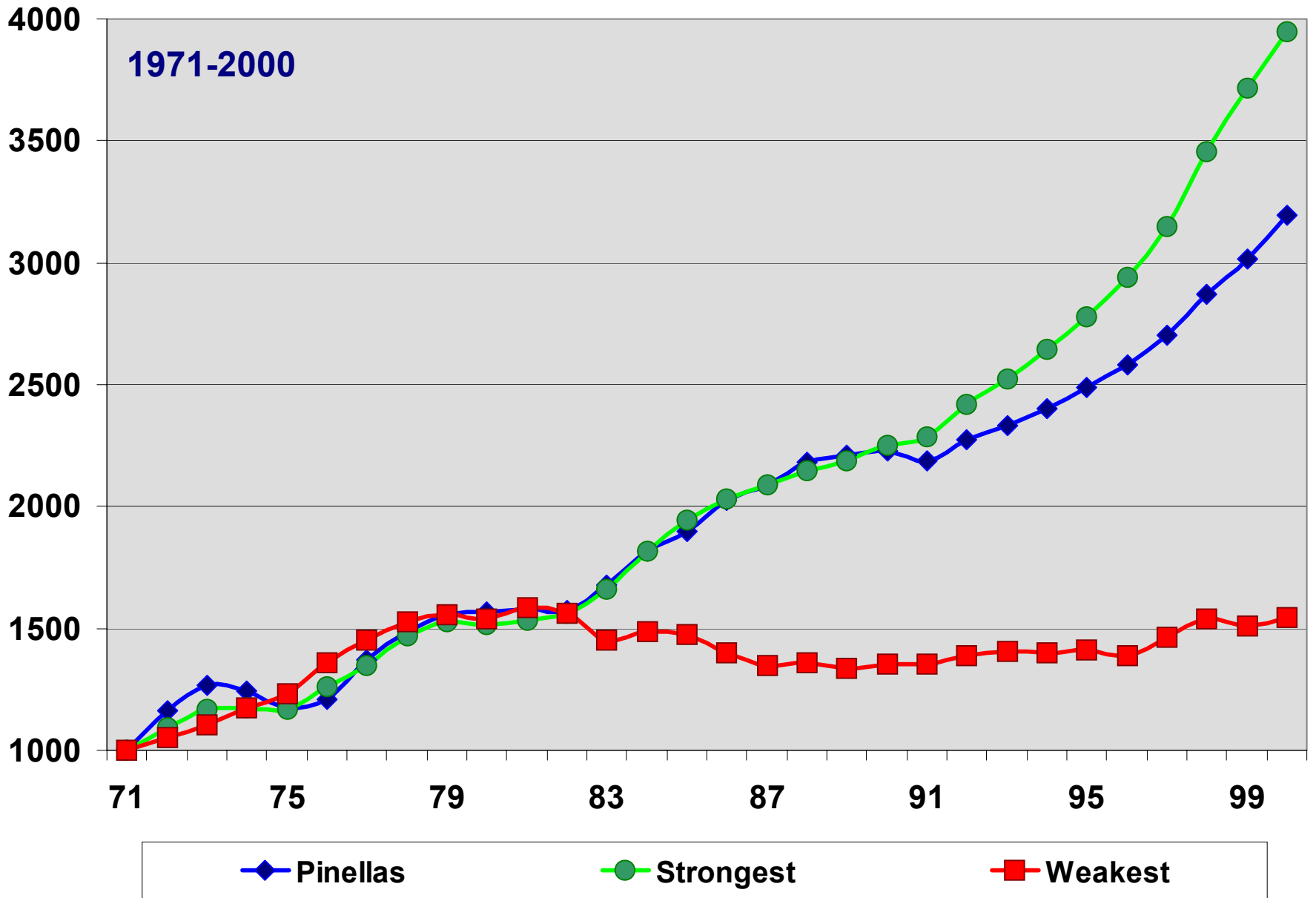
***Service Sector  
Earnings  
2000 - 1971***



***Quantity  
or Size  
of Growth***

***Inflation (CPI)***  
***Adjusted***  
***Earnings***

# CPI Earnings Factored





***Over the last ten years,  
there have been  
25 million new private  
sector jobs created.***

***What percentage of the  
new, private sector  
jobs pay a wage above  
the national average?***

**19%**

# Local Economies

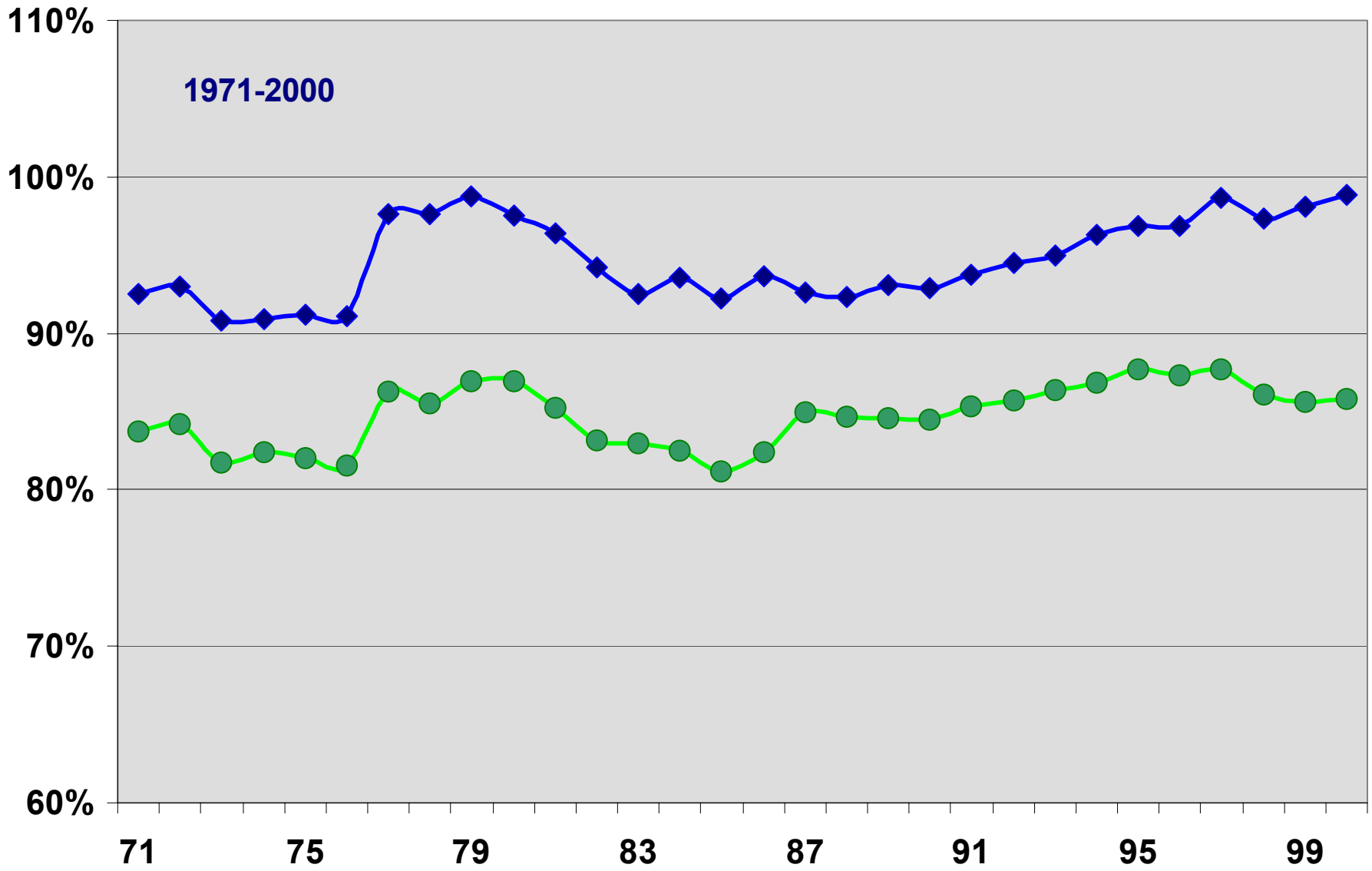
**Strongest 33%**

**Weakest -0%**

***Percentage of  
State and  
Nation***

# Pinellas

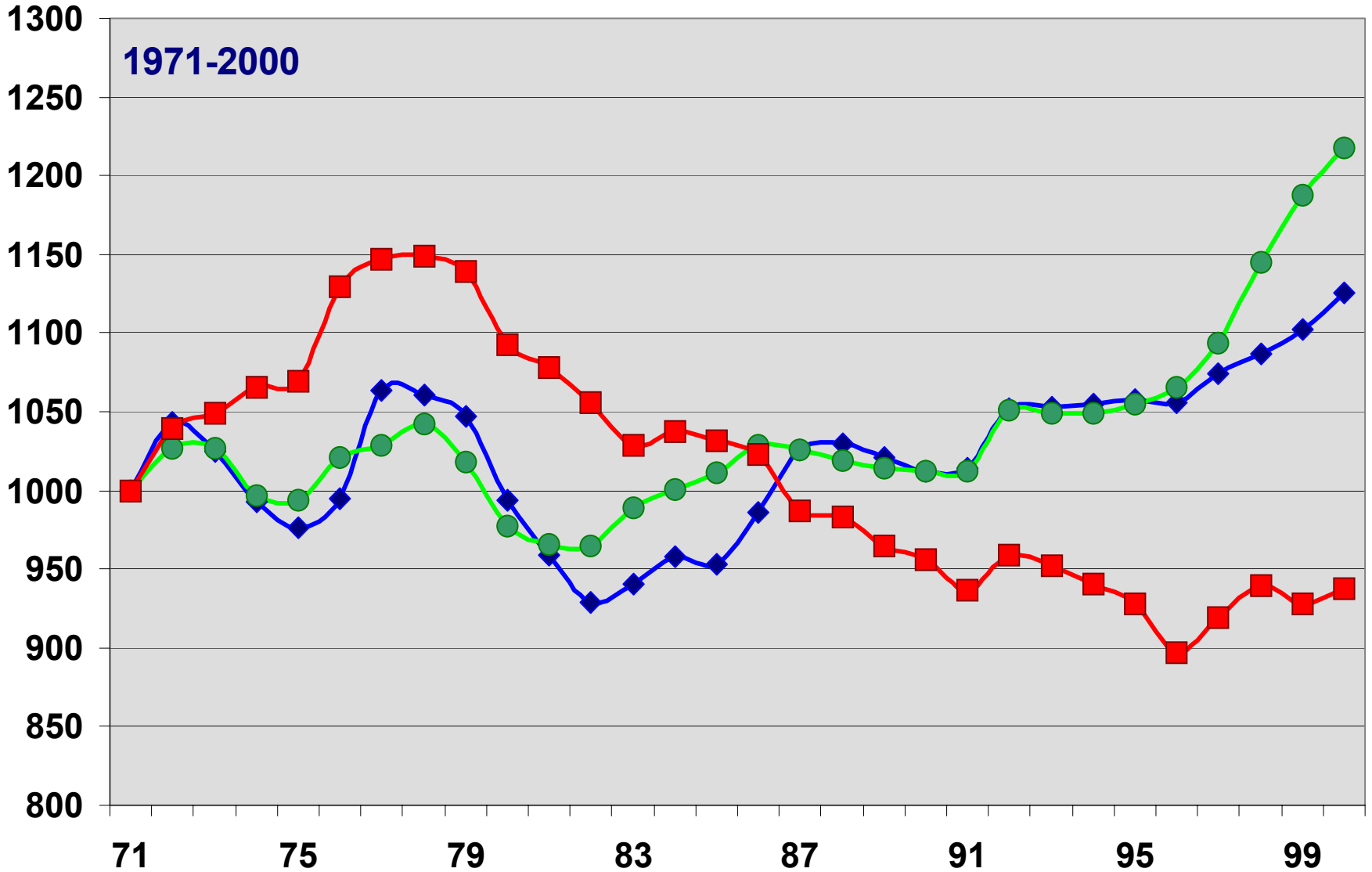
1971-2000



***CPI Factored  
Earnings Per  
Worker***

# CPI Factored AEPW

1971-2000



◆ Pinellas

● Strongest

■ Weakest



***What percentage of the  
new, private sector  
jobs in Pinellas County  
pay a wage above the  
Pinellas average?***

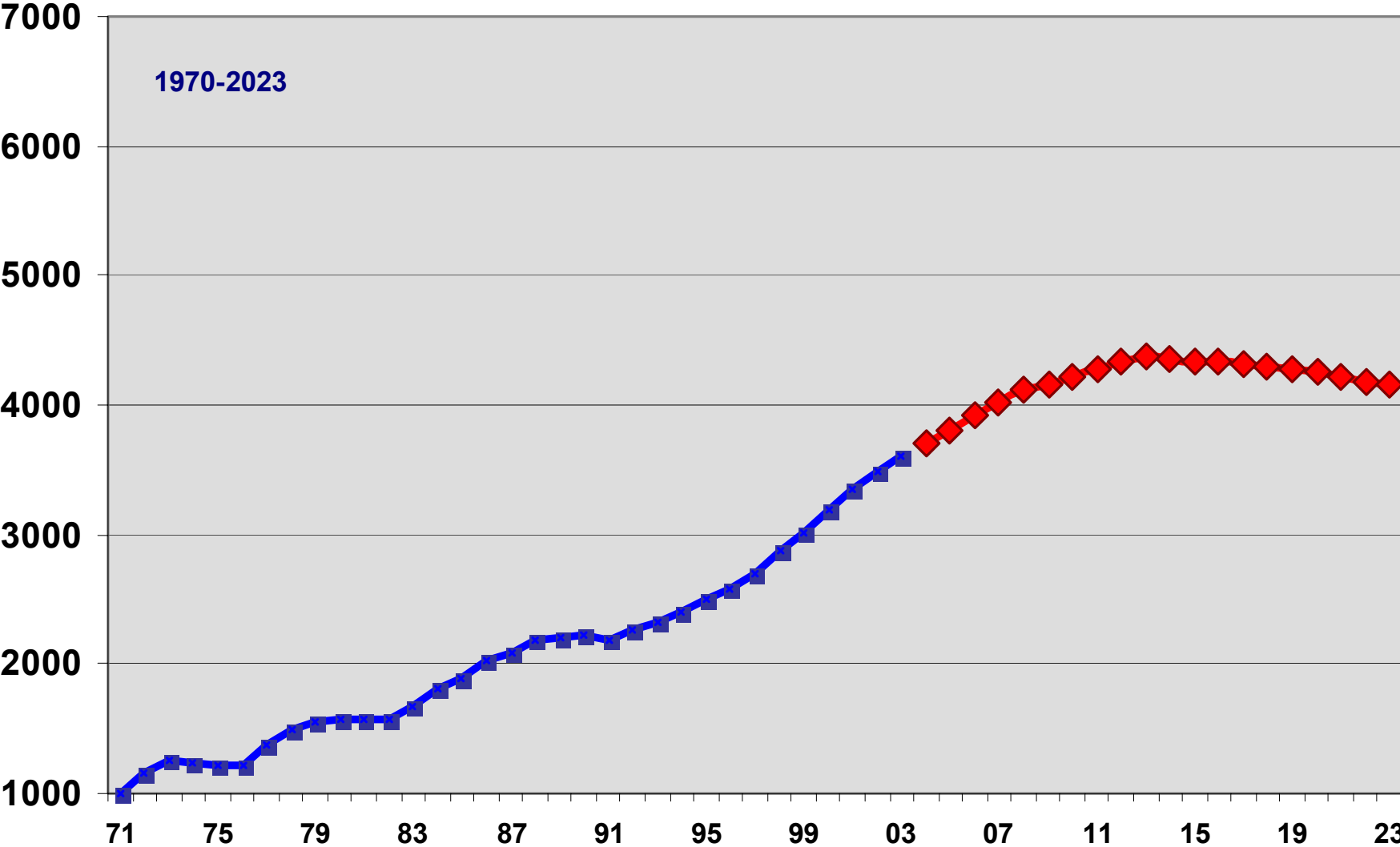
**29%**

# How To Improve a Local Economy

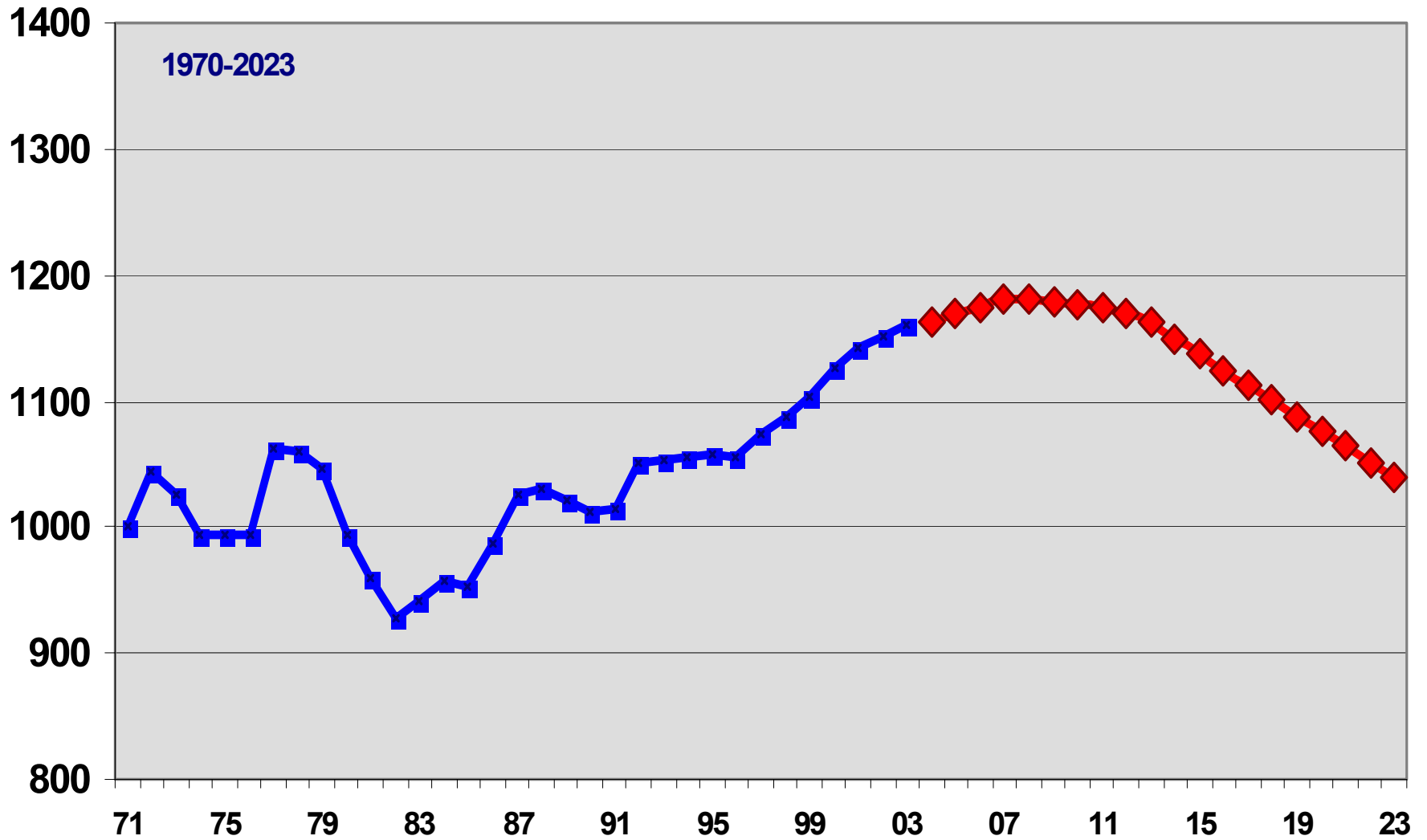
Create more primary  
industry jobs which pay  
a wage higher than the  
area average.

***Projections***  
***2003-2023***

# Factored CPI Earnings



# CPI-Factored-AEPW



***Physical  
Build-Out***

***Economic  
Development is  
ultimately a real  
estate transaction.***



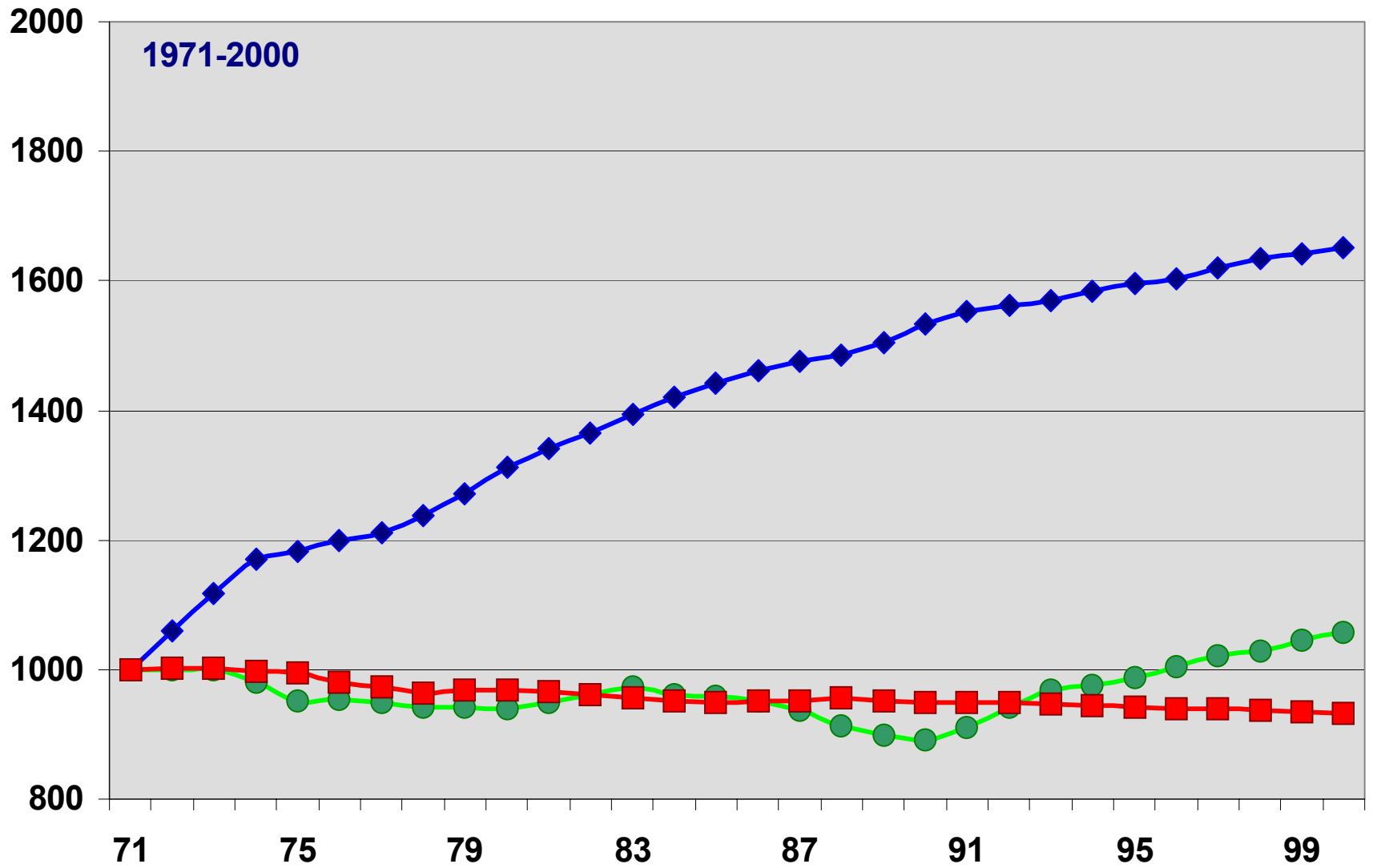
# Build-Out

- **By 2006, the county will affectively run out of “Greenfield” industrial land.**
- **Existing companies cannot expand and new companies cannot locate.**
- **Existing facilities, over time, will become unusable, and more companies will leave the area.**
- **The economy will stop growing and will begin to decline.**

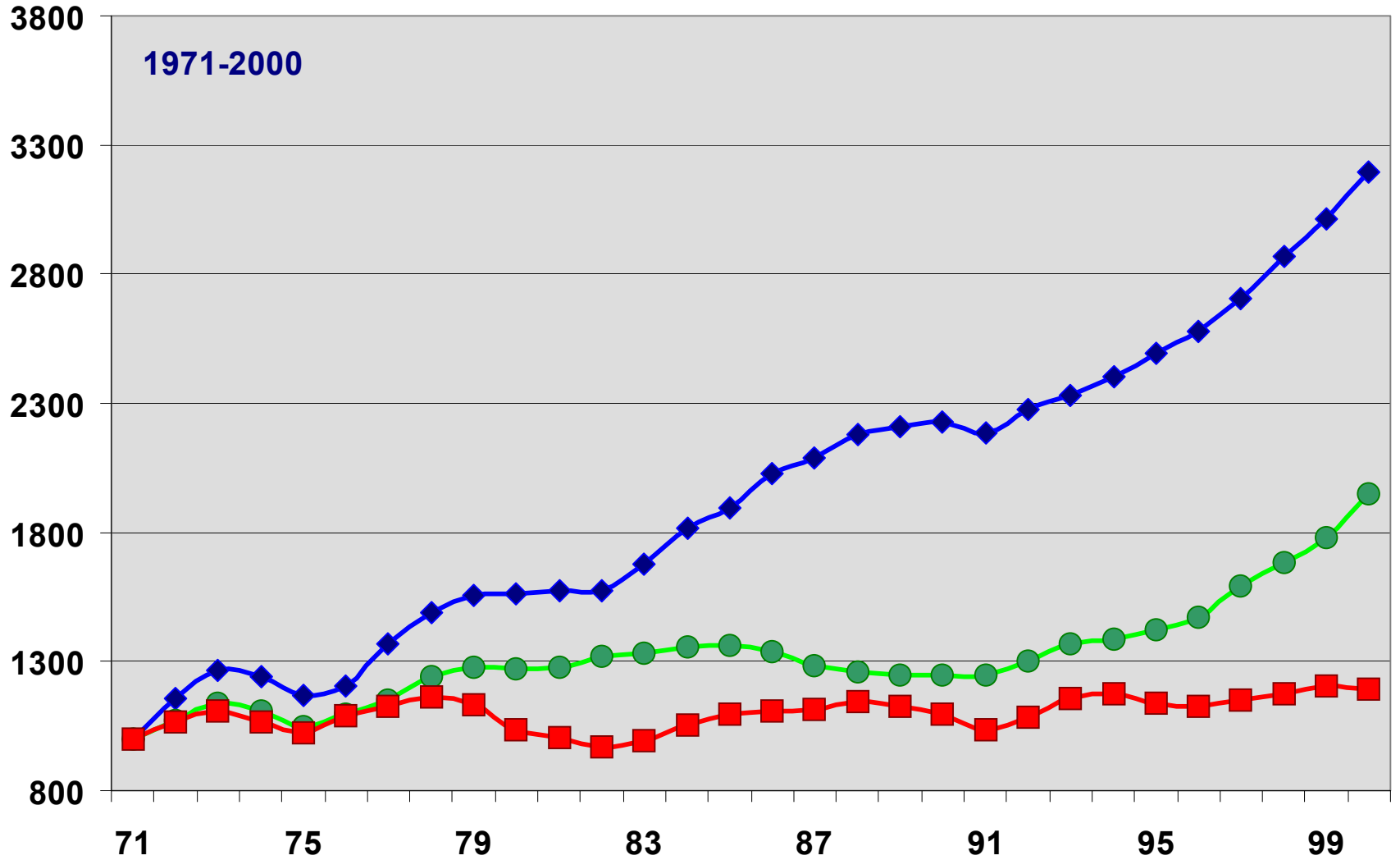
# ***Built-Out Counties***

***Denver & Lucas***

# Population Factored



# CPI Earnings Factored



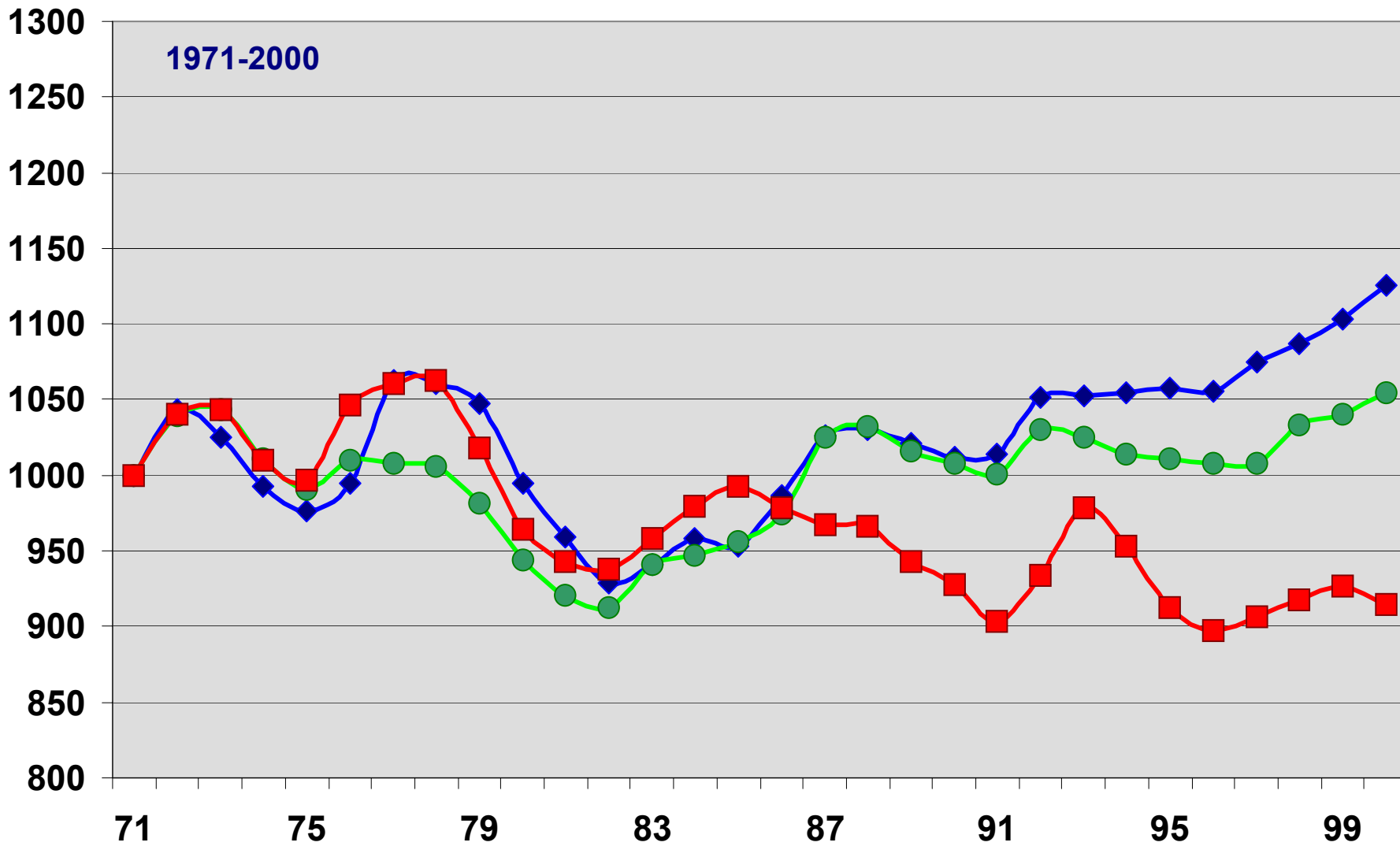
◆ Pinellas

● Denver

■ Lucas

# CPI Factored AEPW

1971-2000

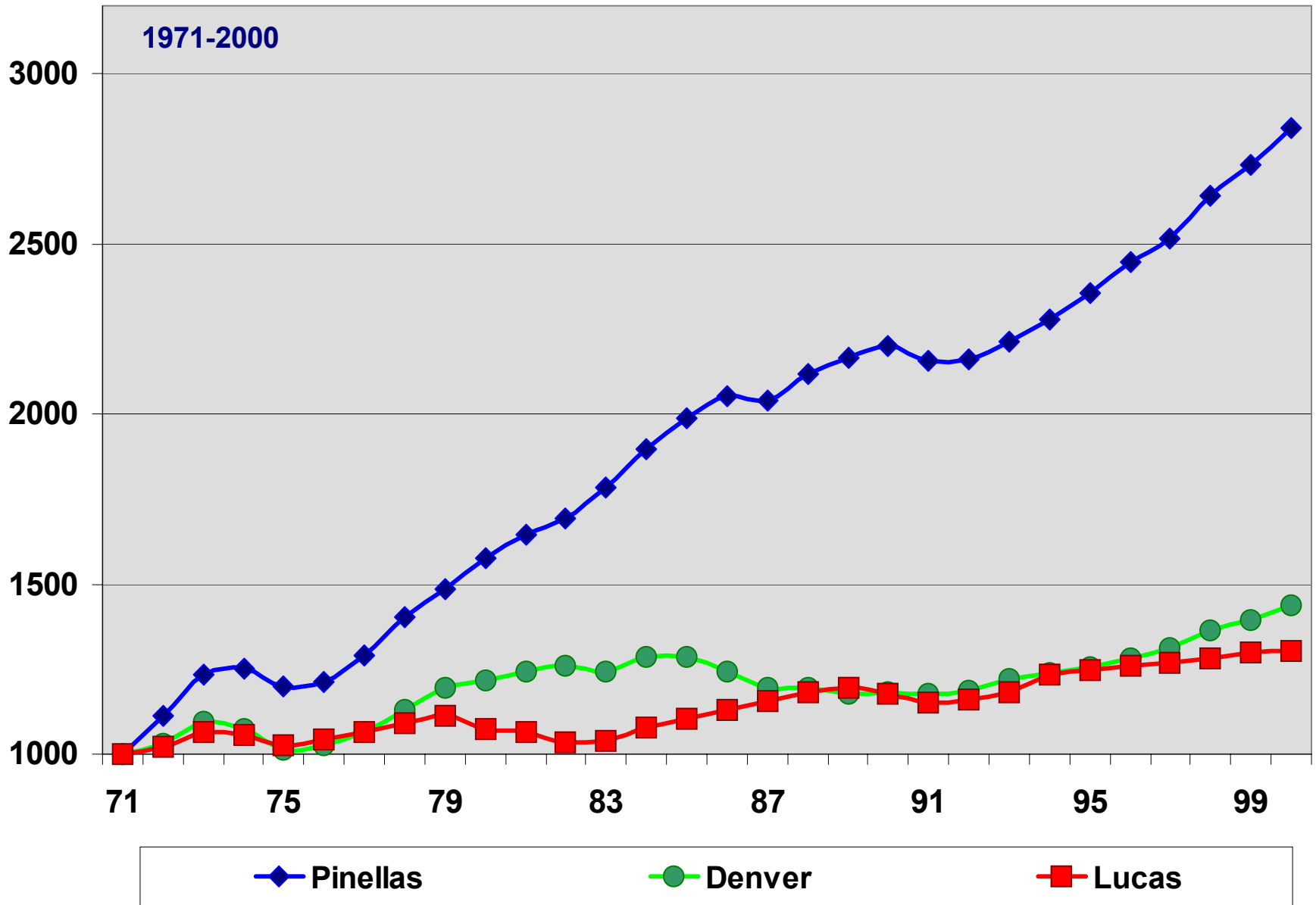


◆ Pinellas

● Denver

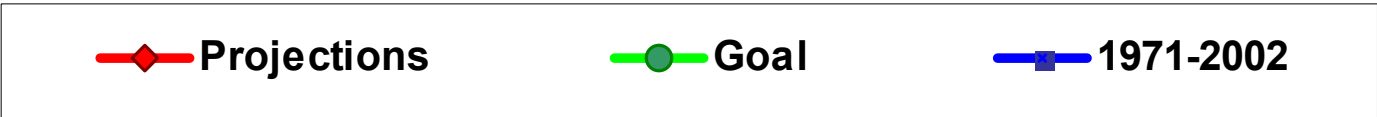
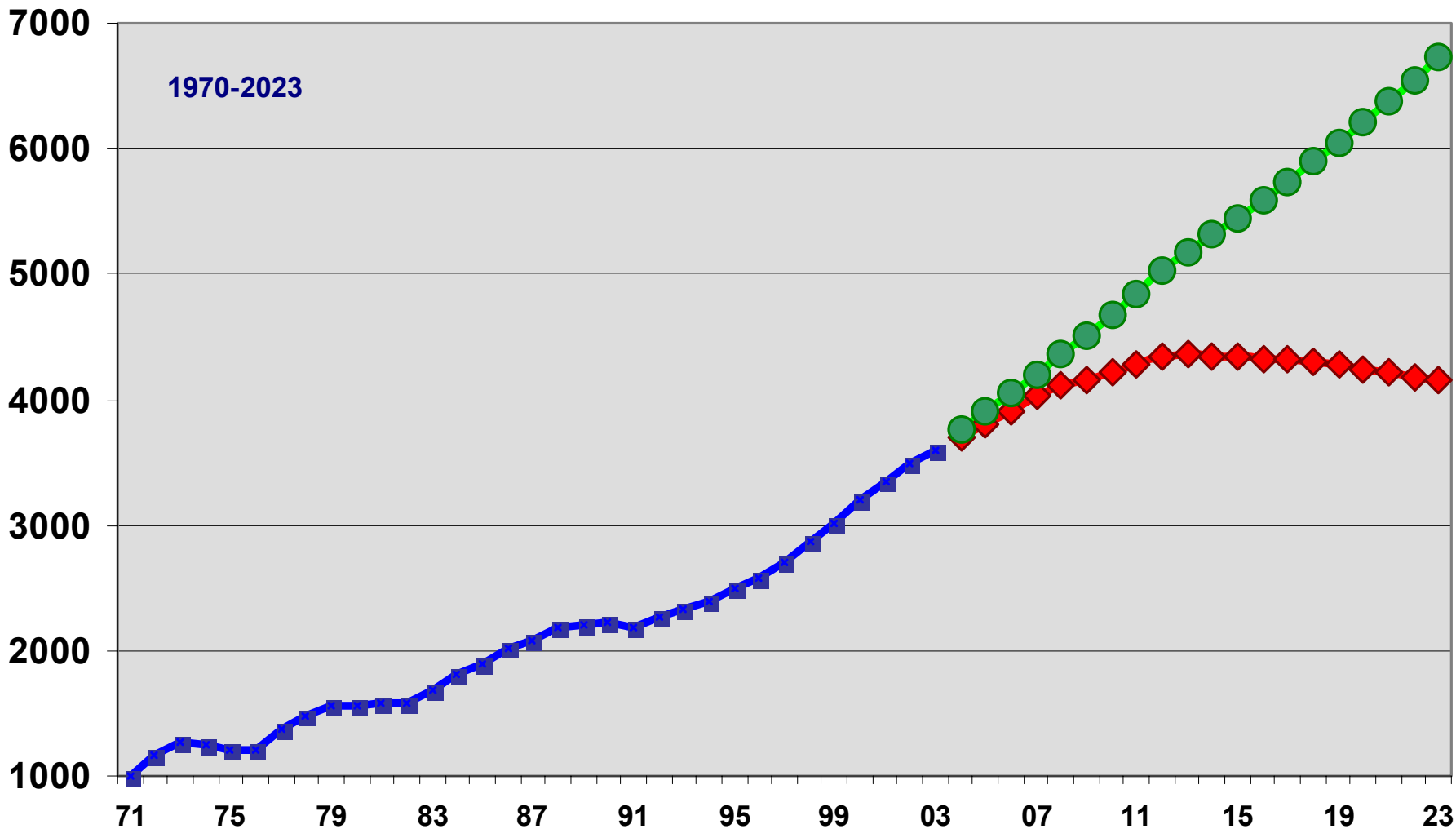
■ Lucas

# Employment Factored



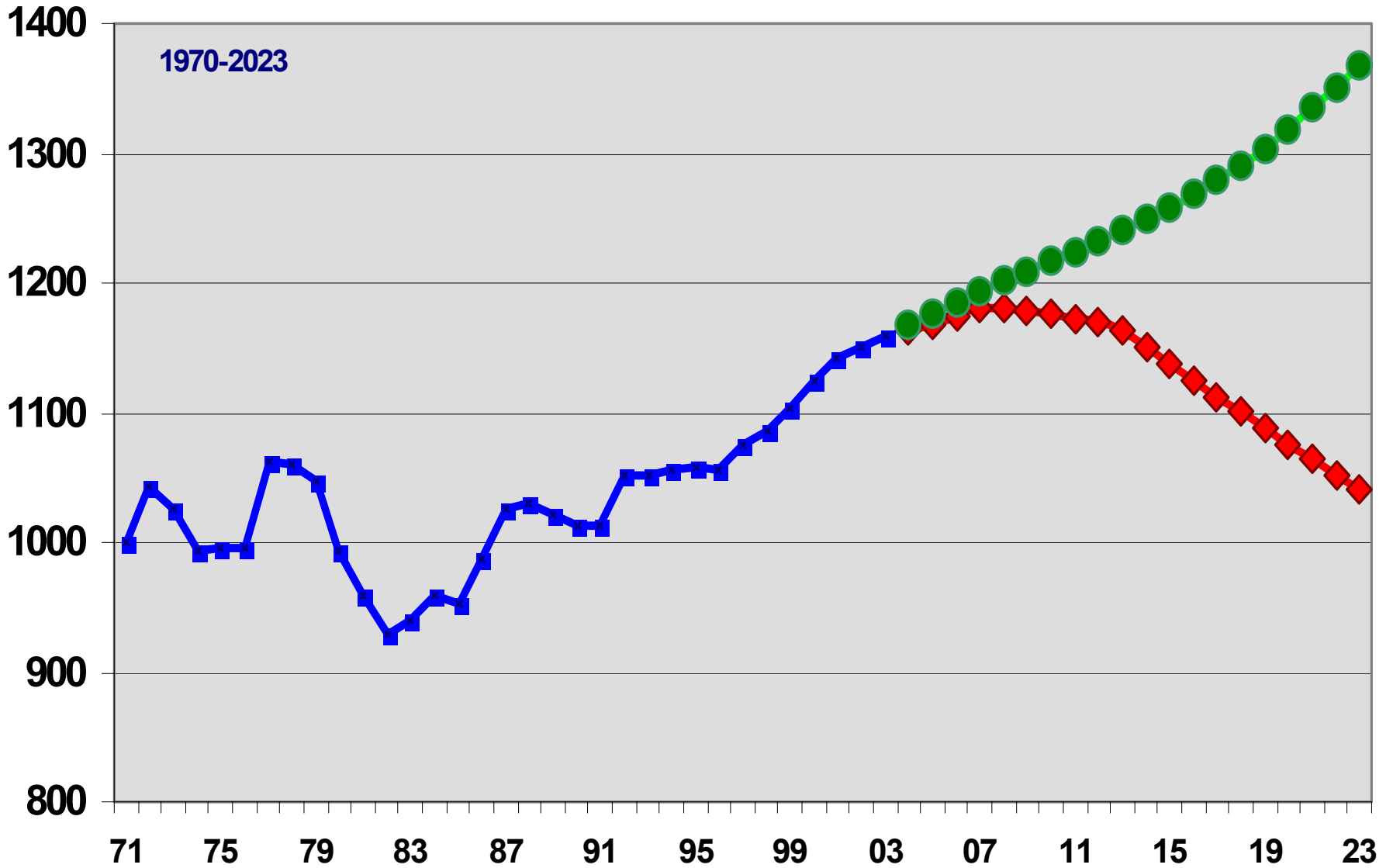
***Goal***

# Factored CPI Earnings





# CPI-Factored-AEPW



<b><u>GOAL</u></b>	<b><u>New</u></b>	<b><u>New</u></b>
<b><u>Pinellas</u></b>	<b><u>Jobs</u></b>	<b><u>Job</u></b>
		<b><u>Wage</u></b>

<b>2003</b>	<b>2,352</b>	<b>44,750</b>
<b>2004</b>	<b>2,449</b>	<b>45,745</b>
<b>2005</b>	<b>2,519</b>	<b>47,530</b>
<b>2006</b>	<b>2,592</b>	<b>49,380</b>
<b>2007</b>	<b>2,667</b>	<b>51,299</b>
<b>2008</b>	<b>2,658</b>	<b>53,051</b>
<b>2009</b>	<b>2,645</b>	<b>54,918</b>
<b>2010</b>	<b>2,718</b>	<b>57,188</b>
<b>2011</b>	<b>2,794</b>	<b>59,551</b>

# **Needed To Do**

- **Maintain a comprehensive economic development program.**
- **Reduce costs and time for primary employers as much as possible.**
- **Create as much re-use industrial land as possible**
- **Create a system which re-constructs industrial facilities for costs lower than new.**

# **Needed To Do**

- **Maintain transportation system which affords a short commute.**
- **Maintain quality housing stock.**

# ***Site Selection Process***

***Costs***  
***Time***  
***Attitude***

***Economic  
Development***

***Existing  
Industry  
Program***



*Aside from market conditions, the most frequent reason a company leaves one area and moves to another is*  
**LOCAL COMMUNITY ATTITUDE.**

***Many communities  
start an existing  
industry program only  
to abandon it.***

***WHY?***

***Because there is NO  
GLAMOR and  
RESULTS ARE HARD  
TO MEASURE.***

# **Existing Industry**

- **Identify primary employers**
- **Create problem solving team**
- **Develop quality communications**
- **Identify existing factors in the community**
- **Solve small problems before they become big problems**

# ***Recruitment Program***

***“A recruitment program is expensive, time consuming, and frustrating.***

***Communities which try to take the easy route by buying a couple of advertisements will fail.”***

# Recruitment

- **Pool resources with other areas**
- **Target industries**
- **Marketing materials**
- **Direct mail**
- **Cold calling**
- **Trade shows**
- **Advertising**
- **Associations**
- **Visitations**

# Start-Up Programs

- **“MICROSOFT” was once a start-up company.”**
- **Incubators which help to create primary employers**
- **Venture capital**
- **University relationships**



# **Tool Box**

- **Land - Building Inventory \***
- **Demographic compilation \***
- **Government policies (Incentives) \***
- **Workforce prepared**
- **Network of local experts and decision makers**
- **Inventory of educational resources**

# ***Business Incentives***

***Why Do  
Communities Offer  
Business  
Incentives?***

# **Why offer incentives.**

- **Reduce initial setup costs.**
- **Reduce long-term operating costs.**
- **Project business friendly image.**
- **Encourage development in blighted areas.**
- **Positive return on investment.**
- **Overcome geographic disincentives.**
- **Overcome self-inflicted disincentives.**

# **Types of Business Incentives**

- **Tax Abatement.**
- **Loan Interest Loans.**
- **Grants or Cash Gifts.**
- **Discounts on land or buildings.**
- **Regulatory Relief.**

# **Business Incentives Survey**

- **Approximately 10% of all counties participated from 46 states.**

# Five Most Frequent Incentives

<b>Industrial Development Revenue Bonds</b>	<b>80.7%</b>
<b>Abatement of Real Property Taxes</b>	<b>73.3%</b>
<b>Low Interest Loan for Land or Building</b>	<b>73.7%</b>
<b>Low Interest Loan for Equipment</b>	<b>72.2%</b>
<b>Low Interest Loan for Onsite Infrastructure</b>	<b>64.9%</b>

# **Five Most Important Incentives**

<b>Discount - Community Industrial Park Property</b>	<b>7.6</b>
<b>Grants for Employee Training</b>	<b>7.6</b>
<b>Abatement of Personal Property Tax on Equip</b>	<b>7.5</b>
<b>Abatement of Real Property Taxes</b>	<b>7.5</b>
<b>Grants - Purchase or Lease of Land &amp; Building</b>	<b>7.4</b>



# **Business Incentives**

- **73% offer abatement for real property taxes.**
- **Of these, 89% offer it to both new and existing companies.**

# **Business Incentives**

- **60% offer abatement for personal property taxes.**
- **Of these, 89% offer it to both new and existing companies.**

# **Business Incentives**

- **74% offer low interest loans for the purchase of land or buildings**
- **45% offer outright grants and gifts for the purchase of land or buildings.**

# **Business Incentives**

- **71% have a government owned (or non-profit) industrial parks.**
- **89% of these discount the land as an incentive. (Highest ranked incentive.)**

# **Business Incentives**

- **38% have constructed speculative buildings.**
- **76% discount the sale or lease price as an incentive.**