

Locational Assessment and Recommended Strategic Plan for Economic Growth

Deliverable One: Locational Assessment

Tampa Hillsborough Economic Development Corporation

November 4, 2010



This document is the first of three deliverables that comprise the Biggins Lacy Shapiro & Co., (BLS & Co.,) engagement on behalf of the Tampa Hillsborough Economic Development Corporation's (Tampa Hillsborough EDC's) efforts to develop a *Locational Assessment and Strategic Plan for Economic Growth* for Hillsborough County and the cities of Plant City, Tampa and Temple Terrace

- This deliverable comprises an introduction to the overall study, followed by our Location Assessment, which consists of:
 - A review of the current economic development climate and industry base in Tampa-Hillsborough County
 - A comparative analysis of how Tampa-Hillsborough County performs relative to other locations competing for similar types of location investment. These comparisons are most often vs. other “center city” counties (such as Mecklenburg Co. in the Charlotte region, or Marion Co. in the Indianapolis metro area)
 - A synopsis of strengths, weaknesses, opportunities and threats – essentially a candid “report card” of Tampa-Hillsborough County’s key business climate factors, viewed from the perspective of site-seeking industry, designed to identify barriers which might inhibit development efforts, and to determine positive attributes which can be leveraged in the marketplace
- Subsequent deliverables, which build from the work herein, will include:
 - **Industry Targeting Analysis:** This analysis will identify industry targets for THEDC to focus its marketing efforts over the next several years, based on the assets and challenges identified herein
 - **Economic Development Strategies:** Recommended strategies for community and business climate improvements for which successful implementation will better position Tampa-Hillsborough County to capitalize on economic development opportunities
- The entire study draws heavily on community input received by the consultant during four field visits during April-June 2010, as well as extensive quantitative/qualitative research and the consulting insights of BLS & Co.

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SECTION ONE: STUDY INTRODUCTION

Introduction

This study embodies Recommendation 1 of the 2010 *“Economic Stimulus Task Force Report.”* The introductory section outlines our engagement scope, context, goals and objectives; and the methodology and resources used to accomplish this task – the development and implementation of an Economic Development Strategic Plan for Hillsborough County. It further identifies individuals and organizations whose input guided the development and delivery of the work

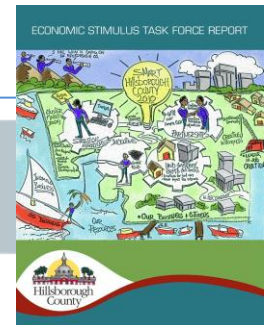
- Scope
- Context
- Methodology
- Participation Process

Recommendations

Recommendation 1

Develop and implement a detailed Economic Development Strategic Plan in coordination with the Committee of 100, Tampa Bay Partnership and Greater Tampa Chamber of Commerce by end of third quarter 2009, with measurable objectives and accountability.

- **Immediate Action Item:** Prioritize and accelerate completion of an Economic Development Strategic Plan, inclusive of an updated Locational Assessment, Cluster Analysis, Workforce Trends and Capabilities review. These components are integral to crafting a coherent and implementable strategic plan.
- **Immediate Action Item:** Establish focus areas for concerted marketing and revised incentive structure for health/medical/bioscience/wellness/life science industries, alternative energy and technology-based sustainable businesses.



Scope

Study Purpose: The assessment and strategic plan will evaluate the entire county (Tampa, Plant City, Temple Terrace and unincorporated portions of Hillsborough County) to gauge its competitiveness and to help position the county for economic recovery

Background:

- In 2009, the Hillsborough County Board of County Commissioners created an Economic Stimulus Task Force (ESTF) to consider the many initiatives necessary to position Hillsborough County for the future
- The recommendations of the Task Force created a framework for action, both immediate and long term, to prepare and position Hillsborough County for economic recovery
- Among the accepted recommendations was the need for (1) an updated Locational Assessment of Tampa-Hillsborough's competitive advantages and disadvantages, and (2) a strategic plan based upon this Locational Assessment to prepare and position the area for economic investment, job creation, attraction and retention in the industry sectors best suited for the area

Sponsors: Tampa Hillsborough EDC has been tasked by the governments to lead the study. The effort is funded by Hillsborough County, and the cities of Tampa, Plant City and Temple Terrace. The consulting firm Biggins Lacy Shapiro & Company is conducting the study

Steps:

Phase	Description
One: Project Launch and Baseline Inputs	Develop consensus on project goals, <u>identify key inputs</u> and organize activity for the subsequent phases
Two: Locational Assessment and Asset Mapping	Define, benchmark and position the Tampa-Hillsborough County economic development "product" and set a baseline to measure future progress
Three: Strategic Plan	<ol style="list-style-type: none">1. Identify target industries based on Phase Two inputs2. Develop business climate, marketing and incentives strategies3. Develop decision support for the resulting Strategic Plan and outline the way forward to active implementation

Context

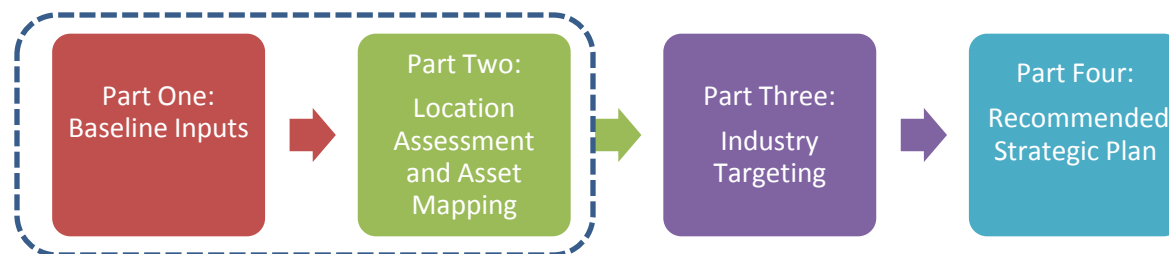
A specific response to Recommendation 1, this effort also is occurring in the context of the other ESTF recommendations, regional perspectives, and community development and planning considerations

- Embodies ESTF Recommendation 1 and with consideration to ESTF Recommendations 2-12
- Focused on Hillsborough County and its municipalities and communities – however also with a Tampa Bay Regional perspective
- Scope is economic development strategy with consideration given to community development and land use /transportation planning...but not a community development or master plan

ESTF Recommendations	
1	Develop and implement a detailed Economic Development Strategic Plan in coordination with the Committee of 100 (<i>now THEDC</i>), Tampa Bay Partnership and Greater Tampa Chamber of Commerce with measurable objectives and accountability
2	Based on the specific actions required in a detailed Economic Development Strategic Plan...re-assess and revise, as required, the organizational framework of existing economic development entities to determine where efficiencies collaboration and cost savings may be realized
3	Approve the current funding levels for the next fiscal year for outside economic development agencies /programs. The allocation of funds may be amended based upon the outcome of the Economic Development Strategic Plan as addressed
4	Review, amend and expand our job creation incentive programs to provide for greater flexibility and discretion to expand existing businesses, incentivize growth in target industries and forge strategic partnerships to leverage growth
5	Establish genuine strategic partnerships and promote regional collaboration between government economic stakeholders and targeted industries
6	Review, streamline and strengthen our land use, permitting and entitlement policies
7	Expand permit ready land and protect existing land inventory
8	External marketing to target industries
9	Support a referendum for multi-modal transportation funding to ensure Hillsborough County's future as a livable, sustainable community, and as the centerpiece of infrastructure supported growth and the foundation of our economic recovery....done in conjunction with the revision of land use, entitlement and permitting actions to ensure...that quality of life and economic development can go hand in hand
10	Adopt improved procurement/purchasing policies that support the hiring of Hillsborough County businesses in providing products and services to Hillsborough County
11	Form a Sustainability Task Force...an integral element...to embrace sustainability at all levels of government. Coordinate with municipalities to leverage best practices, achieve synergies and as a critical component of rebranding. Focus...on policies/regulations that embrace 'green' development...
12	Establish Hillsborough County as a model for smart growth committed to sustainability, affordable housing and transit oriented development

Methodology

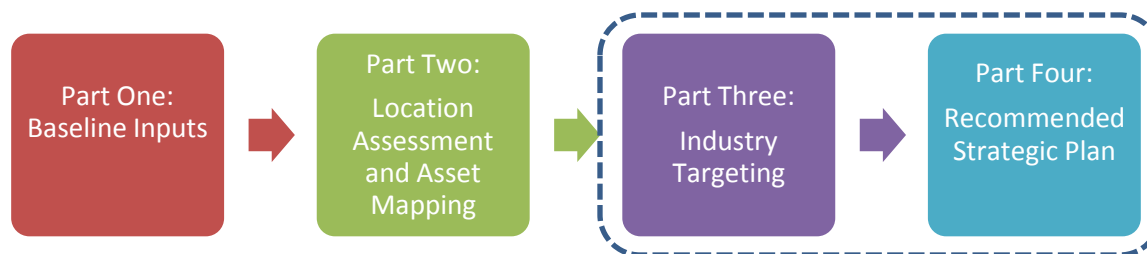
In completing the study, our team employed the following four-part methodology. Parts One and Two are presented in this document



- *Part One* involved an extensive ‘intake’ process, including:
 - A review of background reports and other documentation pertaining to Tampa-Hillsborough’s economic development, including its constituent jurisdictions as well as the larger Tampa region
 - Extensive on-site field reconnaissance including orientation tours throughout the county, and meetings with approximately 150 County employers, business / community / government / industry leaders and experts conducted during four separate visits to the Tampa region between April and June
 - A public input process, initiated with a public information / comment session on April 14, 2010 and a web-based mechanism for updates and commentary during the course of the project
- Based on the Part One intake, *Part Two* extracted and analyzed pertinent information to understand Tampa-Hillsborough’s competitive strengths-weaknesses-opportunities-threats versus comparable regions
 - Summarized as a SWOT analysis, examining Tampa-Hillsborough’s current “product” for economic development, mapping its assets for investment creation and attraction, and providing an accounting of deficiencies that can weaken the County’s business case for job creation and capital investment

Methodology

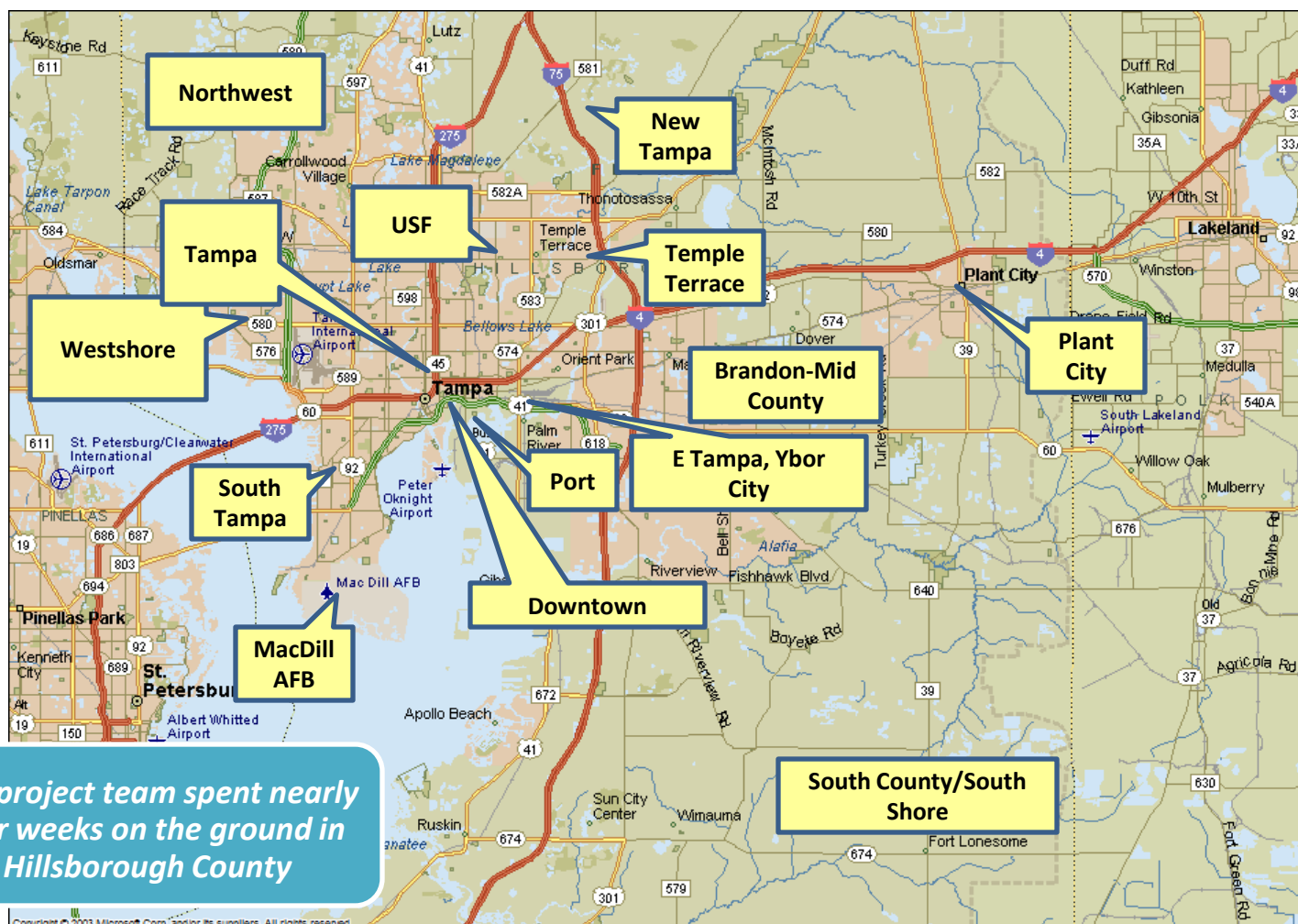
In completing the study, our team used the following four-part methodology. Parts Three and Four will be presented in subsequent project deliverables



- *Part Three* will consist of the identification of targeted industries to cultivate, grow and attract, based on the methodology outlined below:
 - Review of current industry base, niche growth areas and aspirations
 - Alignment relative to “location assets” attractive to industries and gaps which could deter specific industry investment
 - Short-listing of sectors and subsectors for detailed analysis
 - Priorities for investment, based on growth, cost-benefit, revenue potential, multiplier effects and other evaluation factors
 - *Part Four* consolidates learnings from previous tasks to inform the development of specific economic development strategies within a broad plan framework
- ❖ **Regarding Naming Conventions:** Throughout this document we use “**Tampa**” or “**Tampa-Hillsborough**” to describe the study area (Hillsborough County, the cities of Tampa, Plant City and Temple Terrace and the unincorporated areas of Hillsborough County). We use “**Tampa MSA**” when describing the Tampa-St. Petersburg-Clearwater Metropolitan Statistical Area (MSA) as defined by the US OMB. We use “**Tampa Region**” when describing the eight counties represented and marketed by the Tampa Bay Partnership.

Participation

Contributors at both individual and group meetings are identified in the Appendix of this report. In addition to these interviews and roundtables, the consulting team also spent considerable time visiting the major economic development centers of Hillsborough County



SECTION TWO: THE CURRENT SITUATION

The Current Situation: Overview

The following baseline review of Tampa-Hillsborough provides an orientation for the overall study...focusing on an economy that is struggling to emerge from recession

- **Geographic Context**
- **Economic Context:
Impact of
Recession and
Economic Base**

- The area is exceptionally diverse relative to its economic geography and each of the municipalities and localities have specific challenges and opportunities to realize future economic development potential...*this section presents a geographic overview to provide context for localized recommendations in subsequent stages of this study*
- Hillsborough County as well as the Tampa region have been hit hard by the economic downturn of the past few years...*we review some of the key indicators of the local economy and trends, and profile the baseline industries which drive the County's economic engine*

Geographic Context

Geographic Context: Regional

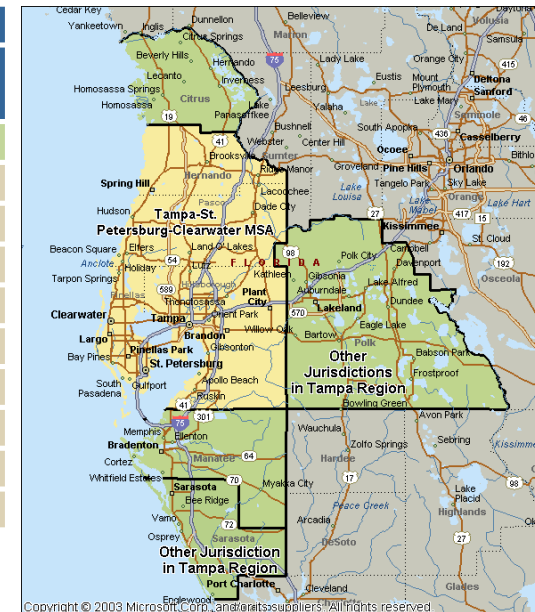
Hillsborough County is the largest and most populated county in the Tampa region, and home to the region's central city. It accounts for:

- More than 43% of the population and 39% of the land mass of the Tampa MSA
- From an even larger regional context, Hillsborough County comprises almost 29% of the population of the Tampa region...
- ...though as depicted in the chart below, the outlying counties (Pasco, Manatee and Polk) have a growing proportion of the region's population as well as land area to accommodate future growth
- Each county in the Tampa region contributes its own mix to the regional economy as a whole

Table 1: Tampa Area Jurisdictions: Population and Land Area

Location	POPULATION						LAND	
	2000	2009	2014	% Region 2000	% Region 2009	% Region 2014	Area in Sq. Miles	% of Region's Land Mass
Hillsborough Co.	998,948	1,214,963	1,349,330	27.8%	28.6%	29.0%	1,266.3	16.5%
Pinellas Co.	921,482	928,947	945,041	25.7%	22.3%	20.3%	535.8	6.9%
Pasco Co.	344,765	468,624	542,730	9.6%	11.1%	11.7%	868.0	11.3%
Hernando Co.	130,802	172,507	197,650	3.6%	4.1%	4.2%	589.1	7.7%
Total Tampa MSA	2,395,997	2,785,041	3,034,751	66.8%	65.7%	65.2%	3,259.2	42.5%
Citrus Co.	118,085	144,268	160,517	3.3%	3.4%	3.5%	773.5	10.1%
Manatee Co.	264,002	323,995	361,143	7.4%	7.6%	7.8%	892.8	11.6%
Polk Co.	483,924	596,861	666,624	13.5%	14.0%	14.3%	2,010.2	26.2%
Sarasota Co.	325,957	388,633	428,088	9.1%	9.1%	9.2%	725.3	9.5%
Total Tampa Region	3,587,965	4,238,798	4,651,123	100%	100%	100%	7,661.0	100%

Source: Claritas, Inc. 2010, Florida Statistical Abstract



Geographic Context: Hillsborough County

What follows are profiles of Hillsborough County's municipalities and implications for economic development

- Hillsborough County comprises unincorporated areas and the following municipal jurisdictions:
 - City of Tampa
 - City of Plant City
 - City of Temple Terrace
- Each community in Hillsborough County possesses specific characteristics and attributes with varying opportunities and challenges for economic growth. These are described on the following pages



Geographic Context: City of Tampa

Tampa is the Hillsborough County seat and core city of the region. Tampa's 2008 population was almost 350,000, 15% above the 2000 Census. Over the same period Hillsborough County grew by more than 22%. Tampa comprises 179 sq. miles, or approximately 14% of the County's land area

- Home to Tampa International Airport and the Port of Tampa, the City of Tampa represents the gateway to the entire region. This gateway will be reinforced by the anticipated arrival of the western terminus of the planned new High-Speed Intercity Passenger Rail line that will connect Tampa with Orlando and Miami
- Tampa consists of numerous and distinct submarkets and neighborhoods. Significant economic development nodes include:
 - **Downtown Tampa and adjacent Tampa Heights:** the County's banking, government cultural and entertainment center; the University of Tampa is adjacent to downtown
 - **Westshore:** adjacent to TIA, Westshore is the largest office submarket in Florida and comprises the visual gateway to the region for air travelers
 - **North Tampa:** mixed residential, retail, industrial and office corridor extending north and including the University of South Florida
 - **Ybor City:** landmark historic and entertainment district east of Downtown
 - **Port of Tampa:** bulk commodity port adjacent to Downtown and East Tampa
 - **East Tampa:** residential and industrial corridor along I-4
 - **South Tampa:** various residential communities and small commercial nodes
 - **MacDill AFB:** one of the area's largest employers and a major economic generator. Occupies the southern end of the Tampa peninsula
 - **Northeast (New) Tampa:** annexed areas along the I-75 corridor, includes newer residential/mixed use communities and suburban office parks
 - Several designated CRAs and Enterprise Zones include: Drew Park, East Tampa, Channelside and Central Park, among others
- Key industry sectors include: banking and financial services (shared service/customer service/middle office/technology centers of increasing complexity), professional service firms, port-related activities, retail-commerce, healthcare, and life sciences



Geographic Context: City of Plant City

Plant City, in easternmost Hillsborough County, features a small town atmosphere (the annual Strawberry Festival is a regional highlight) and an agricultural and industrial culture distinctive from the more urbanized areas of the County. In many ways it shares qualities with the nearby city of Lakeland and Polk County

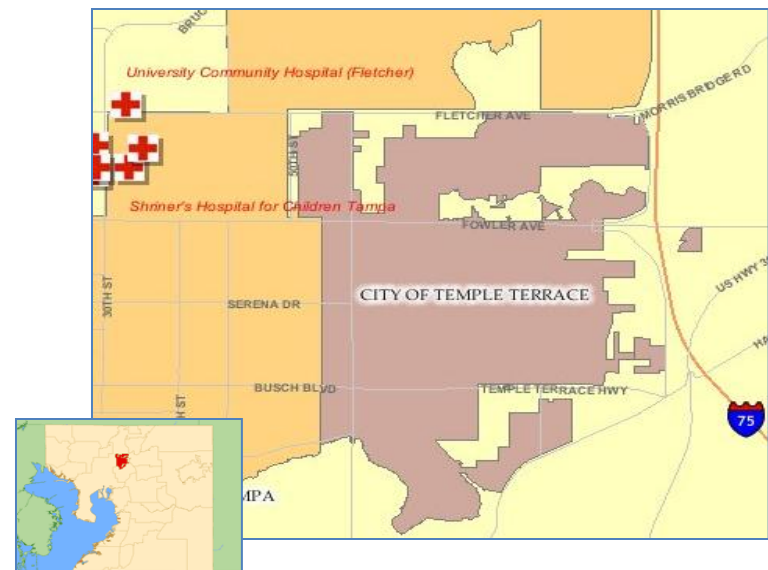
- The 2008 estimated population was almost 35,000. Since 2000 the residential base has grown by 16%. Almost 8,000 approved housing units are still on the books, promising significant additional growth once the economy recovers. Future economic development will be driven in part by newly rezoned land (industrial and warehousing) near the east end, adjacent to the Polk County line. Within Plant City's borders are the following assets for the County at large:
 - DRIs for light industrial and distribution uses
 - Thriving winter crops, particularly strawberry production and related agribusinesses
 - A County court complex under construction that should enhance a historic and well maintained traditional town center
 - Multiple venues for softball, baseball, soccer and sports-oriented tourism
- The primary industry focus is light industrial / distribution; agriculture and food processing
 - Key employers include Plasti-Pak (plastic bottle mfg), Gordon Food Service and Toufayan Bakeries
 - Plant City economic developers would like to encourage the growth of additional agribusinesses (perhaps nutraceuticals), and make the city a destination for amateur sports tournaments (similar to those in Polk and Orange counties)
 - Southwest of Plant City is the 880 acre Sydney Mine, a former phosphate mine proposed for redevelopment as a renewable energy showcase with, it is claimed, the potential to create 600 new jobs
- Local officials are closely watching plans that may place a high speed rail station at Polk Parkway, near the Hillsborough County line



Geographic Context: City of Temple Terrace

Temple Terrace is a largely built-out, suburban city of approximately 25,000 residents next to the University of South Florida. Between 2000 and 2008, the population has increased by almost 18%. Temple Terrace is the smallest municipality in Hillsborough County at 7 square miles

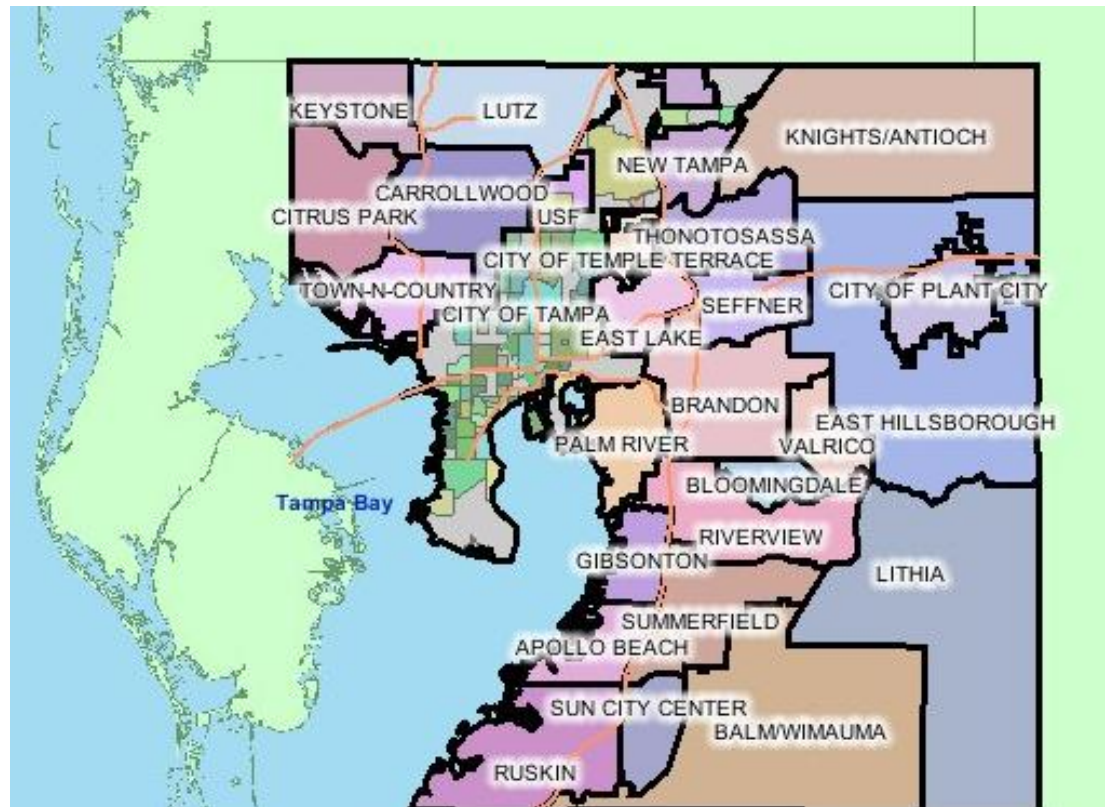
- Temple Terrace is a traditional, diverse and desirable residential community proximate to most County employment nodes and transportation corridors
- The adjacent University of South Florida has pulled Temple Terrace into its economic orbit (an estimated 20% of residents are affiliated with USF in one way or another)
- Fletcher Avenue is the major gateway to USF from I-75 and forms part of the city's northern border; the Fowler Avenue corridor, another important gateway, passes east-west through the center of town
- Approximately 50 acres of vacant land remains in the Tampa Telecom Park. The City has plans to annex land adjacent to Tampa Executive Airport to support further commercial/office development. However, access to the airport is problematic – an extension of Sligh Avenue will be required
- A new downtown redevelopment plan is expected to provide an enhanced sense of place for the town center. The first phase (from Chicago to Bullard) is scheduled for completion by 2013. A “Mediterranean theme” will prevail downtown and at key portals to the city



Geographic Context: Unincorporated Communities

Hillsborough County's unincorporated communities are spread over 927 square miles with an estimated population of more than 800,000 in 2008

- These communities embrace a huge cross-section of geography, demographics and economy, ranging from suburban to agricultural, from class A office campuses to industrial port and mining activities and across many diverse income and ethnic communities
- We've categorized these into four sectors which share some similarities
 - **Northwest:** Lutz, Keystone, Citrus Park, Town-N-Country, Carrollwood and USF
 - **Northeast:** parts of New Tampa, Knights/Antioch, Thonotosassa
 - **Mid- and East:** Brandon, Seffner, East Lake, Palm River, Valrico and East Hillsborough
 - **South County:** Gibsonton, Riverview, Bloomingdale, Lithia, Summerfield, Apollo Beach, Sun City Center, Ruskin and Balm/Wimauma



Geographic Context: Unincorporated Communities

Profile of Unincorporated Hillsborough County

Sector	Communities	Characteristics	Representative Economic Development Attributes
Northwest	Lutz, Keystone, Citrus Park, Town-N-Country, Carrollwood and University	Primarily lower density and established residential with limited available land for new growth; the pattern transitions to the urban and (potential) redevelopment areas surrounding the USF campus and the campus itself	USF campus, surrounding neighborhoods and redevelopment areas (including the University Mall) and the terminus of the first leg of a proposed light rail system are the primary economic development assets. St. Joseph's Hospital – North opened a new campus in Lutz in 2009
Northeast	Parts of New Tampa, Knights/Antioch, Thonotosassa	A prime suburban residential, retail and office campus location	A center of the financial services cluster for Tampa. Contains important, County-owned 57 acre development site at I-75 and Fowler
Mid- and East	Brandon, Seffner, East Lake, Palm River, Valrico and East Hillsborough	I-4 Corridor; diverse land uses include industrial and suburban business campuses, bedroom suburbs and rural communities	Diverse industry base ranging from Citicorp and JPMC campuses to Coca Cola Enterprises and light industrial/distribution businesses; focal point for land use policy debate that has focused on the I-4 Corridor
South County/ South Shore	Gibsonton, Riverview, Bloomingdale, Lithia, Summerfield, Apollo Beach, Sun City Center, Ruskin and Balm/Wimauma	Residential communities, established and new, links to Port development, phosphate mining and production, agriculture	I-75 South corridor has most of remaining DRI capacity suitable for office activity (South Shore Corporate Park). Location of Hillsborough Community College's newest campus

Economic Context

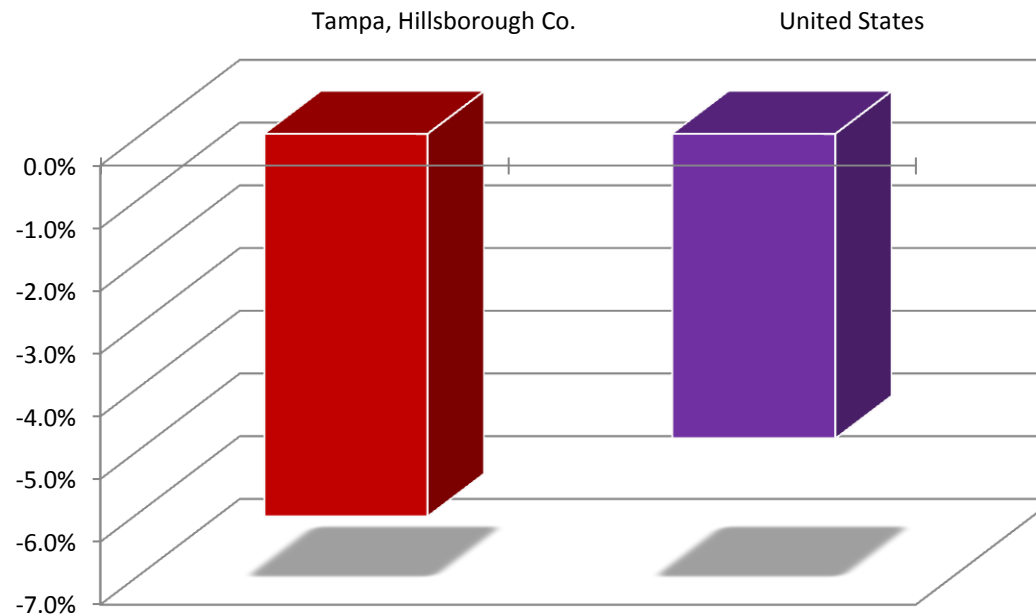
Impact of Recession and Industry Base

Economic Context: Impact of Recession

Since its peak in 2007, Hillsborough County has had 35,000 fewer employed residents. The rate of job loss exceeded the US average over the same period

- Between 2007 and 2009 Hillsborough experienced a -6.1 % decline in employment compared to -4.9% nationally

Figure 1: Percent Change in Employment: 2007 - 2009



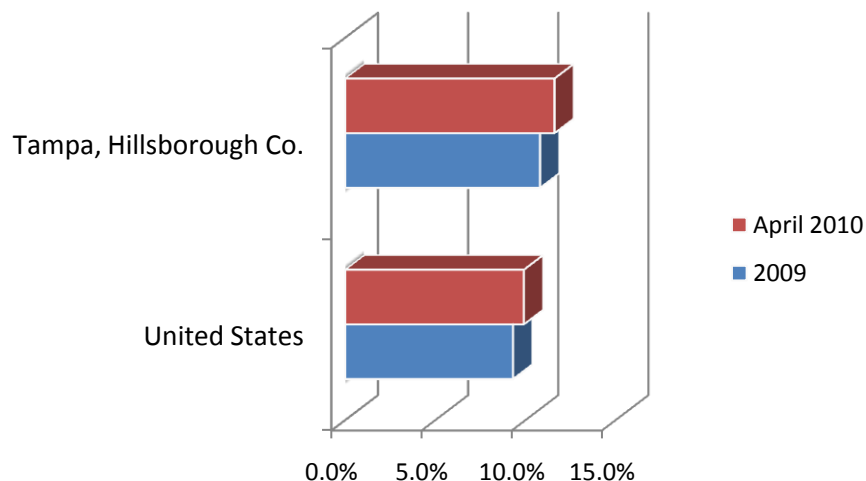
Source: U.S. Bureau of Labor Statistics

Economic Context: Impact of Recession

This pace has caused the unemployment rate in Hillsborough County to exceed the U.S. average over the last full year and as recently as April 2010

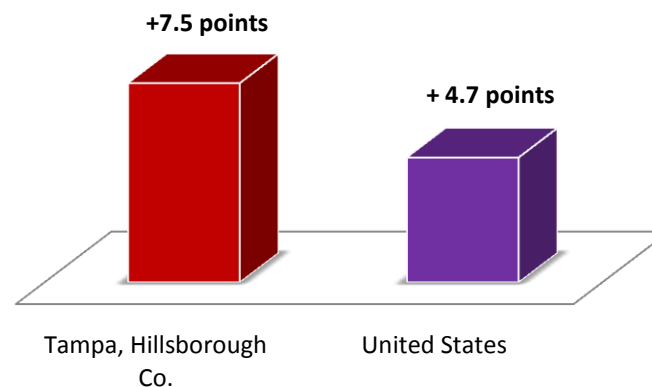
- Hillsborough's rate is now 11.6% (April 2010) up from 10.8% in 2009
- The US unemployment rate reached 9.5% in April (non-seasonally adjusted), compared to 9.3% for all of 2009
- Hillsborough's 2009 rate increased by more than 7 percentage points since 2006
- Over the same period the US 2009 average rate increased by "only" 4.7 percentage points

Figure 2: Unemployment Rate: 2009 and April 2010



Source: U.S. Bureau of Labor Statistics

Figure 3: Change In Unemployment Rate Since Hillsborough Co. Low Point in 2006



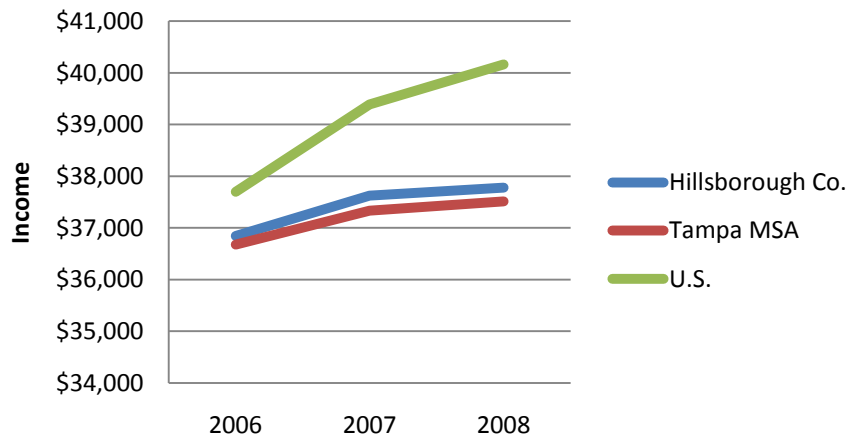
Source: U.S. Bureau of Labor Statistics

Economic Context: Impact of Recession

The weak economy has taken its toll on income and housing prices in the Tampa area

- County income levels continue to trail U.S. averages
- Personal income began leveling off in Hillsborough County and across the Tampa MSA between 2006 and 2008, marking the onset of recession
- During this period County personal income levels increased by only 2.5%, compared to 6.5% growth nationally

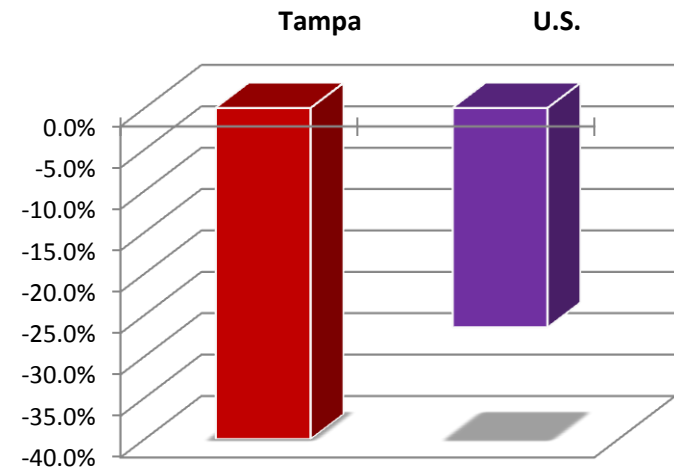
Figure 4: Change in Per Capita Income 2006 -2008



Source: US Bureau of Economic Analysis,

- Housing prices are down more than 40% from their 2007 peak in the Tampa – St. Petersburg metro area
- These data are based on metro area, not county markets, to allow comparisons with other regions and national averages
- Over a comparable period the U.S. average home sales price declined by almost 27%

Figure 5: Decline in Housing Prices 2007 - 2010



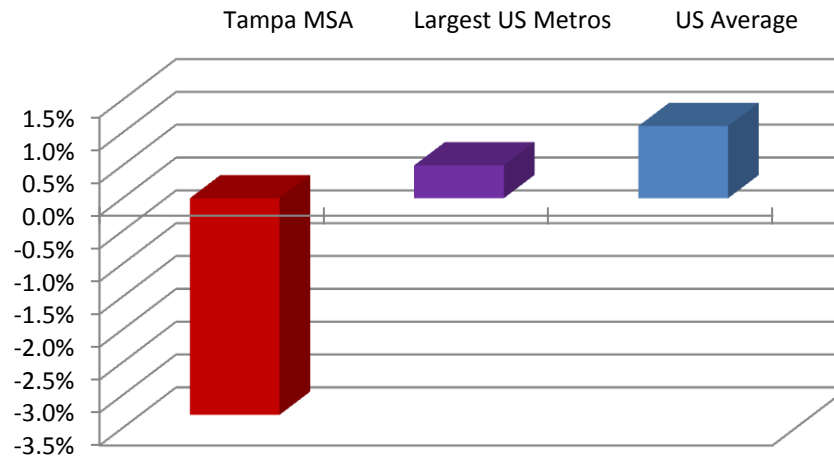
Source: Brookings Institution, Metropolitan Policy Program. MetroMonitor. 1st Qtr. 2010

Economic Context: Impact of Recession

The recession also has depressed the “Gross Metro Product” of the Tampa MSA (the total value of all goods and services produced in the region) to a greater extent than most other US metropolitan areas

- From its peak (Q3, 2006), the Tampa – St. Petersburg GMP has fallen by more than 3%
- By contrast, average GMP among the 100 largest US metro areas rose by 0.5% and US average GMP increased by 1.1% during the same period

Figure 6: Change in Gross Metro Product from Peak



Source: Brookings Institution, Metropolitan Policy Program. MetroMonitor. 1st Qtr. 2010

Economic Context: Industry Base

The recent hardship has been attributed by some to the over-reliance of the local economy on the industries that support “growth,” including real estate and construction, which fell once the economy stalled

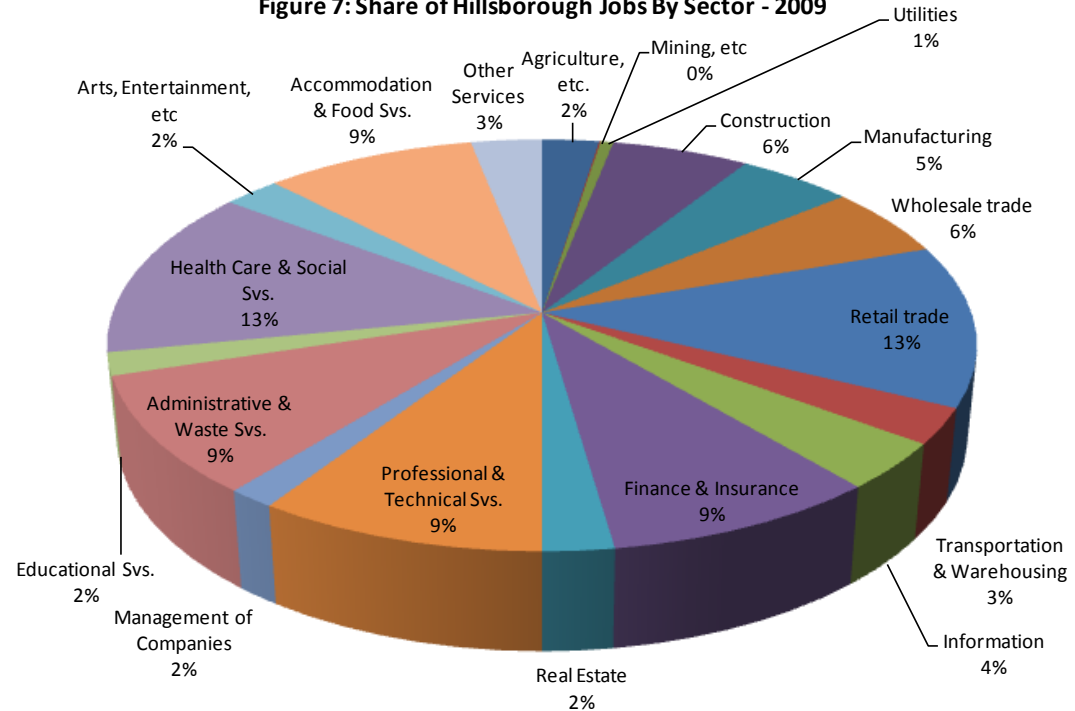
- Primarily local serving industries such as construction, retail trade and office & administrative services (including employment agencies and labor contractors), more than accounted for an overall decrease in jobs over the period leading up to and including the recession (2001- 2009)

Table 2: Private Sector Employment Growth (Loss) Hillsborough County 2001 - 2009

Industry Sector	Hillsborough County		
	2001	2009	Change
NAICS 11 Agriculture, etc.	10,757	12,205	1,448
NAICS 21 Mining, etc.	57	341	284
NAICS 22 Utilities	3,443	2,727	-716
NAICS 23 Construction	30,001	29,532	-469
NAICS 31-33 Manufacturing	32,154	24,687	-7,467
NAICS 42 Wholesale Trade	29,094	27,598	-1,496
NAICS 44-45 Retail Trade	64,698	62,936	-1,762
NAICS 48-49 Transportation & Warehousing	18,703	13,904	-4,799
NAICS 51 Information	22,761	18,345	-4,416
NAICS 52 Finance & Insurance	43,129	44,111	982
NAICS 53 Real estate	10,347	11,351	1,004
NAICS 54 Professional & Technical Svs.	38,711	45,997	7,286
NAICS 55 Management of Companies	3,255	7,589	4,334
NAICS 56 Administrative & Waste Svs.	94,780	46,201	-48,579
NAICS 61 Educational Svs.	5,924	8,847	2,923
NAICS 62 Health Care & Social Svs.	50,113	66,224	16,111
NAICS 71 Arts, Entertainment, etc.	10,433	12,266	1,833
NAICS 72 Accommodations & Food Svs.	40,789	45,364	4,575
NAICS 81 Other Services	14,647	15,223	576
Total	524,341	495,498	-28,843

Source: U.S. Bureau of Labor Statistics, Quarterly Census of Employment and Wages

Figure 7: Share of Hillsborough Jobs By Sector - 2009



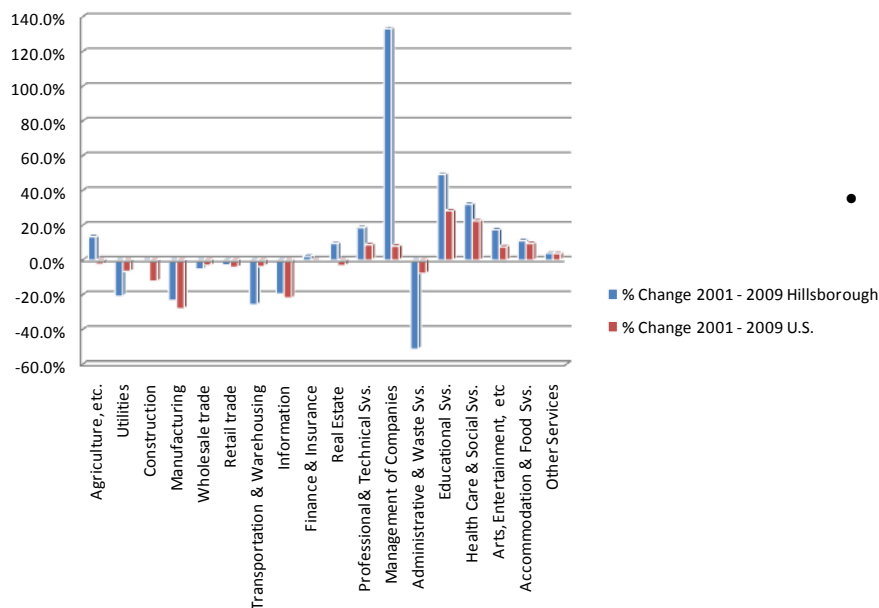
Source: U.S. Bureau of Labor Statistics, Quarterly Census of Employment and Wages

Economic Context: Industry Base

Over the 2001 – 2009 period the rate of job loss in other sectors such as Utilities, Wholesale Trade and Transportation & Warehousing, outpaced the decline nationally in these same sectors

- On a percentage basis the biggest industry gainer was Management of Companies (up 133%), typically meant to include national or regional headquarters. However, this growth was driven off a relatively small employment base (only 3,200 jobs in 2001), compared to the other sectors driving the County's economy

Figure 8: Growth/Loss of Jobs In Industry Sectors: 2001 - 2009



Source: U.S. Bureau of Labor Statistics, Quarterly Census of Employment and Wages

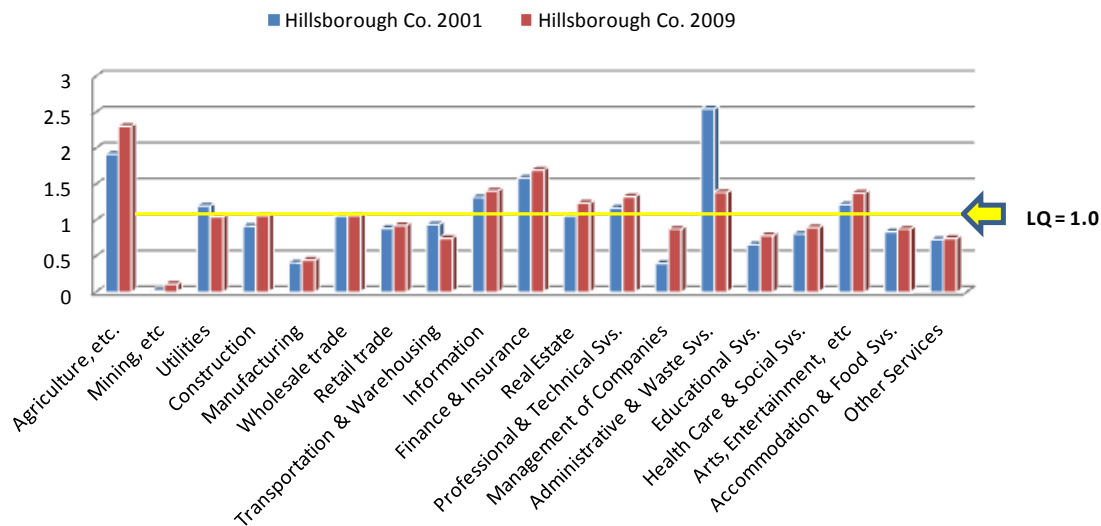
- The biggest gainer over this period was the Health Care sector
 - Health Care (hospitals, physician's office, etc.) added approximately 16,000 new jobs totaling approximately 66,000 in 2009
 - This amounted to a 32% increase since 2001
- The loser was Administrative and Waste Services (down 51% or more than 48,000 jobs), a kind of catch-all category that includes employment agencies, travel agencies, locksmiths, janitorial and garbage collection
 - This jolt occurred primarily in Professional Employer Organizations, a form of contract employment
 - Business Support Services, including call centers, a subcategory within this sector saw a 145% increase over the same period

Economic Context: Industry Base

The result has been a “concentration” or level of specialization in certain key industries that tend to characterize the Tampa-Hillsborough economy and the region at-large

- We use Location Quotients (LQs) to measure this level of specialization
 - (LQs) are ratios that allow an area's distribution of employment by industry to be compared to a reference point - usually the US
 - An LQ greater than 1.0 indicates a Hillsborough industry with a greater share of local employment than is the case nationally. Less than 1.0 is indicative of the opposite. By implication, a location with sectors possessing LQ's greater than 1.0 may have a competitive advantage in those industries. This and other factors will come into play in our subsequent recommendations regarding industry targeting
 - LQs are calculated by dividing the percentage share of local industry employment by the percentage share nationally for a given industry sector and a given period

Figure 9: Hillsborough County Industry Location Quotients: 2001 & 2009



Source: U.S. Bureau of Labor Statistics, Quarterly Census of Employment and Wages

Source: U.S. Bureau of Labor Statistics, Quarterly Census of Employment and Wages

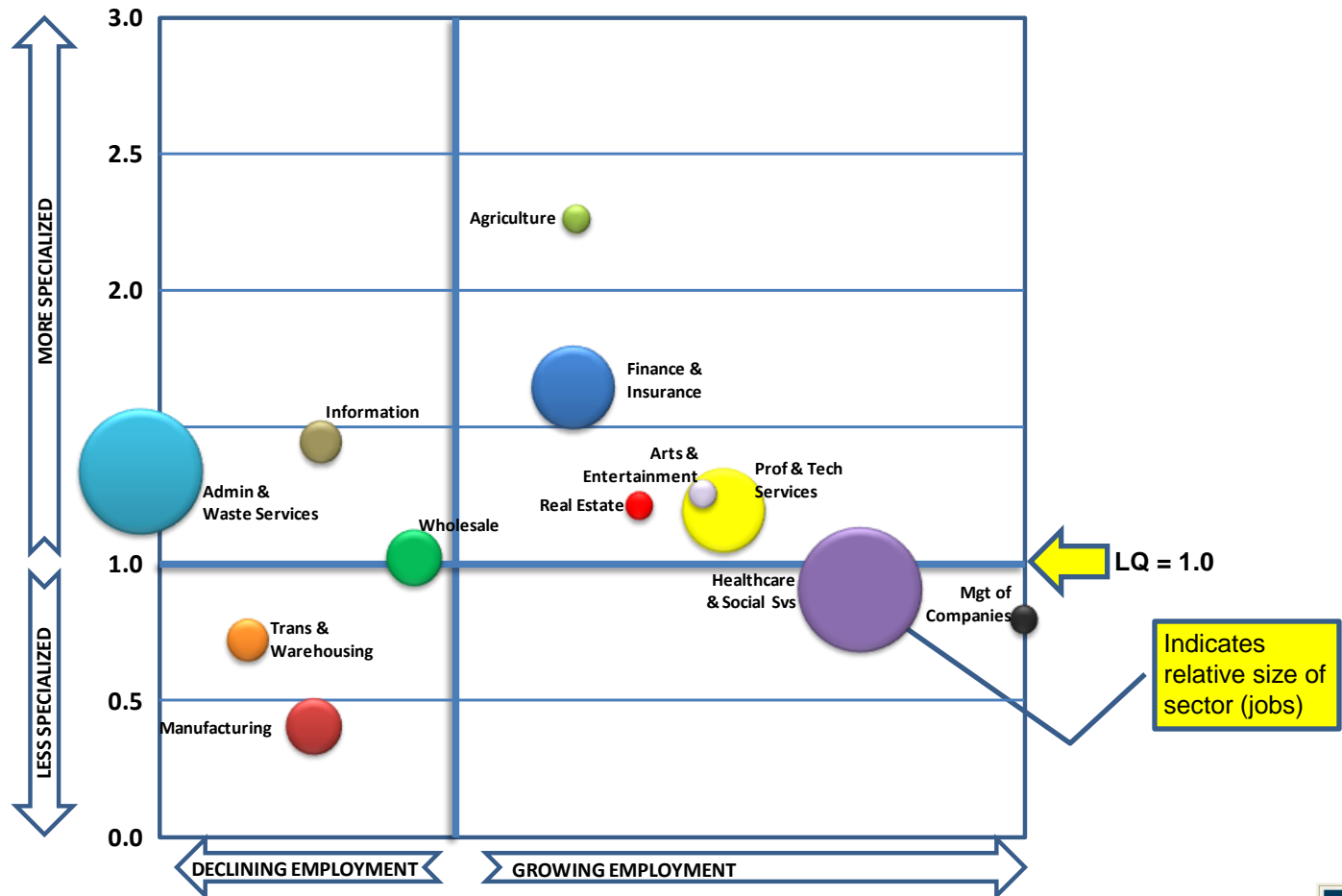
Economic Context: Industry Base

- Despite the recession, Hillsborough 2009 Location Quotients indicate a concentration in a relatively diverse range of industry sectors:
 - Agriculture
 - Utilities
 - Construction
 - Wholesale Trade
 - Information (including publishing, software, telcom, data processing, etc.)
 - Finance & Insurance
 - Real Estate
 - Professional & Technical Services
 - Administrative & Waste Services
 - Arts & Entertainment
- Between 2001 and 2009 a number of Hillsborough sectors increased their specialization vs. the national distribution of employment in the same industries
 - **Agriculture:** experienced 13+% growth locally vs. slight decline across the US
 - **Construction:** Fell by -1.6% , however, the national rate of decline was much steeper – almost -12.2% which resulted in a rising LQ
 - **Information:** Loss of -19.4% local vs. -21.8% loss nationally
 - **Finance & Insurance:** 2.3% growth in Hillsborough vs. loss of 0.5% nationally
 - **Real Estate:** 9.7% local growth vs. -3.2% loss across the US
 - **Professional & Technical Services:** 18.8% local growth vs. almost 9% US (includes some very small “subsectors” such as Scientific Research and Development Services). This category includes those who work in life sciences and other research and it grew by 113% locally, but the employment base remains quite small (only 1,363 in 2009)
- As we noted earlier, the Administrative and Waste Services sector saw a significant decline in employment between 2001 and 2009, however, its Location Quotient remains relatively high (1.39) meaning that it was still a specialized sector in Hillsborough County as of 2009
 - Business Support Services, including contact centers, credit bureaus, etc. saw an increase in LQ from .83 to 1.52 over the same period. This was driven by local growth (145%) that significantly outpaced the rate nationally (5.6%)

Economic Context: Industry Base

Putting it all together (industry size, growth and concentration), those sectors that appear poised to help Hillsborough rebound from recession include Finance & Insurance, Professional & Technical Services and Healthcare. Administrative and Waste Services also remain specialized, though less so, primarily due to loss of jobs in professional employer organizations

Figure 10: Select Industry Location Quotients



Source: U.S. Bureau of Labor Statistics, Quarterly Census of Employment and Wages

SECTION THREE: COMPARATIVE LOCATION ASSESSMENT

Location Assessment: Overview

This competitive benchmarking of Tampa-Hillsborough is the first element in the strategic plan update and helps “set the stage” for BLS & Co. recommendations in the later phases of the engagement

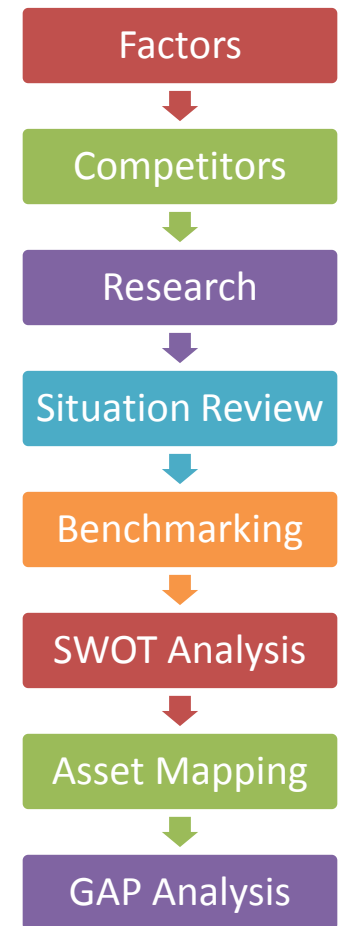
- **Process**
- **Factor Identification**
- **Comparison Locations**
- **Rating Method**

- The Location Assessment involves an objective analysis of the strengths, weaknesses, opportunities and threats pertaining to Tampa-Hillsborough’s capacity to attract, develop and support economic growth
- The assessment is conducted from a market perspective – that of a private sector company seeking the best environment for job creation and capital investment
- This evaluation will be useful in several ways:
 - To identify Tampa-Hillsborough’s strongest attributes which can be capitalized upon to encourage inward investment
 - To identify competitive liabilities which discourage job growth and investment, so that counter-measures can be implemented to militate against the impacts
 - To provide a realistic framework for target industry attraction, based on the location success factors most important to potential industry and functional requirements
- Inputs into the Assessment are anecdotal (based on approximately 150 interviews with business, civic, public agency and academic leaders); spatial, including visits to sites and communities throughout Hillsborough County, statistical, utilizing public and consultant proprietary data sources, and experiential, based on our consulting teams’ extensive corporate site selection experience in Tampa and elsewhere
- We also reviewed and considered previous studies, including the 2001 Locational Appraisal conducted by the Wadley Donovan Group and the Tampa Bay Partnership’s ongoing benchmarking studies
- Although this Location Assessment is specific to Tampa-Hillsborough, the evaluation context embraces the entire Tampa region and State of Florida

Process

The following approach was utilized to conduct the Location Assessment

- **Factor Identification:** Based on generally accepted location decision-making criteria with applicability customized to specific industries. Functionalities, company maturity and other dimensions influencing the location investment decision-making process also were considered (as reviewed on subsequent pages)
- **Competitor Selection:** Eight representative competitor locations were identified mutually with Tampa Hillsborough EDC and consultant input
- **Research:** Internal and localized input gathered primarily through an extensive stakeholder interview process supported by existing reports and data; data for comparative benchmarking gathered through consultant and publically available information sources, supplemented with consulting and Tampa Hillsborough EDC team insights
- **Situation Review :** Baseline Hillsborough County economic indicators and perspectives
- **Benchmarking:** Tampa-Hillsborough's performance for each location success factor benchmarked whenever practical against competitor locations and / or best practices
- **SWOT Analysis:** Localized strengths and weaknesses measured along with external opportunities and threats relative to competitors, general economic and marketplace factors, trends, and the immediate as well as longer term
- **Asset Mapping:** Alignment of assets to industry and functional business requirements ; marketable strengths to position as input to marketing /sales propositions
- **Gap Analysis:** Review of impediments to investment requirements of industry and functions and challenges of correction or conversion to strengths



Factor Identification

We employed three broad dimensions of location investment decision-making to assess Tampa-Hillsborough's locational assets and to help evaluate local performance against competing regions

- **ECONOMICS:** How much will it cost; what is payback /return on investment; impact on revenue and overall profitability? What incentives are available to offset project costs and how effective are they?
- **PERFORMANCE:** Can the business environment, workforce/talent base, and community intangibles help achieve business objectives and goals?
- **DELIVERY :** Are sites and infrastructure suitable and available? What is the capability of local economic development organizations to support delivery?

ECONOMICS	OPERATIONAL PERFORMANCE	PROJECT DELIVERY
<ul style="list-style-type: none">▪ Cost Variables▪ Availability and Effectiveness of Incentives	<ul style="list-style-type: none">▪ Workforce and Talent Base▪ Attraction Factors▪ Economic Vitality▪ Access and Connectivity▪ Business Platform▪ Operating Environment▪ Risks and Intangibles	<ul style="list-style-type: none">▪ Sites▪ Infrastructure▪ Economic Development Organizational Capacity

Factor Identification: Elements of Location Investment Decision-making

Typical Business Location Critical Success Factors

- **Costs**
- **Workforce / Talent**
- **Attraction**
- **Access / Connectivity**
- **Business Platform**
- **Operating Environment**
- **Risk and Intangibles**
- **Property**
- **Infrastructure**
- **Implementation**

Importance and relevance vary by:

Decision dimensions and types of investment vary greatly; each influences the relative importance of factors for specific investments

Location Investment Dimensions	Representative Elements
Business Function	<ul style="list-style-type: none"> • Headquarters • Shared Services / Customer Service / Back Office Processing / Data Center • Manufacturing / Distribution, etc.
Facility Type	<ul style="list-style-type: none"> • Office • Data Center • Laboratory • Manufacturing Plant, etc.
Industry	<ul style="list-style-type: none"> • Financial Services • Life Sciences • Manufacturing, etc.
Workplace	<ul style="list-style-type: none"> • Standard / Prototypical Office Environment • Advanced Manufacturing (e.g., aseptic or sterile environment) • Collaborative or coworking environments, etc.
Company Maturity	<ul style="list-style-type: none"> • Established • Growth Company • Start-up, etc.
Strategy Drivers	<ul style="list-style-type: none"> • Access to Markets • Geographic Diversification • Access to Specialized Talent, etc.
Decision Triggers	<ul style="list-style-type: none"> • Lack of Capacity • Excess Capacity (Downsizing) • Acquisition, etc.
Decision-makers	<ul style="list-style-type: none"> • C-Suite • Business Unit Management • Corporate Real Estate, etc.

Factor Identification: Framework

The following location drivers and evaluation factors, typical for corporate location selection and investment projects, provide the research and analytical framework for our location assessment

	Category	Location Driver	Evaluation Factors
Economics	Costs	Operating and start-up cost indicators Revenue and P&L impact	<ul style="list-style-type: none"> Ongoing costs of labor, occupancy and power
	Incentives	Cost offset. Also can help minimize startup risks	<ul style="list-style-type: none"> Value of incentives Flexibility/effectiveness of incentives (e.g., can tax credits be used, or if not, monetized?)
Operational Performance	Workforce / Talent Base	Workforce scalability and available skills to start-up, sustain and grow the organization	<ul style="list-style-type: none"> Population dynamics Labor market base and unemployment rate; occupational concentrations Education infrastructure
	Economic Vitality	Overall health of the local economy to support investment	<ul style="list-style-type: none"> New job formation, and/or entrepreneurial environment, industry mix, income levels
	Attraction	Knowledge worker attraction: economic opportunity, growth, quality of life, ease of living, diversity	<ul style="list-style-type: none"> Image and perception of Tampa Personal economics Ease of living, climate and commute Migration trends and diversity factors
	Access and Connectivity	Travel connectivity: international and domestic; local airport access; port operations and goods movement Efficient local transportation Global alignment	<ul style="list-style-type: none"> Air travel comparison Port operations Sites accessible to workforce, within 45 minutes of airport Time zone differentials versus global and domestic operations and customers
	Operating Environment	Business climate factors, often regulatory focused	<ul style="list-style-type: none"> Regulatory bureaucracy and considerations Land use and permitting General overview of tax, fiscal climate
	Risk	Hazard risks	<ul style="list-style-type: none"> Natural hazards: tornadoes, hurricanes, earthquakes, etc
Delivery	Property	Market-appropriate range of facilities and sites to meet specific project requirements within acceptable time frame	<ul style="list-style-type: none"> Current real estate market supply/demand for variety of facility requirements Inventory of shovel ready sites in mix of environments
	Infrastructure	Capacity of utilities	<ul style="list-style-type: none"> Utility capacity (water, sewer, electric) and telecommunications network
	Civic Leadership	Ability to support a project	<ul style="list-style-type: none"> Local economic development capacity and level of civic leadership

Comparison Locations

In conjunction with the Tampa Hillsborough EDC staff, we selected eight frequent competitors in seven states to be the benchmark destinations that will be used throughout the location assessment

- The following elements helped guide selection of the competing areas
 - Tampa-Hillsborough competitive experiences in the marketplace
 - Input from the Tampa Hillsborough EDC staff during project kick-off
 - Consultant experience in the corporate marketplace
- It is important to keep in mind that Tampa - Hillsborough competes against a larger pool of regional, national and international destinations; however, the selected locations provide sound comparison points for assessing the County's current position, and for improving its economic development efforts

State	Metro Area	Core County	Selection Rationale
FLORIDA	Orlando	Orange Co.	Regional competitor in Florida's Green Hi Tech Corridor; increasingly part of a super-region that includes Tampa
	Jacksonville	Duval Co.	Frequent in-state competitor for financial and other services, defense, port and logistics projects
GEORGIA	Atlanta	Fulton Co.	Competitor for corporate centers and technology
NORTH CAROLINA	Charlotte	Mecklenburg Co.	Competitor for financial and other services; corporate centers, life sciences projects
TEXAS	Dallas	Dallas Co.	Competitor for corporate centers and technology; similarly situated in a 'binary metro' with Fort Worth-Tarrant County
INDIANA	Indianapolis	Marion Co.	Competitor for shared services, life sciences
TENNESSEE	Nashville	Davidson Co.	Competitor for financial and other services, back offices
ARIZONA	Phoenix	Maricopa Co.	Competitor for corporate and financial services, shared services, technology, alternative energies in a sunbelt, tourism destination environment

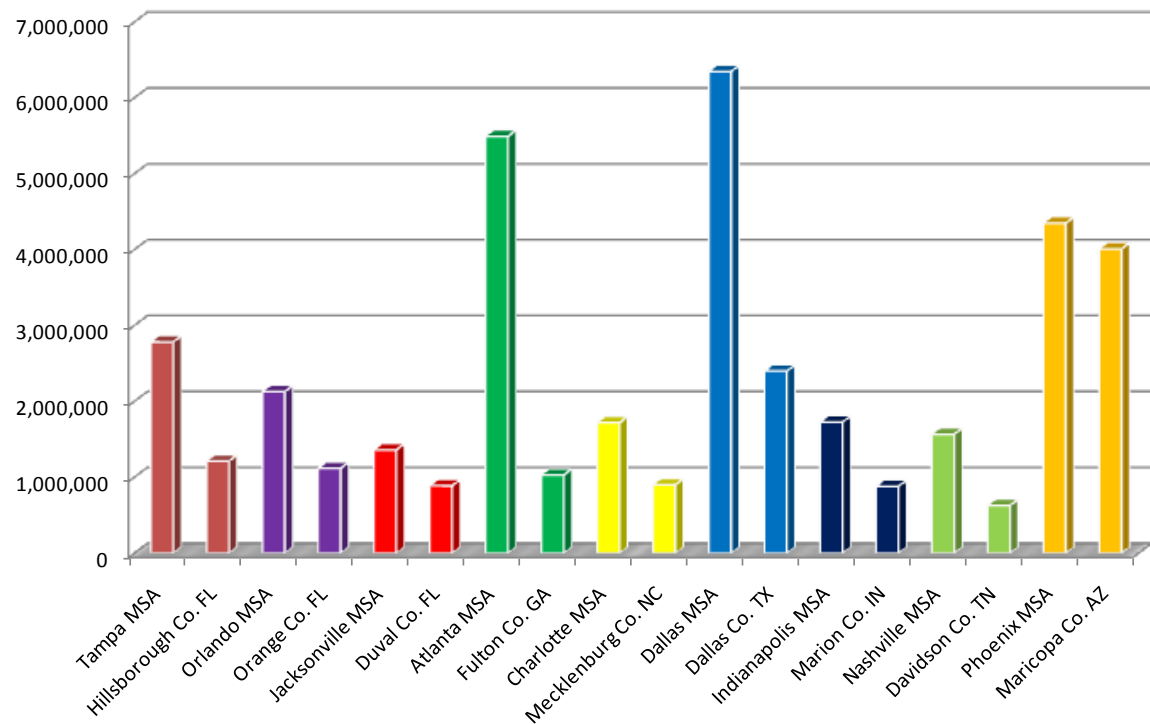
- Whenever possible we have focused on the core county for each metro – the county in which each metro area's central city is situated, these are comparable to Tampa-Hillsborough County

Comparison Locations: Regional Perspective

This comparison focused on the core county (e.g. Hillsborough County) of each competing metro area. In most of these markets the core county represented a considerable share of the metro population; in Phoenix the core county (Maricopa) represented almost the entire metro area population

- Tampa MSA ranks fourth in population among this group, following Dallas, Atlanta and Phoenix
- Hillsborough County constitutes approximately 43% of the Tampa MSA population
- In contrast, Maricopa County comprises 90% of the larger Phoenix metro area. Maricopa has > seven times the land mass of Hillsborough County
- At the other extreme is the Atlanta metro. There, Fulton County comprises less than 20% of the overall population

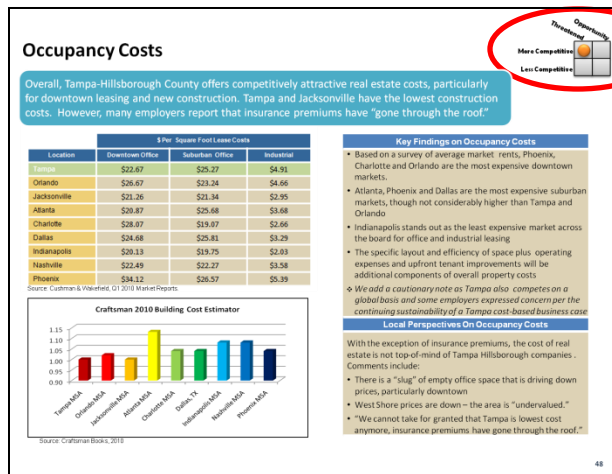
Figure 11: 2009 Population - Central County & Metro Area



Source: Claritas, Inc. 2010

Rating Rubric: Basis for Locational Assessment

We've rated Tampa-Hillsborough County's performance relative to each of the benchmark areas for each location decision factor. This is modified from a standard SWOT (strengths – weaknesses – opportunities - threats) grading to distinguish between competitive advantages (or liabilities) and more moderate, minor or neutral factors



- **More Competitive:** A core locational asset (or the potential to be so) with slight to distinguishing competitive and marketing advantages
- **Less Competitive :** A locational liability (or the potential to become one) with slight to significant disadvantages

- **Opportunity:** A target for short-term promoting actions or to capitalize upon as part of a longer-term strategy
- **Threatened:** A risk that could jeopardize current performance and may warrant contingent actions over the long term

Location Assessment - Economics

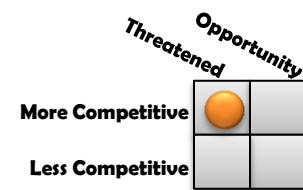
Cost Summary

The Tampa region is generally acknowledged to be one of the lower cost major markets in the US. In 2010 a KPMG survey ranked Tampa best among US metros and 7th globally for overall business costs. However, some local business persons are concerned that soaring insurance costs and the earlier spike in housing prices may have eroded Tampa's cost advantage to some degree

- Labor and occupancy generally comprise the majority of geo-variable costs for office operations. Utility costs gain significance for data centers and manufacturing projects. Incentives are an important tool to offset costs. We reviewed the following cost variables:
 - Labor Costs: blended benchmark salaries for a cross-section of industries and functions
 - Occupancy Costs: real estate lease, land acquisition, construction costs
 - Utility Costs: composite of electricity, water/wastewater and telecommunications – vary by process and technology needs
 - Incentives: grants, tax credits, tax abatements and other inducements that can have a material impact on a project's financial feasibility

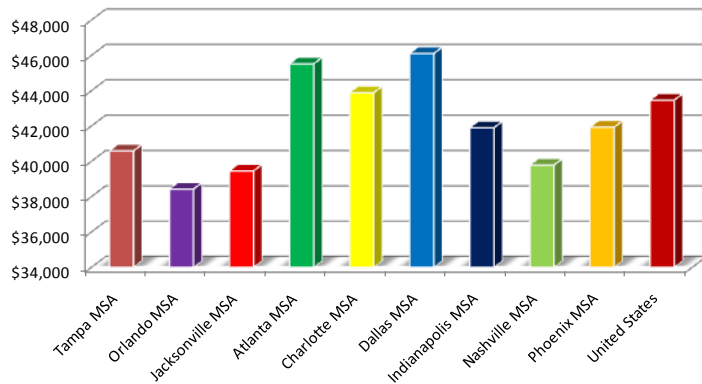
Variable	Tampa-Hillsborough Summary	Rating	
		Current	Outlook
Labor Costs	Tampa-Hillsborough compares very favorably with the benchmark locations across most broad occupational categories, except perhaps managerial salaries. Rising costs-of-living are thought to jeopardize some of this advantage	More Competitive	Threatened
Occupancy Costs	Overall, Tampa-Hillsborough County offers competitive real estate costs, particularly for downtown leasing and new construction. Property taxes and insurance are said to be rising	More Competitive	Threatened
Power Costs	Tampa-Hillsborough's electric power costs for commercial and industrial users are comparable to, or somewhat higher than other communities	Less Competitive	Threatened
Incentives	Tampa-Hillsborough and Florida provide a reasonably competitive set of incentives, though competition among Southeastern states and recession makes this an ever-changing landscape	More Competitive	Threatened

Labor Costs



Wages and benefits can represent as much as 70% of operating costs for a US office operation. Tampa-Hillsborough compares very favorably with the benchmark locations across most broad occupational categories, except perhaps managerial salaries. However rising costs of living have been blamed for some wage pressures not experienced before

Figure 12: Mean Annual Wage - Metro Area 2009



Source: US Bureau of Labor Statistics, Occupational Employment Survey, 2009

Table 3: Select Occupational Wages Indexed to US Median – 2009 (US = 1.00)

Location	Management	Business / Financial Occupations	Computers & Mathematical Science	Life, Physical & Social Science	Office & Admin. Support	Production
Tampa	1.05	.90	.91	.87	.95	.92
Orlando	1.00	.89	.86	.84	.90	.92
Jacksonville	.98	.89	.82	.88	.96	1.01
Atlanta	1.03	1.06	1.02	1.02	1.04	.94
Charlotte	1.11	1.00	1.03	.96	1.02	1.00
Dallas	1.10	1.05	1.09	1.05	1.05	.88
Indianapolis	.90	.96	.88	.82	1.01	1.06
Nashville	.82	.88	.81	.82	.97	1.05
Phoenix	.90	.90	.91	.96	1.01	.99
US Avg. Wage	\$89,330	\$58,910	\$72,900	\$58,300	\$30,410	\$29,970

Source: US Bureau of Labor Statistics, Occupational Employment Survey, 2009

Key Findings on Labor Costs

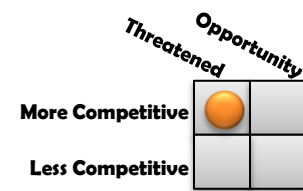
- On balance, the Tampa MSA is known to be a moderate wage market. Labor costs are generally 10% to 15% below the larger metros and the US average
- Tampa, Orlando and Jacksonville generally display similar labor costs across all but the production category. Generally, with this tight range, and supported by our observations, site selection decisions among these cities will not be based on salary differences....
- ...Jacksonville is one of the more expensive markets reviewed for production salaries – this might be advantageous to a Hillsborough County case for some manufacturers
- Management salaries are above national norms, but similar to or lower than other markets with a sizable middle and front office presence such as Atlanta, Charlotte and Dallas

Local Perspectives on Labor Costs

Based on comments to BLS & Co., there was general consensus among employers interviewed that overall payroll costs in the Tampa market are generally lower than comparable labor markets in the US, particularly as compared with the Northeast -- a competitive advantage for Tampa-Hillsborough

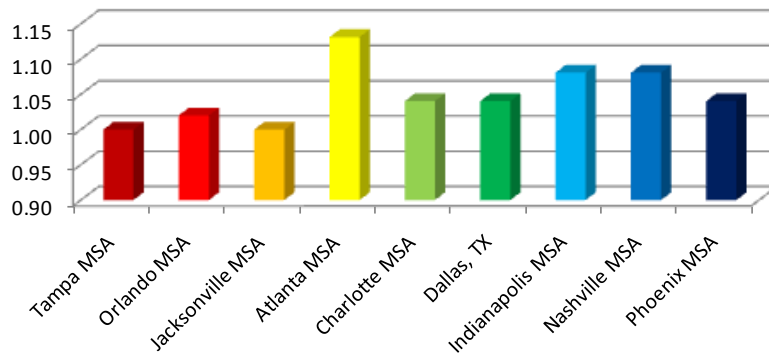
- Although employers with global footprints expressed some concern about less competitive salaries than at some overseas destinations, they also indicated that some of this differential is offset by lower occupancy costs, favorable quality and specialized skills and an attractive relocation environment locally...and that for now, the combination of these elements help to maintain a solid Tampa business case for their operations
- An additional advantage cited by some employers with an international perspective is the flexibility and mobility of the US and Florida labor market relative to both the regulatory environment and the willingness of US workers to relocate to attractive in-country destinations such as Tampa, both which tend to reduce local wage pressures on companies
- Two nagging and frequently mentioned concerns are local residential property tax and property insurance cost increases, particularly with respect to the pressures these costs may have on lower and moderate income workers

Occupancy Costs



Overall, Tampa-Hillsborough County offers competitively attractive real estate costs, particularly for downtown leasing and new construction. Tampa and Jacksonville have the lowest construction costs. However, some employers report that insurance premiums have “gone through the roof”

Figure 13: Craftsman 2010 Building Cost Estimator (US = 1.00)



Source: Craftsman Books, 2010

Table 4: Lease Costs – 1st Qtr 2010 (\$ per sq. ft.)

Location	Downtown Office	Suburban Office	Industrial
Tampa	\$22.67	\$25.27	\$4.91
Orlando	\$26.67	\$23.24	\$4.66
Jacksonville	\$21.26	\$21.34	\$2.95
Atlanta	\$20.87	\$25.68	\$3.68
Charlotte	\$28.07	\$19.07	\$2.66
Dallas	\$24.68	\$25.81	\$3.29
Indianapolis	\$20.13	\$19.75	\$2.03
Nashville	\$22.49	\$22.27	\$3.58
Phoenix	\$34.12	\$26.57	\$5.39

Source: Cushman & Wakefield, Q1 2010 Market Reports.

Key Findings on Occupancy Costs

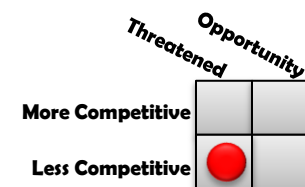
- Based on a survey of average market rents, Phoenix, Charlotte and Orlando are the most expensive downtown markets
- Atlanta, Phoenix and Dallas are the most expensive suburban markets, though not considerably higher than Tampa and Orlando
- Indianapolis stands out as the least expensive market across the board for office and industrial leasing
- Tampa, and in general, US commercial real estate costs are less expensive than in many competitive regions globally

Local Perspectives On Occupancy Costs

With the exception of insurance premiums, the cost of real estate is not top-of-mind of Tampa-Hillsborough companies

- The Tampa region is viewed by local commercial real estate professionals as a “buyer’s market” for existing office space, particularly downtown.
- Westshore is also viewed as “undervalued” compared to prime submarkets in similarly sized cities
- However, based on the dwindling supply of “market desirable suburban locations, some employers expressed concerns about potential impacts on future occupancy costs
- A driver of low commercial rents downtown is high vacancy rates. One real estate expert estimated a 10-year supply of downtown office space to be absorbed before new speculative construction would be viable...this has implications for the future shape and density of downtown Tampa
- Increasing (and perceived high) property insurance costs are a concern for commercial as well as residential property interests

Power Costs



Electric power costs for commercial and industrial users in Tampa-Hillsborough are generally comparable to, or somewhat higher than the other benchmark cities. Residential power costs are among the most expensive of any comparison market

Figure 14: Index of Typical Commercial & Industrial Electric Power Bills

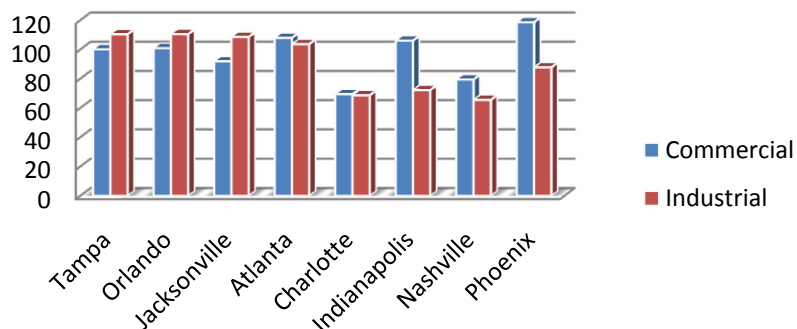
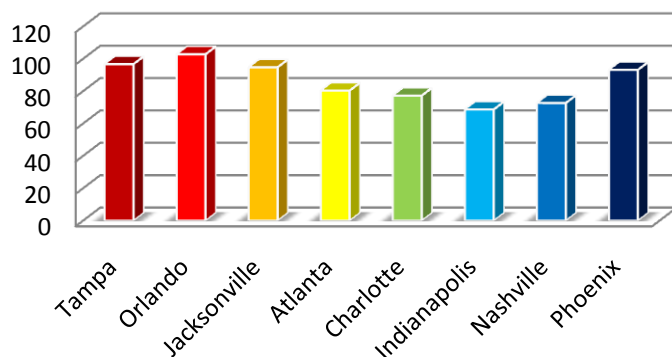


Figure 15: Index of Typical Residential Electric Power Bills



Source for Figures 14 and 15: Edison Electric Institute, Winter 2010 (Nashville typical bills based on Memphis report); Florida Municipal Power Agency (for Orlando and Jacksonville)

Note: Comparable data are not available for Texas Utilities. Costs in Dallas are projected to be equivalent to Florida cities

Key Findings on Power Costs

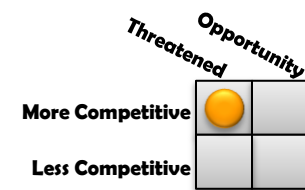
- Power costs are generally not a major factor for office operations, though, as illustrated, geographical variability among the locations is high. For typical back office operations, the significant difference between Charlotte and Tampa will not likely be a driving factor. For more sophisticated financial services operations and data centers however, electric cost can be important, though power reliability is often accorded equal weighting (reliability is discussed in more detail later in this report)

Local Perspectives on Power Costs

The price of power and interaction with utilities raised challenges by several interviewees in Tampa. However, others were more sanguine about their dealings with the area's power supplier

- A few employers commented that negotiating electricity rates with Florida utilities is very difficult, as compared to some other southeastern states
- One interviewee blamed the challenging negotiating environment for putting his building construction behind schedule by several months. Perceptions that local utility providers can sometimes be less than cooperative can have an influence on some location investment decisions

Economic Development Incentives



Tampa-Hillsborough possesses a reasonably effective set of incentives, though competition among Southeastern states and recession makes this an ever-changing landscape. See the Appendix for more detail on each jurisdiction and program

Table 5: Representative Incentives

Highly Competitive
Competitive
Not As Competitive

	Cash & Grants	Tax Credits	Training Assistance	Infra-structure	Local Programs
Tampa - Hillsborough					
Jacksonville					
Orlando					
Atlanta					
Charlotte					
Dallas					
Indianapolis					
Nashville					
Phoenix					

Source: Biggins Lacy Shapiro & Co., 2010

Key Findings on Incentives

- Incentives are pricing tools that are most effective at the margin where they can determine a project's financial and operational feasibility. The most valuable incentives are cash or tax credits that can be sold if a company has insufficient state tax liability
- In 2010 the Legislature made several important changes to Florida's incentives "portfolio." These include (among others):
 - Allowing customer service centers to access the QTI program
 - Adding \$1,000/job QTI benefits in counties offering 50:50 match
 - Adding \$2,000/job benefit for HIPI industries
- QTI also was recently modified to allow leased employees to be used in job creation calculations
- Florida's High Impact Performance Incentive (HIPI) is a flexible and effective incentive program
- The Quick Action Closing Fund also is very flexible, but its key weakness is its Legislative Budget Commission review process and the inability to rely upon the State's confidentiality protections.
- Local jurisdictions often lack a definitive incentives program; instead they tend to offer inducements on an as-needed basis. However, the region was able to step up during the competition for the high wage/high investment DTCC project. For example, the County's Premier Bonus Incentive Program was tapped for a \$500,000 grant and Tampa provided its own \$500,000 grant. An agreement between Tampa and the County calls for sharing ad valorem and other revenues generated by the project for a specified number of years. The County also offers an Impact Fee Mitigation Program, and Industrial Development Bond funding

Location Assessment

Operational Performance:

Workforce and Talent Base

Workforce and Talent Base: Summary

Tampa-Hillsborough County has historically been a labor market capable of absorbing employment growth, though recent lower rates of in-migration is an issue of some concern; education performance is better than often perceived and is an asset to cultivate

- Workforce scalability and skills to start-up, sustain and grow the talent base and workforce
 - Labor Supply: the demographic characteristics of each market including population and labor force growth and historical employment /unemployment trends
 - Occupations & Skills: the presence of specific skills as indicators of markets that have the potential to support key current or aspirational industries (IT applications, biotech scientists, accounting, servicing and corporate functions)
 - Academic Assets: basic education measures as indicators of the quality of entry level talent

Variable	Tampa-Hillsborough County Summary	Rating	
		Current	Outlook
Labor Supply	Tampa's historically strong growth has continually recharged the labor supply, though growth has diminished recently	More Competitive	Opportunity
Occupations / Skills	The area's occupational clusters have the potential to provide Tampa-Hillsborough with certain competitive advantages vs. the rest of the nation (e.g., health care, middle office and financial services skills)	More Competitive	Opportunity
Workforce Quality	Empirical evidence forms a picture of a relatively well-regarded labor pool in Tampa	More Competitive	Threatened
Academic Assets: Universities	Though not a top center of learning, the region has benefitted from the presence and rising reputation of the University of South Florida (USF) and the University of Tampa	More Competitive	Opportunity
Academic Assets: Community Colleges	Hillsborough County College is well-regarded, however outreach to manufacturers and technical training could be strengthened	More Competitive	Opportunity
Academic Assets: Primary Education	Tampa-Hillsborough schools are perceived not to be a locational asset, but in actuality are quite comparable to the systems in our benchmark communities	Less Competitive	Opportunity

Workforce: Labor Supply

Statistically, all of these labor markets are scalable to support sizable operations; Tampa's historically strong growth has continually recharged the labor supply, though growth has diminished recently

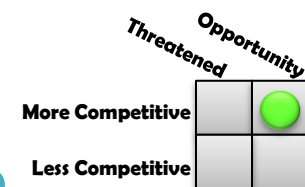
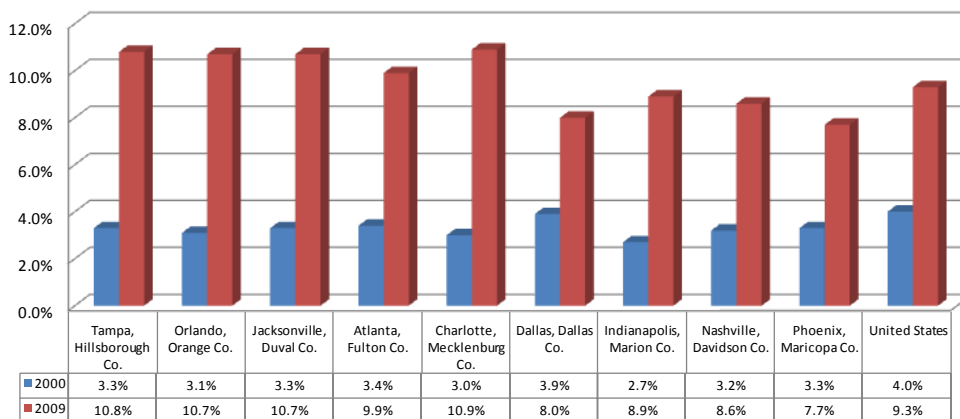


Figure 16: Unemployment Rate - 2000 and 2009



Source: Claritas, 2010

Table 6: Change in Civilian Labor Force 2000-2009

Location	CIVILIAN LABOR FORCE				
	2000	2009	2014	% Change 2000 – 2009	% Change 2009 – 2014
Tampa - Hillsborough Co.	528,979	603,129	672,277	14.0%	11.5%
Orlando, Orange Co.	499,652	602,896	677,196	20.7%	12.3%
Jacksonville, Duval Co.	408,336	449,323	487,346	10.0%	8.5%
Atlanta, Fulton Co.	432,000	477,639	537,553	10.6%	12.5%
Charlotte, Mecklenburg Co.	395,586	457,612	518,789	15.7%	13.4%
Dallas, Dallas Co.	1,184,898	1,177,446	1,237,608	-0.6%	5.1%
Indianapolis, Marion Co.	457,920	454,682	461,144	-0.7%	1.4%
Nashville, Davidson Co.	311,521	319,211	336,014	2.5%	5.3%
Phoenix, Maricopa Co.	1,595,203	1,999,983	2,272,148	25.4%	13.6%
United States	142,583,000	154,142,000	163,001,252	8.1%	5.7%

Source: U.S. Bureau of Labor Statistics

Key Findings on Labor Supply

- The supply of available labor is a fundamental location variable, the importance of which impacts almost every type of economic development project with the possible exception of data centers and some very automated warehouses
- All of these cities display desirable labor supply indicators including sizeable workforces, relatively strong civilian labor force growth trends (and projected future increases) and a current surplus of available workers as denoted by unemployment rates
- The Tampa-Hillsborough labor market has long been characterized by strong growth levels which are projected to persist and to outpace many peers and the US at-large
- A cautionary note – growth has slowed dramatically in the past 18 months, and some are concerned that slowing in-migration could put pressures on labor supply*

Local Perspectives on Labor Supply

Area managers report the ability to attract and retain good workers was always a hallmark of the Tampa-Hillsborough labor market. The recession has lessened hiring pressures even more. Several prominent employers have developed global deployment strategies based, in part, on the size and depth and elasticity of Tampa Bay's labor market

- According to some employers, Tampa has historically been a reliable 'formula' labor market – recruit locally or attract into the market by promoting the favorable cost of living / quality of life – but that this formula was damaged by the housing bubble of a few years ago
- Several employers with multiple city operations consider Tampa to be an anchor "growth center" relative to their broader facility and operation footprint...these employers typically relocate certain highly skilled positions and personnel to Tampa and mix these with local hires and personnel recruited from elsewhere. Most reported an ample pool of talent from the local market or willing to relocate to Tampa...quality of life, multiple career opportunities and lower costs are the key selling points for individual relocatees

Workforce: Occupations/Skills

Location Quotients signal that the occupational clusters that support business and financial operations, healthcare and office support provide Tampa-Hillsborough with a competitive advantage vs. the rest of the nation

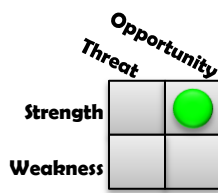
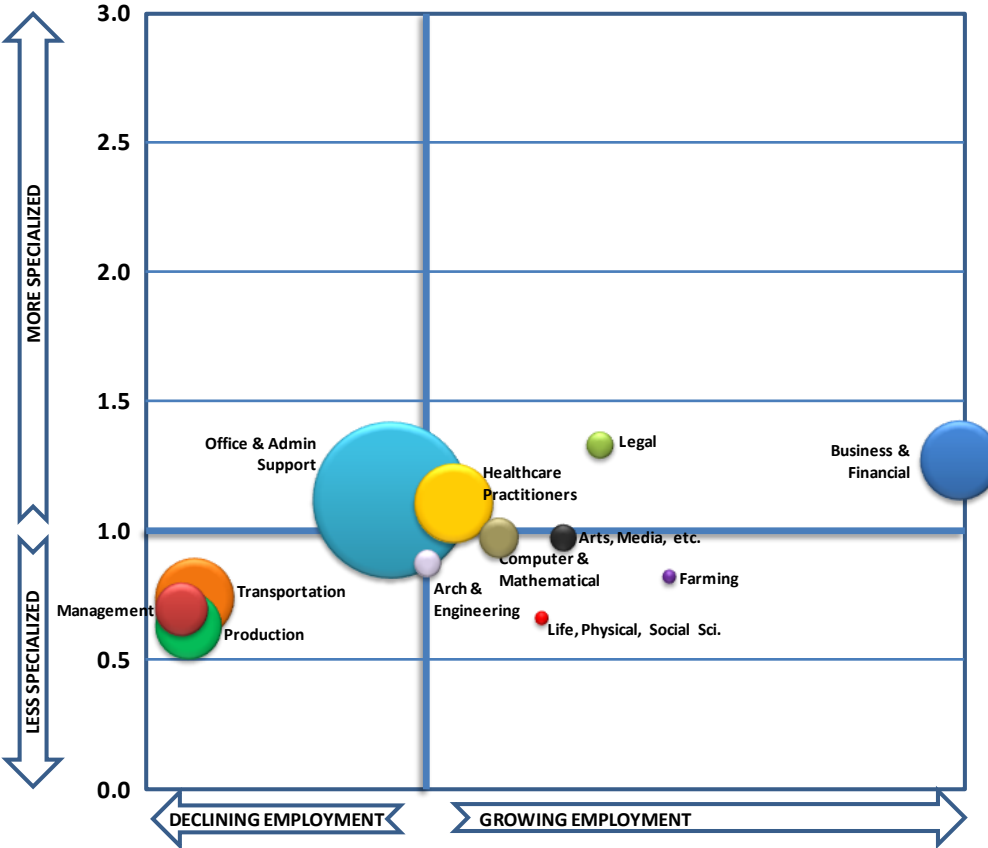


Figure 17: Select Occupational Location Quotients



Source: U.S. Bureau of Labor Statistics, Annual Occupational Employment Survey

Key Findings on Occupational Skills

- Occupational Location Quotients work the same way as the Industrial LQ's discussed earlier. They indicate where a market may or may not have a level of specialization by broad occupational category (as defined by the US Bureau of Labor Statistics)
- These LQs seem to indicate that Tampa-Hillsborough enjoys a competitive advantage in those jobs and skills that are important to the financial management and operation of companies, including accounting/finance professionals, business analysts, researchers, I/T, etc.
- Healthcare workers, including physicians, therapists, clinicians, etc., seem also to provide specialty advantages in the region
- Office and administrative occupations, which helped fuel Tampa's impressive back office cluster, remain a large and significant asset, though no longer growing.
- Notably, there has been significant growth in Life Sciences occupations, but these remain comparatively small and under-represented in Tampa-Hillsborough
- Tampa MSA features a significant specialization in Business and Financial Operations occupations that compares well vs. larger centers of commerce as Atlanta and Dallas. Healthcare occupations trail only Indianapolis
- Similar to the other Florida metros in our benchmark sample, management occupations are not prominent in the local labor force.

Local Perspectives On Occupations/Skills

Hillsborough employers are eager to leverage the local workforce, which has the potential to support an evolution from relatively modest paying back office and support labor to more value-added services

- According to several employers interviewed, Tampa continues to be a growth center to migrate middle office and increasingly sophisticated financial services operations and cited the favorable opportunities in the market to recruit mid-level professionals, managers and technicians. The five-year accounting program at USF leads to a Masters degree and is considered to be a key asset in this regard
- According to some, as the customer service center boom/bust cycle appears to have ended in the Tampa region, making it now much easier to attract and retain these types of employees in market

Workforce: Occupations/Skills – continued

Occupational Location Quotients also reveal certain competitive advantages in Tampa Bay vs. the benchmark communities, most notably in Business and Financial Operations and Healthcare. The area comes up short in Management and Scientific occupations

Table 7: Select Occupational Location Quotients by MSA - 2008

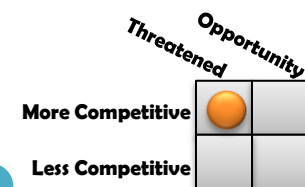
SELECT OCCUPATIONS	Tampa	Orlando	Jacksonville	Atlanta	Charlotte	Dallas	Indianapolis	Nashville	Phoenix
Management	0.66	0.69	0.65	1.42	1.26	1.13	0.99	1.35	1.04
Business & Financial Opns.	1.33	1.10	1.23	1.27	1.29	1.24	1.03	0.92	1.14
Computer & Mathematical	0.99	1.02	1.00	1.33	1.16	1.72	1.05	0.87	0.99
Life, Physical, & Social Sci	0.67	0.66	0.59	0.74	0.70	0.77	1.20	0.46	0.67
Healthcare Practitioners	1.15	0.89	1.00	0.79	0.85	0.83	1.17	1.02	0.84
Office & Admin. Support	1.19	1.07	1.23	1.12	1.00	1.10	0.98	1.09	1.16

Source: U.S. Bureau of Labor Statistics, Annual Occupational Employment Survey

Local Perspectives on Occupations/Skills (continued)

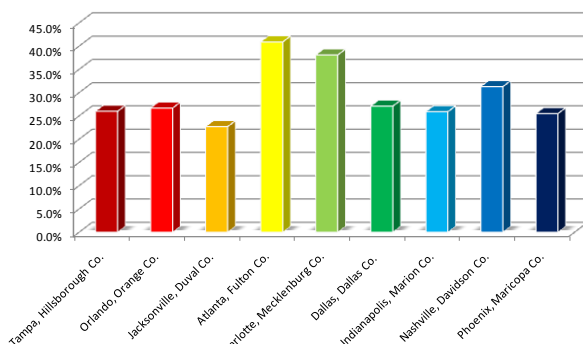
- According to local employers, some occupations remain a challenge. For example, some companies engaged in the design and production of tech-based products and services have complained of difficulties attracting engineering talent (this is a challenge encountered in many markets across the US). However, digital media developers, particularly those that support online commerce (e.g., billing, security, support) can be found
- Although Transportation occupations appear under-represented, Tampa's marine industry has given rise to a small but highly specialized cluster of "Vessel Planners" that are very difficult to find elsewhere
- There also is a base of mainframe (COBOL etc.) talent in the Tampa market, a remnant of GTE's former presence and the still significant financial services footprint. Because mainframe computers are very powerful they are well suited to transaction-intensive activities that occur at some local financial services employers. This "community" is an important advantage for large scale transaction operations, as traditional main frame skills are no longer present in sizable numbers in many markets
- Certain production skills are reportedly difficult to find including Industrial and mechanical technicians. This is not surprising given that production occupations are under-represented in Tampa-Hillsborough, and declining in numbers (as they are across the US)

Workforce: Quality



Educational data reveal some limitations of the Tampa workforce – e.g., Masters and Doctoral degree attainment below US averages; however empirical evidence forms a picture of a stable, relatively well-regarded labor pool

Figure 18: Working Age Adults with Bachelors Degree or Higher



Source: Claritas, Inc. 2009

Key Findings on Workforce Quality

- Educational attainment data provides a sense of the local share of working age adults who may be qualified for more advanced business and technology employment
- Tampa-Hillsborough compares favorably with other Florida destinations but generally lags behind larger and more cosmopolitan areas such as Dallas and Atlanta – Fulton County
- Of particular note is the relatively small proportion of the Tampa population 25 and older who possess an Masters or Doctorate degree; both indicators trail the US average

Local Perspectives on Workforce Quality

Employers interviewed for this study generally commended the Tampa-Hillsborough work ethic and dedication. The area was said to possess a Midwestern culture that encourages stability

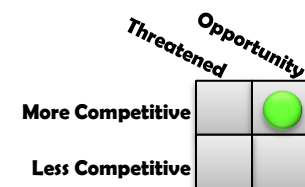
- Traits such as practicality and efficiency have been attributed to the local workforce
- Some HR managers we met with felt that the work ethic is much better in Tampa than in South Florida; voluntary turnover was reported to be very low
- Some thought that education levels were higher in the Northeast as was overall labor quality; English comprehension and writing skills were said to be challenging ...though this manifests itself primarily in unskilled, low paying jobs

Table 8: Educational Attainment of Working Adults (25 Years and Older): 2009

Location	No H.S. Diploma	H.S. Diploma Only	Some College	Associates Degree	Bachelors Degree	Masters Degree	Graduate Prof Degree	Doctorate Degree	Total 4-Year and Above	Median Yrs Education
Tampa-Hillsborough Co.	18.6%	26.3%	21.3%	7.4%	17.3%	5.7%	2.2%	0.8%	26.0%	13.2
Orlando, Orange Co.	17.7%	25.6%	21.8%	8.2%	18.8%	5.3%	1.9%	0.8%	24.8%	13.2
Jacksonville, Duval Co.	16.5%	28.8%	24.3%	7.7%	15.6%	4.7%	1.8%	0.6%	22.7%	13.2
Atlanta, Fulton Co.	16.0%	19.6%	18.6%	4.7%	26.3%	9.8%	3.4%	1.4%	40.9%	13.8
Charlotte, Mecklenburg Co.	12.9%	19.6%	22.5%	6.9%	27.6%	7.6%	2.1%	0.8%	38.1%	13.8
Dallas, Dallas Co.	24.8%	21.6%	21.4%	5.1%	18.1%	6.0%	2.1%	0.8%	27.1%	13.2
Indianapolis, Marion Co.	17.8%	29.3%	21.3%	5.7%	17.1%	5.7%	1.9%	0.8%	27.8%	13.3
Nashville, Davidson Co.	17.7%	24.3%	21.7%	5.0%	20.7%	6.7%	2.6%	1.4%	31.3%	13.4
Phoenix, Maricopa Co.	17.9%	22.9%	26.4%	7.2%	17.1%	5.9%	1.8%	0.8%	24.5%	13.3
United States	19.4%	28.3%	21.9%	6.4%	15.8%	5.9%	2.0%	1.0%	24.7%	13.1

Source: Claritas, Inc. 2009

Academic Assets: Universities



With the possible exception of Atlanta none of our benchmark destinations can be considered a significant center of learning. Although no schools in Tampa are members of the prestigious Association of American Universities, the region has benefitted from the presence and rising reputation of the University of South Florida (USF)

Table 9: Carnegie Foundation Classification of Research Universities

Location	Very High Research Activity	High Research Activity
Tampa	University of South Florida	None
Orlando	None	University of Central Florida
Jacksonville	None	None
Atlanta	Emory University Georgia Tech	Clark Atlanta University Georgia State University
Charlotte	None	None
Dallas	None	University of North TX Univ. of TX at Arlington Univ. of TX at Dallas
Indianapolis	None	IU – PU - Indianapolis
Nashville	Vanderbilt University	None
Phoenix	Arizona State University	None

Source: Carnegie Foundation, 2010

Local Perspectives on Universities

Employers interviewed have strong synergies with local institutions and USF in particular, but felt that more could be done to burnish their reputation

- Several interviewees commented that USF and UT are undersold assets at the national level. That said, the University of Tampa is perceived by some to be “local school and USF a “regional school”
- On an individual company level, many strong relationships are evident with the local higher educational community. It was reported to us that skills development and placement networks between local financial services employers and both USF’s and UT’s business schools are strong and continually improving
- One high tech employer mentioned the importance of the physical presence of the USF campus, relative to its high tech incubator including complementary services and other synergies

Key Findings on Universities

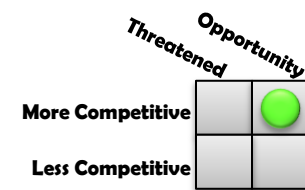
- While not an AAU member (only 61 US universities, including the University of Florida, currently belong), USF has been recognized by the Carnegie Foundation as a “Research University: Very High Research Activity” a designation based on annual research expenditures and research doctorates awarded, among other factors
- For its size, Tampa-Hillsborough ranks high in community college and undergraduate enrollment and the percentage of students enrolled in STEM disciplines (Science/Technology/Engineering/Math) is quite high, as is the number of STEM degrees as a percentage of all degrees. These are helpful indicators of the science and technology education infrastructure

Table 10: Enrollments and Degrees at Local Universities and Comm Colleges

Location	Enrollment: 2009			STEM Enrollment: 2008		Degrees Awarded: 2009			STEM Degrees Awarded: 2009		Certificates
	Comm College	Under-grad	Graduate	Under-grad	Graduate	Comm College	Under-grad	Graduate	Under-grad	Graduate	
Tampa-Hillsborough Co.	16,409	49,940	5,600	15.8%	28.2%	2,519	12,177	2,725	15.0%	13.1%	4,553
Orlando, Orange Co.	29,720	80,357	6,166	9.4%	22.4%	6,251	22,171	2,743	13.9%	11.8%	10,490
Jacksonville, Duval Co.	4,385	29,754	2,575	6.6%	2.7%	215	8,442	987	10.2%	2.3%	4,483
Atlanta, Fulton Co.	8,319	54,296	12,976	22.3%	4.7%	546	10,182	4,588	28.1%	32.7%	2,657
Charlotte, Mecklenburg Co.	9,335	35,205	2,754	9.5%	36.9%	1,360	7,529	1,459	15.0%	15.0%	1,254
Dallas, Dallas Co.	32,445	55,100	10,103	7.8%	21.2%	4,588	11,884	4,690	15.4%	18.9%	7,763
Indianapolis, Marion Co.	11,233	40,510	5,071	8.2%	12.3%	2,213	8,673	2,614	14.4%	8.3%	2,106
Nashville, Davidson Co.	11,289	35,694	9,263	9.1%	14.2%	1,058	7,045	2,928	17.4%	4.9%	3,633
Phoenix, Maricopa Co.	49,552	120,441	16,839	7.0%	15.1%	9,163	20,717	9,752	21.2%	8.2%	21,007

Source: IPEDS, 2010

Academic Assets: Community Colleges



Hillsborough Community College (HCC) compares well with other large metropolitan community college systems. Though HCC generally gets high marks from local companies; some employers in the manufacturing and transportation sectors were not as engaged with the college as they might be

Table 11: Community College Demographics

Location	Student : Faculty Ratio	Among 1 st Time & Full-Time Students	
		Overall Graduation Rate	Transfer-Out Rate
Hillsborough Co: Hillsborough CC:	23:1	27%	16%
Orange Co: Valencia CC	30:1	38%	15%
Duval Co: FL State College @ Jacksonville	22:1	32%	7%
Fulton Co (2 colleges)	17:1 - 23:1	9% - 33%	10%
Mecklinburg Co: Central Piedmont CC	18:1	6%	30%
Dallas (7 colleges)	19:1 - 24:1	4% - 15%	33% - 44%
Indianapolis: Ivy Tech Comm College	32:1	5%	18%
Nashville: Nashville State CC	18:1	49%	46%
Phoenix (5 colleges)	18:1 - 24:1	46% - 59%	28% - 42%

Source: National Center for Education Statistics, College Navigator

Local Perspectives on Community Colleges

Manufacturers tend to feel less connected to HCC and its resources than do the services employers interviewed for this study

Employers in the manufacturing and transportation sectors indicated limited direct collaboration with community colleges in areas of technical training and skills development

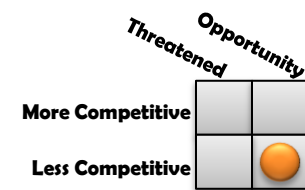
Remarks from services sector companies suggested a higher level of direct involvement with HCC than among manufacturing employers

- A high degree of partnership and collaboration was enthusiastically reported relative to curricula development, pre-employment and incumbent worker training

Key Findings on Community Colleges

- At almost 16,500 students, HCC is larger than almost every other community college, or college system except Maricopa, Dallas and Orange counties
- The school awarded more than 4,500 vocational education certificates, diplomas, etc. , trailing Orange County (Valencia CC) and Duval County (FL State College @ Jacksonville). Overall enrollment is higher in Orange County but lower in Jacksonville – however Jacksonville has a larger manufacturing cluster and this likely accounts for the unusually high number of certificates awarded there
- Student:Faculty ratios are on par with the other County systems profiled here, as are graduation rates among full-time students (in the mid-range of our comparison sample)
- Unlike Florida State College – Jacksonville, HCC does not host a Banner Center of Excellence in any particular industry

Academic Assets: Primary Education



While the Tampa-Hillsborough County public schools are often characterized in a less than flattering manner, they are actually quite comparable to the systems in our benchmark communities

Key Findings on Primary Education

- By most commonly accepted standards the Tampa-Hillsborough schools are equivalent to those in our comparison communities.
- More recent data from the School District of Hillsborough County update Tables 12 and 13, below. We have not revised these tables because we lack comparable data for the other destinations:
 - Expenditures Per Pupil: \$6,634
 - Student:Teacher Ratio: 14:1
 - Private School Enrollment: 12%
 - NAEP Composite Score: 234
 - Proficiency: 38%

Local Perspectives on Primary Education

Opinion was mixed among local employers. About ½ found the schools wanting; others felt that the schools were better than they were perceived to be. Some suggested that this was an issue for all of Florida. Several cited the recent \$100 million Gates Foundation grant as evidence of the improving quality of the County systems

- We heard persistent concerns from employers that senior level recruits have turned down jobs due to the perception of lower education in Tampa-Hillsborough
- Others have urged that a positive message needs to be better marketed to publicize the very good school quality in some neighborhoods – one interviewee said that specific public schools have improved to the point where some parents are moving kids out of private schools

Table 12: Local School District Profiles

Location	School Expenditures Per Pupil:2007	Student:Teacher Ratio: 2007	Private School Enrollment:2000
Tampa, Hillsborough Co.	\$5,343	17:1	18.0%
Orlando, Orange Co.	\$5,138	17:1	17.4%
Jacksonville, Duval Co.	\$4,767	19:1	18.7%
Atlanta, Fulton Co.	\$6,294	15:1	23.4%
Charlotte, Mecklinburg Co.	\$5,449	17:1	20.4%
Dallas, Dallas Co.	\$5,003	18:1	15.3%
Indianapolis, Marion Co.	\$6,730	17:1	22.1%
Nashville, Davidson Co.	\$5,669	15:1	29.2%
Phoenix, Maricopa Co.	\$4,516	20:1	11.8%
United States	\$6,058	15:1	-

Sources: Sperling's Best Places to Live and Retire, 2010
2009 City/County Extra, 17th Edition

Table 13: Public Education Indicators – State Level

State	Location	NAEP Test Composite Score	% of Students Above Proficiency
FL	Tampa-Hillsborough	209.1	24%
FL	Orlando	209.1	24%
FL	Jacksonville	209.1	24%
GA	Atlanta	207.7	24%
NC	Charlotte	210.0	27%
TX	Dallas	210.2	27%
IN	Indianapolis	214.0	32%
TN	Nashville	208.8	25%
AZ	Phoenix	204.8	24%
US	US Average	200.6	Xx%

Source: National Center for Education Statistics

Location Assessment - Operational Performance:

Economic Vitality

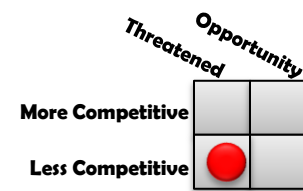
Economic Vitality: Summary

The recession caught up with Tampa-Hillsborough in 2009. However, as the overall economy improves, the County is well positioned to capture economic investment and job growth

- Overall health of the local economy to support new business investment
 - Employment: growth or loss in employment and rate of new job formation
 - Industry Mix: overall diversity of the industry base; the more diverse, particularly in growth industries, the more resilient to economic cycles
 - Entrepreneurship: focus on company formation, not job formation

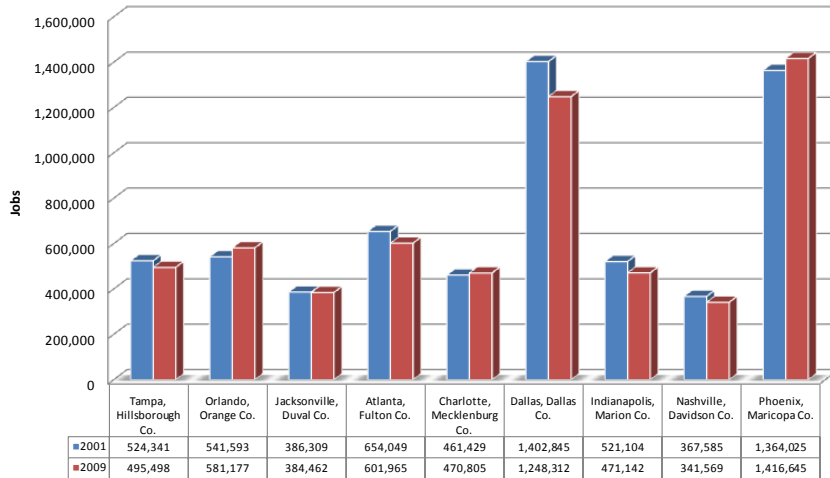
Variable	Tampa-Hillsborough County Summary	Rating	
		Current	Outlook
Employment Growth / Loss	Historically solid market growth, but major decrease in 2009	Less Competitive	Threatened
Industry Mix	Relatively diverse industry mix, an important measure of resilience during economic cycles	More Competitive	Opportunity
Entrepreneurship	Hillsborough County appears to offer a reasonably fertile environment for new company formation	Less Competitive	Opportunity

Economic Vitality: Employment Growth/Loss



The recession hit Hillsborough County relatively hard. The County had been experiencing positive, if modest, job growth between 2001 and 2008. However 2009 erased those gains and left the market with a deficit of 30,000 jobs

Figure 19: Total Employment - 2001 and 2009



Source: U.S. Bureau of Labor Statistics, Quarterly Census of Employment and Wages

Local Perspectives on Employment Growth/Loss

Hillsborough communities are experiencing pain in different ways

- Plant City recently lost two major employers (Smithfield and Alumax) and 1,200 jobs
- Tampa Telecom Park in Temple Terrace is experiencing significant vacancy levels
- East Tampa is impacted by the failures of small businesses

Other institutions in Hillsborough County have felt the pinch:

- A pullback by shipping lines has had an impact on the Port of Tampa's planned container terminal expansion
- Tampa International Airport has seen a 15% decline in passenger volume since the 2007 peak

Key Findings on Employment Growth/Loss

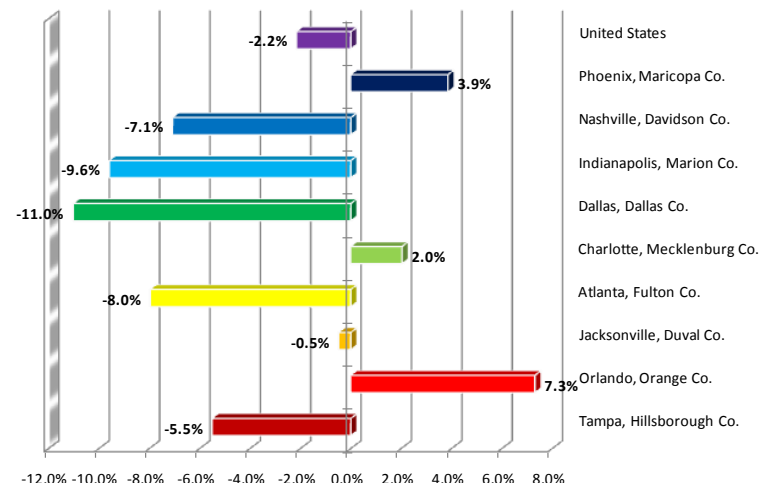
As a result of this shortfall employment growth in Hillsborough turned negative (-5.5%, between 2001 and 2009); a relatively weak performance compared with our benchmark communities

- The US average for the period was -2.2%
- Orange, Maricopa and Mecklenburg counties all posted positive growth rates
- Duval County experienced a slight dip

Of course there were jurisdictions that suffered more than Hillsborough, among others:

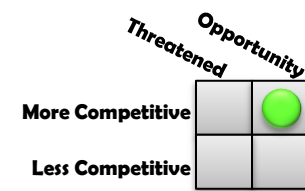
- Dallas County lost almost 150,000 jobs (-11%)
- Marion County (Indianapolis) gave up 50,000 jobs (-9.6%)

Figure 20: Percent Change in Employment, 2001 - 2009



Source: U.S. Bureau of Labor Statistics, Quarterly Census of Employment and Wages

Economic Vitality: Industry Mix



A comparison of select Location Quotients reveals that Tampa Hillsborough is relatively strong in Finance, Professional Services, Administrative Services and Information. However the market trails significantly in the Manufacturing and Headquarters (Management) sectors

Key Findings on Industry Mix

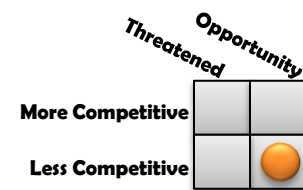
- Most competitor markets feature a specialization in Finance and Insurance, Real Estate, Professional Services and Administrative and Waste Services
- Like Hillsborough's agricultural industry (based on winter fruit crops), some have unique niches: Orlando is influenced by the presence of the attractions; Charlotte and Atlanta are clearly headquarters cities (with "Management of Companies" Location Quotients of 2.95 and 1.55 respectively)

Table 14: Select Industry Location Quotients - 2009

SELECT INDUSTRY SECTORS	Tampa, Hillsborough Co.	Orlando, Orange Co.	Jacksonville, Duval Co.	Atlanta, Fulton Co.	Charlotte, Mecklenburg Co.	Dallas, Dallas Co.	Indianapolis, Marion Co.	Nashville, Davidson Co.	Phoenix, Maricopa Co.
Agriculture, etc.	2.31	0.56	0.06	ND	0.17	0.04	0.08	0.07	0.42
Construction	1.07	0.9	1.14	0.51	1.02	1.06	0.91	0.83	1.19
Manufacturing	0.45	0.41	0.56	0.41	0.59	0.88	1.17	0.55	0.71
Transportation & Warehousing	0.75	0.99	1.6	1.41	ND	1.18	1.77	1.34	0.99
Information	1.41	1.06	0.85	2.93	1.45	1.4	0.86	1.38	0.76
Finance & Insurance	1.7	0.64	2.07	1.51	1.95	1.59	1.07	1.04	1.36
Real Estate	1.24	1.89	0.96	1.71	1.12	1.49	1.21	1.02	1.32
Professional & Tech Services	1.33	1.07	1.02	1.74	1.11	1.32	0.91	0.93	0.92
Management of Companies	0.88	1.17	0.84	1.55	2.95	0.9	0.93	0.64	0.92
Administrative & Waste Svs.	1.39	1.6	1.34	1.27	1.3	1.41	1.28	1.11	1.6
Health Care & Social Svs.	0.9	0.72	1.01	0.74	0.6	0.73	1.05	1.22	0.86
Arts & Entertainment	1.38	5.17	0.8	1.04	1.32	0.64	0.96	0.98	0.92

Source: U.S. Bureau of Labor Statistics, Quarterly Census of Employment and Wages
ND = Not disclosed to protect respondents

Economic Vitality: Entrepreneurship



Entrepreneurial dynamism is distinguished by company creation, not just job creation.
Hillsborough County appears to offer a reasonably fertile environment for new company formation

Table 15: New Company Creation, 2005 - 2006

Location	New Firms per 1000 labor market participants	Closed firms per 1000 labor market participants	Net increase 2005-2006
Tampa MSA	9.7	7.7	2.0
Orlando MSA	9.6	6.8	2.8
Jacksonville MSA	9.3	6.8	2.8
Atlanta MSA	8.2	6.2	2.0
Charlotte MSA	7.4	5.3	2.1
Dallas MSA	6.7	5.6	1.1
Indianapolis MSA	6.1	4.9	1.2
Nashville MSA	6.7	5.3	1.4
Phoenix MSA	8.5	6.0	1.1
US Average	7.1	6.0	1.1

Source: US Census Bureau – Business Information Tracking Series

Table 16: Kauffman Index of Entrepreneurial Activity - 2009

State	Entrepreneurship Index	Entrepreneurs Per 100,000 People
Florida	0.32%	440
Georgia	0.44%	440
North Carolina	0.25%	250
Texas	0.45%	450
Indiana	0.28%	280
Tennessee	0.36%	360
Arizona	0.46%	460

Source: 2010, The Ewing Marion Kauffman Foundation

Key Findings on Entrepreneurship

Company creation/destruction indicators appear to signal that those intent on starting a business in the Tampa MSA will have moderate opportunities to succeed. 9.7 new firms per 1,000 workers appeared in 2005 – 2006; while 7.7 firms per 1,000 closed during the same period. A net increase of 2.0 per 1,000 compared to the US average of 1.1 per 1,000

- Phoenix, Orlando, Jacksonville, Charlotte and Atlanta featured success ratios that were as great or greater
- Nashville, Indianapolis and Dallas trailed the Tampa MSA

The Ewing Marion Kauffman Foundation, which publishes a widely respected “Index of Entrepreneurial Activity” rated Florida reasonably high for its level of entrepreneurship

- Florida’s 0.32% Index trails all other states in our competitive group except North Carolina and Indiana
- However, Florida does boast 440 entrepreneurs per 100,000 people, higher than all other benchmark states except Arizona and Texas

Local Perspectives on Entrepreneurship

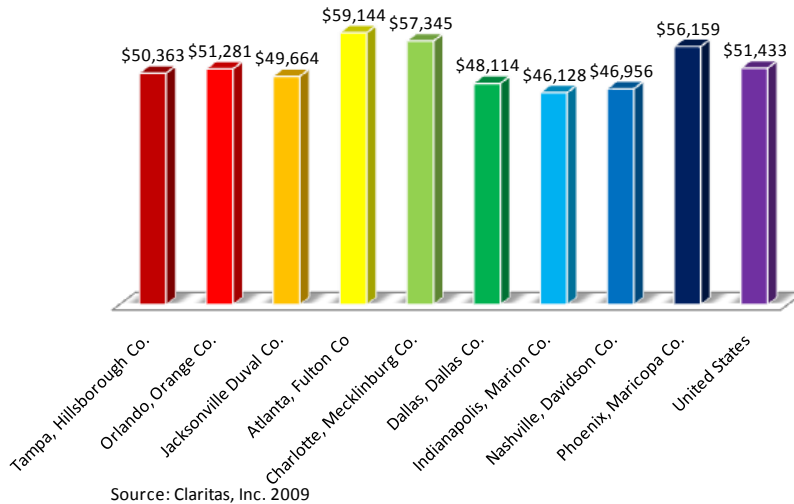
Some observers feel that the Tampa region is somewhat business risk averse, and question whether this characteristic fosters a beneficial climate for entrepreneurship. More than one observer noted that Florida’s culture generally and Tampa’s specifically is conservative in matters of business and adverse to possible failure.

That said, there is a local investor community in and around Tampa that has been characterized as “quiet money,” and outside investors are now discovering Tampa because of attractive opportunities to get in on the ground floor

USF is known for its technology incubator and the Center for Entrepreneurship. A relatively young institution, USF was commended for fostering synergies and encouraging collaboration within the academic community and among startup companies. However, others cautioned that it is unreasonable to expect all meaningful innovation to come from the University

Economic Vitality: Focus on Income

Figure 21: Median Household Income, 2009

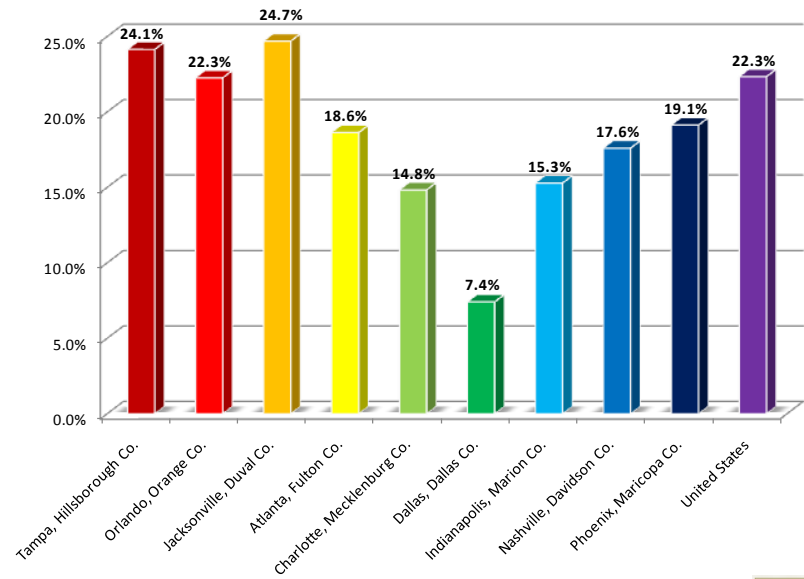


- **What we heard:** Opinions on income pointed to the need for more opportunities for disadvantaged residents who live in East Tampa and South County, including the unemployed and those who toil at lower-paying jobs

- During public meetings and private conversations concerns were expressed that economic development would bypass disadvantaged communities. This challenge is magnified when opportunities arise at distant suburban worksites and job seekers reside far from a convenient bus line
- Community leaders were unanimous in their view that a critical component of a comprehensive economic development plan is to bring significant jobs into the disadvantaged communities

- **What we know:** Tampa has generally been characterized as a moderate cost market. This is reflected in median household income levels that are very near the national average and significantly below the larger benchmark jurisdictions such as Dallas, Maricopa and Mecklenburg counties. Over the 2000 – 2009 period income growth in Hillsborough County outpaced the national average and all competitors except Duval County (Jacksonville)

Figure 22: Per Capita Income Growth, 2000-2009



Location Assessment- Operational Performance: *Attraction*

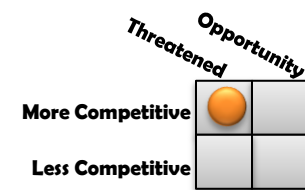
Attraction: Summary

Our biggest attraction concern is the ability of the area to remain a job creation magnet due to the recent turmoil in Tampa's housing market

- Knowledge worker attraction factors which shape place image and relocation appeal
 - Quality of Life Perception and Image: the image of each area as measured by popular media rankings and perspectives on urban vitality and appeal
 - Personal Economics: personal economic health as measured by taxes, costs of living and home affordability
 - Ease of Living: the reality of local commuting and climate
 - Dynamism and Diversity: in-migration and diversity

Variable	Tampa-Hillsborough County Summary	Rating	
		Current	Outlook
Quality of Life Perception/Image	Tampa is on the radar, but generally ranks in the middle of the pack – no cohesive image	More Competitive	Threatened
Personal Economics	Despite the recent hit to Tampa Bay's reputation as a "good value" market, the area still competes well with other destinations on personal costs. We are concerned about fluctuating housing prices, escalating insurance premiums and the impact of the "Save our Homes" amendment on property taxes	More Competitive	Threatened
Ease of Living	Tampa generally competes well on what are personal preference factors	More Competitive	Opportunity
Dynamism and Diversity	Very diverse demographics; in-migration to Tampa shrank dramatically after 2006, reflecting the combination of extraordinary (for Tampa) housing price escalation and the onset of recession. We cannot predict if migration trends will revert to past form after the economy rebounds	More Competitive	Threatened

Attraction: Quality of Life Perception & Image



“Best Places” ratings are subjective, can vary widely from year-to-year and are not necessarily accurate. However, they can influence both personal and corporate location decisions and we have presented a sampling here. Tampa typically ranks in the middle. Residents of Tampa Hillsborough believe that it is time to move beyond the area’s traditional “sun and fun” image

Table 17: Representative Media Rankings

Location	Forbes Best Places for Business 2010	Kiplinger Best Cities 2010		Bizjournals Best Quality of Life-2010	Forbes Best Places for Singles 2009	Black Enterprise Best Cities	Hispanic Magazine Best Cities
		Rank	% of workforce in Creative Class				
Rank out of	200	363	--	67	40	Top 10	Top 10
Tampa MSA	104	142	29.5%	58	33	--	--
Orlando MSA	105	163	28.2%	42	26	--	--
Jacksonville MSA	114	180	20.4%	44	40	10	--
Atlanta MSA	27	66	24.5%	11	6	2	--
Charlotte MSA	17	67	27.8%	16	32	7	--
Dallas MSA	26	68	27.2%	29	17	6	4
Indianapolis MSA	47	171	24.0%	24	31	8	--
Nashville MSA	31	161	32.7%	22	--	5	--
Phoenix MSA	117	128	24.4%	28	30	--	--

More Local Perspectives on Tampa’s Image

Many believed that a vibrant downtown should be the cornerstone of any “place building” initiatives in the Tampa region

- While progress is being made downtown, including new museums and cultural attractions, the prevailing view was that Tampa lacks a truly “living downtown”
- A viewpoint held by some, though not universally shared, is that a light rail system linking downtown to USF in conjunction with a high speed rail hub on the north side of downtown and would lend the area some cosmopolitanism.

Key Findings on Quality of Life and Image

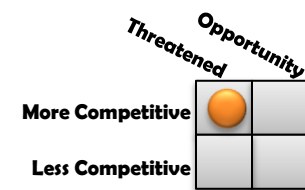
- The criteria and goals of these rankings vary widely; most consider factors such as historical and projected job growth, education, occupational mix, income, cost of living and other specific factors. Problematically, rankings can vary considerably by year
- Atlanta, Charlotte and Dallas generally rank higher than the other cities; Tampa ranks generally in the middle, though it is included in Forbes’ ‘Best 40 Cities for Singles’ in 2009

Local Perspectives on Tampa’s Quality of Life and Image

Opinions about Tampa’s image were often contradictory. What consensus there was seemed to focus on Tampa’s lack of an image

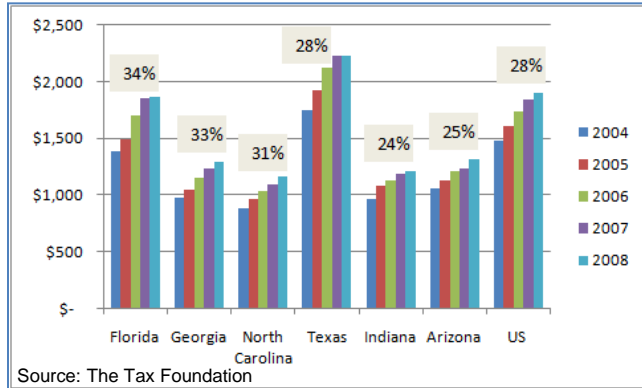
- A frequent comment among persons interviewed for this study was that Tampa is an easy place to live but it lacks personality and what one interviewee termed “specialness”
- This rather generic environment left many feeling that there was little sense of community to bind the “collection of suburbs to the city of Tampa and to each other
- The result, according to many with whom we spoke, is the lack of an established Tampa brand that could impact the area’s ability to continue competing for new jobs and investment. As one person noted, “What is Tampa known for other than sunshine and beaches?”

Attraction: Personal Economics



Dramatic housing price fluctuations and substantial property tax hikes (the unwanted side effects of “Save our Homes”) have dented Tampa Bay’s reputation as a “good value” market. However, the area still competes well with other destinations on many personal cost factors

Figure 23: Property Tax Growth: 2004 - 2008



Key Findings on Personal Economics

- Overall costs of living are moderate in the Tampa MSA, but provide no particular advantage compared to our benchmark destinations
- As housing prices have settled back into line with the competition, affordability has returned to near historical levels. Though foreclosures have been rising they have not approached the rate of increase in Orlando, Jacksonville or Dallas
- Property taxes in Florida in general have grown faster than in our benchmark locations

Local Perspectives on Personal Economics

Significant concern was expressed that fluctuating housing prices and rising insurance and taxes were eroding a critical competitive advantage

- Like never before, corporate site selectors report the need to monitor market conditions in the Tampa region for erosion
- When housing costs boomed Tampa became increasingly unaffordable. Prices may have returned to more rational and supportable levels, but property insurance costs and taxes still impact Hillsborough County’s competitiveness

Table 18: Living Costs

2010 Q1 ACCRA Cost of Living Index (US=100)	
Tampa	93.8
Orlando	98.4
Jacksonville	93.4
Atlanta	94.9
Charlotte	93.6
Dallas	92.0
Indianapolis	88.8
Nashville	88.8
Phoenix	99.0

Source: C2ER (formerly known as ACCRA)

Table 19: Tax Burden

Personal State-Local Tax Burden (State & Local Taxes per capita)	
Tampa	\$3,441
Orlando	\$3,441
Jacksonville	\$3,441
Atlanta	\$3,735
Charlotte	\$3,663
Dallas	\$3,580
Indianapolis	\$3,502
Nashville	\$3,160
Phoenix	\$3,224

Source: The Tax Foundation

Table 20: Comparative Housing Market Data

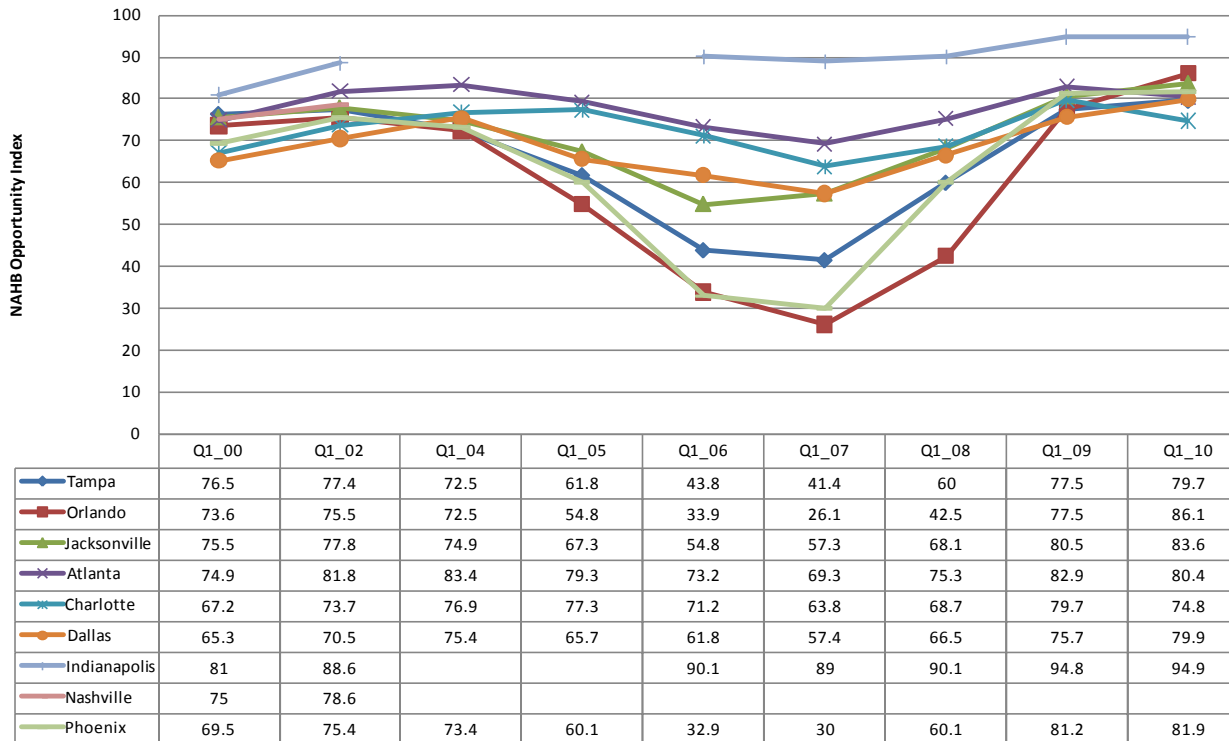
Location	NAHB Housing Affordability Index (US=100)	Median Housing Price 2010 Q1 NAHB (a)	Relocation Market Average Price 2009 (b)	Index (US=100) (b)	2009 Foreclosure Rank of Top 100 Cities (c)	% change in foreclosure rate from 2008 (c)
Tampa MSA	79.7	\$120,000	\$244,652	67	22	17.0%
Orlando MSA	86.1	\$114,000	\$260,000	72	7	54.0%
Jacksonville MSA	83.6	\$130,000	\$299,021	82	26	55.9%
Atlanta MSA	80.4	\$143,000	\$287,250	79	34	17.7%
Charlotte MSA	74.8	\$152,000	\$236,750	65	93	9.5%
Dallas MSA	79.9	\$155,000	\$332,375	92	94	2.9%
Indianapolis MSA	94.9	\$96,000	\$152,570	42	55	-9.4%
Nashville MSA	83.4	-	\$235,336	65	97	-1.2%
Phoenix MSA	81.9	\$140,000	\$199,511	55	8	37.0%

Sources: (a) National Association of Home Builders; (b) Coldwell Banker Market Data; for 4 BR mid-manager level home; (c) RealtyTrac

Attraction: Personal Economics - Focus on Home Affordability

Few quality of life factors matter more to economic development than the cost of housing, a key determinant in wages and personal relocation decisions. The National Association of Homebuilders Housing Opportunity Index charts the profound impact of the recent boom on Tampa Bay's home affordability

Figure 24: Housing Affordability, 2000 - 2010



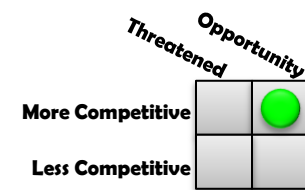
What we heard:

- There was general concern that the “formula” that had sustained Tampa for so long (primarily modest costs and attractive neighborhoods) has been altered by the surge in housing prices in the middle of the decade
- The return to more rational pricing, while welcomed, has yet to inspire confidence among those who’ve been unwilling to commit to a home purchase for fear that prices might tumble further

Source: National Association of Homebuilders: 2010

Placing this into perspective, this problem is not unique to Tampa and the other ‘Sunbelt’ cities depicted above --- however, market confidence is shaken and a potentially negative image is forming

Attraction: Ease of Living



Individuals and families also move to Tampa Bay to enjoy a warm climate year-round and to avoid the kind of stress experienced in many of the larger metros in the Northeast and Midwest

Table 21: Climate Comparison

Metro Area	January Low / July High (F)	Annual Precip. (in)	Annual Snow (in)	Annual Clear Days
Tampa	50.8 / 90.1	47.4	0.0	238
Orlando	48.1 / 91.6	50.3	0.0	242
Jacksonville	49.3 / 90.5	48.9	0.0	226
Atlanta	40.7 / 88.0	45.8	0.0	217
Charlotte	34.1 / 88.3	44.2	3.9	214
Dallas	35.0 / 95.7	35.7	2.4	234
Indianapolis	18.4 / 85.1	39.9	9.9	191
Nashville	28.3 / 89.9	48.0	10.3	210
Phoenix	36.6 / 105.1	7.1	0.1	295
US Average	20.8 / 86.5	36.6	25.2	205

Source: Sperling's Best Places to Live and Retire, 2010

Table 22: Forbes Best and Worst Cities for Commuters

Metro Area	Overall Ranking (out of 60)	2007 Travel Delay Ranking	Green Commuter Ranking	Travel Time Ranking
Tampa	60th	45th	53rd	41st
Orlando	57 th	42 nd	50 th	37 th
Jacksonville	40 th	29 th	42 nd	27 th
Atlanta	58 th	51 st	30 th	55 th
Charlotte	30 th	34 th	35 th	24 th
Dallas	56 th	48 th	38 th	45 th
Indianapolis	47 th	28 th	59 th	17 th
Nashville	49 th	17 th	55 th	29 th
Phoenix	36 th	42 nd	16 th	44 th

Source: *Forbes Magazine (Forbes.com)*. February 16, 2010

Key Findings on Ease of Living

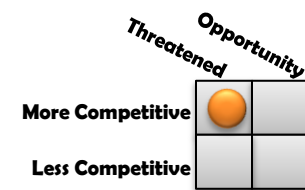
- Climate is a personal preference, however companies (and individuals) often prefer areas without extremes
- Tampa was recently slammed by Forbes Magazine for having the worst commuting conditions of any major city. The rankings are suspect as data from the respected Texas Transportation Institute (TTI) indicate that travel times and delays can be significantly longer in metros like NY, Atlanta, Washington and Los Angeles. This factor will carry more weight during a location decision than so-called "Green Commuter" rankings and similar metrics. (TTL data is presented on page 78)

Local Perspectives on Ease of Living

Overall, most interviewees, and importantly those who had relocated to the region, perceive Tampa as an easy place to live.

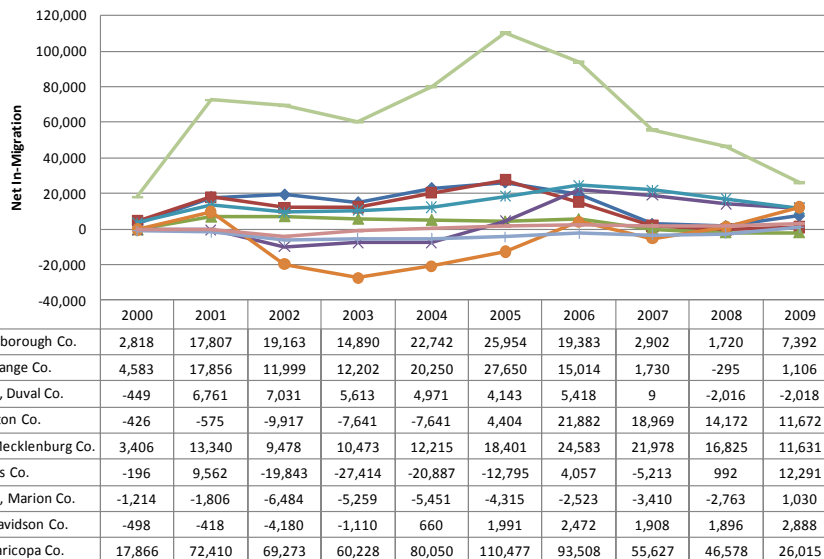
- Despite media rankings such as those presented in Table 22, residents generally acknowledge and accept that the Tampa region is an auto-dominated metropolis
- Several interviewees were of the opinion that the community needs to be more proactive in countering such negative attention lest doubts about the area's quality of life hinder economic development

Attraction: Dynamism and Diversity



These data sets are supportive indicators of a level of relative openness and demographic diversity in Tampa – Hillsborough; there is some concern over decline of in-migration from other domestic regions

Figure 25: Annual Net Migration



Source: US Census – American Community Survey 2007

Key Findings on Migration and Diversity

- Net migration is indicative of the health of the economy in the Tampa area and across the US. Older adults and dislocated workers are finding it harder to move because they cannot afford to move and/or are unable to sell their homes. Also as job growth went into reverse there have been far fewer opportunities to attract migrants. Finally, rising costs of living may have also had some impact on in-migration patterns in Tampa
- The result has been a significant shrinkage in net migration, to Hillsborough from a high of almost 26,000 in 2005 to barely 1,700 in 2008, though the data do suggest a bit of a rebound in 2009
- This pattern has repeated itself around Florida, which suffered its first net population loss in recent memory.
- Several other competitors experienced a similar period of migration decline, most dramatically in Phoenix, though also in Atlanta, Orlando and Charlotte
- Hillsborough County is generally more diverse than the US as a whole, with proportionally greater representation of African Americans and Hispanics. In this regard it is similar to many of the other Sunbelt counties

Local Perspectives on Migration and Diversity

Some employers were apprehensive that the volatile housing market and lack of job opportunities have put a damper on in-migration and are unsure when to expect a return to “normal”

- As alluded to earlier, the perceived state of Tampa’s housing market is discouraging some potential relocatees from accepting transfer to the region
- At the same time we were told that more were leaving the area due to the lack of jobs and opportunities

Table 23: Diversity Indicators

Location	White	African American	Hispanic	Native American	Asian
Tampa, Hillsborough Co.	57.7%	16.2%	23.0%	0.6%	3.6%
Orlando, Orange Co.	50.3%	20.2%	25.1%	0.6%	5.1%
Jacksonville, Duval Co.	60.0%	30.3%	6.3%	0.8%	4.1%
Atlanta, Fulton Co.	44.6%	42.6%	8.5%	0.6%	4.7%
Charlotte, Mecklenburg Co.	55.2%	30.2%	10.7%	0.7%	4.2%
Dallas, Dallas Co.	35.4%	20.8%	39.3%	0.7%	4.8%
Indianapolis, Marion Co.	64.8%	26.6%	7.4%	0.6%	1.9%
Nashville, Davidson Co.	61.4%	28.0%	7.9%	0.8%	3.3%
Phoenix, Maricopa Co.	59.7%	4.8%	31.3%	2.1%	3.5%
United States	66.6%	12.9%	15.5%	1.2%	5.1%

Source: Claritas, Inc. 2010

Location Assessment- Operational Performance:

Access and Connectivity

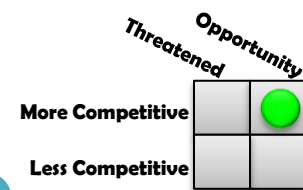
Access & Connectivity: Summary

Tampa-Hillsborough offers generally favorable access to destinations outside the local market. Internally, the supply of choice sites is becoming increasingly limited which has access implications

- Travel access to other sites and customer destinations; goods movement; work day alignment to time zones; local access
 - Air travel infrastructure: relative cost and convenience of airport service to key international and domestic destinations; we have also added commentary on the planned high-speed rail line
 - Port: International trade portal
 - Local access: Proximity and convenience of employment destinations to residential neighborhoods and the airport
 - Time Zone: often critical relative to global operations alignment

Sub-factor	Tampa-Hillsborough County Summary	Rating	
		Current	Outlook
Air Travel	TIA continues as a highly rated airport with excellent domestic connections and competitive fares – international services are limited	More Competitive	Opportunity
The Port	Primarily a bulk commodity port with aspirations to become a region-serving containerized freight hub. Jacksonville is the only other benchmark city with a seaport	Informational: not rated	
Local Access	Tampa's business centers and residential areas are spread over a large area – conveniently accessible sites are becoming increasingly rare	More Competitive	Threatened
Time Zones & Customer Access	Project-specific factor, though Tampa is on same Eastern time as New York City relative to financial services business day interaction	Informational: not rated	

Access & Connectivity: Air Travel



Proximity to a hub airport and availability of international service are critical success factors in the location decision-making process for headquarters and other white collar operations. TIA scores high for convenience and costs but would benefit from more global destinations

Table 24: Air Travel Price Index (1995 = 100)

Airport	4th Quarter 1995	4th Quarter 2009	Change 1995 - 2009
Tampa	94.5	121.8	28.9%
Orlando	96.2	114.2	18.8%
Jacksonville	100.5	125.0	24.4%
Atlanta	96.8	117.0	20.9%
Charlotte	105.9	121.8	15.0%
Dallas (DFW)	97.7	115.2	17.9%
Indianapolis	100.4	118.0	17.5%
Nashville	101.2	131.6	30.0%
Phoenix	80.2	132.8	65.6%

Source: Bureau of Transportation Statistics, US Department of Transportation.
http://www.bts.gov/programs/economics_and_finance/air_travel_price_index/html/table_11.html

Table 25: Airport Hub Status (2009)

	Tampa (TPA)	Orlando (MCO)	Jacksonville (JAX)	Atlanta (ATL)	Charlotte (CLT)	Dallas (DFW)	Indianapolis (IND)	Nashville (BNA)
FAA Hub Status	Large	Large	Medium	Large	Large	Large	Medium	Medium
Domestic Destinations	53	75	23	145	101	133	30	46
International Destinations	4	22	0	74	26	35	1	1

Source: OAG, June 2010

Key Findings on Air Travel

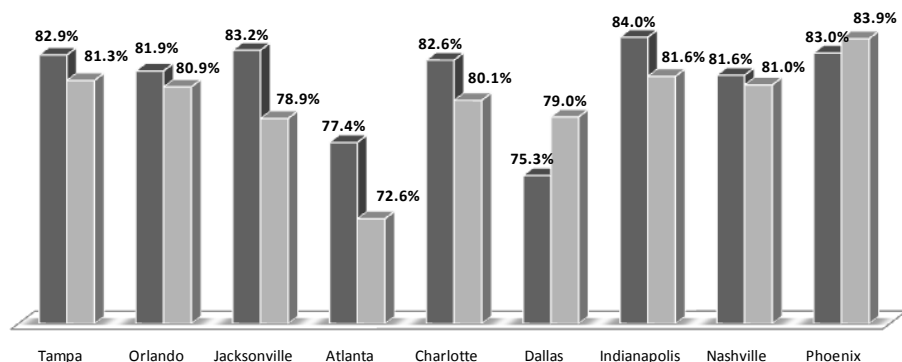
- Tampa International provides service to most domestic destinations though business persons interviewed for this study would like better access to the West Coast. Seattle, San Diego and San Francisco presently do not have non-stop service from TIA, which has made a priority of securing these linkages
- Non-stop international service is available only to Gatwick (London), three Canadian destinations and the Cayman Islands.
- Fares at TIA are generally quite competitive; 20% below US averages
- Tampa travelers do benefit from proximity to Orlando Int'l which serves 50% more domestic destinations and many more international markets. The planned High Speed Rail line will have stations in downtown Tampa and OIA (55 minutes travel time)
- The lack of a planned High-Speed Rail terminal at the airport is viewed as a missed opportunity by some local businesspersons and elected officials. A proposed light rail system could provide a link between the downtown High Speed rail terminus and TIA
- There are few constraints on growth at TIA. The airport's capacity plan allows doubling of terminal facilities (forecasted to be needed by 2023). Although there are only 350 acres of developable ground on-airport (Orlando has 15,000 acres), the Authority controls 200 acres in adjacent Drew Park that is available for runway extension or air cargo capacity.
- TIA is not a large freight facility, the highest value cargo is the shipment of tropical fish. Other cargo is less competitive because freight forwarders can truck shipments to Miami International
- TIA management believes that it can offer a competitive venue for aviation training. JetBlue and Southwest Airlines fly employees to Tampa for skills upgrades. Both decisions were based on employee preferences

Access & Connectivity: Air Travel - continued

Service levels at TIA are competitive with the other airports in our benchmark group and significantly better than the South's two major hub airports: Atlanta and Dallas/Ft. Worth

Figure 26: Ontime Rates - 2009

■ Ontime Departures ■ Ontime Arrivals



Source: Bureau of Transportation Statistics, US Department of Transportation.
http://www.transtats.bts.gov/HomeDrillChart_Month.asp?URL_SelectMonth=3&URL_SelectYear=2009

Additional Findings on Air Travel

- Data indicate that TIA has some of the highest on-time departure and arrivals records.
- The worst arrivals/departures experiences generally occur at major hub airports such as Atlanta Hartsfield and Dallas/Fort Worth

Local Perspectives On Air Travel

Users like the ease of getting into, out of and around Tampa International. These advantages appear to compensate for the lack of service to international and West Coast US destinations. As a remedy, Tampa travelers can travel via Atlanta and Orlando

- Interviewees held the essentially unanimous view that TIA is very user friendly...that travelers can get from their cars to the gates in a matter of minutes, and travel with minimal delay
- However, some business travelers are inconvenienced by the deficit of club lounges and lack of priority screening lanes for frequent flyers
- Travelers also would prefer more international service and non-stop flights to key US destination, particularly on the West Coast
- Concern was expressed that that it will be difficult to recruit international companies to Tampa without more non-stop flights to key foreign destinations

Focus on High Speed Rail

Not Rated

The 2009 “Stimulus” package pleased many in Hillsborough County when it included financing to begin implementing a decades old plan to link Tampa, Orlando and Miami with a modern, high speed rail network

What we know: the American Recovery and Reinvestment Act (the “Stimulus” package) dedicated \$8 billion for the launch of a new, national high speed rail network (the High-Speed Intercity Passenger Rail Program). According to the Brookings Institution, of these, only projects in California and Florida represent true high-speed: there will be few intermediate stops, top speeds will exceed 150 mph on grade-separated track and a separate right-of-way from conventional rail

- The Tampa-Orlando rail line is scheduled to be in service by 2015 and is intended to provide 16 roundtrips per day. Only five stations are planned : 1] Downtown Tampa (a multi-modal center that could connect with a Hillsborough light rail system is such is approved and built), 2] a location near Lakeland, 3] Disney World, 4] Orange Co. Convention Center, and 5] Orlando Int’l Airport. No stations are planned in Downtown Orlando or at Tampa International Airport
- The project is expected to cost more than \$2 billion, of which \$1.25 billion has been committed to date.
- The Tampa terminal is planned for the area around Morgan and Laurel Streets adjacent to I-275. Expectations are high that this will catalyze redevelopment in Downtown’s north side. The Planning Commission and DCA recently approved a Transit Oriented District (TOD) “floating zone” that provides for land use and density entitlements once the station site is fixed
- The ultimate location of the Lakeland Station will bear on plans for future development in and around Plant City. Plant City officials would prefer that the westernmost option be selected (near Polk Parkway at the Hillsborough County line)



What we heard: Interviewees voiced generally positive support for the high speed rail concept and recognition of this unique opportunity, though some expressed doubt about the overall costs vs. any potential benefits. There were mixed opinions about the potential catalytic role of the rail terminus on downtown Tampa

- Those in favor of the project saw the opportunity to position Tampa as a test bed for modern rail technology and to leverage the USF Engineering Department in these efforts. Those same individuals would use high speed rail to promote the region as a technology hub
- Other supporters believed that the rail line would help further integrate Orlando and Tampa and provide more choices where residents could live and work
- Those challenging the high speed rail concept felt that it would not be viewed as a viable alternative to what was thought to be a relatively short and convenient trip to/from Orlando by automobile
- The lack of a direct connection to TIA was also perceived to be a fundamental flaw in the current system design; skeptics also expressed doubts that the intended location of the Tampa terminus would do much for the redevelopment of downtown

Focus on the Port

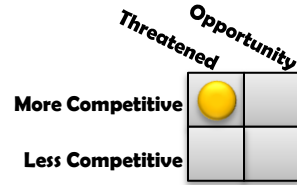
The Port of Tampa is a major bulk port with a diverse traffic base. It has aspirations to develop into a region-serving containerized freight hub. Jacksonville is the only other benchmark city with a seaport

- **What we know:** The Port of Tampa, Florida's largest cargo tonnage port, occupies 5,000 acres adjacent to Downtown Tampa and other land throughout Hillsborough County. 2,500 acres are under the control of the Tampa Port Authority (TPA). There is significant land available for expansion. Portions of the port are designated as Foreign Trade or Enterprise Zones. TPA controls six areas:
 - Channelside: 3 cruise terminals serving Royal Caribbean, Carnival, Holland America and soon Norwegian Cruise Lines; also the location of the Channelside Bay Plaza retail development and Florida Aquarium
 - Hooker's Point: multiple terminal facilities handling liquid bulk (including petroleum, the Port's largest tonnage commodity), dry bulk (phosphate/fertilizer products, aggregate, cement, etc.), general cargo and containers. The container terminal occupies 40 acres and features three gantry cranes, a mobile harbor crane and 2,100' of dock. Zim Lines is presently the only global container carrier at the Port. The facility can handle 200,000 TEUs annually with expansion plans to quadruple the size and capacity of the facility
 - Pendola Point/Port Sutton: multiple terminal facilities handling bulk commodities, including cement, aggregate, sulfur, scrap metal, etc.
 - Port Redwing: 130 acre greenfield site – the largest available land opportunity at the Port. The first phase of construction of a new 30 acre aggregate terminal, including a new 1,500' berth, has recently been completed
 - Port Ybor: Multi-purpose general cargo with RO/RO ramps designed with future Cuba trade opportunities in mind
 - East Port: 36 acre site being developed for bulk terminal operations
- The new I-4 Crosstown Connector (under construction) will provide a direct connection to the interstate highway network. Completion is planned for 2013, one year before the Panama Canal expansion is completed
- Port managers report that they are host to the largest ship repair facilities in the Southeast

- **What we heard:**

- With a channel depth of 43' the Port will be unable to accommodate the largest new 12,000 TEU "Post Panamax" ships. However Port operators believe they are well positioned to benefit from an expanded Panama Canal, and in particular < 8,000 TEU ships that will continue to call at US East Coast and Gulf ports
- The availability of sites proximate to the water is a competitive advantage. One shipper reported that it costs less to ship to China from Tampa than it does from Long Beach, CA because their Tampa facilities are located on the water
- Although the height of the Sunshine Skyway precludes new mega cruise ships, Port operators contend that there remains growth potential for Tampa's cruise business (the bridge height does not impact cargo ships)
- While Port operators have said they are enhancing their outreach to carriers, potential customers in the Tampa region said that greater efforts need to be made to promote the Port locally
- Local opinion is mixed regarding the ease of clearing customs at the Port of Tampa. Port managers call attention to the close working relationship that they have been able to develop with the US Customs & Border Protection
- Because Florida has 14 deepwater ports the situation is more politically complicated than in Alabama or Georgia where there is just one port for the state to promote. Operators of the Port of Tampa report that they are working hard to garner needed support from the State

Local Access: Proximity of Commercial Sites to Key Area Assets



“Tampa” from the location investment decision makers perspective has a solid reputation; it offers convenient airport and residential siting opportunities geared to market requirements --- however, it is unclear whether Tampa-Hillsborough can continue to sustain this advantage given regional competition and questions on the future availability of market-desirable sites within the county



Tampa

- Airport west of downtown
- Suburban office markets multiple directions – W, N, NE, E
- New growth directions – N, SE

Downtown: 15-20 minutes

Prime suburban: 5-30 minutes

Key Findings on Local Access

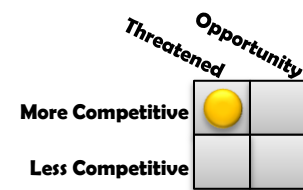
- The Westshore market is ideally situated for ease of airport access and an impressive sense of arrival into the region. This affords a competitive advantage compared to Class A office submarkets in most of the benchmark cities
- Both Westshore and The I-75 corridor from Brandon north to New Tampa are well known among professional site selectors as premier environments for financial services and other corporate functions
- In the current development dynamic, Pasco County is emerging as a location for corporate campus growth and is readily accessible to new residential communities and TIA via the Veterans Expressway
- Within Hillsborough County, future eastward corporate campus growth on the I-4 corridor is contingent on a broader debate as to how that corridor should develop. The only approved DRI suitable for new corporate campus development is in south Hillsborough County, and is the furthest from TIA

Local Perspectives on Access

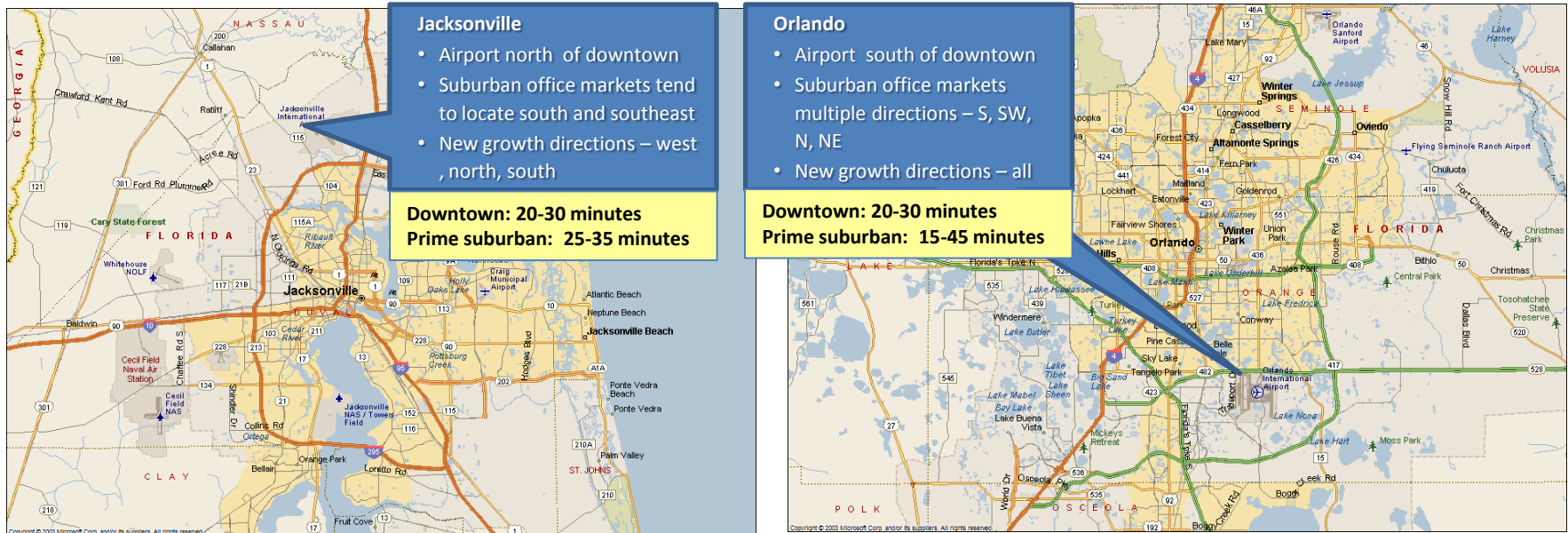
Larger employers with multiple locations suggested that as long as this region can offer lower costs, local access, short commutes, and multiple site and housing options, Tampa has a competitive deployment business case to invest here versus elsewhere

Benchmark urban development patterns are compared with Tampa-Hillsborough on the following pages

Local Access - continued



In comparison, the Florida benchmarks – Jacksonville and Orlando – appear to offer a variety of market-responsive site and development solutions throughout their respective regions and within 30 minutes of airports and growing residential areas

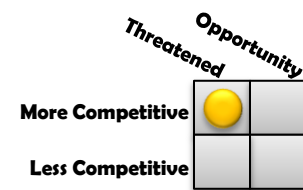


Key Findings: Comparisons with Tampa

- Neither Orlando or Jacksonville has a 'Class A' office market such as Westshore immediately proximate to their respective airports, however Orlando International is reported to have 15,000 acres of developable land adjacent to its airport facilities
- Both markets have developable siting opportunities, within their core county, proximate to airports and emerging commercial and residential nodes
- Within the immediate Tampa Bay region, Pasco and Polk Counties may be viewed by some site seekers as the primary "Tampa" option to compete with these and other alternative markets in a location investment decision
- High-speed rail stops within Orange County may also foster nodes of mixed use and master planned development



Local Access - continued



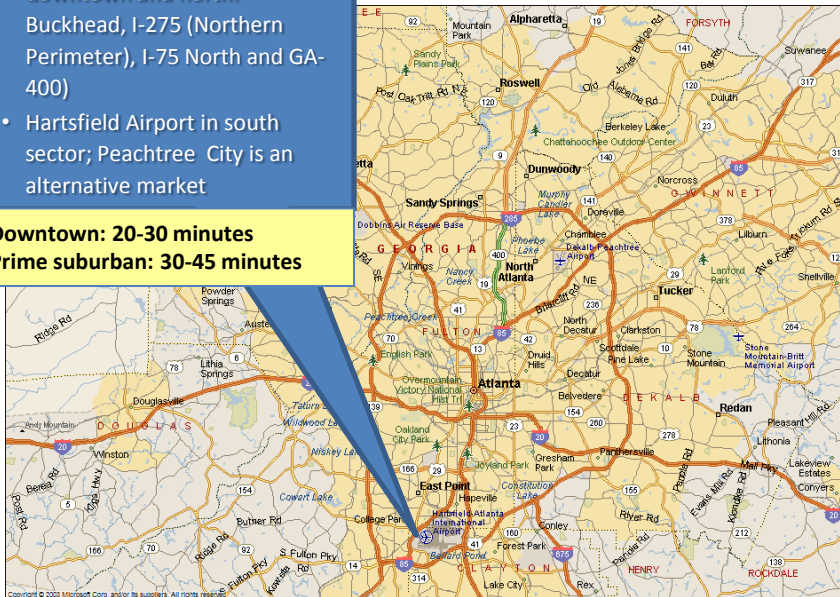
The Atlanta and Phoenix markets are sprawling metropolitan regions and face similar dynamics to Tampa Bay relative to convenient access of market preferred sites

Atlanta

- Office markets have located downtown and north: Buckhead, I-275 (Northern Perimeter), I-75 North and GA-400)
- Hartsfield Airport in south sector; Peachtree City is an alternative market

Downtown: 20-30 minutes

Prime suburban: 30-45 minutes

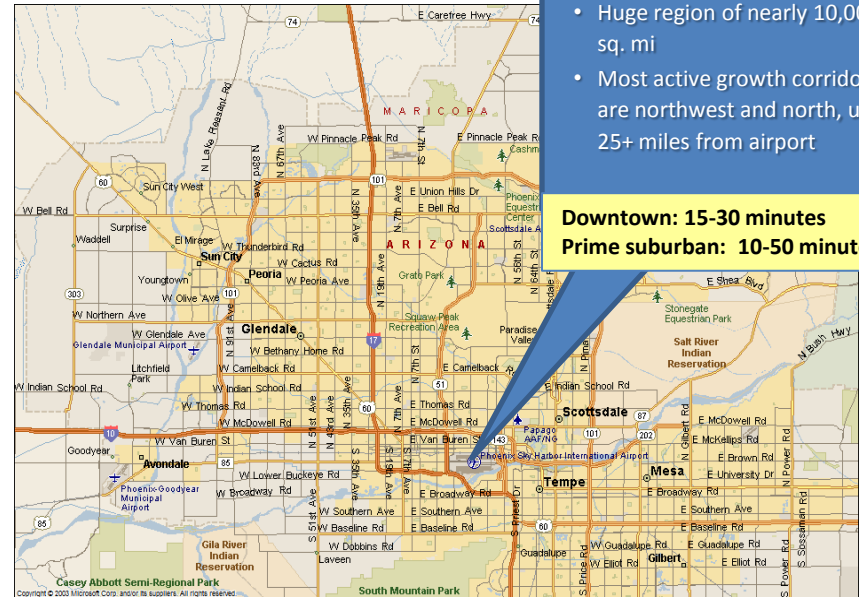


Phoenix

- Airport central to entire region
- Huge region of nearly 10,000 sq. mi
- Most active growth corridors are northwest and north, up to 25+ miles from airport

Downtown: 15-30 minutes

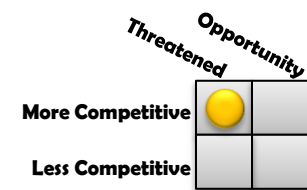
Prime suburban: 10-50 minutes



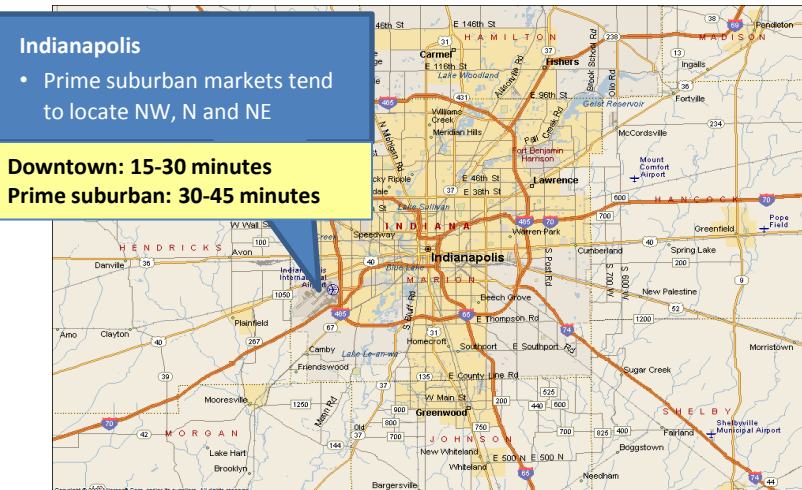
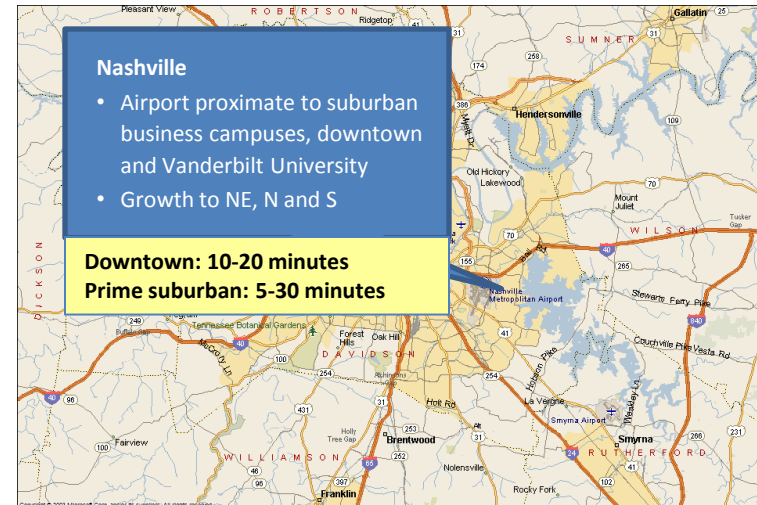
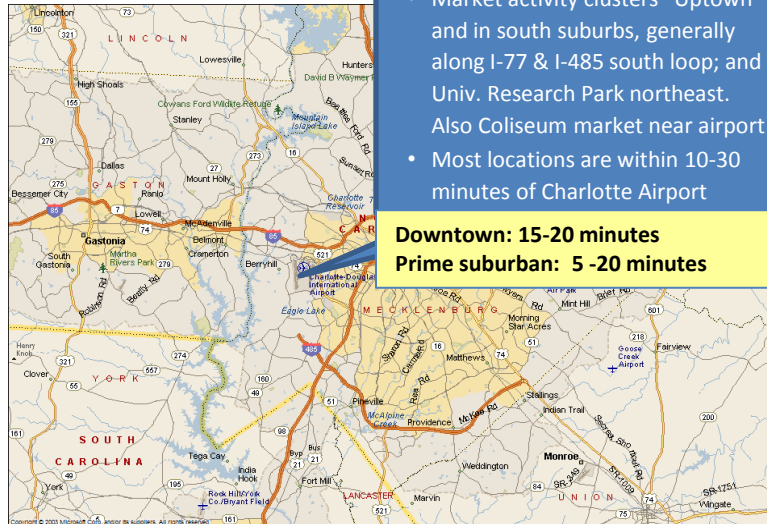
Key Findings: Comparisons with Tampa

- Atlanta Hartsfield Airport is in the southern sector of the Atlanta metro - historically corporate office growth has occurred on the opposite northern perimeter and points north; some new office markets have emerged south of the airport (e.g., Peachtree City). Fulton County is completely urbanized - large tract campus development is now occurring in the outlying counties
- Atlanta is the only comparison city with a heavy rail metro system, which connects the airport with downtown and points north, east and west, including Emory University and Georgia Tech
- Phoenix's metro area (primarily Maricopa County) extends nearly 80 miles east west and 60 miles north-south; the predominant direction of office/corporate growth has been north and northwest; areas southeast and east tend to be more focused on technology and defense related activities

Local Access - continued



In contrast, Charlotte, Indianapolis and Nashville are smaller geographic markets with less complicated spatial development patterns



Key Findings: Comparisons with Tampa

- The urbanized areas of these three locations are smaller and generally less congested than the Tampa region and the other areas compared...an important selling point for these locations
- Charlotte is notable for the proximity of its prime office and R&D campus locations, as well as "Uptown" Charlotte to Douglas Airport and attractive residential communities. The I-485 belt line has improved access to airport from southern growth areas such as Ballantyne

Local Access: Focus On Commutation Time and Congestion

Not Rated

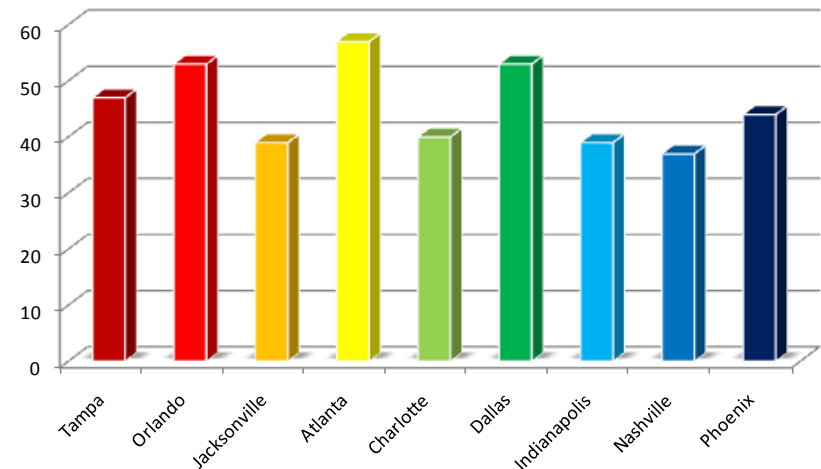
• What we know:

- Very few major road projects are funded. Overall, there is \$18 billion in unfunded but needed transportation projects projected through 2035. The policy of the Metropolitan Planning Organization and County Planning Commission has been to focus on improvements to existing roads, including a widening to 8 lanes of I-75 from I-4 to the Pasco line and beyond starting in 2011
- A number of scheduled road improvement projects are planned for the South of Hillsborough County, which is along the trajectory of future growth – 50,000 dwelling units have been approved there
- The 31st Street Connector from the Port to I-4 is the only major road construction project. This elevated highway, funded in part by the federal Stimulus, is scheduled for completion in 2013
- The proposed County transportation tax, if approved in November is meant to help fund future road improvements, as well as the initial alignment of the proposed light rail line. This one percent sales tax would be split 75 percent for transit and 25 percent for non-transit. See discussion on next page

• What we heard: *there was a perception among employers that while congestion was an issue, it was not as severe as in many of the larger metro areas. Still, traffic and delays could pose a threat to economic development in Hillsborough County*

- Spokespersons for some of the area's larger employers were concerned about the lengthening commutes in Hillsborough County and noted that growing congestion could result in consideration of less densely populated jurisdictions with emerging business centers in the Tampa region
- The general view among interviewees was that future solutions should not rely solely upon road widening

Figure 27: Annual Delay Per Peak Traveler in Hours



Source: Texas Transportation Institute, <http://mobility.tamu.edu/ums/>

Local Access: Focus on Public Transportation and Light Rail

Not Rated

Tampa Bay is not untypical of Southeastern metros. It has historically been an auto-dominated region that has only recently considered investing in alternative modes of mobility. The decision to fund and build the first leg of such a system will be left to Hillsborough County voters this Fall

• *What we know:*

- The question of whether to build the light rail system will be put to the ballot in November. Hillsborough voters will be asked to support a 1 cent local sales tax increase, 75% of which will go for transit (the majority for light rail and bus) and 25% for roads (there is reportedly no alternative source of funding for road improvements)
- Alternative alignments were still being studied as this report went to print but the initial route is expected to connect USF with Downtown Tampa then the Airport. It is hoped that the new rail line might spur redevelopment along 22nd St, and 30th Street near USF. Hillsborough Area Rapid Transit (HART) is to choose the route and stops, its plans currently show an interconnection with the new High Speed Rail terminal in Downtown Tampa.
- According to Hillsborough transportation planners, if the referendum is approved the Downtown-USF line should be in service by 2018 and Downtown to TIA by 2021 (est.).

• *What we heard:*

- Those with whom we met with were generally, though not unanimously, in favor of light rail in Tampa / Hillsborough County. Many were concerned that unless such a system was fully integrated into the wider transportation infrastructure the perceived benefits may not be realized
- Some observers believe light rail to be a critical component of any future transportation planning while also lending sophistication and helping create a heightened sense of “place” in the region
 - Others voiced concern that a rail system is not cost-effective relative to the potential transportation and community benefits
 - Regardless of their viewpoints, many of those interviewed for this study asserted that if it was to be built, planning for the system should anticipate interconnection with rapid transit in surrounding counties to create a truly regional system.
 - Several respondents urged that light rail be augmented with additional bus lines, particularly to ensure access to disadvantaged communities

Table 26: Transit Operating Data – All Modes

Metro Area	2007 Passenger Trips		2007 Passenger Miles		Population Rank	Light Rail?
	Amount (Thousands)	Rank	Amount (Thousands)	Rank		
Tampa	25,626.4	35	131,410.8	34	19	No - proposed
Orlando	26,078.3	34	159,324.3	30	27	No – Planned Commuter Rail
Jacksonville	11,192.8	56	63,897.2	44	40	No
Atlanta	158,478.2	10	911,119.6	10	9	Rapid Transit
Charlotte	20,398.3	39	105,920.1	38	33	Yes - 2007
Dallas	82,188.5	17	504,570.9	15	4	Yes - 1996
Indianapolis	9,409.0	64	47,307.5	54	34	No - proposed
Nashville	9,080.8	67	45,611.0	55	38	No
Phoenix	65,827.3	21	282,913.2	22	12	Yes - 2008

Source: Public Transportation Fact Book, 2010. American Public Transportation Association

Time Zone and Customer Access

On a global basis, the Eastern Time Zone will provide up to 4 hours of overlap with the European business day, but no convenient overlap with Asia



Time Zone Difference (and hours overlap with an 8 AM – 6 PM business day)

Central European Time (CET)		
Mountain	Central	Eastern
- 8 hours (2)	- 7 hours (3)	- 6 hours (4)
Latin America – (Brazil Standard Time – Sao Paulo)		
Mountain	Central	Eastern
-3 hours (6)	-2 hours (7)	-1 hours (8)
Asia (China Standard Time/ Singapore Standard time)		
Mountain	Central	Eastern
-14 hours (0)*	-13 hours (0)	-12 hours (0)

* Phoenix on Pacific Time part of year with 1 hour business day overlap with China

Key Findings

- The importance of geographic centrality within the US is contingent on both the location and frequency / nature of communication with current and future customers and internal operations, etc.
- Time zone is frequently a screening factor for office-oriented projects. Eastern and Central Time Zone locations such as Tampa are well situated for site searches originating from Europe
- Other than Pacific Time locations (Phoenix part-year as most of Arizona does not observe daylight savings time), US locations do not overlap with the Asia business day
- Global ‘follow the sun’ strategies for corporate customer servicing, financial operations or shared services seek locations that can optimize lower costs and performance in a continuous 24/7 operating mode

Location Assessment- Operational Performance: *Operating Environment*

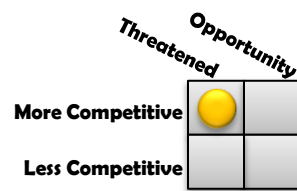
Operating Environment: Summary

The most significant business climate issues for Tampa-Hillsborough County pertain to permitting and property taxes

- These are general business climate considerations to help gauge alignment of business needs with a supportive government, permitting and tax climate
 - Regulation: indicators including land use regulation and permitting; labor law, and general perceptions
 - Labor-Management Relations: indicators of a balanced, flexible and non-adversarial workplace culture
 - Taxes: general profile of state and local tax considerations

Variable	Tampa-Hillsborough County Summary	Rating	
		Current	Outlook
Regulation	Mixed overall regulatory environment but planning and land permitting are potential challenges	More Competitive	Threatened
Labor–Management Relations	Tampa-Hillsborough County and the State of Florida generally rank highly for cooperative, tranquil labor-management relations in a ‘right to work state’ environment	More Competitive	Opportunity
Taxes	Taxes on business are generally moderate in Florida. However, the impact of “Save our Homes” on property taxes and increasing insurance premiums (which act like taxes) are a primary and significant issue for businesses as well as families	More Competitive	Threatened

Operating Environment: Regulation



Respected organizations rate Florida as reasonably friendly to business. Of more pressing local concern, the Hillsborough County planning and approvals process is considered by a number of stakeholders to be arbitrary and unpredictable. Anything that creates uncertainty around an important location decision-making variable is a liability that needs to be addressed

Table 27 : Business Environment Scorecard

Location		CFED (1) Report Card 2010: Overall Grade (A is best)	CEO Report Card Score 2010 (2)			CEO Report Rank: 2009 /2010 (2)	Right to Work State	Lawsuit Climate 50 State rank: 1 is best (3)
			Taxation & Regulation	Workforce Quality	Living Environment			
FL	Tampa-Hillsborough	C	B+	B-	B+	3/6	Yes	42
FL	Orlando	C	B+	B-	B+	3/6	Yes	42
FL	Jacksonville	C	B+	B-	B+	3/6	Yes	42
GA	Atlanta	C	B	B+	B+	4/7	Yes	28
NC	Charlotte	C	B+	B+	A-	2/2	Yes	21
TX	Dallas	D	A-	B+	B+	1/1	Yes	41
IN	Indianapolis	D	B+	B+	B	11/16	No	22
TN	Nashville	C	B+	B	B+	5/3	Yes	22
AZ	Phoenix	F	B	B	B+	8/11	Yes	15

(1) Council for Economic Development. (2) Chief Executive magazine: 2009-2010 (3) Institute for Legal Reform, 2008 (Affiliate of US Chamber of Commerce)

Key Findings on Regulation

- Florida ranks overall in the middle of the compared States --- as these respected barometers of each states' general legal and regulatory climate attest
- However, it is the local land use approvals and permitting processes that attracts much local attention. While a comprehensive review of this subject matter was beyond the scope of our assignment, we did have an opportunity to glean local opinions during our interviews of government and business leaders. These are summarized on the next page

Operating Environment: Focus on Regulation of Land Use

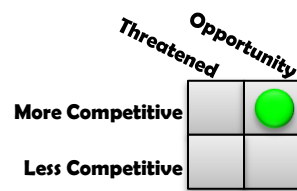
Not Rated

Generalizing broadly, members of the local real estate and development community believe that the development approval process is in need of an overhaul, while planners and other officials perceive a generally higher level of satisfaction among most “users” of the system

- ***What we heard:***

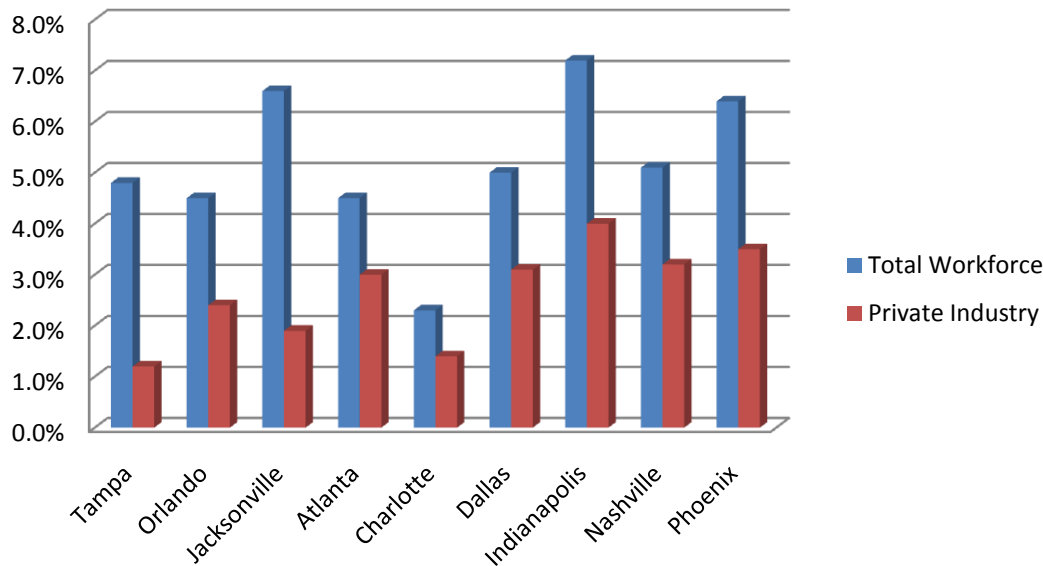
- Local developers, brokers and land use attorneys interviewed for this engagement have criticized the current comprehensive plan amendment process because it divides responsibilities primarily among the Planning Commission (an agency that reports to the State) and the County’s Office of Planning and Growth Management, creating silos and frustrating effort in the private sector to manage projects in a timely and predictable fashion
- The real estate community also complained of a lack of clarity in the rules and regulations that govern the plan amendment process
- Addressing the County’s development review process, the real estate community contends that cumbersome and disjointed regulation have led to a situation whereby added costs and time for development can impact the County’s competitiveness for economic development projects
- Those in the development business, and their advisors, also would like a better project tracking system that would allow developers, the public and staff to track a project through the entire (multi-department) development review system. These advocates contend that this capability is presently lacking
- For their part, County Planning and Growth Management officials contend that while not perfect, the agency has the ability to track every project through each development phase; much of this information is reported to be available to applicants online
- Regarding timeliness, PGM staff report that most applicants from outside the County (presumably including companies with economic development projects), are satisfied with the pace and management of the development review process. PGM reports that two-thirds of plans are approved by the second submission and 90% by the third

Operating Environment: Labor – Management Relations



Tampa-Hillsborough and the State of Florida generally rank highly for all aspects of labor-management relations. Importantly, Florida is a Right-to-Work state, often a threshold factor during manufacturing location assignments

Figure 28: Rate of Unionization



Source: Unionstats.com, 2010

Table 28: Right to Work State?

Arizona	Florida	Georgia	Indiana	North Carolina	Tennessee	Texas
Yes	Yes	Yes	No	Yes	Yes	Yes

Source: National Right to Work

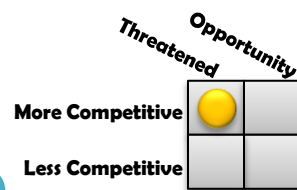
Key Findings on Labor Relations

- Locations lacking Right-to-Work status are often eliminated at the first stages of the site selection process
- Union election activity is typically used as a screening tool in the subsequent phases of a location search, particularly for manufacturing projects
- For office, technology and scientific location projects union activity is generally accorded a lower weight
- Tampa-Hillsborough County has one of the lower rates of unionization of the compared communities
- Most of the states compared, with the exception of Indiana, are Right to Work States.

Local Perspectives on Labor Relations

None of the interviewed employers cited labor-relations climate as an issue relative to their local operations in Hillsborough

Operating Environment: Taxes



Florida's tax climate is generally positive compared to our benchmark states. However, certain home buyers will feel the impact of rising property taxes and property insurance premiums (which act like taxes).

Table 29: State Tax Rates

Location	State Corporate Income Tax		Personal Income Tax		Sales and Use Taxes		Average Unemployment Insurance Cost – New Employer
	Rate	Apportionment	State	Local	State	Local Add-on	
Tampa	5.5%	3-factor, 2x weighted sales	None	None	6.0%	1.0%	\$189
Orlando	5.5%	3-factor, 2x weighted sales	None	None	6.0%	0.5%	\$189
Jacksonville	5.5%	3-factor, 2x weighted sales	None	None	6.0%	1.0%	\$189
Atlanta	6.0%	1-factor, sales	6%	None	4.0%	4.0%	\$230
Charlotte	6.9%	3-factor, 2x weighted sales	7.75%	None	5.75%	2.50%	\$232
Dallas	1.0% *	Franchise tax	None	None	6.25%	2.0%	\$243
Indianapolis	8.5%	3-factor (70% sales)	3.4%	Yes	7.0%	-	\$189
Nashville	6.5%	3-factor, 2x weighted sales	None†	None†	7.0%	2.5%	\$189
Phoenix	6.96%	3-factor, 2x weighted sales	4.54%	None	6.6%	2.7%	\$140

* Franchise Tax in Texas †Tax on dividends and interest income only
Sources: Tax Foundation; Zip2Tax.com; CCH Research

Table 30: Tax Foundation State Comparisons

Location	Per Capita Tax Burden & Rank		State Business Tax Climate Indices					
	Average Annual Amount	State Rank (1 = highest)	Overall Rank	Corporate Income Tax Rank	Individual Income Tax Rank	Sales Tax Rank	Unemployment Insurance Tax Rank	Property Tax Rank
Tampa	\$3,441	47 th	5 th	15 th	1 st	32 nd	3 rd	22 nd
Orlando	\$3,441	47 th	5 th	15 th	1 st	32 nd	3 rd	22 nd
Jacksonville	\$3,441	47 th	5 th	15 th	1 st	32 nd	3 rd	22 nd
Atlanta	\$3,735	16 th	29 th	8 th	30 th	23 rd	22 nd	36 th
Charlotte	\$3,663	20 th	39 th	25 th	36 th	34 th	5 th	37 th
Dallas	\$3,580	43 rd	11 th	46 th	7 th	39 th	9 th	30 th
Indianapolis	\$3,502	28 th	12 th	21 st	11 th	20 th	11 th	12 th
Nashville	\$3,160	44 th	22 nd	11 th	8 th	49 th	32 nd	46 th
Phoenix	\$3,244	41 st	28 th	22 nd	23 rd	46 th	2 nd	4 th

Source: Tax Foundation, 2009 - 2010

Key Findings on Taxes

- Florida's corporate income tax rate is lower than the competitive states
- More and more states are moving towards a single-factor (sales) formula, which does not penalize new jobs and investment. Florida, along with Arizona, Indiana, North Carolina and Tennessee still utilizes a three-factor approach, but do double-weight sales

Local Perspectives on Taxes

Overall taxes are viewed as moderate compared to many other states, according to those with whom we met. The greatest concerns do not address customary corporate taxes (e.g., income taxes, franchise taxes, etc.), but rather property or fixed asset related taxes and fees

- New development projects are said to incur substantial mobility fees. In one example a respondent cited a 500,000sf warehouse development in the port area that was assessed a \$12 per square foot mobility fee
- The County's personal property tax on equipment and an intangibles tax was viewed by some as a disincentive for early stage technology businesses such as those inhabiting the technology incubator at USF

Location Assessment- Operational Performance: *Risk and Intangibles*

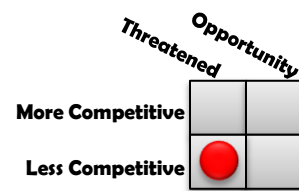
Risk Considerations: Summary

Risk considerations are often specific to a company and its project and can include issues such as proximity to a key competitor, over-concentration in one geography, or natural disasters

- Typical Risk Considerations:
 - Market Risk: proximity to competitors – may be a localized factor and is also dependent on overall market size and dominance of the competitor – *not evaluated*
 - Deployment Risk: degree of acceptable geographic concentration of critical internal business operations – business continuity – *not evaluated*
 - Political Risk: Political stability, corruption etc. – *not typically pertinent to a domestic site search*
 - Natural Hazards: general indicator of business disruption due to natural hazards

Variable	Tampa-Hillsborough County Summary	Rating	
		Current	Outlook
Natural Hazards	Hurricane risk which translates into higher insurance premiums and construction	Less Competitive	Threatened

Risk Considerations: Natural Hazards



A relative indicator of the potential for business disruption, though one of many interrelated factors, including specific facility location, infrastructure reliability and redundancy, construction techniques, localized contingency plans and other factors. ***Higher risk in Tampa can be mitigated***

Table 31: Natural Disaster Risk

Location	Earthquake	Tornado	Hurricane
Tampa	Lowest Risk	High Risk	High Risk
Orlando	Lowest Risk	High Risk	High Risk
Jacksonville	Lowest Risk	Moderate Risk	Highest Risk
Atlanta	Low Risk	High Risk	Lowest Risk
Charlotte	Low Risk	High Risk	Moderate Risk
Dallas	Lowest Risk	High Risk	Lowest Risk
Indianapolis	Lowest Risk	High Risk	Lowest Risk
Nashville	Low Risk	High Risk	Lowest Risk
Phoenix	Lowest Risk	Moderate Risk	Lowest Risk

Source: US NOAA and USGS

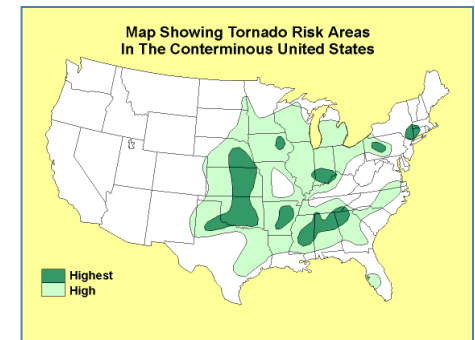
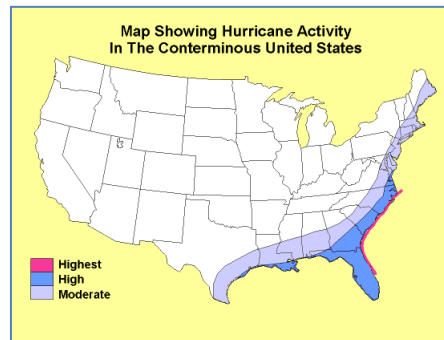
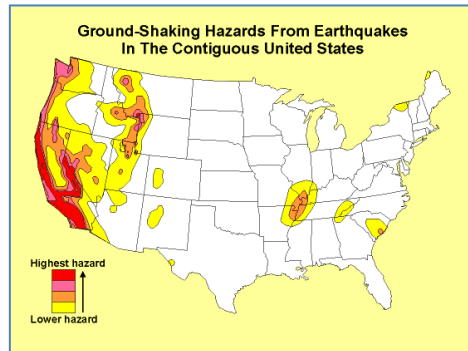
Key Findings on Natural Hazards

- The National Oceanic and Atmospheric Administration (NOAA) characterizes the Tampa region as being at “High” (but not “Highest”) risk of hurricane
- Many residents will disagree with this characterization, and it is notable that Florida State University’s new *Hurricane Risk Calculator* describes the threat to South Florida as being significantly greater than Tampa
- Nonetheless, the recent trend has been towards growing intensity among those hurricanes that do menace Florida...
- ...and Tampa’s reputation as a business destination was tarnished by the close misses of hurricanes Francis, Ivan and Jeanne, which caused no major damage but left the area with power outages

Local Perspectives on Natural Hazards

None of the employers interviewed cited natural hazard risk as a major concern

- Present in Tampa are several mission critical operations ranging from technology hubs in the financial services industries to the commands and infrastructure at MacDill
- A bigger issue is the insurance premium increases resulting from hurricanes that have affected the Tampa region and Florida in general in the past decade



Location Assessment- Project Delivery

Project Delivery: Summary

Among the most compelling issues in Hillsborough County are a dwindling supply of marketable sites planned and available for development, the challenge defining and articulating a clear vision of the County's future and the apparent ambivalence of many local stakeholders and institutions to provide the support that economic development receives in many peer communities

- Property and infrastructure are often fatal flaw factors if requirements cannot be satisfied in a timely manner
 - Property: Inventory of development ready sites, land banking of suitably-located green field properties
 - Infrastructure: Adequate and reliable electricity, water available in areas where demand is generated
 - Civic Leadership and Collaboration: Championing a vision for economic development and coordinating critical resources to attract, implement and retain jobs and investment

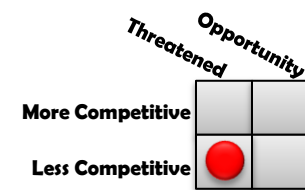
Variable	Tampa-Hillsborough County Summary	Rating	
		Current	Outlook
Property	Very limited availability of developable sites aligned to market needs; challenging approvals process; controversy and uncertainty as to land master planning and alignment with zoning; uncertainty as to actual inventory of developable land	Less Competitive	Threatened
Infrastructure: Power	Robust electricity infrastructure; TECO ranks among most reliable Florida utilities	More Competitive	Opportunity
Infrastructure: Water/Waste	Emerging from drought situation; long-term reservoir supply is a concern as well as infrastructure funding; multiple sourcing strategy including now on-line desalinization helps to mitigate	More Competitive	Threatened
Infrastructure: Telecommunications	Robust telecommunications infrastructure	More Competitive	Opportunity
Civic Leadership and Collaboration	Hillsborough County needs champions to create and support a strategic, focused and collaborative vision for the County's future	Less Competitive	Threatened

Project Delivery: Property - Overview

The availability of market-appropriate industrial, office and R&D sites and existing buildings, as well as the the speed of delivery are fundamental requirements for location investment

- Markets with “fast-track” or “certified” sites and buildings possess real competitive advantages
- Corporations demand appealing sites and facilities in well located submarkets where they can control their perimeter and/or be assured that their surroundings feature compatible uses, attractive neighborhoods and proximity to amenities and key infrastructure such as airports, rail hubs and highways
- By nature this tends to eliminate in-fill solutions, parcels requiring difficult assemblage and raw, unapproved land.
 - Downtown solutions can be problematic for larger employers as buildings tend to have smaller floor plates, higher occupancy costs, parking issues and (sometimes) security concerns
- R&D users share many of the same requirements and also (often):
 - Proximity to academic resources, collaborators and like-minded companies
 - Convenience for entrepreneurial talent base
 - Access to fully fit-out, modern wet labs with installed casework, fume hoods, industry-standard HVAC and power
- For startups and emerging companies there is a new emphasis on innovative workplace solutions encompassing flexible and virtual workplace environments for office and technology-based jobs, including well-known strategies such as technology incubators and accelerators, but also “cowork sites” and similar environments featuring “cool urban settings” to attract young talent and entrepreneurs locally or from other markets
- There is no single solution. The key for economic developers and land planners is to recognize and respond to the market with a portfolio of solutions that can address whatever critical needs the site selectors might have
- Space and siting decisions for larger corporate projects, regardless of industry, tend to be managed by internal corporate real estate professionals, business unit leaders and/or external real estate

Project Delivery: Property



Tampa-Hillsborough's development-ready site options are limited and not well inventoried. In particular there appears to be a very limited supply of appropriately located DRIs suitable for lower-density, campus-like development. There also appears to be a limited number of parcels available in existing DRIs

Table 31: General Overview by Sector *

Submarket	General Comments	Type of Sites
Downtown	Available space in existing buildings; no market for new construction at present. Pay premium costs vs. most suburban markets	High and mid-rise, typically smaller footprints; parking fees
Westshore	Largest submarket; near airport and excellent sense of arrival. Some redevelopment opportunities. Also premium costs	Existing space, Class A site re-development
North Tampa -University	Areas of blight but redevelopment opportunities integrated with light rail and public transit; appropriate for R&D activity aligned with USF	University Research Park; University Mall (potential for redevelopment) and other infill sites
New Tampa / I-75	Classic suburban campus solutions convenient to attractive housing and schools. Location of many financial services firms	Desirable area for corporate campuses and suburban R&D. 57-acre site owned by county and targeted for R&D use. Executive Airport site has complicated access
Brandon /Mid-county	Suburban campus solutions convenient to attractive housing and schools	Desirable area for corporate campuses and suburban R&D
I-4 East	More rural – logical growth direction; market cues from Polk County (distribution)	Currently not in Urban Service Area
South County	Direction of residential growth along I-75; some distance from TIA. Location of newest HCC campus	Only remaining undeveloped DRI approved for office / commercial / industrial development

* Based on our interviews, knowledge of Tampa and drive bys through the County...not intended to be comprehensive or definitive

Key Findings on Property

- From many accounts, Tampa-Hillsborough County has few remaining large assemblages of shovel ready development sites...though some of the largest companies still have available capacity within their existing projects
- There are designated infill areas per the County's Comprehensive Plan, but these tend to feature smaller, non-adjacent parcels making assemblage difficult and thus generally not practical for many market-driven projects
- The County does not have a centralized, or at least well promulgated, property inventory for prospective users. The Planning Commission catalogs existing entitlements without consideration of the ability of the property to be aggregated. Neither does this database reflect if a site has adequate infrastructure
- The areas surrounding USF hold great promise but according to local officials, no efforts have been made to plan comprehensively for the needs of the expanding university and related users
- Several of the competitors jurisdictions actively maintain property inventories on their websites, and have a broad variety of site and buildings to meet end user needs

Local Perspectives on Property

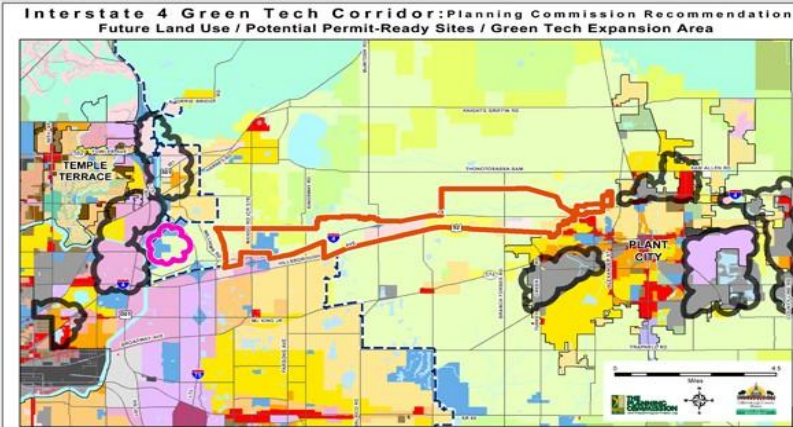
In general, those with whom we spoke now believe that unless Hillsborough can re-stock its inventory of development sites the market for large users and corporate campuses will seek to locate elsewhere in the region.

- Two companies interviewed for this assignment indicated challenges finding development sites capable of supporting corporate campus-like environments
- Some companies also expressed a desire to cluster with peers in locations proximate to attractive suburban neighborhoods and TIA and indicated that they may need to look beyond Hillsborough County to accomplish this objective
- Several interviewees indicated that sites that are more remote from TIA and in areas lacking a corporate image were not viable alternatives

Project Delivery: Property - Focus on Comprehensive Planning

Not Rated

The solution appears to lie along the I-4 corridor and in South County. However, these submarkets have their own limitations and, on the east side of Hillsborough, will require adjustments to the urban service boundary, certain to be a controversial and polarizing effort



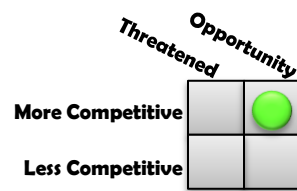
What we know:

- Eastern Hillsborough is currently most suitable for distribution and light industrial development. Its distance from TIA may retard development as a large corporate submarket, though some users will enjoy the relative convenience of Orlando International
- South County is an emerging area but is currently quite distant from urban amenities and needs to develop an appropriate image for a corporate submarket. It is also further from TIA than some competing sites in Pasco County

- What we heard:** Comments regarding the I-4 Green Tech Corridor planning process tended to reflect concerns similar to those regarding the availability of suitable development sites. Many saw a disconnect between the planning process and end user needs that tend to drive the market for development sites
- A number of interviewees viewed the I-4 corridor as the logical place to accommodate growth generated by economic development. However, these respondents perceived that the Green Tech plan did not identify a sufficient inventory of suitable sites.
 - These same persons tended to view the infill properties contained within the so-called “cloud” zones as less desirable locations and potentially more costly to develop due to the need to accommodate higher densities.
 - Similarly, many in the development community indicate that new development is not presently feasible downtown, based on estimates that current rent levels cannot sustain the \$150 per square foot required to build in that sub-market.

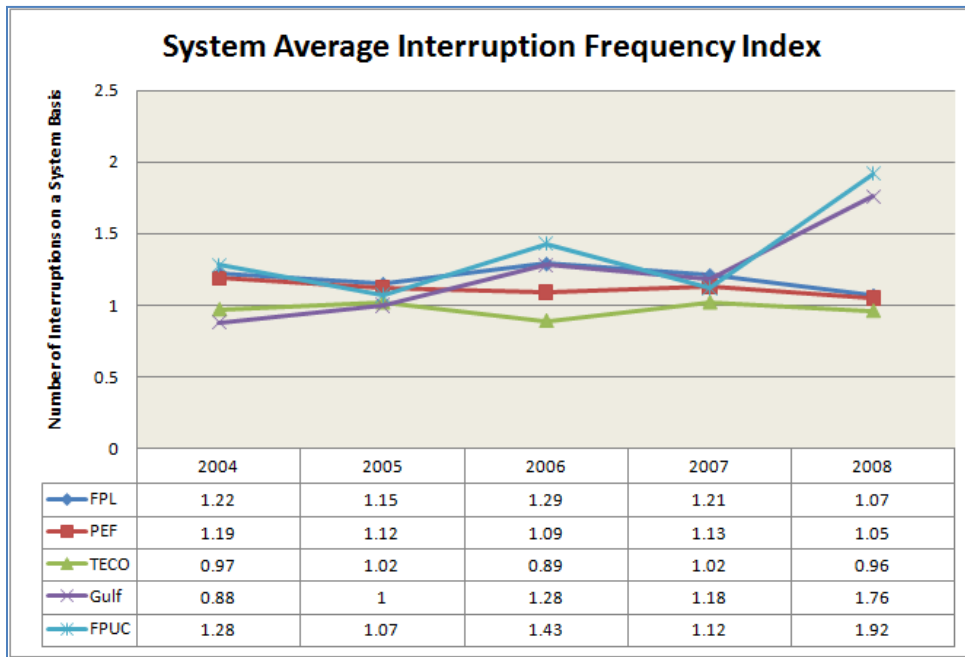
Placing into Perspective: There are strong opinions on the benefits, challenges and impacts of land use planning in Hillsborough County. What corporations and investors will perceive is a divisive and complicated development environment, particularly if Amendment 4 passes. Hillsborough County needs to forge consensus on how to accommodate the inevitable next wave of growth.

Project Delivery: Power (Electricity)



Tampa Electric ranks very high among Florida peer utilities in terms of service reliability, a key criterion for projects involving data centers and other mission critical operations

Figure 29: Electric Utility Reliability



Source: Florida Public Service Commission – Review of Florida’s Investor-Owned Electric Utilities’ Service Reliability In 2008

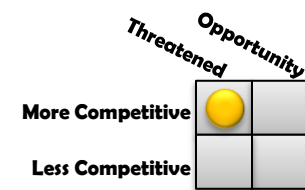
Key Findings on Power

- TECO Energy’s Tampa Electric subsidiary provides electric power generation and distribution to all of Hillsborough County
- Tampa Electric operated four generating stations with a total generating capability of 4,719 MW. These plants include a combination of coal, gas and oil fuel generation. The system is reported as robust
- Service interruptions per 1000 TECO customers have declined from approximately 17 to under 7 in the period 2004-2008; this compares to nearly 22 interruptions per 1000 for the next best performing Florida utility on this factor, FP&L (source: Florida Public Service Commission)
- According to the North American Electric Reliability Council, the Florida power grid (FPCC) expects to have adequate generating reserves through a 10 year planning horizon to 2018
- The State of Florida is not yet a major generator of renewable energy sources, however has established state-wide renewable energy goals

Local Perspectives on Power

None of the employers interviewed expressed concern or particular issues with electric power reliability

Project Delivery: Water & Wastewater



Water treatment capacity appears adequate for the longer-term with a combination of sources and facilities in place; however periodic drought and reservoir capacity issues have led to water use restrictions

Table 32: Drought Conditions

MSA	Rank	Sperling Drought Index	Condition	Trend
Scale	of 100	Norm=100		
Tampa- Hillsborough	16	118.2	Severe drought	Little change
Orlando	15	118.2	Severe drought	Little change
Jacksonville	11	119.7	Severe drought	Little change
Atlanta	12	119.0	Severe drought	Moderate increase
Charlotte	13	118.6	Severe drought	Major increase
Dallas	97	71.5	Extremely wet	Major decrease
Indianapolis	55	103.7	Temporary dry spell	Major increase
Nashville	6	122.3	Extreme drought	Moderate increase
Phoenix	23	116.3	Severe drought	Little change

Sources: Sperling 2010 Best Places to Live and Retire

Key Findings on Water

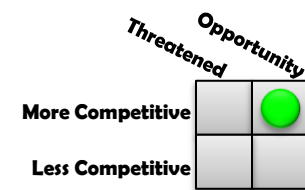
- Water is sourced in the Tampa Bay Region through a combination of groundwater, river water and seawater desalinization. Tampa Bay Water manages the regional sources and provides raw water to Hillsborough County and its cities
- Water and sewer are delivered within the Urban Service Area of Hillsborough County, there is capacity in the system reportedly through 2025, according to officials. There is limited interconnection between unincorporated areas within urban service areas and Tampa, Temple Terrace and Plant City systems
- New EPA regulations could cost \$300 million for storm water treatment...concern has been voiced about escalations in construction costs once economic recovery occurs

Local Perspectives on Water

With the exception of water, no issues were raised during the fieldwork concerning reliability of local utilities service

Although these restrictions have recently been eased for some parts of the region with recent rainfalls, the potential for future shortages could be a longer-term concern for some water intensive industries (e.g., food processing, agriculture)

Project Delivery: Telecommunications



In many ways, GTE's *Smart Park* investment in Hillsborough County was the impetus that led to the growth of the financial services and professional services cluster in Tampa Bay over the last several decades. While modern Tampa retains a robust telecommunications network it stands out less distinctly from others cities in the present day

Table 33: Forbes Best Wired Cities - 2009

Location	Overall City Rating of 30	Broadband Adoption	Access Options	WiFi Hotspots	Last Year's Rank
Tampa-Hillsborough	16	18	15	15	16
Orlando	4	8	10	13	5
Jacksonville	--	--	--	--	--
Atlanta	2	3	3	10	1
Charlotte	20	21	7	25	7
Dallas	--	--	--	--	--
Indianapolis	--	--	--	--	--
Nashville	22	24	8	26	25
Phoenix	17	7	12	30	18

Source: Forbes

Key Findings

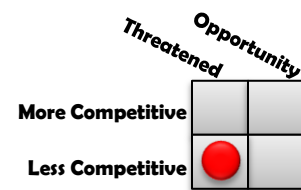
- Historically, GTE built a state of the art telecommunications infrastructure in Tampa that was a significant attractor for financial service operations, technology operations and contact centers to locate in Tampa in the 1990s
- Hillsborough County's management of telecommunications right of way corridors is recognized nationally as a best practice for preserving and managing right of way availability for fiber services
- The reliability of telecommunications also received good reviews

Local Perspectives on Telecommunications

In general, persons interviewed for this report complimented the quality of the County's telecommunications infrastructure

- One company interviewed indicated that Tampa is one of it's worldwide hubs for telecommunications networking
- The strength of the original GTE telecommunications infrastructure was mentioned by some as the catalyst that helped attract the original wave of financial services and customer contact centers to Tampa

Project Delivery: Civic Leadership



Opinion among business persons and other stakeholders was quite vocal and consistent: there is perceived to be an absence of strong civic leadership in Tampa-Hillsborough and as a result the area lacks a clear vision of what it should become

Local Perspectives on Civic Leadership

- We heard from many that Tampa has a “quiet style” and that many prefer not to draw attention to themselves. In the not so distant past taking a vigorous stand on what were perceived to be compelling local issues was uncommon, and perhaps thought to be unnecessary in an era when growth could be taken for granted
- Now, however, many with whom we spoke believe that the times demand stronger community leadership from all sectors, including business, government and local institutions. More specifically, they believe that it is the leadership’s responsibility to articulate and persuade others to support a clear, unified vision of what Tampa should become
- Accomplishing this will be difficult, if not impossible, we were told, unless the area can overcome the parochialism and infighting that many have said leaves Tampa at a competitive disadvantage with markets such as Charlotte and Orlando
- Many also want to see a more vigorous effort to promote the County via traditional and novel approaches to economic development. There was nostalgia for the efforts of the former Committee of One Hundred, and hopefulness that the new Tampa Hillsborough Economic Development Corporation could build on its existing prospect management strengths and evolve into an effective marketing organization, if the THEDC is able to attract the level of support (particularly funding) that its predecessor was able to enjoy

The Tampa Hillsborough EDC professional staff are highly competent project managers . However their ability to develop and project Tampa’s “brand” have been constrained by budgets and time spent on necessary, but short-term reactionary efforts

Project Delivery: Civic Leadership - continued

Tampa-Hillsborough County aspires to mount a sustained economic development effort capable of competing with peer markets for a broad range of new jobs and investment. In comparison with similar organizations in our benchmark communities, and the former Committee of One Hundred, the newly organized Tampa Hillsborough EDC appears underfunded

Table 34: Comparative ED Organizational Metrics

Location	Lead "Local" Organization	Population Served	2010 Funding for Traditional ED Activities	Per Capita Funding	Staff Devoted to Traditional ED Activities	Comments
Tampa-Hillsborough	THEDC	1.2 million	\$1 million	\$0.83	7	THEDC is a new entity; the former C-100 was a well respected group among site selectors. C-100 was funded at approximately \$2.3 million annually in its final years. A significant share of THEDC funding is contributed by local governments
Orlando	Metro Orlando Economic Development Commission	2.1 million	\$5.3 million	\$2.52	33	Cohesive, regional marketing entity that extends beyond Orange County. Staffing numbers include Film Commission
Jacksonville	Jacksonville Economic Development Commission	1.5 million	\$2.7 million	\$1.80	12	Cornerstone, a division of the regional chamber, is the area's lead economic development group (Northeast Florida)
Atlanta	Metro Atlanta Chamber	5.5 million	\$5.4 million	\$1.02	20	Excellent track record, very strong levels of local support, notable focus on HQ and knowledge industry attraction. 100% privately funded
Charlotte	Charlotte Area Chamber	1 million	\$900,000	\$0.90	8	Represents Mecklenburg County only (analogous to THEDC). 100% privately funded. Also benefits from marketing activities of Charlotte Regional Partnership
Dallas	Dallas Regional Chamber of Commerce	4.5 million	\$1.1 million	\$0.25	5	Excellent track record, competes with Ft Worth but regional cooperation has improved. Does very little advertising or other "big ticket" programs. Focus mostly on prospect management. No business retention effort
Indianapolis	Indy Partnership	1.9 million	\$2.1 million	\$1.10	11	10-county coordinated effort. Almost all support is from private sector. Only \$185,000 contributed by local EDOs and no state support
Phoenix	Greater Phoenix Economic Council	4.0 million	\$4.5 million	\$1.12	33	Primarily Maricopa county oriented; Promoted as one of America's leading corporate destinations. Approximately 55% privately supported in 2010.

Source: BLS & Co. THEDC

SECTION FOUR: SYNOPSIS AND NEXT STEPS

Key Observations

The Locational Assessment revealed a number of important patterns that resonated across the analysis and have impact on Tampa-Hillsborough County's future competitiveness

- ***Strong advantage in several key foundation factors for location investment, that will be important across most industries, particularly the knowledge capital clusters:***
 - *Workforce and Skills Base:* A sizable, trained workforce has enabled the market to attract and develop high quality jobs. While this advantage remains, its sustainability depends in part on relocatees from other regions
 - *Academic Assets:* Particularly at the university level, Tampa-Hillsborough has a solid foundation to build the talent base for knowledge capital occupations, particularly in financial services, IT and life sciences
 - *Access and Transportation Assets:* Among Tampa-Hillsborough's (and the Tampa Bay Region's) most visible and impactful attributes is the excellent level of domestic air service from TIA. The airport provides an outstanding sense of arrival into the region. The broader transportation infrastructure includes the container facilities at the Port of Tampa (positioned to capture opportunities to service Central Florida market growth) and the sizable amount of Port-controlled land for maritime related activities
- ***Eroding advantages in several location criteria important to corporate site selectors and location investors:***
 - *Operating Costs and Personal Economics:* Moderate to lower business and personal costs, compared to comparable US metro areas, have been a hallmark of Tampa-Hillsborough County's appeal for many years. Though still favorable overall, the influences of globalization, the housing market bubble and subsequent burst, and erosion to the tax base, play out as additional cost burdens (whether real or perceived) to potential location investors
 - *Quality of Life Perceptions:* Likewise, the recession, housing market, and increased tax burdens are shaking confidence in those attributes that historically have attracted new residents to the County. As Tampa-Hillsborough continues to target knowledge capital industries, it is essential to overcome these perceptions and enhance overall image
- ***Among several noted competitive shortfalls that need varying attention on an industry by industry basis, two overarching concerns emerged:***
 - Future site availability for commercial/industrial development, which is important across most industry clusters
 - Finally, to realize Tampa-Hillsborough County's potential, the area's leaders must enable a unified vision and message to achieve economic recovery and growth goals

Synopsis

The following factors provide clear opportunities for Tampa-Hillsborough to present a competitive value proposition to potential location investors. Of particular note are the skills base and higher education infrastructure - critical investment factors for knowledge based industries; air travel access - important for most industries and ease of living, crucial in sustaining in-migration and workforce growth

More Competitive / Opportunity

Labor Supply (P)	Population growth has always recharged labor supply, but decreased in-migration bears watching
Occupational Skills (P)	Well developed skill base to serve financial services, professional services, health care
Universities (P)	USF has growing reputation, recognized research capabilities and high enrollment in STEM disciplines
Community Colleges (P)	HCC compares well with other large systems; high level of partnership with service sectors companies
Industry Mix (P)	Relatively diversified economic base; manufacturing is underrepresented
Ease of Living (P)	Generally competes well on personal preference factors
Air Travel (P)	Highly rated airport, ease of access and competitive fares
Labor Management Relations (P)	Generally tranquil and cooperative track record in a “right to work state” environment
Power Infrastructure (D)	Robust electricity infrastructure and high reliability
Telcom Infrastructure (D)	Robust telecommunications infrastructure

✓ Factor Categories: (E) Costs; (P) Operating Performance; (D) Delivery

Synopsis

Some of Tampa-Hillsborough County's greatest strengths include overall cost competitiveness and the workforce; however several of these factors are threatened by rising or fluctuating costs

More Competitive / Threatened

Labor Costs (E)	Still a competitive advantage but rising personal costs create concerns about future wage pressures
Occupancy Costs (E)	Attractive lease / build costs but insurance premiums, mobility fees and rising property taxes are concerns
Incentives (E)	Florida offers competitive programs, but some funding concerns (Closing Fund, Innovation Fund). Local incentives have proven decisive in recent projects (M2Gen), need reliable funding source
Labor Quality (P)	Positive work ethic and low turnover. However, educational attainment, particularly advanced degrees, should be higher for an area that aspires to be a technology center
Quality of Life Perceptions and Image (P)	Subjective ratings rank Tampa in the middle. Many believe it's time to move beyond "sun and fun"
Personal Economics (P)	Tampa Bay is still a good value, however housing market turmoil and rising insurance costs are issues
Local Access (P)	Hillsborough is an auto-dominated market. Conveniently-located sites are increasingly rare, requiring that more users seek property in more distant submarkets
Taxes (P)	Business taxes are generally moderate. However rising property taxes and insurance costs affect the commercial sector as much as residential
Regulation (P)	Florida is generally considered a business-friendly environment. However the planning and approvals process in Hillsborough is regarded by some as difficult to understand and unpredictable. This can interject an element of uncertainty which can result in the loss of future projects
Infrastructure – Water (P)	Regional water treatment capacity appears adequate over long term. However, periodic draught and reservoir capacity shortfalls have led to use restrictions at times

✓ Factor Categories: (E) Costs; (P) Operating Performance; (D) Delivery

Synopsis

Tampa-Hillsborough County is generally less competitive across these factors which include challenging regulations, availability of market appropriate sites, and an unclear vision and game plan by civic leadership for economic development

Less Competitive/Opportunity

Entrepreneurship (P)	Tampa Hillsborough offers reasonable opportunities for entrepreneurs to succeed
Primary Education (P)	The K-12 schools in Hillsborough generally receive mixed reviews. Perceptions of schools can be a disincentive for some to relocate, but there appear to be adequate choices of schools and neighborhoods. In November 2009, Hillsborough County Schools won a \$100 million, seven-year grant from the Gates foundation to improve teacher effectiveness. The project focuses on how teachers will be trained, mentored and evaluated

Less Competitive/Threatened

Power Costs (E)	Typical bills for industrial and commercial users are at or above comparable costs in the other markets
Employment Growth/Loss (P)	Hillsborough County appears to have suffered disproportionate job losses in the wake of the current recession, which erased all job gains from 2000 – 2008, and then some. Service sector jobs suffered most
Natural Hazards (D)	Tampa Bay is rated at High Risk of Hurricanes and Tornados. Accurate or not, such ratings can form perceptions that thwart efforts to recruit certain types of businesses to the area (e.g. data centers)
Property Availability (D)	There are very limited opportunities in Hillsborough County to acquire or assemble well-located land for corporate campus environments. Users are being pushed out to surrounding, less developed counties
Civic Leadership (D)	The County has been unable to articulate a clear vision of its desired future due in part to a lack of cohesive and collaborative civic leadership and an under-supported economic development organization

Next Steps

Strategic Plan: This assessment established the foundation for Phase III: development of a strategic plan that identifies six targeted industries and appropriate subsectors that have the potential to help drive the Tampa Hillsborough economy in the future.

Key Components of the Strategic Plan

- Appropriate industry targets
- Marketing strategies and tactics appropriate to the targeted sectors
- Recommended incentives and other tools that can help implement the strategies
- Blueprint that sets stage for active implementation

Activity Summary:

Phase III Activities	Key Tasks
Develop Selection Criteria	<ul style="list-style-type: none">• Assemble targeting criteria, e.g., industry, growth, specialization, aspiration of stakeholders, etc.
Identify Target Industries	<ul style="list-style-type: none">• Assess and rank industries and subsectors based on criteria• Create profile of targeted sectors• Identify potential economic benefits
Recommend Marketing Strategies	<ul style="list-style-type: none">• Design key messages• Identify channels• Outline resource requirements, etc.• Recommend adjustments to local incentives to support industry targeting
Transition Guidelines	<ul style="list-style-type: none">• Outline activities to implement the Plan

SECTION FIVE: REPRESENTATIVE INDUSTRY ASSESSMENT

Business Platform: Summary

The level of cluster development varies significantly in four representative current and aspirational industries for Tampa-Hillsborough County

- We have profiled four representative industries that are presently mature and/or at an aspirational stage in Tampa-Hillsborough
- These sector descriptions are presented to help provide a glimpse of the type of analysis that will be undertaken during the next phase of this engagement. At this time we are not necessarily recommending that these industries form the basis for a targeting strategy, but merely acknowledging that there is significant local interest in these areas:
 - Financial Services: A sizable, significant and increasingly sophisticated cluster with growth opportunity...threatened by increasing costs dwindling availability of campus sites, and perceived lack of attention from community leadership
 - Life Sciences: Still an emerging sector. Much promise based on research at prestigious Moffitt, also USF focusing on Brain Repair and other specialties
 - Electronic Health Records: Paperless Tampa and presence of M2Gen informatics capability provide competitive edge
 - Security and Defense: Some presence but limited critical mass and support contractors and services

Financial Services

Tampa's financial services cluster has evolved during the past ten to fifteen years. There is a core of globally significant financial companies with complex mid-office and technology functions located here...much more than back office operations

Key Findings

- Several of the major players have progressively grown their campus sites in Tampa as a key location in their global footprint
- Tampa is very much linked with the New York financial services industry...and is frequently a candidate during domestic and global site searches for financial services

Banking and Financial Industry "Hot Topics" that may induce industry job growth in investment analysis, financial accounting and technology occupations

- **New Federal Regulations:** new federal banking/securities regulations will add audit and reporting layers, creating jobs for accountants, attorneys and financial specialists
- **International Financial Reporting Standards:** the adoption of IFRS for public companies throughout the world is a huge transition from current accounting standards and financial reporting. It represents a fundamental change for the U.S. accounting profession and requires accounting, MIS and project management
- **Toxic Asset and Pairs:** identifying, isolating and removing distressed and toxic assets from the balance sheet will require accounting, audit and financial management skills
- **Risk Management:** managing and mitigating operating risks; creates significant staffing needs
- **Systems and Data Integration:** MIS needs focused on instantaneous tracking of assets and transactions across a global platform

***Highlighted Comment:** "Tampa does not take advantage of the financial services strengths locally – there has been too much of a shift of focus to bio-tech. We have a great financial industry here and we are not promoting it anymore. This is a great cluster and we are not taking advantage of our strengths. Folks still think we are a bunch of call centers and that is not the case"*

Local Perspectives on Financial Services

- "The county lost focus on the financial services sector...if anything, its been one of our biggest engines of growth. We need to work more with these companies to help retain and grow their presence"
- "The USF accounting program has been one of the most important assets for us in Tampa"
- "For mid-level accounting skills, Tampa has been a good market for us with high retention and favorable work ethic"
- "Wish we had more Financial Services companies locally...we need more employment competition and overall the cluster is not as robust as it could be"
- International Financial Reporting Standards (IFRS) is the biggest potential game changer in the industry...plays into Tampa accounting skills advantages well...creates a whole new need and helps level the playing field with India
- "Our staffing model for Tampa is a mix of skilled transferees from our other operations and local talent. Our business equation for growing our Tampa footprint is partially predicated on the right match of lower housing prices in attractive communities close to the office, good local schools and multiple choices thereof to induce folks to relocate...even with the housing bubble a few years ago, the equation still works...but continued upticks in costs and taxes will start to unwind the advantage to being here"
- "...the business case is predicated on a suburban campus environment...it won't work downtown"
- "Tampa is no longer focused on being a business center...the message that we are, indeed, is not getting out"

There is tangible opportunity to attract some of this growth to Tampa, given the community's positive reputation in the major financial industry centers and the strong base of accounting and technology skills locally...The Financial Services Industry cluster is a key asset for Tampa and should not be taken for granted

Life Sciences

The life sciences cluster in Hillsborough County is still quite nascent. Current employment is thin, however, there appears to be promise based on the activities of the Moffitt Cancer Center, the University of South Florida and the USF College of Medicine

Key Findings on Life Sciences

As defined by Battelle and BIO, the life sciences industry (or “biosciences”), comprises

- Agricultural Feedstocks and Chemicals
- Drugs & Pharmaceutical Manufacturing
- Medical Device & Equipment Manufacturing
- Research, Testing and Medical Laboratories

This sector is quite small in Tampa Hillsborough, comprising less than 6,000 employees and only 1.1% of all local jobs

Table 35: Hillsborough Co. Bioscience Employment - 2009

State	2009 Employment	% of All Employment
Drugs & Pharmaceuticals	64	0.01%
Medical Devices & Equip.	1,336	0.27%
Research, Testing & Medical Labs	4,492	0.91%
Total Bioscience Employment	5,892	1.10%

Source: U.S. Bureau of Labor Statistics, Quarterly Census of Employment and Wages
May overstate jobs slightly due to need to overcome data disclosure limitations at sub-sector levels

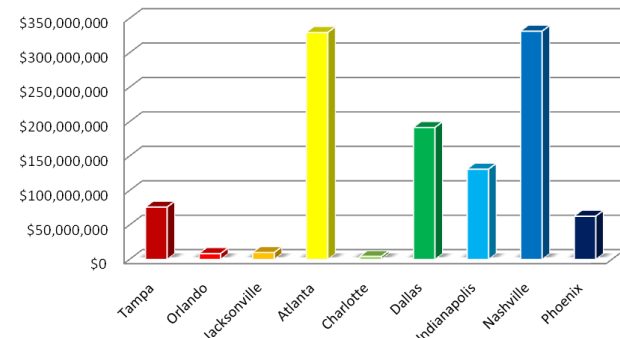
According to Deloitte, PWC, and others, some of the trends that may influence the growth of jobs and investment in this sector include:

- **Rise of Generics:** it has been estimated that by 2012 over \$74 billion worth of drugs will lose patent protection. This trend is forcing big pharma to reconsider how it fills its “pipeline” of drugs in development. The old model of developing and marketing “blockbuster” drugs may be over
- **Healthcare Reform:** pharma and life science companies are under tremendous pressure from regulators, consumers, insurance companies, etc. to deliver more effective treatments at lower costs
- **Focus on Personalized Medicine:** the focus includes genetic testing, healthcare IT, and even prescription foods. This is, in part, a response to reform efforts
- **Growing Populations and Rising Wealth:** emerging markets will broaden the customer base and provide opportunities to tap new revenue sources

Key Findings on Life Sciences (continued)

While Tampa Bay boasts a sizeable, and growing research presence, as measured by total National Institutes of Health (NIH) funding for life sciences R&D, the area is a relatively small player. At \$75.9 million of support in 2009, it ranks fifth in our benchmark sample of nine communities. Nashville, our leader, received over \$331 million in 2009; the Boston/Cambridge area, one of the largest life sciences hubs in the nation, attracted almost \$2.2 billion over the same period

Figure 30: NIH Research Funding - 2009



Source: National Institutes of Health, Office of Extramural Research

What has drawn attention are the clinical and R&D activities of the H. Lee Moffitt Cancer Center & Research Institute. The hospital was just rated 19th in the nation for cancer care and is one of only 40 National Cancer Institute designated *Comprehensive Cancer Centers* in the country (and the only such in Florida). Moffitt, which started as a small clinic in 1986 now achieves 20% of its revenues from research and development

Focusing on “personalized medicine” Moffitt scientists have developed a test, licensed by Genzyme, that can determine if a patient is a good candidate for chemotherapy. Other tests have been developed for lung cancer, etc. Moffitt has created a number of compounds that have commercial potential and has spun out seven companies in the last several years, though none has yet to generate any revenues

Life Sciences

Key Findings on Life Sciences (continued)

Perhaps the most promising Moffitt spinoff is M2Gen, a personalized cancer care joint venture with Merck (and it is hoped, other members of “big pharma”). M2Gen’s 72 staffers collect tissue samples from cancer patients along with associated clinical, epidemiological, pathological and demographic data. The samples and data are used to help build smaller but better defined populations for clinical trials (poorly managed clinical trials can defeat the best drug discover/development initiatives)

M2Gen sits on land in the City of Tampa donated by Hillsborough County and about a mile from the Moffitt complex on the west side of the USF campus. (Moffitt is independent of USF and is landlocked on the USF campus)

The clinics at Moffitt focus on cost effective cancer care. 60% of patients are from the region, with 5% to 7% from outside Florida and 2% from abroad. Attracted by the prospects for “medical tourism” Moffitt intends to open a 50,000 square foot branch clinic near Tampa International Airport (in the old Continental Airlines reservation center). The facility will replace a smaller, existing clinic at Tampa General Hospital and will offer radiology, expanded radiation treatment programs and interdisciplinary programs. The move is expected to occur in July 2011

USF is a highly-ranked institution for science and engineering research. According to the most National Science Foundation (NSF) data (below), it ranks in the top 10% of US institutions for R&D expenditures and for graduate students in the sciences and engineering

Table 36: National Science Foundation Profiles of R&D Activity at Local Universities

National Science Foundation Institutional Profile Categories	Tampa	Orlando	Jacksonville	Atlanta	Charlotte	Dallas	Indianapolis	Nashville	Phoenix
Research Doctorate Recipients (630 Institutions)	USF: 84th	UCF: 82nd	None	Emory U: 85th GA Tech: 29th Clark Atl. U: 228th GA State U: 102nd	None	U North TX: 97th UT Arlington: 142nd UT Dallas: 119th	None	Vanderbilt: 69th	AZ State: 32nd
Federal Science & Engineering Funding (1,227 Institutions)	USF: 97th	UCF: 146th	None	Emory U: 30th GA Tech: 49th Clark Atl U: 256th GA State U: 168th	None	U North TX: 162nd UT Arlington: 185th UT Dallas: 240th	None	Vanderbilt: 20th	AZ State: 81st
Full-time Grad Students in Science & Engineering (572 Institutions)	USF: 52nd	UCF: 62nd	None	Emory U: 105th GA Tech: 13th Clark Atl U: 434th GA State U: 113th	None	U North TX: 155th UT Arlington: 102nd UT Dallas: 96th	None	Vanderbilt: 86th	AZ State: 36th
R&D Expenditures (630 Institutions)	USF: 60th	UCF: 124th	None	Emory U: 45th GA Tech 32nd Clark Atl U: 266th GA State U: 163rd	None	U North TX: 245th UT Arlington: 203rd UT Dallas: 171st	None	Vanderbilt: 36th	AZ State: 81st

Source: National Institutes of Health, Office of Extramural Research

Key Findings on Life Sciences (continued)

USF has been emphasizing its inter-disciplinary program in Rehabilitation Science, Engineering and Medicine. As its clinical setting the University utilizes the adjacent James Haley VA Hospital, reported to be one of the largest polytrauma centers in the nation

The Veterans Reintegration Program has been focusing on physical rehabilitation, sensory rehabilitation (hearing loss) and post traumatic stress syndrome. Draper Labs, at the USF R&D park, has been collaborating with researchers in USF’s Physical Therapy and Auditory Therapy departments

The USF College of Medicine began as an osteopathic institution and lacks its own teaching hospital, though the Board has agreed to build an academic medical center on campus. USF Health is emphasizing several key initiatives, including

- The Center for Brain Repair and Aging, which has had a big win with Targacept, a drug to treat depression (licensed by Astra Zeneca)
- The Center of Excellence for Diabetes and Autoimmune Disorders - USF has a large clinical trials program and is proposing an 80-bed inpatient care facility to be involved with research and specialized clinical care
- Electronics Healthcare Ambassadors – efforts to promote electronic medical records within the healthcare community (discussed next)

Perhaps the most notable initiative underway at the College of Medicine is the proposed new Center for Advanced Medical Learning and Simulation (CAMLs). This 53,000 square foot simulation and conference center is intended by its sponsors to make USF Health the leader in the nation in physician assessment testing. The facility will house auditoria, lecture halls, surgical skills labs, a virtual hospital, robotics lab, simulation center, two operating suites for research and training, exhibition space and classrooms. It will be designed for medical skills training

CAMLs is to be built on surface parking lot in Downtown Tampa that the City will sell for \$3.5 million. The location, which is near several major hotels, will eliminate the need to develop a separate, dedicated 300-room hotel, as the original plans had specified. USF expects to have the project under construction by January 2011

USF had considered a site at the Medical City complex in Orlando when plans to build CAMLs in Tampa Heights, adjacent to Downtown, fell through

Local Perspectives Life Sciences

- “SRI, Draper and M2Gen put Hillsborough solidly on the map.”
- “Tampa is way behind other major biotech hubs. There is no real critical mass here.”

Electronic Health Records (EHR)

Digitizing medical records is said to have vast potential to save time, money and patients lives. It also is said to have the ability to positively impact the drug discovery and clinical development. Tampa Bay and USF are hoping to gain a foothold in this emerging industry

Industry observers have attributed the following benefits (and more) to the increasing use of EHR technologies...

- **Reducing Mortality:** The National Institute of Medicine has estimated that prescription errors are responsible for 7,000 deaths annually. Electronic prescriptions can prevent mis-dosing and unwanted drug-on-drug interactions
- **Cutting Patient Care Costs:** A Brigham and Women's Hospital (Boston) study found the potential to save up to \$845,000 per 100,000 patients every year. In 2009 the American Hospital Association recorded 37.5 million total admissions to registered hospitals. That would yield more than \$316 million in savings annually, just among hospital patients
- **Reducing the Costs of Clinical Trials:** According to a Deloitte whitepaper, by increasing research productivity and improving the clinical trial process, EHR could improve clinical success rates and reduce the capitalized costs of each newly approved drug by \$230 million – a 30% savings

Local Perspectives on EHR

- There is informatics talent in the area but the cluster will not grow by accident; political will is needed
- We need to explore niches in the convergence of drugs, devices and information technology
- There is no real leadership. Moffitt and USF are doing their own thing

Key Findings on EHR

President Obama's \$787 billion stimulus package (the American Recovery and Reinvestment Act) includes \$19.2 billion to enable and incent the more widespread use of electronic health records (EHR). Presently only 28% of primary care physicians employ EHR. Specifically, the Federal government will pay physicians between \$44,000 and \$64,000 over five years to implement programs such as electronic prescriptions

Academic medical centers and hospitals have taken the lead in this effort. In a number of metro areas, including Tampa Bay, programs are underway to provide participating physicians with software, and the training necessary to overcome reluctance to adopt the new technologies

In West Central Florida the effort is called "Paperfree Tampa Bay." Here USF is partnering with Allscripts which will provide participating physicians with free prescription writing software. USF was awarded \$5.9 million in Stimulus funding to support the initiative

EHR should be viewed in a wider context as part of the growing Health Informatics sector which also includes life sciences companies engaged in drug discovery, development and commercialization efforts. As medical practices move from paper-based to electronic records the medical community will gain an increasing awareness of the general health of the overall population. According to Deloitte Consulting this "secondary use" of EHR data can revolutionize the process in the pharmaceutical "value chain" by:

- Providing a better understanding of the safety and effectiveness of new compounds earlier in the discovery phase
- Improving clinical trials by enabling better screening populations (see earlier discussion of M2Gen)
- Improving on post-market activities via better monitoring of product usage, treatment trends, etc.

Security and Defense

The Tampa region has major defense and security industry assets, starting with MacDill AFB, the largest employer in Hillsborough County. That said, local defense and security companies generally maintain a quiet presence in the market, and the local focal point is across the Bay in St Petersburg

Key Findings on Security and Defense

- Tampa-Hillsborough companies, universities and defense installations are recognized as part of Florida's Homeland Security and Defense Industry
- Tampa-Hillsborough has an established, though relatively small, presence of security and defense related companies.

Selected industry trends with potential local bearing:

- **Military Campaign Related Equipment Innovation, Re-supply and Refurbishment:** opportunities are tied to procurement process and the military's procurement channels are not based in Tampa (or specifically connected to MacDill operations)
- **Cyber-security R&D, manufacturing and testing:** a potentially promising sector with local company growth presence
- **Bio-security:** This sector can build on the regional life sciences industry, modeling/simulation industry and USF Center for Biological Defense. USF is recognized for its Center for Biological Defense, but is not listed as a university research partner with major defense companies by Enterprise Florida
- **Veteran Health Care:** There are opportunities for linkages with medical device sector, the VA Hospital, MacDill commands and the broader local healthcare infrastructure to treat wounded military personnel and veterans, as noted earlier

Location / cluster needs versus local capability:

- **Sizable and local support contractor / supplier infrastructure:** local suppliers for engineering/tech support, parts, electronic/electrical/mechanical assemblies, and support services – local sources allow better control on overall process. *Hillsborough County does not have a sizable support business infrastructure for the defense industry per local sources; much of this infrastructure is based in Orlando*
- **Sophisticated IT infrastructure:** capable of supporting customized and very high capacity data transmission needs. *Hillsborough County's telecom infrastructure is a marketable asset*
- **Specific technology/innovation collaboration:** linking IT and life sciences innovation into the security and defense applications and cross-fertilization of skills and occupational knowledge. *There is some emerging collaboration among local players*
- **Specific Skills Base:** Math, engineering, modeling, technology focused on applications. *MacDill retirees / veterans are a source of professional leadership, champions for the area and business networking*
- **Connectivity with Military Channels:** for business relationships, insights on needs and specific procurement channels. *MacDill is an outstanding asset (see next page) but is not a major defense buying agency – in Florida, Orlando is a center for military contracts procurement*

Local Perspectives on Security and Defense

Several comments related to Tampa's weaker position as a defense industry cluster versus nearby Orlando:

- "Tampa is not a simulation / modeling center – that is in Orlando, including many small shop manufacturers"
- "Orlando also hosts the Navy and Army procurement centers, generally MacDill procures via Orlando"
- "Center of our universe is Orlando – not a lot of defense contractors in Hillsborough"
- "USF lags UCF regards to company-university collaboration in the high-tech defense industry; USF needs to be more focused on security / defense topics – this would be an advantage to us as we hire engineers directly out of university"

Thoughts on developing a cluster in Tampa:

- "The cluster needs big players, plus a host of smaller participants – small business to meet procurement process...Our challenge in Tampa is finding these small business...need to encourage them to develop across a range: basic engineering, technology and electrical assembly"
- "Idea: set up a Hillsborough-Pinellas partnership to sustain core business suppliers – we can't do it alone, not big enough alone in Hillsborough County...we have need for suppliers focused on cables, connections, electrical/mechanical assemblies, moldings, electrical circuit boards"

Highlighted Comment: "If we were in a cluster, we could double in size every 5 years; to build such, need a big company expert like us and a USF program focused on our own need and 15-20% focused on small business issues, plus core and advanced engineering curricula"

Security and Defense: Focus on MacDill AFB

MacDill AFB brings not only major name recognition to Tampa, given the global importance of the CENTCOM and SOCOM headquarters, but also a \$5.5 billion plus economic impact to Tampa Bay's economy (per local experts)

• **MacDill Assets:**

- In total, approximately 14,000 personnel on base, including contractors but not construction workers
 - ratio of 2/3 military: 1/3 civilian personnel
 - All services are represented – largest is Air Force, followed by Army
 - Expect to see some contraction (7-10%) once current campaigns end, though the air wing and SOCOM are not expected to change
 - A professional workforce: average enlisted member is 30 years of age with an AA degree; all officers have BA and 50% plus have Masters degrees
- Central Command Headquarters for US and Coalition Forces – 5,000 service personnel and officers from approximately 60 coalition members
 - Coalition officers are essentially military ambassadors for their nations who are in close contact with the Washington diplomatic community and their individual national leaders
- CENTCOM is a HQ operation primarily – technology and operations elsewhere
- Special Operations Command – approximately 4,000 service personnel on base and maintains budget and leadership for 53,000 personnel worldwide
 - Links with defense industry technology development through Special Operations Week Trade Show at Tampa Convention Center
- 6th Air Mobility Wing is the 'host wing' (landlord) at MacDill - maintain 16 KC135 Tankers and 3 Gulfstream jets
 - Base operations and pilots, but not a major repair center...much more of a professional than technical / maintenance operation

In sum, MacDill brings significant prestige, networking opportunities and unique skills to Tampa-Hillsborough County in addition to the primary jobs and economic impact. These are important if intangible assets to building the local security and defense cluster. Opportunities to bring MacDill retirees into local economic development leadership and as ambassadors for Tampa Bay are not fully realized.

• **MacDill Opportunities:**

- New tanker contract to proceed with bid in November 2010. MacDill reportedly well positioned for this contract
- SOCOM procurement organization is based at MacDill – only combatant command that does this - \$2 billion in annual procurements
- Small Business – full time small business specialists in the contracting squadron...approximately 1/3 of small business spending for MacDill is Tampa metro based
- Clinical hospital at MacDill has potential innovation linkages with the area's emerging life sciences cluster (and USF)
- Veterans Placement and Spousal Employment
 - Quarterly job fairs for retirees; TAP congressionally mandated program
 - Spousal employment participation: 334 spouses in 2009
- Though not specific to MacDill, there are 106,000 military retirees in Tampa Bay area – numbers increase to up to 250,000 in winter months. Approximately 150 retired generals in area
 - MacDill retirees bring skills in leadership, linguistics, logistics, counter-intelligence and IT

Additional Perspectives

On Procurement (from local companies):

- "No real business relationship with MacDill for us"
- "MacDill is not a buying agency – more focused on professional services"
- "Small businesses in Tampa don't know how to 'tap into' MacDill opportunities"

On the MacDill's retired leadership:

- "Very few of our retired generals are linked into local Tampa leadership...a real waste of their incredible talent"
- "Tampa economic development leadership should take advantage of the flag officers from 60 countries when planning trade missions abroad...also approach retired generals who sit on corporate boards to put in a good word for Tampa"

APPENDIX

Appendix: Study Participation

Stakeholder participation was actively encouraged throughout the process to solicit information, concerns and observations relative to Hillsborough County's economic development. In total the consulting team spent nearly one month on the ground across four separate reconnaissance visits

More than 150 businesspersons, public and government officials and community leaders were interviewed or participated in one of twelve "Roundtable" discussions designed to gather input for this Location Assessment. The interviews and roundtables occurred over a period of four weeks during four separate trips to the Tampa region by the BLS consulting team. In addition, the team attended and recorded input from a public session held at the Florida State Fairgrounds

Great care was taken to include various industry and community sectors; to cover the range of small to large businesses, new-to-the-area as well as well established firms, to encompass thorough geographic representation and to solicit input from the general public. Stakeholders included:

Elected and Public Officials	Civic Leaders	Employers
<ul style="list-style-type: none">▪ Hillsborough County▪ City of Tampa▪ City of Plant City▪ City of Temple Terrace▪ Meetings with planning, permitting, utility, etc. departments	<ul style="list-style-type: none">▪ Chambers of Commerce▪ Economic Stimulus Task Force▪ Tampa Bay Partnership▪ Tampa Downtown Partnership▪ Tampa Hillsborough EDC	<ul style="list-style-type: none">▪ Bio/Life Sciences▪ Defense/Military▪ Financial Services▪ Headquarters▪ Manufacturing▪ Port/Maritime▪ Warehouse/Distribution

Appendix: Study Participation

Other important constituencies included:

Roundtables	Access / Infrastructure / Defense	Academic Institutions
<ul style="list-style-type: none">▪ Academic▪ Agriculture▪ Chambers of Commerce and similar organizations▪ Commercial Real Estate▪ Creative Workforce▪ Entrepreneurship▪ Housing▪ Innovation and Technology▪ International▪ Minority Business▪ Small Business▪ Transportation	<ul style="list-style-type: none">▪ Port of Tampa▪ Tampa International Airport▪ Utilities▪ MacDill AFB	<ul style="list-style-type: none">▪ Hillsborough County School District▪ Hillsborough Community College▪ University of South Florida▪ University of Tampa

Appendix: Economic Development Incentives Detail

Incentive	Tampa-St. Petersburg	Orlando	Jacksonville	Atlanta	Charlotte
Job Creation Grant	HIFI Grants to projects in targeted industries as well as HQ. Moderate job requirements. Very significant investment threshold. Thresholds reduced somewhat for R&D projects. Paid out based on startup and achievement of investment goals	Same as Tampa	Same as Tampa	None	Annual grant for up to 12 years of between 10% - 75% of new withholding taxes associated with new project. Average value was \$14,600 in 2009. Significant limitations on number of projects funded and annual funding cap.
Job Creation Tax Credit	None (QTI refund detailed below)	None (QTI refund detailed below)	None (QTI refund detailed below)	Values range from \$1,250 /job per year to \$5,250/job per year for "mega projects." Unused credits can be carried forward or used to offset payroll withholding. Wage and project size requirements for most	\$1,750/job for targeted industries, taken over 4 years. Modest minimum job and wage requirements. Unused credit can be carried forward for up to 20 years if high value project
Investment Tax Credit	For high impact sectors. Moderate job creation and investment threshold requirements. Credit available for up to 20 years, not transferable or refundable	Same as Tampa	Same as Tampa	None	Credit equal to 3.5% of new investment exceeding \$2 million. Taken over 4 years
R&D Tax Credit	None	None	None	10% of qualified R&D expenditures. Can offset withholding taxes once all other tax liability exhausted over 5 yrs	Up to 3.25% of qualified R&D expenses. 20% for companies conducting R&D at NC universities.
Deal Closing Fund	Quick Action Closing Fund. Discretionary cash grants. Moderate wage threshold. Requires 5:1 ROI. \$15 million added to program this year.	Same as Tampa	Same as Tampa	Grants of up to \$750,000 to offset cost of fixed assets	Performance-based grant averaging \$2,050/job since 2008. Modest job and wage thresholds. Disbursed in 25% increments as job and investment targets are met. Requires local match.
Job Training Assistance	Quick Response Training. Reimbursement of training costs. Modest job creation & wage thresholds	Same as Tampa	Same as Tampa	Tax credits worth maximum of \$1,250/employee per year. Offset no more than 50% of training costs. Also cost avoidance program	No cost customized training via community colleges. 12 job minimum. 50% cost reimbursement for disadvantaged workers
Targeted Industry Programs	Qualified Targeted Industry Tax Refunds. Valued at \$3,000/job - \$5,000 /job based on wage targets. Refunds are applicable to wide range of taxes. Capped at \$5 million/year. 20% local match required. Also new Commercialization Matching Grant Program funded to \$3 million	Same as Tampa	Same as Tampa	Fixed asset financing for life sciences projects. Capped at 15% of such costs. Also matching research grants to companies locating in one of six centers of innovation	Job creation tax credits as described above
Infrastructure Grants	Economic Development Transportation Fund. Up to \$3 million grant for public improvements. Local match required.	Same as Tampa	Same as Tampa	None	Very high impact projects eligible for site development and infrastructure improvement grants
Enterprise Zones	\$2,000/job tax credit, Machinery & equipment and building materials sales tax refund up to \$10,000. Enhanced QTI refund: \$6,- \$8,000/job.	Same as Tampa	Same as Tampa	\$3,500/job tax credit. Modest wage threshold. In Atlanta real & personal property tax abatements	Enhanced job creation tax credits: \$3,750/per job. Also 7% investment tax credit on investment > \$2 million

Appendix: Economic Development Incentives Detail

Incentive	Dallas	Indianapolis	Nashville	Phoenix
Job Creation Grant	None	None	None	None
Job Creation Tax Credit	None	Credits up to 100% of new payroll withholding tax for up to 10 years. Credits are refundable	Up to \$4,500/job credit. Modest job creation and investment requirements. Credits can be carried forward for 15 years. Also tax credit targeting HQ creating at least 100 new jobs	None
Investment Tax Credit	None	Up to 10% of qualifying new investment. 9 year carry forward. Special credit for 50% of costs for HQ relocation. 9 year carry forward	Credit equal to 1% of machinery and equipment costs	None
R&D Tax Credit	None	Credit equal to 15% of qualified R&D expenses on first \$1 million of expenditures. Carry forward for up to 10 years	None	22% credit for qualified R&D expenses under \$2.5 million. In excess of \$2.5 million receives \$600,000 credit plus additional credit equal to 13% of additional R&D expenditures
Deal Closing Fund	Average \$5,000/job grant over the last state-funded year. Moderate job creation requirements	None	None	None
Job Training Assistance	Customized job training via community colleges. Average grant is \$1,000/trainee	Maximum award of \$200,000/project. 50% reimbursement of training and re-training costs	100% cost reimbursement spread over 6 months. Also specialized higher paying job training reimbursement	Grant for up to 75% of costs for jobs meeting wage threshold. Grants range from \$1,500 - \$7,000/job.
Targeted Industry Programs	Grants average \$1.2 million per project for development and commercialization of new technologies	Grants typically under \$2 million to early stage companies for development and commercialization of new technologies.	None	Combination of grants, tax credits, etc to help commercial technologies currently being developed in AZ
Infrastructure Grants	Up to \$1 million public infrastructure grants outside the City of Dallas. Low- and moderate-income job creation requirements	State provides matching funds to municipalities for public infrastructure improvements needed to attract jobs and investment	Up to \$750,000 in grants for infrastructure improvements and site costs	None
Enterprise Zones	Sales & Use Tax refunds valued @ \$2,500/job based on investment and hiring commitments. Larger projects receive \$5,000 - \$7,500 per job. Abatements and TIF financing	None	None	Up to \$3,000/job income tax credit, taken over 3 years. 75% property tax reduction over 5 years for mfg projects.

Appendix: Economic Development Incentives Detail

Jurisdiction	Local Incentives Programs
Tampa	<p>Premier Business Bonus Incentive Program: Grants of \$2,000 - \$3,700 per qualifying job for projects creating 100 new jobs and exceeding 200% of the State's average wage. Project must attain and retain QTI status for length of QTI agreement. Traditionally a 50:50 split between Tampa and Hillsborough County.</p> <p>Florida Innovation Fund: Local participation in statewide discretionary deal closing fund targeting R&D oriented projects. Hillsborough County used program to attract SRI in 2008. Reported value of the grant was \$6 million</p> <p>Employers Impact Fee Mitigation Program and Water/Wastewater Impact Fee Mitigation Program: Hillsborough County can provide grants of up to \$1,000 per qualified job to offset transportation impact fees associated with an economic development project and grants off \$150 - \$300 per job to mitigate water and sewer capacity fees</p>
Atlanta	<p>City of Atlanta Economic Opportunity Fund: seldom used discretionary incentive provides grants on project-by-project basis. Recently provide \$250,000 to not-for-profit organization to offset costs associated with headquarters relocation to Atlanta.</p> <p>Property Tax Abatements: Atlanta Development Authority holds title to real/personal property for 10 years. Abate 50% of taxes in Year 1, decreasing by 5% per year.</p>
Jacksonville	<p>Northwest Area Fund: Grants to high wage/high investment projects in less developed areas of northwestern Duval County. Funds may also be applied to investment shortfalls</p>
Charlotte	<p>Property Tax Abatement: Local grant offered in lieu of property tax abatements. Can be valued at up to 90% of annual property taxes for up to four years</p>
Dallas	<p>Deal Closing Fund: City of Dallas can provide deal closing grants in lieu of tax abatements.</p> <p>Property Tax Abatement: Local jurisdiction are allowed to offer abatements or to implement Tax Increment Financing (TIF) district</p>
Indianapolis	<p>Property Tax Abatement: 5 years for small/mid-sized projects, up to 10 years for large projects. Valued at approximately 50% of normal tax bill. Special 2-Year Vacant Building Tax Abatement for building empty > 1 year – valued at 100% in Year 1 and 50% in Year 2</p>
Nashville	<p>Metropolitan Development & Housing Agency Grant: Discretionary cash grant offered by Nashville to attract 200-person back office. Not an official program. Said to be first use of city grant for a project in over ten years</p> <p>Property Tax Abatement: Payment-in-Lieu of taxes or other forms of abatement are authorized. Costs to develop new projects in downtown Nashville can be financed via TIF district, up to 10% of project costs</p>
Phoenix	<p>Property Tax Abatement: Up to 8 year abatements, or ability to pay Excise Tax in lieu for projects locating in designated Redevelopment Areas</p>