

# CITY OF CLEARWATER, FLORIDA

ECONOMIC DEVELOPMENT STRATEGIC PLAN | AUGUST 2011



TIP  
strategies



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## ACKNOWLEDGEMENTS

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We would also like to thank the city council as well as the leadership and staff of the City of Clearwater for their critical guidance, support, and feedback.

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### About TIP Strategies

TIP Strategies, Inc. (TIP) is a privately held Austin-based business and economic development consulting firm committed to providing quality solutions for both public and private-sector clients.

Established in 1995, the firm's areas of practice include economic development consulting, strategic planning, site selection, economic impact analysis, regional economic development, target industry analysis, cluster analysis, technology audit, transit-oriented development, workforce analysis, feasibility studies, market analysis, and redevelopment analysis and planning.

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## EXECUTIVE SUMMARY

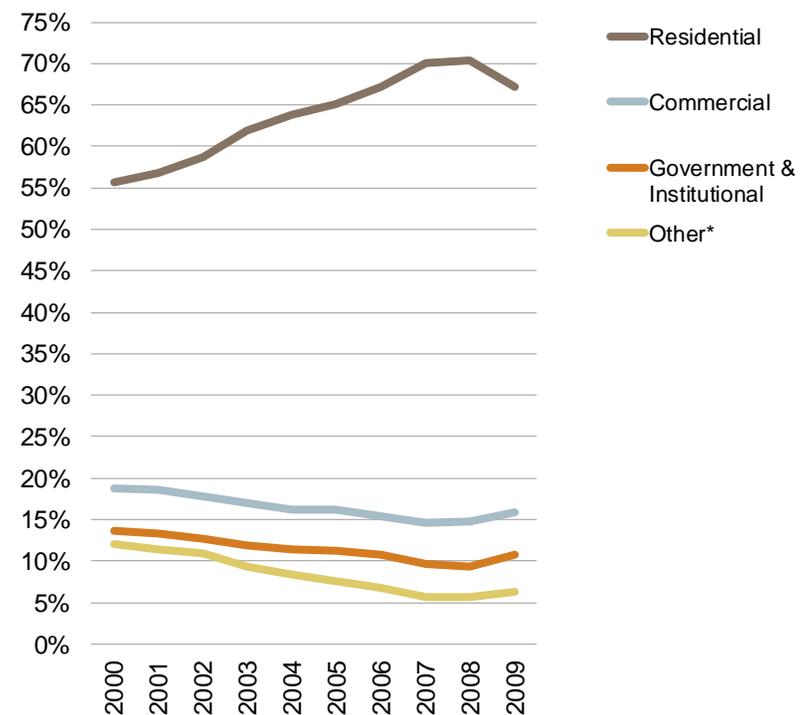
With the state and region finally gaining some economic momentum, Clearwater has a unique opportunity to position itself for future investment by embracing a new regional cluster development initiative as well as by committing its own resources and policies to economic development. Historically, Clearwater has benefitted from its scenic location on the Gulf of Mexico, popularity among American and international tourists, position within the Tampa Bay MSA, and rising property values. These assets, however, are no longer sufficient to guarantee Clearwater’s continued growth and prosperity in the face of vigorous competition for new investment and jobs in the region. Clearwater must adopt a more assertive approach to attract new investment, tax base, and high-wage employment in growth industries. Rather than being primarily reactive to new opportunities, Clearwater should *actively pursue and direct* future investments that will create a strong foundation for economic vitality.

### The Challenge

This project began as the sluggish recovery from the Great Recession was just taking hold; however, business consolidations, high unemployment rates, declining tax revenues, and tight credit still characterized the current economic landscape. In response, communities around the nation were forced to reassess their strategies for attracting new investment and jobs. Cities and regions dependent on retail and construction for economic growth were forced to accept that it will be years before those jobs are restored. This reality has hit many communities in Florida, including the Tampa Bay region. In response, the Tampa Bay Partnership completed an effort to design a new “Regional Business Plan” for economic growth. In parallel, Clearwater engaged TIP Strategies to assist in developing a new economic strategy for Clearwater that would refocus the city’s economic development efforts as well as build upon the new regional initiatives.

Like the region, state, and nation, unemployment in Clearwater sits at or near a 20-year high. A unique challenge for Clearwater is its reliance on residential real estate taxes. Housing accounts for approximately two-thirds of the city’s property tax base. (See adjacent figure.) Future growth in Clearwater’s assessed property values will need to rely more on upgrades of non-residential property as well as new commercial and industrial infill developments. In addition to the tax-base challenge facing the City are two formative demographic trends: (1) Clearwater is home to an aging population, and (2) the city has a larger share of low-income households than the region, state, and nation. For example, 47 percent of the nation’s residents are under the age of 35

Distribution of assessed property values in Clearwater



\*NOTE: includes industrial, personal, & other property  
 SOURCES: City of Clearwater

compared to only 36 percent of residents in Clearwater. Conversely, Clearwater has a higher share of seniors (20 percent) in its resident population than the overall US average (13 percent). Complicating the demographic shift is the income mix: one-third (32 percent) of Clearwater households earn less than \$25,000 a year, compared to 25 percent for the nation and 27 percent for the MSA and state. While salaries in Clearwater increased during the previous decade, many jobs in Clearwater still pay relatively low wages. For instance, in 2008, about 27 percent of the jobs in the City of Clearwater paid at least \$40,000 per year. By comparison, 33 percent of St. Petersburg's jobs paid this level or more. To ensure long-term economic vitality, Clearwater must attract a younger mix of professionals in higher-wage occupations over the next decade.

The most significant challenge facing Clearwater is the lack of available greenfield development sites. Existing Class A office space does not meet the needs of local businesses and many property owners have failed to make improvements to existing structures that high tech firms require. To prevent existing businesses from leaving the city in search of preferable space and in order to create the conditions to attract new firms, Clearwater's primary goal must be to promote higher intensity employment opportunities on new and existing sites. Establishing a stock of new and re-developed professional buildings will help the City attract target industries and accommodate higher wage jobs, which, in turn, will diversify the City's tax base and improve the demographic mix.

## The Response

The plan that follows outlines the steps for achieving economic development success. To do nothing is to see investment and talent continue to flow to other communities. Although the city's resources are constrained by fiscal realities, the importance of setting the stage for redevelopment projects and new investment in Clearwater is critical.

## Guiding Principles

Guiding principles reflect the values of the community. In the context of an economic development plan, they are a set of statements expressing how a community defines economic vitality. Based on our research and analysis, TIP proposes the plan be organized around the core goals of pursuing tax base diversification, higher paying jobs, and business vitality. The need for greater tax base diversification and higher wage jobs is fully supported by the data. Business vitality refers to the city and its economic development partners taking a more active role in helping existing businesses to expand and new enterprises to form.

These guiding principles can only become a reality if goals are established as pillars to support key proposals. We believe that the following five goals will accomplish that:

- Goal One: Land Use – *Encourage the development of sites and buildings needed to accommodate higher intensity employment opportunities.*



- Goal Two: Investment Climate – *Develop the policies and tools to compete for new private investment and jobs.*
- Goal Three: Business Retention and Expansion – *Create an environment that promotes the vitality and growth of existing businesses.*
- Goal Four: Business Development – *Support an entrepreneurship and innovation ecosystem and collaborate with regional partners to market Clearwater to target industries.*
- Goal Five: Talent and Place – *Improve the existing amenities in Clearwater and continue to invest in the city's infrastructure, amenities, and people.*

## Priority Strategies

TIP, with the strong encouragement of the Clearwater's leadership, has sought to address the question of the city's future economic vitality in a practical way. Based on our understanding of the city's opportunities and challenges, and in light of current economic conditions, we believe the six strategies outlined below represent the highest priorities for Clearwater.

- **Establish an employment center overlay district to encourage higher-wage employment in strategic locations.**

The US 19 corridor is a logical place for the creation of a regional employment center. The highway is heavily traveled by workers to the north and south of Clearwater and marks the entrance to the peninsula across Gulf to Bay Boulevard. BayCare Health System's interest in consolidating its regional headquarters and shared service center just to the east of US 19 could also provide a catalyst for employment growth in the area. Current zoning along the corridor is primarily commercial. However, there are parcels scattered throughout the area that would not be compatible with the growth of professional services and other non-retail employment. In addition, some aspects of the current zoning, such as height restrictions, might not be conducive to the type of development required to support the growth of a regional employment center.

A fixed overlay district could be used to encourage redevelopment and infill along the US 19 corridor.<sup>1</sup> The objective would be to facilitate development projects generating higher wage jobs for the region by permitting higher density development and transitioning out incompatible uses over time. In particular, the area around US 19 is well-positioned to attract higher intensity employers due to location and transportation access. Existing retail sites along US 19 are also being adversely affected by current highway reconstruction projects, making this a critical opportunity to reconsider how this corridor can be transitioned into a vibrant professional center.

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<sup>1</sup> The 2008 TEILS report also recommends that a "broader range of use and corresponding density/intensity should be accommodated within one or more of the current plan categories."

- **Create a technology district to encourage building improvements in Downtown, the Cleveland Street District, and the East Gateway.**

A focus group with local software and IT professionals revealed that Clearwater is home to a growing concentration of software and IT industry firms and professionals. These high-tech firms and entrepreneurial individuals are a significant economic asset to the community, not only because this industry offers high wages, but also because of the potential for ‘spinoff’ firms resulting from new innovations. As a result, the attraction, retention, and expansion of the software sector should be a high priority for the city. Local software and IT companies, however, report a shortage of industry-standard IT infrastructure in existing commercial office buildings. Moreover, many claim building owners are unwilling to make the necessary investments and upgrades to make their properties more competitive. Consequently, the city is in danger of losing several of its valuable software employers. Clearwater should, therefore, establish a technology district in order to retain IT and software companies as well as to remain competitive as a location for firms to re-locate.

The technology district could be structured to incentivize building improvements in existing structures Downtown, in the Cleveland Street District, and along the East Gateway. Buildings in the technology district could be eligible for a funds-matching program administered by the city that would help defray the significant costs associated with investing in IT infrastructure. The program could function as an opportunity to (1) improve existing commercial structures, (2) encourage employment density downtown, and (3) create a destination that can be marketed to attract software and IT firms in the future.

- **Create a medical overlay district to encourage new healthcare sector development and employment in the area surrounding Morton Plant Hospital.**

In terms of employment, healthcare is Clearwater’s largest sector. It is expected to continue to grow considerably over the next 10 years. Not only are healthcare services of critical importance to the aging population in Clearwater, but healthcare is also one of the few national sectors of the economy that has continued to grow throughout the recession.

In particular, Morton Plant Hospital is a valuable asset to the City of Clearwater. With over 90 years in the community, the facility is well-known and highly regarded throughout the region. In order to fully leverage this asset, the Morton Plant facility should be promoted as a cornerstone of the local economy. A medical overlay district should be applied to the area surrounding the hospital, including the Missouri Avenue Corridor, to encourage other companies in the healthcare sector to locate in Clearwater.

- **Adopt a formal incentives policy and utilize new tools to encourage desired development.**

In order to be more competitive for new investment, Clearwater should adopt a new policy outlining the incentives and tools the city will use to use to stimulate business investment. A formal policy should provide clear guidance on the standards to qualify for incentives, especially tax incentives. The policy should function as a broad set of guidelines rather than a restrictive checklist: projects should always be evaluated individually. Some projects that may not meet minimum qualifications may still merit consideration for assistance due to other positive impacts they offer according to the city’s guiding principles. Specific tools the city should consider utilizing include: development fee reduction, fast-track permitting, ad valorem tax exemption, and public participation in real

estate development. These incentives are in addition to a recommended city grant to incentivize building improvements in as part of a Clearwater Technology Zone.

- **Refine the Clearwater business visitation program.**

A vibrant business retention and expansion (BRE) program should be the cornerstone of any economic development program. When existing businesses thrive, so does the community. In 1997, the Clearwater City Council adopted an official business visitation program. Over the life of this program, over 150 different businesses representing over 10,250 employees in the Clearwater area were visited. Currently, the current business visitation program consists of a monthly meeting with the president/CEO of a Clearwater business and representatives from the City of Clearwater (possibly including the mayor, a member of city council, city manager, and/or economic development staff). Monthly meetings are scheduled on a regular basis but conflicts often arise, making this method of communication with local businesses relatively unreliable. To supplement findings from the employer survey and enhance the city's capacity to maintain relationships with local businesses, city economic development staff and leaders should visit at least 30 Clearwater businesses per year. The purpose of the visits should be to gauge the ability and needs of local businesses to operate successfully and possibly expand in Clearwater. A set procedure should be established for these visits to ensure that consistent information is gathered.

- **Continue enhancing public amenities and aesthetics.**

Many Clearwater business owners and professionals stated their interest in preserving and expanding the city's parks, recreational facilities, and natural amenities. Not only is this a strong value held within the community, it also makes economic development sense. Communities across the country clearly recognize the importance of recreation, parks, and preserved natural resources in their ability to make themselves more attractive to talented workers and new businesses.

These six priority strategies address some important short-term and long-term economic development needs of Clearwater. These strategies in isolation, however, are not sufficient. Other strategies in the plan include encouraging innovation among existing businesses, promoting entrepreneurship and small business development, raising Clearwater's profile regionally and nationally, and marketing to target industries.

## Approach

The information for the planning effort was gathered through data analysis and stakeholder meetings. Interviews and discussions were conducted with individuals representing business, municipal government, public service, and economic development in the Clearwater area. The consulting team also led eight focus group discussions involving representatives from various local business sectors and city leadership. The focus groups included local sector representatives of manufacturing, professional services, information technology, healthcare, finance and insurance, real estate, tourism, and regional economic development partners.

TIP would like to thank the individuals who gave their valuable time to participate in this process. We would also like to thank city staff for scheduling and organizing these meetings.

Below are some key points TIP consistently heard in the focus groups and interviews.

- Clearwater is at a competitive disadvantage for attracting new investment compared to other communities in the county and region. This is seen as being due to its development process and development code. The City of Clearwater is not perceived to be business friendly. Real estate professionals, developers, and existing businesses reported the city's development and redevelopment process is too costly and protracted.
- Some of the city's prominent commercial office building owners are not making necessary investments in their properties. For example, several local software businesses reported that many buildings lack proper IT infrastructure.
- Traffic congestion along Gulf to Bay Blvd and the lack of other efficient east-west thoroughfares limit the attractiveness of downtown Clearwater and the Gateway area to significant employers.
- Large commercial office projects are more likely to locate in eastern Clearwater, especially near or along US-19, due to access and site availability.
- The city's existing supply of industrial land and facilities are not competitive, especially the Hercules Industrial area. The facilities are old and the sites lack the capacity to accommodate expansion. Some manufacturers report they are likely to look elsewhere in Pinellas County when the time comes for them to expand.
- Clearwater's stock of higher end housing is aging and may not be appealing to business executives and professionals.

## Summary of Data Findings

### DEMOGRAPHICS

- Population growth in Clearwater has remained flat during the past decade. According to Census estimates, Clearwater – like Pinellas County as a whole – experienced a slight population decline between 2000 and 2009. Clearwater is also home to an older population than the region, state, and nation. Specifically, it has a smaller percentage of residents below the age of 35 and a higher share of senior residents age 65 and older.

## MIGRATION & MOBILITY

- Clearwater serves as an employment center within the Tampa Bay metro area, generating more daily inbound traffic than outbound traffic. In 2008, Clearwater was home to approximately 20,000 more jobs than employed residents. Those workers commuting to Clearwater are employed in a balanced mix of office-using jobs (includes real estate, finance, professional services, and information), institutional jobs (includes healthcare and educational services), and tourism-oriented jobs (includes retail, hotel, and restaurants). Most commuters to Clearwater are Pinellas County residents. Clearwater's high daytime employment population is amplified by the tourists and visitors it attracts to Clearwater Beach.

## INCOME & HOUSING

- Compared to the nation, Clearwater households are less affluent. About one-third of households in Clearwater earn less than \$25,000 a year. However, housing affordability in Clearwater and in Florida as a whole is close to the national benchmark.

## ECONOMY

- Clearwater's tax base is overly reliant on residential real estate, which accounts for about two-thirds of the city's property tax base.
- Unemployment rates are near 20-year highs in Clearwater, the greater Tampa metropolitan region, and the state. While joblessness has stabilized in Clearwater, the community has yet to experience much net improvement in unemployment levels since 2009.
- Many of the top employers in Clearwater fall within with the regional industry clusters recommended for targeting by SRI International: Applied Medicine & Human Performance; High-Tech Electronics & Instruments; Business, Financial, & Data Services; and Marine & Environmental Activities. According to data provided by the Florida Agency for Workforce Innovation, much of the job base in the city and surrounding area is concentrated in Healthcare; Retail Trade; Administrative Services; and Hotels, Restaurants, and Bars. Somewhat surprising are the nearly 9,000 manufacturing jobs based in and around Clearwater.

## WORKFORCE

- Educational attainment in Clearwater is on par with statewide patterns and very near national levels.
- Compared to the US, Clearwater's employed residents are less likely to work in industrial and blue collar fields. Instead, they are more likely to be employed in sales, administrative, and personal services, as well as management and professional jobs.

## SWOT Analysis

TIP conducted an economic development SWOT analysis (strengths, weaknesses, opportunities, and threats) for the city of Clearwater, based on a review of economic, demographic, and workforce characteristics, interviews with local and regional business and community leaders, and our experience working with communities across the country. The following table captures the major findings from this analysis.

Additional details are provided in Appendices A and B.



## GOAL ONE: LAND USE

***Encourage the development of sites and buildings needed to accommodate higher intensity employment opportunities.***

Attracting target industries and higher wage jobs should guide future economic development programs and activities in Clearwater. In the aftermath of the 2007 recession and the associated housing bust, Clearwater's reliance on residential real estate for approximately two-thirds of the city's property tax base was thrown into sharp relief. While there is no 'ideal' tax-base mix that can be applied to all communities equally, recent experience in Clearwater highlights the important role economic diversification plays in ensuring long-term vitality.

Clearwater now finds itself in a position of having to vigorously compete for its share of high quality new investment. The city's aging inventory of office buildings and retail centers must contend with newer Class A office developments in the Tampa region. Focus groups conducted with local industry representatives also revealed that the business community is not satisfied with the quality and quantity of the existing stock of commercial and industrial space in Clearwater. Not only is existing inventory a barrier to investment, but also few greenfield sites are available for new development. It is unlikely, therefore, that Clearwater will attract a major industrial project or new Fortune 500 headquarters building, as such projects are locating on greenfield sites in suburban areas where capital costs are lower. Clearwater is, however, in a position to successfully attract small and medium sized enterprises (companies with less than 500 employees) to existing buildings and sites.

Adjustments in land-use policy could set the stage for much-needed further economic diversification in Clearwater. To attract target industries and accommodate higher-wage jobs, the city should more fully leverage existing sites and identify strategic zones for redevelopment. The City of Clearwater could stimulate new private infill development as well as the redevelopment of existing sites by amending city zoning districts to encourage Class A office developments.

The 2008 Target Employment and Industrial Land Study for the Pinellas Community (TEILS), recommends the county and its communities "ensure the availability of sufficient land area to accommodate the number and type of employment opportunities that will help ensure the county's economy remains strong over the next twenty years."<sup>2</sup> TIP encourages the implementation of this county-level recommendation and, in a similar vein, urges Clearwater to pursue the following strategies: (1)



<sup>2</sup> *Target Employment and Industrial Land Study for the Pinellas Community (TEILS)*, prepared by the Pinellas Planning Council (PPC) and the Pinellas County Economic Development Department (PCED) with WilsonMiller, Inc., April 8, 2008.

establish an employment center overlay category; (2) create technology district; (3) make the Morton Plant Hospital the anchor for a medical overlay district; (4) preserve and widen the city's industrial, research and technology districts; and (5) work closely with the newly organized task force to streamline the City's development process.

➔ **STRATEGY 1.1: Establish an employment center overlay district to encourage higher-wage employment in strategic locations.**

The US 19 corridor is a logical place for the creation of a regional employment center. The highway is heavily traveled by workers to the north and south of Clearwater and marks the entrance to the peninsula across Gulf to Bay Boulevard. BayCare Health System's interest in consolidating its regional headquarters and shared service center just to the east of US 19 could also provide a catalyst for employment growth in the area. Current zoning along the corridor is primarily commercial. However, there are parcels scattered throughout the area that would not be compatible with the growth of professional services and other non-retail employment. In addition, some aspects of the current zoning, such as height restrictions, might not be conducive to the type of development required to support the growth of a regional employment center.

A fixed overlay district could be used to encourage redevelopment and infill along the US 19 corridor.<sup>3</sup> The objective would be to facilitate development projects generating higher wage jobs for the region by permitting higher density development and transitioning out incompatible uses over time. In particular, the area around US 19 is well-positioned to attract higher intensity employers due to location and transportation access. Existing retail sites along US 19 are also being adversely affected by current highway reconstruction projects, making this a critical opportunity to reconsider how this corridor can be transitioned into a vibrant professional center.

Easing height restrictions on commercial office development is an example of standards that could be addressed through overlay zoning. Current zoning limits office buildings to a maximum height of 50 feet. Using a standard of 12 feet per floor, this would limit development in the area to four stories. When combined with other provisions, such as the maximum floor-to-area ratio, height restrictions can limit developer's ability to make an individual project "pencil out."

**Action 1:** Establish a new overlay district to encourage new Class A office developments along US-19.

An **overlay district** is a zoning district which is applied over an existing base zoning. Overlay districts are used to establish additional standards and criteria for covered properties in addition to those of the underlying zoning district.

Overlay districts should have a well-defined objective, preferably one that is tied to a comprehensive plan or other stated community goal. The boundaries of the district should be clearly delineated. Applicable provisions should be easy to understand and have a demonstrated link to the objective.

<sup>3</sup> The 2008 TEILS report also recommends that a "broader range of use and corresponding density/intensity should be accommodated within one or more of the current plan categories."

**Action 2:** Consider applying the employment center overlay to the areas between Gulf to Bay Boulevard and Drew Street appropriate for higher intensity commercial office development.

**Action 3:** The overlay district may also be utilized to encourage commercial office development on sites currently occupied by strip center retail, RV parks, and mobile homes parks.

**Action 4:** The city could collaborate with neighboring jurisdictions on commissioning a US 19 corridor study.

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### EXAMPLES: Overlay Districts

- ✓ **McKinney, Texas** recently adopted Corridor Commercial (CC) Overlay District to allow non-residential properties that are within the boundaries of the overlay district to build taller buildings with modified architectural design requirements. The taller structures will generally be located along and within close proximity of the major regional highways passing through the city. The CC Overlay District standards recognize these major highways as an economic development engine that may be utilized to leverage a diverse and sustainable non-residential tax base for McKinney.  
[http://www3.mckinneytexas.org/uploadedFiles/Departments/Development\\_Services/Planning/MEMORANDUM%205.19.11.pdf](http://www3.mckinneytexas.org/uploadedFiles/Departments/Development_Services/Planning/MEMORANDUM%205.19.11.pdf)
- ✓ **Bend, Oregon** established the Juniper Ridge Overlay Zone to promote economic, sustainable, and reasonable growth in the 1,500-acre Juniper Ridge development by creating unique overlay zoning sub-districts for residential, commercial, educational, and industrial uses. Included in the overlay zone is a 320-acre a Juniper Ridge Employment Sub-District, which is intended to encourage economical, sustainable, and reasonable growth by allowing a mix of light industrial uses, offices for research and development, corporate and regional headquarters, and accessory uses to serve the needs of the primary uses.  
[http://www.ci.bend.or.us/depts/urban\\_renewal\\_economic\\_development/juniper\\_ridge/index.html](http://www.ci.bend.or.us/depts/urban_renewal_economic_development/juniper_ridge/index.html)
- ✓ A Maritime Industrial Zoning Overlay District has been utilized by the **Port of Baltimore** “to balance industrial and non-industrial development” at the port. The district was created to slow the redevelopment of Port of Baltimore’s deep water frontage from industrial to non-industrial use. This district defined an area where maritime shipping can be conducted without intrusion of non-industrial uses and where investment in maritime infrastructure is encouraged.  
[http://www.envisionfreight.com/issues/pdf/MIZOD\\_case\\_study.pdf](http://www.envisionfreight.com/issues/pdf/MIZOD_case_study.pdf)

## ➤ **STRATEGY 1.2: Create a technology district to encourage building improvements in Downtown, the Cleveland Street District, and the East Gateway.**

A focus group with local software and IT professionals revealed that Clearwater is home to a growing concentration of software and IT industry firms and professionals. These high-tech firms and entrepreneurial individuals are a significant economic asset to the community, not only because this industry offers high wages, but also because of the potential for ‘spinoff’ firms resulting from new innovations. As a result, the attraction, retention, and expansion of the software sector should be a high priority for the city. Local software and IT companies, however, report a shortage of industry-standard IT infrastructure in existing commercial office buildings. Moreover, many claim building owners are unwilling to make the necessary investments and upgrades to make their properties more competitive. Consequently, the city is in danger of losing several of its valuable software employers. Clearwater should, therefore, establish a technology district in order to retain IT and software companies as well as to remain competitive as a location for firms to re-locate.

The technology district could be structured to incentivize building improvements in existing structures Downtown, in the Cleveland Street District, and along the East Gateway. Buildings in the technology district could be eligible for a funds-matching program administered by the city that would help defray the significant costs associated with investing in IT infrastructure. The program could function as an opportunity to (1) improve existing commercial structures, (2) encourage employment density downtown, and (3) create a destination that can be marketed to attract software and IT firms in the future.

- **Action 1:** Create a technology infrastructure grant program. [See the E-Elgin and Waterbury, CT, Information Technology Zone case studies]
- **Action 2:** Support the development and attraction of software firms to Clearwater. [See Goal 2 for more detail]
- **Action 3:** Assist in organizing a local software council.

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### EXAMPLES: Technology Initiatives

#### Case Study: E-Elgin (Elgin, Illinois)

<http://www.cityofelgin.org/documentview.aspx?DID=285>

**Introduction:** In 2000, the City of Elgin, Illinois, authorized the formation of a Technology Action Team and a partnering grant program for center city commercial property owners and downtown business owners involved in technology-related industries. The e-Elgin incentive program offers assistance to property and business owners for expenses related to technology infrastructure improvements, moving expenses, and advertising costs.

**Program Structure:** Downtown commercial property owners and downtown business owners can qualify for up to 50 percent of capital costs not to exceed a total expenditure of \$60,000 (\$30,000 maximum City contribution) in funding for technology infrastructure improvements such as upgrading to Category 5 or better wiring, backup power generators for technology equipment, and related hardware upgrades related to infrastructure improvements. Additional incentives are

offered to high-tech businesses for installation fees associated with costs for DSL and T-1 service. Downtown commercial property owners are also eligible for up to \$2,500 annually in co-op advertising funds when they promote e-Elgin in their ads.

**Outcomes:** The e-Elgin program was developed to address declining competitiveness of commercial properties downtown as compared to newer greenfield developments outside of the city center. The City encouraged property owners to upgrade office space downtown by subsidizing the cost of retrofitting historic buildings. The program has been successful in many cases, but could still be considered an underutilized resource.

The Leath Building is an excellent example of how the program has prompted investment by the private sector. The 17,000 square foot former department store was retrofitted with new technology infrastructure in 2003 and 2004, making the building an attractive site for Future Link, an IT firm with 22 employees.

According to the Downtown Neighborhood Association, the program would benefit from additional advertising and marketing. In particular, a branding campaign that highlighted the 'downtown workspace lifestyle' as a more urban work environment suited for young professionals, entrepreneurial firms, and other individuals and businesses associated with the 'creative class.'

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### **Case Study: Information Technology Zone (Waterbury, Connecticut)**

<http://www.waterburyitz.com/>

**Introduction:** Traditionally a manufacturing community, Waterbury, CT, wanted to diversify its economic base. In the late 1990's, the Naugatuck Valley Economic Development Corporation created a tax abatement program designed to attract high-tech firms to the city. The suffering downtown was identified as a geographic area of opportunity due to high vacancy rates as well as convenient access to transportation.

**Program Structure:** Businesses located within the Information Technology Zone (ITZ) could receive benefits such as: 100 percent abatements on personal property taxes, including new or used equipment acquired or leased by the business new to the City; abatements for real property taxes applicable to increases in the assessed value of the property as a result of infrastructure improvement in the space.

**Outcomes:** The program initially attracted 15-20 companies and 200 jobs to the city. The degree of the abatement (100 percent), the broad definition of property eligible (not limited to infrastructure improvements that would stay with the site), as well as the duration of the abatement (no cap on number of years as long as the company maintained the location) offered significant savings to businesses relocating from New York City and other metro areas. The dot-com bust in the early 2000's had a significant impact on the industries attracted by the program, although a few firms remain today. Because the program was established through state law, a firm could still apply for the benefits, although the city does not actively promote the ITZ at this time.

**Case Study: Information Technology Zone (Meriden, Connecticut)**

[http://www.meridenbiz.com/Content/IT\\_Zone.asp](http://www.meridenbiz.com/Content/IT_Zone.asp)

**Introduction:** The program in Meriden, CT, is similar to the ITZ zone in Waterbury, but the abatements are more targeted.

**Program Structure:** Information technology companies that locate into new or rehabilitated buildings in the Information Technology Zone may qualify for breaks in real and personal property taxes. Forty-five types of companies can qualify as an IT company, including manufacturers, service businesses, etc. Personal property taxes are abated for eligible companies at 100 percent for three years. Companies are able to submit new IT-related equipment purchases annually. Real property is assessed in accordance with the following schedule:

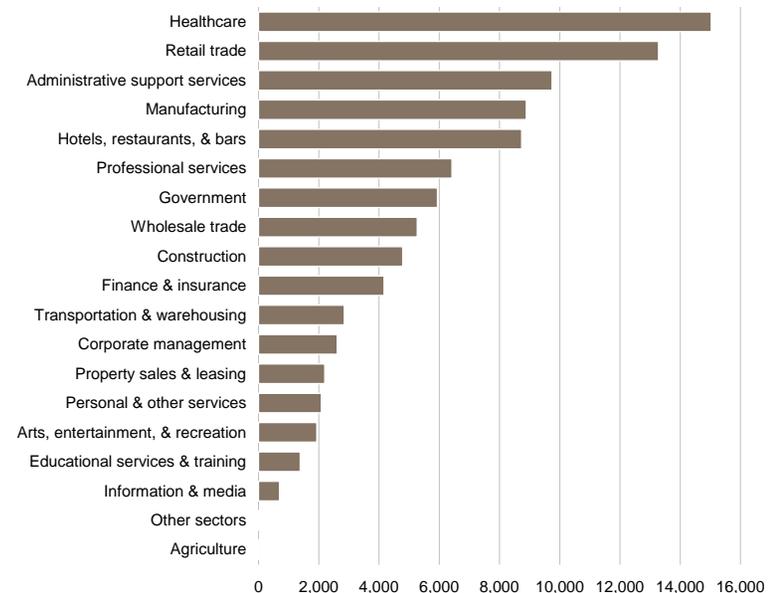
Information Technology Zone (Meriden, Connecticut) Real Property Tax Breaks		
Cost of Improvements	Percentage Deferred of Increased Assessment	Term
\$3 million or more	Year One - 100%	6 Years
	Year Two - 100%	
	Year Three - 80%	
	Year Four - 60%	
	Year Five - 40%	
	Year Six - 20%	
\$500,000 or more	Year One - 100% Year Two - 75%	2 Years
\$25,000 or more	Year One - 50% Year Two - 50%	3 Years
	Year Three - 50%	

➔ **STRATEGY 1.3: Create a medical overlay district to encourage new healthcare sector development and employment in the area surrounding Morton Plant Hospital.**

In terms of employment, healthcare is Clearwater’s largest sector. It is expected to continue to grow considerably over the next 10 years. Not only are healthcare services of critical importance to the aging population in Clearwater, but healthcare is one of the few national sectors of the economy that has continued to grow throughout the recession.

In particular, the Morton Plant Hospital is a valuable asset to the City of Clearwater. With over 90 years in the community, the facility is well-known and highly regarded throughout the region. In order to fully leverage this asset, the Morton Plant facility should be promoted as a cornerstone of the local economy. A medical overlay district should be applied to the area surrounding the hospital, including the Missouri Avenue Corridor, to promote and accommodate new high quality healthcare investment and employment in the area. Currently, many of the existing healthcare practices and

**Clearwater's job base by industry sector**  
*Preliminary Figures as of March 2010*



\*NOTE: Other sectors include utilities, oil/gas/mining, and unclassified establishments.  
SOURCES: Florida Agency for Workforce Innovation, Labor Market Statistics Center, 2010

companies are operating in small, aging structures that have been converted to medical office use. The overlay district should be designed to encourage the consolidation and redevelopment of smaller individual facilities into larger Class A medical office buildings. In addition, to fill new or renovated space, location incentives could be targeted to companies classified as part of the SRI-defined Applied Medicine & Human Performance cluster.

- **Action 1:** Establish a medical overlay district in the neighborhoods surrounding the Morton Plant Hospital.
- **Action 2:** Promote and expand Clearwater's growing healthcare sector.
- **Action 3:** As part of the city's business recruitment efforts, target companies included in SRI's Applied Medicine & Human Performance target industry cluster: senior Health & Wellness, Human Performance, Clinical Trials & Destination Medicine, Medical Instruments & Devices, and Health Information Technology & Bioinformatics.

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#### EXAMPLES: Medical Districts

- ✓ **Griffin, Georgia**, has established a Medical Overlay District (MOD) to support the investment of the various institutional uses. The MOD will place restrictions on those uses deemed incompatible with the future land uses anticipated in the area. The area is also intended to have a more urban, pedestrian-friendly character in the future, and therefore replacement standards that support this vision are included in the overlay district. Finally, mapped limitations on heights will help reduce the impact of large-scale uses on the surrounding neighborhoods. Consideration has also been given to the addition of an Enterprise Zone within the MOD to facilitate the recruitment of prospects.  
<http://www.cityofgriffin.com/LinkClick.aspx?fileticket=kjt18curNdc%3D&tabid=37>
- ✓ **Punta Gorda, Florida** established a Medical Overlay District (MO) in its 2025 comprehensive plan. The district was established to provide for the logical expansion of the medical office needs necessary to accommodate the growing community and region in an effort to accommodate highly-specialized, unique uses and development types related to the medical field. The intent of this MO district is to be as generous as possible in permitted uses while at the same time maintaining a clean, attractive community that provides an extension of the community primarily for medical practices.  
<http://www.chnep.org/info/HH/complplans/Punta%20Gorda.pdf>

#### Healthcare as an Anchor

Although healthcare and education facilities are often not on a community's tax roll, more and more often developers are using these types of facilities to anchor their mixed use developments. Users of these facilities generate demand for other services – housing, retail, dining, and hospitality – and employees of the facilities often earn higher than the average income. This built-in demand, in turn, increases the attractiveness of the development to tenants, allowing the developers to charge premium rents and even expedite the development timeline.

## ➤ STRATEGY 1.4: Expand the use of the Industrial, Research and Technology District (IRT).

One significant challenge facing Clearwater is the availability of undeveloped land. There are few greenfield sites for development, and few, if any, sites meet the requirements for large-scale manufacturing. The 2008 TIELS Report echoes this limiting factor: “In Pinellas County, raw industrial land is not as readily available as in other regional locations and land costs are higher. Costs for raw land vary dramatically based upon many factors, but scarcity certainly is a major consideration.”<sup>4</sup> For Clearwater to diversify its economic base, significant steps should be taken to acquire and assemble parcels of land suitable for industrial activity.

The Hercules Industrial Park is the city’s principal area for industrial development and activity. It is home to some of Clearwater’s largest industrial employers, including Monin, Aerosonic, and Instrument Transformers. In discussions with the consulting team, industrial employers located in the park identified aging structures, many of which are too small to accommodate significant expansion. However, since the park is a hodge-podge of properties located in the Clearwater city limits and on unincorporated county land, it is very difficult to privately assemble miscellaneous properties for expansion purposes. Off-the-record, several employers admit they will be forced to relocate out of Clearwater when they outgrow their existing sites and facilities.

- **Action 1:** Investigate the long-term feasibility of converting Clearwater Executive Golf Course to an Industrial, Research and Technology District.

Located adjacent to the Hercules industrial area, the par-3 golf course represents the best opportunity for expanding Clearwater’s stock of undeveloped industrial property. For a built-out, landlocked city with little industrial land this is essential. If the city hopes to expand its manufacturing base, this and other similarly underutilized city-owned properties should be evaluated for accommodating new industrial development.

- **Action 2:** Investigate the feasibility of combining adjacent city-owned parcels and facilities in the industrial park into a single site capable of accommodating a major industrial expansion or relocation.

IRT-Zoned Properties in Hercules Industrial Area



Note: IRT district shaded purple. White areas are unincorporated county land.

<sup>4</sup> TIELS Report

- **Action 3:** Evaluate other non-industrial sites in the city appropriate for converting existing zoning to IRT.
- **Action 4:** Protect existing industrial land in the city from converting to other uses.
- **Action 5:** Consider providing incentives to property owners or business to assist in rehabilitating/updating old facilities.

➤ **STRATEGY 1.5: Evaluate the city’s development review and approval process to make the procedures and requirements more business friendly.**

For Clearwater to successfully attract, expand, and retain private investment and jobs, the city must develop a business-friendly reputation. Because of the cost and time involved in the city’s development review and permitting processes, this is currently not the case in Clearwater. This sentiment was echoed in every focus group and interview.

- **Action 1:** Work with representative of the local business and development community to gather input on the development review process.
- **Action 2:** Have Planning and Development Department personnel internally review development review procedures and requirements to identify areas where the process can be improved.
- **Action 3:** Identify regional benchmarks to assess areas where permitting process can be improved.
- **Action 4:** Consider expanding the city’s fast-track permitting process as an economic development incentive.
- **Action 5:** Revise the city’s development code to include acceptable recommendations for improving the development review and approval process.

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#### EXAMPLES: Fast Track Permitting Policies

- ✓ **Osceola County** provides a 5-day fast-track Permitting process made possible by Osceola I DO Team. The I Do Team is comprised of local governments, county departments, utility providers, representatives of state agencies and others as determined by each project. The team meets on an as needed basis with the client to identify permitting needs and potential delays so that those issues may be addressed quickly and efficiently. This gives the client and/or their representative direct contact with the team member that will be reviewing their permit application. Performed in concert, permitting becomes a measure of success, not a hassle.

[http://chooseosceola.com/EconomicDevelopment/tools\\_for\\_success/i\\_do\\_team.cfm](http://chooseosceola.com/EconomicDevelopment/tools_for_success/i_do_team.cfm)

- ✓ **The City of Tavares** offers “fast track” permitting as a matter of course as an economic development incentive. Tavares’s Development Review Committee meets every Wednesday at 9:00 a.m. All city departments involved in any facet of development review have a seat at a single table and meet one on one with the applicant seeking development approvals. Comments and suggestions are provided to the applicant in writing in a single document. All approvals are handled through the “one stop permitting” Community Development Office. Generally most plans can be reviewed and approved in a matter of a few weeks rather than months that it takes in some jurisdictions.

<http://www.tavares.org/index.aspx?nid=435>

- ✓ **The City of Boca Raton** provides services to assist the development process for a relocated or expanding company that meets certain criteria. Based on the needs of the company or business, the city will offer assistance to eligible businesses during the development process through one or more of the following programs or functions:

- Site Selection Assistance
- Individualized Development/Building Plan Review Team
- Expedited Permitting
- On-line Permitting
- Delay of Payment Date of Development and/or Permit Fees
- Reduction of Development and/or Permit Fees

<http://www.ci.boca-raton.fl.us/ecodev/incentpol.shtm>

- ✓ **Silver Springs, Maryland** has received national recognition for its Green Tape program. Under the program, projects proposed for the city’s desired redevelopment zone are assigned to a Green Tape team member to help speed up the review process. Led by a permit technician, the multi-departmental team makes Green Tape projects their top priority, with a goal of issuing permits within two weeks of receiving the application.

<http://www.epa.gov/smartgrowth/case/greentap.htm>

**Neighboring Community Permitting Process Benchmarks**

	<b>City of Clearwater</b>	<b>City of Dunedin</b>	<b>City of St. Petersburg</b>	<b>City of Sarasota</b>	<b>City of Lakeland</b>
<b>Does your community have a fast track permitting process?</b>	Yes – Early start option on commercial projects (before plans are formally approved).	No- insufficient staffing to move applications through the process more quickly.	Yes, for commercial and residential. Early start option on commercial projects (before plans are formally approved).	None	Only at the discretion of the building official.
<b>What is the average days-to-permit for a commercial project?</b>	First review: 3-4 weeks; after re-submittal, within 5 working days.	1 week	10-12 business days	2-3 weeks, depending on the quality of the plans.	2-3 weeks
<b>How many permits are processed annually?</b>	Currently 7,000/year. Down from 10,000-12,000 5 or 6 years ago.	3,000-4,000 currently; (compare to 8,000 permits in 2005)	Did not mention.	5,000 permits/year	Over 8,000 permits last year
<b>Is there a coordinated development review committee?</b>	Yes – Building permit review committee meets weekly.	Yes; all large projects meet with City stakeholders at the onset of the project.	Yes	Yes, for larger projects.	An owner or developer can present a project in the concept state (no formal plans) to a Design Review Team and get feedback; 20-30 day limit for DRT to respond on a formal submission.

## GOAL TWO: INVESTMENT CLIMATE

### *Develop the policies and tools to compete for new private investment and jobs.*

Clearwater finds itself in a highly competitive market within the region, state, and nation for new investment and jobs. Many Florida communities compete to attract new businesses by utilizing various types of financial incentives. To be competitive, the City of Clearwater must also creatively and judiciously utilize targeted incentives to attract and retain valuable employers and to support commercial development and revitalization. Indeed, the city has successfully utilized EPA Brownfields funds to stimulate new private investment in and around the downtown core.

TIP recommends that Clearwater formalize and prioritize the use of incentives and other financial and nonfinancial tools to promote and accommodate new investment. The first step in doing so is to clearly articulate the community's goals for new development. While job creation is an important consideration, the value and success (or lack thereof) of a private enterprise should be judged on more than the number of jobs created. In other words, job creation should not be the single determining factor in the use of incentives or in triggering their return through a "recapture" provision in the policy.

Along with job creation, consideration should be given to developing incentives based on:

- Capital investment (i.e., the value of real property and personal property such as machinery and equipment)
- Number and types of new jobs, with preference given to employers that create higher wage jobs (e.g., 120 percent above the median annual salary for the region)
- Location (desired development areas as evidenced by existing and planned infrastructure, as well as the comprehensive land use map),
- Local annual sales and property tax generated to the city
- Site plan characteristics

### **Incentives**

Formal incentives policies should be carefully crafted in a transparent manner to ensure that they yield a net benefit to area taxpayers. The following principals should be considered when establishing a policy:

- ✓ the targeted investment would not occur without the incentive
- ✓ the investment should generate new economic activity in the area instead of displacing existing businesses

When creating an incentives deal for a particular prospect, we recommend the following:

- ✓ a statement demonstrating how the proposed incentive relates to the broader economic development strategies,
- ✓ a formal cost/benefit estimate weighing the estimated direct/indirect benefits (e.g., tax base enhancement, increase in retail sales, increase in wage rates) to the incentive costs (e.g., tax abatements, training subsidies, infrastructure improvements) associated with a particular deal, and
- ✓ a "recapture" agreement that protects the community by requiring some expectation of performance from the recipient.

- Targeted business sectors (e.g., software, professional services, finance and insurance, and high tech electronics.)
- Specific community goals (e.g., incentivizing projects that meet affordable housing or energy efficiency goals or that utilize local labor or construction materials)

Some communities choose to adopt strict incentives policies in order to protect public investments. However, TIP recommends the City of Clearwater’s policy state that each project will be evaluated on a “case-by-case basis” using the guiding principles articulated by the plan.

➔ **STRATEGY 2.1: Adopt a formal incentives policy.**

A formal policy should provide clear guidance on the standards to qualify for incentives, especially tax incentives. The policy should function as a broad set of guidelines rather than a restrictive checklist: projects should always be evaluated individually. Some projects that may not meet minimum qualifications may still merit consideration for assistance due to other positive impacts they offer according to the city’s guiding principles.

Eligibility for and the value of the incentives should be based on an understanding of the project’s fiscal impact. Most taxing authorities will establish minimum qualifications with respect to investment and jobs. For example, Pinellas County requires that the project provide a net capital investment of at least \$50 million in Pinellas County and the company must create at least net new high wage jobs (jobs paying at least 150 percent of the average county wage) to be eligible for the Job Creation Incentive Program.<sup>5</sup>

- **Action 1:** Determine incentives to be offered. Consideration should be given to a broad range of both financial and non-financial incentives which are available to the city.
- **Action 2:** Determine thresholds that will trigger incentives and recapture provisions.
- **Action 3:** Once a policy is in place, actively promote the availability of incentives.



Existing Incentives	
TYPE	EXAMPLES
Industry Incentives	Qualified Target Industry (QTI) Tax Refund
Workforce Training	Incumbent Worker Training (IWT) Quick Response Training (QRT)
Location Incentives	Brownfields Incentives HUBZone Program Community Redevelopment Agency (CRA) Enterprise Zone

<sup>5</sup> [http://www.largo.com/egov/docs/1227623613\\_4795.pdf](http://www.largo.com/egov/docs/1227623613_4795.pdf)

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**EXAMPLE: Sarasota County Economic Development Policy Guidelines (<http://www.edcsarasotacounty.com>)<sup>6</sup>**

- ✓ “The following factors shall be applied when the Board makes its determination as to whether to grant any economic development incentive, to a requesting business, and, if applicable, the amount, the duration and percentage of the Exemption:”
  - A. Number of new full-time Sarasota County positions created by the Business as the result of relocating to or expanding in Sarasota County.
    - 1. Under 10 employees – below average score
    - 2. 10-25 employees – average score
    - 3. 26-50 employees – above average score
    - 4. Over 50 employees – excellent score
  - B. Average Wage of the new Employees of the Business located in the County.
    - 1. Average wage under MSA annual average – below average score
    - 2. Average wage between MSA annual average and up to 125% of MSA annual average – average score
    - 3. Average wage between 125% of MSA annual average and up to 150% of MSA annual average – above average score
    - 4. Average wage over 150% of MSA annual average – excellent score
  - C. Amount of Capital Investment
    - 1. Capital investment under \$2.5 million – below average score
    - 2. Capital investment between \$2.5 million and \$5 million – average score
    - 3. Capital investment between \$5 million and \$10 million – above average score
    - 4. Capital investment over \$10 million – excellent score
  - D. Innovative Business
    - 1. Type of business
    - 2. Energy efficiency
    - 3. Recipient of awards
    - 4. Community involvement
  - E. Commitment to local procurement
  - F. Net positive contribution to the local economy
    - 1. Exporting percentage

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<sup>6</sup> Source: Sarasota County Board of Commissioners, Resolution No. 2010

2. Business diversification

G. Sales Factor as applied to Enterprise Zones (for Economic Development Ad Valorem Tax Exemption Incentive only)

- ✓ "The following Economic Development Policy Guideline Worksheet shall be used as a means to quantify the impact the applicant business is projected to have on the economic sustainability of the community:"

	Score: Below Avg.	Score: Average	Score: Above Avg.	Score: Excellent	
Enter an "x" in the scoring boxes (only one per row)	1	2	3	4	Score:
1. Number of current and projected employees					0.000
2. Average Wage of Employees					0.000
3. Amount of capital investment					0.000
4. Innovative Business					0.000
5. Commitment to local procurement					0.000
6. Net positive contribution to local economy					0.000
7. Sales Factor for Enterprise Zones Only					0.000

Tax exemption score percentage: 0%

➔ **STRATEGY 2.2: Use incentives and other tools to encourage desired development.**

Goal One highlights several areas in the city where development activity should be directed. Given this focus and the lack of greenfield sites in Clearwater, the majority of new development will be infill and redevelopment projects. These types of projects frequently face higher land acquisition costs and development costs than greenfield sites because of surrounding uses, contamination, and/or the effects of market speculation. As a result, these types of projects typically face higher cost structures, making them difficult to finance through traditional means. Specific actions to address this challenge include educating community lenders about the value of infill projects and identifying opportunities for increased public participation in the form of incentives and other strategies to reduce costs.

The following are examples of tools to encourage development:

- **Development fee reduction:** For appropriate projects, the city should consider waiving or rebating a portion or the entire amount of city fees charged in the regulation of land development. These reductions could be tied to specific performance criterion similar to those for described for incentives (above).

- **Fast track permitting:** See *Strategy 1.5*. The local land-use decision making process can create a significant barrier for infill and redevelopment projects. For example, requiring developers to submit detailed development plans at the beginning of the development review process can add significantly to costs, increasing the risk and, in some cases, making the project financially infeasible.
- **Ad valorem tax exemption:** One of the most common forms of local property tax incentives in Florida is the ad valorem tax exemption. Local citizens must vote in a referendum authorizing a city or county to offer these exemptions. To support desirable large-scale new development and redevelopment, the City of Clearwater should consider a city-wide ballot authorizing the targeted use of this tax exemption.
- **Public participation in land development:** To encourage certain commercial, industrial, or residential developments, public participation may be appropriate. The city's role in such projects can take a number of forms, including acquiring property and constructing a build-to-suit facility, sale-leaseback arrangement (see text box), and rebating sales taxes to paying some or all of the costs of required infrastructure.

#### **Example: Sale-Leaseback Incentive**

The sale-leaseback incentive tool is an alternative to a traditional arrangement whereby a community pays for the development of new build-to-suit facility for a specific employer and charges a rental rate substantially below market rents. Under a sale-leaseback arrangement, a community would sell a build-to-suit facility to an investor-developer for an amount above construction cost. The community would receive a bonus cash payment from the investor who will own the building. In turn, the community would sign a long-term fixed lease (15-20 years) on the facility at a market rate, which it would then sub-lease to an employer for the same period at the community's rental rate.

The sale-leaseback investor will pay the community more than the brick and mortar cost of the building as the investor is paying for the building on the basis of the long-term lease commitment of the community. The community then has one of three options: (1) it takes the cash bonus from the investor-developer for itself; (2) it passes the bonus on to the company as a cash grant or forgivable loan; or (3) it reduces the rent to the company by the amount of the cash bonus. By investing the cash bonus into an interest-bearing account, the community may further reduce rents by the amount of interest generated.

Because the community has master-leased the entire building, it may not be obligated to pay real estate taxes. In many jurisdictions, this benefit can be passed on to the community's tenant as an additional incentive.

## EXAMPLES: Public participation in land development

### **Case Study: Spectrum (Pearland, TX)**

**Introduction:** The Spectrum at Clear Creek in Pearland, Texas is a 1,000 acre mixed use development at the intersection of Beltway 8 and Hwy 288 South. Phase I of this development is a 200-acre mixed-use business and technology park. The park is being marketed to firms in the advanced sciences – biotechnology, life sciences, and nanotechnology.

The total area is owned by numerous owners. However, the City of Pearland and Pearland Economic Development Corporation (PEDC) have taken a leadership role in envisioning the development and putting in place the tools to make that vision be realized. They have put in place two management districts that cover the full 1,000 acres. Each of these districts is funded by a half-cent sales tax. The city has also adopted a form-based code to encourage higher quality design standards and uses its infrastructure strategy to enable and prioritize

the types of development envisioned for the district. Finally, the inclusion of the area's major developers on the management district boards and the consistent involvement of stakeholder groups enabled the city and PEDC generate buy-in for the development vision among the various land owners.

**Program Structure:** The PEDC has dedicated its business recruitment efforts and resources to attracting businesses to the Spectrum. To secure an anchor for the technology park, the Pearland Economic Development Corporation purchased a 10-acre parcel in the development. The community successfully attracted Cardiovascular Systems, Inc. (CSI), a Minnesota-based medical device manufacturing company as the development's anchor tenant. Because PEDC controlled the parcel, it was able to offer CSI a built-to-suit facility that CSI could lease from PEDC at a below-market rate. It also offered CSI \$6.25 million in incentives and helped CSI secure an additional \$600,000 from the Texas Enterprise Fund.

**Outcomes:** Pearland was able to beat out 200 other communities with its incentives package to attract Cardiovascular Systems, Inc. Additionally, with the anchor in place, the PEDC was able to more effectively market the park. A new private surgical facility is scheduled to open at the Spectrum in 2011.



**Case Study: SRI International (St. Petersburg, FL)**

**Introduction:** In 2006, SRI International (SRI) proposed establishing a new Florida-based research, development, engineering, and technology transfer center in St. Petersburg in association with USF's Center for Ocean Technology. For the project to be successfully completed, Pinellas County, the City of St. Petersburg, the Florida Department of Transportation (FDOT), and the State of Florida offered SRI significant public incentives.

**Program Structure:** The City of St. Petersburg was awarded a \$5 million grant from the Florida Seaport Transportation and Economic Development Council (FSTED) and Pinellas County provided \$5 million in matching funds for the design and construction of the SRI-St. Petersburg facility at the Port of St. Petersburg. Pinellas County's contribution served as a 50 percent match to the state's contribution to design and construction. SRI-St. Petersburg was responsible for all design and construction costs exceeding \$10 million. The City of St. Petersburg then provided SRI with a 10-year lease on the 38,000-square foot facility at a nominal rate - \$1 in annual rent for 10 years. In addition, the City of St. Petersburg coordinated \$1.5 million in wharf improvements and site demolition and preparation costs. The project also included a \$20 million grant from the State of Florida to offset SRI-St. Petersburg's start-up costs for the first 3-5 years of operation, as well as other substantial state funding related to the partnerships between the company and the University of South Florida. SRI-St. Petersburg invested \$3.5 million in the project.

**Outcomes:** In return for tax incentives, SRI agreed to employ 100 employees by 2012. The jobs are supposed to carry average salaries of \$55,000 to \$63,000. Today, SRI-St. Petersburg is a leading member of the St. Petersburg Ocean Team, which is a consortium for marine science, oceanographic, and environmental research agencies and institutions and is one of the top such industry clusters in the nation. The consortium and its related cluster agencies and businesses employ over 800 people and have an annual payroll in excess of \$24 million.

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- Energy efficiency retrofit grants: An emerging tool for promoting new investment and reinvestment in commercial and industrial properties is public assistance for energy efficiency retrofits. Such measures are increasingly welcomed by the private sector as they help to reduce energy costs, improve the property market values, and support individual company efforts to become “greener” and more environmentally conscious. A new financing tool allowing local governments to assist with private energy efficiency retrofits is a Preferred Assessed Clean Energy (PACE) bond (*see text box*).
- **Action 1:** Streamline existing development review and approval processes for those projects that achieve infill and redevelopment goals.
- **Action 2:** Identify and promote other incentives and tools, such as PACE Bonds or Enterprise Zones that could facilitate development in desired areas.
- **Action 3:** Work with local lenders to ensure that adequate financing options are available to support infill and redevelopment projects.
- **Action 4:** Explore options such as sale-leaseback arrangements for public participation in selected infill or redevelopment projects.

#### Property Assessed Clean Energy “PACE” Bonds

The proceeds of a Property Assessed Clean Energy (PACE) bond are provided to commercial and residential property owners in the form of a loan to finance energy retrofits (efficiency measures and small renewable energy systems). The loans are then repaid by the property owner over 20 years via an annual assessment on their property tax bill.

PACE bonds can be issued by municipal financing districts or finance companies and the proceeds can be typically used to retrofit both commercial and residential properties.

Florida is one of several states that have passed legislation enabling Florida communities to create PACE Energy Districts.

SOURCE: [pacenow.org](http://pacenow.org)

## GOAL THREE: BUSINESS RETENTION AND EXPANSION

*Create an environment that promotes the prosperity and growth of existing businesses.*

TIP recommends the City of Clearwater expand its commitment to supporting the retention and expansion of existing businesses. A vibrant business retention and expansion (BRE) program should be the cornerstone of any economic development program. When existing businesses thrive, so does the community. The U.S. Chamber of Commerce estimates that 40 to 80 percent of all new jobs are created by existing firms. Prosperous, competitive businesses are more likely to remain and grow in the community, providing the best opportunity to expand a community's tax base. A BRE program can identify barriers to survival and growth that local businesses face, particularly during difficult times. Such a program also demonstrates support for existing firms. Actively offering support is crucial because established businesses often get overlooked in a community's enthusiasm to recruit new headline-generating businesses. Ensuring the long-term success of existing companies also aids business attraction, as firms considering moving will often talk to existing firms in the community.

Considering the limited staff and financial resources available, this strategy offers the highest return on the city's efforts. This sentiment was reinforced in the industry focus groups with the consulting team. Many business owners and representatives expressed a desire for regular interaction and support by city economic development professionals. However, the Economic Development and Housing Department is not sufficiently staffed to maintain an aggressive BRE program.

### ➔ **STRATEGY 3.1: Build and maintain a database of existing businesses in Clearwater.**

The City of Clearwater requires a business license which must be renewed annually. An economic development survey included with licensing forms in the past has been an effective mechanism for reaching out to companies. The licensing process provides a prime opportunity to collect information about local businesses, including number of employees, NAICS codes, and so on. The city could more fully leverage the survey to (1) establish and maintain an accurate database of businesses operating in Clearwater, (2) gain insights about the existing business base, and (3) offer support to businesses in a manner that is less demanding of staff time.

- **Action 1:** Maintain an inventory of the types of businesses already in the community, as well as new locations and expansions.
  - The city should continue to document existing businesses and available properties.
  - Utilize other valuable sources of information about the local business base, such as business tax records, utility hookups, and ownership transfers.
- **Action 2:** Install and utilize a customer relationship management (CRM) software system for maintaining the business inventory and managing the city's relationships with local businesses.
  - Evaluate systems utilized by other economic development organizations in the region.

- Advocate for the adoption of a common CRM program by Pinellas County Economic Development and the municipal economic development departments in the county. Indeed, the adoption of a regional CRM is a recommendation of Tampa Bay Regional Business Plan. Two widely-used CRM programs are Sage Act! and Salesforce.com. Establishing a common county-wide CRM platform that will allow for the development of a comprehensive existing business database. Each economic development entity will be able to independently contribute to and update the database.
- **Action 3:** Administer a regularly scheduled employer survey.
  - This survey could be administered alongside the business licensing process or separately.
  - Ideally, both the licensing process and the survey could be conducted online so that data could be analyzed efficiently and updated annually.
  - Survey Monkey and Google Forms are useful, free/low-cost online survey options that allow for the rapid analysis of data.
  - The survey results should be entered into the CRM system.
- **Action 4:** Produce an annual report of BRE activities and employer survey results.
  - Provide ongoing evaluation and reporting by preparing an annual report to the community on Clearwater's BRE efforts and successes.

### ➔ **STRATEGY 3.2: Refine the Clearwater business visitation program.**

In 1997, the Clearwater City Council adopted an official business visitation program. Over the life of this program, over 150 different businesses representing more than 10,250 employees in the Clearwater were visited. This program prioritized companies in the following order: (1) public companies; (2) companies with over 50 employees; (3) businesses located in Clearwater 10 years or more; (4) tenants in Class A office buildings; (5) industrial sites, etc. Initially a partnership with Pinellas County Economic Development and the Business Assistance Program (BAPS) allowed the staffs to split visitation and business retention responsibilities, but this program no longer exists.

The current business visitation program consists of a monthly meeting with the president/CEO of a Clearwater business and representatives from the City of Clearwater (possibly including the mayor, a member of city council, city manager, and/or economic development staff). Monthly meetings are scheduled on a regular basis but conflicts often arise, making this method of communication with local businesses relatively unreliable. To supplement findings from the employer survey and enhance the city's capacity to maintain relationships with local businesses, city economic development staff and leaders should visit at least 30 Clearwater businesses per year. The purpose of the visits should be to gauge the ability and needs of local businesses to operate successfully and possibly expand in Clearwater. A set procedure should be established for these visits to ensure that consistent information is gathered.

- **Action 1:** Evaluate the existing business visitation program and make necessary changes to optimize the process.

- Assess the method by which businesses are identified and prioritized for visitation.
  - Tailor the employer survey instrument to best capture critical information from business executives and owners during the visit.
  - Set in place procedures for entering information gathered from the visit into the CRM system.
  - Set specific goals for the program (e.g., conduct at least 30 visitations annually.)
  - **Action 2:** Support SRI International's 2010 recommendation to initiate a coordinated region-wide BRE outreach and assistance program.
    - Collaborate with the Tampa Bay Partnership, Pinellas County Economic Development, and the Clearwater Chamber to re-establish a coordinated business visitation program.
    - Work with Pinellas County Economic Development to establish a formal Business Assistance Partner counseling location in Clearwater.
  - **Action 3:** Create regular business forum.
    - Provide opportunities for local businesses to meet regularly with the city's leadership, economic development staff and community planning staff.
    - Hold a quarterly business forum or industry roundtables organized around a specific topic of interest (such as planning and zoning issues or transportation infrastructure). These meetings do not need to be elaborate or costly. Local restaurants will often donate meeting space in return for the lunch or dinner traffic. The goal is simply to keep an open line of communication between employers and public officials.
- ➔ **STRATEGY 3.3: Increase staffing for BRE activities.**

Establishing and maintaining relationships with local businesses is essential to business retention and expansion. Maintaining accurate information, soliciting input, and addressing company concerns directly are all important. Staffing is a significant challenge for maintaining a strong BRE program in Clearwater. Currently, economic development staff is limited to a director and one coordinator. TIP's recommendations emphasize efficiency and cooperation as a means to limit the staffing resources required for BRE activities; however, increased staffing will also be necessary to support a formal business visitation program in Clearwater. For Clearwater to maintain strong relationships with its existing business community and compete for new investment and jobs, the city must commit resources to conduct business retention and expansion.

- **Action 1:** The city should commit resources to hiring one full-time staff person to contribute to Clearwater's business retention and expansion activities.
  - See the text box for suggested responsibilities and duties.

**Primary business retention and expansion responsibilities and duties include (but are not limited to):**

- Building and maintaining databases of existing businesses and preferred business sites.
- Researching and compiling site location, demographic, and economic information regarding Clearwater for investment prospects and site location consultants.
- Designing and updating a community profile.
- Preparing prospect packets.
- Researching prospects and target employers.
- Representing Clearwater at various economic development events throughout the region.
- Conducting existing business visitations.
- Administering a local employer survey.
- Planning local business roundtables and forums.

## GOAL FOUR: BUSINESS DEVELOPMENT

***Support an entrepreneurship and innovation ecosystem and collaborate with regional partners to market Clearwater to target industries.***

At its simplest, economic activity is driven by ideas – ideas that get turned into a product or a service that is in turn brought to market. As technology has become more ubiquitous (helping to reduce labor and material costs), the “idea” part of the equation has become an increasingly larger share of the value. It is for this reason that governments around the world have focused on the role of innovation. Communities that can facilitate this translation of ideas to the market place are likely to have more economic activity than those who do not.

Small businesses and entrepreneurial activity stimulate job creation, spur innovation, and diversify the economic base. Entrepreneurs are exceptional assets to a city because they tend to be deeply rooted in their communities, magnifying their economic and social contributions. The rising interest in entrepreneurship also reflects the flexibility in work environments enabled by technology. Workers today are less bound to a specific place or job than prior generations– functioning almost as an “economy of one.” Location decisions are made based on the ability to connect with and access a network of people and ideas. Pinellas County and the greater Tampa region are home to a number of highly recognized individuals and programs dedicated to supporting new business development and expansion. To harness the economic power of entrepreneurship, the city should support innovation by connecting local businesses and entrepreneurs with these resources, such as the Small Business Development Centers (SBDC) at Pinellas County Economic Development and the University of South Florida (USF). While directly supporting innovation and entrepreneurship may be beyond the technical and financial capacity of the city, helping to foster an ecosystem of resources available to entrepreneurs in the region should be a priority. Facilitating awareness and use of existing programs is an excellent first step in this process.

As Clearwater refines its economic development program and as resources permit, the city should also engage in business recruitment efforts. Traditional business recruitment is a natural complement to a ‘grow your own’ innovation and entrepreneurship strategy. The primary purpose of traditional economic development recruitment is to generate interest from companies with expansion or relocation plans. The city and its partners should work toward creating an awareness of Clearwater as not only a great place to live, but also as an excellent location to do business. Given the available resources (time, money, and people), it becomes apparent that local economic development professionals must focus their recruitment efforts on industries that provide the greatest opportunities for success. Attracting a higher concentration of skilled professionals in target industries such as Software, Professional Services, and Finance & Insurance will promote sustained economic vitality for the community.

### ➤ **STRATEGY 4.1: Encourage innovation among existing businesses locally and regionally.**

Innovation drives productivity gains, fosters new business development, and bolsters existing businesses. As a result, “brokering” innovation can be an effective economic development strategy. The essence of an innovation strategy is connecting companies and entrepreneurs with sources of innovation and intellectual capital. Pinellas County and the region boast several well respected organizations dedicated to assisting existing businesses to innovate. To support the development of the region’s innovation entrepreneurship ecosystem, the City of Clearwater should connect local businesses with those resources.

- **Action 1:** Encourage local companies to work with the SBDCs at Pinellas County and the University of South Florida – St. Petersburg to pursue federal grants to support innovation, such as the Small Business Innovation Research (SBIR) Program and the Small Business Technology Transfer (STTR) Program.
- **Action 2:** Work with the Tampa Bay Partnership and Pinellas County SBDC to assist companies in identifying other sources of technical assistance, such as the Florida Manufacturing Extension Partnership.
- **Action 3:** Support SRI’s recommendation to build a regional innovation entrepreneurship ecosystem and actively participate in working group efforts as well as the Tampa Bay Partnership.
- **Action 4:** Become an affiliate member of the Tampa Bay Technology Forum.

#### **SBIR Program**

SBA’s Office of Technology administers the Small Business Innovation Research (SBIR) Program and the Small Business Technology Transfer (STTR) Program. Through these two competitive programs, SBA ensures that the nation’s small, high-tech, innovative businesses are a significant part of the federal government’s research and development efforts. Eleven federal departments participate in the SBIR program; five departments participate in the STTR program awarding \$2 billion to small high-tech businesses. [www.sba.gov/sbir](http://www.sba.gov/sbir)

### ➤ **STRATEGY 4.2: Promote entrepreneurship and small business development.**

Moving beyond business retention (*see Goal 3*), Clearwater should promote the development and growth of local startups. Successful entrepreneurial development involves a strategic, organized, and communitywide support system that provides the physical and social infrastructure entrepreneurs need. Such programs also connect entrepreneurs to capital, training, and technical assistance needed to start and grow their businesses. Ensuring that entrepreneurs feel valued – by helping them establish relationships and recognizing their successes, for example – contributes to a community’s entrepreneurial climate. While economic development professionals may consider business creation to be difficult and resource-intensive, the benefits a community reaps from a successful entrepreneurship program can be immense. Fostering an entrepreneurial climate can help a community retain local innovation and talent, build and keep wealth in the area, and contribute to the community’s character.

- **Action 1:** Consider incentives targeted toward entrepreneurs and start-ups in order to support new business development and growth in Clearwater.

- The city may also consider establishing a Revolving Loan Fund (RLF) to provide operating capital for small developing companies in Clearwater, especially those engaged in targeted sectors such as creative services and information technology. Such enterprises may well constitute a growing portion of future business activity and employment in Clearwater. To assist in capitalizing an RLF, the city could apply for a grant from the Economic Development Administration (EDA) through the agency’s Revolving Loan Fund Program.
- Another approach that may be effective in Clearwater is creating virtual incubators by using public funds to subsidize private lease space for qualifying small businesses. Such a tool offers the advantage of both supporting small business development as well as filling vacant office space.
- **Action 2:** Work with Pinellas County, USF, SCORE Clearwater, area chambers, and other business assistance partners, to create a strategic marketing plan for publicizing entrepreneurship assets available in Pinellas County and the region.

➔ **STRATEGY 4.3: Market Clearwater to local and regional businesses in target industries.**

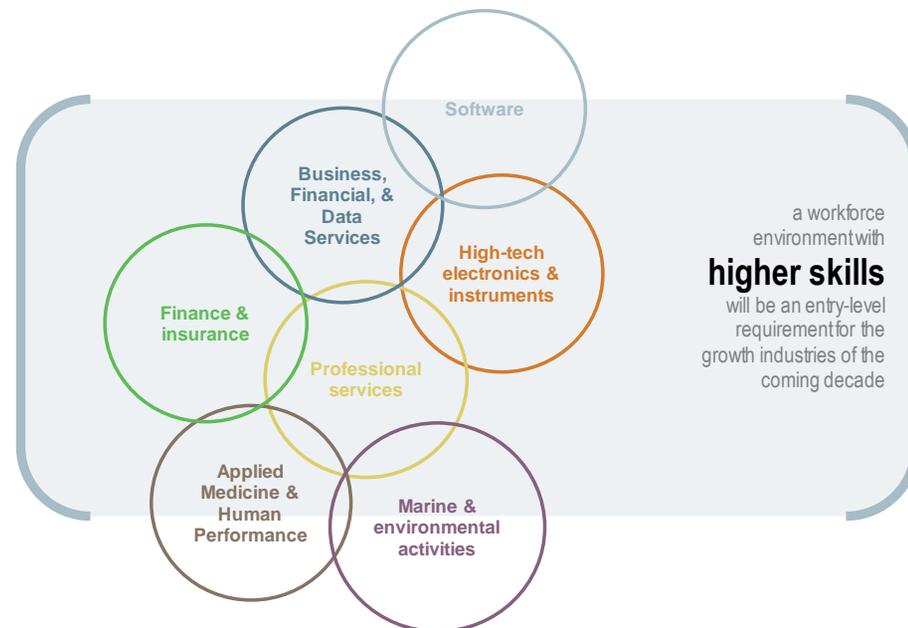
Distinguishing your community from others is the goal of marketing for economic development. To compete for new business, Clearwater must position itself and differentiate itself not only from the other communities in the Tampa Bay Area, but the thousands of communities—both in the United States and abroad—that compete for business locations and expansions. If Clearwater has the same qualities as its competitors, companies do not have a reason to choose it over other places. Clearwater needs to continue to increase its visibility in order to diversify its economic base and attract more high-wage jobs. The city and its partners should work toward creating an awareness of Clearwater as not only a great place to live and vacation, but also an excellent location to do business.

As with all successful marketing, economic development campaigns must be focused on clearly defined targets. The primary audiences for the City’s marketing efforts are:

- regional business leaders that can influence business location decisions

**Proposed target industries**

*Industries well-suited for Clearwater’s capacity and potential*



- key allies, such as state and regional economic development organizations and institutions of higher education
- members of the media
- site location consultants
- decision-makers at companies within the target industries

Choosing appropriate target industries is as much an art as it is a science. Our economic assessment analyzed demographic and economic factors affecting the region. Our analysis revealed that the region's economic base remains highly dependent on property tax revenues. In addition to the target sectors recommended by SRI for the region, TIP suggests Clearwater work to attract businesses and entrepreneurs involved in Software, Professional Services, and Finance & Insurance.

- **Action 1:** Support and participate in regional economic development marketing activities.
  - Continue participating in the Tampa Bay Partnership marketing committee.
  - Regularly participate in marketing events organized by the Tampa Bay Partnership, such as call trips, trade shows, and conferences.
- **Action 2:** Build awareness among decision-makers in additional target industries recommended by TIP (Software, Professional Services, Finance & Insurance).
  - Compile and maintain resource information for each local target industry sector.
  - Join trade or industry associations for each target industry sector.
  - Attend selected industry association events and conferences.
  - Leverage tourism marketing for talent attraction, entrepreneurship, and economic development. (See Strategy 4.4, Action 2.)
- **Action 3:** Build awareness among corporate site selectors.
  - Create and maintain a database of developers, brokers, and site consultants, initially focusing on the Tampa Bay region.
  - Continue to maintain and update site selection information on the city economic development website.
  - Interact and network with Tampa Bay regional commercial real estate and site selection community.

- Develop and distribute a quarterly e-newsletter to local businesses, regional public officials, site selectors, real estate developers, investment prospects, and other key stakeholders.
- When feasible, call on site consultants in other major metropolitan areas in Florida.
- Periodically host luncheons that showcase specific assets, such as available land and buildings or new projects.
- Offer assistance to aggressively market developers' and land owners' properties and buildings to future tenants.
- **Action 4:** Establish a prospect management system.
  - Formalize the process by which prospects can indicate interest, receive information packets, visit Clearwater, and apply for relocation assistance.
  - Post a digital form on the city economic development website allowing prospects to request an information packet, set up a visit and tour, and indicate interest in locating in the community.
  - Create a standard information packet that is provided to prospects.
- **Action 5:** Pursue new investment from companies in the region seeking to consolidate facilities to the area.
  - Visit with existing businesses in Clearwater that operate facilities outside of the city.
  - Determine whether consolidation is a possibility and offer to assist in relocating outside operations to Clearwater.
  - Meet with executives of Tampa Bay-based companies to present the benefits of Clearwater as a location for future expansion or for consolidation of outside facilities/operations.
  - Monitor Tampa Bay regional news outlets for reports of consolidation and expansion.
    - Identify economic trends, which companies are expanding and contracting in terms of employment and facilities, where satellite facilities are, and how their supply chains are structured.
  - Engage new partners for lead referral. Specific candidates include local and regional construction firms, real estate brokers, banks and service firms (legal and accounting), regional industry associations, and area colleges and universities.

#### ➔ **STRATEGY 4.4: Raise Clearwater's profile regionally and nationally.**

The primary purpose of traditional economic development marketing is to generate interest from companies with expansion or relocation plans. However, given the current environment in which many skilled professionals are selecting place first and job second, the marketing campaign should also attract individuals to the region. To do so, Clearwater and its partners will need to differentiate the Tampa Bay Area from its competitors and provide focus to the community's efforts.

Clearwater's well-known beaches and significant tourism industry is an exceptional asset for talent-attraction marketing. Not only is Clearwater a popular destination among domestic tourists, it is also a popular getaway for Canadian and European families to vacation and/or buy second homes. To the extent that Clearwater already boasts an international reputation, the community has an exceptional platform from which to engage visitors—whether in town for business or pleasure—in a conversation about the benefits of doing business in Clearwater. Conventions and conferences hosted locally are also an excellent opportunity to engage talented professionals in a conversation about how they can pursue their careers, start a company, or relocate an existing business, to the city.

- **Action 1:** Leverage tourism marketing for talent attraction, entrepreneurship, and economic development.
  - Identify a complementary theme for tourism attraction, business recruitment, and talent attraction.
- **Action 2:** Establish an aggressive conference and convention strategy linked to target sector opportunities.
  - Coordinate the targeting of specific businesses and organizations for holding conferences and symposia in Clearwater Beach.
  - Request that city economic development staff attend certain conferences and meetings to market Clearwater to representatives of the target sectors.
  - To supplement city staff, establish a local volunteer program through which local business professionals and/or retired entrepreneurs could market Clearwater asset to conference attendees.
  - Create a brief profile and coherent and coordinated marketing message to assist staff and volunteers in promoting Clearwater's positive aspects.
  - Create a formal mechanism through which the volunteers could refer potential business relocation leads.
- **Action 3:** Influence the image of Clearwater portrayed on the Web and through social media.
  - Assume ownership of Clearwater's entry on Wikipedia. Regularly update the information and data with references.
  - Redesign the Facebook page for the City of Clearwater. Join other Clearwater-related Facebook groups to influence content.
  - Create a Twitter account to update and inform businesses and residents of new announcements, upcoming events, and salient issues.

## GOAL FIVE: TALENT AND PLACE

*Improve the existing amenities in Clearwater and continue to invest in city's infrastructure and people.*

Quality of place is relevant to economic development to the extent that it strengthens a community's ability to attract and retain talent. With scenic beaches, a desirable climate, and a variety of attractions, Clearwater already boasts amenities that would be envied by most communities. In fact, a common theme that emerged throughout the focus groups conducted by TIP was the tendency for visitors to decide to relocate to Clearwater after first visiting as tourists. Not only do individuals relocate after having a positive experience in Clearwater, but they also bring their companies and families with them after deciding to make the move to Clearwater.

Increasingly, private employers rely on the skills and talent of their workforce to retain or gain a competitive advantage. Companies have discovered that one way to tap into talented workers is by locating operations in communities with a strong sense of place. This is because communities offering a multitude of amenities are the ones attracting many of today's skilled and talented workers. Likewise, a community that is attractive to talent will in turn be more likely to attract companies. Cities and regions now must compete not only to attract businesses, but also the talent that will support those businesses. Having employers in the region is no longer enough to attract talent: communities must also focus on the quality-of-place amenities that matter to workers. A company will be less likely to locate where workers are unwilling to live.

Clearwater should promote its existing assets and make strategic investments that will ensure its ability to attract a skilled workforce in the future. The basic building blocks essential for attracting, engaging, and developing talent include, but are not limited to: (1) physical infrastructure and amenities; (2) educational and workforce development resources; (3) leadership and professional development opportunities; and (4) a broader awareness of the community within the region and beyond it (marketing).

### ➔ **STRATEGY 5.1: Maintain and expand the city's transportation infrastructure.**

The success of the recommendations outlined above will depend on the availability of the necessary transportation infrastructure. While investments are already being made to US 19, the primary north-south thoroughfare, Gulf to Bay Boulevard currently presents a barrier to growth in the western part of the city. As the primary east-west route, it is important that improvements be made to reduce congestion, improve aging infrastructure, and create more favorable conditions for

### Redefining Place

Much has been written about the importance of quality of life to the site selection process. Communities throughout the nation have positioned themselves by touting their advantages in this regard—good schools, safe streets, pleasant weather. We agree these factors are important. We take issue only with the narrowness of the focus. Quality of life assumes that everyone thrives in the same environment and is attracted to the same amenities. It assumes that current residents' view of what makes a community would be shared by all.

By contrast, quality of place considers what is attractive to a range of residents, both old and new. The idea of quality of place accommodates growth and recognizes the benefits of change. It recognizes that one person's "good place to raise a family" might translate into another's "there's nothing to do in this town." Quality of place is about providing options, not just for current residents, but for those who will be residents in the future.

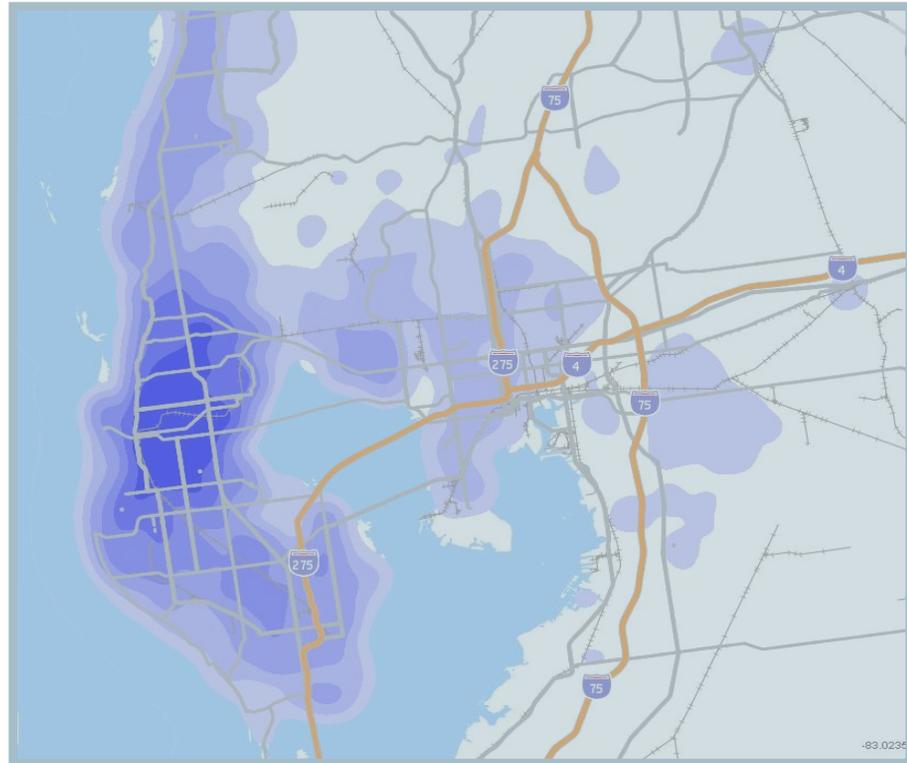
commuters that work in the downtown. This improvement is especially relevant in light of Goal 1, Strategies 1-3, which focus on increasing the density of employment downtown and making the commercial properties more desirable for commercial tenants. Commute times cannot be overlooked as a decision-maker for companies making site-selection decisions. Clearwater serves an employment center within the Tampa Bay metro area, generating more daily inbound traffic than outbound traffic. In 2008, Clearwater was home to approximately 20,000 more jobs than employed residents and according to the US Census Bureau's Local Employment Dynamics (LED) database, Clearwater draws most of its inbound commuters from Pinellas County and north along the coast. Relatively fewer workers commute into Clearwater from the east side of the bay. The city's high daytime employment population is also amplified by the tourists and visitors it attracts to Clearwater Beach.

Like a strong public school system, physical infrastructure does not enter the economic development conversation until it becomes a barrier to future growth. Maintaining and improving infrastructure must be a consistent effort because it is a fundamental, requisite investment in the city's future. To maintain the quality of place that has attracted new residents and businesses to Clearwater, the city should support infrastructure improvements geared towards greater transportation connectivity both within the city and with the Tampa Bay Area.

- **Action 1:** Continue planning and investing in local road infrastructure, especially east-west thoroughfares.
- **Action 2:** Advocate for long-term development of a regional light rail system with a stop in Clearwater and include transit-oriented development opportunities in all planning efforts.
- **Action 3:** Support expanded commercial air service at TIA.
- **Action 4:** Evaluate the need for additional city-owned maritime facilities to support commercial development, tourism, and visitor attraction.

## Clearwater's labor shed

*Where people live who work in Clearwater*



SOURCES: U.S. Bureau of the Census, Local Employment Dynamics (LED) database, 2008

### ➤ **STRATEGY 5.2: Continue enhancing public amenities and aesthetics.**

Many Clearwater business owners and professionals stated their interest in preserving and expanding the city's parks, recreational facilities, and natural amenities. Not only is this a strong value held within the community, it also makes economic development sense. Communities across the country clearly recognize the importance of recreation, parks, and preserved natural resources in their ability to make themselves more attractive to talented workers and new businesses. In addition, hosting large recreational athletic events such as youth soccer and adult softball tournaments at city facilities presents valuable opportunities to expose Clearwater to outside business owners, executives, and professionals.

- **Action 1:** Continue city-wide beautification efforts, such as improvements made along Cleveland Street and Gulf to Bay Boulevard.
- **Action 2:** Maintain and enhance city parks and recreational facilities.
- **Action 3:** Work with private developers and building owners to promote visually appealing construction and landscaping that is consistent with city standards.
- **Action 4:** Explore opportunities to develop new professional and recreational sports facilities.
  - One idea mentioned is a privately developed sports complex associated with Bright House Networks Field.
- **Action 5:** Continue enhancing and expanding the city's public harbor marinas.

### ➤ **STRATEGY 5.3 Support regional partners in workforce development, attraction, and retention efforts.**

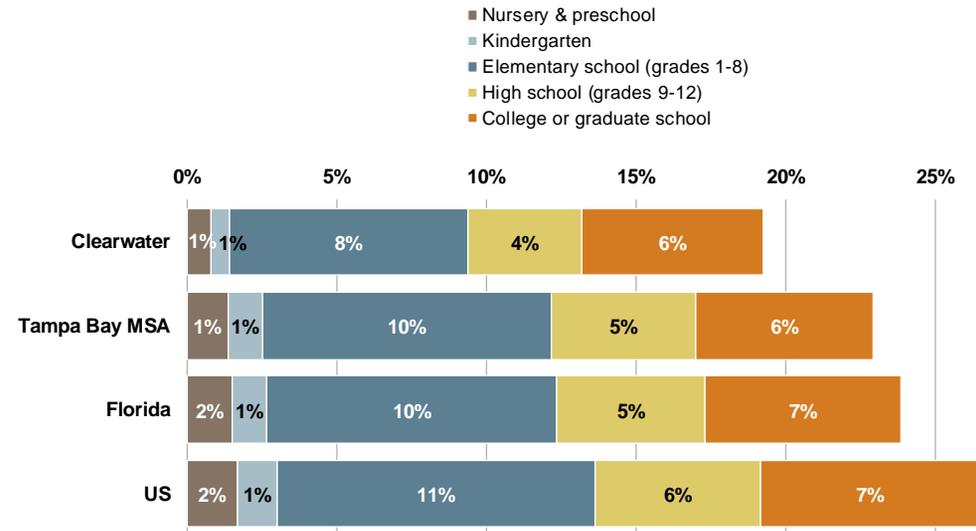
Even with today's high unemployment levels, employers continue to report difficulty finding workers, particularly in technical occupations. Documenting regional skillsets and identifying training gaps is just one benefit of a workforce-focused approach to economic development. In addition to addressing employers' needs, a solid understanding of the regional labor market is an essential foundation for a talent management strategy. During the course of an individual's career, he or she will most likely move through a series of jobs, often across multiple industries. As a result, understanding what skills are transferable and ensuring a range of options for career growth are prerequisites for attracting the talent needed to support new and emerging industries.

Clearwater should work with regional and local partners to enhance local workforce development efforts. A smaller share of Clearwater's population is enrolled in school compared to the region, state, and nation. The largest disparity is seen in the elementary school level. In all, 19 percent of Clearwater residents are likely enrolled in school. This compares to 26 percent for the nation. Educational attainment in Clearwater is on par with statewide patterns and very near national levels. The city should continue to work with the WorkNet Pinellas and regional educational institutions (i.e., Pinellas County Schools, SPC, USF) to identify partnership opportunities related to the recruitment and development of a talented and diverse workforce. In addition, the partners should continue to focus on raising educational attainment levels and improving career opportunities for local residents.

▪ **Action 1:** Encourage private-sector involvement in education and workforce.

- Establish a business-education task force to initiate an ongoing mechanism for business, education, and workforce training leaders to discuss mutual challenges and generate ideas and solutions.
- A well-known and respected business or education leader should be identified by the core team to chair the task force.
- The chair should take the lead in recruiting and assembling the members of the task force.
- Develop a work program that identifies strategies to address broad issues (such as the availability and marketing of adult education and vocational programs that are currently available to local residents), as well as specific needs, (such as rising drop-out rates among Clearwater residents).

**Current enrollment status of the population**



SOURCES: U.S. Census Bureau (American Community Survey, 2009)

▪ **Action 2:** Leverage St. Petersburg College (SPC).

- Look for opportunities to expand local workforce training activities of St. Petersburg College.
- Work with SPC to identify experienced business professionals to support faculty.
- Engage in cooperative marketing with SPC, USF, and other higher education institutions in Pinellas County.

▪ **Action 3:** Market the value of higher education to residents.

- Work with UFC, SPC, other area post-secondary institutions, and Pinellas County Schools to develop strategies for marketing the value of higher education to Pinellas County residents.

➔ **STRATEGY 5.4: Create opportunities for leadership training, professional development, and networking.**

Nurturing and attracting talent is perhaps the most fundamental issue for creating long-term, sustainable economic vitality. The concept of talent means more than a skilled workforce. It means recruiting and cultivating people with the education, experience, and interest in helping the community remain competitive in an increasingly global economy. Such a talent pool includes groups as diverse as students, retirees, and entrepreneurs. The concept of talent also means ensuring that the employees and companies that have been responsible for a community’s growth continue to see a reason to remain in the area. Ultimately, to be successful in the escalating war for talent, a community must engage young professionals with area employers, with the community, and with each other.

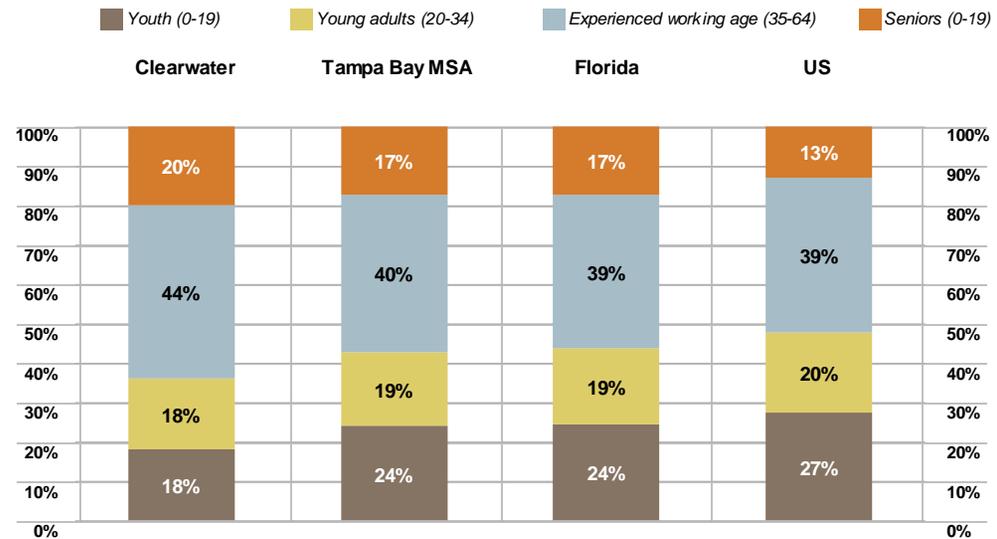
Young professionals – generally defined as ages 25 to 40 – are educated, energetic, and mobile. Because firms locate where the talent is, a community’s economic growth hinges largely on its ability to retain and attract young professionals. Demographically, Clearwater is at a disadvantage in this arena: only 36 percent of Clearwater’s residents are under the age of 35 (compared with 47 percent in the US overall). At the opposite end of the age spectrum, Clearwater has a higher share of seniors (20 percent) in its resident population than the US average overall (13 percent).

According to interviews, young professionals in Clearwater feel outnumbered by the older population locally and also do not find that programs like Emerge Tampa Bay meet their needs. The Young Professionals Association created in association with the Clearwater Chamber three years ago, which now boasts 135 members, is an excellent opportunity for young professionals in Clearwater to meet one another and network with other community leaders. Leadership development opportunities, professional skills training workshops, and other activities sponsored by the city, chamber, and Young Professionals Association will help to connect young professionals a sense of community among one another and will reinforce their connection to Clearwater.

- **Action 1:** Support the Young Professionals Association.
- **Action 2:** Create opportunities for young professionals to network with industry leaders in Clearwater area businesses.
- **Action 3:** Promote internship and apprenticeship programs for university students.

**Population distribution by age**

*Clearwater relative to the benchmarks*



SOURCES: U.S. Census Bureau (American Community Survey, 2009)

## IMPLEMENTATION

The following matrix combines all the goals, strategies, and actions in a single table. It also includes potential partners and allies as well as a recommended time horizon for implementation. The purpose of the implementation matrix is to provide a graphic representation when the actions should realistically be implemented and the most appropriate organizations to carry them out.

ACTIONS	RESPONSIBLE PARTIES	TIMEFRAME					
		Ongoing	0 to 6 months	6 to 12 months	1 to 2 years	3 to 5 years	6 to 10 years
<b>GOAL 1: LAND USE</b>							
<i>Encourage the development of sites and buildings needed to accommodate higher intensity employment opportunities.</i>							
<b>STRATEGY 1.1: Establish an employment center overlay district to encourage higher-wage employment in strategic locations.</b>							
Action 1: Establish a new overlay district to encourage new Class A office developments along US-19.	City of Clearwater				■		
Action 2: Consider applying the employment center overlay to the areas between Gulf to Bay and Drew Street appropriate for higher intensity commercial office development.	City of Clearwater				■		
Action 3: The overlay district may also be utilized to encourage commercial office development on sites currently occupied by strip center retail, RV parks, and mobile homes parks.	City of Clearwater				■		
Action 4: The city could collaborate with neighboring jurisdictions on the preparation of a US 19 corridor study.	City of Clearwater					■	
<b>STRATEGY 1.2: Create a technology district to encourage building improvements in Downtown, the Cleveland Street District, and the East Gateway.</b>							
Action 1: Create a technology infrastructure grant program.	City of Clearwater				■		
Action 2: Support the development and attraction of software firms to Clearwater.	City of Clearwater, Pinellas County ED	■					
Action 3: Assist in organizing a local software council.	City of Clearwater, Clearwater Chamber of Commerce, existing software firms			■			

ACTIONS	RESPONSIBLE PARTIES	TIMEFRAME					
		Ongoing	0 to 6 months	6 to 12 months	1 to 2 years	3 to 5 years	6 to 10 years
<b>STRATEGY 1.3: Create a medical overlay district to encourage new healthcare sector development and employment in the area surrounding Morton Plant Hospital.</b>							
Action 1: Establish a medical overlay district in the neighborhoods surrounding the Morton Plant Hospital.	City of Clearwater				■		
Action 2: Promote and expand the Clearwater’s growing healthcare sector.	City of Clearwater, Pinellas County ED	■					
Action 3: Target companies included in SRI’s Applied Medicine & Human Performance target industry cluster.	City of Clearwater, Pinellas County ED, Tampa Bay Partnership	■					
<b>STRATEGY 1.4: Expand the use of the Industrial, Research and Technology District (IRT).</b>							
Action 1: Investigate the long-term feasibility of converting Clearwater Executive Golf Course to an Industrial, Research and Technology District.	City of Clearwater					■	
Action 2: Investigate the feasibility of combining adjacent city-owned parcels and facilities in the industrial park into a single site capable of accommodating a major industrial expansion or relocation.	City of Clearwater				■		
Action 3: Evaluate other non-industrial sites in the city appropriate for converting existing zoning to IRT.	City of Clearwater	■					
Action 4: Protect existing industrial land in the city from converting to other uses.	City of Clearwater	■					
Action 5: Consider providing incentives to property owners or business to assist in rehabilitating/updating old facilities.	City of Clearwater				■		
<b>STRATEGY 1.5: Evaluate the city’s development review and approval process to make the procedures and requirements more business friendly.</b>							
Action 1: Work with representatives of the local business and development community to gather input on the development review process.	City of Clearwater	■					

IMPLEMENTATION

ACTIONS	RESPONSIBLE PARTIES	TIMEFRAME					
		Ongoing	0 to 6 months	6 to 12 months	1 to 2 years	3 to 5 years	6 to 10 years
Action 2: Have Planning Department personnel internally review development review procedures and requirements to identify areas where the process can be improved.	City of Clearwater		■	■			
Action 3: Identify regional benchmarks to assess areas where permitting process can be improved.	City of Clearwater		■	■			
Action 4: Consider adopting a fast-track permitting process as an economic development incentive.	City of Clearwater		■	■			
Action 5: Revise the city's development code to include acceptable recommendations for improving the development review and approval process.	City of Clearwater				■		

IMPLEMENTATION

ACTIONS	RESPONSIBLE PARTIES	TIMEFRAME					
		Ongoing	0 to 6 months	6 to 12 months	1 to 2 years	3 to 5 years	6 to 10 years
<b>GOAL 2: INVESTMENT CLIMATE</b>							
<i>Develop the policies and tools to compete for new private investment and jobs.</i>							
<b>STRATEGY 2.1: Adopt a formal incentives policy.</b>							
Action 1: Determine incentives to be offered. Consideration should be given to a broad range of both financial and non-financial incentives which are available to the city.	City of Clearwater				■		
Action 2: Determine thresholds that will trigger incentives and recapture provisions.	City of Clearwater				■		
Action 3: Once a policy is in place, actively promote the availability of incentives.	City of Clearwater				■		
<b>STRATEGY 2.2: Use incentives and other tools to encourage desired development.</b>							
Action 1: Streamline existing development review and approval processes for those projects that achieve infill and redevelopment goals.	City of Clearwater			■			
Action 2: Identify and promote other incentives and tools, such as PACE Bonds that could facilitate development in desired areas.	City of Clearwater			■	■		
Action 3: Work with local lenders to ensure that adequate financing options are available to support infill and redevelopment projects.	City of Clearwater		■	■			
Action 4: Explore options such as sale-leaseback arrangements for public participation in selected infill or redevelopment projects.	City of Clearwater			■	■		

IMPLEMENTATION

ACTIONS	RESPONSIBLE PARTY	TIMEFRAME					
		Ongoing	0 to 6 months	6 to 12 months	1 to 2 years	3 to 5 years	6 to 10 years
<b>GOAL 3: BUSINESS RETENTION AND EXPANSION</b>							
<i>Create an environment that promotes the prosperity and growth of existing businesses.</i>							
<b>STRATEGY 3.1: Build and maintain a database of existing businesses in Clearwater.</b>							
Action 1: Maintain an inventory of the types of businesses already in the community, as well as new locations and expansions.	City of Clearwater, Pinellas County ED, Clearwater Chamber	■					
Action 2: Install and utilize a customer relationship management (CRM) software system for maintaining the business inventory and managing the city's relationships with local businesses.	City of Clearwater, Pinellas County ED, other cities			■			
Action 3: Administer a regularly scheduled employer survey.	City of Clearwater, Pinellas County ED	■					
Action 4: Produce an annual report of BRE activities and employer survey results.	City of Clearwater	■					
<b>STRATEGY 3.2: Refine the Clearwater business visitation program.</b>							
Action 1: Evaluate the existing business visitation program and make necessary changes to optimize the process.	City of Clearwater		■				
Action 2: Support SRI International's 2010 recommendation to initiate a coordinated region-wide BRE outreach and assistance program.	City of Clearwater, Pinellas County ED, other cities		■				
Action 3: Create regular business forum.	City of Clearwater, Pinellas County ED, Clearwater Chamber			■			

IMPLEMENTATION

ACTIONS	RESPONSIBLE PARTY	TIMEFRAME					
		Ongoing	0 to 6 months	6 to 12 months	1 to 2 years	3 to 5 years	6 to 10 years
<b>STRATEGY 3.3: Increase staffing for BRE activities.</b>							
Action 1: The city should commit resources to hiring one full-time staff person to contribute to Clearwater’s business retention and expansion activities.	City of Clearwater		■				

ACTIONS	RESPONSIBLE PARTY	TIMEFRAME					
		Ongoing	0 to 6 months	6 to 12 months	1 to 2 years	3 to 5 years	6 to 10 years
<b>GOAL 4: BUSINESS DEVELOPMENT</b>							
<i>Support an entrepreneurship and innovation ecosystem and collaborate with regional partners to market Clearwater to target industries.</i>							
<b>STRATEGY 4.1: Encourage innovation among existing businesses locally and regionally.</b>							
Action 1: Encourage local companies to work with the SBDCs at Pinellas County and the University of South Florida – St. Petersburg to pursue federal grants to support innovation.	City of Clearwater, Pinellas County SBDC, USF	■					
Action 2: Assist companies in identifying other sources of technical assistance, such as the Florida Manufacturing Extension Partnership.	City of Clearwater, Pinellas County SBDC, USF	■					
Action 3: Support SRI's recommendation to build a regional innovation entrepreneurship ecosystem and actively participate in working group efforts.	City of Clearwater, Pinellas County SBDC, USF				■	■	
Action 4: Become an affiliate member of the Tampa Bay Technology Forum.	City of Clearwater			■			
<b>STRATEGY 4.2: Promote entrepreneurship and small business development.</b>							
Action 1: Consider incentives targeted toward entrepreneurs and start-ups in order to support new business development and growth in Clearwater.	City of Clearwater				■		
Action 2: Create a strategic marketing plan for publicizing entrepreneurship assets available in Pinellas County and the region.	City of Clearwater, Pinellas County, USF, SCORE Clearwater, area chambers, and other business assistance partners				■		

ACTIONS	RESPONSIBLE PARTY	TIMEFRAME					
		Ongoing	0 to 6 months	6 to 12 months	1 to 2 years	3 to 5 years	6 to 10 years
<b>STRATEGY 4.3: Market Clearwater to local and regional businesses in target industries.</b>							
Action 1: Support and participate in regional economic development marketing activities.	City of Clearwater	■					
Action 2: Build awareness among decision-makers in additional target industries recommended by TIP (Software, Professional Services, Finance & Insurance).	City of Clearwater				■		
Action 3: Build awareness among corporate site selectors.	City of Clearwater				■		
Action 4: Establish a prospect management system.	City of Clearwater				■		
Action 5: Pursue new investment from companies in the region seeking to consolidate facilities to the area.	City of Clearwater				■		
<b>STRATEGY 4.4: Raise Clearwater’s profile regionally and nationally.</b>							
Action 1: Leverage tourism marketing for talent attraction, entrepreneurship, and economic development.	City of Clearwater, CVB, Clearwater Chambers			■			
Action 2: Establish an aggressive conference and convention strategy linked to target sector opportunities.	City of Clearwater, CVB, Clearwater Chambers, local hotels			■			
Action 3: Influence the image of Clearwater portrayed on the Web and through social media.	City of Clearwater, CVB, Clearwater Chambers		■				

ACTIONS	RESPONSIBLE PARTY	TIMEFRAME					
		Ongoing	0 to 6 months	6 to 12 months	1 to 2 years	3 to 5 years	6 to 10 years
<b>GOAL 5: TALENT AND PLACE</b>							
<i>Improve the existing amenities in Clearwater and continue to invest in city's infrastructure and people.</i>							
<b>STRATEGY 5.1: Maintain and expand the city's transportation infrastructure.</b>							
Action 1: Continue planning and investing in local road infrastructure, especially east-west thoroughfares.	City of Clearwater, Pinellas County, MPO	■					■
Action 2: Advocate for long-term development of a regional light rail system with a stop in Clearwater and include transit-oriented development opportunities in all planning efforts.	City of Clearwater, regional allies						■
Action 3: Support expanded commercial air service at TIA.	City of Clearwater, regional allies	■					
Action 4: Evaluate the need for additional city-owned maritime facilities to support commercial development, tourism, and visitor attraction.	City of Clearwater					■	
<b>STRATEGY 5.2: Continue enhancing public amenities and aesthetics.</b>							
Action 1: Continue city-wide beautification efforts, such as improvements made along Cleveland Street and Gulf to Bay Boulevard.	City of Clearwater	■					
Action 2: Maintain and enhance city parks and recreational facilities.	City of Clearwater	■					
Action 3: Work with private developers and building owners to promote visually appealing construction and landscaping that is consistent with city standards.	City of Clearwater, development community	■					

ACTIONS	RESPONSIBLE PARTY	TIMEFRAME					
		Ongoing	0 to 6 months	6 to 12 months	1 to 2 years	3 to 5 years	6 to 10 years
Action 4: Explore opportunities to develop new professional and recreational sports facilities.	City of Clearwater, sports organizations					■	
Action 5: Continue enhancing the city's public harbor marinas.	City of Clearwater	■					
<b>STRATEGY 5.3: Support regional partners in workforce development, attraction, and retention efforts.</b>							
Action 1: Encourage private-sector involvement in education and workforce.	Education & business community				■		
Action 2: Leverage St. Petersburg College (SPC).	Education & business community	■					
Action 3: Market the value of higher education to residents.	Education & business community					■	
<b>STRATEGY 5.4: Create opportunities for leadership training, professional development, and networking.</b>							
Action 1: Support the Young Professionals Association.	City of Clearwater, Clearwater Chamber				■		
Action 2: Create opportunities for young professionals to network with industry leaders in Clearwater area businesses.	City of Clearwater, Clearwater Chamber				■		
Action 3: Promote internship and apprenticeship programs for college students.	Education & business community, City of Clearwater, Clearwater Chamber				■	■	

IMPLEMENTATION

## PERFORMANCE METRICS

An important piece of any strategic plan is developing the metrics by which the success of the plan's implementation will be measured and tracked. While it is difficult to directly connect the success of any plan to specific statistic (e.g., median household income), tracking some indicators provides a general understanding of the relative economic vitality of Clearwater. The metrics outlined below are intended to reflect the overall success of Clearwater's economy. Moreover, the proposed target for each metric is intended to be reached once the plan is fully implemented. For example, it is not realistic to expect 100k-200k of new and updated office space to be added in the first couple of years. It will take some time for the outcomes of the land use, incentives, business retention, and marketing actions in the plan to be realized. Additionally, new investments and jobs are likely to occur in Clearwater without the city's assistance. These successes should still be counted toward the targets as they contribute to the city's overall economic vitality. Finally, the city's ability to track, record, store, count and report this data will depend on its staffing and internal systems capacity.

SUGGESTED METRIC	TARGET	DATA SOURCE
New and updated Class A office space	100,000-200,000 sq. ft. per year	Business interviews, surveys, media, and business license records
Office occupancy rate	90%	Regional commercial office brokerage (e.g., CB Richard Ellis)
Greater tax base diversification (increased commercial share of revenues)	Improvement from historical trends	City tax data
Amount of new business investment	Improvement from historical trends	Business interviews, surveys, media, and business license records
Number of new businesses formed/attracted in target sectors	30/year	Business interviews, surveys, media, and business license records
Number of jobs resulting from new business formation and attraction in target sectors	250/year	Business interviews, surveys, media, and business license records
Median wages of new jobs created	125% of median wage for MSA	Business interviews, surveys, media, and business license records
Number of companies assisted (start-ups)	10/year	City
Population over 25 with a Bachelor's degree or higher	US rate	U.S. Census - American Community Survey

## APPENDIX A: ECONOMIC ASSESSMENT

To provide a common framework for our recommendations, TIP began by compiling demographic and economic data on Clearwater compared to the Tampa Bay MSA, the state of Florida, and the nation. The purpose is to understand Clearwater's relative economic position and highlight its competitive advantages and disadvantages.

### About the data

We based our findings on the following elements:

- A review of relevant studies, plans, and other material provided by the City of Clearwater and others;
- A review of economic and demographic data from primary and secondary sources, including the US Census Bureau, the Florida Agency for Workforce Innovation, the US Bureau of Labor Statistics, and Economic Modeling Specialists Inc. (EMSI).

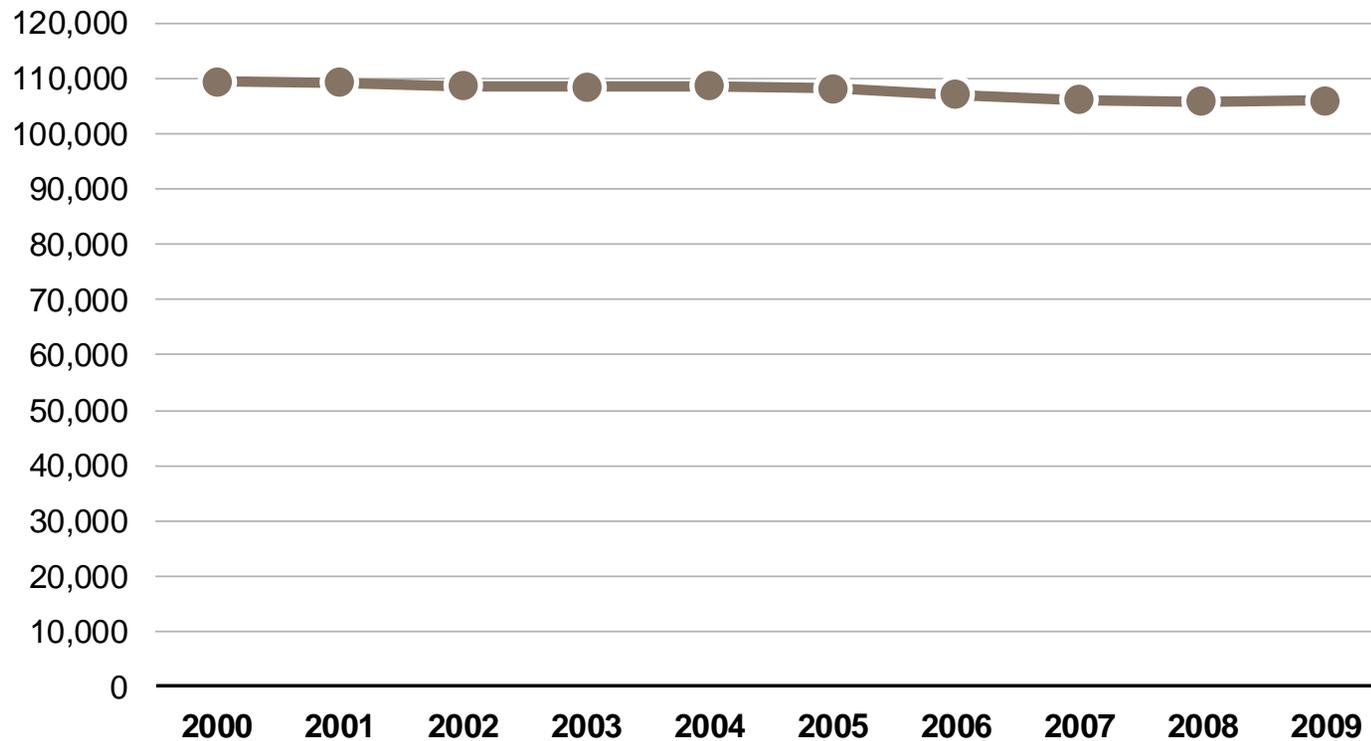


The data and analysis is organized within five categories: demographics, migration and mobility, income and housing, economy, and workforce.

## DEMOGRAPHICS

Figure 1

### Population



SOURCE: U.S. Census Bureau (Decennial Census, Intercensal Estimates Program)

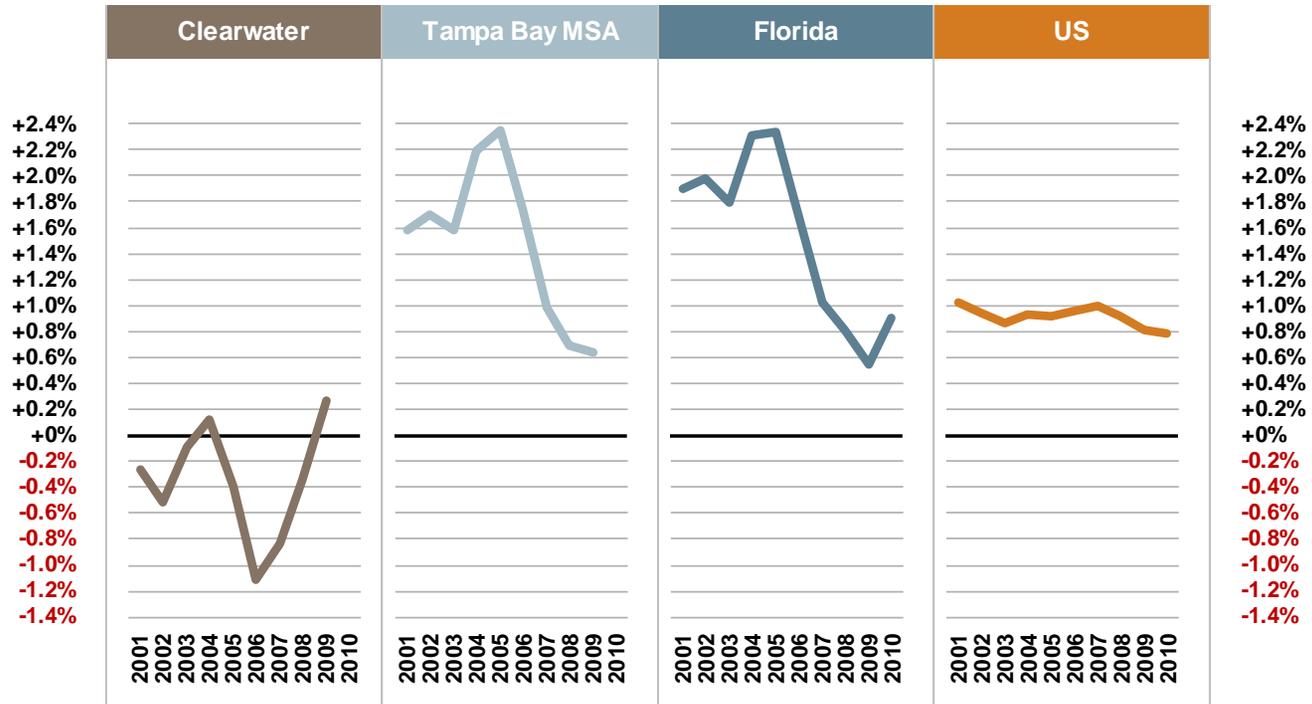
Clearwater has maintained a relatively stable population since 2000.

With little vacant land available for development, the era of explosive population growth has closed. By necessity, growth opportunities will be centered on infill development and redevelopment.

DEMOGRAPHICS

Figure 2

Population growth



SOURCE: U.S. Census Bureau (Decennial Census, Intercensal Estimates Program); TIP Strategies, Inc.

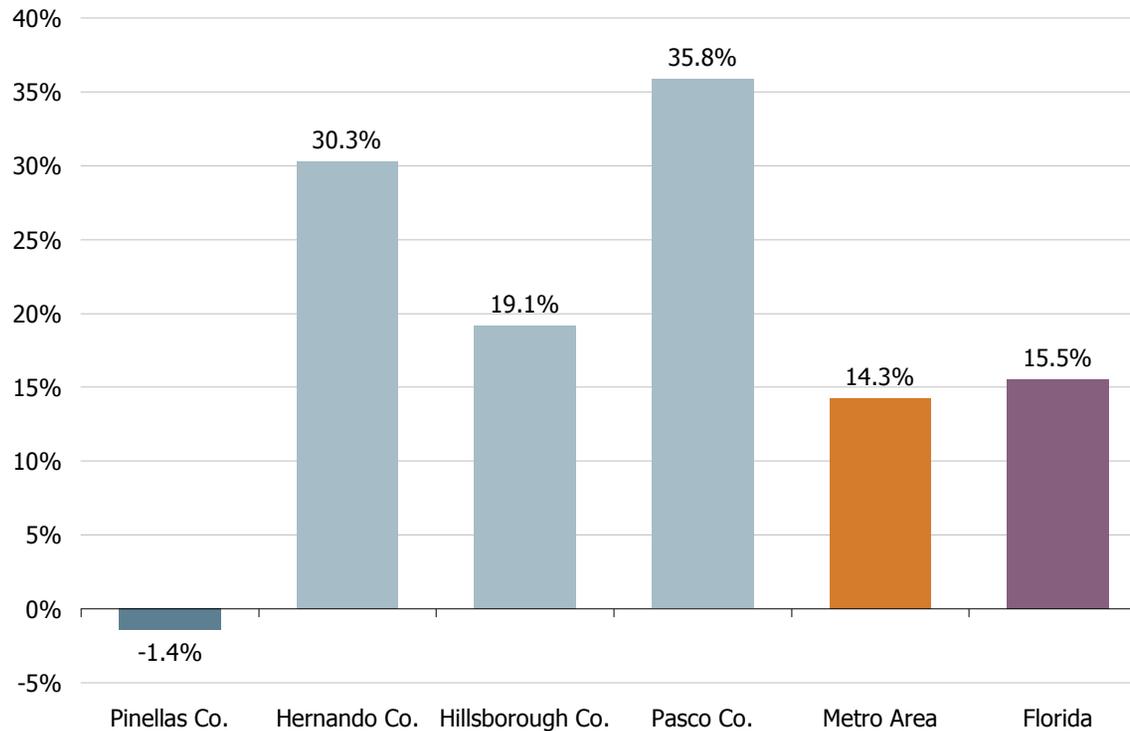
US population growth hovers around 1 percent annually. Clearwater has not broken above the national population growth rate in the past decade.

The Tampa Bay region is growing much faster than Clearwater. Population growth rates in the MSA parallel the state average.

DEMOGRAPHICS

Figure 3

**REGIONAL POPULATION GROWTH, '00-'09**



SOURCE: U.S. Census Bureau

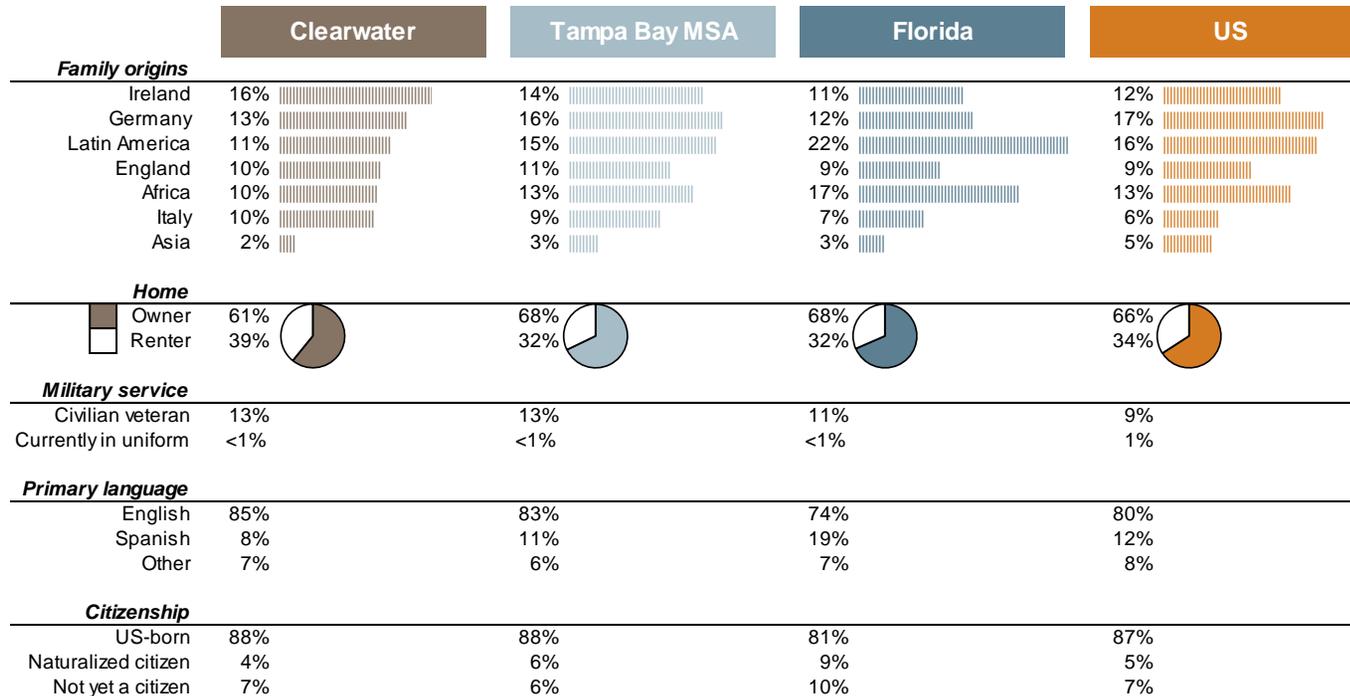
Within the Tampa Bay Metropolitan Statistical Area, only Pinellas County was estimated to have lost population during the 2000-09 period. This contrasts to the healthy growth experienced by the greater metro area and the state of Florida.

DEMOGRAPHICS

Figure 4

**Demographic comparison**

*Ancestry, homeownership, military service, language, & citizenship*



NOTE: "Family origins" is calculated from Census tabulations across multiple categories, including ancestry, race, & ethnicity; "Military service" is calculated on the population age 18 or older  
 SOURCES: U.S. Census Bureau (American Community Survey, 2009)

A quick comparison of demographic indicators shows that Clearwater has a relatively low homeownership rate compared with MSA, state, or national averages.

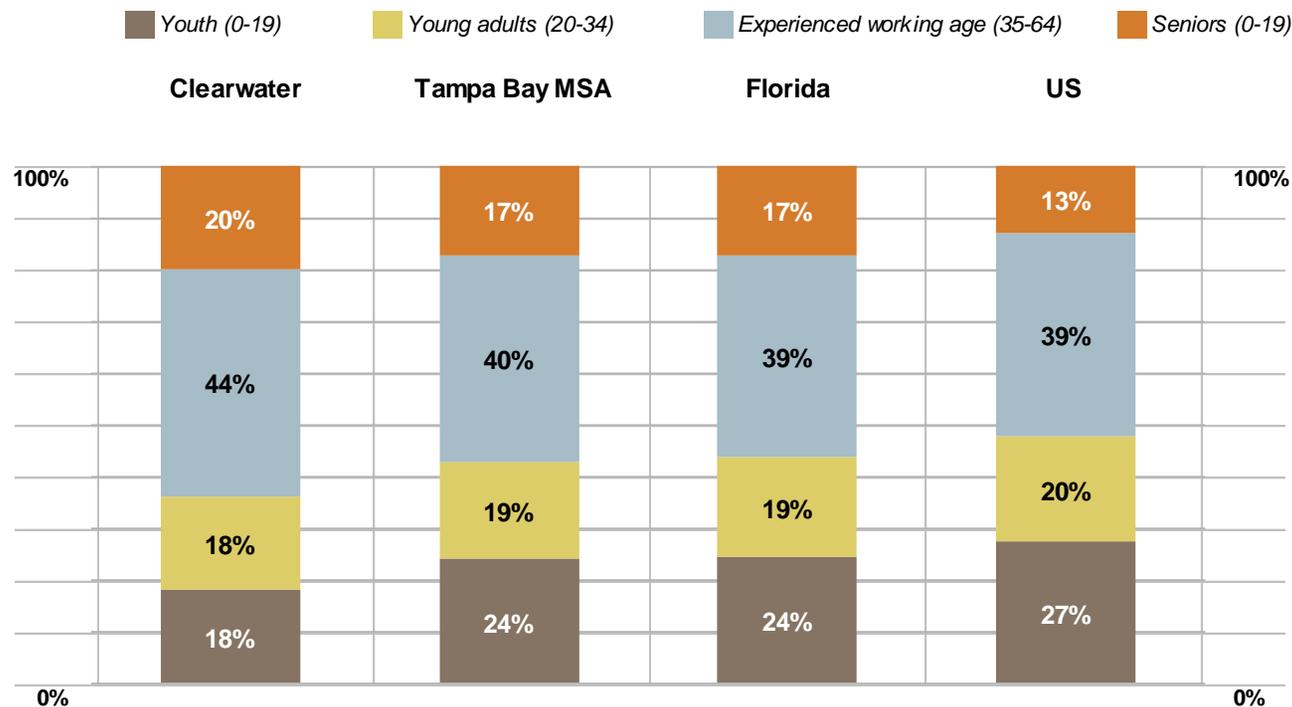
Clearwater has a higher percentage of primary English speakers and a lower share of primary Spanish speakers than region, state, or nation.

DEMOGRAPHICS

Figure 5

**Population distribution by age**

*Clearwater relative to the benchmarks*



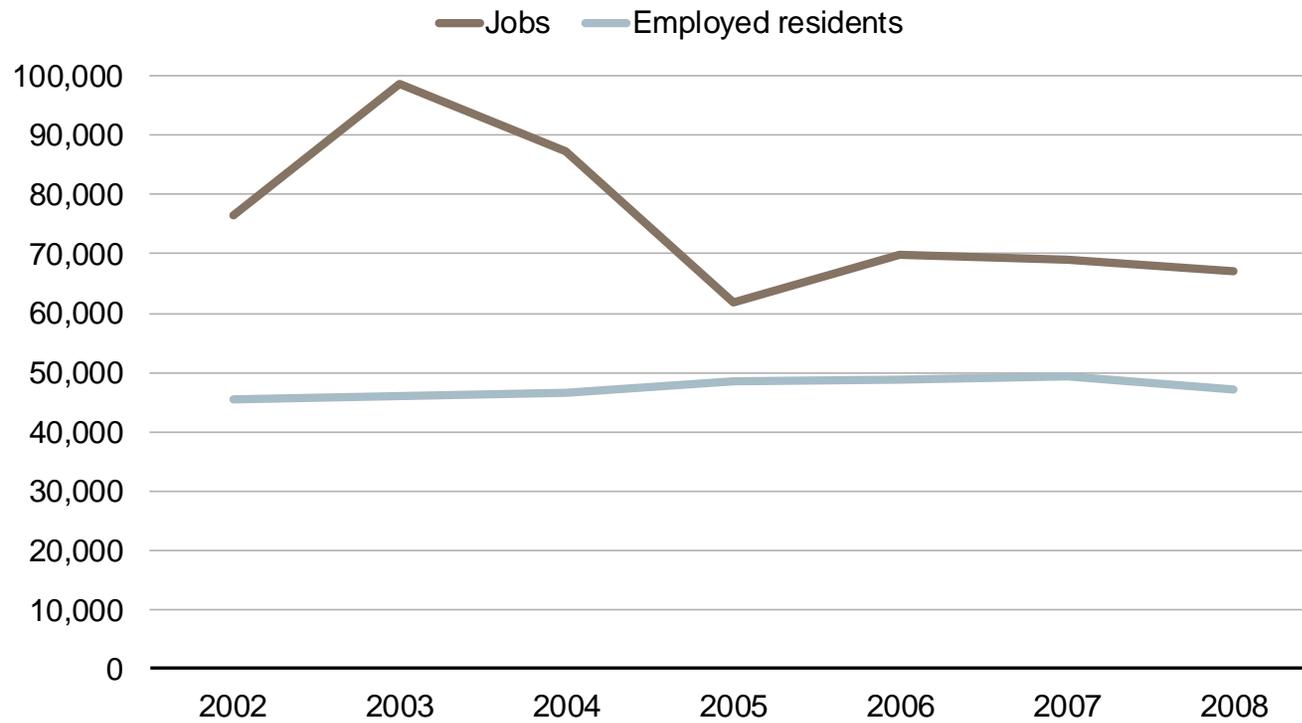
Clearwater is also home to an older population than the region, state, and nation. Specifically, it has a smaller percentage of residents below the age of 35 and a higher share of senior residents age 65 and older. For instance, about 36 percent of Clearwater's residents are under the age of 35 compared with 47 percent in the US overall.

At the opposite end of the age spectrum, Clearwater has a higher share of seniors (20 percent) in its resident population than the US average overall (13 percent).

MIGRATION & MOBILITY

Figure 6

Sources of inbound and outbound traffic, 2002-2008



SOURCE: U.S. Census Bureau (Local Employment Dynamics Origin-Destination Database)

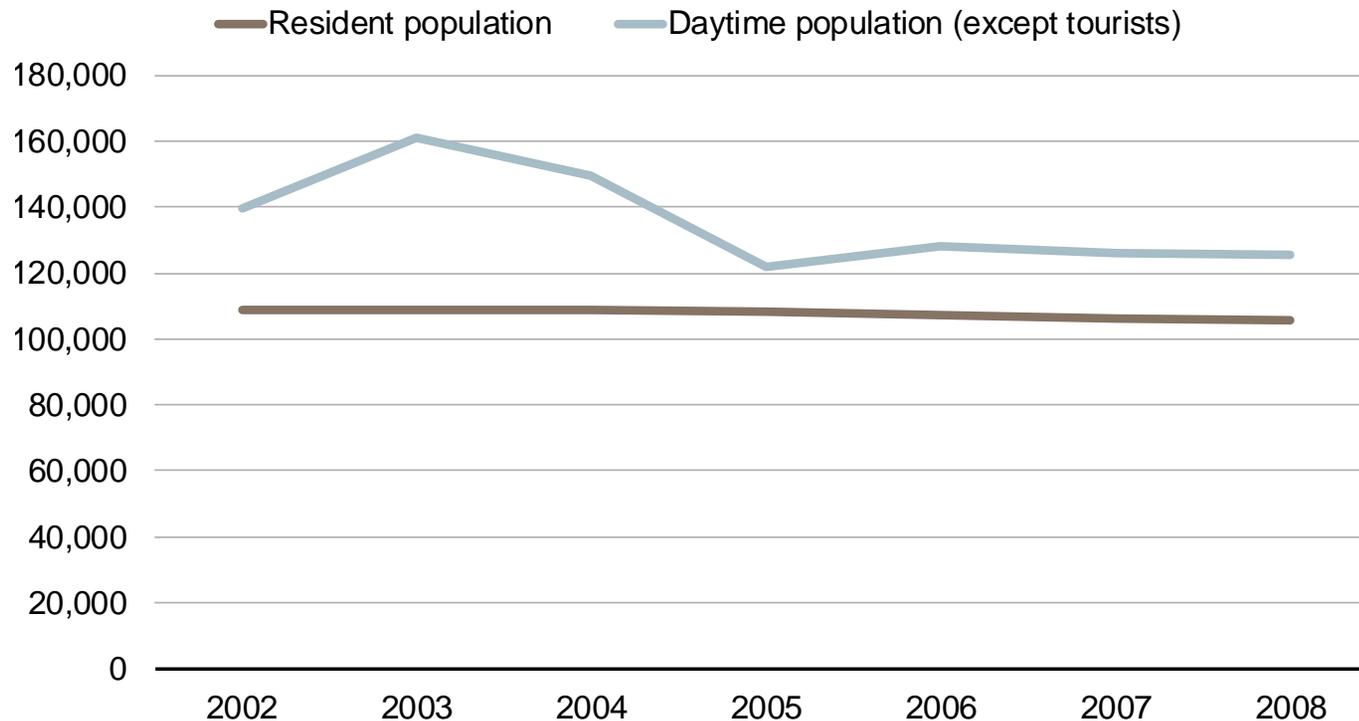
Clearwater is an important employment center within the Tampa Bay metropolitan area. It is home to about 20,000 more jobs than it has employed residents, thus generating more daily inbound than outbound traffic.

(Note: The spike in Clearwater's employment in 2003 seems to be due to a shift in the way temp jobs were counted. The actual employment pattern may have been more stable than shown here.)

MIGRATION & MOBILITY

Figure 7

Impact of inbound and outbound traffic, 2002-2008



NOTE: The daytime population is estimated as the resident population plus the net difference in inbound minus outbound commuting  
 SOURCE: U.S. Census Bureau (Decennial Census; Intercensal Estimates Program; and Local Employment Dynamics Origin-Destination Database)

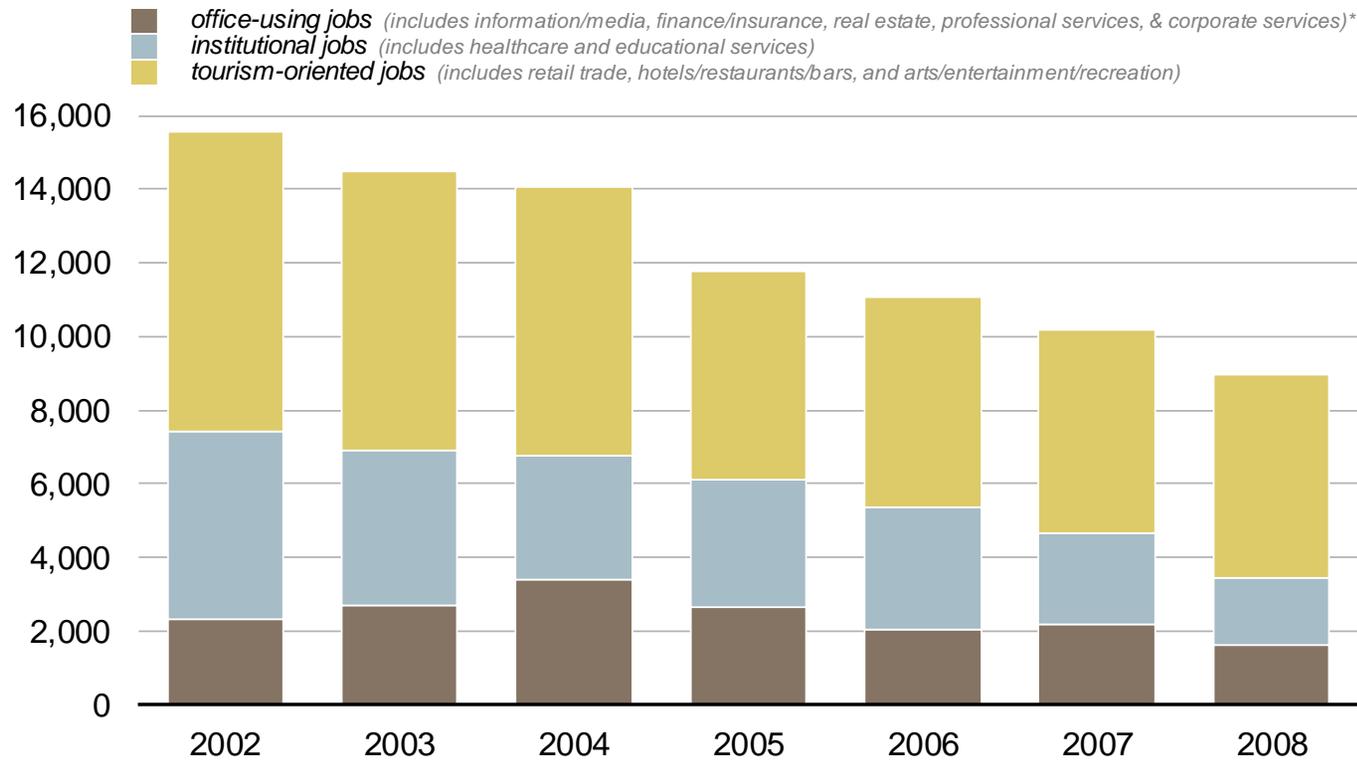
Net inbound traffic usually flows into a metropolitan area's central or largest city, and occurs less often in the secondary cities of an urban area. Clearwater is an exception to this rule of thumb.

Net inbound traffic means that a city typically generates a higher daytime population than its official resident population. Add to this a net inflow of tourists and visitors to access beaches and leisure activities, and these temporary populations can be even higher.

MIGRATION & MOBILITY

Figure 8

**Commuter flow trends by general employment type, 2002-2008**



\*NOTE: Administrative services are excluded from the office-using total because of biases related to the counting of temp workers  
 SOURCE: U.S. Census Bureau (Local Employment Dynamics Origin-Destination Database)

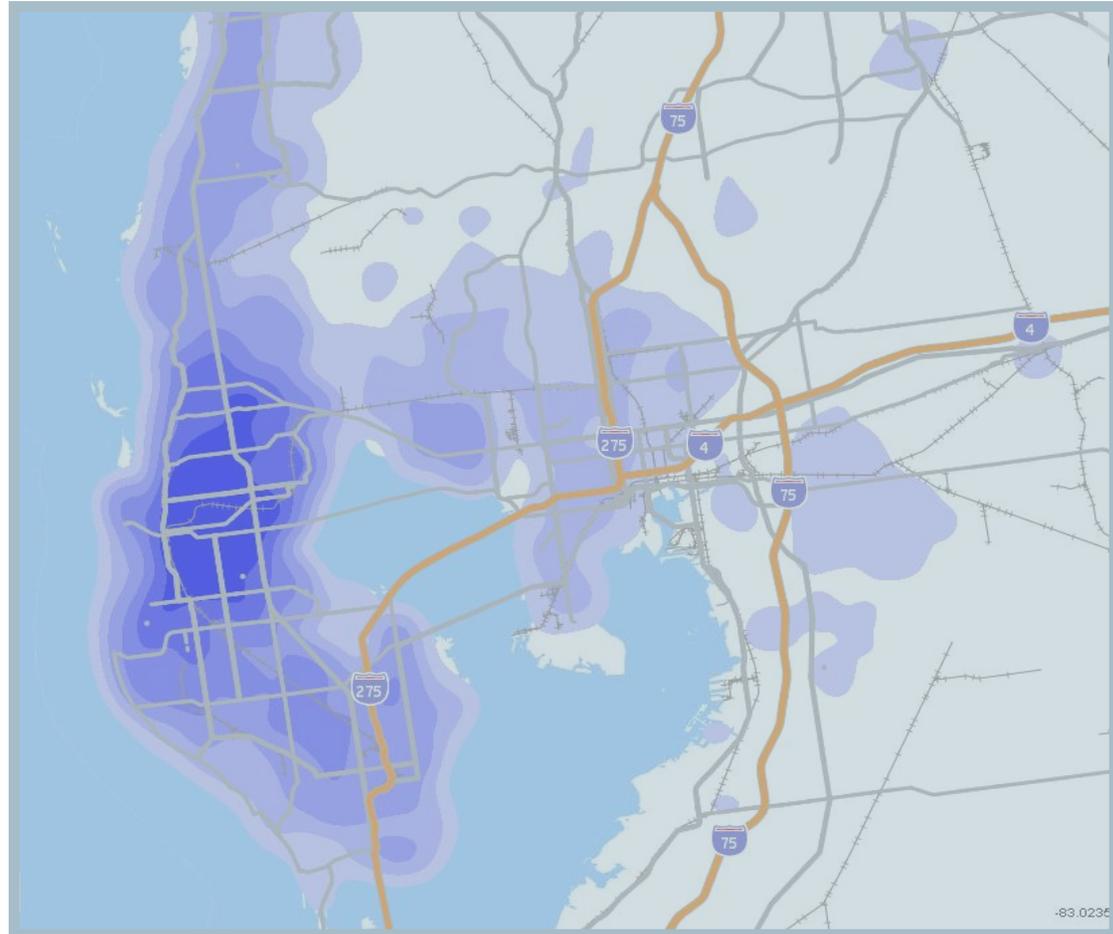
Clearwater generates net inbound traffic needed to staff jobs in three broad categories (office-using, institutional, and tourism-oriented). The city's net inflow of workers has declined in recent years for institutional and tourism-oriented jobs but it has remained steadier for office-using jobs.

**MIGRATION & MOBILITY****Figure 9**

According to the US Census Bureau's Local Employment Dynamics (LED) database, Clearwater draws most of its inbound commuters from Pinellas County and north along the coast. Relatively fewer workers commute into Clearwater from the east side of the bay.

**Clearwater's labor shed**

*Where people live who work in Clearwater*



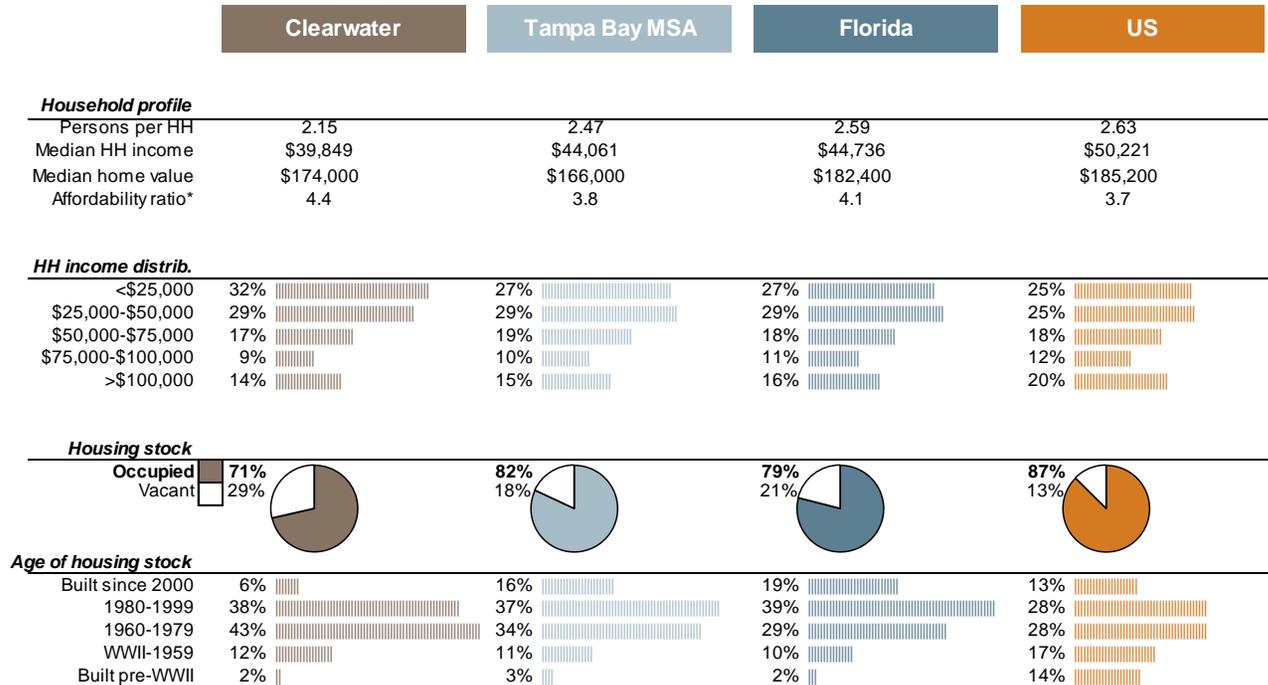
SOURCES: U.S. Bureau of the Census, Local Employment Dynamics (LED) database, 2008

**INCOME & HOUSING**

**Figure 10**

**Household comparison**

*Household size, income, and housing stock*



\*NOTE: The affordability ratio is the median home value divided by the median household income. The "ratio" equates the home prices to raw earning potential (expressed in years of gross income needed to pay for the home). The lower the number, the more affordable the housing.

SOURCES: U.S. Census Bureau (American Community Survey, 2009)

Clearwater, like the rest of Florida, has been largely developed during the post-WWII era. More than 80 percent of Clearwater's housing stock was erected during the 40-year period between 1960 and 2000. Housing stocks in tourist-friendly areas often have larger-than-average vacancy rates. With only about 7 of every 10 units occupied by full-time residents, Clearwater has a larger vacant stock of housing than either the statewide or national averages.

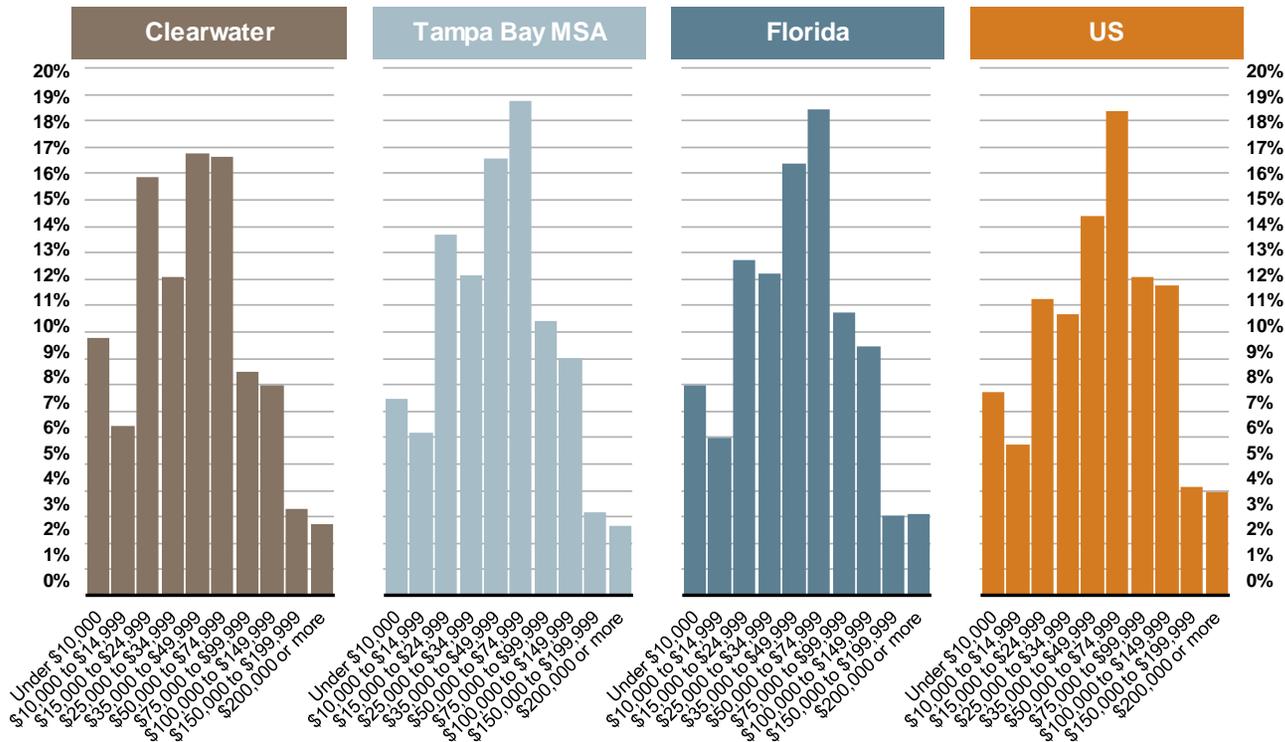
Clearwater is less affluent than the region, state, and nation. One-third of Clearwater households earn less than \$25,000 a year. **INCOME & HOUSING**

**INCOME & HOUSING**

**Figure 11**

**Distribution of income by household**

*Share of total households by income level*



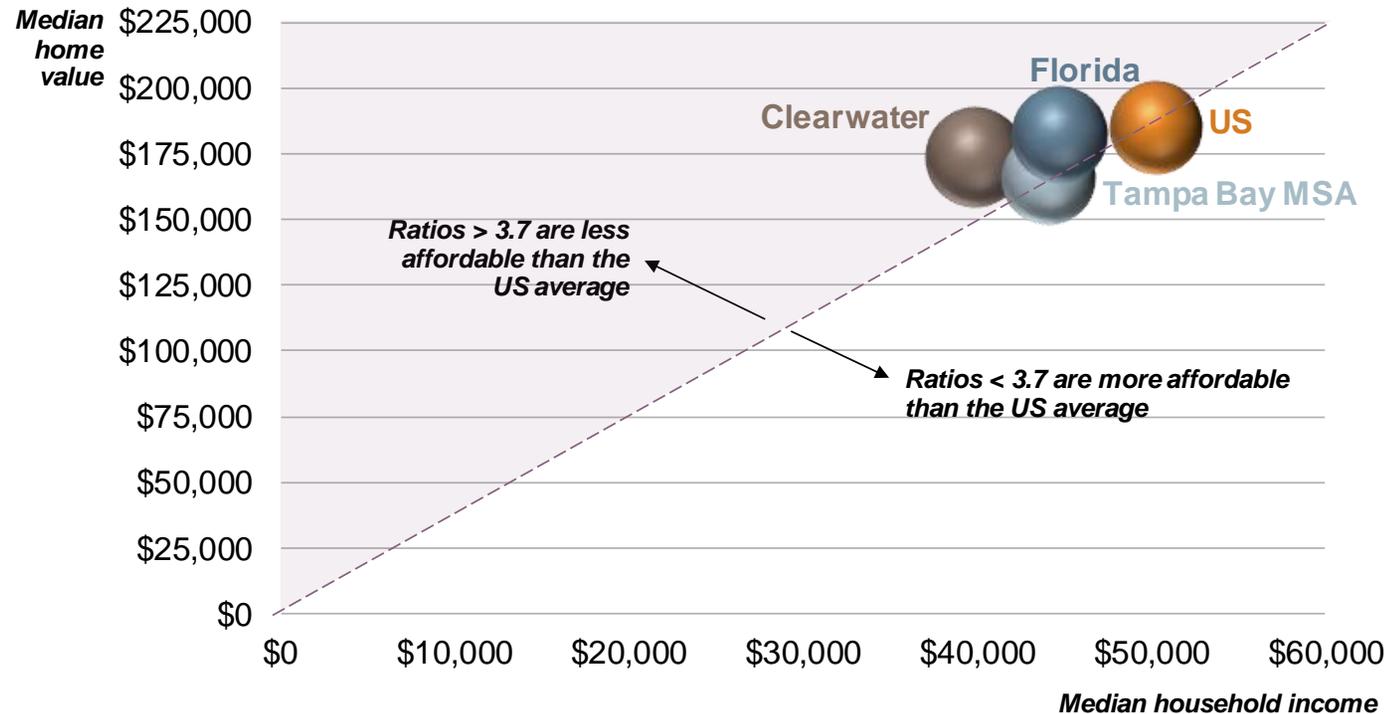
SOURCES: U.S. Census Bureau (decennial census & American Community Survey, 2006-2008 average)

Income distributions in Clearwater are generally similar to the nation as a whole, with the exception of two income brackets. Clearwater has a notably higher share of households earning between \$15,000 and \$24,999 and a lower share earning between \$75,000 and \$149,999. For example, 17 percent of Clearwater households earn between \$75,000 and \$149,999, compared to 24 percent of the nation's households.

**INCOME & HOUSING**

**Figure 12**

**Housing affordability ratios**



NOTE: Bubble sizes reflect relative affordability. The larger the bubble, the less affordable the housing market is to residents.  
 SOURCES: U.S. Census Bureau (American Community Survey, 2009)

The median home price in the US overall is about 3.7 times higher than median household income.

The US housing price bubble over the past decade pushed Florida's once-affordable prices much more in line with the US average. As of 2009, Clearwater's affordability ratio (4.4) registered somewhat higher than the Tampa region (3.8), state (4.1), and national (3.7). However, newer data will likely reflect the significant correction the state's post-bubble housing market experienced.

**ECONOMY**

**Figure 13**

Pinellas County includes five submarkets as defined by local broker CB Richard Ellis. The Northwest Tampa submarket abuts the county.

North Pinellas, which includes Clearwater, is the county's largest submarket with an inventory of 5.1 million square feet (SF) of rentable office space.

The county's priciest office space is clustered in the St. Petersburg CBD where the average office building rents for \$22.52/square foot. Rents in downtown St. Petersburg are higher than the overall Tampa Bay average (\$20.60/SF) and significantly more than Clearwater and the North Pinellas submarket (\$17.84/SF).

**The Pinellas area office market as of Autumn 2010**



- 1 Northwest Tampa**  
17.5% vacancy  
5.0 million SF inventory  
\$18.88/SF avg rate

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- 2 North Pinellas\***  
26.9% vacancy  
5.1 million SF inventory  
\$17.84/SF avg rate
- 3 Mid Pinellas**  
20.5% vacancy  
3.9 million SF inventory  
\$19.10/SF avg rate
- 4 St. Petersburg CBD**  
22.6% vacancy  
2.3 million SF inventory  
\$22.52/SF avg rate
- 5 Southwest St. Petersburg**  
14.6% vacancy  
0.6 million SF inventory  
\$14.80/SF avg rate
- 6 Southeast St. Petersburg**  
31.0% vacancy  
1.6 million SF inventory  
\$15.62/SF avg rate

\*NOTE: The North Pinellas submarket includes Clearwater.

SOURCE: CB Richard Ellis, Marketview: Tampa Bay Office, Third Quarter 2010

## ECONOMY

**Figure 14**

Data provided by the Florida Agency for Workforce Innovation's Labor Market Statistics Center shows the leading private-sector employers in the City of Clearwater.

The city's top employers span an unusually wide range of industries, many of which closely align with the industry clusters recommended recently for the Tampa Bay region by SRI International: Applied Medicine & Human Performance; High-Tech Electronics & Instruments; Business, Financial, & Data Services; and Marine & Environmental Activities.

### Clearwater's top 30 private sector employers

*Firms listed in alphabetical order*

Employment data for individual companies is suppressed in accordance with federal law

Employer	NAICS code & description
Able Body Temporary Services	561320 Temporary Help Services
Aerosonic	334511 Search, Detection, Navigation, Guidance, Aeronautical, & Nautical System Mfg
Bausch & Lomb	339115 Ophthalmic Goods Manufacturing
Eckerd Youth Alternatives	551114 Corporate, Subsidiary, , Regional Managing Offices
Hilton Clearwater Beach	721110 Hotels & Motels
Home Depot	444110 Home Centers
HR Service Group	621999 All Other Miscellaneous Ambulatory Health Care Services
Instrument Transformers	335311 Power, Distribution, & Specialty Transformer Manufacturing
JC Penney	452111 Department Stores
Lincare	532291 Home Health Equipment Rental
MC Dean	238212 Electrical Contractors & Other Wiring Installation Contractors
Morton Plant Hospital	622110 General Medical & Surgical Hospitals
Morton Plant Mease Healthcare	551114 Corporate, Subsidiary, & Regional Managing Offices
Phillies Florida	711211 Sports Teams & Clubs
Preferable People	561320 Temporary Help Services
Roger Bouchard Insurance	524210 Insurance Agencies & Brokerages
Sam's	452910 Warehouse Clubs & Supercenters
Sand Key Associates	721110 Hotels (except Casino Hotels) & Motels
Scottrade	523120 Securities Brokerage
Senior Home Care	621610 Home Health Care Services
Sunbelt Software Distribution	443120 Computer & Software Stores
Sunset Point Rehab & Nursing Center	623110 Nursing Care Facilities
System Soft Technologies	541511 Custom Computer Programming Services
Target Corporation	452910 Warehouse Clubs & Supercenters
Tri Diamond Staffing	561320 Temporary Help Services
Ultimate Medical Academy	611519 Other Technical & Trade Schools
Upper Pinellas Association	624310 Vocational Rehabilitation Services
UPS	492110 Couriers & Express Delivery Services
VeriFone	423430 Computer & Computer Peripheral Equipment & Software Merchant Wholesalers
YMCA of the Suncoast	713940 Fitness & Recreational Sports Centers

SOURCES: Florida Agency for Workforce Innovation, Labor Market Statistics Center, March 2010

**ECONOMY**

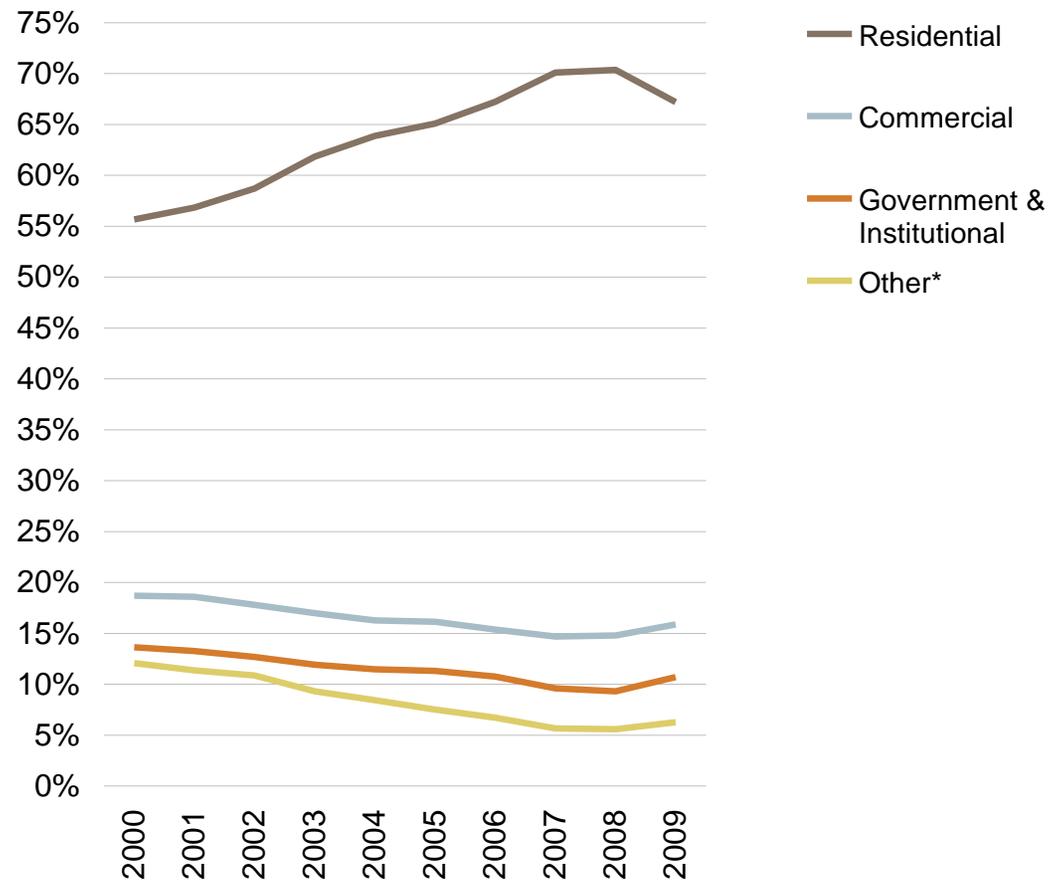
**Figure 15**

Data provided by the City of Clearwater on assessed property values shows a pattern of heavy municipal reliance on taxes generated by residential real estate.

The housing bubble of the past decade exacerbated this trend. In 2000, residential property comprised 56 percent of total assessed values in the city. This share peaked above 70 percent in 2008 but has since declined.

Future growth in the city's assessed property values will need to rely more heavily on upgrades of non-residential property as well as new infill developments.

**Distribution of assessed property values in Clearwater**



\*NOTE: includes industrial, personal, & other property  
 SOURCES: City of Clearwater

**ECONOMY**

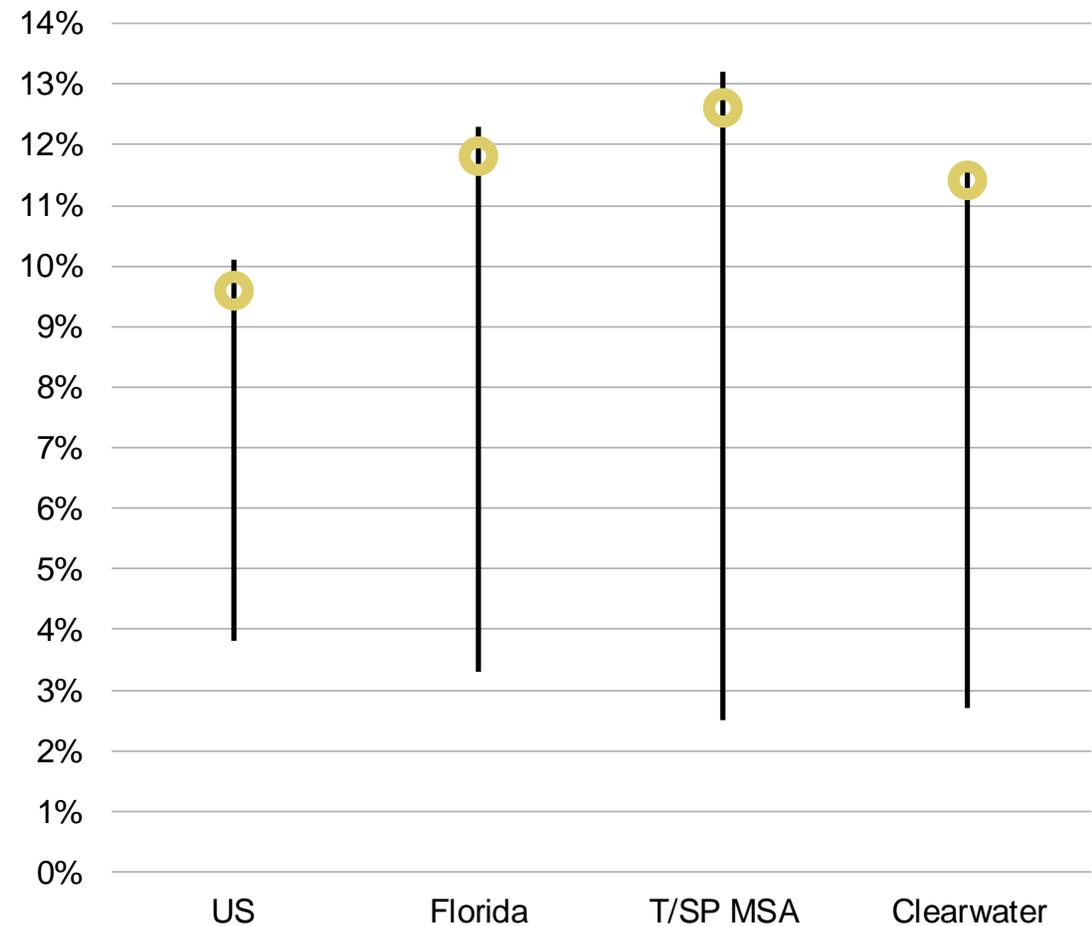
**Figure 16**

As with most areas of the country, unemployment rates are hovering at record highs in Clearwater, the greater Tampa metropolitan region, and the state.

Unemployment rates in the Tampa Bay region have been much more volatile than the national average over the past decade.

**Average annual unemployment rate, 1990-2011 (%)**

*Latest 2010 unemployment rate relative to the historical 20-year range\**



\*NOTE: US and state data seasonally adjusted; MSA and city data not seasonally adjusted  
 SOURCES: U.S. Bureau of Labor Statistics, CPS and LAUS programs

**ECONOMY**

**Figure 17**

This chart reveals the depth of job losses among Clearwater residents in 2008 and 2009.

The city's unemployment situation stabilized in 2010, but did not necessarily improve. As of December 2010, there were still more Clearwater residents unemployed than at the end of 2009.

**The unemployment rolls**

*Unemployment trends among Clearwater residents over the past 3 years*

*Monthly unemployment numbers are not seasonally adjusted, so they can only be compared to the same month in the previous year*

Year	Month	Number Unemployed	Rolling 12-month Net Change
<b>2010</b>	Dec	5,926	+222
	Nov	6,158	+536
	Oct	5,742	+310
	Sep	5,939	+427
	Aug	6,109	+637
	Jul	5,870	+376
	Jun	5,740	+412
	May	5,512	+564
	Apr	5,498	+981
	Mar	5,928	+1,337
	Feb	6,120	+1,649
	Jan	6,143	+1,754
<b>2009</b>	Dec	5,704	+1,746
	Nov	5,622	+1,879
	Oct	5,432	+1,862
	Sep	5,512	+2,095
	Aug	5,472	+2,049
	Jul	5,494	+2,252
	Jun	5,328	+2,412
	May	4,948	+2,309
	Apr	4,517	+2,318
	Mar	4,591	+2,366
	Feb	4,471	+2,275
	Jan	4,389	+2,050
<b>2008</b>	Dec	3,958	+1,744
	Nov	3,743	+1,546
	Oct	3,570	+1,461
	Sep	3,417	+1,292
	Aug	3,423	+1,318
	Jul	3,242	+1,133
	Jun	2,916	+986
	May	2,639	+965
	Apr	2,199	+575
	Mar	2,225	+577
	Feb	2,196	+484
	Jan	2,339	+570

NOTE: LAUS survey data reflect household employment, i.e., the status of the county's employed residents. This is not the same as the county's job base.  
 SOURCES: U.S. Bureau of Labor Statistics, LAUS program

**ECONOMY**

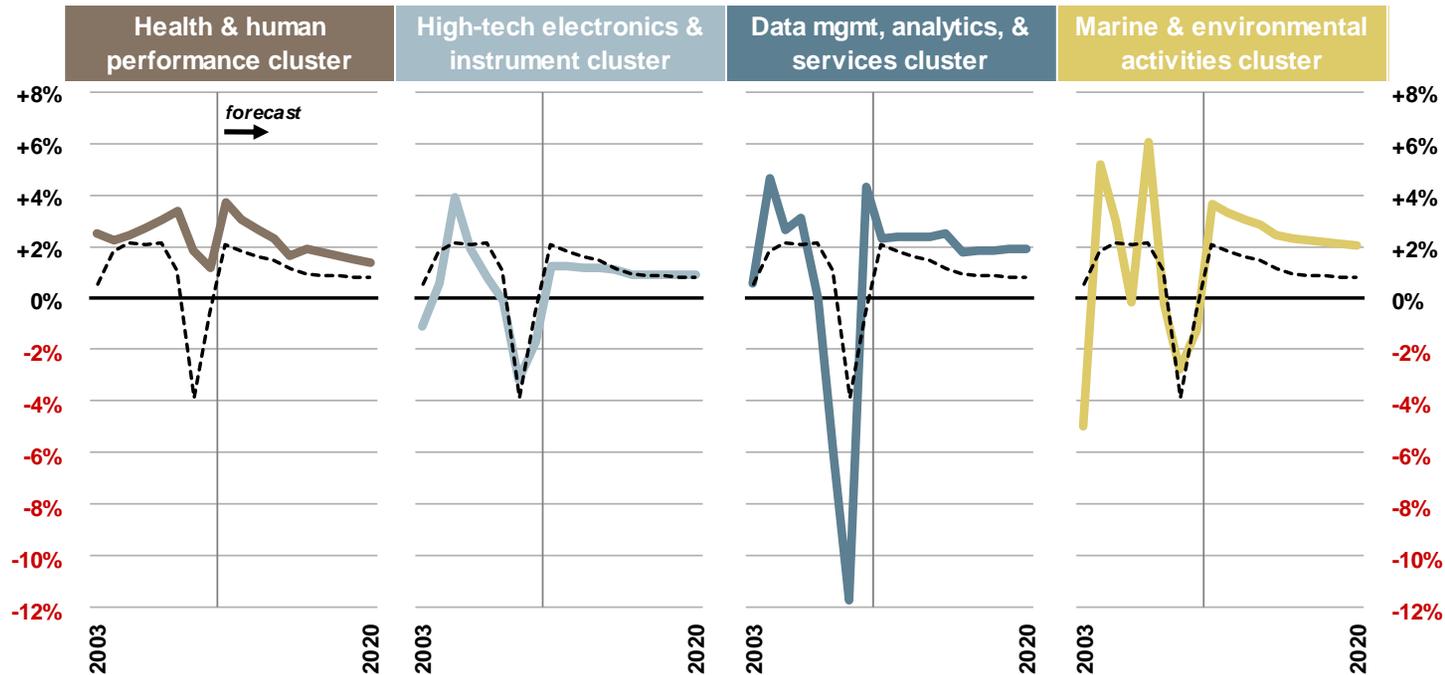
**Figure 18**

**US outlook for the SRI's proposed target clusters for the Tampa region**

*National job growth history (2003-2009) and forecast (2010-2020)*

--- All US jobs (solid)

— Target sector jobs in the US (solid)



A recent analysis by SRI International proposed four broadly defined target clusters for the Tampa Bay region. TIP Strategies attempted to quantify the make-up of each cluster, relying as closely as possible on SRI's loose definitions of the underlying components. The employment outlook of each cluster was then compared to that of the most recent job forecast for the nation overall. In three of the clusters (Applied Medicine & Human Performance; Business, Financial, & Data Services; and Marine & Environmental Activities) employment growth is expected to exceed the overall national average over the next decade.

**ECONOMY**

**Figure 19**

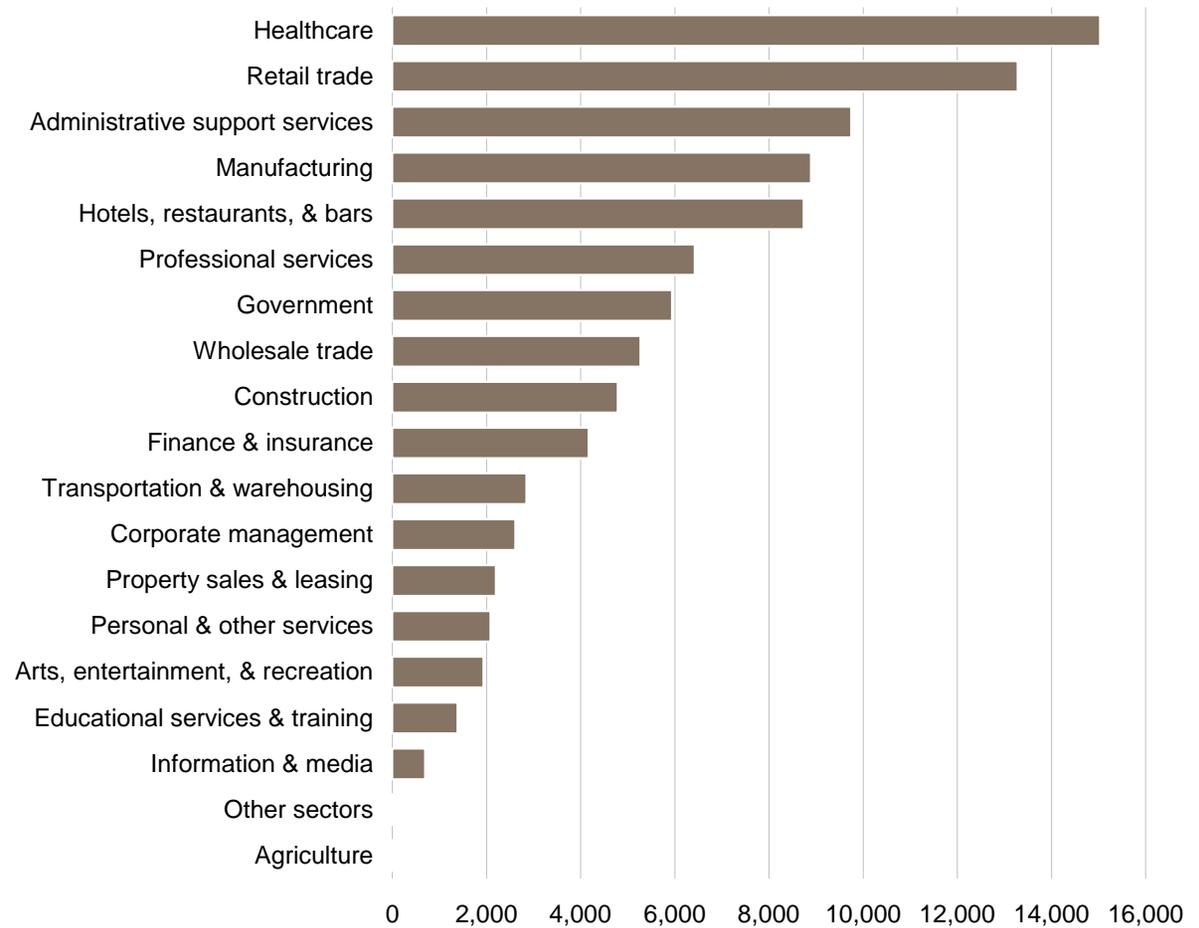
Statistics provided by the Florida Agency for Workforce Innovation's Labor Market Statistics Center show employment in Clearwater by industry sector.

Not surprisingly, much of the city and immediate surrounding area's job base is concentrated in Healthcare; Retail Trade; Administrative Services; and Hotels, Restaurants, and Bars. Somewhat surprising are the nearly 9,000 manufacturing jobs in and around Clearwater.

Of concern is the small number of jobs in the high-value Information & Media sector.

**Clearwater's job base by industry sector**

*Preliminary Figures as of March 2010*



\*NOTE: Other sectors include utilities, oil/gas/mining, and unclassified establishments.

SOURCES: Florida Agency for Workforce Innovation, Labor Market Statistics Center, 2010

**ECONOMY**

**Figure 20**

Location quotients show a local area's strengths and weaknesses in various industries relative to national employment patterns. For example, an LQ of 2.00 means that for every person in the nation employed in that sector, two people are employed locally.

Clearwater's LQs closely parallel the industries and activities of the city's largest employers. The above-average LQs reflect the city's strengths in tourism (Retail Trade; Hotels, Restaurants, & Bars) as well as regional and back office operations (Corporate Offices, Admin Services).

Clearwater's manufacturing sector also registers an above-average LQ of 1.31. Again, a high value sector with a relatively weak LQ (.39) is Information & Media.

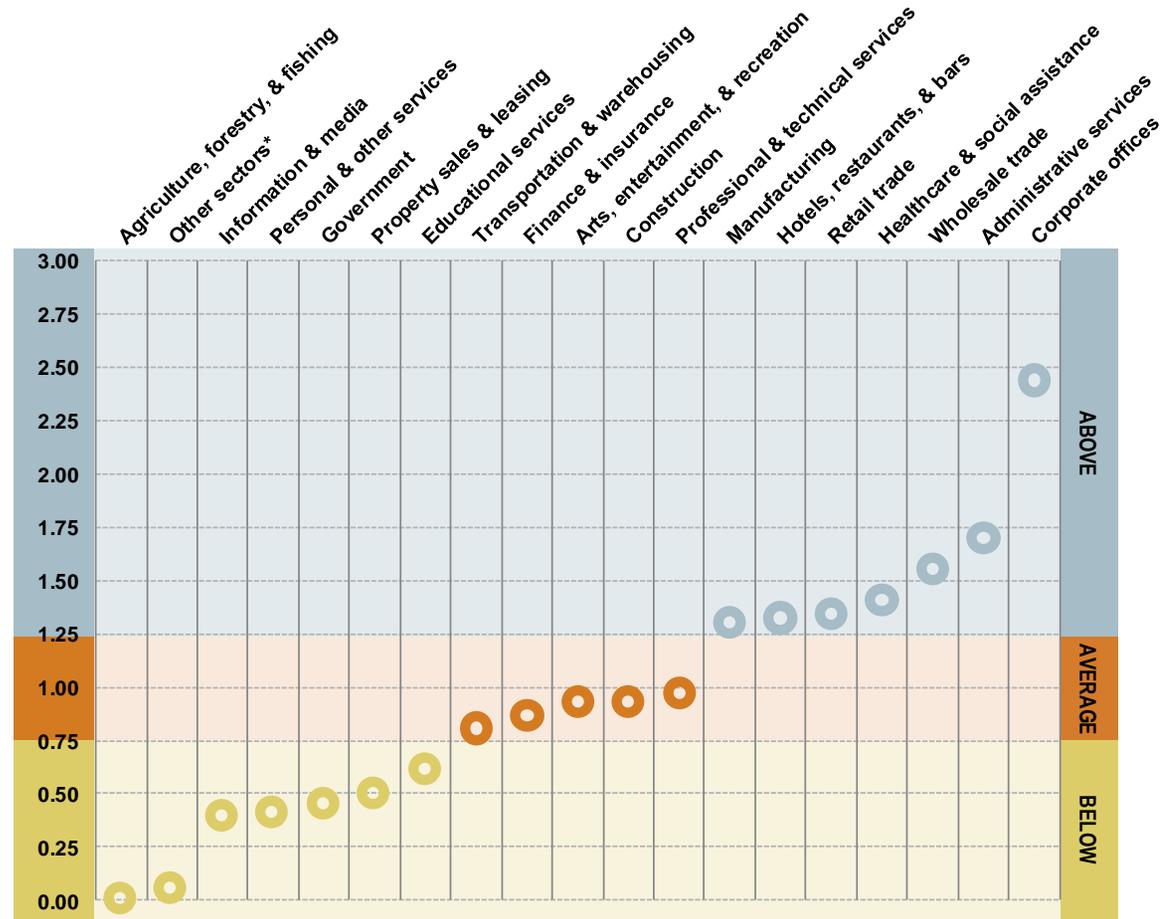
**Clearwater's industry concentrations**

*Location quotient (LQ) analysis, 2010*

US average for each industry = 1.00

Local strength > 1.25

Local weakness < 0.75



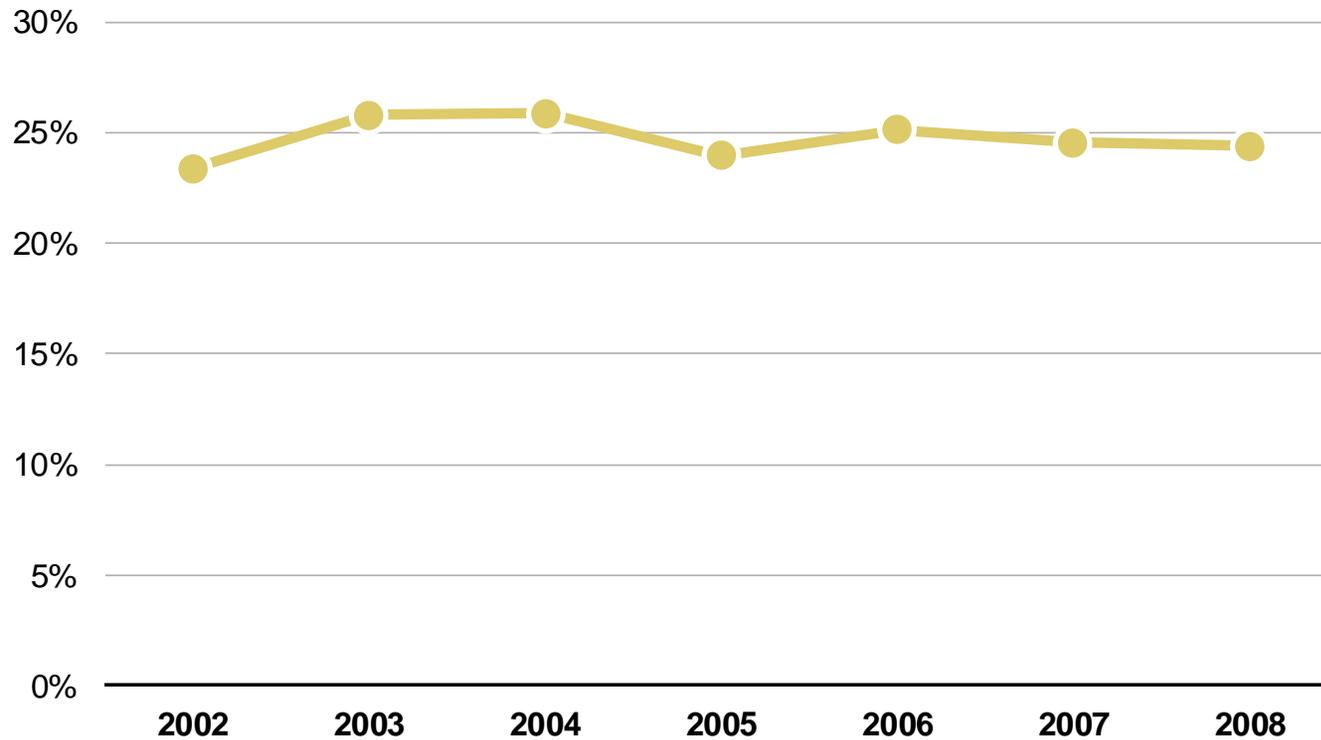
\*NOTE: Other sectors include utilities, oil/gas/mining, and unclassified establishments.

SOURCES: EMSI Complete Employment - 3rd Quarter 2010; Florida Agency for Workforce Innovation, Labor Market Statistics Center

**ECONOMY**

**Figure 21**

**Share of Clearwater's jobs\* staffed by persons under the age of 30**



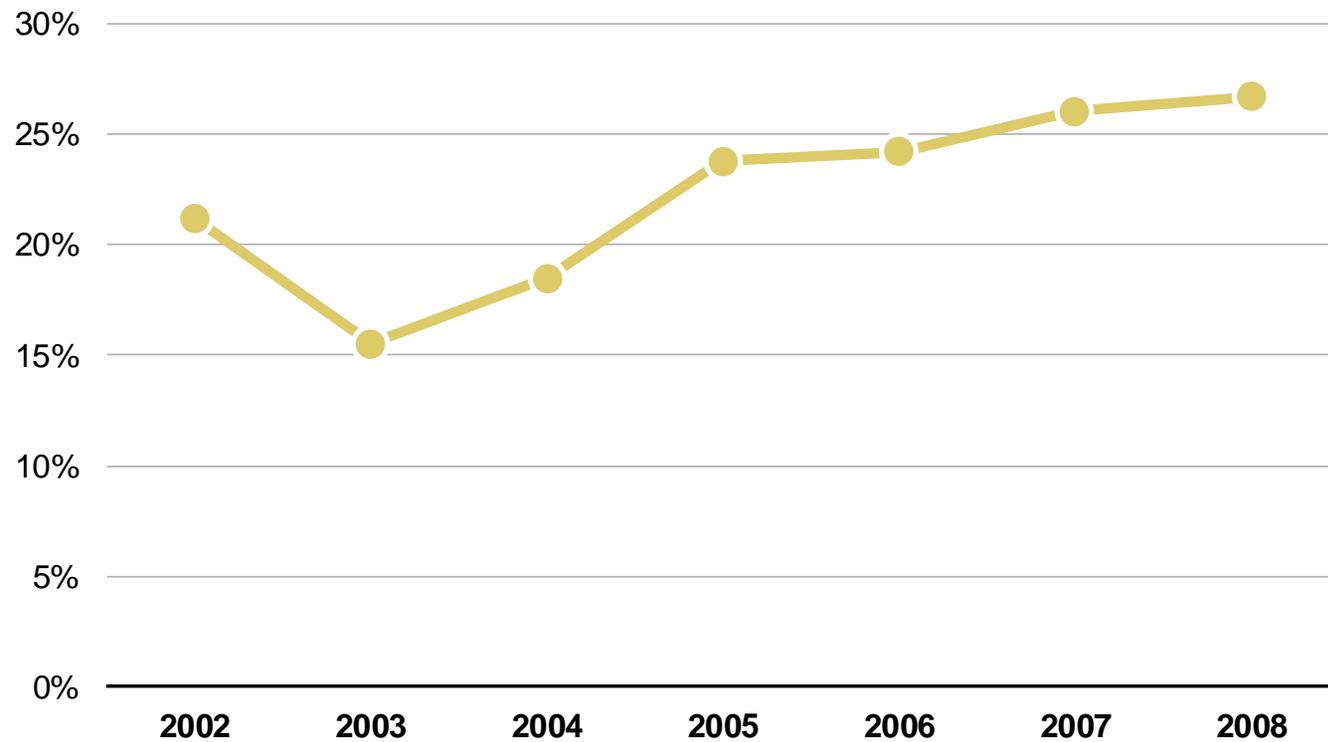
\*NOTE: Jobs based on place-of-work location, not on household location  
 SOURCE: U.S. Census Bureau (Local Employment Dynamics Origin-Destination Database)

Florida's age structure is older than the nation as a whole (Figure 5), which is also reflected in the state's workforce. In Clearwater, the share of each city's job base that is staffed by workers under the age of 30 hovers around 25 percent.

**ECONOMY**

**Figure 22**

**Share of jobs\* paying more than \$40,000/year**



\*NOTE: Jobs based on place-of-work location, not on household location  
SOURCE: U.S. Census Bureau (Local Employment Dynamics Origin-Destination Database)

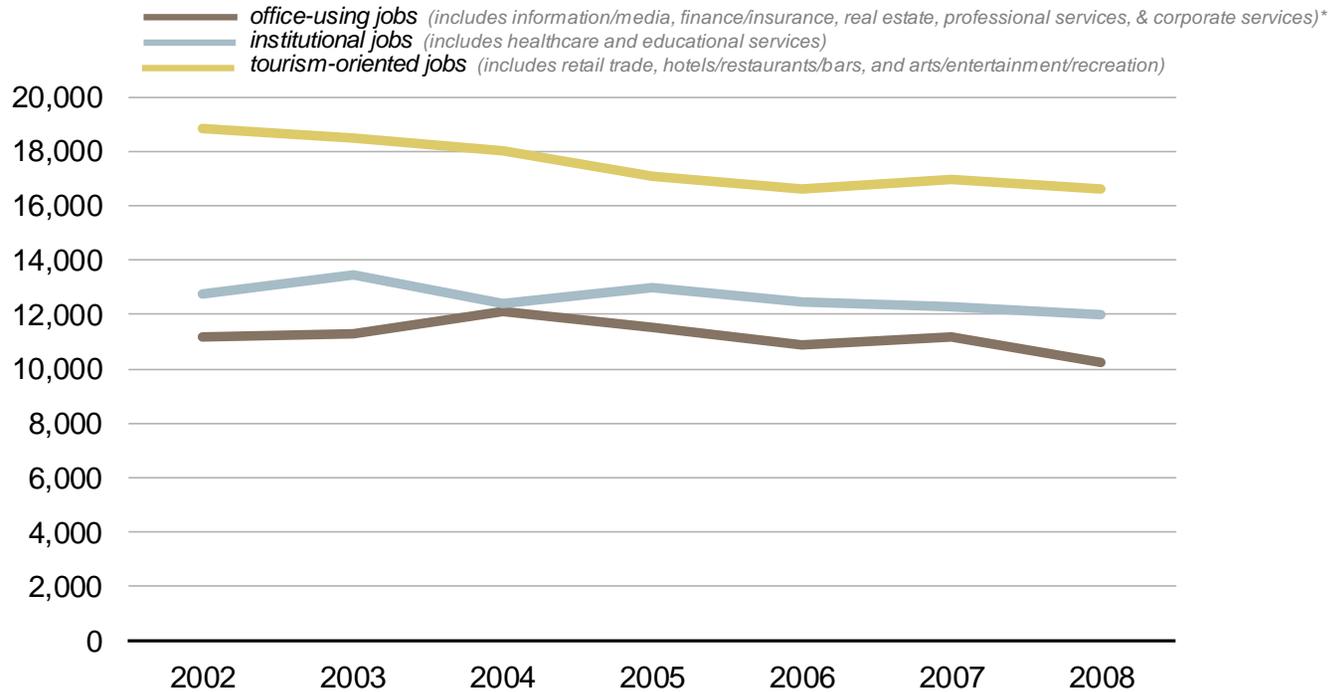
As pay and inflation rose over the past decade, so too did salaries. As of 2008, about 27 percent of the jobs in the City of Clearwater paid at least \$40,000 per year.

(Note: Pay levels in a city's job base do not necessarily reflect the earnings of residents due to cross-commuting.)

**ECONOMY**

**Figure 23**

**Clearwater job counts for broad sectors**



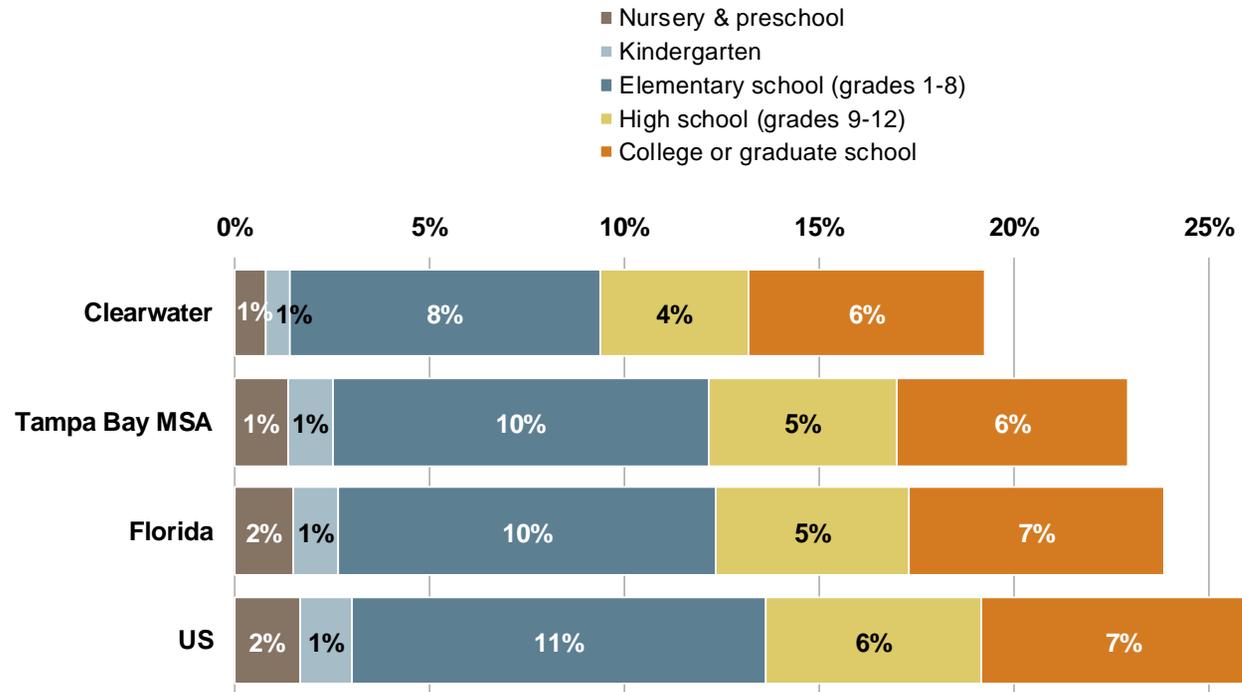
\*NOTE: Administrative services are excluded from the office-using total because of biases related to the counting of temp workers  
 SOURCE: U.S. Census Bureau (Local Employment Dynamics Origin-Destination Database)

Figure 24 breaks down employment levels for Clearwater into three broad sectors: office-using jobs, institutional jobs (health and education), and tourism-oriented jobs. Clearwater's economy centers on tourism-related activities. Office-using sectors of the economy account provide about 10,000-12,000 jobs, enough activity to fill about 2.5 million square feet of office space.

**WORKFORCE**

**Figure 24**

**Current enrollment status of the population**



SOURCES: U.S. Census Bureau (American Community Survey, 2009)

Released in late 2010, the 2009 American Community Survey shows Clearwater with a smaller share of its population enrolled in school than the region, state, and nation. The largest disparity is seen in the elementary school level. In all, 19 percent of Clearwater residents are likely enrolled in school. This compares to 26 percent for the nation.

Clearwater's slightly older population may influence this distribution since older residents are less likely to be enrolled in some level of education than are younger residents.

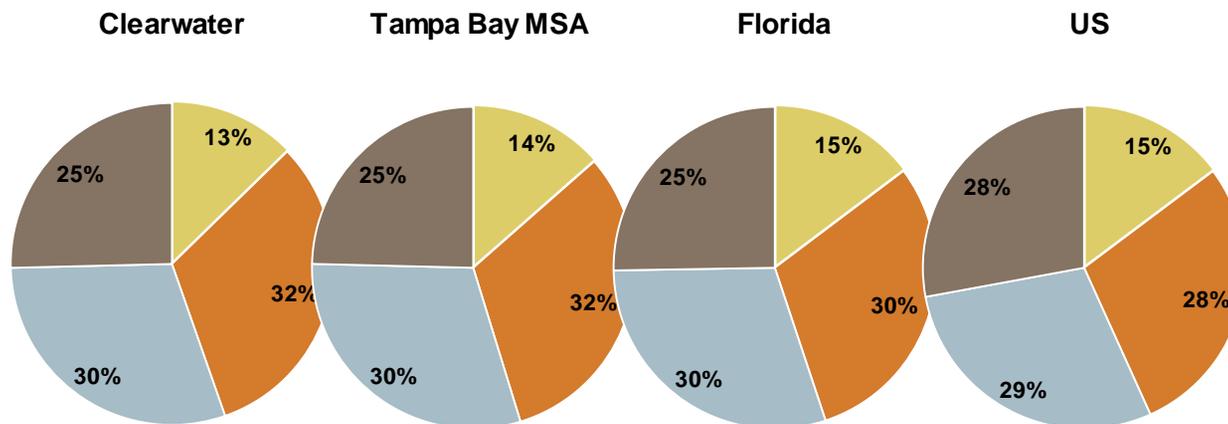
**WORKFORCE**

**Figure 25**

**Educational attainment**

*Highest level of education achieved by the population age 25 or older*

- no high school diploma
- high school diploma or GED
- some college but less than a 4-year degree
- bachelor's degree or higher



SOURCES: U.S. Census Bureau (American Community Survey, 2009)

Educational attainment in Clearwater is on par with statewide patterns and very near national levels. Of note, Clearwater has a lower percentage of residents age 25 or older who lack a high school diploma than the nation. However, the Clearwater and the state trails the US in its share of residents holding a bachelor's degree or higher.

Still, Clearwater's ability to match the national average is impressive considering the city's older age structure. Younger populations are typically associated with higher levels of college attainment which can sometimes distort the overall average depending on the local age structure.

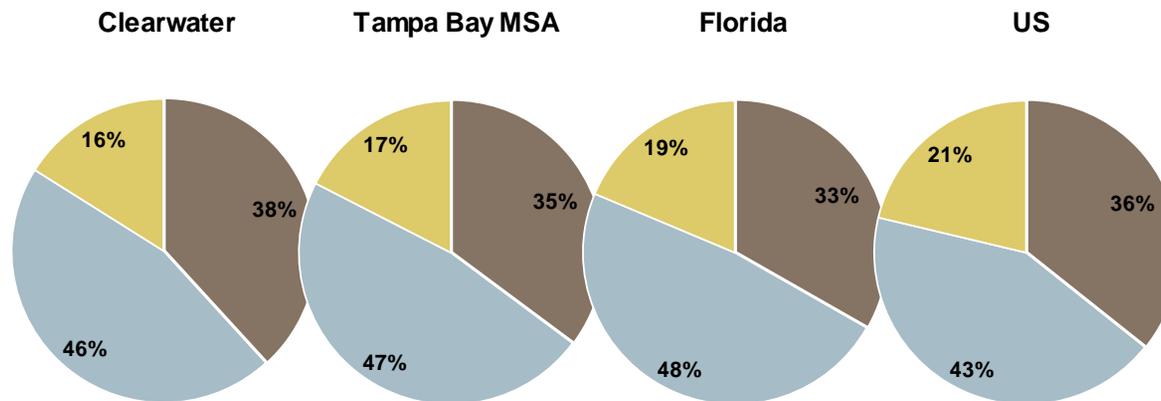
**WORKFORCE**

**Figure 26**

**Occupational composition of residents**

*Type of jobs held by each jurisdiction's employed residents*

- Managers & professionals*
- Sales, administrative, & personal services*
- Industrial & blue collar*



\*NOTE: industrial occupations as defined here includes construction, extraction, production, transportation, material moving, agriculture, repair services, and maintenance  
 SOURCES: U.S. Census Bureau (American Community Survey, 2009)

Recent data from the US Census Bureau's most recent American Community Survey shows that the occupational structure of Clearwater's residents differs marginally from state, regional, or national patterns.

Clearwater's employed residents are less likely to work in industrial and blue collar fields. Instead, they are more likely to be employed in sales, administrative, and personal services, as well as management and professional jobs.

## APPENDIX B: TARGET INDUSTRY ANALYSIS

### STRATEGIC ANALYSIS

The selection of target sectors is traditionally bound to an assessment of only a few determinant factors, such as access to an available workforce, industrial sites, and incentives. Our target industry recommendations are not based solely on these factors, but also on conversations with the region's business leaders to better understand potential opportunities and challenges that might not be readily identifiable through secondary data sources alone. The TIP team also brings to bear its understanding of broader macroeconomic and social trends, such as consumption patterns/consumer spending, emerging markets/international trade, and demographic shifts/aging workforce to better understand long-term recruitment and development prospects. TIP also strongly takes into consideration how the potential targets might fit within the overall strategic framework of the economic development plan, as well as how each might affect Clearwater's attractiveness to existing and future residents. Finally, TIP assessed the local development potential of the four broad clusters recommended by SRI International for the greater Tampa Bay region. In sum, TIP identified target sectors for the city using a three-pronged approach: quantitative, qualitative, and strategic.

TIP examined both traditional and nontraditional target opportunities for Clearwater. Traditional targets represent the types of industries that have historically been marketed to by economic development organizations. These might typically include traditional manufacturing sectors as well as other related industrial and/or transportation activities. Traditional targets often represent the first tier of economic opportunity. While a number of such economic activities take place in Clearwater and in Pinellas County, the lack of available sites, especially quality light industrial/flex-tech space, is a major barrier to new industrial development in Clearwater. Most of the light industrial sites that are available, such as those in the Hercules Industrial Park, lack the size and quality structures needed to make Clearwater highly competitive for new industrial locations or expansions. As a result, the TIP team considered a number of other non-traditional targets to assist in diversifying the county's economy in higher growth sectors. Some of these sectors pose unique challenges for economic development practitioners and require the creative use of marketing and non-traditional tools to achieve success. Additionally, Clearwater's lack of greenfield commercial and industrial land will compel the city to look for infill redevelopment and renovation opportunities within the city to locate new locations and expansions.

## STRATEGIC ANALYSIS

Figure 27

**Initial list of potential target industries for investigation**

*Clusters recommended by SRI as regional targets:*

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- 1 Applied Medicine & Human Performance**
- 2 High-tech electronics & instruments**
- 3 Business, Financial, & Data Services**
- 4 Marine & environmental activities**

*TIP Strategies also suggests considering the following:*

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- 5 Finance & insurance**
- 6 Professional services**
- 7 Software**

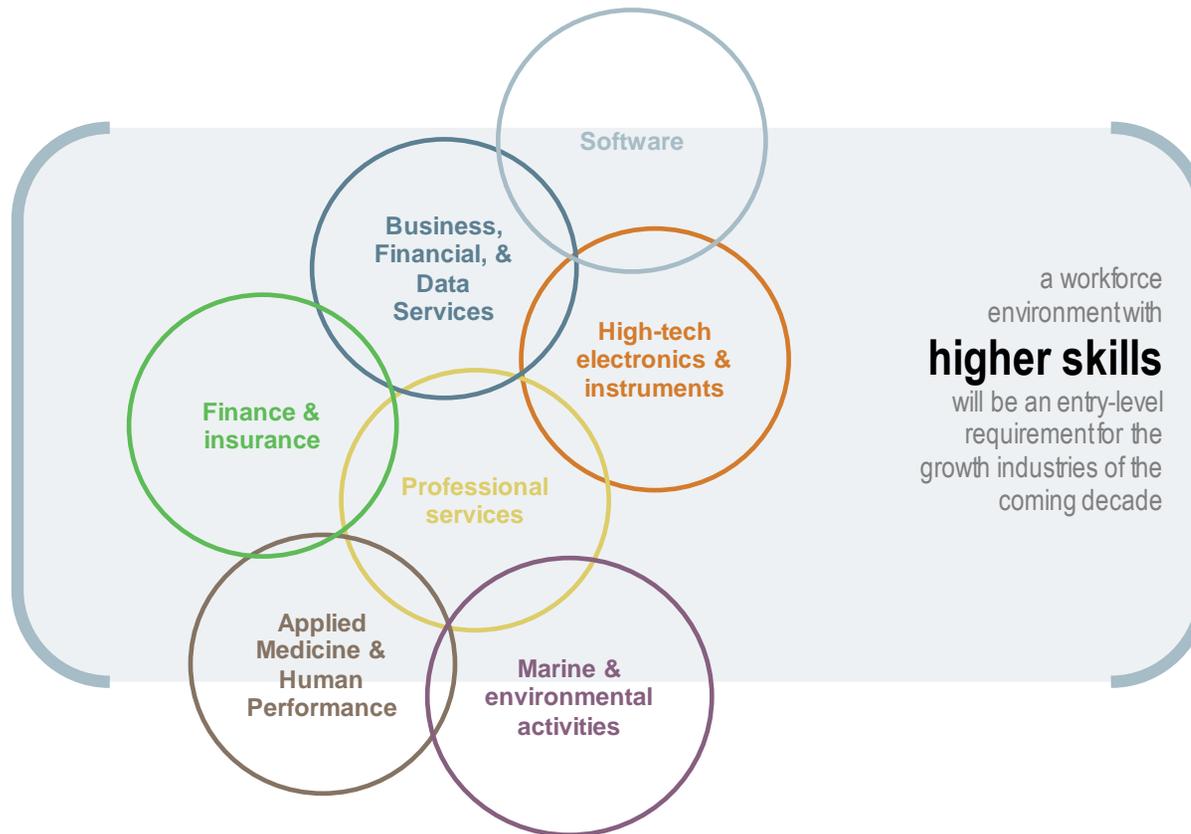
*NOTE: Many of the economic sectors, clusters, and industries outlined in this report are emerging and thus difficult to define. NAICS codes do not fit neatly, if at all, with some of these groupings. TIP Strategies has attempted to align NAICS codes to all definitions. In some cases, this parallels the SRI definitions. In other cases, the definitions diverge to some extent, either for practical or technical reasons.*

STRATEGIC ANALYSIS

Figure 28

**Proposed target industries**

*Industries well-suited for Clearwater's capacity and potential*



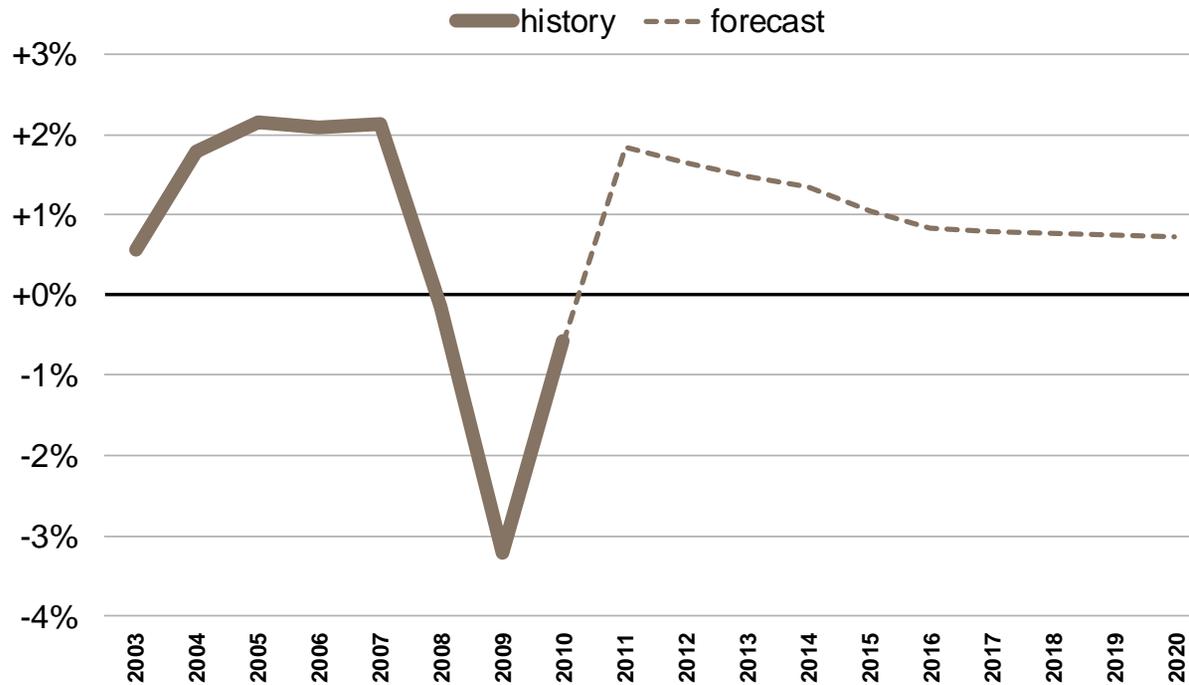
**INDUSTRY OUTLOOK**

**Figure 29**

US job growth is expected to return in 2011, but the pace of growth will be less than the previous expansion.

**The US outlook for jobs**

*Employment growth history (2003-2010) and forecast (2011-2020)*



SOURCES: EMSI Complete Employment - 4th Quarter 2010

**INDUSTRY OUTLOOK**

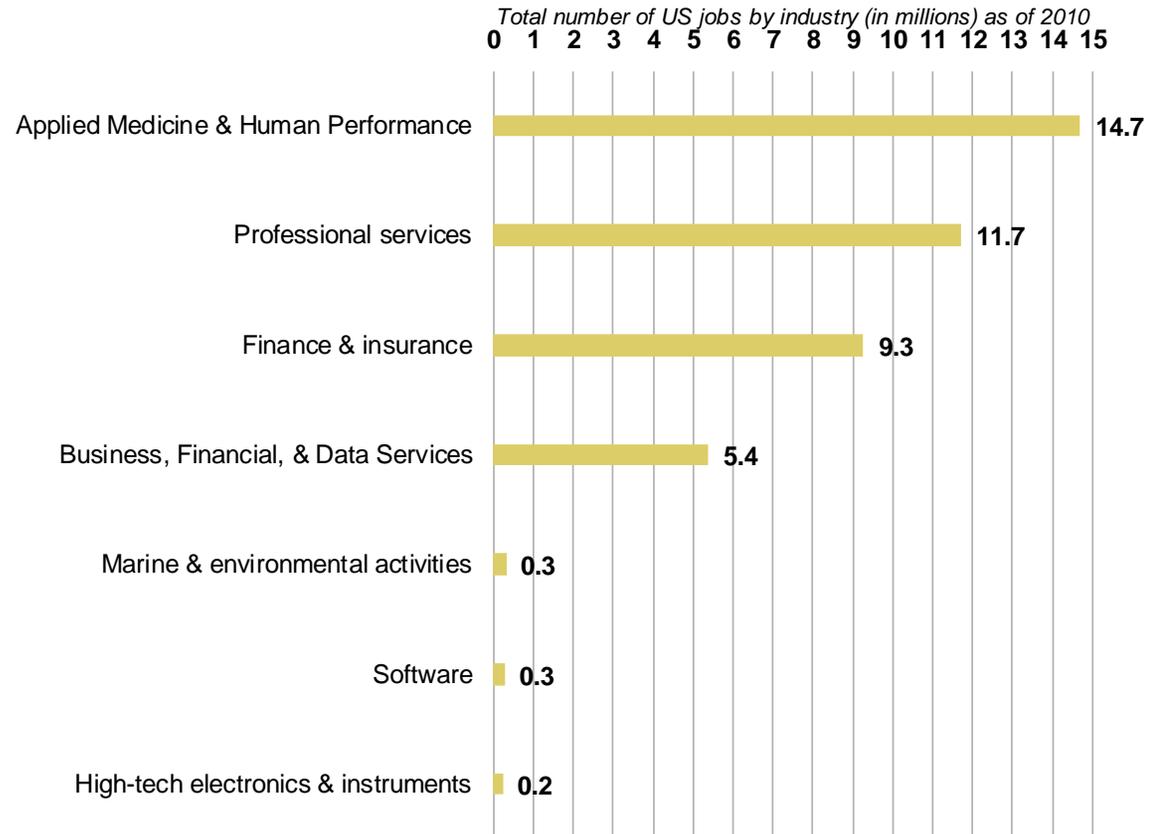
**Figure 30**

Of the seven clusters under consideration for Clearwater, only two (Applied Medicine & Human Performance and professional services) employ at least 10 million workers in the US.

Three other clusters under consideration are relatively small. As defined in this study and in the recent one by SRI, both marine & environmental services and high-tech electronics & instruments employ less than a half-million US workers. Software also falls into this category.

**Current size of the potential target industries**

*Number of jobs in the US (in millions) as of 2010*



NOTE: Health & human performance as defined by SRI includes senior health & wellness, human performance, clinical trials & destination medicine, medical instruments & devices, and health information technology & bioinformatics. Data management includes business process outsourcing (BPO) & shared services, financial transactions processing, data centers, disaster recovery, & data management, and health information technology & bioinformatics. High-tech electronics includes avionics/aviation electronics and medical instruments & devices. Marine & environmental activities include aquaculture, biofuels/algae, energy efficiency & conservation, and marine instruments, sensors, remote monitors, & optics.

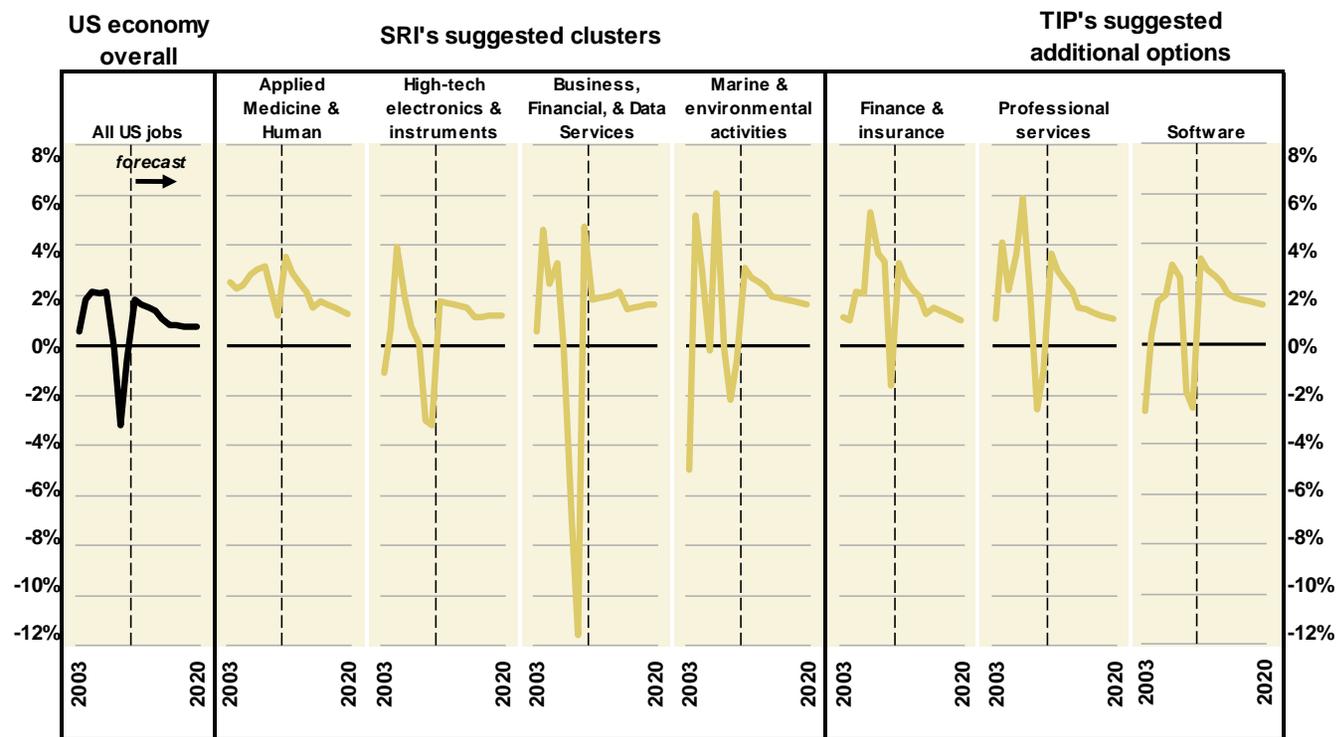
SOURCES: EMSI Complete Employment - 4th Quarter 2010

INDUSTRY OUTLOOK

Figure 31

**US outlook for the potential target industries**

National job growth history (2003-2009) and forecast (2010-2020)



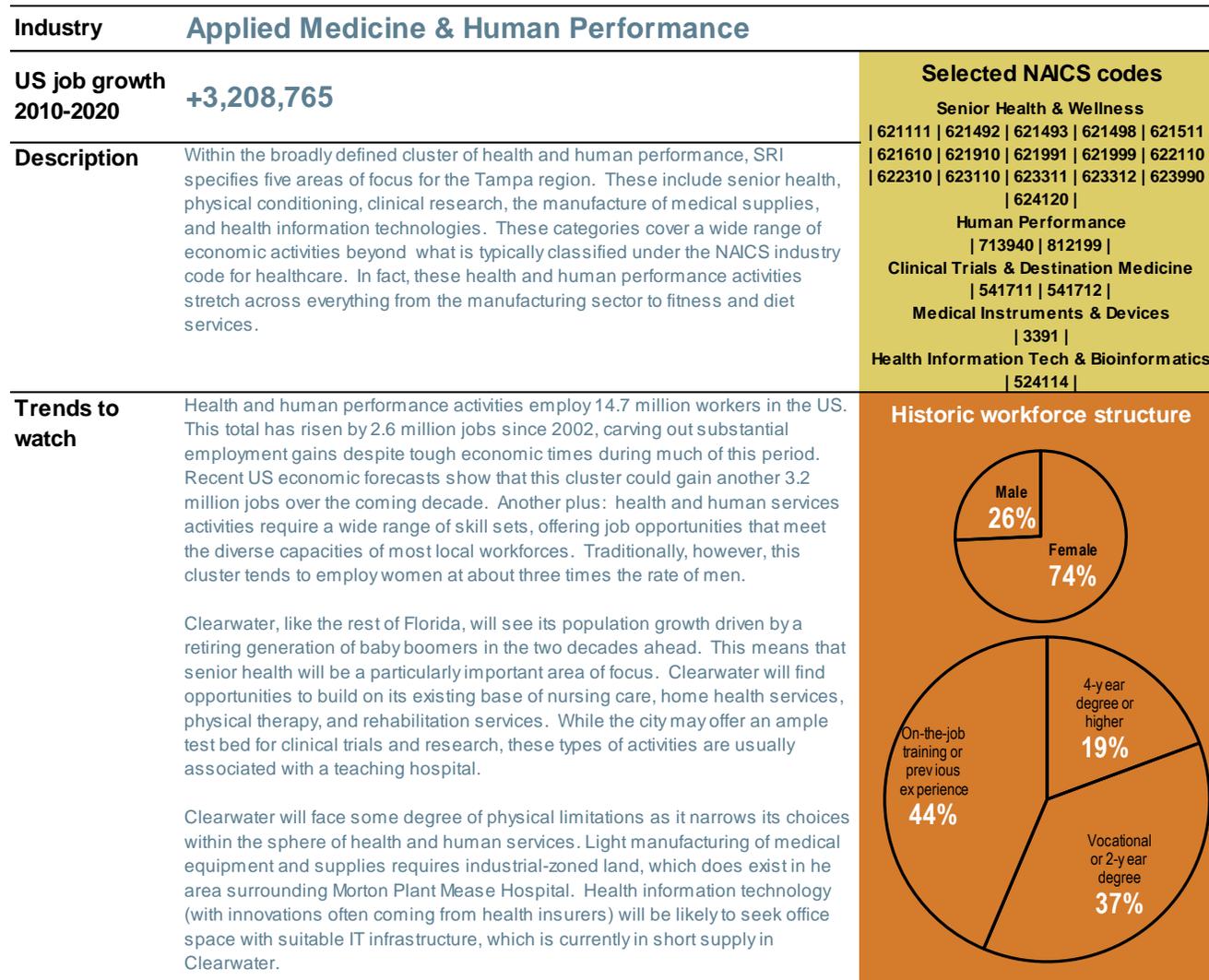
SOURCES: EMSI Complete Employment - 4th Quarter 2010

Each of the seven clusters differs from the US economy in job growth patterns to some degree. The Applied Medicine & Human Performance cluster is by far the most stable while data management has been the most volatile.

Despite the relatively small size of marine & environmental activities and software, these two clusters are expected to provide among the best job growth prospects of the targets reviewed (in percentage terms, not net terms).

TARGETS PROFILED

Figure 32



TARGETS PROFILED

Figure 33

Industry <b>Applied Medicine &amp; Human Performance</b>	
<b>Local prospects</b> 	<b>Site considerations</b>  <i>Access to skilled labor</i> <i>Access to markets/customers</i> <i>Availability of land/modern facilities</i> <i>Regional R&amp;D activities</i> <i>Regional teaching hospitals</i> <i>R&amp;D/investment tax incentives</i>
<b>Challenges</b> <p>[1] A limited, and aging stock of modern, Class A office space may stymie the city's ability to attract certain types of companies.</p> <p>[2] Limited supplies of industrial-zoned land may deter greenfield investments of medical manufacturers</p> <p>[3] Clinical trials and research are typically associated with medical schools and teaching hospitals.</p>	
<b>Opportunities</b> <p>[1] An aging US population translates to inevitable growth in the healthcare sector. This is a major national trend that will impact the industry in general, especially in a retirement destination like Florida.</p> <p>[2] Tampa Bay's broad cluster of health and human activities has already been targeted by SRI, so Clearwater's focus on selected niches will support the overall regional cohesion of economic development efforts.</p> <p>[3] The Applied Medicine &amp; Human Performance cluster and all of its supporting components (including medical device manufacturing) are relatively well insulated from economic cycles. During the recent recession, healthcare and education were among the few sectors of the economy to continue growing.</p> <p>[4] Export opportunities exist for certain types of medical products. A weaker US dollar could further benefit US exporters in this sector.</p>	<b>Examples of industry players</b>  <i>Alcon Switzerland</i> <i>Bausch &amp; Lomb USA</i> <i>Beckton, Dickinson, &amp; Co USA</i> <i>Boston Scientific USA</i> <i>Essilor International France</i> <i>Medtronic USA</i> <i>Olympus Japan</i> <i>Stryker USA</i> <i>Covance USA</i>
	<b>Economic multiplier</b>  <b>1.67</b>
	<b>Industry networking</b> Assn of Electrical & Med Imaging Equip Mfrs Medical Device Manufacturers Association Health Insurance Association of America Amer Assn of Homes & Serv for the Aging American Healthcare Association Advanced Medical Technology Assn Nat'l Assn for Home Care & Hospice American Hospital Association

## TARGETS PROFILED

Figure 34

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**Industry**    **Applied Medicine & Human Performance**

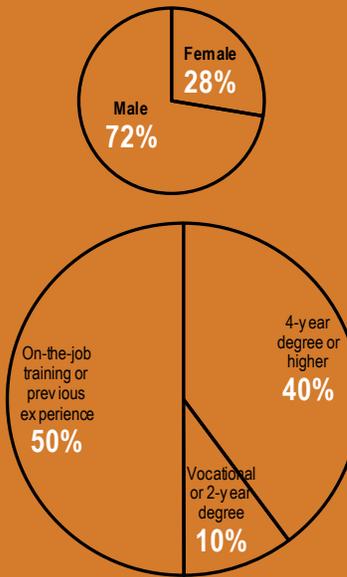

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*Recent national and international corporate activity related to this cluster...*

<b>Company name</b>	<b>Location</b>	<b>Recent activities</b>
<b>PharMerica</b>	<i>Louisville, Kentucky</i>	<b>PharMerica</b> is a new company recently created from the merger of Louisville-based <b>Kindred Healthcare's</b> Kindred Pharmacy Service unit with Pennsylvania-based <b>AmerisourceBergen's</b> PharMerica Long-term Care.
<b>HCA</b>	<i>Nashville, Tennessee</i>	<b>Hospital Corporation of America (HCA)</b> was recently acquired by a consortium of private equity investors. It was the third time in HCA's history to become a private company.
<b>UnitedHealth Group</b>	<i>Minnetonka, Minnesota (suburban Minneapolis)</i>	<b>UnitedHealth Group's</b> recent acquisitions include NV-based <b>Sierra Health Services</b> (2008); CA-based <b>PacifiCare Health Systems</b> (2005); CT-based <b>Oxford Health Plans</b> (2004); and IL-based <b>Golden Rule</b>
<b>AmerisourceBergen</b>	<i>Chesterbrook, Pennsylvania (suburban Philadelphia)</i>	<b>AmerisourceBergen</b> recently acquired North Amityville, NY-based <b>Bellco Health</b> .
<b>Cardinal Health</b>	<i>Dublin, Ohio (suburban Columbus)</i>	<b>Cardinal Health</b> recently sold its pharmaceutical technology division to private equity investors who re-invented it as a new NJ-based company called <b>Catalent Pharma Solutions</b> .
<b>HealthSouth</b>	<i>Birmingham, Alabama</i>	<b>HealthSouth</b> was recently re-listed on the New York Stock Exchange, following a delisting earlier in the decade which was prompted by an SEC investigation and an accounting scandal.
<b>IMS Health</b>	<i>Fairfield, Connecticut (suburban New York City)</i>	<b>IMS</b> was recently acquired by private equity investors. Earlier in the decade it fought off an acquisition bid by the Dutch firm <b>VNU</b> .
<b>Genesis HealthCare</b>	<i>Kennett Square, Pennsylvania (suburban Philadelphia)</i>	<b>Genesis HealthCare</b> was recently acquired by private equity investors. A few years earlier, in 2003, Genesis HealthCare was spun off from Covington, KY-based <b>NeighborCare</b> , which later relocated to Baltimore.

TARGETS PROFILED

Figure 35

<p><b>Industry</b>      <b>High-tech electronics &amp; instruments</b></p>															
<p><b>US job growth 2010-2020</b>      <b>+34,776</b></p>	<p><b>NAICS codes</b></p> <p><b>Avionics/Aviation Electronics</b>   334511   336415  </p> <p><b>Medical Instruments &amp; Devices</b>   334510   334516  </p>														
<p><b>Description</b>      High-tech electronics and instruments typically include a wide range of manufacturing activities like consumer electronics, personal computing, and handheld devices. In this cluster, SRI has narrowed that focus to a smaller group of companies that focus on high-performance instrumentation, especially avionics (electronics for defense and commercial aerospace) as well as medical instruments focused on analytical and lab-related activities. (Note: This aspect of medical manufacturing is slightly different than the consumer and patient-oriented supplies and equipment defined within the health and human performance cluster.)</p>															
<p><b>Trends to watch</b></p> <p>For every 100 jobs created in the health and human performance cluster nationwide, the high-tech and electronics instruments cluster will create just one job. There are several reasons for this, the first being that this is a tiny niche of high-performance instrumentation that currently employs fewer than a quarter-million workers in the entire US. Because of its size, the opportunities for growth are naturally smaller in scope. Second, growth in this cluster is subject to a wider range of unpredictable variables, especially federal spending for defense equipment and medical research.</p> <p>Unlike, the health and human performance cluster, the workforce for high-tech instruments is more likely be male. Jobs are also more likely to require a college degree. Historically, 2 of every 5 jobs in this cluster required a college degree as a minimum starting point, and the trend toward highly skilled applicants is expected to continue.</p> <p>US production of commercial aircraft (a major source of avionics innovation) has been under pressure for years from Europe (Airbus), Canada (Bombardier), and Brazil (Embraer). More recently, China has revealed its ambitions to become a player in this sector, which could increase competitive pressure on US firms even more.</p>	<p><b>Historic workforce structure</b></p>  <table border="1"> <caption>Gender Distribution</caption> <tr> <th>Gender</th> <th>Percentage</th> </tr> <tr> <td>Male</td> <td>72%</td> </tr> <tr> <td>Female</td> <td>28%</td> </tr> </table> <table border="1"> <caption>Education Requirements</caption> <tr> <th>Education Level</th> <th>Percentage</th> </tr> <tr> <td>On-the-job training or previous experience</td> <td>50%</td> </tr> <tr> <td>4-year degree or higher</td> <td>40%</td> </tr> <tr> <td>Vocational or 2-year degree</td> <td>10%</td> </tr> </table>	Gender	Percentage	Male	72%	Female	28%	Education Level	Percentage	On-the-job training or previous experience	50%	4-year degree or higher	40%	Vocational or 2-year degree	10%
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TARGETS PROFILED

Figure 36

<b>Industry</b>	<b>High-tech electronics &amp; instruments</b>	
<b>Local prospects</b>	■ ■ ■ ■ □	
<b>Challenges</b>	<p>[1] Limited supplies of industrial-zoned land may deter greenfield investments of medical and avionics manufacturers.</p> <p>[2] Specific skillsets required for this workforce may be in relatively short supply.</p> <p>[3] Competitive commercial pressures limit growth prospects for some aspects of the cluster.</p> <p>[4] Uncertain federal budgets for USDoD and NIH in the years ahead may limit expansion prospects in this cluster.</p>	<p><b>Site considerations</b></p> <p><i>Access to skilled labor</i></p> <p><i>R&amp;D/investment tax incentives</i></p> <p><i>Availability of land/modern facilities</i></p> <p><i>Regional R&amp;D activities</i></p>
<b>Opportunities</b>	<p>[1] As SRI correctly noted, the Tampa Bay area has existing advantages in the narrowly defined cluster of high-tech instrumentation. A specialized, highly skilled regional labor pool presents a competitive advantage for Clearwater (as well as surrounding communities).</p> <p>[2] Because Tampa Bay's broad cluster of high-tech instrumentation manufacturing has already been targeted by SRI, Clearwater's focus on this cluster supports overall regional cohesion of economic development efforts.</p> <p>[3] Export opportunities exist for certain types of avionics and medical instruments. A weaker US dollar could further benefit US exporters in this sector.</p> <p>[4] The global market for avionics and medical research is expanding worldwide. Aggressive attempts by US companies to enter foreign markets (and supported by US policy and promotion) could pay off in the longer term.</p> <p>[5] The multiplier effect (1.93) for high-tech instrumentation among the highest of the seven target sectors reviewed in this report.</p>	<p><b>Examples of industry players</b></p> <p>United Technologies USA</p> <p>Honeywell USA</p> <p>Applied Signal Technology USA</p> <p>Rockwell Collins USA</p> <p>Alliant Techsystems USA</p> <p>Transdigm Group USA</p> <p>Teledyne Technologies USA</p> <p>Aerovironment USA</p> <p>Thermo Fisher Scientific USA</p>
		<p><b>Economic multiplier</b></p> <p><b>1.93</b></p>
		<p><b>Industry networking</b></p> <p>Assn of Electrical &amp; Med Imaging Equip Mfrs</p> <p>Medical Device Manufacturers Association</p> <p>Aerospace Industries Association</p> <p>Aircraft Electronics Association</p> <p>Satellite Industry Association</p> <p>General Aviation Manufacturers Assn</p> <p>Analytica (int'l trade fair in Germany)</p> <p>CIA (int'l trade fair in Singapore)</p>

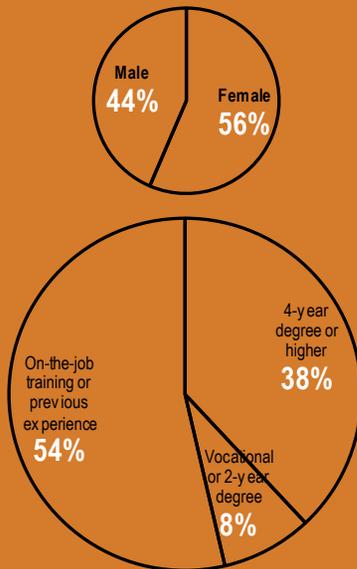
## TARGETS PROFILED

Figure 37

Industry <b>High-tech electronics &amp; instruments</b>		
<i>Recent national and international corporate activity related to this cluster...</i>		
Company name	Location	Recent activities
<b>Hewlett-Packard</b>	<i>Palo Alto, California</i>	<b>Hewlett-Packard's</b> growth in the past decade has been by acquisition, including California-based <b>Palm</b> , <b>Mercury Interactive</b> , and <b>Peregrine Systems</b> ; Massachusetts-based <b>3Com</b> ; and Texas-based <b>EDS</b> and <b>Compaq</b> .
<b>Thermo Fisher Scientific</b>	<i>Waltham, Massachusetts</i>	<b>Thermo Fisher Scientific</b> in the process of acquiring <b>Dionex</b> , a firm based in Sunnyvale, California (Silicon Valley)
<b>Tech Data</b>	<i>Clearwater, Florida</i>	<b>Tech Data</b> recently expanded its operations in the Netherlands with the acquisition of <b>Triade Holdings</b> .
<b>Logitech International</b>	<i>Romanel-sur-Morges, Switzerland (near Lake Geneva)</i>	<b>Logitech</b> acquired Austin-based <b>LifeSize Communications</b> .
<b>NCR</b>	<i>Duluth, Georgia (suburban Atlanta)</i>	<b>NCR</b> (formerly National Cash Register) recently relocated its headquarters from Dayton, Ohio, to Gwinnett County, Georgia
<b>Dell</b>	<i>Round Rock, Texas (suburban Austin)</i>	<b>Dell</b> kicked off an acquisition strategy in 2009, starting with <b>Perot Systems</b> in Plano, TX. In 2010, Dell lost a fight with <b>HP</b> to acquire <b>3PAR</b> in Silicon Valley but then went on to buy <b>Compellent Technologies</b> of Eden
<b>Agilent Technologies</b>	<i>Santa Clara, California</i>	<b>Agilent Technologies</b> recently acquired Palo Alto-based <b>Varian Medical Systems</b> .
<b>Cisco Systems</b>	<i>San Jose, California</i>	<b>Cisco Systems'</b> recent acquisitions have included Massachusetts-based <b>Starent Networks</b> as well as <b>Tandberg</b> , a firm based in suburban Oslo, Norway.

TARGETS PROFILED

Figure 38

<p><b>Industry</b>      <b>Business, Financial, &amp; Data Services</b></p>															
<p><b>US job growth 2010-2020</b>      <b>+1,018,168</b></p>	<p><b>NAICS codes</b>  <b>Business Process Outsourcing (BPO) &amp; Shared Services</b>                    5611   5612   5613   5614    <b>Financial Transactions Processing</b>                    522320    <b>Data Centers &amp; Data Management</b>                    518210    <b>Health Information Tech &amp; Bioinformatics</b>                    541380  </p>														
<p><b>Description</b>      Information and communication technology (ICT) covers a broad range of activities from high-tech security to design and advertising. SRI narrowed this cluster considerably, paring the activities down to a range of data services that includes business process outsourcing (BPO), financial transaction processing, data centers, and certain aspects of health information technology. Twenty years ago we would have called this cluster "back office" but in today's high-tech world of segmented branch operations a more finely nuanced definition is possible.</p>	<p><b>Historic workforce structure</b></p>  <table border="1"> <caption>Gender Distribution</caption> <tr> <th>Gender</th> <th>Percentage</th> </tr> <tr> <td>Male</td> <td>44%</td> </tr> <tr> <td>Female</td> <td>56%</td> </tr> </table> <table border="1"> <caption>Education and Experience Distribution</caption> <tr> <th>Category</th> <th>Percentage</th> </tr> <tr> <td>On-the-job training or previous experience</td> <td>54%</td> </tr> <tr> <td>4-year degree or higher</td> <td>38%</td> </tr> <tr> <td>Vocational or 2-year degree</td> <td>8%</td> </tr> </table>	Gender	Percentage	Male	44%	Female	56%	Category	Percentage	On-the-job training or previous experience	54%	4-year degree or higher	38%	Vocational or 2-year degree	8%
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4-year degree or higher	38%														
Vocational or 2-year degree	8%														
<p><b>Trends to watch</b></p> <p>From Clearwater's perspective, the upside of this cluster is that (with the exception of data centers, which tend to be more capital intensive than labor intensive) it is usually a major job generator. More than one million jobs will be added in data service-related activities over the coming decade.</p> <p>TIP's analysis shows that the gender composition of this cluster tends to present more equity than some of the other clusters, but this gender split may swing widely one way or the other depending on the type of outsourced activity. Educational requirements tend to be either low-skill (no training required) or high-skill (at 4-year degree or more). The vast pool of mid-skill applicants (i.e., a 2-year degree or vocational preparation) may find fewer opportunities within this cluster.</p> <p>Data centers, in particular, may present certain requirements that Clearwater will find challenging. Massive electricity usage means that companies typically seek very cheap rates at locations offering ample security from natural disasters. Modern buildings with large floorplates and under-floor wiring are often in short supply, and these requirements are sometimes impossible to achieve by retrofitting existing structures. Some of these special needs (utilities, security, modern real estate) may translate in lesser degrees to other types of data services firms as well, including BPO and financial transactions processing.</p>															

TARGETS PROFILED

Figure 39

Industry	Business, Financial, & Data Services	
Local prospects		<b>Site considerations</b>
Challenges	<p>[1] Corporate search criteria may include stringent requirements for utility costs and reliability, location security, and building construction.</p> <p>[2] The increasingly interconnected nature of the global economy has increased the competitive playing field for sites to host data service operations. Companies that once limited their site selection to US soil, now often consider sites in Costa Rica, India, and the Philippines, to name a few. Even law firms now use foreign BPOs for some of their legal services.</p>	
Opportunities	<p>[1] Certain types of data services will be a major job generator in the decade ahead.</p> <p>[2] Because Tampa Bay's broad cluster of data management has already been targeted by SRI, Clearwater's focus on this cluster supports overall regional cohesion of economic development efforts.</p>	
		<b>Examples of industry players</b>
		<p>Automatic Data Processing USA                      Fiserv USA                      Fidelity National Information Services USA                      Alliance Data Systems USA                      Global Payments USA                      DST Systems USA                      Syntel USA                      Heartland Payment Systems USA                      Convergys USA</p>
		<b>Economic multiplier</b>
		<b>1.66</b>
		<b>Industry networking</b>
		<p>American Council for Trade in Services                      Data Interchange Standards Association                      Financial Services Roundtable                      Information Technology Industry Council                      International Trade Data Users                      National Association of Personnel Services                      Telecommunications Industry Association                      US Coalition of Services Industries</p>

## TARGETS PROFILED

Figure 40

Industry <b>Business, Financial, &amp; Data Services</b>		
<i>Recent national and international corporate activity related to this cluster...</i>		
Company name	Location	Recent activities
<b>Amazon</b>	<i>Seattle, WA</i>	Seattle-based <b>Amazon</b> recently opened a data center in Oregon to take advantage of cheap hydropower from the Columbia River.
<b>CareTech Solutions</b>	<i>Troy, Michigan (suburban Detroit)</i>	<b>CareTech Solutions</b> , a provider of outsourced data center services for the healthcare sector, recently won a key endorsement from the <b>American Hospital Association</b> .
<b>Dell</b>	<i>Round Rock, Texas (suburban Austin)</i>	<b>Dell</b> recently purchased land in Quincy, Washington, and plans to build a data center there.
<b>Digital Realty Trust</b>	<i>San Francisco, California</i>	<b>Digital Realty Trust</b> , a provider of outsourced data management services, is building a major data center in Chandler, Arizona.
<b>Google</b>	<i>Mountain View, California (Silicon Valley)</i>	California-based <b>Google</b> recently opened a data center in Oregon.
<b>Microsoft</b>	<i>Redmond, Washington (suburban Seattle)</i>	<b>Microsoft</b> has opened two data centers in the past few years in the town of Quincy, Washington.
<b>Red Sea Group</b>	<i>Herzliya, Israel (suburban Tel Aviv)</i>	Israel-based <b>Red Sea Group</b> is a leading provider of data center facilities in the US with investments in Texas, Washington State, and Illinois.

TARGETS PROFILED

Figure 41

Proposed target industries

<p><b>Industry</b> Marine &amp; environmental activities</p>															
<p><b>US job growth 2010-2020</b> +73,747</p>															
<p><b>Description</b> SRI's recent study of the Tampa Bay area emphasized the regional presence of "R&amp;D and innovation activities... in key fields such as life sciences and marine sciences." These seemingly diverse industries were rolled into a loosely defined cluster of marine and environmental activities. This includes aquaculture, marine-related biofuels, energy efficiency and conservation products and services, as well as marine instruments.</p>	<p><b>NAICS codes</b></p> <ul style="list-style-type: none"> <li>Aquaculture   1141  </li> <li>Biofuels/Algae   221119  </li> <li>Energy Efficiency &amp; Conservation   326140   326150   541614  </li> <li>Marine Instruments, Sensors, Remote Monitors, &amp; Optics   334519  </li> </ul>														
<p><b>Trends to watch</b></p> <p>This SRI-defined cluster of activities employs just over 300,000 workers in the US. Over the next decade, forecasts show that nearly 75,000 more jobs will be added. Even though the cluster is relatively small by national standards, the Tampa region competes from an advantageous position, and the prospects for growth are quite good.</p> <p>The historic demographic composition of the workforce in this cluster is predominately male -- by about a 3-to-1 margin. Skill requirements fit mostly on the opposite ends of the educational spectrum, with 37% of jobs historically requiring at least a 4-year degree while more than half require minimal preparation. Like all industries, however, past patterns of skill requirements are not necessarily reflective of the future. Higher skilled jobs will undoubtedly rise in importance at the expense of lower skilled positions. One of Clearwater's largest private employers, Aerosonic, manufacturers search, detection, navigation, guidance, aeronautical, and nautical systems. This presents an opportunity to demonstrate to other prospects how similar firms can succeed in Clearwater.</p>	<p><b>Historic workforce structure</b></p> <table border="1"> <caption>Gender Distribution</caption> <tr> <th>Gender</th> <th>Percentage</th> </tr> <tr> <td>Male</td> <td>74%</td> </tr> <tr> <td>Female</td> <td>26%</td> </tr> </table> <table border="1"> <caption>Education Level Distribution</caption> <tr> <th>Education Level</th> <th>Percentage</th> </tr> <tr> <td>On-the-job training or previous experience</td> <td>57%</td> </tr> <tr> <td>4-year degree or higher</td> <td>37%</td> </tr> <tr> <td>Vocational or 2-year degree</td> <td>6%</td> </tr> </table>	Gender	Percentage	Male	74%	Female	26%	Education Level	Percentage	On-the-job training or previous experience	57%	4-year degree or higher	37%	Vocational or 2-year degree	6%
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4-year degree or higher	37%														
Vocational or 2-year degree	6%														

TARGETS PROFILED

Figure 42

Industry	Marine & environmental activities	
Local prospects		<p><b>Site considerations</b></p> <p><i>Access to skilled labor</i>  <i>Access to markets/customers</i>  <i>Regional R&amp;D activities</i>  <i>Quality of transport infrastructure</i>  <i>Competitive utility prices</i></p>
Challenges	<p>[1] A limited, and aging stock of modern, Class A office space may stymie the city's ability to attract certain types of companies.</p> <p>[2] Limited supplies of industrial-zoned land or waterfront sites may deter greenfield investments of marine manufacturers.</p> <p>[3] SRI cited the lack of a national reputation or "brand" for education and innovation in strategic fields. They also lamented the region's progress in nurturing entrepreneurship and innovation among small businesses, especially those in marine and environmental sciences.</p>	
Opportunities	<p>[1] Export opportunities exist for certain types of marine products, and especially for products and services related to environmental efficiency. A weaker US dollar could further benefit US exporters in this sector.</p> <p>[2] Global energy consumption is expanding rapidly, especially in developing countries. As this occurs, global demand for products and services related to energy efficiency will be brisk. Aggressive attempts by US companies to enter foreign markets (and supported by US policy and promotion) could pay off in the longer term.</p> <p>[3] Because Tampa Bay's broad cluster of marine and environmental science activities has already been targeted by SRI, Clearwater's focus on this cluster supports overall regional cohesion of economic development efforts.</p> <p>[4] The multiplier effect (1.83) for marine and environmental sciences is relatively high.</p>	
	<p><b>Examples of industry players</b></p> <p>Clean Harbors USA                  Johnson Outdoors USA                  Brownies Marine Group USA                  Seacor Holdings USA                  Cal Dive International USA                  Standard Energy USA                  Cyanotech USA                  Lime Energy USA                  Allied Motion Technologies USA</p>	
	<p><b>Economic multiplier</b></p> <p><b>1.83</b></p>	
	<p><b>Industry networking</b></p> <p>Air-Conditioning &amp; Refrigeration Institute                  Amer Academy of Environmental Engineers                  Energy Efficiency Building Association                  Export Council for Energy Efficiency                  National Marine Manufacturers Association</p>	

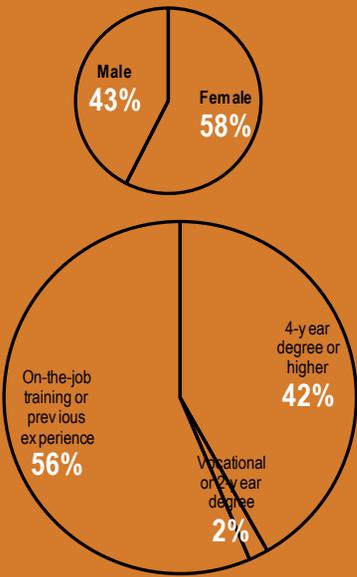
## TARGETS PROFILED

Figure 43

Industry	Marine & environmental activities	
<i>Recent national and international corporate activity related to this cluster...</i>		
Company name	Location	Recent activities
<b>Momentive</b>	<i>Columbus, Ohio</i>	Ohio-based polymer maker <b>Hexion Specialty Chemical</b> has merged with the former silicone division of <b>General Electric</b> near Albany, NY, to form a new Columbus-based company called <b>Momentive</b> .
<b>Sharp</b>	<i>Osaka, Japan</i>	Technology leader <b>Sharp</b> acquired San Francisco-based <b>Recurrent Energy</b> , a solar panel manufacturer
<b>BP</b>	<i>London, UK</i>	After buying the offshore operations of Oklahoma's <b>Devon Energy</b> in early 2010, beleaguered <b>BP</b> soon found itself selling \$7 billion package of oil & gas properties in the US, Canada, and Egypt to cover its Gulf oil spill costs.
<b>Noble</b>	<i>Sugar Land, Texas (suburban Houston)</i>	Texas-based Noble recently acquired <b>Frontier Drilling</b> , a privately-held deep sea drilling firm based in Bergen, Norway
<b>CF Industries</b>	<i>Deerfield, Illinois (suburban Chicago)</i>	The phosphate fertilizer maker <b>CF Industries</b> recently won a bitter fight with the Norwegian firm <b>Yara International</b> to acquire <b>Terra Industries</b> , a rival based in Iowa. CF has strategic operations in Florida.

TARGETS PROFILED

Figure 44

<p><b>Industry</b>      <b>Finance &amp; insurance</b></p>															
<p><b>US job growth 2010-2020</b>      <b>+1,747,883</b></p>	<p><b>NAICS codes</b></p> <ul style="list-style-type: none"> <li><b>Monetary Authorities</b>   521  </li> <li><b>Credit Intermediation &amp; Related Activities</b>   522  </li> <li><b>Securities, Commodity Contracts, &amp; Other Financial Investments</b>   523  </li> <li><b>Insurance Carriers &amp; Related Activities</b>   524  </li> <li><b>Funds, Trusts, &amp; Other Financial Vehicles</b>   525  </li> </ul>														
<p><b>Description</b></p> <p>The financial services sector includes commercial banking, investment banking, and insurance. The 1.7 million jobs forecast nationwide over the next decade is misleading. This includes many "restored" jobs that were lost in this recession, especially in mortgage financing. Moreover, most of the job growth will be evenly spread across the country through local branch banks and local insurance agents. SRI considered financial services as a target cluster for the Tampa Bay region, but ultimately trimmed it from the final list of four broad clusters. While TIP agrees with that decision -- SRI seeks to push the region's potential in more innovative activities -- there will still be back-office opportunities that arise which may fit well with Clearwater's existing stock of Class B and aging Class A offices.</p>	<p><b>Historic workforce structure</b></p>  <table border="1"> <caption>Gender Distribution</caption> <tr> <th>Gender</th> <th>Percentage</th> </tr> <tr> <td>Male</td> <td>43%</td> </tr> <tr> <td>Female</td> <td>58%</td> </tr> </table> <table border="1"> <caption>Education/Experience Distribution</caption> <tr> <th>Category</th> <th>Percentage</th> </tr> <tr> <td>On-the-job training or previous experience</td> <td>56%</td> </tr> <tr> <td>4-year degree or higher</td> <td>42%</td> </tr> <tr> <td>Vocational or 2-year degree</td> <td>2%</td> </tr> </table>	Gender	Percentage	Male	43%	Female	58%	Category	Percentage	On-the-job training or previous experience	56%	4-year degree or higher	42%	Vocational or 2-year degree	2%
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<p><b>Trends to watch</b></p> <p>The 2008 economic crisis and the recently passed federal legislation of financial reform imply that the years ahead will be a period of industry restructuring, which could include consolidation, mergers, acquisitions, and relocations. Opportunities will emerge as the financial services sector reorganizes. New federal financial regulations could feasibly impact the industry's physical reorganization and rationalization of activities; as for how that plays out, it is still too early to tell. The fallout could take years to unfold. It is good to remember in general, however, that large banking and insurance companies often consolidate and move back-office operations to less expensive, remote locations whenever possible. Examples include New York-based JP Morgan Chase's back-office activities in Tampa. Boston-based Fidelity does the same thing in the suburbs of Providence, Rhode Island, and Fort Worth, Texas. Capital One, headquartered in Northern Virginia, just outside Washington, DC, locates most of its support activities in the suburbs just north of Richmond, Virginia.</p>															

TARGETS PROFILED

Figure 45

Industry	Finance & insurance	
Local prospects		<p><b>Site considerations</b></p> <p><i>Access to skilled labor</i>  <i>Affordable labor rates</i>  <i>Competitive tax environment</i></p>
Challenges	<p>[1] SRI's report worried that the innovative potential of financial services in general might be somewhat limited in the Tampa Bay region.</p>	
Opportunities	<p>[1] It is unclear so far what type of industry re-organization and rationalization may fall out of new federal financial legislation, but there may be opportunities as companies rethink the locations of various activities.</p> <p>[2] Even though SRI did not define financial services as a target cluster, it did pull out a few financial-related activities (i.e., transaction processing) and move these into a broader data management cluster.</p> <p>[3] Clearwater's existing stock of Class A and B office space be limited for some types of data centers (in the data management cluster) but it may be better suited for financial transaction processing (also in the data management cluster).</p> <p>[4] Tampa Bay's broad cluster of data management activities defined by SRI intersects with the finance and insurance sector. Thus, by focusing mainly on this intersection of activities, Clearwater can still support overall regional cohesion of economic development efforts.</p>	
<p><b>Examples of industry players</b></p> <p>Discover Financial Services USA                  The Student Loan Corporation USA                  Neltnet USA                  First Marblehead USA                  Prudential Financial USA                  Principal Financial Group USA                  Unum Group USA                  Travelers Companies USA                  Chubb USA</p>		
<p><b>Economic multiplier</b></p> <p><b>1.76</b></p>		
<p><b>Industry networking</b></p> <p>Alliance of American Insurers                  American Bankers Association                  American Council of Life Insurers                  Financial Services Forum                  Geneva Association                  Nat'l Assn of Mutual Insurance Companies                  Reinsurance Association of America                  Security Industry Association</p>		

## TARGETS PROFILED

Figure 46

Industry <b>Finance &amp; insurance</b>		
<i>Recent national and international corporate activity related to this cluster...</i>		
Company name	Location	Recent activities
<b>Dai-ichi Mutual Life Insurance</b>	<i>Tokyo</i>	<b>Dai-ichi</b> demutualized its structure with an IPO on April 1, 2010. The company is expected to use proceeds to expand its operations abroad.
<b>AIG</b>	<i>New York City</i>	Under government control, <b>AIG</b> has begun shedding assets. <b>MetLife</b> will buy <b>Alico</b> , AIG's foreign-market life-insurance unit. <b>AIA</b> , the Asian life insurance operations of AIG, appears likely to be spun off with an IPO.
<b>Citigroup</b>	<i>New York City</i>	<b>Citigroup</b> recently spun off Duluth, GA-based <b>Primerica</b> in an IPO.
<b>Korea Life Insurance, Samsung Life Insurance</b>	<i>Seoul</i>	Both <b>Korea Life Insurance</b> and <b>Samsung Life Insurance</b> have went public in 2010, though it is unclear how (and where) they plan to invest the large amount of cash raised in their IPOs.
<b>Chicago Board Options Exchange (CBOE)</b>	<i>Chicago</i>	The <b>CBOE</b> has recently launched a very well received IPO.
<b>Compass Bancshares</b>	<i>Birmingham, Alabama</i>	<b>Compass Bancshares</b> is the new owner of the assets of failed Austin-based <b>Guaranty Financial Group</b> . (Compass Bancshares is a subsidiary of Bilbao, Spain-based <b>Banco Bilbao Vizcaya Argentaria (BBVA)</b> ).
<b>Ameriprise Financial</b>	<i>Minneapolis</i>	<b>Ameriprise Financial</b> has acquired <b>Columbia Management</b> , the mutual fund arm of <b>Bank of America</b> , in a \$1 billion cash deal.
<b>Reinsurance Group of America (RGA)</b>	<i>Chesterfield, Missouri (suburban St. Louis)</i>	<b>MetLife</b> recently spun off its subsidiary <b>Reinsurance Group of America (RGA)</b> as a separately traded firm.

TARGETS PROFILED

Figure 47

Proposed target industries

Industry	Professional services															
US job growth 2010-2020	+2,402,544															
Description	<p>Professional services firms are expected to add 2.4 million jobs over the next decade. This alone tells us something about where the US economy is headed. Professional services firms hire educated workers and pay well. For every 20 jobs that the US adds over the next decade, at least 1 will be in a firm providing professional services, like accounting, law, engineering, or computer services.</p>															
Trends to watch	<p>Professional services firms can be large multinational operations (like PricewaterhouseCoopers, for example) but more often they are small and medium-sized (SME) operations that provide administrative or technical services to the broader local economy. In a region like Tampa Bay, this might legal or computer services or a wide range of other activities.</p> <p>Professional services firms spring up on their own to service local industries and the local population. Many legal activities need to be located in or near the CBD to be close to courts and other government buildings. For all other types of professional services, there is less need to stay centrally located since employees and customers may be more likely to be located in middle-class or affluent suburbs. Attracting these professional services activities can often become a quality of life issue. TIP did hear from several business owners, professionals, and residents who relocated to Clearwater simply based on the quality of life the community offered.</p>															
	<p><b>NAICS codes</b></p> <p><b>Business Services, including Law, Accounting, &amp; Advertising</b>   5411   5412   5418  </p> <p><b>Construction Services, including Engineering, Architecture, &amp; Design</b>   5413   5414  </p> <p><b>Computer Services</b>   5415  </p> <p><b>Research &amp; Technical Consulting Services</b>   5416   5417   5419  </p>															
	<p><b>Historic workforce structure</b></p> <table border="1"> <caption>Gender Distribution</caption> <tr> <th>Gender</th> <th>Percentage</th> </tr> <tr> <td>Male</td> <td>58%</td> </tr> <tr> <td>Female</td> <td>42%</td> </tr> </table> <table border="1"> <caption>Education Level Distribution</caption> <tr> <th>Education Level</th> <th>Percentage</th> </tr> <tr> <td>4-year degree or higher</td> <td>52%</td> </tr> <tr> <td>On-the-job training or previous experience</td> <td>34%</td> </tr> <tr> <td>Vocational or 2-year degree</td> <td>14%</td> </tr> </table>		Gender	Percentage	Male	58%	Female	42%	Education Level	Percentage	4-year degree or higher	52%	On-the-job training or previous experience	34%	Vocational or 2-year degree	14%
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TARGETS PROFILED

Figure 48

Industry	Professional services	
Local prospects		
Challenges	<p><b>[1]</b> SRI considered business services as a potential target cluster for the Tampa Bay region. They concluded, however, that business services (much like financial services) lacked the innovative potential of a stand-alone target.</p> <p><b>[2]</b> An aging stock of modern, Class A office space could deter potential small and medium-sized enterprises (SMEs) from locating in Clearwater.</p>	
Opportunities	<p><b>[1]</b> Professional services firms will be among the big job creators of the coming decade. These firms tend to hire educated workers and often pay their employees at rates above the overall median.</p> <p><b>[2]</b> Even though SRI did not define business services as a target cluster, it did emphasize the intersection of some of these activities with the broader data management cluster.</p> <p><b>[3]</b> Tampa Bay's broad cluster of data management activities defined by SRI intersects with professional services to some degree. Thus, by focusing mainly on this intersection of activities, Clearwater can still support overall regional cohesion of economic development efforts.</p>	
<p><b>Site considerations</b></p> <p><i>Access to skilled labor</i>  <i>Airport accessibility &amp; flight options</i>  <i>Access to markets/customers</i>  <i>Class A office options</i>  <i>Competitive tax environment</i></p>		
<p><b>Examples of industry players</b></p> <p>Equifax USA                      IHS USA                      FTI Consulting USA                      Huron Consulting Group USA                      Towers Watson USA                      Navigant Consulting USA                      Korn/Ferry International USA                      Manpower USA                      Robert Half International USA</p>		
<p><b>Economic multiplier</b></p> <p><b>1.46</b></p>		
<p><b>Industry networking</b></p> <p>Amer Inst of Certified Public Accountants                      American Bar Association                      American Consulting Engineers Assn                      International Advertising Association                      American Institute of Architects                      National Society of Professional Engineers</p>		

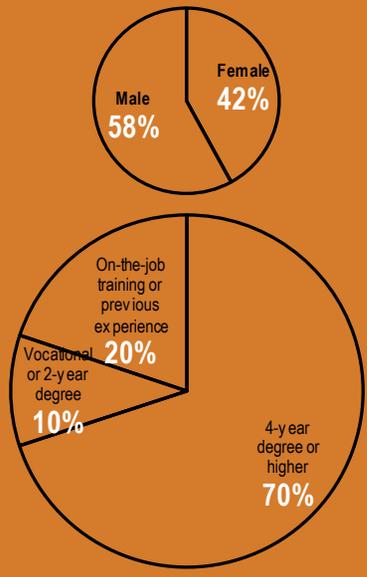
## TARGETS PROFILED

Figure 49

Industry	Professional services	
<i>Recent national and international corporate activity related to this cluster...</i>		
Company name	Location	Recent activities
<b>Towers Watson</b>	<i>New York City</i>	Stanford, Connecticut-based <b>Towers Perrin</b> recently merged with Arlington, Virginia-based <b>Watson Wyatt</b> to create a new company called <b>Towers Watson</b> headquartered in New York City.
<b>Aon</b>	<i>Chicago</i>	Chicago-based <b>Aon</b> is in the process of acquiring <b>Hewitt Associates</b> which is based in the Chicago suburbs.
<b>Balfour Beatty</b>	<i>London</i>	<b>Balfour Beatty</b> recently acquired New York City-based <b>Parsons Brinckerhoff</b>
<b>BearingPoint</b>	<i>McLean, Virginia (suburban Washington, DC)</i>	<b>BearingPoint</b> (formerly <b>KPMG Consulting</b> ) recently filed for bankruptcy protection.
<b>First Data</b>	<i>Atlanta</i>	Greenwood Village, Colorado-based <b>First Data</b> recently relocated its headquarters to Atlanta
<b>Booz Allen Hamilton</b>	<i>McLean, Virginia (suburban Washington, DC)</i>	<b>Booz Allen Hamilton</b> recently spun out its commercial (i.e. non-government) consulting operation as a separate New York City-based firm called <b>Booz &amp; Company</b>
<b>Aecom</b>	<i>Los Angeles</i>	Flush with cash from an IPO in 2007, <b>Aecom</b> has recently expanded its engineering consulting and construction services by acquiring New York-based <b>Tishman Construction</b> and Long Beach-based <b>Earth Tech</b> .

TARGETS PROFILED

Figure 50

<b>Industry</b>	<b>Software</b>															
<b>US job growth 2010-2020</b>	<b>+68,955</b>															
<b>Description</b>	<p>Software firms are expected to add nearly 70,000 jobs in the US over the next decade. This is about twice as many new jobs as the high-tech equipment sector is expected to add over the same period even though both clusters today employ roughly the same number of workers.</p>															
<b>Trends to watch</b>	<p>At the surface, the software cluster might sound the same as the data management cluster, but there are actually major differences. Like the oil refineries and chemical facilities of the industrial era, today's data center activities require massive capital investments on the ground but require relatively few workers to operate. Software firms are the opposite. They invest little capital into property, plant, and equipment. Instead, the assets of software firms lie in two areas: their intellectual property and their coveted pools of talented workers. Corporate decisions of software firms will be based on their ability to preserve, nurture, and develop these two assets.</p> <p>TIP's analysis shows that the gender composition in IT activities (including software) tends to present more gender equity than the stereotypes of a male-dominated realm might imply. Educational requirements are the most stringent of the seven clusters we reviewed. At least 2 of every 3 jobs will require a 4-year degree just to get in the door. The vast pool of middle- and lower-skilled applicants will find few opportunities within this cluster.</p> <p>Software firms present an unusually good match for Clearwater's core strengths. These firms will seek small to medium-size blocks of office space across Class A, B, and C buildings. The individual requirements may depend on the size and development stage of each firm. Attracting and retaining talent is a key issue for these firms, so Clearwater's beaches and quality of life can offer an advantage over more mundane or less accessible locations in the Tampa Bay region.</p>	<p data-bbox="1176 381 1344 414"><b>NAICS codes</b></p> <p data-bbox="1207 422 1312 479">Software   5112  </p> <p data-bbox="1092 755 1428 787"><b>Historic workforce structure</b></p>  <table border="1"> <caption>Gender Composition</caption> <tr> <th>Gender</th> <th>Percentage</th> </tr> <tr> <td>Male</td> <td>58%</td> </tr> <tr> <td>Female</td> <td>42%</td> </tr> </table> <table border="1"> <caption>Educational Requirements</caption> <tr> <th>Requirement</th> <th>Percentage</th> </tr> <tr> <td>4-year degree or higher</td> <td>70%</td> </tr> <tr> <td>Vocational or 2-year degree</td> <td>20%</td> </tr> <tr> <td>On-the-job training or previous experience</td> <td>10%</td> </tr> </table>	Gender	Percentage	Male	58%	Female	42%	Requirement	Percentage	4-year degree or higher	70%	Vocational or 2-year degree	20%	On-the-job training or previous experience	10%
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Vocational or 2-year degree	20%															
On-the-job training or previous experience	10%															

TARGETS PROFILED

Figure 51

Industry	Software	
<b>Local prospects</b>		
<b>Challenges</b>	<p>[1] Highly defined skillsets are required for the software cluster and these skills may be in relatively short supply.</p> <p>[2] Because business assets lie in intangible property, software firms will require local legal services that are sophisticated and highly specialized in intellectual property and (increasingly) international law.</p> <p>[3] Representatives of software firms operating in Clearwater reported to TIP that the city's existing commerical office space lacks first-class information technology infrastructure.</p>	
<b>Opportunities</b>	<p>[1] Even though SRI did not define software as a stand-alone target cluster for the Tampa Bay region, other clusters were selected that are cousins to the software sector. Clearwater can still support overall regional cohesion of economic development efforts by focusing on the similarities and overlaps between software and the other clusters.</p> <p>[2] Software firms typically do not place a major emphasis on real estate. For many firms, Class B and C office space will work as long as telecom utilities are adequate. Quality of life issues for employees (like beach access or other outdoor activities) will matter. In most cases, a prestigious address in a trophy building will be less important.</p> <p>[3] The global market for software products continues to expand worldwide, and this market can typically be accessed easily from a single production site. Unlike manufacturing, there are no complicated networks of suppliers, customers, or freight forwarders to drive up overhead and disperse activities across multiple sites.</p> <p>[4] Despite limited capital investments, the multiplier effect (1.95) for software is the highest of the seven target sectors reviewed in this report.</p>	
<b>Site considerations</b>		
<p><i>Access to skilled labor</i>  <i>Airport accessibility &amp; flight options</i>  <i>Class A office options</i>  <i>Competitive tax environment</i></p>		
<b>Examples of industry players</b>		
<p>Activision Blizzard USA                  Adobe Systems USA                  BMC Software USA                  Check Point Software Technologies Israel                  Electronic Arts USA                  Intuit USA                  Microsoft USA                  Oracle USA                  SAP Germany</p>		
<b>Economic multiplier</b>		
<b>1.95</b>		
<b>Industry networking</b>		
<p>Business Software Alliance                  Information Technology Assn of America                  Information Technology Industry Council</p>		

## TARGETS PROFILED

Figure 52

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**Industry      Software**


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*Recent national and international corporate activity related to this cluster...*

<b>Company name</b>	<b>Location</b>	<b>Recent activities</b>
<b>VeriSign</b>	<i>Dulles, Virginia (suburban Washington, DC)</i>	<b>VeriSign</b> is in the process of relocating its headquarters from Mountain View, California (Silicon Valley) to suburban Washington, DC
<b>SAP</b>	<i>Waldorf, Germany (suburban Mannheim)</i>	The German software giant <b>SAP</b> plans to acquire <b>Sybase</b> , a US company based in Dublin, California (San Francisco Bay Area)
<b>Red Hat</b>	<i>Raleigh, North Carolina</i>	The North Carolina software firm <b>Red Hat</b> has been considering a relocation to Atlanta for several months and is also entertaining offers from other cities. No decision had been announced as of year-end 2010.
<b>Intel</b>	<i>Santa Clara, California (Silicon Valley)</i>	In Silicon Valley, <b>Intel</b> recently announced plans to acquire the IT services firm <b>McAfee</b> . Both firms are located in Santa Clara.
<b>JDA Software</b>	<i>Scottsdale, Arizona (suburban Phoenix)</i>	<b>JDA Software</b> recently acquired Dallas-based <b>i2 Technologies</b>
<b>Oracle</b>	<i>Redwood City, California (Silicon Valley)</i>	After a long regulatory battle, <b>Oracle</b> has acquired Santa Clara, California-based <b>Sun Microsystems</b> and plans to invest another \$70 billion toward acquisitions over the next five years.
<b>Liberty Media</b>	<i>Englewood, Colorado (suburban Denver)</i>	<b>Liberty Media</b> has spent the last few years spinning off subsidiaries as separate companies including <b>Liberty Entertainment</b> (2009), <b>Liberty Interactive</b> and <b>Liberty Capital</b> (2005), and <b>Liberty Media Int'l</b> (2004).
<b>Attachmate</b>	<i>Seattle, Washington</i>	<b>Attachmate</b> recently acquired the software maker <b>Novell</b> , based in Waltham, Massachusetts.