



## Executive Summary

# Florida Rural Economic Development Study

December 2012



## Overview

Enterprise Florida, Inc. (EFI) engaged Boyette Strategic Advisors (BSA) to develop an Economic Development Strategic Plan for Rural Florida, which includes the following regions: Florida's Heartland Regional Economic Development Initiative (FHREDI), North Florida Economic Development Partnership (NFEDP) and Opportunity Florida. Three counties, Flagler, Nassau, and Walton, are also considered part of Rural Florida.

Rural Florida is at a crossroads in terms of its future development, and there is an opportunity for Rural Florida to position itself and control its economic destiny to a much greater degree than it ever did during the 60 years of Florida's economic expansion between the end of World War II and the beginning of the recession in 2008. Florida as a state has done well in the past two years and has, from an economic development perspective, emerged from the recession.

Through most of the expansion years, many in Florida, including much of Rural Florida, were more challenged with managing growth in residents and rooftops, than with creating long-term economic development plans. This unmitigated growth affected Rural Florida in other ways as well. Populations increased simultaneously with efforts to preserve the rural character of many regions; infrastructure was stretched beyond many

communities' ability to meet demand; and servicing the population increase became one of the driving economic engines. During this time, there were efforts being made to address proactive economic development in Rural Florida. They were not, however, integrated into the fabric of Florida's economic development strategy, and the result was a patchwork of varying capacity from one local area to the next.

### In order to transform Rural Florida, the following should occur:

1. Create a compelling story for rural development that will motivate local leadership to give economic development issues the highest possible priority.
2. Construct a narrative to demonstrate how job creation projects will increase the economic stability of Rural Florida through highlighting the direct and indirect benefits of new job-creating investments.
3. Celebrate Rural Florida for its authenticity and strive to develop it based on its unique assets and attributes, and understand that rural economic development opportunities are different than those found in the urban areas.

The results of the reactive local economies were numerous, with many beyond the scope of this project. However, two important observations are that one, Florida did not develop a systematic and proactive rural economic development culture or delivery system that focused on rural job creation, and two, Rural Florida developed a sense of separateness and division between itself and Urban Florida where the development issues commanded a different type of state-level attention. Rural Florida should more proactively leverage its inherent competitive advantages and, with support from state-level resources, as well as private utility partners, establish a path to prosperity that will ensure future economic viability, while maintaining its quality of life.



The Florida Rural Economic Development Study was developed with the involvement of nearly 500 participants that included targeted interviews with numerous individuals directly involved with rural development in Florida, input sessions conducted in each of the three designated rural Florida regions outlined below, and online surveys targeted to business/industry, economic development professionals and elected officials in the rural regions.

This study, which includes identification of six targeted sectors for Rural Florida, as well as strategic recommendations in six program areas, is meant to provide direction to Rural Florida in its economic development efforts over the next five years.

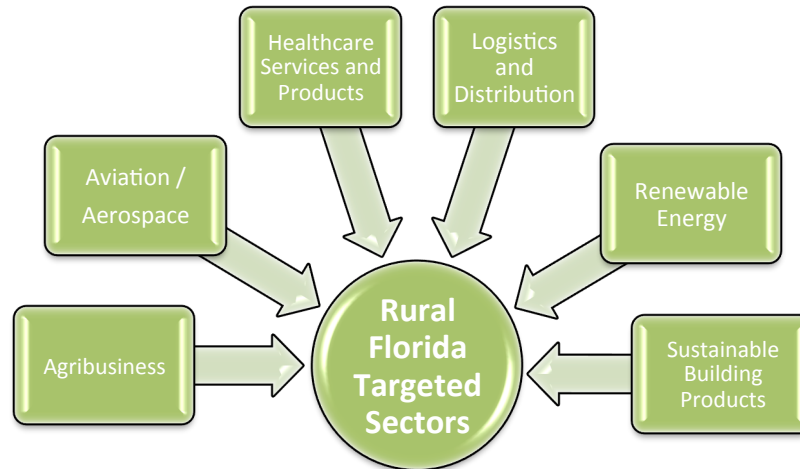
**Stakeholder Input**

**Nearly 500 Participants**

- Interviews – 31
- Regional Input Sessions - 113
- Online Survey – 353

## Targeted Sectors

Six targeted sectors have been identified as priorities for the regions/counties in Rural Florida to focus its efforts. The selection of these targets involved review of the current targeted sectors of the state of Florida, the FHREDI region, the NFEDP region, and Florida’s Great Northwest, of which the Opportunity Florida region is a part; review of the current business/industry base in each region; projected growth rates for such sectors at the national and state levels; recent project activity in each region; interviews with key stakeholders in each region; input sessions conducted in each region; and results of online surveys completed by business leaders, elected officials, and economic development professionals in each region. It should be noted that while the six targeted sectors identified cover all of Rural Florida, some of the targets better align with specific regions given the unique strengths, assets, and advantages of each rural region related to that sector.





## Strategic Recommendations

Strategic recommendations in six program areas were also developed and are focused on addressing any issues and capitalizing on any opportunities identified throughout this process. Recommendations are also designed to support the six targeted business sectors identified. The recommendations were formulated based on a combination of in-depth research and input from stakeholders collected during interviews, input sessions and surveys, as well as BSA’s observations. These recommendations are meant to ensure success in Rural Florida in the attraction and retention of business/industry as well as to provide direction for economic development efforts in Rural Florida over the next five years.

### Rural Economic Development Structure

#### Organization

- Change the “Rural Areas of Critical Economic Concern” name
- Leverage the Rural Economic Development Initiative (REDI) structure to further clarify roles and responsibilities of state agencies as it applies to rural economic development
- Clarify EFI’s role as it relates to rural economic development, externally as well as internally
- Better integrate the Florida Department of Economic Opportunity (DEO) programs and services
- Evaluate financial support for rural regions

#### Leadership Development

- Support development of a central program for training of elected officials in economic development
- EFI should continue development of its Community Competitiveness Program to help build leadership capacity in the rural areas with elected officials and economic development professionals
- Efforts should be made to encourage more private sector participation in counties that lack property owners who are demonstrating a commitment to economic development

### Incentives/Funding

#### Rural Infrastructure Fund

- DEO must ensure all rural communities with Catalyst Sites and other identified developable property that are not yet “shovel-ready” are aware of the Preclearance Review Grants
- For Catalyst Sites, DEO should assist communities in ensuring the local match for the Preclearance Review Grant can be waived as allowed under the statute
- Limitations on the amount of grants awarded under all programs should be waived for Catalyst Sites and for the Preclearance Review Grants for projects located in a RACEC
- Waiver of the local match requirement should continue for Catalyst Sites but should also be considered for designated RACEC’s in general

#### Enterprise Zone (EZ) Program

- Consider making EZs county-wide in the most-distressed rural counties in the state to encourage development **or** consider structuring the EZ Program like in Texas where local communities can nominate a company as an Enterprise Project to be eligible to participate in the program and projects may be located in or outside of an EZ
- For the rural counties, remove the \$10,000 per parcel cap on rebates of sales tax on building materials and supplies and equipment for new and expanding businesses in designated EZs, and allow a 100% refund on the sales tax for new construction projects in EZs

### Incentives/Funding

#### Qualified Targeted Industry (QTI) Tax Refund

- Eliminate provision that requires that any applicant that exercises the option to be exempt from the local financial support requirement is not eligible for more than 80 percent of the total tax refunds allowed such applicant, as it penalizes companies for locating in rural areas

#### Rural Job Tax Credit

- Increase the credit amount available under the Rural Job Tax Credit to \$3,000 to \$5,000 per job to be more in line with what other competitive states such as Georgia (\$3,000 – \$4,000 per job) and North Carolina (\$5,000 - \$12,500) offer in more rural areas

#### Local Option Sales Tax

- Options should be explored to provide cities and counties with the ability to enact local option sales taxes from .05% to 1.0% to fund economic development projects, including but not limited to: land acquisition; site development; local incentives; economic development organization funding



## Marketing and Communications

### Marketing Infrastructure

- Develop a series of key messages that speak to the assets of Rural Florida and serve as the basis for all communications efforts related to the rural regions
- As appropriate, integrate key marketing messages about Rural Florida in the new marketing brand. Supporting brand messages should address the overall lack of awareness that Florida does actually have rural areas
- Ensure that the rural communities participate in the state’s comprehensive resource of rural assets, sites and data, currently under construction, to be used in marketing these areas to business prospects

### Catalyst Sites

- Develop a website that contains detailed information about each of the Catalyst Sites. The site domain might be [FloridaCatalystSites.com](http://FloridaCatalystSites.com), with information mirrored on the [eFlorida.com](http://eFlorida.com) site
- Enhance the overall appearance of the Catalyst Sites by developing signage for identification purposes and “street appeal”
- Use signage promoting the Catalyst Sites along interstates and other major highways, where appropriate
- Utilize e-mail blasts to site location consultants to make them aware of the Catalyst Sites and the opportunities available in Rural Florida
- Feature the Catalyst Sites in *Florida’s Monthly Site Selector Newsletter*

## Marketing and Communications

### Internal Communications & Capacity Building

- An ongoing communications effort should be developed to regularly share information with all paid and volunteer economic development leaders in rural areas
- Create a LinkedIn group for paid and volunteer economic development leaders in Florida’s rural communities
- Develop a sales training program designed for selling Florida’s rural areas
- To ensure local elected officials and volunteer leaders understand the economic development process, continue the FPL Powering Florida seminars and other similar programs for elected officials
- Enhance relationships with EFI project managers, utility company economic development representatives and others to ensure they are aware of the assets available in Rural Florida
- Plan and launch a Governor’s Summit on Rural Economic Development

### Consultant/Prospect Development

- Enhance Rural Florida’s website presence
- Develop program to enhance awareness of Rural Florida among site location consultants
- Identify key LinkedIn groups specific to rural economic development and monitor discussions
- Develop a cooperative advertising program for the state’s rural regions
- Maintain open and direct communication between the EFI project managers and the local/regional economic development professionals
- All marketing related to the website and other areas, as appropriate, should include a component to drive traffic to the rural area of the [eFlorida.com](http://eFlorida.com) site, as well as the Catalyst Site program website

## Product Development

### Catalyst Sites

- Resurrect the Catalyst Sites project, modify goals, and communicate to each Catalyst Site and region current expectations and intentions
- Consider expanding the site list to other sites in the regions that could well be more developed, closer to being “shovel ready,” or equally suited for projects in identified target sectors
- Develop criteria for Catalyst Site designation that is consistent with current market demands and feedback from EFI Project Managers
- Create a “Working Group” for each Catalyst Site to systematically work through various development issues in preparing the site for a competitive project
- Market existence of Catalyst Sites to site selection consultants and targeted sectors

### Site Inventory

- Continue moving forward with the development of a site database
- Develop a system that assists rural areas in completing site questionnaires
- Ensure Site Database is comprehensive, capturing diverse site sizes with a wide-range of attributes



## Product Development

### Site Development

- Update/maintain a comprehensive list of potential assistance programs from all state agencies that could prepare a community and/or site for an active project
- For Catalyst Sites, develop criteria that would enable some infrastructure grant support to be allocated prior to a competitive project
- Create a Rural Working Group to assess state level permitting regulations and determine if any existing permitting requirements should be bifurcated between urban and rural criteria and regulation
- Create a Rural Working Group to work toward reactivation of the Port of Port St. Joe
- Support regional broadband projects
- Support identification/development of a megasite in the Opportunity Florida region

## Program Development

### Education/Workforce

- Regional economic development groups should increase communication and collaboration with the Rural Education Consortiums
- Increase number of training programs that align with demands of military bases in rural areas
- Continue efforts to improve broadband access in Rural Florida in order to increase local capacity to receive distance-learning opportunities being provided by Florida colleges
- Develop local strategies to increase the number of residents holding technical and associate degrees
- Expand the ability to provide career and technical certificates in counties without campuses of a Florida college

### International Trade

- EFI should partner with the Florida Department of Agriculture to create an export development program series designed for rural companies and deliver it within each of the three rural regions

### Prisons and Military Bases

- Monitor the economic impact of potential prison closures and privatization of prisons
- Continue to support efforts to retain military bases, missions and installations

## Small Business/Entrepreneurship

### Agriculture

- Division of Marketing and Development of the Florida Department of Agriculture and Consumer Services should incorporate an entrepreneur support program

### Tourism

- VISIT FLORIDA should develop an entrepreneur support program for rural areas to assist fledgling entrepreneurs, and to help develop tourism infrastructure in Rural Florida

### Small Business

- Economic Gardening Technical Assistance program should modify its qualifying criteria
- Specific incentive targeted to small business/entrepreneurs in Rural Florida should be considered