

Sarasota County Economic Development Plan

Strategic Focus

Each region is unique in its ability to grow and foster businesses. The existing industry base, community assets, attitude of government, available workforce, regulatory climate and other factors all work together to create the environment for economic development. Successful economic plans recognize regional differences and work with these differences to craft a strategy that fits each situation. There is no one-size-fits-all solution for sustaining economies. There are, however, proven concepts and tools that help to systematically evaluate a region and develop strategies with a high probability of achieving desired economic goals.

This Five-Year Economic Development Plan for Sarasota County is based on an approach that uses three key economic concepts to develop focused strategies:





- Industry clusters,
- Innovation and entrepreneurial development, and
- Regional cooperation.

In addition to these three concepts, this plan also recognizes the need to focus economic development on value-added industry segments with high multiplier effects on the community. Industries with high multipliers are those that bring in new wealth by selling their products or services outside the region and state, and that pay higher than average wages. These export or traded-sector industries then attract local suppliers and the higher wages produce income that is then spent within the local community. Targeting economic efforts on value-added industries therefore also helps regional suppliers and local businesses that do not themselves sell value-added goods and services outside the region.

Overall Economic Objectives

- To increase and diversify value-added industries throughout the county that pay livable wages and enhance community wealth.
- To maintain a strong tourism base while reducing the seasonality of the county's economy.
- To enhance the skill and education level of our workforce, and improve our comparative advantage in a knowledge-based and global economy.
- To strengthen the business climate and infrastructure that supports quality jobs and competitive businesses.
- To more effectively integrate our educational and cultural assets with our business development activities.
- To use a quality focus for economic development by targeting businesses that generate high revenues per employee, while minimizing the negative impacts of growth.
- To sustain and stabilize the tax base that supports our quality of life.

Sarasota Strengths & Weaknesses

Strengths 	Opportunities 	Outcomes
<p>High rate of business formation</p> <p>Experienced entrepreneurs and untapped retirement community</p> <p>Growing angel & venture capital</p> <p>Array of higher education institutions</p> <p>Research & Development assets (Mote, Selby Gardens, Universities)</p> <p>Part of the Tampa Bay region and the high tech corridor</p> <p>Enterprise Zone close to central city</p> <p>Array of transportation (Interstate, ports, air)</p> <p>Attractive quality of life: Weather, beaches, recreational venues</p> <p>Strong arts & cultural community</p> <p>Active philanthropic community</p>	<p>Increasing the number of start-ups by connecting management, capital and market opportunities.</p> <p>Focusing business development on value-added industries with links to existing industries in the county and Tampa Bay region: Creative Services, specialty manufacturing, technology & communications.</p> <p>Connecting education and research assets to business opportunities: health care, environmental services, information technology</p> <p>Creating stronger connections between tourism and economic development efforts to leverage recruitment and attraction efforts</p> <p>Connecting emerging industries with development in E-Zone and other South County</p>	<p>Increased diversity of industry base, especially in value-added industries</p> <p>Increased revenue per employee</p> <p>Increased average wage of residents</p> <p>Increased activity for local businesses (retail, food, lodging)</p> <p>Reduced seasonality of economy and workforce</p> <p>Increased stability of tax base</p>
Weaknesses 	Threats 	Outcomes
<p>Lack of diversity and employment in value-added industries</p> <p>Lack of skilled workforce: low average educational attainment</p> <p>Uncompetitive wages for value-added industries</p> <p>Image as a retirement area is not attractive to young professionals</p> <p>Lack of "Ready to go" commercial and industrial lands for the desired growth in value-added industries</p> <p>Lack of affordable housing within 20 min. commute of most employment centers</p> <p>Permit processes vary greatly among municipalities/county</p> <p>Zoning and regulations do not encourage the development of targeted industry clusters</p> <p>Value-added business that do not feel welcomed or appreciated</p> <p>Lack of adequate professional support services to serve value-added industries</p>	<p>Difficulty to recruit or attract value-added industries, especially knowledge-based firms</p> <p>Difficulty for employers to attract professional workers under 40</p> <p>Businesses that feel unwelcomed and less likely to expand or stay in the region</p> <p>Restriction of growth in value-added industries; industries locating in other nearby counties</p> <p>Educational institutions that continue to train students for jobs outside the region</p> <p>Few jobs with upward mobility for younger workers</p>	<p>Lack of economic diversity and jobs with high revenues per employee</p> <p>Continued growth of a two-tier economy with few jobs that pay \$30,000-50,000/year</p> <p>Exacerbation of affordable housing and adequate health and human services for low-wage workers</p> <p>Lack of local opportunities for young professionals or workers seeking upward career mobility</p> <p>Tax base dependent on disposable income</p>

Strategic Framework

Given Sarasota County's economic goals, and strengths and weaknesses, the strategic framework for this economic development plan centers around four interactive components:

- Targeting a distinctive set of value-added industry clusters and their related workforce and infrastructure needs,
- Promoting entrepreneurial development of value-added industries,
- Improving and aligning regulatory issues with value-added industries, and
- Fostering effective cooperation with tourism, art, and workforce efforts, as well as connecting to regional efforts in counties north and south of Sarasota.

Each of these areas is elaborated upon below.

Value-added Industry Cluster Development

Industry clusters can be viewed as market segments that share business development needs. This might mean combining manufacturing and service segments (high tech with software), or looking at space, workforce needs, supplier chains and geographic preferences. The industry clusters promoted in this plan are based on existing strengths or assets in Sarasota County relative to other communities. This differs from plans that try to attract the "hot industries" regardless of a region's asset base. A focus on regional-based industry clusters can:

- Diversify the industry base while building on regional strengths and existing assets, increasing the probability of that industry being successful in the region,
- Direct workforce and infrastructure investments in areas with high returns,
- Channel start-up activities into industries that have the greatest potential for success in a given region, and
- Promote partnerships and synergies that more effectively leverage resources for economic development. In particular, use government, research, education, hospital or other institutional assets to nurture development or strengthening of value-added exporting capability in both institutions and the private sector.

Given Sarasota County's existing local and regional industry base, community assets, and economic aspirations there are four value-added industry clusters that have good potential for sustained economic development:

- *Specialty Manufacturing* (manufacturing that produces premium products within their industry segment focusing more on being a quality or customized producer rather than a low cost commodity producer)
- *Creative Services* (industries that integrate design, technology and communications to produce exportable goods and services. These include web development, multi-media, film & video, graphic design, animation, advertising and marketing, and media production)
- *High Tech and Entrepreneurship* (innovation-centered ventures that exploit new applications in information and communications technology and other technology-driven industries)

- *Health and Life Sciences* (institutions and companies that produce innovative products and procedures in the biological and medical fields. These include medical equipment and supplies, diagnostic laboratories, and offices of specialized health practitioners)

Retention, expansion and recruitment activities can be easily integrated into a cluster approach. This can include linking businesses to university research, or active promotion of industry networks and CEO groups that keep up to date on competitive issues are spurs to innovation. Innovation is also a key attraction to businesses seeking to relocate or expand, and connects well with entrepreneurial development activities.

Traditional economic support issues including *workforce development, physical infrastructure needs, telecommunication and business support services* are included as part of an industry cluster to ensure that all economic components are well connected and working toward a set of common goals. Incorporating these economic foundation pieces as part of each cluster, as well as considering the issues that are relevant to all clusters, can clearly identify linkages and leverage activities to effectively support the increase and diversification of value-added industries. This is a different approach than conventional economic plans that manage foundation issues solely at the level of the total local economy..

Entrepreneurial Development

Entrepreneurial development is key to today's economy. Entrepreneurial development has a specific meaning and is focused on people who wish to start high-value companies with the potential for rapid growth. This is different from more general efforts to promote business start-ups that may include activities such as storefront programs or small business loans.

Value-added entrepreneurial businesses tend to be in knowledge-based industries and have a significant innovation or research component. They often require different funding models (angel and venture funding compared to credit-based loans), and tend to need management teams that understand international markets and commercialization of research. Increasingly economic organizations are assisting entrepreneurial development by directly and indirectly supporting technology-based business incubators, venture funding groups and events and networking activities that specifically connect new entrepreneurs to experienced ones.

Business Climate

Since the cluster model integrates many economic foundation components such as infrastructure and workforce within an industry cluster, the remaining business climate issues tend to be the broader and more qualitative functions that influence how businesses within and outside of the region perceive a region's economic climate. These issues are as important to economic development as cluster development, and they are a prerequisite for successful cluster development.

Each county has its own set of issues driving perceptions about its business-friendliness and image among local businesses and firms considering relocating to the area. In Sarasota, the most pressing business climate objectives appear to be:

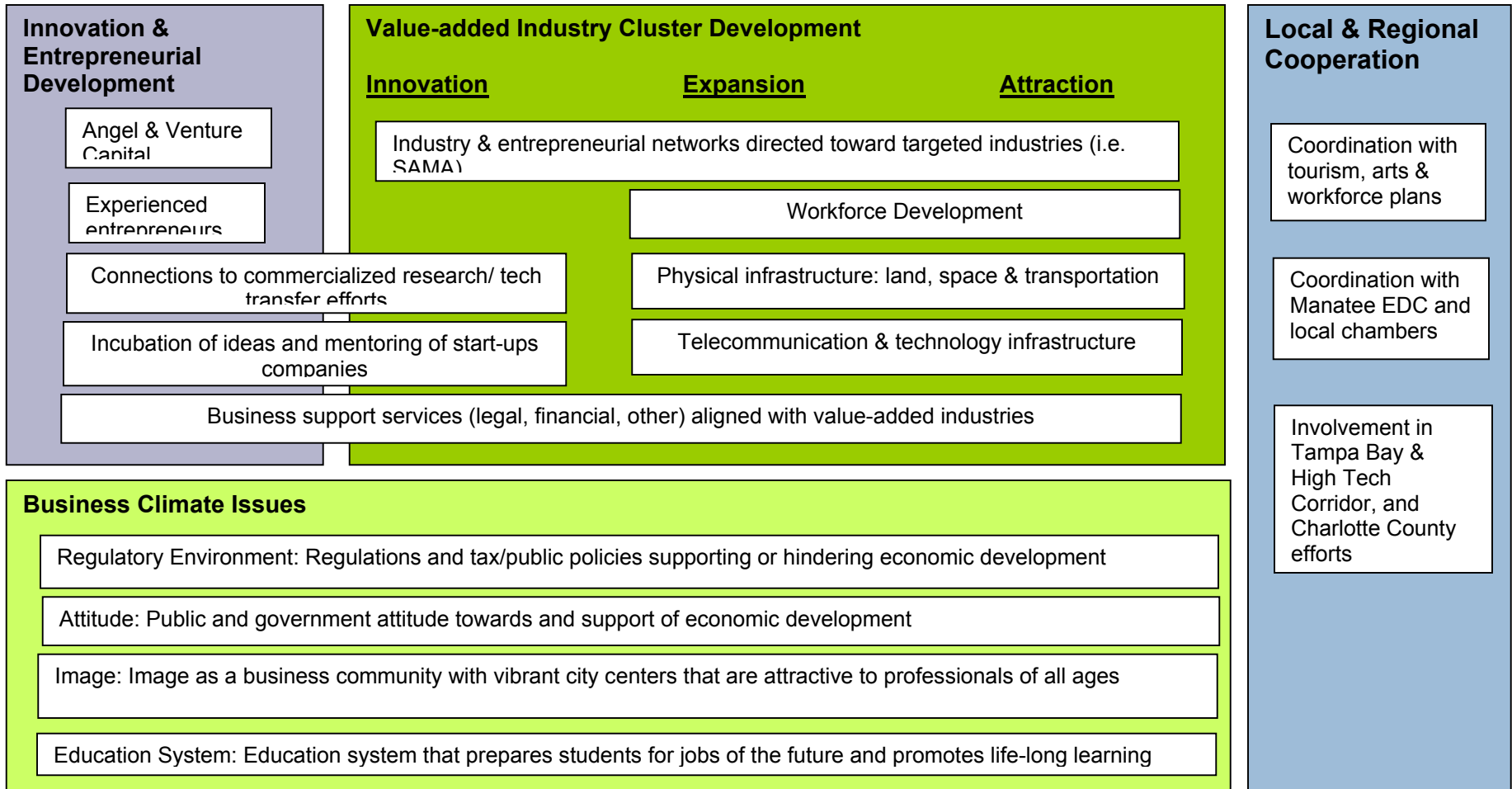
- Developing an image and set of business and community assets that are attractive to professionals (especially those under 40) and targeted industry clusters,
- Establishing a regulatory climate that is as conducive to value-added industries as it is to tourism and real estate development,
- Ensuring the attitude of government and the public is supportive of value-added industries, and
- Having an education system that competes on national, as well as state, standards.

Local and Regional Collaboration

The final component of our economic strategy connects the preceding three components to the other plans and efforts within Sarasota County that influence economic development, as well as to opportunities within neighboring counties and the region. We view these issues of collaboration at three levels: within the county, within the immediate metropolitan region, and to broader economic regions.

- **Within the County:** Economic development is directly and indirectly connected to a variety of other plans and organizations in Sarasota County. These other efforts can be categorized as core efforts and complementary efforts. The scope of this economic plan focuses only on the core efforts, yet acknowledges the importance of other efforts. Within the core programs are the tourism plan (including a conference center), workforce plan, and entrepreneurial efforts. The complementary efforts include the cultural district plan, transportation and air service plans, downtown and other development plans for specific geographic areas such as the Enterprise Zone, affordable housing strategies, and land use plans.
- **Within the metropolitan region:** Businesses view themselves as part of a multi-county service area, getting their workforce and many business services from Sarasota, Manatee or Charlotte counties. Regions like Austin, Raleigh-Durham and other regions with successful and sustained economic growth have long recognized that county boundaries are arbitrary lines in economic development, and success depends on the health and cooperation of the entire region. A cluster approach combined with regional cooperation greatly increases economic opportunities. The linkages between Sarasota and Manatee are particularly longstanding and intense.
- **Within the broader economic regions:** Sarasota's position as part of the Tampa Bay region and part of Southwest Florida makes it uniquely situated to capitalize on opportunities to the north and south. Connecting targeted industries to broader markets, active business networks and suppliers will increase their ability to be successful. Being a part of a broader economic region also provides Sarasota with valuable resources such as university research and collaborative marketing and recruitment efforts. Of particular importance to Sarasota's high tech future are TBP & I-4 corridor partnership, etc

Sarasota Economic Development Model



Sarasota Industry Clusters

