Transformational Regional Economic Development

Examples and Keys to Success
Presenting Partners

- At the request of Trustee Connally at the October 2015 Triumph Gulf Coast meeting, Florida’s Great Northwest convened the following to create this presentation

Professional Economic Developers (from 8 disproportionately affected counties)
- Florida West
- Santa Rosa EDO
- Okaloosa EDC
- Walton County EDA
- Bay EDA
- Gulf EDC
- Franklin BoCC
- Wakulla BoCC

Regional Partners
- Utilities
- Opportunity Florida
- UWF
- Regional Workforce Boards
- Regional Planning Councils

State Partners
- Enterprise Florida
- CareerSource Florida
- FL Department of Transportation
- SpaceFlorida
- FL Department of Economic Opportunity
Economic Development is Wealth Generation for an Economy
"The process of improving the economic health of a city, region, county or the state by bringing together its assets, resources and political action into a strategy to bring wealth and prosperity to that area."

- Ensure a bright economic future for our Citizens
- Ensure job opportunities for all citizens
- Increase wealth and prosperity for our communities
- Expand the tax base for local and county government to better serve our citizens and for our school system to support education
- Improve the quality of life for citizens by increasing the standard of living through enhanced employment opportunities
Economic Development Through the Years...
Until 1980

The Era of Industrial Recruiting

• Emphasized financial incentives
• Focused investments in physical infrastructure

1980 – late 1990’s

The Era of Cost Competition

• Began providing more aggressive incentives
• Focused on reducing costs and creating a favorable business and regulatory climate

Current Era

The Era of Regional Competitiveness

• Leverage public and private investments to exploit region’s advantages
• Blurs the lines between economic and workforce development
Transformational economic development is about more than just a project...
KEY is to look at ALL ways to grow the economy as part of a regional strategy.
Can build an economy many ways...

- Traditional economic development attraction projects (KIA, Airbus)
- Building an entrepreneurial/creative community/innovation ecosystem (Tampa)
- Growing what you already have (Hunstville)
- Maximizing talent & workforce development (AIDT)
Case Studies for Transformational Economic Development
Traditional Economic Development Attraction
Kia Motors Manufacturing Georgia

- 3,000 jobs
- $1.2 Billion capital investment
- Produces 300,000 vehicles a year
KIA

- 2006 – Broke ground in West Point, Georgia
- Kia’s first manufacturing operation in North America
- Effort led by Governor Sonny Perdue and the staff of the Georgia Department of Economic Development.
- Local organizations included the Valley Partnership, city/county development authorities, city/county chambers of commerce, city/county governments
- 3,300 acre total site (35 individual land owners!)
- 3,000 direct jobs with average salaries of $50,000/year plus benefits
- An additional 10,000 jobs in Georgia and Alabama with the growth of the supplier network.
KIA – The Deal

- State purchased the site and performed all site preparation (Kia has enough property to double the footprint of existing facility)
- Department of Transportation provided road improvements including a new interstate interchange and access road (also received funding from federal sources)
- Required a CSX rail spur
- State built and staffed a 70,000 square foot training center on the Kia site to provide customized training
- Additional tax incentives, training and utility incentives, and infrastructure were provided
- **Total incentive package: $300,000 million**
- It’s not just Kia! All OEMs require a similar amount of resources and commitment.
Kia Supplier Map

Airbus/Brookley Field – Mobile, AL

- 1,000 new manufacturing jobs
- $600 million, 53 acre facility
- Produces 40–50 aircraft per year by 2018
1982
Mobile Airport Authority gained control of Brookley Complex and began its focused effort to recruit aviation business.

1989
First success came from Singapore Technologies with its first US venture - Mobile Aerospace Engineering.

2003-2004
Brookley was finalist for Boeing projects but lost.

2005
EADS (now Airbus) chose Brookley for the KC-30 tanker project. EADS also chose Brookley for its Airbus Engineering Center. While EADS lost the tanker bid, the Airbus Engineering Center moved forward.

2012
Brookley was selected to become home of Airbus’ first US final assembly line, manufacturing the A320 family aircraft.
Airbus/Brookley Field Incentives

- State of Alabama $124.9M
- City, County, & Mobile Airport Authority $33.6M
- Total Incentive Package $158.5M

The money is being spent to build Airbus' plant as well as improve roads and regrade soil at the company's location at Mobile Aeroplex at Brookley. Airbus also will benefit from significant tax breaks while the manufacturing operation grows out of its infancy.

- Airbus also received the same breaks that all new industries receive (State sales, property, and income taxes) worth almost $19M.
Building an Entrepreneurial Community/ Innovation Ecosystem
Building an Innovation Ecosystem: Spotlight Tampa, Florida

- Emerging research university & centers – USF Center for Advanced Medical Learning & Simulation, US SOCOM
- Multiple business incubators and accelerators – Tampa Bay Innovation Center
- Wide array of programs and events focused on business creation & growth – SMARTstart, Startup Xchange, Florida Venture Forum, etc.
- Affordable housing
- Downtown redevelopment
- Building Innovation District

THIS ECOSYSTEM ATTRACTS ENTREPRENEURS!
Building an Innovation Ecosystem: Spotlight Tampa, Florida

Tampa Is...
- 2nd Best City in the US for young entrepreneurs
- Largest City in Growth in Tech Jobs according to Bloomberg
- USF Graduate Entrepreneurship Programs – 11th best in US by Entrepreneur Magazine

Home to:
Growing What You Already Have
Huntsville’s Robotics Cluster

- Reviewed the federal investments in the area to determine business growth opportunities

- 5 Focus Areas emerged:
  - Small spacecraft, airships & nanosats
  - Environmental monitoring & security
  - Intelligence–Surveillance–Reconnaissance
  - Robotics–interoperable systems (such as unmanned ground vehicles, unmanned aerial vehicles, etc.)
  - Innovative energy applications

- Moved forward with building a Robotics Cluster
Robotics Technology Park

- Built in 2010 to serve entire state of Alabama as robotics research and training center
- Designed to bring DoD, contractors, academia and commercial businesses together
- Includes three facilities:
  - **Robotics Maintenance Center** – training in industrial safety, robotics and PLC’s – offered at no cost to Alabama companies
  - **Advanced Technology Research and Development Center** – research and test facility for existing companies
  - **Integration, Entrepreneurial and Paint/Dispense Training Center** – allows new and existing companies to build and adapt automation
Maximizing Talent & Workforce Development
Alabama Industrial Development Training – known as “AIDT”

- Since 1971, AIDT has served as the state of Alabama’s talent solution for economic growth

- AIDT has a unique infrastructure that allows for a total, upfront commitment of the state’s resources to hire and grow the talent needed for companies as they make selection/expansion decisions

- These talent solutions include comprehensive pre-employment selection and training, leadership development, on-the-job training, continuous/process improvement assessments, maintenance assessments, industrial safety assessments and training and sometimes even creation of advanced training centers for companies

- 2014 AIDT operating budget was $51 million (from Alabama General Revenue – largely funded by state income tax)

“Alabama’s Number One Incentive!”
Common Elements of Successful Regional Economic Transformations

- Visionary leadership with the will to follow through
- Public/private committed partnership
- Regional common vision/priorities
- Developed product, and the ability to demonstrate an available, capable workforce
- Clear understanding of regional assets, unique features and connective tissue on which to build a regional economy
- Clear understanding that this takes time
Regional Economic Transformation

- Product: Sites & Buildings
- Workforce
- Education
- Research & Development
- Intermodal Connectivity
- Innovation & Entrepreneurial Development
- Supplier Networks
- Military
- Tourism
- Regional Image
- New Assets, Resources & Programs
- Residential Housing
- Healthcare
- Safety & Livability
- Culture & Amenities

All are key components to connect to strategy
Transformational economic development is a PROCESS, not a project.
NWFL Regional Economic Development Strategy

- We are moving forward with the development of OUR regional economic transformation strategy
- We look forward to working with you as we continue down this path
- We firmly believe that a strong regional economic development strategy will yield the economic outcomes we all desire
QUESTIONS?