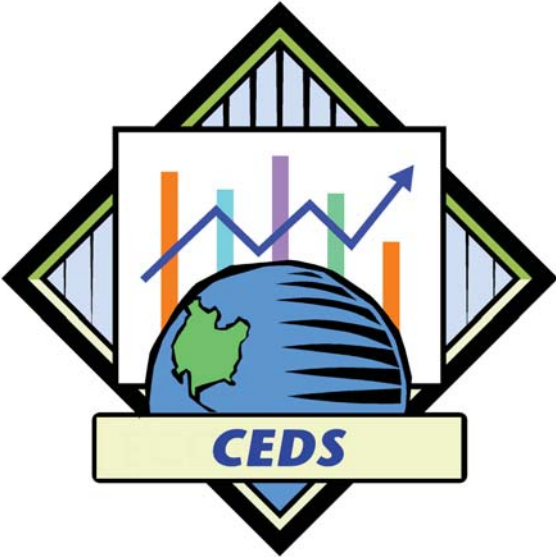


Comprehensive Economic Development Strategy



Prepared for the Economic Development Administration
By the South Florida Regional Planning Council

September 2007

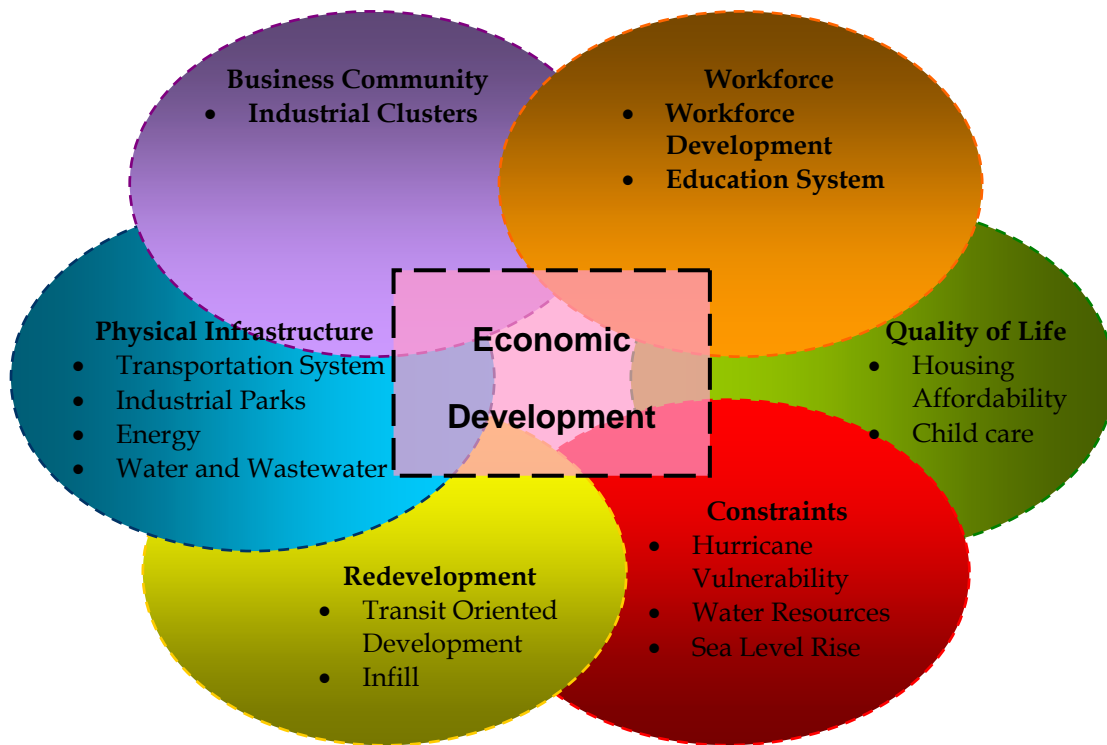
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1 Executive Summary

South Florida, which is made up of Monroe, Miami-Dade and Broward Counties, had a population of 4.3 million in 2006, larger than 25 states. The region is projected to add about 143 new residents each day through 2030, which will lead to an increase of more than 1.2 million people. International migration is the most significant source of population growth in the region, accounting for more than seven of every ten new residents in the last decade. In 2005, the foreign-born population in the region was 41% of the total, up from 33% in 1990 and 26% in 1980.

The ethnic and racial composition of South Florida's population continues to grow more diverse. Nearly half (44%) of the region's population today is Hispanic or Latino. This ethnic group, which can be of any race, continues to grow more diverse within, with large communities from various Central and South American nations, even as the Cuban community, the largest Hispanic group in the region, continues to grow. The Black population, which in South Florida includes not only African Americans but also large communities from the Caribbean and Latin America, represented 21% of the overall population in 2006.



With a total personal income of \$131 billion in 2004, South Florida's contribution to the State of Florida's economy of \$547 billion (24%) was roughly equal to its share of the state's population. The regional share in national personal income was about 1.4%. South Florida's per capita personal income in 2004 (\$31,347) was higher than the State of Florida (\$31,469), but lower than the national average (\$33,050).

The growing and highly diverse population is an asset for the region's competitiveness in the global economy. It provides a multi-ethnic, multi-lingual workforce and culturally diverse environment for

businesses. This continuing growth will require the region's local governments to make major investments in infrastructure, to both maintain and expand existing services for both existing and new residents. The region's highest infrastructure priorities are for transportation/transit, water, wastewater and education. Challenges identified include lower incomes, higher poverty rates, a shortage of affordable housing and a relatively lower level of educational attainment – these will require significant effort to ensure sustained growth of the region's economy and the creation of quality jobs.

A more diversified economic structure -- a more favorable sectoral and geographic distribution of economic activity – needs to be achieved to raise the quality of economic growth. The need to accelerate South Florida's economic diversification is crucial for the region's stability, prosperity, and global competitiveness. An industry cluster development strategy can help accelerate the diversification of the regional economy through a targeted focus on high-wage, high value-added economic growth.

For the current planning period (2007-2012), the South Florida region has concluded that the key strategy to achieve and sustain a more diversified economy is to enhance the region's workforce. In order to develop South Florida's "workforce of the future" – a skilled labor force that is well educated and facile in the workplace – educational institutions and workforce development groups must work more closely with each other, employers and industry leaders to develop the curriculum and training programs needed to create a workforce that can meet the region's economic diversification and growth goals. A targeted industry partnership needs to be formed among the industries, public sector partners such as economic development agencies and workforce development groups, and educational institutions. Key correlated strategies will address the availability of workforce housing and the transportation infrastructure required to efficiently integrate the regional job market.

The Comprehensive Economic Development Strategy (CEDS) Committee identified the following four goals:

1. Train the Region's workforce to match current and future business needs.
2. Foster a strong and diverse economy that creates ample employment opportunities for the workforce.
3. Ensure that the Region's infrastructure enhances the efficiency of the regional economy, while satisfying the need for a good quality of life for the workforce as well as local residents.
4. Build a regional knowledge base to better understand the dynamics among workforce development, economic development, and infrastructure needs and to direct regional policy-making.

The South Florida Regional Planning Council will work with local, regional, state and federal partners to accomplish these goals. The role of the US Economic Development Administration (EDA) as a partner will be critical.

Analysis of the Region: People, Businesses, Infrastructure, and the Environment

1.1 The People: Demographic Trends Impacting the Region

The South Florida region is made up of three counties (Monroe, Miami-Dade, and Broward) with a resident population of 4.3 million, which is larger than 25 states. The population continues to grow rapidly and is highly mobile, combining a large influx of international migration with large intra-regional shifts and a significant amount of domestic out-migrants. Although the region's population is still slightly older than the rest of the nation, having been a popular retirement destination in the past, it is getting older more slowly now, mostly as a result of the influx of younger migrants.

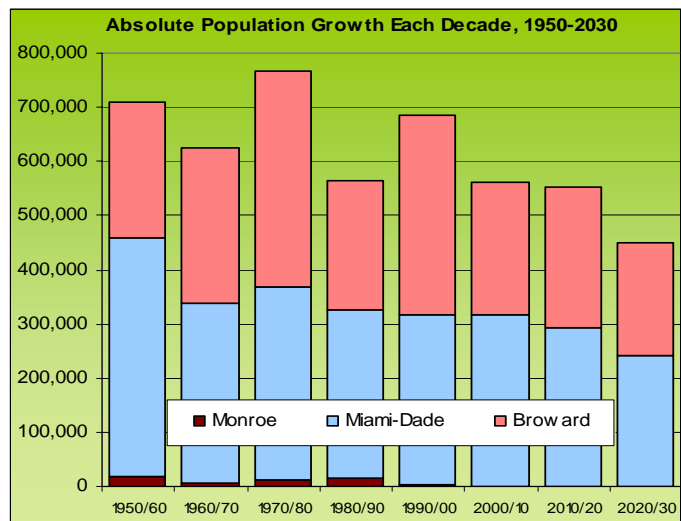
Recent trends suggest that the region will continue to benefit from a more diverse labor force growing in tandem with the overall population. However, when compared with the rest of the nation, challenges remain to address lower incomes, higher poverty rates and lower educational attainment.

Growth Trend 1: Rapid and Continued Growth

The Atlantic Ocean to the east and the Everglades system to the west create natural boundaries for the region, which is largely built-out, so future growth will increasingly take the form of infill development and redevelopment. Still, South Florida is growing more rapidly than the nation as a whole – during the first six years of this decade the region's population grew by 7.8%, compared to 6.4% for the US. South Florida adds about 143 new residents each day, which will lead to an increase of more than a million people in the next two decades.

In 2006 Miami-Dade was the 8th largest county in the US, with 2.4 million residents, and Broward was the 15th largest, with 1.8 million. These two counties, along with Palm Beach to the north, make up the nation's 7th largest metropolitan region, with a population of 5.5 million. In fact, South Florida's economic ties increasingly extend even further north, to Martin, St. Lucie and Indian River Counties, with residents moving across the 7-county region in their daily commutes to and from work, straining the region's transportation infrastructure.

Graph 1: County Population Growth, 1950-2030



Source: University of Florida, Bureau of Economic and Business Research

Growth Trend 2: A Diverse and Mobile Population

International migration is the most significant source of population growth in South Florida, accounting for more than seven of every ten new residents in the last decade. In 2005, 41% of the region's residents were born abroad. This contributes to the exceptional diversity in the ethnic and racial composition of South Florida's population.

- Hispanic or Latino origin

Almost half of the region's residents are of Hispanic or Latino origin – the largest group is from Cuba, but in 2005 there were at least 30,000 residents each from Puerto Rico, Colombia, Nicaragua, Venezuela, Peru, Dominican Republic, Honduras, Mexico and Argentina.

- The Black population

It represented 21% of the overall population in 2005. In the South Florida region, it includes not only African Americans but also large communities of Haitians, Jamaicans and people from other Caribbean and Latin American nations.

- The Asian population

It more than doubled between 1990 and 2005, although it still represents only 2% of the region's population.

The **diversity** in the culture and languages of the population contributes to a distinctly international flavor in South Florida. This bodes well for the region's ability to integrate itself into the global economy, but it also brings a set of challenges for educating the population and building a common vision for the future.

Domestic migration also plays an important role in the region's demographics. Historically, South Florida was a destination for residents from other areas in the country, sustained by a large wave of retirees that began in the 1950s and continued for several decades. Today, the region experiences net out-migration to other areas in the State of Florida and elsewhere in the nation.

The two main driving forces in this shift are the reduction in the volume of new retirees coming to the region, and the significant number of international migrants who come to South Florida and then move on to other parts of the State and the country. During the first six years of this decade, the region absorbed 361,000 international in-migrants, but lost 184,000 residents to domestic out-migration.

This exceptional **mobility** of the population in the region, and the resulting changes in its composition, contribute to the high proportion of residents who come from "somewhere else."

Growth Trend 3: Changing Age Composition

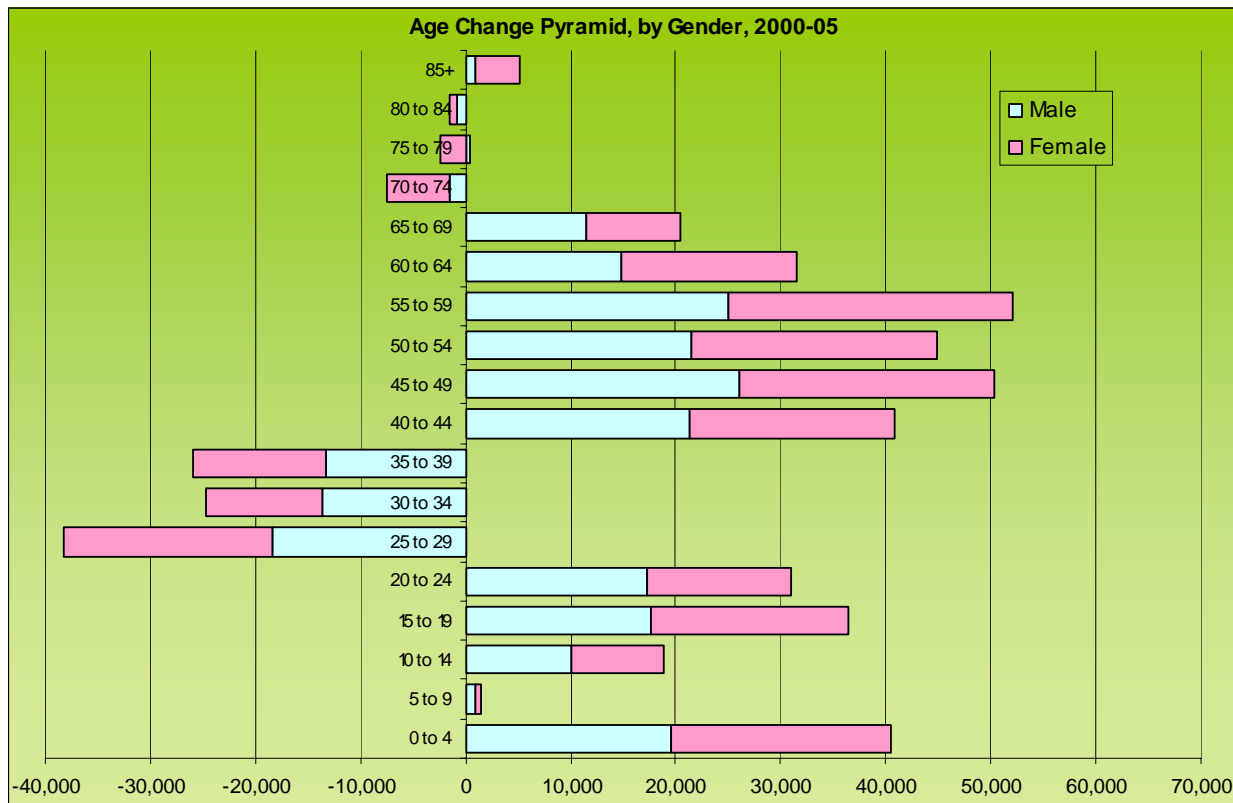
South Florida's population is older than the rest of the nation, but it is getting older more slowly now. Moreover, today the region's population is younger than in the rest of the State of Florida.

In fact, the age composition of the region's population is influenced by conflicting trends. Among these are:

- A gradual slowing in the rate of growth of South Florida's elderly population. Residents who retired in the 1950s, 1960s and 1970s are not being fully replaced by new retirees.
- The "Baby Boom" generation (roughly the 40-59 age cohort in 2005) continues to age.
- A reduction in the size of the younger workforce (25-39) – this cohort corresponds to the "Baby Bust."
- A new bulge in the distribution as the larger-than-average cohort of children of "boomers" (age 10-24 in 2005) moves through adolescence.
- A preponderance of international in-migrants, who tend to be younger than the existing population as a whole.

These changes in the age composition of the region's population suggest that its labor force will continue to grow in tandem with the overall population. South Florida's labor force of 2.2 million in 2006 compares to the State of Florida's 9.0 million and the nation's 151.4 million. The region's economy added almost 300,000 new jobs in the first six years of this decade. South Florida's unemployment rates, which for many years remained above those for the State and the nation, dropped below the national average beginning in 2003, falling to an all time low of 3.4% in 2006. The region's labor force participation rate in 2005 was about 64%, compared to 61% for the State of Florida and 66% for the nation.

Graph 2: Population Change by Age Group, 2000-2005



Source: US Bureau of the Census, Population Estimates Branch.

Challenge 1: Lower Personal Income

With a total personal income of \$143 billion in 2005, South Florida's contribution to the State of Florida's economy of \$604 billion (24%) is about the same as its share of the state's population. The region's per capita personal income in 2005 was \$33,817, slightly below the averages for the State of Florida (\$34,001) and the nation (\$34,471).

About 19% of personal income in South Florida in 2005 was derived from dividends, interest and rent, compared to 24% for the State but only 16% for the nation. Notably, this proportion of investment income is down from almost 29% in 1990, reflecting a decline in the retirement population in South Florida, even as it has continued to increase in the rest of the State. Monroe County, however, continues to attract retirees, and in 2005 drew 40% of its income from investments.

This shift is also apparent in the region's larger proportion of personal income derived from wages and salaries (64%) compared to the State (60%), although both were well below the national average of 70%. Transfer payments, most of which are for retirement, were slightly above the national average of 15%.

Challenge 2: Higher Poverty Rate

Poverty rates in South Florida remain higher than in the State of Florida and the nation for the population as a whole, and for both children and the elderly. The region's overall poverty rate held steady around 15% for most of the period between 1989 and 2005. During the same period, the rates stayed around 13% for both Florida and the US. Within the region, Miami-Dade had the highest poverty rate in 2005 (18%), followed by Broward (11%) and Monroe (10%).

Challenge 3: Lower Educational Attainment Level

In 2005, over a quarter of South Florida's population 25 years or older (27%) had at least a bachelor's degree, which was a little better than the average for the State of Florida (25%) and about the same as the US average. This was up from 19% in 1990 and 23% in 2000. Monroe County topped the list with over a third (34%) of its adults having completed at least a bachelor's degree, followed by Broward (29%) and Miami-Dade (25%). However, the region lags behind in other aspects of educational attainment - in 2005, 19% of the population 25 years and older in the region had not completed high school, compared to 15% for Florida and 16% for the US. In other words, 519,000 adult residents of South Florida did not have the minimum academic requisite for pursuing a higher education and better-paying jobs. This will represent an ongoing challenge for the region as the population continues to grow.

Strategic Findings

As will be discussed in detail later in section 2.3, a growing and highly diverse population is an asset for the region's competitiveness in the global economy. It provides a multi-ethnic, multi-lingual workforce and culturally diverse environment for businesses. On the other hand, this continuing growth will also require the region's local governments to make major investments in infrastructure, to both maintain and expand existing services such as transportation, water, wastewater, solid waste and education for both existing and new residents. Challenges due to lower incomes, higher poverty rates and a relatively lower educational attainment level will require significant efforts to ensure sustained growth of the region's economy and the creation of quality jobs.

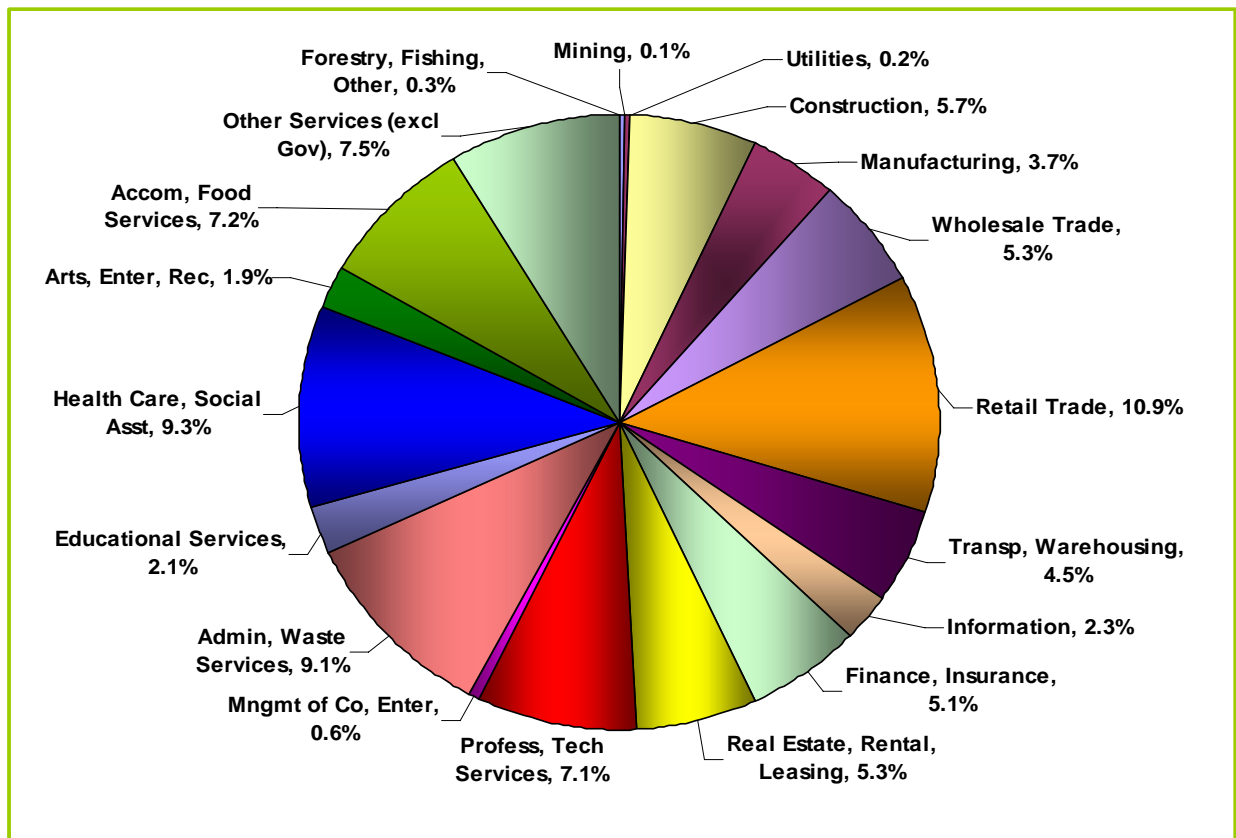
1.2 The Business Community: Clusters/Industries

1.2.1 South Florida Industry Overview

In 2004, with a total value of \$156 billion in goods and services (Gross Regional Product), the South Florida region produced 26.5% of the State of Florida's output and accounted for almost 1.4% of the nation's GRP. With GRP growing 13.2% between 2001 and 2004, the region's growth exceeded the pace of the nation as a whole (10.2%), but it grew more slowly than the State of Florida (16.2%).

The region's six largest private sectors (in 2-digit NAICS¹ codes) are: Retail Trade, Health Care and Social Assistance, Administrative Support and Waste Management Services, Professional and Technical Services, Accommodation and Food Services, and Other Services (Graph 3). Together with the Construction, Real Estate, Wholesale Trade, Finance, and Transportation sectors, they account for 76% of regional employment. The growth patterns of these sectors mirror those of the State of Florida and the United States.

Graph 3: The Region's Industry Structure, 2004.



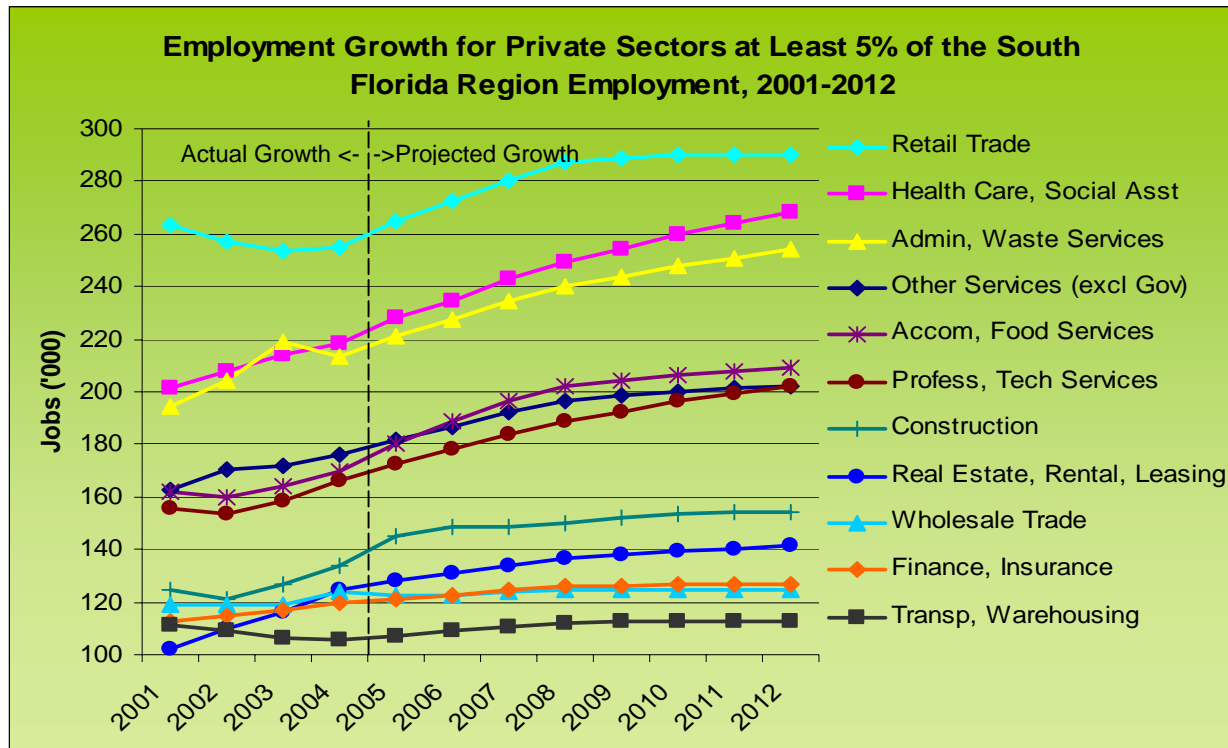
Source: REMI Policy Insight 9.0² data, derived from Bureau of Economic Analysis, US Department of Commerce

¹ NAICS: The North American Industry Classification System (NAICS) was developed as the standard for use by federal statistical agencies in classifying business establishments for the collection, analysis, and publication of statistical data related to the business economy of the US. NAICS was developed under the auspices of the Office of Management and Budget (OMB), and adopted in 1997 to replace the old Standard Industrial Classification (SIC) system.

² REMI Policy Insight 9.0, a nationally acclaimed economic and demographic forecasting model, developed by Regional Economic Models, Inc.

Between 2001 and 2004, the South Florida economy added 92 thousand jobs, increasing to more than 2.34 million, and accounting for one fourth of total employment in the State of Florida. It is projected to grow at an average annual pace of 1.6%, increasing to 2.67 million in 2012. Among the six largest private sectors, the total number of jobs in the Health Care and Social Assistance sector is projected to grow most dramatically, from 201 thousand in 2001 to 268 thousand in 2012, a 33% increase. Substantial growth is also projected for the Professional and Technical Services and Administrative and Support Services sectors (Graph 4).

Graph 4: Employment Growth for Private Sectors with at Least 5% of Regional Employment



Source: REMI Policy Insight 9.0 Data, derived from Bureau of Economic Analysis, US Department of Commerce

For all non-farm private industries in South Florida region, the projection of employment by sector shows that most of them will experience increase in the near future. Educational Services is the highest, expecting a 31% of increase from 2004 to 2012. It is followed by a 23% increase in Health Care, Arts and Entertainment, and Accommodation and Food Services sector. Professional and Technical Services will experience a 22% growth as well.

The average compensation rate for all non-farm private sectors is slightly higher than the state level but lower than national level (10% higher than Florida and 10% lower than the US). However, workers' compensation rate is a double-edged sword for the region's competitiveness in each industry: a comparatively higher compensation rate helps attract skilled workers to the region but also implies a higher labor cost to businesses. The region has higher average compensation rate than the level of both the State and the nation in these following sectors: Utilities, Retail Trade, Real Estate and Rental Services, Educational Services, Arts and Entertainment, and Accommodation and Food Services sectors.

Table 1: Employment and Compensation By Sector

Industry Title	Employment		Compensation		
	2004 Employment	2004-2012 Projected Growth Rate	2004 Wages and Benefits	As of the State Level (State=1)	As of the National Level (Nation=1)
Forestry, Fishing, Other	7,495	-1%	13,346	0.9	0.7
Mining	1,523	-18%	24,061	1.0	0.5
Utilities	3,655	1%	111,871	1.3	1.2
Construction	133,457	16%	35,446	1.0	1.0
Manufacturing	87,419	-7%	47,555	0.9	0.8
Wholesale Trade	124,118	1%	57,898	1.0	1.0
Retail Trade	254,718	14%	27,792	1.1	1.2
Transp, Warehousing	105,866	7%	39,068	1.1	1.0
Information	54,366	7%	61,593	1.1	0.9
Finance, Insurance	119,623	6%	55,250	1.1	0.9
Real Estate, Rental, Leasing	124,569	13%	17,620	1.2	1.2
Profess, Tech Services	166,252	22%	48,281	1.1	1.0
Mngmt of Co, Enter	13,951	7%	92,937	1.1	1.0
Admin, Waste Services	213,670	19%	24,352	1.0	1.0
Educational Services	49,004	31%	33,411	1.2	1.2
Health Care, Social Asst	218,623	23%	37,516	1.0	1.0
Arts, Enter, Rec	44,975	23%	24,169	1.0	1.3
Accom, Food Services	169,965	23%	21,323	1.1	1.2
Other Services (excl Gov)	176,252	15%	17,441	0.9	0.9
Total Non-Farm Private Sectors	2,069,501	14%	34,846	1.1	0.9

Source: REMI Policy Insight 9.0 data, derived from Bureau of Economic Analysis, US Department of Commerce, and Bureau of Labor Statistics.

In the analysis of Location Quotients³ for all private sectors, the proportion of regional employment is above average in ten 2-digit NAICS code sectors (Graph 5). The LQs are especially high in Administrative and Support Services, Wholesale Trade, Real Estate, Transportation, and Other Services⁴ sectors. In addition, the Professional and Technical Services, Information, Finance and Insurance,

³ The Location Quotient (LQ) technique is the most commonly utilized economic base analysis method. The LQ for each industry is calculated to determine whether or not the local economy has a greater share of this industry sector than expected when compared to a reference economy. In this case, the reference economy is the US. When an LQ > 1.0, regional employment in this sector is greater than expected and it is therefore assumed that these extra jobs export their goods and services outside the region.

$$LQ = \frac{e_i/e}{E_i/E}$$

Where:

e_i = Local employment in industry i

e = Total local employment

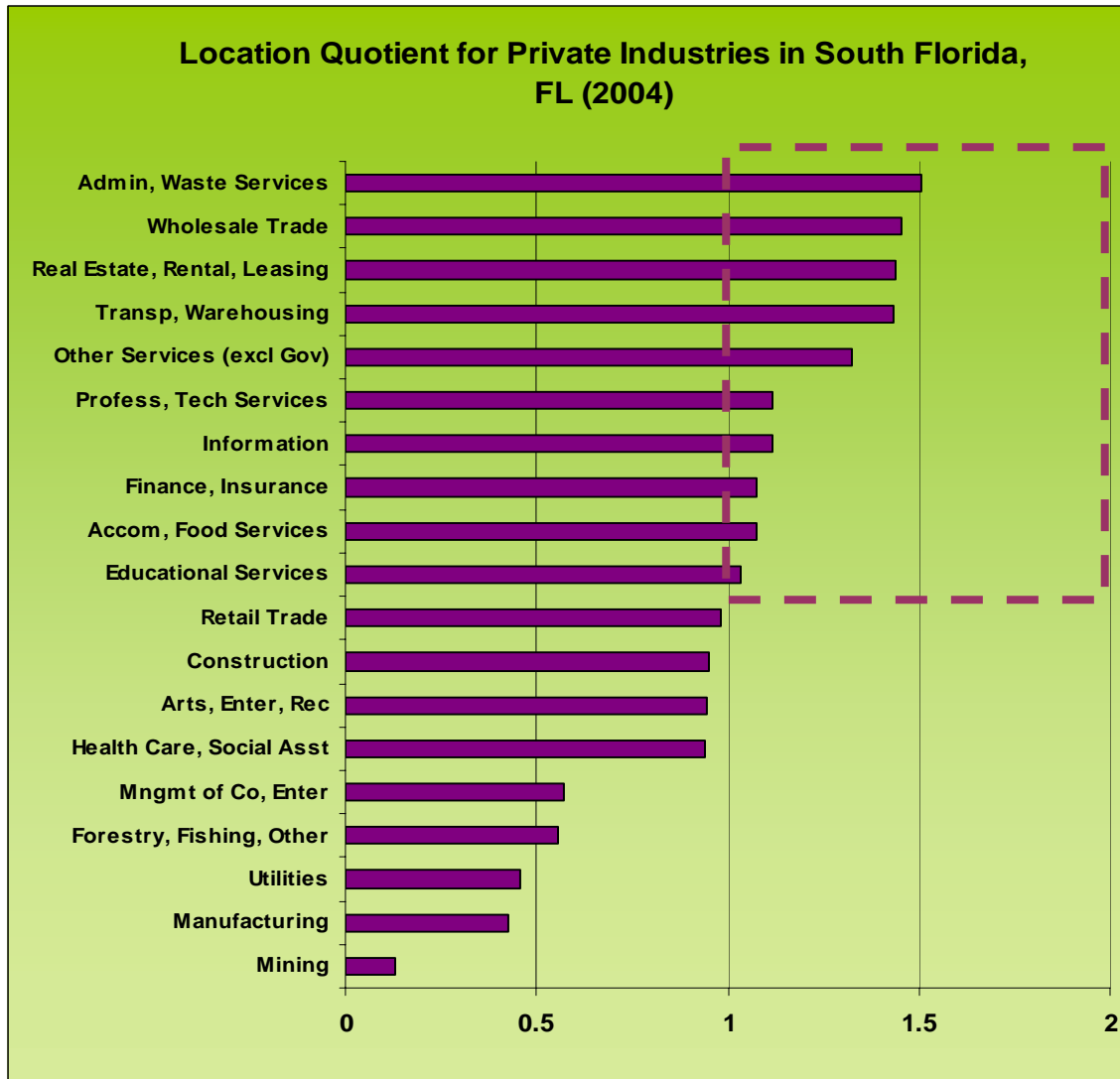
E_i = Reference area employment in industry i

E = Total reference area employment

⁴ Establishments in this sector are primarily engaged in activities such as equipment and machinery repairing, promoting or administering religious activities, grantmaking, advocacy, and providing drycleaning and laundry services, personal care services, death care services, pet care services, photofinishing services, temporary parking services, and dating services.

Accommodation and Food Services, and Educational Services sectors have shares of the regional economy above the national average (LQ>1).

Graph 5: Location Quotients (LQs) for Private Industries in South Florida, 2004



Source: REMI Policy Insight 9.0 data, derived from Bureau of Economic Analysis, US Department of Commerce. LQs are calculated.

By looking at the location quotient and compensation table (Table 1) together, it becomes evident that South Florida is beginning to make progress in several median-high pay job sectors i.e., Professional and Technical Services sector (\$48,281), Information (\$61,593), Financial and Insurance Services sector (\$55,250), and compares well to the rest of the nation.

On the other hand, South Florida has much higher concentrations of low-pay jobs sectors than the nation, i.e. Administrative, Support and Waste Services sector (\$21,323), Real Estate, Rental, and Leasing sector (\$17,620), and Other Services sector (\$17,441), and is lower when compared to the nation, on very high-pay job sectors, such as, Utilities (\$111,871) and Management of Companies and enterprises (\$92,937).

Strategic Findings

Both the quantity and quality of economic growth are important aspects in assessing the economic development status. The South Florida region has been growing faster than the nation, however, a more diversified economic structure -- a more favorable sectoral and geographic distribution of economic activity -- needs to be achieved to raise the quality of the economic growth.

In Enterprise Florida's⁵ Roadmap to Florida's Future, the state's 2007-2012 Strategic Plan for Economic Development, the need to accelerate Florida's economic diversification is identified as one of six strategic priorities for economic development in Florida. It is also a critical component of the region's economic development effort because a large, diversified economic structure is crucial for the region's stability, prosperity, and global competitiveness.

A cluster industry development strategy can help accelerate the diversification of the regional economy through a targeted focus on high-wage, high value-added cluster economic growth.

1.2.2 Development Strategy - A Cluster Approach

Cluster strategy is an effective industry development strategy currently practiced in many regions and nations around the world. It is a strategy to have the industry, government, and education work cooperatively. This approach offers the region the ability to use public and private resources more efficiently and effectively. It can foster innovation activity and productivity gain by having research centers, universities, and businesses working collaboratively, especially in Bio-tech, Aviation, and other cutting-edge clusters. It can also help a region address critical issues such as human capital and workforce development, infrastructure planning and development and community development.

Industry clusters refer to geographic concentrations of competing, complementary, or interdependent firms and industries that conduct business with each other and/or have common needs for talent, technology and infrastructure. In addition, clusters usually include government, nonprofit organizations, educational institutions, and other infrastructure and service providers whose presence is key to the strength of the cluster.

Traditional Clusters in South Florida Region

Professional and Technical Services

With more than 163,000 employees in the South Florida region, the Professional and Technical Services sector is the sixth largest industry among 19 private sectors in terms of employment size. This sector includes architectural, engineering, accounting, legal, industrial design, scientific research, and advertising activities. It is one of the strongest economic drivers of the regional economy, not only because it added around 3,700 jobs per year to the region, but also because it is more concentrated in the region than the US average. In 2004, Professional and Technical Services accounted for 8% of total jobs compared to 7% for the United States. This sector's significance in comparison to its national peers is projected to grow much faster than other sectors⁶. It suggests that firms and businesses providing professional and technical services will be more attracted to the region than other kinds of businesses.

⁵ Enterprise Florida, Inc. is the public-private partnership responsible for leading Florida's statewide economic development efforts. The organization's mission is to diversify Florida's economy and create better paying jobs for its citizens by supporting, attracting and helping to create businesses in innovative, high-growth industries.

⁶ According to REMI Policy Insight 9.0, a nationally acclaimed economic and demographic forecasting model, developed by Regional Economic Models, Inc.

There are several competitive advantages available to businesses that provide Professional and Technical Services and are located within the region:

- Wage and other compensation levels in this sector in South Florida are somewhat lower than the national level (\$48,281 vs. \$49,261 in 2004 respectively).
- There is a large Administrative and Support Services sector in the region, which strongly supports the growth of the Professional and Technical Services sector.
- Production cost⁷ is just 94% of the national average and is projected to be even lower in the long run (93%).

Financial Services

The Finance and Insurance sector comprises establishments primarily engaged in financial transactions (transactions involving the creation, liquidation, or change in ownership of financial assets) and/or in facilitating financial transactions. In 2004, nearly 120,000 employees, representing 5% of the region's total employment, were engaged in Finance and Insurance sector activities in South Florida. The average wage and benefit is \$55,250, which is 9% higher than the State of Florida's average of \$50,698, but 13% lower than the national average of \$63,383 in 2004.

Financial and Professional Services are identified as key industry clusters in the State of Florida. A map depicting their concentration across the state can be found in Appendix II.

1. International Commerce/Multinational Corporations Sub-cluster

The International Commerce/Multinational Corporations Cluster mainly consists of industries from sectors such as Professional and Technical Services, Administrative and Support Services, Financial Services and Transportation. This cluster includes companies directly participating in international trade, multinational corporation headquarters, and their supportive legal and financial services firms. The flourish of this sector results from the fact that the region is an ideal location for regional headquarters serving Latin American or the North American markets. Its proximity to the Caribbean and Latin America also makes it an ideal connecting point for North American, European and Asian companies serving the Western Hemisphere. This cluster is supported by strong and fast growing professional and financial services sectors; a diverse, multilingual workforce; convenient office and warehouse facilities; and fast and convenient connections to world markets via its world-renowned Port of Miami, Port Everglades, Miami International Airport, and Fort Lauderdale-Hollywood International Airport.

Miami is known as the unofficial financial capital of Latin America. In 2006, Miami-Dade County had more than 1,000 multinational companies, 45 international banks, 9 international business organizations, and 34 bi-national chambers of commerce.⁸ Broward County also offers a number of financial incentives to enhance international trade, and is home to many organizations that assist importers, exporters, and international service providers.

International financial and legal support from related industries is critical to this cluster. The region has been home to the largest concentration of domestic and international banks on the East Coast south of New York City for the past 25 years. More than 100 commercial banks, thrift institutions, foreign bank agencies and Edge Act banks have facilities in Miami-Dade County, along with hundreds of other wealth management, investment, brokerage and other financial services companies in the region. Besides very

⁷ REMI Policy Insight 9.0.

⁸ Miami Business Profile & Relocation Guide 2007, an annual publication of the Beacon Council, Miami-Dade County's Official Economic Development Partnership.

sophisticated bankers, the region also has attorneys and tax advisors who can assist clients regardless of the complexity of their financial needs.

Administrative and Support Services

This sector consists mainly of activities in office administrative and facilities support services, employment services, business support and security services, travel arrangement and reservation services, and services to buildings and dwellings. It is the third largest sector among 19 private sectors in the South Florida region in terms of employment size, with over 200,000 employees. South Florida has a higher proportion of employment in this sector than the US average. In 2004, this sector accounted for 10% of total employment in the region compared to only 6% for the United States.

With this significantly higher representation, firms of this sector in the region provide administrative and support services to businesses not only within the region, but also those located outside the State of Florida. According to the 2004 estimates of county trade flow data⁹, more than 30% of the products and services in the sector are exported to other states in the US. This sector is an economic driver for the region because of its strong export-oriented characteristics. It attracts income from outside the region and fosters local economic growth.

Tourism and Hospitality Industries

The Accommodation and Food Services, Performing Arts, Spectator Sports, Amusement, Gambling, and Recreation sectors are considered tourism and hospitality related industries. These are sectors in which South Florida traditionally has a competitive advantage.

For more than a century, Miami has been one of the most attractive vacation destinations in North America. According to Visit Florida,¹⁰ a record 85.8 million tourists visited Florida in 2006. The number of visitors per year exceeds five times the number of local residents in this region. This huge influx of tourists strengthens the local economy. In 2006, overnight visitors to Greater Miami reached 11.6 million, and spent \$16.3 billion on lodging, food, shopping, transportation and entertainment, a 2.5% increase from 2005.¹¹ Greater Fort Lauderdale, on the other hand, welcomed more than 10 million visitors in 2006. During that year, hotel occupancy was 73.5 percent and tourist tax collections rose 16.9 percent to more than \$39 million.¹² In Monroe County, tourism and tourist related industries are the major industry. This sector accounted for 54% of Monroe County's employment in 2005 with 23,616 direct and indirect jobs. It contributed \$2.2 billion to Monroe County's economy, with an estimated \$22.3 million in direct and indirect local option sales tax distributions alone.¹³

The **Accommodation and Food Services** sector is the largest sub-group in this cluster and the fifth largest private sector in the South Florida economy. In 2007, there were around 170,000 full-time and part-time workers in hotels, restaurants, and bars. Although hospitality industries usually pay lower salaries than other sectors (\$21,323 per year on average), this compensation rate in the region is 24% higher than the national average.

⁹ REMI Policy Insight 9.0.

¹⁰ Visit Florida™ is the official tourism marketing corporation for the State of Florida.

¹¹ 2006 Visitor Profile and Economic Impact Study, the Greater Miami Convention & Visitors Bureau, February 2007.

¹² According to the Greater Fort Lauderdale Convention & Visitors Bureau, <http://www.sunny.org>.

¹³ Study of the Monroe County Tourism Workforce, Monroe County Tourist Development Council, August 2006.

Aviation Cluster

The aviation cluster includes the airlines, general aviation, airports, airframe and engine manufacturers, component parts suppliers, allied industries such as banking and insurance, and government agencies. This cluster has significant representation both in Miami-Dade and Broward County. The advantageous central location of Miami in the Americas makes it one of the world's aviation hubs, connecting North and South America. Miami International Airport (MIA) is the primary US gateway to Latin America and the Caribbean, with more flights to the region than any other US airport. It is a major gateway to Europe as well. Approximately 32.5 million passengers flew through MIA in 2006. MIA is ranked as the No. 1 airport in the United States, and ninth in the world, in loaded and unloaded international freight.¹⁴ In 2006, MIA's air trade rose to 898,995 tons for an estimated value of \$30.6 billion. This represents a 2 percent increase in volume and 10.7 percent increase in value compared with 2005.¹⁵ Fort Lauderdale-Hollywood International Airport is located 27 miles north of MIA and primarily serves domestic passengers. In 2006, 21.4 million passengers used this airport, including a significant volume of cruise ship passengers connecting to Port Everglades.

The Aviation cluster is a powerful economic engine in South Florida with every pilot and mechanic job generating 100 support positions in operations and management¹⁶. The aviation cluster is supporting more than 280,000 jobs and driving \$21.7 billion in annual business revenue in the region. One of the world leaders in aviation, Brazilian aircraft manufacturer Embraer has its sales and service facility for North America located in Fort Lauderdale. Recently, the leading European manufacturer of passenger jets, Airbus, expanded its Miami operations by opening its first US corporate jetliner sales and marketing center.

South Florida is also one of the world's foremost centers for aviation training and education. For example, Airbus has operated one of their three worldwide state-of-the-art training simulators near MIA since 1999, which trains flight crews and maintenance personnel from throughout the Americas. Broward Community College's Aviation Institute offers associate degrees in flight training, aviation maintenance and aviation administration in the most modern aircraft maintenance training facility in the State of Florida.

The cluster is also identified as one of the key industry clusters in the State of Florida. A map depicting this cluster can be found in Appendix II.

Marine Industry Cluster

In South Florida, the marine economy is comprised of five key segments: port/seaport; boats, boating, and marinas; cruise and recreational marine activities; fishing; and marine science research. It is part of multiple sectors: Transportation; Fishing; Tourism; and the Professional and Technical Services sector. Specifically in the South Florida region, the recreational marine industry is a significant sector of the economy, encompassing manufacturing; marine products; wholesale and retail; dockage; and every conceivable type of marine service for recreation purpose. In Broward County more than 1,400 megayachts (vessels measuring 80 feet or more) visit the county each year. The megayacht related business activity in Broward County accounted for more than 80% of the region's marine industry's economic activity in 2005.¹⁷ It is one of Broward's largest industries and employment sectors, creating

¹⁴ Airports Council International.

¹⁵ According to Data from the US Department of Commerce.

¹⁶ Broward County 2007 Economic Sourcebook, page 27.

¹⁷ Charting the Course, Where is South Florida Heading?, Center for Urban & Environmental Solutions, Florida Atlantic University, 2006.

more than 134,000 jobs and representing \$3.7 billion in wages and earnings.¹⁸ Port Everglades in Fort Lauderdale provides more than 15,000 direct jobs and generates \$2.87 billion in business activity and \$879.5 million in personal income annually in Broward County.

Transportation Activities

As identified in many studies and reports for the South Florida region, transportation infrastructure is crucial to the economic development potential of the region. In 2004, Southeast Florida was the fifth busiest container port complex in the United States and the second busiest on the Eastern Seaboard.¹⁹ As would be expected, increasing numbers of visitors to South Florida and participants in the tourism and hospitality sector rely on continued investment in the region's transportation and transit infrastructure to ensure that there is the capacity to move people and goods through the system quickly and efficiently over time.

In 2004, there were around 106,000 workers directly participating in transportation and warehousing activities. Transportation as a whole accounts for 4.5% of the region's total jobs, which is higher than the US average of 3.2%. Based on 2004 employment data, a comparison between South Florida and the nation highlights that there are significant differences among transportation sub-sectors. Specifically, the region has a higher concentration in the Water Transportation, Air Transportation, and Scenic Sightseeing sub-sector and supporting transportation activities than the US average. As can be expected in a coastal area blessed with abundant waterways, the region's waterways are a critical part of South Florida's transportation system. Water transportation is ten times higher than the national average. The remaining sub-sectors, air transportation and scenic sightseeing, are more than triple the national average. In contrast, the relative employment size of truck, courier, messenger and transit and ground passenger transportation are well below the national average.

Real Estate and Construction

The Real Estate and Construction industries are a strong and important part of Florida's and South Florida's economy due to a variety of factors including rapid, sustained population growth; low taxes; economic development policies which provide incentives for growth; natural amenities; and prime geographic location. With a quarter of a million jobs, these two sectors represent 11% of total regional employment. The number of jobs in this sector is expected to grow by approximately 4,700 per year to almost 300,000 in 2012. In 2004, the average compensation (wages and benefits) was \$35,446 for Construction workers and \$17,620 for those employed in Real Estate and Leasing Activities. South Florida's compensation rates for construction workers and those employed in real estate and leasing activities are both higher than the State of Florida, \$34,181 and \$14,809 respectively, and the nation, \$35,328 and \$15,093 respectively.

Health Care

The Health Care and Social Assistance Services sector is the second largest sector in the South Florida economy. It accounts for 9.3% of total employment in the region, with more than 218,000 workers providing health care services to the population in 2004. With a location quotient that is slightly less than one, the significance of the Health Care and Social Services sector in South Florida's economy mirrors its importance in the national economy. The need for health care is expected to grow rapidly in the next five years, as a result of both population growth and the increasing share of health care in consumer expenses. In addition, the largest group of health care consumers, the elderly, is more concentrated in South Florida

¹⁸ According to the 2007 Economic Sourcebook published by the Broward Alliance.

¹⁹ Economic Development Research Institute, "South Florida Economic Trends - A Compass Report", 2006, Page 35, Table 3.2. The Southeast Florida region includes Miami-Dade, Broward, and Palm Beach Counties.

than in the nation. Twenty-eight states have a smaller population of elderly residents 65 years or older than Monroe, Miami-Dade, and Broward counties in South Florida.²⁰

The North Broward Hospital District, the largest public healthcare system in the nation, together with three large non-profit healthcare systems, the Jackson Health System and Baptist Health South Florida in Miami-Dade County as well as the Memorial Healthcare System in Broward County, provide a comprehensive and complex scope of services. For example, the University of Miami/Jackson Memorial Medical Center is among the largest and busiest medical centers in the United States, treating patients in primary care and 30 specialties. Cleveland Clinic Florida has more than 100 physicians with expertise in approximately 35 specialties. Patients from all over Latin America and the United States come to the South Florida region seeking the best healthcare. The 268-bed Miami Children's Hospital is the largest pediatric teaching hospital in the southeastern United States. Thousands of children are referred to this hospital each year from all over the United States and internationally, particularly for pediatric cardiac care, cancer treatment, neurological and neurosurgical care and orthopedic treatment.

Emerging Clusters in South Florida Region

Life Sciences/ Biomedical Sector

The Life Sciences industry cluster includes three related but distinct industry sub-clusters – Medical Products and Pharmaceuticals in the Manufacturing sector; Research and Development in the Physical, Engineering and Life Sciences in the Professional and Technical Services sector; and Medical Laboratories and Diagnostic Imaging Centers in the Health Care sector. Miami-Dade has a long history of leadership in the biomedical and pharmaceutical industries since the 1950s. In Broward County, many successful start-ups in the life sciences cluster have grown to become major employers.

Today, this cluster is strongly supported by a vast array of academic resources such as the University of Miami's Miller School of Medicine; Florida International University's biomedical engineering program and new medical school; various programs at Miami Dade College; and industry coalitions like BioFlorida²¹, South Florida Bioscience Consortium²² and ICoast²³. With the arrival of Scripps Florida in 2005, and a growing array of university research programs focused on the life sciences, the region is expecting to see considerable growth in this sector in coming years. According to recent ICoast surveys, South Florida is home to more than 1,500 bioscience businesses and institutions that employ over 26,000 people and generate over \$4 billion in sales.²⁴

The cluster is identified as one of the key industry sectors in the State of Florida. A map that depicts this cluster can be found in Appendix II.

Creative Economy Cluster

The creative cluster is recognized as one of the drivers of the US's success in the global marketplace in the 21st century. Its products, i.e., music, film, books, and computer software, etc., are the No.1 US export today. This cluster mainly consists of the Information and Arts, Entertainment, and Recreation sectors.

²⁰ In 2005, approximately 567,000 residents, 14% of South Florida's total population, were 65 years of age or older.

²¹ BioFlorida is the statewide industry organization representing life science industry in Florida.

²² The South Florida Bioscience Consortium is a collaborative, regional effort whose mission is to ensure sufficient human and investment resources exist to encourage and support the commercialization of bioscience products and the development of the bioscience industry in South Florida.

²³ ICoast is an alliance of technology companies and organizations operating in Southeast Florida, encompassing Palm Beach, Broward and Miami-Dade counties. Its mission is to help transform South Florida into a global science and technology hub.

²⁴ Broward County 2007 Economic Sourcebook, page 81.

Specifically, its varied components²⁵ include: advertising, architecture, cultural tourism, dance, design, engineering, entertainment services, fashion, film, television and video, fine arts, museums, music, photography, printing and publishing, technology, theater. In 2004, the region had almost 100,000 employees engaged in this cluster, with an average annual compensation rate of \$44,650. These jobs account for 4.2% of total regional employment.

Film and television program production is an important part of the creative economy in this region. More than 2,400 motion picture and video businesses are located in Miami-Dade County, along with still photography companies, modeling agencies, talent scouts and other service companies. As the Spanish-language television market becomes one of the fastest growing segments, the high concentration of Hispanic population and uniquely diverse culture makes South Florida an ideal place to produce Spanish-language television programs. For instance, eight Spanish “telenovelas” were produced in Miami-Dade in 2005, contributing more than \$28 million to the economy.²⁶ During the last decade, more than 40 cable networks, including the Discovery Channel, HBO Latin America, MGM Networks, USA Networks, MTV, Nickelodeon and Walt Disney Television International have chosen Miami-Dade as their springboard into Latin America.²⁷

This flourishing creative economy is enhanced and buttressed by the region’s information and telecommunication sector. According to the 2002 Economic Census, there were 2,338 establishments in the information sector in South Florida area. The creative economy is also supported by a network of services, including the fifth Tier-1 Network Access Point (NAP) in the world – the NAP of the Americas, in Miami. Fiber optic cables serve the entire region, supporting high bandwidth data, voice and video services.

Homeland Security and Defense (HSD) Cluster

The Homeland Security and Defense (HSD) Cluster mainly consists of firms who develop technologies and produce products related to homeland security and defense activities. Having military installations in a region is the basis for the development of the HSD Cluster. It is identified as one of the advantageous clusters in the State of Florida because of the strong presence of military installations and personnel, which include 12 major bases, three unified commands, and more than 30 smaller military installations.²⁸ It is also supported by the extensive network of universities, research parks, incubators and tech transfer programs across the state.

The South Florida region is home to 11% of the Florida’s federal military personnel²⁹. Military facilities located in the region include the Homestead Air Reserve Base, the U.S. Southcom (Department of Defense), the U.S. Coast Guard, the Veteran’s Administration, and the National Guard, etc.. Another indicator of the significance of the installations is their federal defense expenditure. Latest Census data³⁰ indicates that federal defense expenditure in the region is \$1.13 billion, growing from 4% of the total for Florida in FY2000 to more than 6% in FY2004. On a per capita basis, defense expenditure in the region is only 27% of the state level in FY2004; however, it has been growing much faster than the state total in recent years (16% vs. 9% in FY2002-03; 19% vs. 6% in FY2003-04).

²⁵ Broward County 2007 Economic Sourcebook, page. 83.

²⁶ Miami Business Profile & Relocation Guide 2007.

²⁷ Miami Business Profile & Relocation Guide 2007.

²⁸ Enterprise Florida, Inc.

²⁹ REMI Policy Insight 9.0.

³⁰ US Bureau of the Census, Consolidated Federal Funds Report.

According to a report by the Miami-Dade Defense Alliance³¹, the number of direct and indirect jobs attributed to the military industry in Miami-Dade County has grown from 19,660 in 2000 to 25,409 in 2004, which includes 13,470 direct military personnel. A continuous growth of installations is expected in the region, especially for Homestead Air Reserve Base. Growing demand from expanding military activities is expected to provide great opportunity for the HSD firms to locate and expand their businesses in the region.

³¹ A program of the Beach Council has been engaged in the effort of protecting and enhancing local military industry in Miami-Dade County since 1998.

1.3 Workforce Development: Matching the Workforce with Business Needs

One of the critical components in a cluster strategy is the development of a workforce with skills and training necessary to strengthen and build competitive, innovation-driven industries.

1.3.1 Opportunities and Challenges

Demographic shifts, such as the racial and ethnic changes due to “new immigrants” and the aging of the workforce are impacting the US economy as a whole and are more perceptible in South Florida region.

The ethnic and racial composition of South Florida's population continues to grow more diverse due to the fact that South Florida region has been one of the US major international migration destinations since 1960s. The cultural diversity and multi-ethnic, multi-lingual workforce is a great asset for the region's competitiveness in the global economy, enhancing the role of South Florida as a modern, global hub for international trade and commerce, and as one of the world's leading business centers for multinational corporations and financial services.

However, low graduation rates and the lag in educational attainment of minorities remain the major concerns of the region. As discussed in the demographic discussion in 2.1 of this report, in 2005, 19% of the population 25 years and older in the region had not completed high school, compared to 15% for Florida and 16% for the US. In other words, 519,000 adult residents of South Florida did not have the minimum academic requisite for pursuing a higher education and better-paying jobs.

It is recognized in the state's workforce strategic plan that the lack of a solid educational foundation, regardless of race, will relegate a significant segment of the talent pipeline to low-wage jobs. A shortage of math and science teachers within the state may negatively impact Florida's ability to keep up with the demand for first time workers entering into the knowledge-based economy.

On the other hand, the talent shortage threat resulting from an aging workforce is impacting the region's economy. As discussed in the demographic discussion in 2.1 of this report, South Florida's population is older than the rest of the nation, but it is getting older more slowly now. However, the "Baby Boom" generation (roughly the 40-59 age cohort in 2005) is still growing in South Florida. Between 2000 and 2005, this group grew at a rate of 3.3% annually, increasing by 180,000, to 1,205,000 (28% of the total population). Boomers will be poised to retire by the end of this decade.

The aging of the workforce leads to an impending talent shortage. Although the rate of international immigration will supply a significant number of potential new workers, it is estimated that 15 of every 100 white collar jobs will be left unfilled by 2010. As stated in the Workforce Florida³² 2005-2010 Strategic Plan, this kind of impending labor shortage will impose further pressure on businesses to address workforce challenges associated with generational and ethnic differences.

³² Workforce Florida, Inc. was created pursuant to passage of the Workforce Innovation Act of 2000 by the Florida Legislature. This organization oversees and monitors the administration of the state's workforce policy, programs and services carried out by the 24 business-led Regional Workforce Boards and the Agency for Workforce Innovation.

1.3.2 Workforce Development

The regional availability of skilled workers becomes increasingly important. Firms are now more likely to make location decisions based on the presence of a skilled (e.g. high quality, high productivity) workforce than on traditional economic development conditions such as taxes. As the economy moves toward a more service-based and high-pay oriented development pattern, the need for skilled workers in South Florida will be further exacerbated.

Workforce development groups in the region are proactively engaged in building the bridge between labor force and the business community. For example, in FY 2004-05, South Florida Workforce in Miami-Dade County served 7,648 employers, representing an increase of 35 percent from the previous year. 69,634 clients were placed in jobs. Workforce One in Broward County helped nearly 40,000 Broward County job seekers by providing information, access to resources or employment assistance and assisted 1,557 professional job seekers through its highly successful “Professional Placement Network”³³ program at an average annual wage of \$38,000. It also provided services for nearly 5,000 companies in Broward County and hosted 13 major hiring events for resulting in 2,874 hires.

Skill-set development is supported by an extensive vocational education system consisting of public schools, community colleges, and universities. Technical centers³⁴ of Public Schools provide short-term training designed to prepare a person for immediate employment in high-demand occupational clusters, such as Automotive Technology, Building Trades, Business/Computer Technology, Cosmetology, Culinary Arts, Health Sciences, Metal Fabrication Technology, Commercial Heating and Air Conditioning Technology, Industrial Technical Education, Real Estate, etc.

In addition to undergraduate and graduate degrees, community colleges³⁵ and the universities³⁶ in the region also provide Career and Technical Education/Continuing Education to meet the needs of the business community and the workforce by offering Certificates and Degrees Programs in high-demand skill sets and occupations.

Workforce development groups also invested in the research and analysis on current local labor force trends, business needs and strategies planning to better facilitate the economic development effort³⁷, they also started working collaboratively with economic development agencies and community organizations to establish a systematic approach for preserving and growing high-pay jobs. It is recognized that the feedback mechanism between the business community and education providers needs to be improved to quickly adapt the training programs to match the needs of existing and emerging industries.

Strategic Findings

Enterprise Florida identifies “Build World-Class Talent” as one of six strategic priorities for economic development its publication *Roadmap to Florida’s Future*, the state’s 2007-2012 Strategic Plan for Economic

³³ The Professional Placement Network (PPN) is a new service provided by Workforce One, Inc to help professionals (have a four year degree and/or a minimum of 5 years managerial experience earning \$25,000/year or more) learn the step-by-step process of getting a job.

³⁴ Atlantic Technical Center, McFatter Technical Center, and Sheridan Technical Center in Broward County; Lindsey Hopkins Technical Education Center, Miami Lakes Education Center, and Robert Morgan Education Center etc. in Miami-Dade County.

³⁵ Miami-Dade Community College and Broward Community College.

³⁶ Such as, Florida International University (FIU), Florida Atlantic University (FAU), Nova University, and University of Miami, etc.

³⁷ For example, the report on Growing and Preserving Good Jobs: Connecting Market Demand with Labor Supply by South Florida Workforce, and the report by The Education/Workforce Development Task Force in the VisionBROWARD project.

Development. As stated in this Plan, “The linkage between education at all levels and the diversification of Florida’s economy has never been as critical and world-class talent has never mattered more than it does today.”

In order to develop South Florida’s “workforce of the future,” a skilled labor force that is well educated and facile in the workplace, educational institutions and workforce development groups must work more closely with each other, employers and industry leaders to develop the curriculum and training programs needed to create a workforce that can meet the region’s economic diversification and growth goals. A targeted Industry partnership needs to be formed among the industries, public sector partners such as economic development agencies and workforce development groups, and educational institutions. It also is essential that continued emphasis be placed on increasing the percentage of the population receiving advanced educational degrees at the associate, bachelors, masters and doctoral levels.

1.4 Physical Infrastructure: Supporting and Fueling the Economy

The quality of a region's infrastructure is critical to its ability to grow and maintain a vibrant economy. Wise investment in infrastructure is itself considered an economic development activity because it not only directly creates jobs but also improves quality of life, which makes the region more competitive.

Industrial parks, transportation system including airports, seaports, and ground transportation, electricity, water and sewer system are critical components of the physical infrastructure that support and fuel the regional economy.

1.4.1 Industrial Parks

1.4.1.1 Significance

South Florida does not have a large manufacturing base, but has encouraged the development of clean industries such as bioscience, medical and information technology.

1.4.1.2 Current Situation

Miami-Dade County has 6,800 acres of industrial zoned land³⁸ and 37 business parks³⁹. The largest concentration of industrial parks is located west of Miami International Airport. Other industrial and business parks are located on major corridors throughout the region. Seven of the ten largest business parks in the region are located in Miami-Dade County, as shown in the following table.⁴⁰

Table 2: Ten Largest Business Parks in the Region in Miami-Dade County

	Business Park	Developed Acres	Year Built	County
1	Miami Lakes Business Park	650	1965	Miami-Dade
2	Sawgrass International Corporate Park	635	1987	Broward
3	Flagler Station	604	1989	Miami-Dade
4	Gratigny Central Industrial Park	550	1980	Miami-Dade
5	Miramar Park of Commerce	480	1985	Broward
6	Sunshine State International Park	330	1958	Miami-Dade
7	Weston Park of Commerce	230	1990	Broward
8	Beacon Center	205	1988	Miami-Dade
9	Miami International Commerce Center	175	1979-2002	Miami-Dade
10	Doral Center	121	1972	Miami-Dade

The information technology sector is clustered in the region due to the "Internet Coast" initiative with the NAP of the Americas located in downtown Miami.

There are four locally operated Foreign-Trade Zones (FTZs) in the region: Miami, Port Everglades, Fort Lauderdale and Homestead. Foreign or domestic materials can be moved into an FTZ area without being subject to US Customs duties.

Fifteen areas in Broward and Miami-Dade counties have been designated under the Florida Enterprise Zone Program, offering fiscal incentives to relocating and expanding businesses to encourage investment and job creation in economically distressed areas. In addition, Miami-Dade County has an Empowerment Zone which includes the downtown Miami business district.

³⁸ Enterprise Florida

³⁹ Beacon Council of Greater Miami, 2004

⁴⁰ South Florida Business Journal, 2007

1.4.1.3 Trends and Future Needs

Industrial parks will remain limited throughout the region. There will be continued development of business parks that accommodate office, commercial, warehousing and industrial uses.

1.4.1.4 Strategic Findings/Policy Implications

South Florida has a service-based economy and has sought to attract clean industries; therefore the demand for “traditional” industrial parks is limited. However, demand from bioscience, medical and information technology businesses is expected to increase.

1.4.2 Airports and Seaports

1.4.2.1 Significance

The airports and seaports are critical components of the regional economy, supporting domestic and international trade.

1.4.2.2 Current Situation

The South Florida region is served by three international airports and two major seaports. Miami International Airport (MIA) is the 15th largest airport in the United States, with 32.5 million passengers in 2006.⁴¹ As an American Airlines hub, it provides extensive air service to Central and South American destinations. Fort Lauderdale-Hollywood International Airport (FLL) is an origin/destination airport primarily serving domestic passengers. In 2006, 21.4 million passengers⁴² used the airport, including a significant volume of cruise ship passengers connecting to Port Everglades. Cruises to the Caribbean and other destinations are available from Port Everglades and the Port of Miami, each of which received more than three million passengers in 2006.⁴³ According to a recent study commissioned by the Cruise Lines International Association, in 2006 the Port of Miami and Port Everglades ranked number 1 and 3 in the nation in the number of passenger embarkations with 1.89 million and 1.145 million respectively. Key West International Airport also has scheduled commercial air service.

Much of the cargo entering the South Florida region is transported by sea through the Port of Miami and Port Everglades. Total cargo volume at Port Everglades was 24.7 million tons in 2005, and 9.0 million tons at the Port of Miami.⁴⁴ Foreign trade accounts for more than half the cargo volume. MIA is a major gateway for international air freight. In 2005, MIA handled 1.9 million tons of perishable goods, cut flowers and other goods⁴⁵.

Miami International Airport's (MIA) annual impact on local tourism, cruise, international banking, trade and commerce is \$19.1 billion. MIA and related aviation industries contribute 242,387 jobs directly and indirectly to the South Florida economy⁴⁶. The Port of Miami contributes \$16 billion⁴⁷ to the regional economy, including \$12.5 billion from the cargo sector. FLL has an economic impact to the region of \$2.6B and 39,500 direct, indirect, employment⁴⁸ and Port Everglades provides more than 15,000 direct

⁴¹ Airports Council International, 2006

⁴² Broward County Aviation Department

⁴³ Port Everglades Waterborne Commerce Chart FY 2006-2002; and Port of Miami Cruise Statistics, 2006

⁴⁴ American Association of Port Authorities, 2005

⁴⁵ Miami International Airport DRI, 2005 Annual Report

⁴⁶ Miami International Airport Fact Sheet, 2007 (2005 data)

⁴⁷ Port of Miami, 2006

⁴⁸ Leigh Fisher, April 2003

jobs and generates \$2.87 billion in business activity and \$879.5 million in personal income annually in Broward County.⁴⁹

The Port of Miami River has certified International Shipping Terminals, recreational boatyards, commercial fishing businesses and recreational marinas. The *2005 Biscayne Bay Economic Study*, prepared by Hazen and Sawyer Environmental Engineers and Scientists, in association with the Planning and Economics Group, concluded “waterborne commerce on the Miami River generated \$805 million in output, \$406 million in income, 6,700 jobs, and \$44 million in Tax Revenues in Southeast FL.” In addition, there is a small but growing cruise port in Key West.

1.4.2.3 Trends and Future Needs

Long term investment and expansion programs are underway to accommodate projected growth in passengers and cargo at the major ports. MIA is in the process of implementing a \$4.8 billion capital improvement program, including new passenger terminals and air cargo facilities. FLL is planning expansion of the south runway, and addition of new airport gates. (An Environmental Impact Statement is currently under review.) The Port of Miami is planning \$1.5 billion tunnel and access improvements to provide a direct connection between the port and the interstate highway system. Port Everglades has initiated a \$2 billion expansion plan designed to address the anticipated increase in seaport traffic over the next 20 years.

1.4.2.4 Strategic Findings/Policy Implications

The airports and seaports are the economic engines driving South Florida’s economy. However, each needs to increase capacity to accommodate expected growth in the region. Expansion programs are planned at all four facilities to accommodate projected demand for passengers and cargo. On the other hand, there is a need to enhance the coordination among airports and ports in the region. Continued public and private investment is needed to enable these ports to remain internationally competitive.

1.4.3 **Ground Transportation**

1.4.3.1 Significance

South Florida's road congestion is no longer just an inconvenience; it threatens to destroy the community's economic vitality.

1.4.3.2 Current Situation

Congestion and its consequences: longer trip times, slower speeds, increased queuing and, accidents have raised the cost of doing business and the making the region less productive. Traffic congestion occurs when roadway demand is greater than its capacity. Congestion in the Miami metropolitan area costs commuters \$927 per person per year in excess fuel and lost time.

The present transportation system is struggling to keep pace with the demand for lanes and desire for mass transit. In the Miami-Dade County, it is expected that population will increase by 39% by the year 2025, and person trips will increase by 34% when compared to current levels.⁵⁰ In Broward County, the population is projected to increase by 48% by the year 2030.⁵¹ The Miami-Dade Transportation Plan for the Year 2025 identifies projects costing over \$16.1 billion. Moreover, \$5.1 billion of the transit component

⁴⁹ Port Everglades press release, July 2006

⁵⁰ Miami-Dade Transportation Plan to the Year 2025

⁵¹ Broward County MPO Long Range Transportation Plan 2030 Update

is unfunded. The cost of implementing Broward County's recommended multi-modal transportation needs plan is estimated at \$9.382 billion, which exceeds anticipated revenues of \$6.513 billion.

In Broward, Palm Beach and Miami-Dade, the movement on the traffic roadway network is projected to operate at Level of Service (LOS) D. LOS D is perhaps the level of service of a busy shopping corridor in the middle of a weekday, or a functional urban highway during commuting hours: speeds are somewhat reduced and motorists are hemmed in by other cars and trucks. At LOS D, the roadway network is approaching unstable flow. Parts of the existing network currently operate at LOS E or LOS F.

The movement of freight is hampered by the congestion on the Interstate and Toll Road systems. There are several ports and two rail lines that operate within this region. The ports are the terminus of goods being shipped in and out of the Caribbean and Central America. Moving freight in this region can be enhanced by utilizing roadway facilities during off-peak times. In addition, freight movement can be improved by shifting and converting more car drivers to transit users.

Four major highways in the region provide trucks with access to and from Broward County: I-95, Florida's Turnpike, I-75, and US Route 27. I-595 provides direct access to both Port Everglades and the Fort Lauderdale-Hollywood International Airport. While these highway facilities provide strong north-south service, efficient east-west highway service within the county is limited to I-595.

Broward County is served by two freight railroads: FEC and CSX. FEC provides direct rail service to Port Everglades and is the only provider of single and double-stack intermodal service in southeast Florida. CSX is the State's largest railroad and operates train-loading facilities in Fort Lauderdale.

The region's expanding passenger rail service may affect freight operations. Passenger rail service in Broward County is provided by Tri-Rail and Amtrak. Tri-Rail operates along state owned right-of-way between Miami and Palm Beach while Amtrak operates intercity service in Florida and nationwide. Tri-Rail is employing strategies to improve service levels by increasing passenger train frequency, double tracking the line, and assuming responsibility for train dispatching along the South Florida Rail Corridor. These service increases may affect freight operations along this important corridor, as the line is utilized by both passenger and freight traffic.

There is emphasis on improving the built environment by developing and coordinating transportation and land use planning and investments. Several studies are underway to create fixed route rail systems in Broward County and Palm Beach. Broward County and Palm Beach County do not have dedicated sources of funding to support their transit systems, Broward County Transit and Palm Tran. The South Florida Regional Transportation Authority has failed to secure a dedicated funding source for expansion and operation of Tri-Rail, the region's one true regional transit system, despite several legislative efforts.

The amenities that are necessary to coax choice riders out of their single-occupancy vehicles have not been fully developed. The lack of sufficient east-west transit service linking to the region's north-south rail systems makes the rail systems impractical for use on a regular basis. Bus routes in Broward County are operating at intervals greater than 15 minutes. Since this level of service is not convenient it is not conducive to converting car users to transit riders. Broward County has begun to operate several premium bus routes along some of its highly utilized corridor. Three of 4 transit agencies are solely dependant on petroleum oil.

Inter-country coordination of bus routes is beginning to occur on several of the bus routes in the tri-county region. Pedestrian sidewalk connectivity is a concern in this region. District VI of the Florida Department of Transportation is allocating its funding to address pedestrian mobility along State

roadways within Broward County. In addition, many municipalities are also installing sidewalks to increase pedestrian mobility and safety.⁵²

1.4.3.3 Trends and Future Needs

Long term investment and expansion of the region's transportation/transit infrastructure is needed to increase the mobility of goods and services and people in South Florida. Forms of transportation which are not petroleum dependent need to be explored and implemented. Gold Coast Clean Cities Coalition is working to develop strategies to increase the use and supply of alternative fuels use by the major public fleets as well as the average motoring consumer. Additional strategies to enhance regional mobility such as enhanced Vanpool Programs, Ridesharing/Carpool Program, Car Sharing, Subscription Services, Reversible Lanes, Parking Management Strategies, Signalization Optimization, Signal Preemption, Work Hour Management, and Telecommuting must be developed or further enhanced to help manage congestion. Continued emphasis on smart growth strategies such as Transit Oriented Development must continued to be encouraged and supported by land use and zoning policy changes.

There is a committed emphasis to improving the built environment and developing and coordinating land use and transportation planning and investment. Currently there are several studies underway to create fixed route rail systems in Broward County and Palm Beach County; however, presently there is no dedicated funding source to help operate this system.

1.4.3.4 Strategic Findings/Policy Implications

The region's transportation system is the economic engine that literally drives South Florida's economy. Continued emphasis and commitment to funding public transportation is needed. Additional transit service, particularly east-west service, is needed to create a regional transit system that improves connectivity and mobility in the region. Exploration and implementation of other technologies that are not petroleum dependent is encouraged to protect the region's viability and sustainability. Better integration of land use and transportation planning and investment is critical as the region prepares to mitigate the impacts of continued growth and focus economic development efforts and resources. The development of supportive amenities that include premium services, timed transfer facilities with child care, bus shelter, and sidewalks can support reduction in Vehicle Miles Traveled and provide additional roadway capacity for freight and interstate travel.

1.4.4 Electricity

1.4.4.1 Significance

Energy, especially electricity, is a basic and critical component of infrastructure that fuels economic development. Increased availability, diversity of energy sources, and reliability of energy provision are key to increased economic productivity.

1.4.4.2 Current Situation

Florida's electricity consumption is estimated to increase by nearly 30 percent over the next 10 years. In addition to petroleum, South Florida is largely dependant upon electricity as a source for heating, cooking and cooling. Less than 1 percent of the energy consumed in the state comes from fuels found in Florida, leaving it heavily reliant on imported sources of fuel.

⁵² Broward County Transportation Improvement Program 2006/07 to 2010/11.

There are two companies responsible for providing electric services in Monroe County. Florida Keys Electric Cooperative System⁵³ (FKEC) provides electric service to the Upper and Middle Keys from north Monroe County to the Seven Mile Bridge; the bridge which connects the Middle and Lower Keys. Keys Energy Services⁵⁴ provides electric service from south of the Seven Mile Bridge through the Lower Keys to Key West. Florida Power and Light⁵⁵ (FPL) is responsible for electric services in Broward and Miami-Dade Counties. About 42% of the fuel FPL uses to generate power comes from natural gas, while 19 percent comes from nuclear, 17 percent each from fuel oil and purchased power and 5 percent from coal.

1.4.4.3 Trends and Future Needs

There are three key issues in the South Florida region:

1. A growing imbalance between electricity demand and generating capacity;
2. The need to enhance fuel diversity and explore alternative sources for generating energy, particularly low carbon, renewable “clean energy” fuels; and
3. Protecting or “hardening” the region’s electrical infrastructure to protect it from Florida’s seasonal inclement weather and improve reliability of the electrical system.

In order to address the growing imbalance between load and generating capacity, Florida Power and Light (FPL) expects to invest \$3.7 billion through 2009 to build new facilities and upgrade existing power plants, and nearly \$3.6 billion for power transmission and distribution to customers. FPL is constructing its Turkey Point power plant expansion project. The 1,144-megawatt, natural gas-fired unit in south Miami-Dade County is expected to begin operations in mid-2007 and will be capable of providing enough electricity to serve 230,000 homes and businesses.⁵⁶

As to the provision of electricity to the Keys, an inadequate 12-mile long distribution line currently serves the energy demand in North Key Largo. This line has already reached critical capacity during peak periods and is currently exceeding desirable levels under everyday conditions. The FKCE will be installing the North Key Largo Substation to continue to provide efficient, safe and reliable electric service to the North Key Largo residential communities, a state park, and a national wildlife refuge.⁵⁷

To diversify its fuel source, FPL is proposing to construct a new nuclear power plant in the State of Florida. In addition, alternative sources for generating energy, including, wind and solar technologies that are being utilized in other parts of the country need to be explored.

Weather patterns make the region vulnerable to the ravages of hurricanes. In order to protect the electrical infrastructure from Florida’s seasonal inclement weather, FPL is “hardening” its electrical infrastructure by strengthening overhead lines; replacing or buttressing existing poles; increased tree trimming; and implementing new construction standards. FPL has recently received permission from the Florida Public Service Commission (PSC) to implement, on a provisional basis, an expanded program of converting overhead power transmission lines to underground lines in pilot communities around the state to help prevent and mitigate power outages.

⁵³ Florida Keys Electric Cooperative Association (FKEC) located in Monroe County serves over 31,000 member-owners with two 138,000 volt transmission lines and 23,000 kilowatts of generating capacity. Its service area extends from north Monroe County to the Seven Mile bridge.

⁵⁴ Keys Energy Services is a member of the Florida Municipal Power Agency's (FMPA) All-Requirements project. Keys Energy Services is connected to the mainland transmission grid through a 61-mile long 138 kilovolt transmission line. The line extends up along US 1 Highway through the Florida Keys Electric Cooperative service territory and ties into Florida Power and Light at the Miami-Dade-Monroe County line.

⁵⁵ FPL is the largest supplier of electricity within this region, serving more than 4.4 million electricity customers in eastern and southern Florida. FPL is among the largest and fastest-growing electric utilities in the US.

⁵⁶ Florida Power & Light Company Ten Year Power Plant Site Plan, 2005-2014 - Treasure Coast Regional Planning Council, Staff Memorandum, September 16, 2005 Council Meeting.

⁵⁷ <http://www.keysenergy.com/Oct2006-Sep2011-budget/22-24-StrategicPolicy.pdf>

Over 37 percent of FPL system is already underground, compared to about 20 percent in other utilities nationwide. Currently, more than two-thirds of FPL's new distribution lines have been placed underground. Increased placement of power lines underground will provide better reliability in normal and adverse weather conditions, especially during wind and lightning events. In October 2005, a relatively weak Hurricane Wilma left approximately 98% of FPL's customers without electricity in South Florida.

The biggest impediment to the increased placement of electrical lines underground is cost. Overhead service was established in Florida by the PSC as the construction standard for utilities because over time it has been the most cost-effective choice. The cost to build standard overhead power lines is already reflected in the rates that are charged. The cost difference between an overhead or underground system can vary widely depending on electrical system requirements and environmental issues. According to FPL staff, depending on the level of development in the project area, the cost can vary from \$500,000 to \$4 million a mile.⁵⁸

1.4.4.4 Strategic Findings/Policy Implications

Increase placement of underground electrical system will improve reliability and continuation of business and improve the quality of life of South Florida residents.

Alternative sources for generating energy need to be explored, including but not limited to, wind and solar technologies that are being utilized in other parts of the country.

1.4.5 Water and Sewer System

1.4.5.1 Significance

As the region's population continues to grow, opportunities for the development of an increasingly diverse labor force and globally competitive business environment abound. These opportunities are tempered however, by increased pressures on the region's potable water supply and treatment and transmission facilities for potable water and wastewater. Reinvestment in South Florida's older urban communities, with appropriate levels of redevelopment, is needed to accommodate projected regional growth. Properly planned and implemented, redevelopment can lead to more sustainable communities, a vibrant and competitive economy, and improved quality of life. Reinvestment in these areas, including the replacement of deteriorating infrastructure, repair and expansion of existing facilities, and development of alternative water supplies is needed to support economic development activities and investments.

1.4.5.2 Current Situation

The economic future of South Florida is threatened by some of the same factors that contributed to its past growth. Southeastern Florida was developed in the early part of the 20th century on the strength of its semi-tropical climate and flat, easy-to-modify terrain. The modern South Florida economy started in earnest with a combination of market forces and government policy. Henry Flagler built the Florida East Coast Railroad to bring in tourists, and the construction workers that would build new towns and extend his railroad southward through the Florida Keys. Farmers came to South Florida, attracted by free land offers and the ability to grow two crops per year. As this was happening, the Florida Legislature, at the urging of Governor Napoleon Bonaparte Broward created the Everglades Drainage District, which in

⁵⁸ <http://www.fpl.com/residential/electric/underground/cost.shtml>

1906 began the extensive dredging project that resulted in the draining of the Everglades. The consequences of those combined actions are clear in today's South Florida:

- a large and growing population;
- an economy historically dependent on tourism and growth-related industries such as construction and development as opposed to knowledge-based industries;
- an Everglades Ecosystem which is half of its original size. The development of aquifer recharge areas and wetlands, and manipulation and of historic water flows have altered the natural system and in part, contributed to diminished water supply;
- strained systems for treatment and distribution of potable water and wastewater;
- periodic flooding; and
- intrusion of sea water into the primary aquifer, especially in times of drought.

Major water-related infrastructure issues confront South Florida today. These issues include the inability of the region's existing potable water supply to meet current and future water demand; increased pressure on strained treatment and distribution systems for water and wastewater; stormwater runoff; salt water intrusion into drinking water wells; and vulnerability to flooding from rainfall and ocean surge.

In 2005, the South Florida Regional Planning Council produced an initial study of the region's infrastructure entitled the *"South Florida Water, Wastewater, and Stormwater Facilities Study and Atlas."* Funded by the South Florida Water Management District (SFWMD), this study provided for the first time a consistent list of regional water, wastewater and stormwater facilities, including service areas, existing capacities and backlogs. A generalized cost estimate for eliminating water and wastewater backlogs was developed and funding strategies were identified. The findings of the study confirm that projected population growth in the South Florida region will exacerbate already overburdened water, wastewater and stormwater facilities and costs to keep facilities at acceptable operating standards will be high. Specifically, the study points to the following:

- Miami-Dade, Broward, and Monroe counties will experience tremendous growth in the next 25 years.
- In the next 25 years, the region will need over 292 million gallons per day (mgd) of additional water treatment capacity in order to operate at acceptable capacity during maximum day demand. The estimated cost to provide this additional capacity is over \$579 million.
- With the additional wastewater demand generated, the operating rate in 2030 could be as high as 91.6% of permitted capacity during average annual daily flow, well above the 75% threshold by which backlog has been defined. The total cost of providing the needed capacity in order to keep the region's wastewater treatment plants operating at acceptable capacity during average annual daily demand is estimated to be \$896 million.
- Of the twenty-six surface water management basins in the Region, only three of the basins operate at or below capacity in all three rainfall events analyzed (1 day - 3 year event; 3 day - 10 year event; 3 day - 100 year event). Four additional basins operate at or below capacity in 1-day, 3-year and 3-day, 10-year events, but would exceed capacity in a 3-day, 100-year event.⁵⁹

⁵⁹ South Florida Regional Planning Council, 2005. South Florida Water, Wastewater and Stormwater Facilities Study.

1.4.5.3 Trends and Future Needs

The SFWMD⁶⁰ has recently released additional data related to regional water supply. In its *2005-2006 Lower East Coast Regional Water Supply Plan*, they report that South Florida's population, including Palm Beach County, is expected to increase from 5.6 million in 2005 to over 7.3 million by 2025, creating a need for an additional 305 million gallons per day (MGD) in public water supply over the next 20 years. In light of these numbers and the slower than anticipated implementation of specific Comprehensive Everglades Restoration Plan (CERP) components, the SFWMD has indicated that South Florida may no longer rely on the Everglades to meet growing water supply needs. South Florida's communities must now meet their future water demands through the development of alternative water supplies.

South Florida has taken ownership of the serious and expensive water and sewer issues confronting it. Recognizing that strong growth management and infrastructure planning are central to development in the region, local governments are developing long-range water supply plans that are supported by financially feasible capital improvement plans. Significant commitments are being made by local governments to develop alternative water sources through reclaimed wastewater, reverse osmosis treatment of highly saline deep ground water sources found in the Floridan Aquifer, and stronger enforcement of conservation regulations.

1.4.5.4 Strategic Findings/Policy Implications

Current sprawl development growth patterns coupled with rapid population growth; deteriorating water and wastewater infrastructure; depletion of traditional water resources and natural disasters threaten to constrain the region's future economic development and job creation potential. To support a vibrant economy in South Florida into the future, strategic infrastructure investments are needed. These investments should be directed to support a smart growth strategy, to foster resilience to hurricane and global climate change impacts, and to enhance the region's public water supply and wastewater infrastructure.

In order to achieve the Economic Expansion and Diversification goals of the *Strategic Regional Policy Plan for South Florida* and those of Enterprise Florida's *Roadmap to Florida's Future*, the state's 2007-2012 Strategic Plan for Economic Development, it is critical that infrastructure backlogs are addressed and that moving forward, infrastructure investments are not postponed and instead keep pace with new growth. Maintenance of a competitive, diversified and sustainable regional economy means that the South Florida region will need to significantly strengthen its infrastructure to support projected growth. This is especially important in four critical areas of need.

- Expansion of potable water supply, treatment facilities and distribution systems;
- Increase in alternative water supply sources and expansion of existing ones;
- Expansion of wastewater treatment facilities and distribution systems; and
- Expansion of stormwater management capacity to respond to the combined flooding potentials of projected population growth and development and the abnormally active hurricane cycle the region has experienced in the past three years

Some economies of scale can be achieved in these efforts. For example, the recently completed *South Miami-Dade Watershed Plan* (March 2007), recommends the aggregation of lands in southeastern Miami-Dade County through the purchase or transfer/purchase of development rights to create an 18,000-acre area at the mouths of 3 major drainage canals that would be used to filter stormwater, urban and agricultural runoff before it enters Biscayne Bay and the waters of Biscayne National Park. This would

⁶⁰ The South Florida Water Management District is a regional agency created by state law. Its responsibilities include oversight and regulation of South Florida's water resources to ensure sufficient supply for the natural system, human system, and agriculture; and ecosystem restoration and management.

have the combined benefits of protecting Bay waters and an important regional cultural resource; enhancing flood protection; inhibiting salt water intrusion into the potable water supply; and providing open space for a burgeoning urban population. It would also enable another important component of the *South Miami-Dade Watershed Plan* to be implemented - the development of high-density residential and employment nodes around transit stations located along the US1 and Kendall Drive Corridors in the southern portion of the county where significant growth is projected for the next four decades.

1.5 Additional Factors Influencing Economic Development

1.5.1 Development and Redevelopment⁶¹

1.5.1.1 Significance

Growth in population in Southeast Florida continues at a rapid rate with nearly 1.2 new residents and employees anticipated by 2030. Our geography constrains development to a built-out area between the Everglades National Park to the west and the Atlantic Ocean to the east, leaving little choice to grow in Southeast Florida without redevelopment. Southeast Florida's economic competitiveness could be challenged if public investment and private building practices are not re-tooled to accommodate a new type of development product. "Infill" development will be the new growth industry in Southeast Florida.

With over 500,000 new housing units needed to accommodate projected regional population growth, the traditional large tract lower density detached single story family unit subdivisions are no longer a viable option. Future housing and jobs will need to be accommodated on smaller infill sites at higher densities and intensities.

Accommodating the region's future growth in an environmentally and economically sustainable manner requires that South Florida take a leadership role in incorporating "green building" strategies and resource efficient technologies in future development and redevelopment plans.

1.5.1.2 Current Situation

In 1995, the "Eastward Ho!" initiative, spearheaded by the Florida Department of Community Affairs in partnership with the South Florida and Treasure Coast Regional Planning Councils, helped create a continuing dialogue about how to create a more sustainable future for South Florida. The urban/human side of Everglades restoration, supporters promoted the economic redevelopment of the region's historic communities as a strategy to reduce development pressure on the Everglades Ecosystem, agricultural lands, and aquifer recharge areas. By engaging community residents in a discussion about South Florida's future and how smart growth policies and investment in their communities could help improve their quality of life, a portion of projected regional growth was redirected back toward South Florida's historic urban core and away from the Everglades. It was recognized that the region's long-term sustainability and prosperity could not be achieved without balancing the needs of the South Florida's environment, people, and economy.

⁶¹ Sources for this section:

Eastward Ho! Revitalizing Southeast Florida's Urban Core, 1996

Eastward Ho! Development Futures: Paths to More Efficient Growth in Southeast Florida, 1999

Urban Land Institute State Road 7/US 441 Corridor Advisory Services Report, 2004

South Florida Water, Wastewater and Stormwater Facilities Study & Atlas, 2005

Miami-Dade County Comprehensive Development Master Plan, 2006

Broward County Comprehensive Plan, 2006

Florida Department of Transportation, District IV, Office of Modal Development, 2006

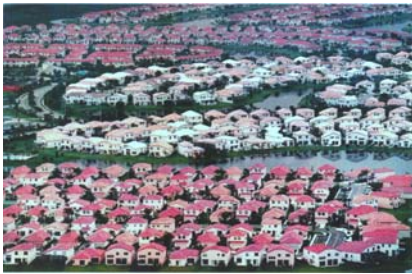
Town of Davie Utilities Department, 2006

South Miami-Dade Watershed Study, 2007

Miami Dade County Water and Sewer Department, 2007

South Florida Regional Planning Council, 2007

After decades of traditional low density sprawl development which consumed land in South Florida at a rapid pace, many local and state elected officials and policymakers now realize that “business as usual” is not a practical development model for the future. Limited land, the high cost of providing services, growing congestion, and the need to revitalize existing communities through continued reinvestment, point to the creation of transit-oriented developments along transportation corridors and nodes. This development model, which relies on moderately higher densities and mixed uses to be successful, can lead to more livable communities while providing improved transportation, employment, housing, and recreational opportunities.



“Courtesy of the Miami Herald”



“Courtesy of the Miami Herald”

Today, The State Road 7 / US 441 Collaborative (Collaborative) is one of the community-based initiatives leading the way in the development of an improved built environment and more vibrant economy for South Florida. The Collaborative is a partnership of Broward County, the Seminole Nation, and 14 municipalities which abut 31 miles of State Road 7 beginning in the City of Miami Gardens in Miami-Dade and extending north through the City of Parkland in north Broward. The Partnership has developed a strategic redevelopment master plan. Using this plan, corridor communities are beginning to implement significant redevelopment projects that will improve economic conditions and the quality of life along the Corridor.

1.5.1.3 Trends and Future Needs

Long-term redevelopment efforts are focusing on locating new residential and employment areas at or near existing rail corridors such as the FEC and Tri-Rail corridors or along designated high capacity bus corridors, such as, State Road 7/US 441 and US 1 Busway. These four north/south corridors run parallel and are located within four to five miles of each other. Together they have the potential to accommodate nearly two-thirds of all expected growth within the region. In addition to these north/south corridors, east/west linkages⁶² are also critical connections to ensure the region’s livability and mobility.

Analysis of the State Road 7/US 441 Corridor Redevelopment area in Broward County indicates that nearly 53,200 new residential units and 58,188 new jobs could be accommodated along the corridor by 2030. Since 2004, nearly 23,000 new residential units along the State Road 7/US 441 Corridor have been approved. This represents an increase in property values of over \$5.75 billion. Currently, nearly \$1 billion in new projects are under development along the State Road 7/US 441 Corridor. Investments of over \$100 million in water and wastewater improvements will be need to support additional growth along the State Road 7/US 441 Corridor.

Analysis of the South Miami-Dade Watershed area indicates that nearly 101,703 new residential units and 111,238 new jobs could be accommodated by 2030. Redevelopment of these areas will only be possible with transit and infrastructure investments and supporting land uses. Nearly \$7.623 billion in

⁶² E.g., Sample Road, Oakland Park Road, Broward Boulevard, and Pines/Hollywood Boulevard etc. in Broward County; State Road 826, 79th Street Corridor, and North Kendall Drive/ SW 88th Street etc. in Miami-Dade County.

wastewater improvements alone are needed to accommodate growth in the South Miami-Dade Watershed area. Miami-Dade Water and Sewer Department has estimated that nearly \$185 million will be needed to construct a new 20 MGD Water Treatment Plant in South Miami Heights. Another \$505 million is estimated for wastewater treatment capacity.

There are significant benefits and cost savings that can be gained by accommodating redevelopment to existing urban areas including the saving of 30,157 or more acres of prime agricultural lands in South Miami-Dade County, preserving aquifer recharge areas, and maximizing existing infrastructure investments in roads, water and wastewater plants, and schools, when capacity exists. The infill scenario projected in the South Miami-Dade Watershed area projects a savings of over \$7.671 billion in infrastructure cost by promoting a more compact growth pattern.

The rapid growth in Southeast Florida over the past four decades saw significant infrastructure investments in new facilities in largely suburbanizing western development with insufficient investment in old infrastructure needed to expand growth opportunity. With insufficient infrastructure capacity available to serve projected growth and employment, reinvestment in existing and new facilities are necessary.

Regional roadways are at or over-capacity the future regional population growth is expected to increase traffic volumes by 50% while road-widening capacity is only able to accommodate a 14% increase in volume. Future capacity improvements will require creating additional roadway networks and connections, investments in transit and the encouragement of transit supportive land uses and employment centers along transit corridors.

As discussed in the previous section, despite the region's abundance of rainfall, future water supply has become one of the region's most limiting constraints to facilitating growth. Water withdrawals from traditional, less expensive, regional water supply sources has reached its permitted limit. Traditional water treatment facilities are not capable of sufficiently treating alternative water supply sources. State-of-the-art and more costly reverse osmosis water treatment facilities will be needed to obtain increased water supply. Nearly 200 million gallons of new treatment capacity from alternative water supplies will be needed by 2020.

Providing regional transit systems and water supply to redevelopment areas will help to ensure a more sustainable economy in Southeast Florida.

As will be discussed in section 2.5.3.2., climate change and sea level rise are expected to pose serious challenges to Southeast Florida's economy, environment, and communities. Building on Governor Crist's leadership in the area of climate change and clean energy technologies, Florida's public and private leaders are moving aggressively to develop and implement strategies and new technologies that will reduce Florida's dependence on foreign fuels, reduce greenhouse gas emissions, improve energy efficiency, encourage water reuse, and promote the use of alternative, low carbon energy sources. Leading companies recognize that there are compelling business reasons for reducing greenhouse gas emissions and embracing low carbon, energy and material efficient practices. Research has shown that "green" is "green" creating new businesses, employment opportunities, and significant savings for businesses and residents who reduce their energy and material costs.

1.5.1.4 Strategic Findings/Policy Implications

Southeast Florida's economic competitiveness and quality of life is linked to its ability to promote urban infill development and provide the necessary infrastructure to support it. "Green Building" strategies and

energy efficient technologies should be incorporated into future development and redevelopment plans to create a more economically and environmentally sustainable region.

While there are many infrastructure needs, the need for new water treatment facilities and other infrastructure has reached a critical level. Without significant investments in alternative water supply systems the region will be unable to support future growth.

Nearly \$790 million in water and wastewater treatment is needed by the year 2012 to support expansion to regional facilities. These investments are necessary to continued economic development in the Southeast Florida region.

1.5.2 Affordable Housing

1.5.2.1 Significance

South Florida's housing supply should provide residents with a diverse mix of styles, locations, and prices. Providing housing that is affordable, attractive, and located near employment centers, services, and daycare opportunities, remains a continuing challenge. The issue of affordable housing is impacting a greater proportion of South Floridians, ranging from those with very-low incomes to those of the "middle class."

While the need for affordable and workforce housing is significant, the housing industry itself also has a significant impact on the region's economy.

1.5.2.2 Current Situation

Housing and gas prices are driving up the cost of living in South Florida faster than in the rest of the nation according to a recent article⁶³ by the Sun-Sentinel. The May 16, 2007 news reports states that according to the US Bureau of Labor Statistics, in March and April 2007, the Consumer Price Index for the West Palm Beach, Fort Lauderdale, and Miami areas rose at a 3.5 percent annual pace. That compares with 2.6 percent for all US cities and the nation as a whole. The housing index, which includes rent, is up 5.3 percent on an annual basis, compared with 3.4 percent nationally.

The terms "affordable housing" and "workforce housing" are often used interchangeably. However, the Florida Legislature has adopted specific definitions for these terms. "Affordable Housing, as defined by Section 420.0004, Florida Statutes (F.S.), means housing for which monthly rents or monthly mortgage payments, including taxes, insurance, and utilities, do not exceed 30% of that amount which represents the percentage of the median adjusted gross annual income for households making no more than 120% of the County median income. As defined in Chapter No. 2007-198, Laws of Florida "workforce housing" means housing that is affordable to natural persons or families whose total household income does not exceed 140% percent of the area median income, adjusted for household size. Regardless of the term utilized, the cost of housing is putting the purchase of a home out of reach more South Floridians.

According to the US Department of Housing and Urban Development (HUD) standards, a unit is considered affordable if it costs no more than 30% of the household's income. Households that spend more than 30% of their gross income on housing expense are considered to have a cost burden.

Wages are not keeping pace with the cost of housing in the region, and housing is becoming less affordable for many low- and moderate-income households. According to HUD, between 2002 and 2005,

⁶³ "Prices are rising faster for us than the rest of the nation," Sun-Sentinel, May 16, 2007; page A-1

the average median family income increased 1.4% while the average home price increased 77%. Reasons for the increase include limited land availability; increasing costs for land and building materials; lack of skilled construction workers; and the rising costs of windstorm insurance. According to the American Community Survey, in the year 2005, approximately 684,023 households in the region, or approximately 44% of all households, were cost burdened, or paid more than 30% of their income on housing. This is an increase of 167,775 households since 2002, when it was estimated that 516,248, or 34% of the households were cost burdened. Simply, families are spending a higher amount of their incomes on housing costs and less income available for spending on other goods and services, including discretionary spending.

1.5.2.3 Trends and Future Needs

The provision of affordable and workforce housing is as basic to the region's economic, environmental, and community prosperity as its transportation, educational, and water and wastewater infrastructure systems. As such, affordable and workforce housing should be planned and accounted for, subsidized, and provided with the same or greater level of importance as other infrastructure in the region in order to ensure a prosperous economy and improved quality of life for all of the Region's residents.

The need for affordable and workforce housing and need to locate workforce housing near employment centers was recognized by the Florida Legislature with the adoption of Chapter No. 2007-198, Laws of Florida., on May 2, 2007. This new legislation requires all local governments to identify in their comprehensive plans adequate sites for workforce housing as well as affordable housing. Local governments and developers are encouraged to provide for workforce housing in close proximity to employment centers. In addition, most counties must adopt a plan to provide for ensuring adequate workforce housing by July 1, 2008, or risk the loss of state assistance for housing projects.

While the need for affordable and workforce housing is significant, the housing industry itself also has a significant impact on the Region's economy. The Florida Housing Coalition has estimated that 76,375 new affordable housing units will be needed in the Region by 2010 and that for every \$1 million in state funding for housing, \$10.36 million of economic activity is generated. In other words, when housing is built or sold, the total economic impact is much greater than simply the cost of construction or the sales price of the house. The construction of housing involves the purchase of land and construction materials, payment of wages to construction workers and fees to professionals (engineers, architects, environmental and soil testing companies, realtors and many others) and the earning of profit builders, contractors and developers. The flow of money in payment for goods and services creates disposable income. Additionally, when families buy a house, particularly their first home, they purchase appliances, furniture and other household necessities. All of this economic activity takes the same dollar and passes it through the economy more than once creating a multiplier effect.

1.5.2.4 Strategic Findings/Policy Implications

The issue of affordability and housing is a complex issue that transcends mere provision of affordable units. The ability of our residents to earn wages that keep pace with housing costs and provide a broader choice of housing within the Region is a critical component to addressing the affordable housing challenge.

1.5.3 Environmental Constraints

1.5.3.1 Significance

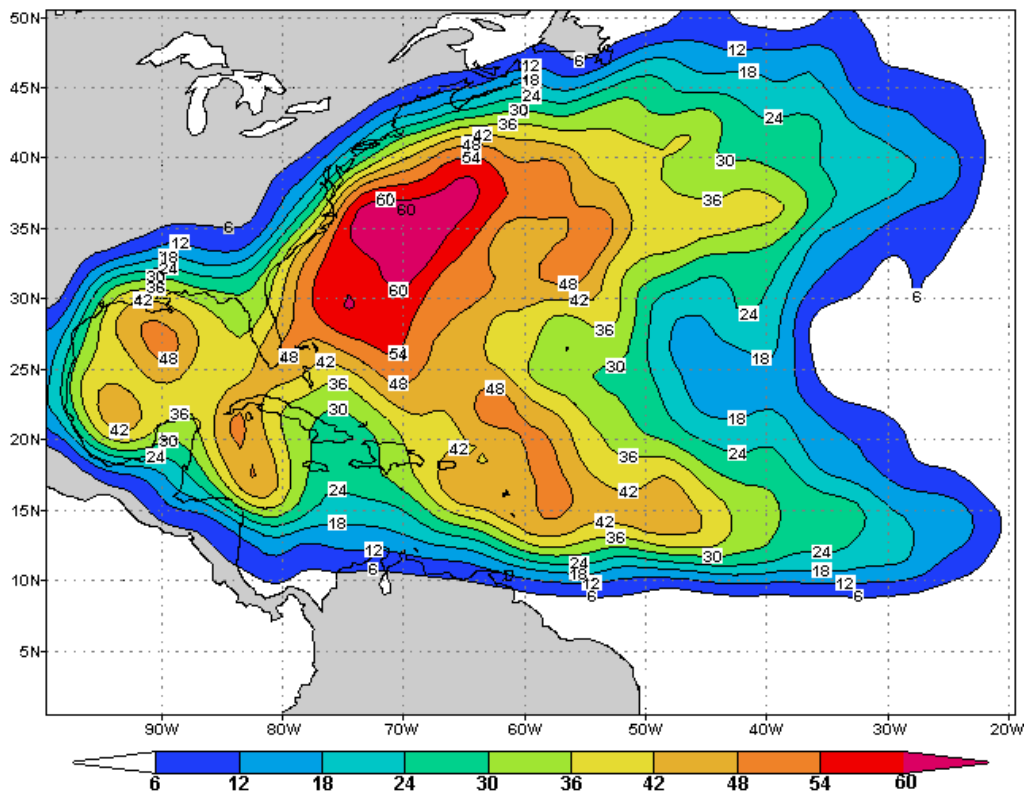
While South Florida's high rate of growth sets the region apart in terms of its ability to generate jobs and income for its citizens and revenue for its public systems and infrastructure, it also poses challenges to the region's sustainability. In *Enterprise Florida's Roadmap to Florida's Future*, the state's 2007-2012 Strategic Plan for Economic Development, the state recognizes the challenges of rapid population expansion, stating that high growth "pose[s] multi-faceted growth management challenges, making it more difficult to create a high-wage, high quality-of-life economy."⁶⁴ In South Florida, environmental factors such as limited water resources and the region's susceptibility to natural hazards such as hurricanes and global climate change (including associated sea level rise) can limit the economic productivity and potential of its communities absent strategic smart growth planning, disaster mitigation and infrastructure investment frameworks. South Florida must balance its population growth with the limitations and challenges posed by its environment to retain its competitive edge.

1.5.3.2 Current Situation

Hurricane Vulnerability

The South Florida region is highly susceptible to hurricane landfall, disruption and damage.

Graph 6: Probability of Hurricane Occurrence



Source: NOAA National Weather Service, http://www.srh.noaa.gov/srh/tropicalwx/ns_prob_ann.php

⁶⁴ Enterprise Florida, 2007. *Roadmap to Florida's Future: 2007-2012 Strategic Plan for Economic Development*.

Statistics from the National Oceanic and Atmospheric Administration's Hurricane Research Center indicate that people living in Miami, Florida have a 48% chance per year of experiencing a strike by a tropical storm or hurricane (see Graph 6).⁶⁵

Hurricane vulnerability is a key regional issue for both homeowners and businesses and for South Florida's economy. The disruptions caused by the active 2004 and 2005 hurricane seasons impacted South Florida's competitive advantage. Substantial insurance rate increases of more than 200% and unpredictable insurance policy cancellations dramatically reduced the economic and lifestyle appeal of South Florida to homeowners and businesses.⁶⁶ South Florida experienced homeowner and business cost burden increases, a decline in the sales of commercial properties and an increase in the number of businesses and homeowners considering relocation. Business interruption was also an issue; according to *The Institute for Business and Home Safety*, one-fourth of all businesses that close due to a disaster never reopen.⁶⁷

While South Florida is highly vulnerable to hurricane events, the region is also home to the National Hurricane Center, the nation's prominent hurricane forecasting bureau, and has well developed, diverse and sophisticated emergency management programs. Each of the region's three counties - Broward, Miami-Dade and Monroe - operate robust Emergency Management Agencies, which have Local Mitigation Strategies (LMS) in place designed to reduce community vulnerability to the impacts of identified natural and man-made hazard.

However, additional investments and technological capacity in emergency management and preparedness infrastructure are needed to keep pace with the additional populations relocating to South Florida. For example, the National Hurricane Center's critical QuikSCAT satellite, which enables more accurate hurricane forecasting, is expected to fail in the foreseeable future. Its replacement cost, currently estimated at between \$375 and \$400 million, is not currently budgeted⁶⁸. This satellite is crucial to hurricane forecasting accuracy and evacuation planning.

Water Resources



Source: South Florida Water Management District

The South Florida region encompasses a large portion of the biologically diverse and unparalleled Kissimmee-Lake Okeechobee-Everglades watershed and ecosystem, including Everglades National Park. Historically, this interconnected "River of Grass" across which water slowly flowed from the Kissimmee Chain of Lakes to Florida and Biscayne Bay, was regarded as low value swampland. It was drained, degraded and channelized to accommodate South Florida's urbanization under the Central and Southern Florida Project. However, in the late 1990's, scientists and policy-makers recognized that this ecological gem, after years of human interference and alteration of the natural system, was on the brink of collapse. Federal, state, and local leaders called for an extensive ecological restoration plan to restore the quantity, quality, timing and distribution of the system's historic water flow and developed the Central Everglades Restoration Plan, a joint state-federal partnership.

⁶⁵ National Oceanic and Atmospheric Administration <http://www.aoml.noaa.gov/hrd/tcfaq/G12.html>.

⁶⁶ Freer, Jim. "Insurance Crisis." 29 December 2006. *South Florida Business Journal*.

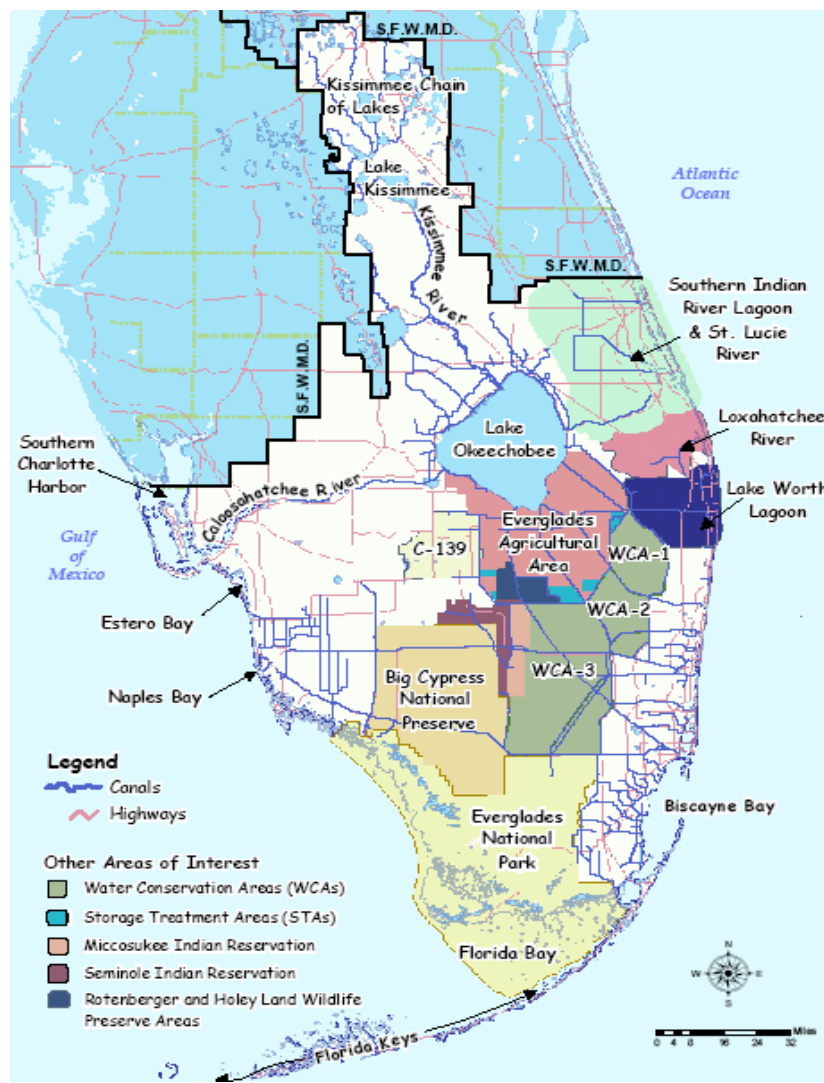
⁶⁷ http://www.ibhs.org/business_protection/

⁶⁸ Kaye, Ken. "Hurricane tracking satellite on its last legs, center director warns." 4 April 2007. *Sun-Sentinel*.

As discussed earlier in Section 3.5 of this report, a simultaneous effort to restore South Florida’s urban communities was undertaken in 1995. The urban/human side of Everglades restoration, supporters of “Eastward Ho!” promoted the economic redevelopment of the region’s historic communities as a strategy to reduce development pressure on the Everglades Ecosystem, agricultural lands, and aquifer recharge areas. By engaging community residents in a discussion about South Florida’s future and how smart growth policies and investment in their communities could help improve their quality of life, a portion of projected regional growth was redirected back toward South Florida’s historic urban core and away from the Everglades. It was recognized that the region’s long-term sustainability and prosperity could not be achieved without balancing the needs of the South Florida’s environment, people, and economy.

The portion of the Kissimmee-Lake Okeechobee-Everglades watershed located in South Florida, the Everglades and Lake Okeechobee, has traditionally served as source of public water supply for the region: However, as South Florida’s population continues to grow and generate additional demand for water resources there is a heightened recognition of the natural system’s limitations.

Graph 7: South Florida Environmental and Water Features



There is a great need to balance the water requirements of the natural system with the water demands of economic and community development. The South Florida Water Management District, the regional resource agency that oversees South Florida’s water resources, stated in its 2005-2006 Lower East Coast Regional Water Supply Plan, that the Planning Area’s population is expected to increase from 5.6 million in 2005 to over 7.3 million by 2025, which translates into the need for an additional 305 million gallons per day (MGD) in public water supply over the next 20 years⁶⁹. In light of these numbers and the slower than anticipated implementation of specific CERP components, the South Florida Water Management District has indicated that no new water is available from the Everglades. South Florida’s communities must now meet their future water demands through the development of alternative water supplies.

⁶⁹ Lower East Coast Regional Water Supply Plan 2005/2006. Available at https://my.sfwmd.gov/portal/page?_pageid=1874,4166676,1874_4166342:1874_4167053&_dad=portal&_schema=PORTAL

Accelerating 2007 drought conditions throughout South Florida and the State underscore the need to balance natural system water needs with public water supply needs. Florida Division of Emergency Management Meteorologist Ben Nelson stated that “Florida is experiencing one of its driest seasons on record since 1895⁷⁰.” Due to a lower than average amount of rainfall over the past 18 months, South Florida’s surficial water storage system that includes Lake Okeechobee, numerous canals, parts of the Everglades and three Water Conservation Areas has experienced declining water levels, especially as urban and agricultural areas continue to need water. Extremely dry conditions have led to wildfires and the overall shortage of water in the system has led to water restrictions and increased the risk of permanent saltwater intrusion into coastal water wells. The economic consequences of drought without adequate water reserves in the system can weigh heavily on utilities, water consumers and communities as some utilities are forced to look for other water sources, as coastal water wells are threatened by saltwater and as wildfire threat increases. Alternative water supply and enhanced water management investments will help prevent water supply disruption and enable the necessary water buffer needed in the natural system in times of drought.

Global Climate Change and Sea Level Rise

The scientific community agrees that global climate change, an unprecedented and rapid warming of the earth caused by greenhouse gas accumulation in the atmosphere, is a reality. In early 2007, the Intergovernmental Panel on Climate Change (IPCC), the world’s most prominent body of climate change experts from around the globe, released their fourth assessment reports on the current state of global climate change science. These reports confirmed that the earth is warming without question. The IPCC report, “The Physical Science Basis”, recognized that global warming trends are “unprecedented” and stated that there is “very high confidence” that human activities are contributing significantly to this warming. This report and the second IPCC report, “Climate Change Impacts, Adaptation and Vulnerability,” asserted that these warming trends are significantly affecting weather patterns, sea level rise and the earth’s biological systems.

Specifically, as a result of predicted warming trends (approximately 3.1° to 7.2° F in global surface temperature by 2100⁷¹), the environments that people inhabit today could dramatically change as sea level rises, extreme weather events increase, biological systems shift and the likelihood of the spread of tropical diseases increases.

Some regions of the world will be more vulnerable to these changes than others; the second IPCC report presented findings on the vulnerability level of different world regions. It specifically stated that the world’s coastal regions are most vulnerable and indicated that United State coastal communities “will be increasingly stressed by climate change impacts interacting with development and pollution.” South Florida is no exception. South Florida is particularly vulnerable considering 1) the amount of investment in its shoreline communities and infrastructure and 2) the economic revenue its shorelines generate from tourism.

One of the biggest challenges for South Florida will be the potential impacts of sea level rise on its economy, community and environment. The Intergovernmental Panel on Climate Change’s fourth assessment reports indicate that world sea level is expected to rise between approximately six inches and

⁷⁰ Smith, Randy. 1 May 2007. “No Quick End to Drought in Sight.” *Press release*. South Florida Water Management District. Available at: http://www.sfwmd.gov/newsr/3_newsrel.html#lo_dry

⁷¹ Intergovernmental Panel on Global Climate Change. 2007. *Climate Change 2007: The Physical Science Basis - Summary for Policymakers*.

two feet by the end of the 21st century as a result of global climate change.⁷² This means that areas of the earth less than 1 meter or 39 inches above sea level are most susceptible to inundation; South Florida, which has highly urbanized coastlines at low elevation gradients, is a highly vulnerable area. Sea level rise will likely cause the loss of South Florida's beautiful beaches, and its tidal wetlands, which provide essential ecosystem services and include unique habitat types.

Given these and other recent findings, advance preparation for global climate change impacts (anticipatory adaptation) and the development of mitigation measures to minimize greenhouse gas emissions are important policy and planning priorities for all vulnerable communities, including the South Florida region. South Florida's communities need to assess, understand, plan, mitigate and prepare for the impacts of sea level rise and other global climate change impacts. Without these measures, global climate change and its associated sea level rise impacts can diminish the region's economic appeal, especially to investors.

1.5.3.3 Trends and Future Needs

To remain economically competitive, South Florida should become as disaster resilient and disaster ready as possible. An important regional goal is to ensure that the greatest number of workers and businesses are prepared for hurricanes as possible and to ensure that the appropriate support services and policies are in place to aid them. Programs and policies should be considered or enhanced that help worker wages keep pace with the rising cost of property insurance, that reduce property insurance costs and minimize post-storm disruption and that focus on business disaster preparedness.

Alternative water supply development is crucial to South Florida's continued economic vitality. Alternative water supply sources include brackish water, reclaimed water, and the storage of storm water captured during wet-weather flows for later beneficial use. Tapping into and building the technology to use these sources requires substantial regional infrastructure investments. The estimated cost to the region is \$2.63 billion⁷³. Miami-Dade County alone projects investments of over \$1 billion through 2030 to implement required alternative water supply system to meet future demand⁷⁴. In Fiscal Year 2007, \$41 million in grant funding is available from the State of Florida and the South Florida Water Management District to offset these costs⁷⁵.

The South Florida region needs to define its path forward in regard to how it will respond to global climate change and sea level rise, including what areas it will protect; how it will protect those areas; how much it will cost to protect those areas; and how it will fund this protection. The US Environmental Protection Agency has identified three potential community adaptation techniques that the South Florida region could explore: shoreline armoring to hold back the water; elevation of community structures and land; or allowing the natural retreat of tidal wetlands and beaches to inland areas⁷⁶.

1.5.3.4 Strategic Findings/Policy Implications

To continue to create, recruit, retain and expand businesses as well as to maintain an attractive regional quality of life for the region's workers, additional strategic investments are needed in the following environmental spheres:

⁷² Intergovernmental Panel on Global Climate Change. 2007. Climate Change 2007: The Physical Science Basis - Summary for Policymakers.

⁷³ Jackson, Jim. SFWMD "Water Supply Planning." 9 March 2007 PowerPoint Presentation.

⁷⁴ Miami-Dade County Memorandum to the Board of County Commissioners. 13 March 2007.

⁷⁵ Ibid

⁷⁶ Titus, Jim. *In press*. US Environmental Protection Agency. "An Overview of the Likelihood of Shore Protection along the Atlantic Coast of the United States."

- Natural disaster planning, mitigation and preparedness activities, including funding of the technology to support these efforts;
- Alternative water supply and water conservation infrastructure to ensure that adequate regional water resources are quickly and efficiently in place to support a healthy and vibrant regional economy; and
- Global climate change mitigation and adaptation strategies.

2 Strategic Findings Summary

2.1 Demographic Challenges and Opportunities

A growing and highly diverse population is an asset for the region's competitiveness in the global economy. It provides a multi-ethnic, multi-lingual workforce and culturally diverse environment for businesses. On the other hand, this continuing growth will also require the region's local governments to make major investments in infrastructure, to both maintain and expand existing services such as transportation, water, wastewater, solid waste and education for both existing and new residents. Challenges due to lower incomes, higher poverty rates and a relatively lower educational attainment level will require significant efforts to ensure sustained growth of the region's economy and the creation of quality jobs.

2.2 Business Development

Both the quantity and quality of economic growth are important aspects in assessing the economic development status. The South Florida region has been growing faster than the nation, however, a more diversified economic structure -- a more favorable sectoral and geographic distribution of economic activity -- needs to be achieved to raise the quality of the economic growth.

In Enterprise Florida's⁷⁷ Roadmap to Florida's Future, the state's 2007-2012 Strategic Plan for Economic Development, the need to accelerate Florida's economic diversification is identified as one of six strategic priorities for economic development in Florida. It is also a critical component of the region's economic development effort because a large, diversified economic structure is crucial for the region's stability, prosperity, and global competitiveness.

A cluster industry development strategy can help accelerate the diversification of the regional economy through a targeted focus on high-wage, high value-added cluster economic growth.

2.3 Workforce Development

In order to develop South Florida's "workforce of the future," a skilled labor force that is well educated and facile in the workplace, educational institutions and workforce development groups must work more closely with each other, employers and industry leaders to develop the curriculum and training programs needed to create a workforce that can meet the region's economic diversification and growth goals. A targeted Industry partnership needs to be formed among the industries, public sector partners such as economic development agencies and workforce development groups, and educational institutions. It also is essential that continued emphasis be placed on increasing the percentage of the population receiving advanced educational degrees at the associate, bachelors, masters and doctoral levels.

2.4 Physical Infrastructure

2.4.1 Industrial Parks

South Florida has a service-based economy and has sought to attract clean industries; therefore the demand for "traditional" industrial parks is limited. However, demand from bioscience, medical and information technology businesses is expected to increase.

⁷⁷ Enterprise Florida, Inc. is the public-private partnership responsible for leading Florida's statewide economic development efforts. The organization's mission is to diversify Florida's economy and create better paying jobs for its citizens by supporting, attracting and helping to create businesses in innovative, high-growth industries.

2.4.2 Airports and Seaports

The airports and seaports are the economic engines driving South Florida's economy however each needs to increase capacity to accommodate expected growth in the region. Expansion programs are planned at all four facilities to accommodate projected demand for passengers and cargo. Continued public and private investment is needed to enable these ports to remain internationally competitive.

2.4.3 Transportation

The region's transportation system is the economic engine that literally drives South Florida's economy. Continued emphasis and commitment to funding public transportation is needed. Additional transit service, particularly east-west service, is needed to create a regional transit system that improves connectivity and mobility in the region. Exploration and implementation of other technologies that are not petroleum dependent is encouraged to protect the regions viability and sustainability. Better integration of land use and transportation planning and investment is critical as the region prepares to mitigate the impacts of continued growth and focus economic development efforts and resources. The development of supportive amenities that include premium services, timed transfer facilities with child care, bus shelter, and sidewalks can support reduction in Vehicle Miles Traveled and provide additional roadway capacity for freight and interstate travel.

2.4.4 Electricity

Increase placement of underground electrical system will improve reliability and continuation of business and improve the quality of life of South Florida residents.

Alternative sources for generating energy need to be explored, including but not limited to, wind and solar technologies that are being utilized in other parts of the country.

2.4.5 Water Issues

Providing a strong and business-friendly environment, developing a well prepared work force and attracting new businesses will require significant strengthening of the infrastructure that will be needed to support projected growth. This is especially important in four critical areas of need.

- Expansion of potable water supply, treatment facilities and distribution systems;
- Increase in alternative water supply sources and expansion of existing ones;
- Expansion of wastewater treatment facilities and distribution systems; and
- Expansion of stormwater management capacity to respond to the combined flooding potentials of projected population growth and development and the abnormally active hurricane cycle the region has experienced in the past three years.

2.5 Additional Factors

2.5.1 Redevelopment

Southeast Florida's economic competitiveness and quality of life is linked to its ability to promote urban infill development and provide the necessary infrastructure to support it. "Green Building" strategies and energy efficient technologies should be incorporated into future development and redevelopment plans to create a more economically and environmentally sustainable region.

While there are many infrastructure needs, the need for new water treatment facilities and other infrastructure has reached a critical level. Without significant investments in alternative water supply systems the region will be unable to support future growth.

Nearly \$790 million in water and wastewater treatment is needed by the year 2012 to support expansion to regional facilities. These investments are necessary to continued economic development in the Southeast Florida region.

2.5.2 Housing

The issue of affordability and housing is a complex issue that transcends mere provision of affordable units. The ability of our residents to earn wages that keep pace with housing costs and provide a broader choice of housing within the region is a critical component to addressing the affordable housing challenge.

2.5.3 Environmental Constraints

Current growth patterns coupled with rapid population growth; deteriorating water and wastewater infrastructure; depletion of traditional water resources and natural disasters threaten to constrain the region's future economic development and job creation potential. To support a vibrant economy in South Florida into the future, strategic infrastructure investments are needed. These investments should be directed to support a smart growth strategy, to foster resilience to hurricane and global climate change impacts and to enhance the region's public water supply and wastewater infrastructure.

To continue to create, recruit, retain and expand businesses as well as to maintain an attractive regional quality of life for the region's workers, additional strategic investments are needed in the following environmental spheres:

- Natural disaster planning, mitigation and preparedness activities, including funding of the technology to support these efforts;
- Alternative water supply and water conservation infrastructure to ensure that adequate regional water resources are quickly and efficiently in place to support a healthy and vibrant regional economy; and
- Global climate change mitigation and adaptation strategies.

3 The Region's Greatest Needs – Workforce Development

Workforce development was identified as the highest priority for the South Florida region in order to foster a healthy and dynamic economy. As pointed out in the strategic findings section, a skilled and competitive labor force is a valuable asset and key to the prosperity and sustainability of the economy.

The core of workforce development is the provision of high quality and targeted training for the workforce to match current and future business needs. However, a successful strategy to build a competitive labor force requires a more systematic approach. The concept of workforce development should no longer be confined to diverse training programs or employment opportunities. It is widely recognized that the ability of a region to provide adequate and convenient transportation, diverse and affordable housing, accessible child care, and flexible when-needed services to its labor force is also critical to a successful and sustainable workforce development strategy.

If the region cannot satisfy these needs and provide a good quality of life for the workforce, workers may choose to leave, especially those in the high-skill level workforce. This issue is even more salient in a highly mobile community like South Florida, where seven out of every ten new residents come from abroad, and domestic in-migration and out-migration are very high. In a worst case scenario, the resources and funding that the region puts into the workforce training programs could become a total loss to the regional economy if the trained workers leave the area.

4 Goals and Objectives

A systematic approach must be taken in order to develop and retain a competitive workforce in South Florida. Specific goals and objectives include:

1. Train the Region's workforce to match current and future business needs.
 - a. Improve coordination between the region's businesses and those responsible for ensuring the availability of a qualified workforce.
 - b. Prepare the unemployed and underemployed to effectively compete in the regional job market/workforce.
 - c. Improve skill level of already employed workers.
 - d. Ensure an effective education system that is responsive to employer needs.
 - e. Increase the percentage of the population receiving advanced educational degrees at the associate, bachelors, masters and doctoral levels, with emphasis on degrees supporting existing and emerging clusters such as the Life Sciences/Biomedical Cluster.
2. Foster a strong and diverse economy that creates ample employment opportunities for the workforce.
 - a. Nurture the emerging clusters in the region: bio-tech, creative economy, defense and homeland security. Specific priority should be focused on supporting public, private and university research and collaboration efforts to support these emerging clusters.
 - b. Cultivate industries in promising sectors for which the region has advantageous conditions: alternative fuels, solar energy, green industry.
 - c. Strengthen the existing competitive clusters in the region: international trade and commerce, tourism, aviation, marine industry, health care for the elderly.
3. Ensure that the Region's infrastructure enhances the efficiency of the regional economy, while satisfying the need for a good quality of life for the workforce as well as local residents. Particular emphasis should be placed on:
 - a. Adequate regional transportation and transit system to provide better mobility.
 - b. Diverse housing supply to provide affordable places to live for the workforce;
 - c. Accessible child care to make it possible for willing parents to work.
 - d. Cultural and recreational opportunities to attract skilled and creative workers.
 - e. A built environment that fosters a sense of community for workers and their dependents.
 - f. Development of a skilled labor force to support Everglades restoration.
4. Build a regional knowledge base to better understand the dynamics among workforce development, economic development, and infrastructure needs and to direct regional policy-making.
 - a. Build an information system/database to facilitate better communication between businesses and those responsible for ensuring the availability of a qualified workforce.
 - b. Conduct research and studies on commuting patterns, in order to better understand where workers live and where they work, and the impact on both employers and employees of the location of such critical infrastructure as housing, public transportation/transit and child care services.
 - c. Continue regional dialogs and agendas among public and private sector entities across jurisdictional boundaries.
 - d. Develop a better understanding of the range of impacts of climate change on the regional economy.

5 Plan of Action to implement Goals / Objectives

Actions to achieve Goal 1: Train the Region's workforce to match current and future business needs:

1. Prepare the unemployed and underemployed to effectively compete in the regional job market/workforce.
 - a. Encourage youths to complete high school and additional training
 - b. Train to help unemployed workers get jobs
 - c. Provide support to workers with special needs (disability, ex-offenders)
 - d. Develop career ladders/lattices to attract workers
2. Improve skill level of already employed workers
 - a. Training through current employers (fund directly, cross-county funding is acceptable)
 - b. Sectoral strategy focused on these targeted sectors: construction, health/hospitals, manufacturing, marine industries, aeronautics, automotive, bio-science
 - c. Language training targeted at job needs (underemployed limited by inadequate language skills)
 - d. Training in new areas, such as solar energy and "green collar" jobs
 - e. Decrease dependency on tourism/hospitality

Actions to achieve Goal 2: Foster a strong and diverse economy that creates ample employment opportunities for the workforce:

- a. Remove obstacles for bio-tech, creative, defense and homeland security sectors.
- b. Provide incentives and support for studies and pilot projects that are directed at use of alternative fuels, solar and wind energy and "green" industry related endeavors such as LEED (Leadership in Energy and Environmental Design).

Actions to achieve Goal 3: Ensure that the Region's infrastructure enhances the efficiency of the regional economy, while satisfying the need for a good quality of life for the workforce as well as local residents:

- a. Continue to support an adequate regional transportation and transit system to provide better mobility through funding, improved intergovernmental coordination and transit/pedestrian oriented land use and transportation planning.
- b. See 2b above.
- c. Provide incentives for public endeavors such as "Art in Public Places" and artist colony planning.

Actions to achieve Goal 4: Build a regional knowledge base to better understand the dynamics among workforce development, economic development, and infrastructure needs and to direct regional policy-making:

- a. Establish a workforce related "leadership" program modeled after programs such as "Leadership Broward" or "Leadership Hollywood".
- b. Identify/clarify the locational relationship of the workforce, transportation and child care services and employment centers.

6 “Vital” projects list – region’s greatest needs, enhancing “Regional Competitiveness”

To achieve the workforce development goals and objectives called out in section 5 and enhance the region’s competitiveness, vital projects can be identified and organized into four themes:

Theme 1: Projects to enhance the workforce’s competitiveness and/or initiatives to improve the coordination between the region’s businesses and entities responsible for ensuring the availability of a qualified workforce, including, but not limited to, workforce development groups, community organizations, education providers.

Candidate projects of workforce development efforts should also include regional coordination and integration. The true South Florida Region includes not only the three counties in the jurisdiction of the South Florida Regional Planning Council, but also Palm Beach County, which is a part of the same Metropolitan Statistical Area (MSA). South Florida regional strategies and endeavors for workforce development should be coordinated with Treasure Coast region.

Specifically, there are two aspects of the South Florida workforce that need special attention in the near future:

- Part of the workforce in South Florida is characterized by aging “boomers” that may or may not continue in gainful employment once they reach retirement age. There is an opportunity for many of these to consider “encore” careers, remaining in the workforce and filling critical skilled labor needs, but transitional skill training may be required.
- Another part of the workforce is made up of foreign immigrants, many of whom arrive in the region with training and skills from their place of origin that do not immediately qualify them to exercise their professional activities here. There is a need to provide a transition from existing career expertise and credentials to assist these populations to compete and be successful in South Florida’s labor market. Better training and coordination with existing professional institutions to provide for a smoother transition of skill levels will assist in job retention and expansion.

Theme 2: Projects to promote economic development and opportunity and initiatives to cultivate emerging and promising industries and strengthen the existing competitive clusters in the region.

Candidate projects should support the effort to expand the existing capacity of targeted industries as needed, and to develop additional targets, including emerging industries such as bio-medical, homeland security and “green” industries.

Theme 3: Projects and programs to achieve integration of the region’s infrastructure and improve its efficiency, in order to support the current and future development needs of businesses as well as satisfy the need for a good quality of life for workers and residents.

As elaborated in Section 4, to address South Florida’s workforce needs a “systems” approach. Successful workforce strategies should address adequate affordable housing, access to child care and effective regional public transportation/transit. Workers and employers are leaving South Florida because they cannot afford to stay here. These support services need to be coordinated at a regional level.

Regional transportation is the key to expansion and development of the South Florida workforce. Candidate projects should to be supportive of an integrated transportation system and public transit

throughout the entire region, and for better connections to employment centers and closer integration with and supported by housing, child care and other human services.

Theme 4: Studies and programs that contribute to a better understanding of regional economic development dynamics and a more informed policy-making process, for example, studies to better understand future hiring plans for existing employers in the region, in addition to identifying the needs of new economic activities that will emerge in the future.

Several regional studies have also identified specific projects that embrace these four themes, including but not limited to:

1. State Road 7/US 441 Collaborative: Projects relating to the Master Plans of communities that are a part of the State Road 7 Collaborative, a 25-mile corridor that includes 15 local governments, the Seminole Indian Tribe in Broward County and one local government in Miami-Dade County. Efforts are currently being made to expand the Collaborative deeper into Miami-Dade County along the corridor.
2. South Miami-Dade Watershed Study and Plan (WSP): Projects relating to the Economic Development and Transportation recommendations of the (WSP). This plan includes recommendations for redevelopment along the South Dixie Highway corridor in southern Miami-Dade County, which includes specific locations for increased residential density and development intensity and creation of employment centers that are adjacent to planned public transit stations. The WSP also recommends set-aside by purchase or other means of an 18,000 acre area for filtration of surface water runoff and creation of an alternative water source.
3. Regional Transit Authority: Projects supportive of expanded transit in Miami-Dade, Broward and Palm Beach Counties along the existing Tri-County Rail system (CSX Railroad line) and future plans for rail transit along the Florida East Coast (FEC) Railroad line as well as expanded bus and other transit facilities.
4. “Vision Broward”, Miami-Dade and Broward County Urban Design Charettes, “Vision 2060” and other strategic planning efforts that are regional in scope.

SAMPLE PROJECT 1: State Road 7/ Town of Davie Transit Oriented Corridor Redevelopment (Davie TOC).

The Davie TOC project is a mixed-use development; it not only provides opportunities for economic development (goal 2 and theme 2), but also improves transportation efficiency and the quality of life of workers by bringing about transit/pedestrian oriented land use and transportation planning (goal 3 and theme 3).

The Davie TOC project includes 3,200 residential units; 1,100,000 square feet of office; 700,000 square feet of industrial/flex space; 350,000 square feet of retail; and 500 hotel rooms by the year 2015. Current project proposals include 1,077 residential units; 848,000 square feet of office; 68,460 square feet of retail; and 250 hotel rooms on 46 acres of the 903 acre project area. It is estimated that this project would provide over 3,392 permanent jobs and a significant amount of construction jobs throughout the project period. Portions of the project are located within the Town of Davie Community Redevelopment Area.

There are two vital projects needed to support the redevelopment of the Town of Davie Transit Oriented Corridor including:

- construction of a 6 million gallon reverse osmosis water treatment plant, and
- construction Oakes Road bridge over Florida’s Turnpike.

Total cost is approximately \$40 million for the **water treatment plant** and approximately \$30 million for the **Oakes Road Bridge**.

The Town of Davie Utilities will work with the project developer to finance the construction of the water treatment plant. Operation will be financed through user fees. The Town of Davie will work with the Florida Department of Transportation and the project developer to finance the design and construction of the Oakes Road Bridge. Maintenance will be provided by the Town of Davie.

SAMPLE PROJECT 2: Creation of an “Upper River Area Plan” for Miami Intermodal Center (MIC)⁷⁸

This initiative is proposed by Miami-Dade County, Florida Department of Transportation (FDOT), Miami-Dade Expressway Authority (MDX), U.S. Customs, MIC area property owners, Port of Miami, Miami River Commission, Miami River Marine Group, and the City of Miami.

The purpose of creating an “Upper River Area Plan” is to coordinate multi-modal transportation connections between the dredged Miami River’s Federal navigable channel and future land uses adjacent to the Miami Intermodal Center (MIC). The MIC will feature connections with the Miami International Airport, Metro-Rail, Metro-Buses, Tri-Rail, freight rail lines, and a Rental Car Center. The Area Plan will lead to the creation of guidelines and specifications to guide the identified “MIC Associated Development” area’s development, which is depicted essentially as a peninsula bounded by South River Drive (west of Miami River) on the East; NW 25th Street (south of Palmer Lake) on the North; NW 21st Street (north of Tamiami Canal) on the South; and Douglas Road on the West. In addition to this are the County owned 9-acre parcel adjacent to the north shore, and the riverfront parcels being acquired by the County for the construction of the Earlington Heights – MIC Metro-Rail extension.

Adopting specifications and guidelines would steer appropriate and desirable public and private sector projects in the identified “MIC Associated Development” area. With the first phases of MIC construction underway, time is of the essence to create the necessary specifications and guidelines in order for the adjacent areas to compliment and support the intended multi-modal transportation hub, including but not limited to U.S. Customs Freight forwarding and radiation screening center, truck depot, short sea shipping facilities, tug boat basin, etc. Three parcels immediately adjacent to the MIC, several riverfront parcels, and a nine acre site adjacent to the River’s NE shoreline are or will be owned by the public sector, while the majority of parcels within the identified “MIC Associated Development” boundary are privately owned.

⁷⁸ Information provided by The Miami River Commission

7 Evaluation of the CEDS

The progress of implementing goals and objectives set in the CEDS can be monitored and measured as follows:

1. Number and types of jobs created and retained in the region (CEDS Goals 1 and 2).
2. Amount of private sector investment related to the jobs created and retained in the region after implementation of the CEDS (CEDS Goals 1, 2, and 3).
3. Number and types of public and private infrastructure investments undertaken in the region (CEDS Goals 2 and 3).
4. Number of studies or strategic planning efforts undertaken that are regional in scope (CEDS Goal 4).
5. Percentage of South Florida's residents with at least a high school diploma (CEDS Goal 1).

8 Community and private sector participation

Community and private sector participation is critical in the CEDS effort to ensure the CEDS is built on a consensus of economic development priorities between public and private sectors. Council staff has worked with public and private sector partners to create the Comprehensive Economic Development Strategy Committee, which includes community leaders and representatives from workforce development boards, institutions of higher education and minority and labor groups as well as private and public sector representatives. Numerous meetings and phone conversations were held during the development of the CEDS. The proceedings of the three formal meetings are attached as Appendix I in this document.

9 Cooperation / integration with state economic development priorities

Enterprise Florida's *Roadmap to Florida's Future, 2007-2012 Strategic Plan for Economic Development* states Florida's goals for economic development as: globally competitive businesses, well-paying jobs for Floridians, and high quality of life throughout Florida. Six priorities are set for 2007- 2012 as below:

1. Build World-Class Talent
2. Ensure Business Climate Competitiveness
3. Promote Sustainable Development to Ensure Florida's Superior Quality of Life
4. Invest in Florida's Innovation Economy
5. Establish Florida as a Pre-eminent Global Hub
6. Accelerate Florida's Economic Diversification

Goals and objectives set in Section 5 of South Florida's 2007-2012 Comprehensive Economic Development Strategy (CEDS) have been developed to tightly integrate with the State's economic development priorities.

For example, CEDS Goal 1: Train the region's workforce to match current and future business needs of South Florida's CEDS ties well into the State's number one priority to "build world-class talent". By fostering a strong and diverse economy that creates ample employment opportunities for the workforce

in South Florida (CEDS Goal 2), it helps to accelerate Florida's economic diversification and invest in the innovation economy. An integrated and efficient infrastructure (CEDS Goal 3) is the most urgent need for the South Florida region to ensure the region's business climate competitiveness and promote sustainable development. A regional knowledge base to better understand the economic development dynamics (CEDS Goal 4) provides extensive support to all these six priorities.

Appendix I: Reports of Proceedings

REPORT OF PROCEEDINGS



COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY COMMITTEE May 25, 2007 Meeting No. 1

South Florida Regional Planning Council
3440 Hollywood Boulevard, Suite 140
Hollywood, FL

Welcome, Introduction and Background

Committee members were welcomed by Carolyn A. Dekle, Executive Director, South Florida Regional Planning Council and self introductions were made. Ms. Dekle provided the background and purpose of the meeting. She explained that the Comprehensive Economic Development Strategy (CEDS) previously has been included in the *Strategic Regional Policy Plan for South Florida* and this year the U. S. Economic Development Administration (EDA) requested that it be developed separately and that it be supported by input from the private sector. The priorities expressed in the CEDS will be used as the criteria for EDA investment in the region for the next five years.

Facilitated Discussion

Committee members were led in a facilitated discussion by Julia A. Trevarthen, AICP, Director, Institute for Community Collaboration, Inc.

Ms. Trevarthen asked for observations on the working draft of the CEDS. Committee members provided the following observations.

- Military and Homeland Security should be added as a cluster and promoted region-wide.
- Marine Industry is currently included as a sub cluster. It should be included as a cluster. It crosses into technology and recreation.
- Cruise industry is important in South Florida in terms of transportation and logistics.
- What is the role of climate change in the CEDS? Can we realistically prepare for it?
- The distinction between affordable housing and workforce housing is not clear in the current draft of the CEDS.

Ms. Trevarthen asked the Committee to review the summary of Strategic Findings and identify the highest priorities for economic development in the region and discuss the needs surrounding them.

Workforce Development was identified as an important priority. Problems relating to Workforce Development include:

- Demand for training in the medical and construction industries is high. Demand for training in technology is decreasing. In Broward County demand is increasing for training in the area of slot machine technology.
- (Regarding the reduced demand for technology training) Look forward to potential future demands.
- Matching the industry needs to student interest is a problem for educators. The use of intermediaries in workforce training is derived from a targeted industries list. A common agenda for educators and industry should be transparency - allowing the user to have a holistic view.
- The drop-out rate is too high in South Florida.
- There is a disconnect between the curriculum and the employer. Curriculum frameworks utilized by educators need to be analyzed. Employer input is needed but typically industry representatives are too busy.
- Declining public school enrollment results in a loss of funding.
- South Florida has recently become a target for industry recruiters from other parts of the country.
- There are difficulties in bringing qualified employees into South Florida. Housing and transportation are part of the problem. Increases in property values and inadequate wages (income levels) create a disincentive.
- There is a need for training for condominium management, maintenance and operation.

A discussion was held on how best to determine demand as it relates to existing businesses and attracting new businesses. Demand needs to be looked at in both the long term and short term. Efforts to improve coordination between the region's businesses and those responsible for ensuring the availability of a qualified workforce should focus on two tasks: (1) meeting the current and future workforce needs of existing businesses in the region; and (2) preparing the region's workforce to support and attract new businesses that can bring better, higher-paying jobs in which the region has a competitive advantage.

A discussion was held on workforce capabilities and opportunities.

- In Florida funding is available for workforce training to meet known demands.
- Opportunity for better packaging with regard to transportation and housing.
- We need to integrate our discussion with the counties to the north.

An example of a project in Broward County was cited that would include EDA funding and would benefit from the support of the CEDS. Dredging of the Dania Cut-Off Canal to provide marine industry opportunities will be partially funded by the Florida Inland Navigation District (FIND) and EDA funds.

REPORT OF PROCEEDINGS



COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY COMMITTEE July 17, 2007 Meeting No. 2

South Florida Regional Planning Council
3440 Hollywood Boulevard, Suite 140
Hollywood, FL

Welcome and Introductions

Committee members were welcomed by Carolyn A. Dekle, Executive Director, South Florida Regional Planning Council and self introductions were made. Ms. Dekle explained the current approach that the U.S. Economic Development Administration (EDA) is taking with regards to the Comprehensive Economic Development Strategy (CEDS). The EDA requires that the CEDS be supported by private sector input and that it specify projects to be funded. The priorities expressed in the CEDS will be used in the EDA's decision making for funding in the region. The purpose of today's meeting is to identify priority action strategies.

Background

Richard Ogburn, Council staff, provided a brief overview of the results of the first CEDS Committee meeting, which was held on May 25, 2007. He explained that the number one economic development priority that was identified at that meeting was workforce development. The two major issues that were identified regarding workforce development were (1) meeting the current and future workforce needs of existing businesses; and (2) preparing the region's workforce to support and attract new businesses with better jobs. As a result of that finding, staff contacted the region's workforce agencies prior to today's meeting to better understand their current priorities and strategies. Staff held a conference call with Workforce One (Broward County) and South Florida Workforce (Miami-Dade and Monroe Counties) on July 9, 2007.

Facilitated Discussion

Committee members were led in a facilitated discussion by Robert Daniels, South Florida Regional Planning Council staff. Mr. Daniels asked first if there were any comments on the second draft of the CEDS report.

Committee comments included:

- Affordable Housing and Workforce Housing need to be clarified in the report. The cost of living in South Florida is affecting our competitive advantage. It is becoming increasingly difficult for service employees to afford to stay in South Florida.
- The report should include reference to the State of Florida's effort to promote the attraction of venture capital to the state to encourage an increase in entrepreneurial activity, in order to support the local growth of jobs.

The discussion then turned to the identification of additional issues and proposed action steps related to workforce development. Committee comments include:

- There often is a disconnect between the skills university graduates present and the needs of businesses. In addition, there is a need to coordinate the timing of availability – local businesses often do not need graduates exactly when they are graduating, and they sometimes leave the region for jobs that are available elsewhere.
Specific Recommendation: Focus on supporting higher education
- Bio-medical training – there is a large concentration of bio-medical industry in Miami-Dade County. There is a need to reach out to the I-Coast on this issue.
- Climate change and “green” industry – there is a need for training in the area of alternative fuels, wave technology and solar energy. Bio-fuels are being developed from sugar (domestic and in the Caribbean countries) and from agricultural waste.
- The quality of the existing workforce is affected by language limitations. Many professionals are under-employed because they do not have the language skills to work in the professions in which they are trained.
- Change in attitudes – in the past, people mostly went wherever jobs were available, but now many jobs follow talented people, so economic development should take a systematic approach.
- (Refer to pp.6 – 8 of the report) How do we compare with the competition? Who are we going to measure ourselves against?

Mr. Daniels asked the Committee to make specific suggestions for a regional initiative. Committee suggestions include:

- Help create an understanding of system needs: Leadership needs to understand workforce needs as an integrated system (housing, transportation, child care).
- Take advantage of new areas of training – capture the “low-hanging fruit”.
- All colleges and training institutions should put resumés online in “Employ Florida Marketplace” to facilitate businesses’ recruitment of qualified employees as well as the skill-matching process between businesses and workers.
- Strengthen the alignment between secondary schools and community colleges. Seventy percent of high school graduates need remedial training when they enter college.
- Develop a regional initiative that is similar to “One Community, One Goal”.
- Develop an analog to Leadership Broward that is directed at public officials (and potential public officials) that is specific to workforce development and regional in scale. Focus on policy makers. Create an institute to close the gap on critical issues.
- Provide a report card on attendance and participation at the tri-county meetings.

- South Florida region has one fourth of total employment in the State of Florida but gets lower than its proportion (1/4) of state funding.
- Develop a financing strategy to maintain and enhance the quality of the region's higher education.
- Create a linkage connecting the 3 "E"s (Education / Employment / Economy).
- Work with the South Florida Educational Consortium to develop a regional approach (to promoting the "green" industry: green buildings, transit, energy efficiency, etc.)
- Perform a target industry study to determine the performance of industries we have.

Committee members recapped the issues of the discussion that should result in implementation steps.

1. Address Quality of Life/Affordability – child care, housing and transportation.
2. Synchronize education supply and demand.
3. Prepare a "green" workforce.
4. Provide leadership education.
5. Train the existing workforce.
6. Address the issue of assimilation – language and culture.
7. Center workforce efforts around Everglades restoration and water.
8. Broaden the focus on the education system.
9. (SFRPC) Sustain the conversation – identify issues, policies and resources.

REPORT OF PROCEEDINGS



COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY COMMITTEE

August 30, 2007

Meeting No. 3

South Florida Regional Planning Council
3440 Hollywood Boulevard, Suite 140
Hollywood, FL

Welcome and Introductions

Committee members were welcomed by Julia Trevarthen, Director, Institute for Community Collaboration. Self introductions were made. Ms. Trevarthen explained the current approach that the U.S. Economic Development Administration (EDA) is taking with regard to the Comprehensive Economic Development Strategy (CEDS). Input received today will be included in the CEDS in a manner that fits EDA criteria for funding. The priorities expressed in the CEDS will be used in the EDA's decision making for funding in the region. The purpose of today's meeting is to identify specific projects that are regional in scale and go beyond Committee members' agency goals.

Background

Richard Ogburn, Council staff, provided a brief overview of the results of the first two CEDS Committee meetings, which were held on May 25 and July 17, 2007. He explained that the current draft of the CEDS needs to be finalized by the end of the day today and specific projects should be included.

Facilitated Discussion

Committee members were led in a facilitated discussion by Julia Trevarthen.

Committee comments included:

- Address South Florida's workforce needs with a "systems" approach. Successful workforce strategies should address adequate affordable housing, access to child care and effective regional public transportation/transit. Workers and employers are leaving South Florida because they cannot afford to stay here. These support services need to be coordinated at a regional level.
- Develop strategies to meet not only the needs of our existing workforce, but also the needs of the workforce we will have 5 to 10 years from now. We need to better understand future hiring plans for existing employers in the region, in addition to identifying the needs of new economic activities that will emerge in the future.

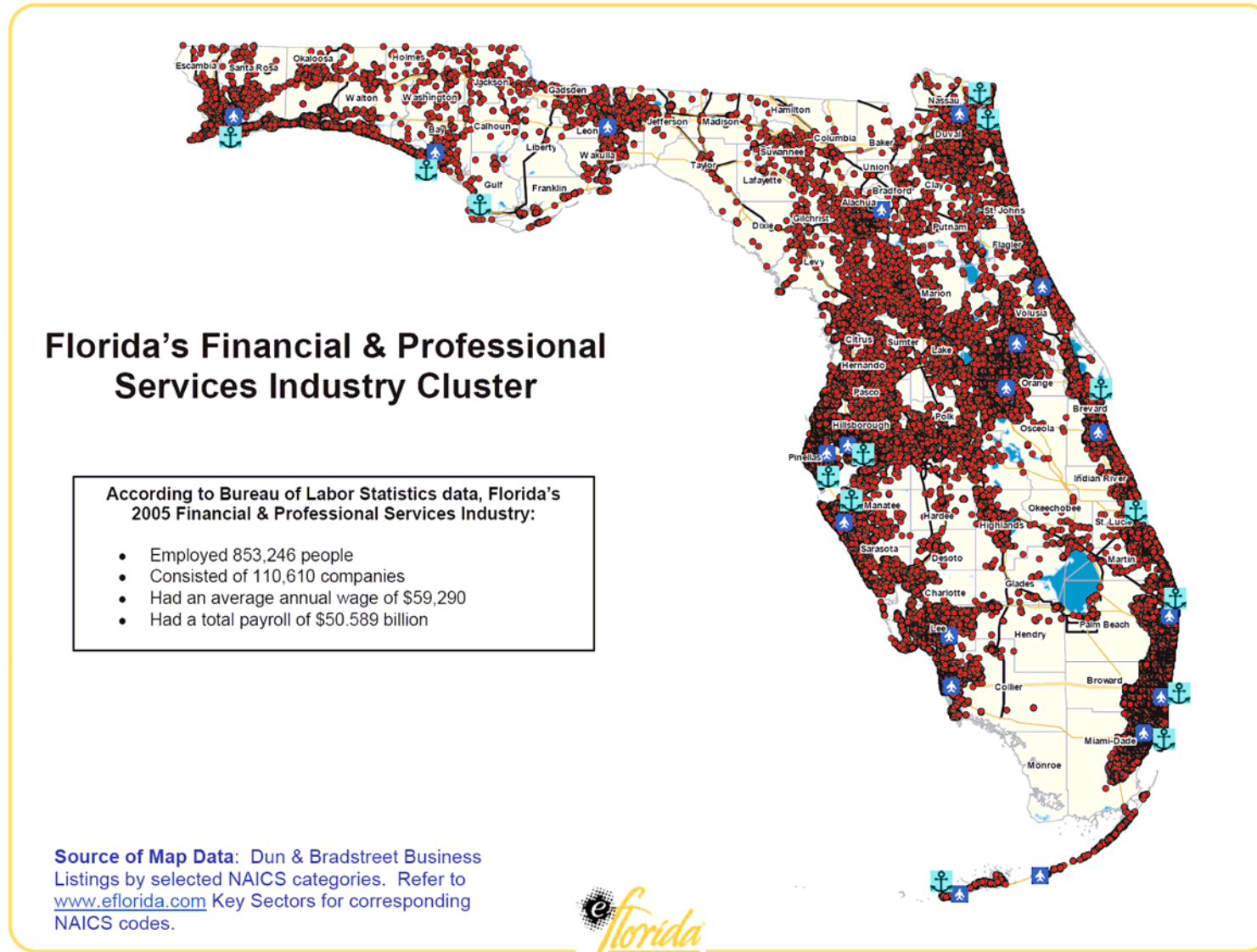
- Ensure better regional coordination and integration of workforce development efforts. The true South Florida Region includes not only the three counties in the jurisdiction of the South Florida Regional Planning Council, but also Palm Beach County, which is a part of the same Metropolitan Statistical Area (MSA). South Florida regional strategies should be coordinated with Treasure Coast.
- The existing capacity of targeted industries should be expanded as needed, and additional targets should be identified, including emerging industries such as bio-medical, homeland security and “green” industries.
- Part of the workforce in South Florida is characterized by aging “boomers” that may or may not continue in gainful employment once they reach retirement age. There is an opportunity for many of these to consider “encore” careers, remaining in the workforce and filling critical skilled labor needs, but transitional skill training may be required.
- Another part of the workforce is made up of foreign immigrants, many of whom arrive in the region with training and skills from their place of origin that do not immediately qualify them to exercise their professional activities here. There is a need to provide a transition from existing career expertise and credentials to assist these populations to compete and be successful in South Florida’s labor market. Better training and coordination with existing professional institutions to provide for a smoother transition of skill levels will assist in job retention and expansion.

The Committee recommended that these needs be addressed through projects that will:

- address the region’s workforce needs through a “systems” approach;
- improve regional coordination and integration of workforce development efforts;
- expand existing targeted industries and support development of new ones;
- support regional transportation initiatives, especially the connections to employment centers and human services such as child care;
- provide “transition” training for seniors looking for “encore” careers and foreign-born professionals seeking credentials to practice their professions in this country.

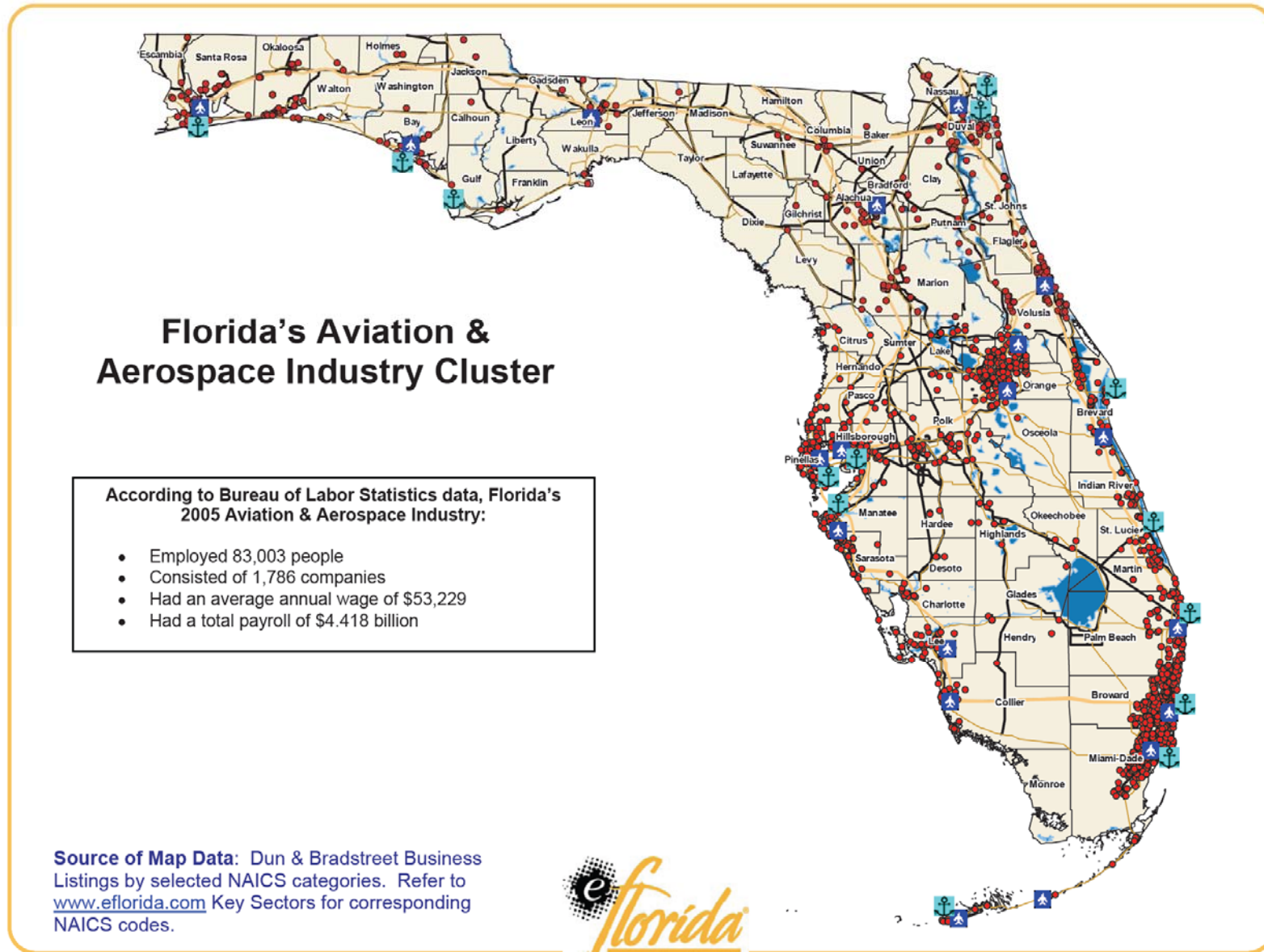
Appendix II: Selected Cluster Maps in the State of Florida

Graph A-II-1: Florida's Financial & Professional Services Industry Cluster



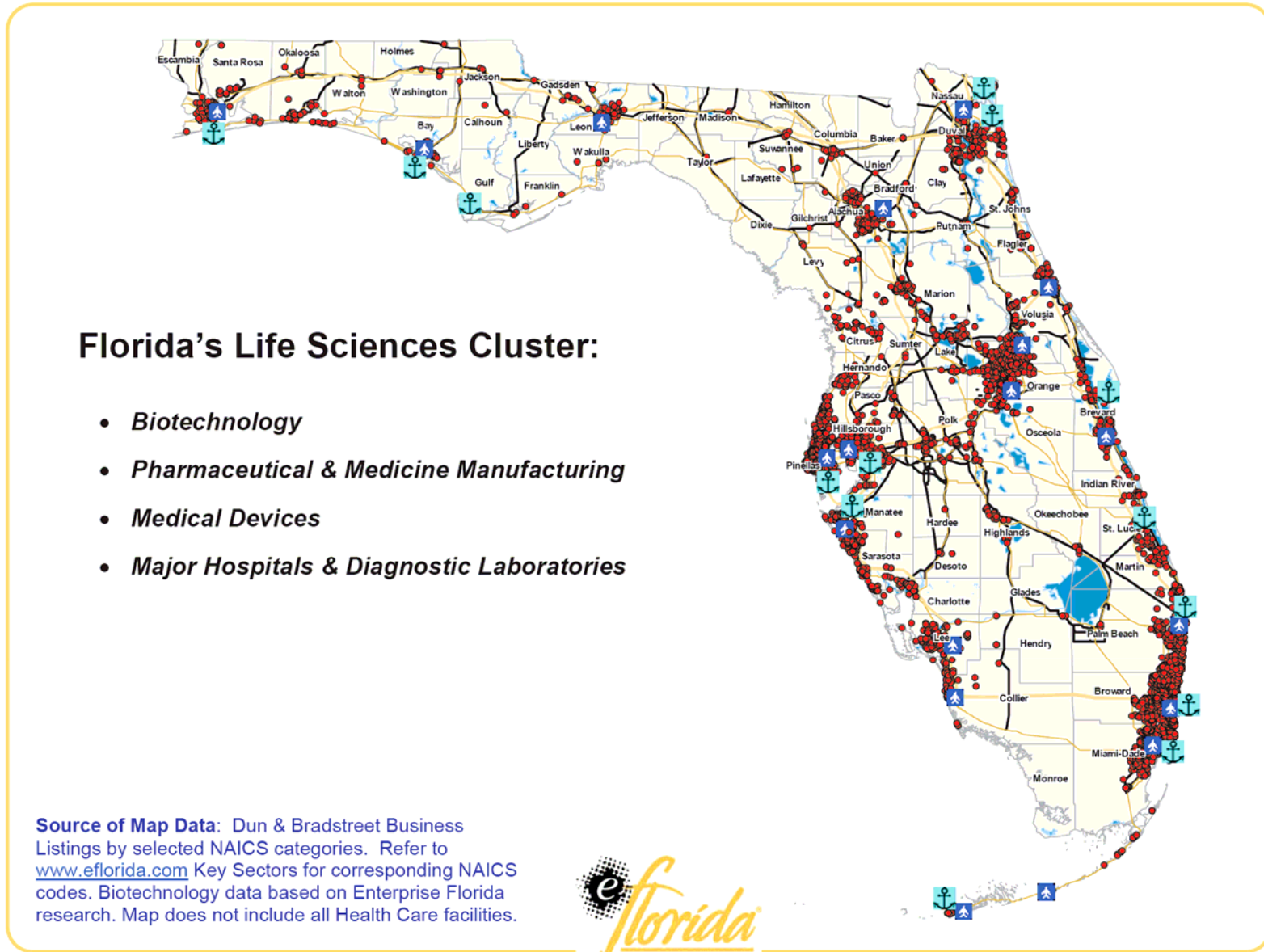
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Graph A-II-2: Florida's Aviation & Aerospace Industry Cluster



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Graph A-II-3: Florida's Life Sciences Cluster



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