
White Paper

Pasco County Target Industries



“All industries contribute to determining the output per worker of our economy, but industries that compete nationally and internationally have far greater long-term economic growth potential”, San Diego Regional Economic Prosperity Strategy.

Target Industry Approach

Pasco County is unique, as shown in earlier reports, with respect to the past structure of its economic base and its future potential as the “Greenfield” for the Tampa, St. Petersburg, Clearwater Economic Region (MSA). As discussed, the most effective means of increasing the economic prosperity and quality of life of its citizens, is to create an environment to grow and attract higher paying jobs and diversify the county’s tax base from one largely dependent on residential based revenues to a more balanced commercial/industrial/residential base. As of 2011, improved residential property (excluding vacant) account for 76.6% of the County’s ad valorem or property taxes, while improved commercial and industrial properties (excluding vacant) accounts for 14.5% of ad valorem revenue.

Pasco County has grown from a relatively isolated agricultural, retiree oriented community to the bedroom community of Pinellas and Hillsborough Counties. With Pinellas County virtually built out, and Hillsborough County having limited vacant developable land within its growth corridor, the future of Pasco County lies in its ability to provide the necessary land and infrastructure to capture the natural growth of the region.

Pasco County’s future growth will in all likelihood, come from two sources: capturing the natural growth of existing and expanding in Pinellas and Hillsborough County (keeping them within the region). These will be both primary jobs (basic industries that export services/goods outside the region) and non basic jobs that will serve the local regional consumers. Secondly, growth will come from new regional, national and global primary (basic) industries that will be attracted to this vibrant region.

It is recommended that the County pursue both approaches, prime and non basic as a means to achieve a more diversified economic base and revenue stream. That said, the greatest economic impacts will be the retention, expansion and attraction of prime/basic industries and jobs. The methodology used to accomplish is traditionally referred to a cluster/target industry approach.

Pasco County, the region and the State, have conducted numerous economic development and target industry studies; it does not have to “reinvent the wheel”. The County can rely on significant recent research to develop its own tailored economic development program. The next section of this white paper provides a brief review of recent economic target studies and findings that the County can use to tailor its own target industry approach.

State of Florida Target Industries

The analysis of the competitive strengths and opportunities of Pasco County and the larger Tampa, St Petersburg, Clearwater MSA starts with its location within the State of Florida and thus the unique advantages (and disadvantages) of the State. Florida is currently the 4th largest state in the United

States and is projected to be the 3rd largest during this decade and while still experiencing the effects of the “Great Recessions” experienced the second highest growth of any State over the last 16 months.

Florida has traditionally been a national leader in agriculture, tourism, aerospace and retiree growth. It has also established a strong national presence in the science, technology and professional industry clusters. The State has transitioned from a “managed growth” state to a highly focused economic development oriented state. The “Great Recession” demonstrated the State’s economic vulnerabilities and its past dependency on the construction and related sectors. Today, the State’s planning efforts have been restructured; aimed at creating a more economic development friendly/business environment. The State’s Department of Community affairs (whose primary purpose was to manage the State’s growth) has been restructure and is now part of a new Department of Economic Opportunity whose purpose is to restart the State’s economy. The Department is working with the State’s public/private partnership, Enterprise Florida to aggressive pursue economic growth. To assist in that effort, Enterprise Florida has conducted significant research along with other economic development oriented enterprises like the Florida Chamber of Commerce, to remove barriers and enhance the State’s strengths to attract new, innovated and globally competitive industries to Florida.

At the State level, according to Enterprise Florida, the State’s existing strengths lie in the following industrial clusters/platforms:

- **Aviation and Aerospace** - according to State sources, Florida ranks 2nd among states for aviation, aerospace, and space establishments, with more than 2,000 aviation and aerospace companies employing some 83,200 workers. Among its unique strengths is NASA's Kennedy Space Center and the Cape Canaveral Spaceport.
- **Clean Energy** - major cleantech projects are creating thousands of jobs in clean energy generation, energy efficient products, green buildings, water and bioremediation technologies and other areas
- **Financial Professional Services** - according to Enterprise Florida, nearly 90% of Florida's gross economic output is generated in the service sector. Florida has more than 122,000 Financial and Professional Services companies employing nearly 832,000 workers.
- **Homeland Security** - homeland security and the defense industry is comprised of companies pursuing the development of products and solutions to protect civilian populations from terrorist attacks and other security threats.
- **Information Technology** - Florida’s strengths include digital media, modeling, simulation & training, photonics/optics and mobile technologies. More than 25,000 information technology companies employ nearly 235,000 people in Florida
- **Life Sciences** - Florida is the home to nearly 900 biotech, pharmaceutical and medical device companies; and a foundation of more 43,000 healthcare establishments

- **Logistics** – Florida is considered a Western Hemisphere's commercial gateway. The State has nine seaports and 15 major airports as well as three major railroads and three major Interstate Highways. Florida's logistics & distribution industry is poised to grow further with the Panama Canal expansion in 2014.

Based on these platforms, Enterprise Florida has developed a specific list of industries that the State of Florida is pursuing most of which apply to Pasco County and the Tampa, St. Petersburg, Clearwater region.

Florida Target Industries

Based on these industry clusters, the State of Florida, through Enterprise Florida has targeted six major platforms:

- **Information Technology**
- **Biomedical Technology**
- **Aviation/Aerospace**
- **Defense**
- **Modeling, Simulation and Training**
- **Plastics**

These target platforms are further described below:

Aviation/Aerospace - since the establishment of NASA's space center at Cape Canaveral in the mid '60s, Florida has become a global leader in the aviation and aerospace industries. Today, Florida boasts more than 1,500 aviation and aerospace companies - including Boeing, Lockheed Martin, Northrop Grumman, Harris, Raytheon, Embraer, Bombardier, British Aerospace and United Technologies - that employ over 112,000 workers and generate in excess of \$15 billion in annual sales. Florida is a leader in both business and general aviation and has one of the largest concentrations (more than 300) of aircraft Maintenance, Repair and Overhaul (MRO) firms in the nation. Home to prestigious Embry-Riddle Aeronautical University and a number of specialized flight schools, Florida is a hub for aviation training and advanced degrees in aerospace.

Biomedical Technology - Florida's biomedical technology industry includes the production of medical instruments and supplies, ophthalmic goods, laboratory instruments, pharmaceuticals and selected chemicals. More than 2,200 Florida firms employ more than 300,000 workers in Florida. Each year, Florida exports approximately \$2.5 billion in medical equipment, pharmaceuticals and related products - about 8 percent of all Florida merchandise exports. With several major universities nationally ranked for their research expertise in this area, Florida is well positioned as a potential high-growth center for the industry.

Defense - the defense industry - which helped spawn the state's aviation/aerospace industry and today remains its largest customer - is strong and growing in Florida. There are 21 active military bases stretching horizontally from Pensacola to Jacksonville and vertically from Jacksonville to Key West that represent all five branches of the U.S. military. Combined with the hundreds of defense-related

companies and organizations in the state, these military installations have a \$30 billion annual economic impact on Florida.

Information Technology – is comprised of various employment sectors including: information services, photonics, semiconductors, software development, telecommunications, Internet applications and computer/communications equipment manufacturing. Florida's IT industry now numbers 10,000 firms and more than 200,000 workers. With two of the nation's six Network Access Points and its emerging status as the "Internet Gateway" to Latin America, Florida is wired and ready to support these lucrative industries.

Modeling, Simulation and Training - since the 1960s, Florida has been a national focal point for modeling, simulation and training systems (MS&T) technology. The epicenter is Central Florida, which boasts U.S. Army and Navy simulation and training commands; the U.S. Department of Defense Joint Simulation command; the Institute for Simulation and Training at the University of Central Florida; the National Center for Simulation; and leading private-sector MS&T firms, such as Lockheed Martin Information Systems and SAIC. As well, Florida is home to a burgeoning digital media industry led by Disney and Universal Studios. Direct employment figures indicate more than 10,000 workers are employed by 328 Florida firms directly involved in MS&T technology as their primary business focus. However, as this technology cuts across disciplines, it's estimated that more than 25,000 skilled professionals are actually working in Florida to develop MS&T applications for industries ranging from aviation and entertainment to health technologies.

Plastics – Florida has a diverse plastics industry. Florida products include Downy detergent wash balls manufactured in St. Petersburg and plastic needles and syringes made in Volusia County, and add up to more than \$5 billion in annual sales revenues. More than 800 Florida plastics and related firms employ nearly 20,000 workers in three major industry sectors: plastics products, manufacturing industries and special industry machinery

In addition to target platforms, Florida's economic development efforts have placed specific emphasis on increasing its share of manufacturing, corporate headquarters and emerging technologies.

Strategic Areas of Emphasis

Manufacturing: The industry cluster counts more than 17,500 manufacturers who employ some 307,500 workers across the state Florida manufacturers are a powerful economic engine for the state's economy. Florida manufacturing operations benefit from the presence of advanced research facilities at Florida's universities and colleges, military installations, and NASA.

Corporate Headquarters: Another area important to the state economy is increasing the number the corporate headquarters in Florida. Corporate headquarters is defined as those facilities that support international, national or regional (multi-state) operations for relatively mature companies with distributed operations and centralized strategic and management activities. In Florida, Corporate Headquarters has been designated as a High Impact Business Sector, eligible for certain incentives.

Emerging Technologies: Florida is fostering the growth of exciting new emerging fields such as materials science, nanotechnology and marine science are growing in Florida from research at the micro- and nano-levels at Florida R&D centers and university labs, as well as at many high tech entrepreneurial firms.

In addition to the economic development efforts at the State level, the currently exists significant amount of research at the within the great Tampa Bay region, and studies for individual counties and some cities.

Greater Tampa Bay Region

The greater Tampa Region, as defined by the Tampa Bay Partnership (TBP), represents eight counties (Citrus, Hernando, Hillsborough, Manatee, Pasco, Pinellas, Polk, and Sarasota), which comprise three separate economic regions (North Port, Sarasota, Bradenton MSA, Tampa, St. Petersburg, Clearwater MSA, and Winter Haven, Lakeland MSA). While the Greater Tampa Bay Region is an artificial “region”, the TBP does serve as the principal marketing agent for the region(s). The TBP has recently completed a major Strategic Economic Development Planning effort encompassing the greater region. This study, funded in part by the United States Department of Commerce (Economic Development Administration), defines specific industrial targets to be pursued by TBP and its partners.

The basis of the TBP target program is a series of major research activities prepared by SRI. SRI started its cluster analysis, by analyzing 25 clusters during the 2005-2009 time period. The following chart summarizes the findings of this analysis

Figure 1: Greater Tampa Bay High Potential Industry Clusters Matrix

Decision Matrix for Identifying High-Potential Clusters in the Tampa Bay Region							
Cluster	Characteristics	Regional Critical Mass		Growth/Stability		Job Quality	
	Tradable/Export	ECR (> 0.9)	% of Empl. (> 2.5% of Total)	Region (> -1.26%)	U.S. (> -0.27%)	Wage Levels (> 95% of Reg1 Avg.)	Skill Levels
Life Sciences & Medical Services	Mix	✓✓✓	✓✓✓	✓✓✓	Yes	✓✓✓	High
Research & Engineering Services	Yes	✓✓	✓	✓✓	Yes	✓✓✓	Very High
Financial Services	Mix	✓✓	✓✓	✓✓	No	✓✓✓	Very High
Information Technology Services	Mix	✓	✓	✓✓✓	Yes	✓✓✓	Very High
Education & Government	No	✓✓	✓✓✓	✓✓✓	Yes	✓✓	High
Tourism	Yes	✓✓✓	✓✓✓	✓✓✓	Yes	✓	Low
Aerospace, Defense, & National Security	Yes	✓	✓	✓✓	Yes	✓✓✓	Very High
Business Services	Mix	✓✓	✓✓✓	✓	No	✓	High
Wholesale Trade	Yes	✓	✓✓	✓✓	No	✓✓✓	High
Energy & Environment	Yes	✓	✓	✓✓✓	Yes	✓✓✓	Medium
Telecommunications	Mix	✓✓	✓	✓✓	No	✓✓✓	High
Electronics	Yes	✓	✓	✓	No	✓✓✓	High
General Services	No	✓	✓✓✓	✓✓✓	Yes	✓	High
Industrial & Commercial Equipment Manufacturing	Yes	✓	✓	✓✓	No	✓✓✓	Medium
Retail Trade	No	✓✓✓	✓✓✓	✓✓	No	✓	Low
Construction & Real Estate	No	✓✓✓	✓✓✓	✓	No	✓	Medium
Automotive & Transportation Manufacturing	Yes	✓	✓	✓✓	No	✓	High
Materials & Chemicals	Yes	✓	✓	✓	No	✓✓✓	Medium
Agriculture & Agribusiness	Yes	✓✓	✓	✓✓	Yes	✓	Medium
Paper	Yes	✓	✓	✓✓	No	✓✓	Medium
Media & Design Services	Mix	✓	✓	✓	No	✓	High
Utilities & Waste Management	No	✓	✓	✓✓	Yes	✓✓✓	Medium
Wood & Furniture	Yes	✓	✓	✓	No	✓✓	Medium
Transportation & Logistics Services	Mix	✓	✓	✓✓	Yes	✓	Medium
Textiles & Apparel	Yes	✓	✓	✓	No	✓	Medium

Source: SRI, Industry Cluster Analysis of Tampa Bay Region, 2010; Strategic Planning Group, Inc. 2012

The criteria terminology is contained in the table are shown below.

Figure 2: Terminology of Cluster Evaluation Factors

Terminology Used in Identifying High-Potential Clusters			
Criterion	Quantitative Measurement	Symbol or Wording	Description
Tradable/Export Cluster	N/A	Yes No Mix	Yes: Cluster is mainly tradable No: Cluster is mainly non-tradable Mix: Cluster has a mix of tradables/ non-tradables
Employment Concentration Ratio	> 0.9	✓ ✓✓ ✓✓✓	✓: Valid for 0 to 2 counties ✓✓: Valid for 3 to 5 counties ✓✓✓: Valid for 6 to 8 counties
% of Regional Employment	> 2.5%	✓ ✓✓ ✓✓✓	✓: Valid for 0 to 2 counties ✓✓: Valid for 3 to 5 counties ✓✓✓: Valid for 6 to 8 counties
Regional Growth Rate	> -1.26%*	✓ ✓✓ ✓✓✓	✓: Valid for 0 to 2 counties ✓✓: Valid for 3 to 5 counties ✓✓✓: Valid for 6 to 8 counties
U.S. Growth Rate	> -0.27%**	Yes No	Yes: Growth exceeds specified rate No: Growth lags specified rate
Regional Wage Levels	> \$36,628***	✓ ✓✓ ✓✓✓	✓: Valid for 0 to 2 counties ✓✓: Valid for 3 to 5 counties ✓✓✓: Valid for 6 to 8 counties
Skill Levels	N/A	Very High High Medium Low	See <i>Appendix A</i> for details.

* -1.26% is 10% better than the average growth of the region (-1.4% CAGR) during the 2004-2009 period.
 ** -0.27% is 10% better than the average growth of the nation (-0.3% CAGR) during the 2004-2009 period.
 *** \$36,628 represents 95% of the average regional wage in Q3 2009. This percentage was selected in order to address the fact that smaller counties are being compared against larger ones.

Based on more detailed analysis, SRI recommended six clusters for future evaluation:

- **Life Sciences & Medical Services**
- **Research & Engineering Services**
- **Financial Services**
- **Information Technology Services, together with Electronics**
- **Aerospace, Defense, & National Security**
- **Business Services**

In the process, SRI recommended not considering Tourism as significant support already exists to pursue this cluster. It also recommended not pursuing: wholesale trade (as it is currently a non basic industry, i.e. supports primary the local market and does not export significant trade outside the area); energy & environment, except for Environmental Research and Management; and telecommunications which like wholesale trade services primarily the local economy.

Based on these studies, the Tampa Bay Partnership has identified four major target clusters to pursue:

- **Applied Medical & Human Performance**

- **High Tech Electronics & Instruments**
- **Business, Financial & Data Services**
- **Marine & Environmental Activities.**

Hillsborough County

The economic development arm of Hillsborough County and its municipalities (Plant City, Tampa, Temple Terrace) is the Tampa Hillsborough Economic Development Corporation, a private/public partnership. The EDC has recently completed a site location/target study for the area. As part of the study the consultant evaluated the competitiveness of the Tampa Bay Region (Tampa, St. Petersburg, Clearwater, MSA) but focusing on Hillsborough County. The findings of this report have direct relevance to Pasco County as its future is directly tied to the northern growth of the Hillsborough/Pinellas markets.

The report noted the competitive advantages of the region being skills base, higher education infrastructure, air travel access, robust power and telecom infrastructure and ease of living as shown below:

Figure 3: Hillsborough Regional Competitive Factors

More Competitive / Opportunity	
Labor Supply (P)	Population growth has always recharged labor supply, but decreased in-migration bears watching
Occupational Skills (P)	Well developed skill base to serve financial services, professional services, health care
Universities (P)	USF has growing reputation, recognized research capabilities and high enrollment in STEM disciplines
Community Colleges (P)	HCC compares well with other large systems; high level of partnership with service sectors companies
Industry Mix (P)	Relatively diversified economic base; manufacturing is underrepresented
Ease of Living (P)	Generally competes well on personal preference factors
Air Travel (P)	Highly rated airport, ease of access and competitive fares
Labor Management Relations (P)	Generally tranquil and cooperative track record in a “right to work state” environment
Power Infrastructure (D)	Robust electricity infrastructure and high reliability
Telcom Infrastructure (D)	Robust telecommunications infrastructure
✓ Factor Categories: (E) Costs; (P) Operating Performance; (D) Delivery	

Source: Tampa Hillsborough Economic Development Corporation, 2010

It also noted that the Tampa-Hillsborough County’s greatest strengths include overall cost competitiveness and its workforce; however some factors are being threatened by rising or fluctuating costs.

Figure 4: More Hillsborough County Competitive Advantages

More Competitive / Threatened	
Labor Costs (E)	Still a competitive advantage but rising personal costs create concerns about future wage pressures
Occupancy Costs (E)	Attractive lease / build costs but insurance premiums, mobility fees and rising property taxes are concerns
Incentives (E)	Florida offers competitive programs, but some funding concerns (Closing Fund, Innovation Fund). Local incentives have proven decisive in recent projects (M2Gen), need reliable funding source
Labor Quality (P)	Positive work ethic and low turnover. However, educational attainment, particularly advanced degrees, should be higher for an area that aspires to be a technology center
Quality of Life Perceptions and Image (P)	Subjective ratings rank Tampa in the middle. Many believe it's time to move beyond "sun and fun"
Personal Economics (P)	Tampa Bay is still a good value, however housing market turmoil and rising insurance costs are issues
Local Access (P)	Hillsborough is an auto-dominated market. Conveniently-located sites are increasingly rare, requiring that more users seek property in more distant submarkets
Taxes (P)	Business taxes are generally moderate. However rising property taxes and insurance costs affect the commercial sector as much as residential
Regulation (P)	Florida is generally considered a business-friendly environment. However the planning and approvals process in Hillsborough is regarded by some as difficult to understand and unpredictable. This can interject an element of uncertainty which can result in the loss of future projects
Infrastructure – Water (P)	Regional water treatment capacity appears adequate over long term. However, periodic draught and reservoir capacity shortfalls have led to use restrictions at times
✓ Factor Categories: (E) Costs; (P) Operating Performance; (D) Delivery	

Source: Tampa Hillsborough Economic Development Corporation, 2010

Most importantly, it noted several deficiencies including; challenging regulations, availability of market ready sites, unclear vision and overall leadership.

Figure 5: Hillsborough County Less Competitive Advantages and Treats

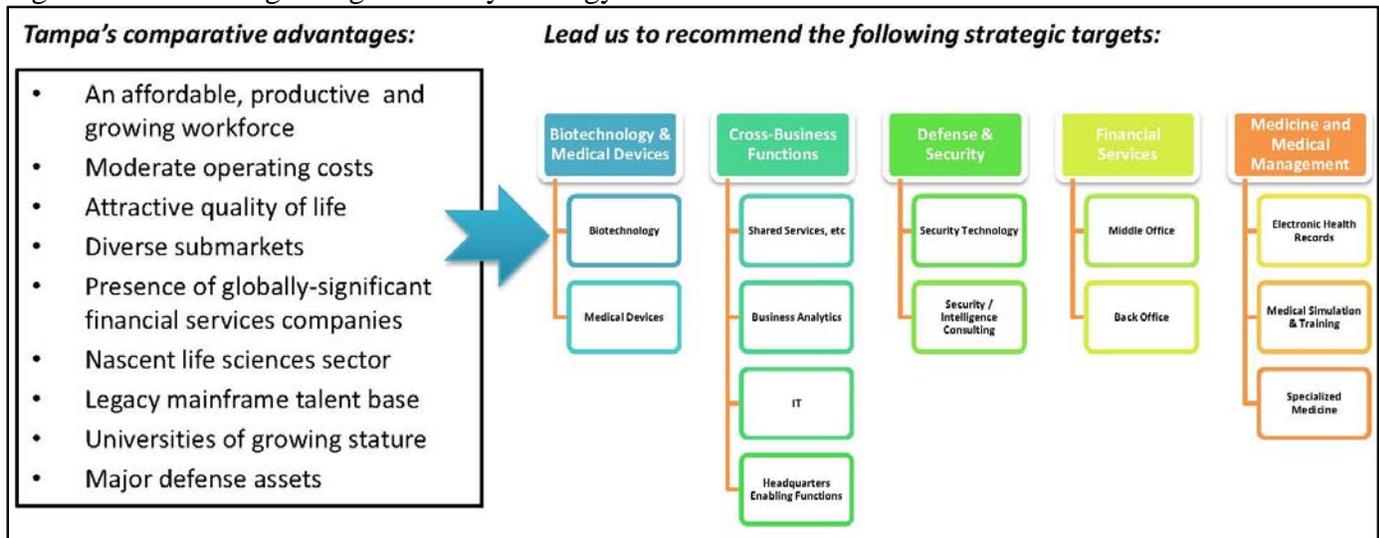
Less Competitive/Opportunity	
Entrepreneurship (P)	Tampa Hillsborough offers reasonable opportunities for entrepreneurs to succeed
Primary Education (P)	The K-12 schools in Hillsborough generally receive mixed reviews. Perceptions of schools can be a disincentive for some to relocate, but there appear to be adequate choices of schools and neighborhoods. In November 2009, Hillsborough County Schools won a \$100 million, seven-year grant from the Gates foundation to improve teacher effectiveness. The project focuses on how teachers will be trained, mentored and evaluated
Less Competitive/Threatened	
Power Costs (E)	Typical bills for industrial and commercial users are at or above comparable costs in the other markets
Employment Growth/Loss (P)	Hillsborough County appears to have suffered disproportionate job losses in the wake of the current recession, which erased all job gains from 2000 – 2008, and then some. Service sector jobs suffered most
Natural Hazards (D)	Tampa Bay is rated at High Risk of Hurricanes and Tornados. Accurate or not, such ratings can form perceptions that thwart efforts to recruit certain types of businesses to the area (e.g. data centers)
Property Availability (D)	There are very limited opportunities in Hillsborough County to acquire or assemble well-located land for corporate campus environments. Users are being pushed out to surrounding, less developed counties
Civic Leadership (D)	The County has been unable to articulate a clear vision of its desired future due in part to a lack of cohesive and collaborative civic leadership and an under-supported economic development organization

Source: Tampa Hillsborough Economic Development Corporation, 2010

Target Industry White Paper

Based on the report findings, the EDC has developed a target industry program that focuses on five platforms.

Figure 6: Hillsborough Target Industry Strategy



Source: Tampa Hillsborough Economic Development Corporation, 2011; Strategic Planning Group, Inc. 2012

The identified targets are:

- **Biotechnology & Medical Devices**
- **Medicine & Medical Management** (electronic records, simulation/training, specialized medicine)
- **Cross Business Functions** (business analytics, information technology, headquarters)
- **Financial Services** (middle and back office)
- **Defense & Security**

As mentioned the target industry study noted the lack of available vacant developable land as well as identifying specific targets for the northern part of the County or within the Pasco County growth corridor (US 54/56). The downtown Tampa to University of South Florida corridor and east through Temple Terrace to I-75, it identified by following targets:

- **Biotechnology**
- **Medical devices**
- **Information technology**
- **Security technology and security/intelligence consulting**
- **Shared services**
- **Electronic Health records**
- **Medical simulation and training**
- **Specialized medicine.**

Pinellas County

Pinellas County has identified six target industries:

- Advanced Manufacturing
- Aviation and Aerospace
- Information Technology
- Business and Financial Services
- Life Sciences/Medical Technologies
- Optics and Photonics

Pinellas County acknowledges that available developable industrial lands are scarce reflecting the built-out nature of the County. That said previous studies have noted that existing targeted industries do not require significant land or building square footage. The County's *Industrial Land Study* noted that 87% of targeted industry businesses were located on parcels of 7.5 acres or less and 49% where located in buildings of less than 24,000 square feet.

Available, competitively priced, developable land located according to market requirements are in short supply in both Pinellas and Hillsborough counties. The growth of both counties has generally been in a northern pattern as shown in the growth along the Pasco County's north south arterials. Pasco County, with its supply of permitted green sites and supporting infrastructure, should continue to attract a large share of Tampa Bay's business growth. This growth is not a reflection of the historic or even existing County economic base but rather that of an ever expanding region. Business will locate not because of the existing Pasco County workforce but rather the regional employment shed for which it has excellent accessibility, as witnessed by the two major recent industry attractions: T. Rowe Price and Raymond James which are committed to building large middle and back office operations in the SR 54/56 growth corridor.

Pasco County Target Industries/Businesses

For purposed of this report, it is suggested that the County pursue two different approaches to the retention, expansion and attraction of new businesses and jobs to the county. The first is the traditional approach of focusing on prime/basic jobs as defined within the Pasco Economic Base White Paper. The second is focused on expanding and diversifying the County's employment base by attracting the region's non basic but growing sectors especially where there is a net outflow of purchases and services to surrounding counties (economic leakages).

Prime/Basic Target Industries

There are several State, regional and surrounding county target industry studies which have direct applicability to Pasco County. As previously noted, the following industries are being targeted by the State as well as the Tampa Bay Partnership, Pinellas and Hillsborough counties individually. The colors define similar target industries:

Figure 7: Comparison of Target Industry Strategies

Florida	Tampa Bay Partnership	Tampa Hillsborough	Pinellas County
Aviation/Aerospace	Applied Medical & Human Performance	Biotechnology & Medical Services	Advanced Manufacturing
Biomedical Technology	Business, Financial, Data Services	Cross Business Functions	Aviation & Aerospace
Defense	High Tech Electronics & Instruments	Defense & Security	Business & Financial Services
Information Technology	Marine & Environmental Activities	Financial Services	Information Technology
Modeling, simulation, Training	also identified Aerospace, Defense, Security	Medicine & Medical Management (1)	Life Sciences/Medical Technologies
Plastics			Optics and Photonics

Note: (1) includes simulation

Source: Strategic Planning Group, Inc. 2012

There is strong commonality among the various business development groups with respect to targeting the following industry groups:

-  • Medical/Biomedical/Life Sciences
-  • Information/Finance/Business Technology
-  • Aviation/Aerospace
-  • Defense and Security
-  • High Technology/Advanced Manufacturing

To the above list should be added: Agri/Aqua-business as agriculture is a large segment of the current economy and aqua-business is a growing industry in the region.

Based on these prior studies and target industry programs, the following target industry/businesses (prime/basic employment) are suggested:

-  • Medical/Biomedical/Life Sciences
-  • Information/Finance/Business Technology
-  • Aviation/Aerospace
-  • Defense and Security
-  • High Technology Electronics/Instruments/Manufacturing
-  • Logistics
-  • Agri-business

Of the nine industry clusters defined above, defense/security may need to be reanalyzed after the next election as reductions in the military budget may initiate a new set of Base reductions (BRAC) and reduction of military capital expenditures that could have a significant negative impact on the region.

Subsectors

Each of these platforms has specific “target” subsectors as shown below:



Medical/Biomedical/Life Sciences

- BioTechnology
- Electronic Health Records
- Health and Medical Services
- Medical Devices/Equipment
- Medical Simulation & Training
- Pharmaceuticals
- Specialized Medicine



Information/Finance/Business Technology

- Business Services
- Consulting & Research
- Financial Services¹
- IT Services²
- Media & Design
- Programming/Systems Design & Data Services
- Research & Engineering
- Telecommunications



Aviation/Aerospace³

- Aerospace products/manufacturing
- NextGen testing and demonstration
- Satellite telecommunications
- Space research and technology

¹ **Business and Financial Services Leaders:** [Allstate](#), [Aegon/Western Reserve](#), [Barnett Recovery Systems](#), [Brighthouse Networks](#), [Ceridian](#), [Danka Business Systems](#), [First Advantage](#), [FIS-Fidelity Natl Info Services](#), [Franklin Templeton Investments](#), [HCA](#), [HSN-Home Shopping Network](#), [Mercury Insurance](#), [PSCU Financial Services](#), [Raymond James Financial](#), [TRowePrice](#)

² **IT Industry Leaders:** [Avaya, Inc.](#), [BobCAD-CAM](#), [Fortress Technologies](#), [Geographic Solutions](#), [Nielsen Media Research](#), [Sage Software](#), [SCC](#), [Southern DataComm](#), [Tech Data](#), [Winn Technology](#)

³ **(Aviation & Aerospace Industry Leaders include:** [AAR Manufacturing Group](#), [Aerosonic](#), [ATK Mission Systems](#), [Avantair](#), [Bigorre Aerospace](#), [Diversified Technologies Group](#), [ENSER](#), [GE Aviation](#), [Honeywell International](#), [Jormac Aerospace](#), [L-3](#), [Lockheed Martin](#), [National Aviation Academy](#), [Raytheon](#), and [SAIC](#)

Target Industry White Paper



Defense and Security

- Security Technology
- Security & Intelligence consulting



High Technology/Electronics/Instruments/Manufacturing⁴

- Computer & Software Systems Design & Integration
- Digital Media
- Infotechnology
- IT Hardware
- Measuring and Controlling Devices Manufacturing
- Optics/Photonics



Logistics

- Distribution
- Wholesale Trade
- Transportation



• Agri-business

- Food Process
- Algae Production
- Aqua Culture

Non Basic Industry Targets

As discussed in the Economic Base White Paper, Pasco County loses a significant amount of its workforce to surrounding counties. This is referred to as negative leakage. It applies to both jobs and expenditures for local demanded goods and services (non basic). These jobs already exist within the region and therefore are not dependent on attracting businesses from outside the region.

Approximately 48% of County residents work outside the County. If they could find similar employment within the County, Pasco County would realize an increase of \$1.5 billion in commercial/industrial ad valorem revenues which in turn could reduce residential taxes by 10.7%.

⁴ (Industry Leaders in optics/photonics include: Bausch & Lomb Inc., Eclipse Energy Systems, Essilor Technologies, Icare Industries, Intelligent Micro Patterning, LLC, Ocean Optics, Solamatrix, Technology Research Corp., Transitions Optical, and Unilens Corp. USA)

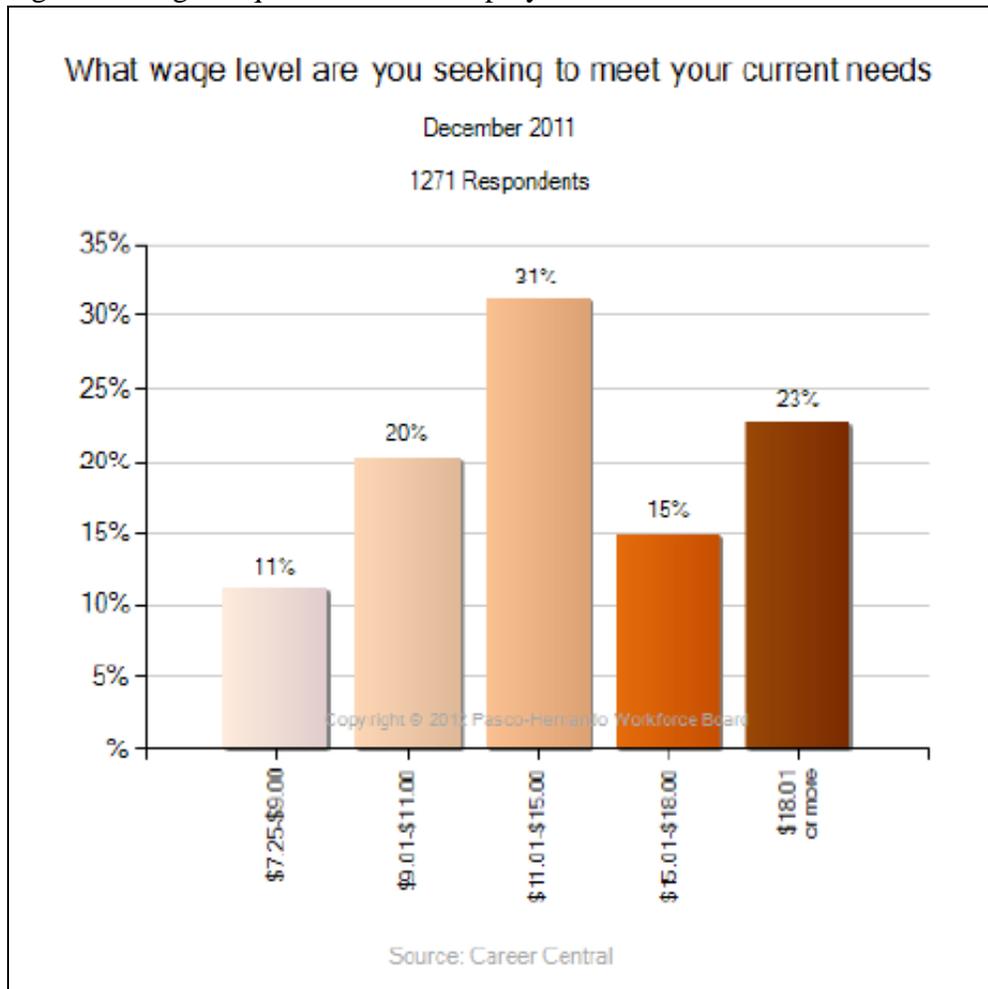
Table 1: Examples of Pasco Leakages Based on Location Quotients

Industry	Pasco County	Hillsborough County	Pinellas County
NAICS 311 Food manufacturing	0.05	0.29	0.23
NAICS 321 Wood product manufacturing	0.12	0.39	0.38
NAICS 323 Printing and related support activities	0.2	0.61	1.75
NAICS 325 Chemical manufacturing	0.22	0.44	0.62
NAICS 331 Primary metal manufacturing	0.15	0.31	0.29
NAICS 332 Fabricated metal product manufacturing	0.27	0.43	0.55
NAICS 335 Electrical equipment and appliance mfg.	0.03	0.64	1.43
NAICS 336 Transportation equipment manufacturing	0.02	0.16	0.35
NAICS 339 Miscellaneous manufacturing	0.48	0.68	2.6
NAICS 423 Merchant wholesalers, durable goods	0.55	1.05	0.96
NAICS 454 Nonstore retailers	0.75	1.92	2.99
NAICS 487 Scenic and sightseeing transportation	0.41	0.61	1.99
NAICS 488 Support activities for transportation	0.42	0.94	0.77
NAICS 492 Couriers and messengers	0.33	0.78	0.68
NAICS 511 Publishing industries, except internet	0.21	1.22	0.76
NAICS 517 Telecommunications	0.6	2.03	1.08
NAICS 518 Data processing, hosting and related services	0.16	2.27	0.94
NAICS 519 Other information services	0.38	0.69	0.66
NAICS 522 Credit intermediation and related activities	0.7	1.57	1.11
NAICS 523 Securities, commodity contracts, investments	0.39	0.94	1.24
NAICS 524 Insurance carriers and related activities	0.6	2.09	1.27
NAICS 541 Professional and technical services	0.6	1.37	1.02
NAICS 551 Management of companies and enterprises	0.26	0.95	1.64

Source: US Department of Commerce; Strategic Planning Group, Inc. 2012

While it is important to “target” higher paying primary jobs, it is equally important to reduce the employment/expenditure leakage and provide livable wages for all sectors of the economy. While the County needs to increase the work skills of its residents it must remember that economic prosperity involves all employment sectors from service jobs to agriculture and tourism employment. As shown in the following chart the majority (62%) of workers currently out of work seek less than \$15 per hour.

Figure 8: Wage Requirements for Employment Seekers



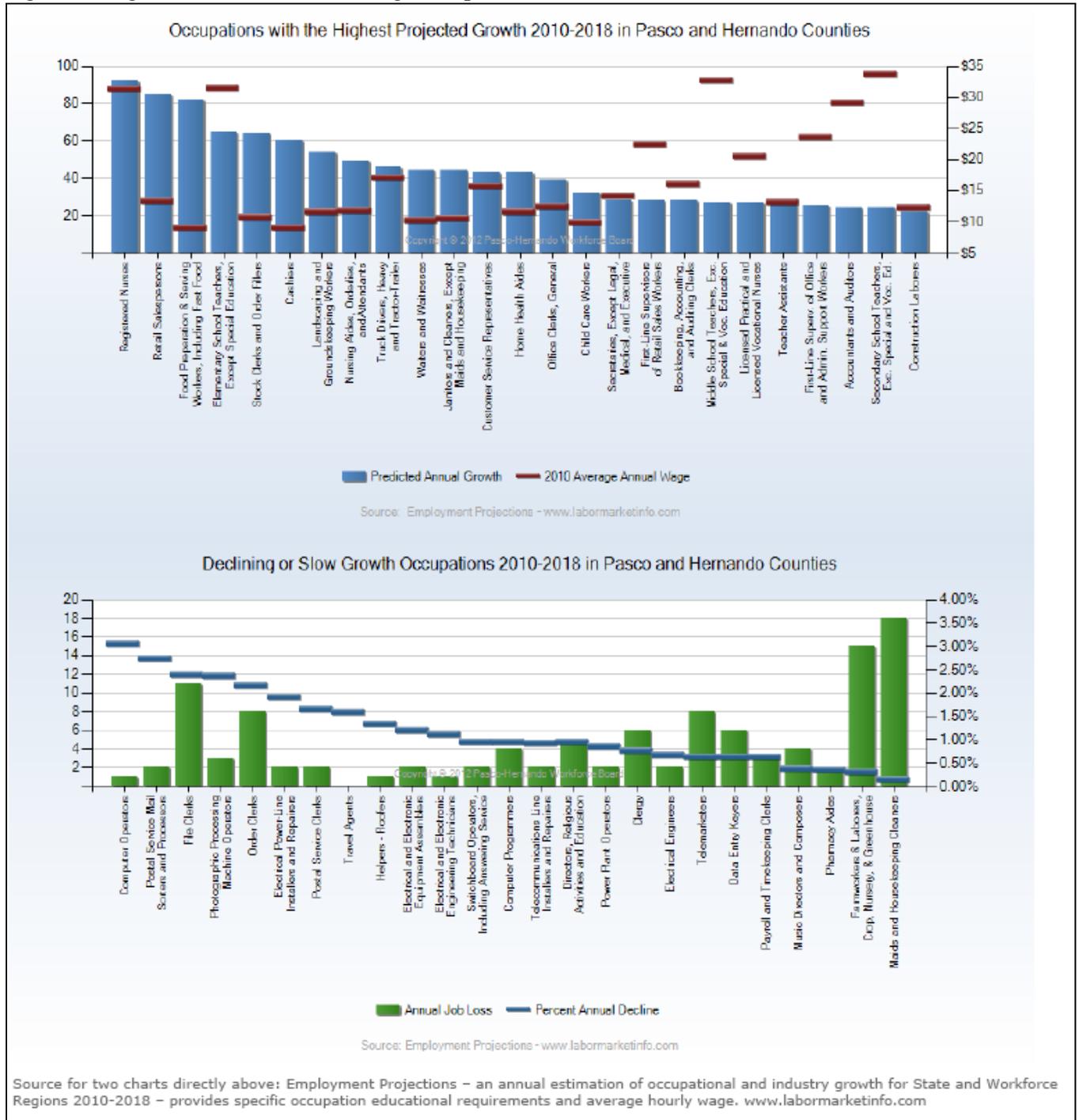
Source: Pasco Hernando Workforce Board; Strategic Planning Group, Inc., 2012

Based on past trends within the Pasco County, Workforce Florida has projected the highest and slowing occupation within Pasco and Hernando Counties. The occupations with the projected highest growth through 2018 are:

1. Registered Nurses
2. Retail sales
3. Food Preparations
4. Elementary Teachers
5. Stock Clerks
6. Cashiers
7. Landscaping
8. Nursing Aids
9. Truck Drivers
10. Waiters

As noted, with the exception of Registered Nurses all occupations have lower wage levels than those identified in the “Target” industries described above.

Figure 9: Highest and Slowest Growing Occupation: 2010-2018



The 10 most declining occupations are:

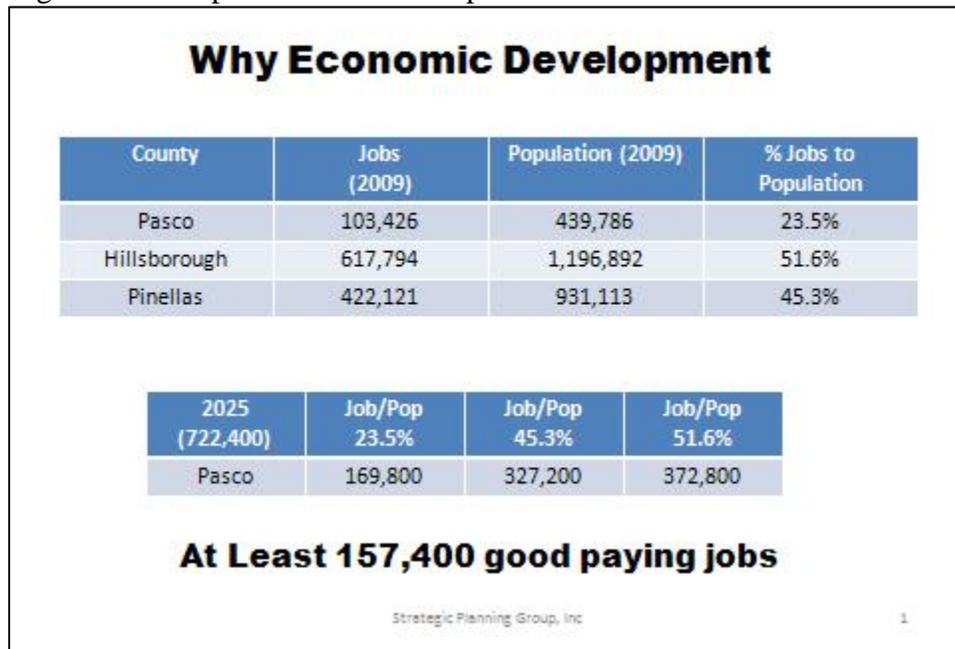
1. Maids/Housekeeping
2. Farm workers
3. File Clerks
4. Order Clerks

5. Telemarketers
6. Data Entry
7. Clergy
8. Music Directors
9. Directors, Religious
10. Computer Programmers

Holistic Target Program

It is important that the County “target” specific high paying and growing businesses but it must also continue to capture growth in all sectors of the economy and reduce the need for residents to leave the County for work. As of 2009, the County had a job to population ratio of only 23.5% compared to Pinellas County which had reached build-out had a 45.3% ratio. Should Pasco achieve the same job/population ratio as Pinellas County, the County would attract an additional 157,400 jobs, over its current trends.

Figure 10: Comparison of Job to Population Ratios



Source: Policom, Historic Comparative Economic Analysis, 2011; Strategic Planning Group, Inc., 2012

To achieve this level of achievement, or the employment levels contained in the Economic Baseline report, the County will need to fully develop upon the Strategic Development themes that were developed as part of the County’s SWOT process.

Figure 11: Pasco County Strategic Development Themes

