



2020
**Supplemental
Update**
to the
2017
**Comprehensive
Economic
Development
Strategy**
(CEDS)

Economic
Development
District serving
**DeSoto • Hardee • Highlands
Okeechobee • Polk**



2020 SUPPLEMENTAL UPDATE TO THE 2017 COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY (CEDS)

Update 2020

CENTRAL FLORIDA ECONOMIC DEVELOPMENT DISTRICT SERVING
DESOTO, HARDEE, HIGHLANDS, OKEECHOBEE, AND POLK COUNTIES



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For more information on the contents of the Comprehensive Economic Development Strategy, please view the CEDS Data Document at www.cfrpc.org/CEDS/



Economic Resiliency

Natural and man-made disasters can cause significant damage to communities resulting in physical, economic, and social disruptions. When disruptions in industry occur the production and financial viability of related sectors are heavily impacted. Diversifying the economy with traditional and emerging industries, adopting post disaster recovery plans and flexible regulations, and ensuring a continuously trained workforce, are all crucial to economic resilience.

The region has suffered various disaster related disruptions in its economy over time. For the first time in recent history, however a global pandemic (COVID-19) has disrupted the economy and greatly impacted the health of our region. Alongside emergency declarations, the implementation and enforcement of social distancing measures were employed to reduce the spread of infection and alleviate stress on the healthcare system due to the surge in COVID-19 related cases.

Actions to limit the movement of people, and goods and services in order to mitigate exposure and transmission of COVID-19 has caused economic injury to businesses of varying industry. Florida's unemployment rate surged with most of Florida's major industries experiencing a decrease in job growth. The employment figures reflect the sharp impact COVID-19 has had on the workforce in the region since the initial outbreak in the first quarter of 2020.

Nine of ten major industries in Florida experienced negative job growth in August 2020, with the leisure and hospitality industry losing the most jobs over the year (-249,400 jobs, -19.8 percent).



Government gained 1,900 jobs

The following **lost** jobs:



Leisure and Hospitality
249,400 jobs lost



Professional and Business Services
69,600 jobs lost



Trade, Transportation, and Utilities
54,500 jobs lost



Education and Health Services
16,400 jobs lost



Information
12,700 jobs lost



Other Services
30,200 jobs lost



Manufacturing
11,500 jobs lost



Financial Activities
8,100 jobs lost

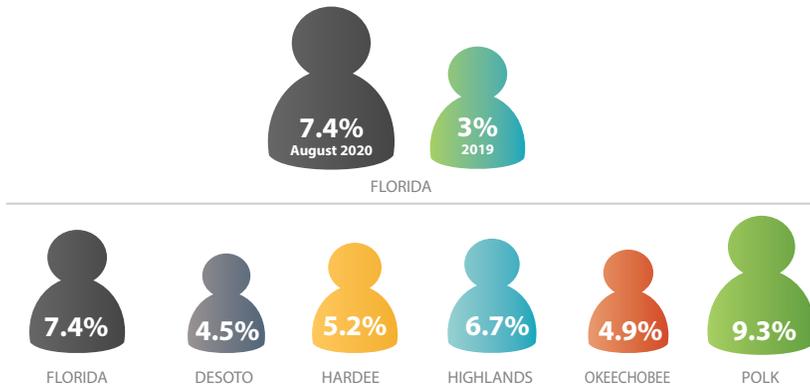


Construction
5,500 jobs lost



Broadband and internet connectivity have been identified as a vital component of economic resiliency. Broadband access is necessary for continuity of operations for businesses, procuring goods and services, and for remote learning.

UNEMPLOYMENT



In response to the pandemic, many workplaces made the decision to switch to remote work to prevent exposure and transmission. At the same time, school closures were implemented shifting classes and assignments online to reduce exposure to the virus. COVID-19 has highlighted significant disparities in internet access, reliability, and speed particularly in rural areas. These technology gaps have had immediate impacts on the recovery and

resiliency efforts of communities within the region, serving as barriers to job attainment and education.

The Heartland Region is vulnerable to the effects of disasters given disparities in employment, income, education, mobility, and housing. Assisting communities in responding to and recovering from the coronavirus pandemic is a regional priority to be accomplished through the following efforts:

- > **Performing analyses to quantify economic injury;**
- > **Providing technical assistance in developing continuity and resiliency plans, and building capacity;**
- > **Identifying resources and grant eligible projects to assist communities with long and short term needs.**

Opportunity Zones

As part of the Tax Cuts and Jobs Act of 2017, low income areas were identified to encourage investment in economically distressed communities. The intent of the policy is to direct revitalization to geographic areas known as Opportunity Zones, to spur capital investment and create jobs in low income areas. Participating investors or firms who operate in these designated areas are incentivized through the provision of various federal tax breaks.

The Opportunity Zone program provides three federal tax benefits that include a deferral, reduction or complete exemption of capital gains tax.

The Opportunity Zone program has designated over 8,700 Opportunity Zones nationwide with 28 such zones identified throughout the Central Florida region. These 28 Opportunity Zones are strategically located between several major metro areas, international airports, ports, and include structural and financial incentives. Potential investors can take advantage of several subsidies to maximize investments made in any one of the Opportunity Zones in the region. Counties, economic development organizations, municipalities and partner organizations are available to ensure investors have access to state and local incentives and receive continued support as it relates to program success.

Investors can defer taxes

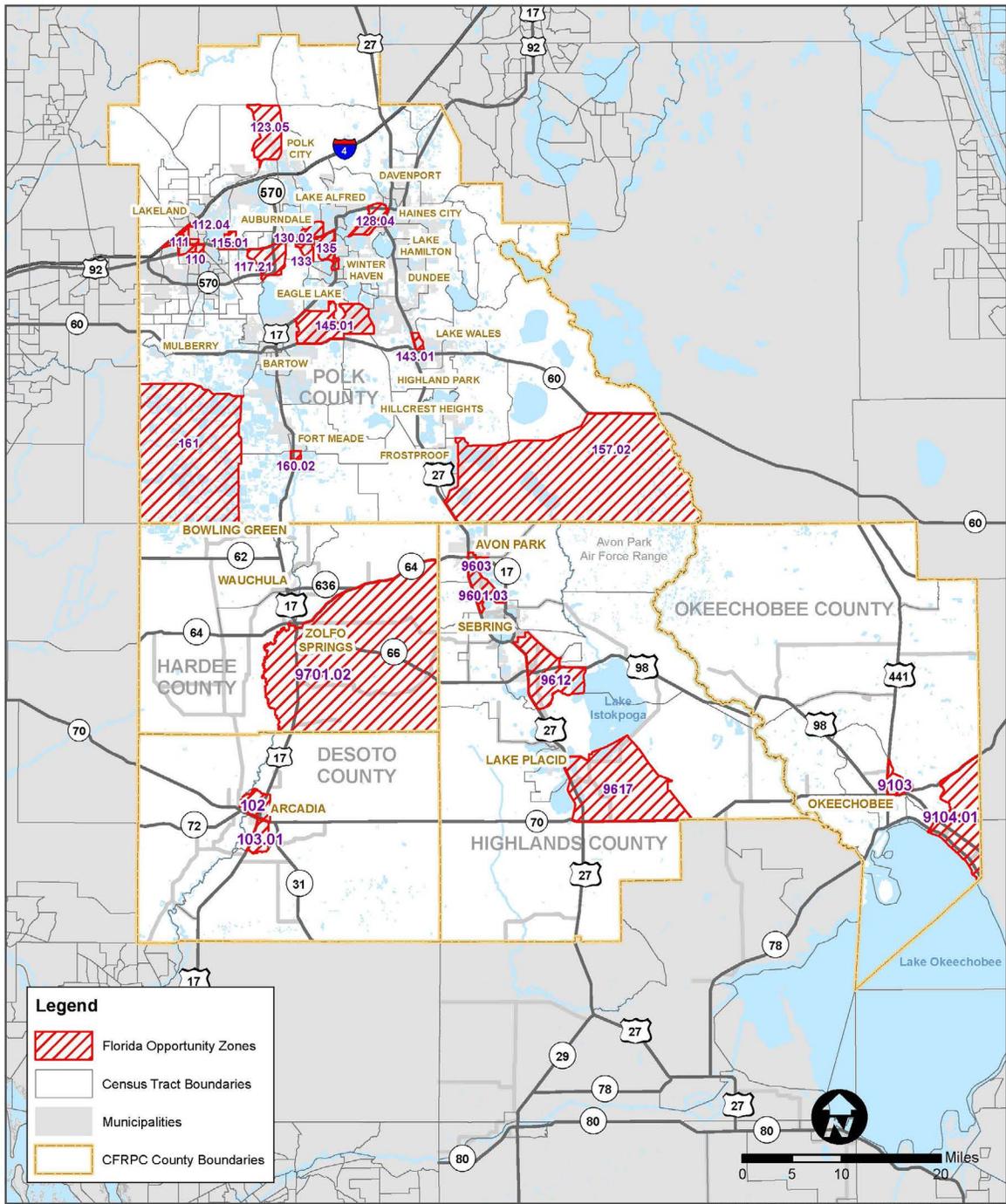
on their capital gains until 2027 if they invest their gains in an opportunity zone fund.



If the investment is held in an opportunity zone fund for 5 years, the investor receives a 10 percent reduction in deferred gain. After 7 years there is a **15 percent** reduction in deferred gain.

If the investment is held in an opportunity zone fund for 10 years, the investment is tax **free**.

Heartland Region Opportunity Zones - Census Tracts



Several challenges affecting the Heartland Region have been identified. The region continues to struggle with shortages in the labor force, unemployment remains higher than the State average, shortages in housing persists, and wages continue to lag behind state and national averages. The Opportunity Zone program seeks to address related issues by influencing business location decisions. Through tax benefits regions have the ability to be competitive, stimulate the local economic activity, create jobs and increase wages.

Additional Financial Resources and Incentives

Investors have the opportunity to couple opportunity zone fund investments with state and local financial incentives to maximize project benefits, stimulate capital investment and direct new jobs to the region. Additionally, businesses enjoy a low corporate tax rate of 4.458%, general use sales tax of 6% and no personal income tax. Available Incentives include but are not limited to:

State Incentive Programs

Quick Response Training (QRT) Grant

The QRT Grant is available to new or expanding businesses to help fund customized training for new employees through reimbursement of training expenses.

High Impact Performance Incentive Grant (HIPI)

The High Impact Performance Incentive is a negotiated grant available to companies with a headquarters relocation project or those operating in a high-impact sector of one of Florida's key industries, including clean energy, financial services, life sciences, semiconductors and transportation equipment manufacturing.

Capital Investment Tax Credit (CITC)

Up to 20 years in corporate tax credits are available to companies with a headquarters relocation project or operating in the clean energy, financial services, life sciences, semiconductors or transportation equipment manufacturing sectors.

Local Incentive Programs

Ad Valorem Tax Exemption (AVTE)

An exemption for up to 100% of the respective County Ad Valorem taxes, for a period of up to 10 years.

Impact Fee Mitigation

The economic development impact fee mitigation program may be available to mitigate any real or perceived disadvantage occurring from the imposition of impact fees.

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Performance Measures Update 2020

Population

The region's population continues to grow, primarily due to in-migration, and with a growing population, there may be opportunity to expand the labor supply and bring new talent into the region. Additionally, the growing diversity of the population adds potential to the bilingual workforce. However, the region has a significant aging population as well, which means members of the workforce are aging out of the job market creating a shortage of skilled labor in local businesses and industries.

The region also continues to struggle with its youth migrating out of the region for employment or educational purposes.

899,298
2019 Estimated
Region Population

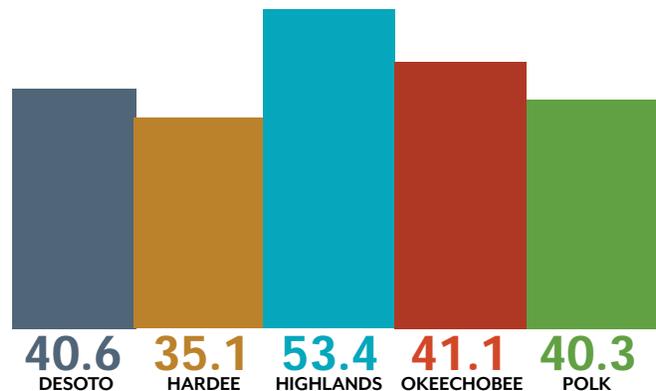
POPULATION INCREASE

13,414
Total
Increase



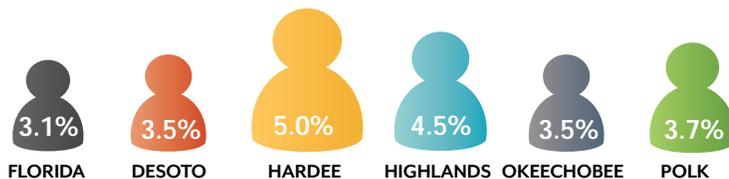
+ 11,747
due to migration

MEDIAN AGE



Employment

UNEMPLOYMENT



The region's economy has adapted to change in the past, having shown its ability to expand the service sector while moving away from the declining natural resources industry. However, employment in the region's traditional industries has in some cases continued to decline, and overall unemployment continues to be higher than the State average. The region should prepare to offer a workforce that has the skills necessary to adapt to rapidly growing or new employment sectors, as diversification of the economy and industries continues.

Housing

Home ownership rates in the region are above state and national rates, as home prices have fallen and housing has become more affordable in the region. Home values have fallen and median housing values are below the state values. However, the difficulty in securing mortgage funding has continued to suppress the production and availability of housing in the region. There is particularly a shortage of rental housing in some areas of the region. An ongoing additional concern in the region is the number of mobile homes, which are vulnerable to extreme weather events.

52.6%

said the affordability
of housing was a
weakness, and
getting worse

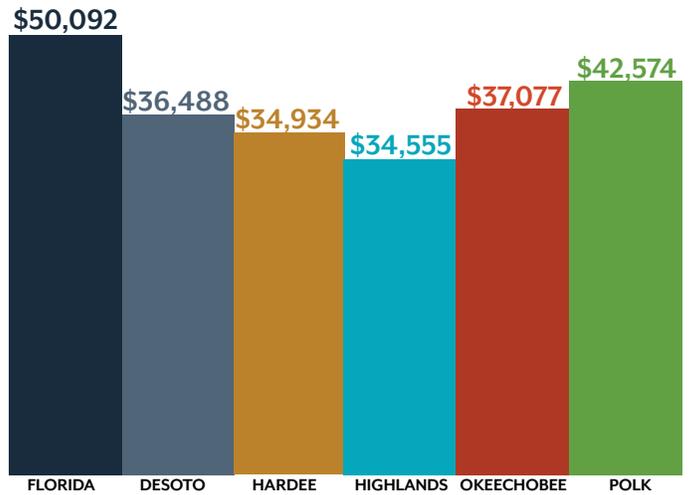
MEDIAN HOME VALUE



Wages and Income

Wages and per capita income in the region continue to lag behind state and national averages. This results in a high poverty rate throughout the region. Although low wages may be attractive to some potential employers, poverty rates may continue to rise as wages in those markets do not increase. In order to increase the availability of high skill high wage jobs, the economy must be diversified.

AVERAGE ANNUAL WAGES

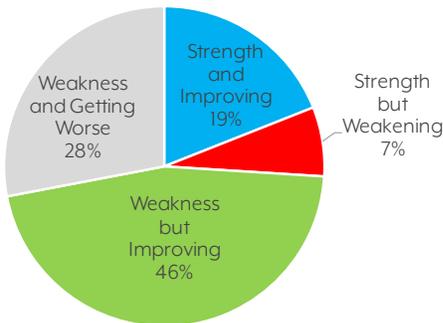


PER CAPITA INCOME



Transportation

Community members said our transportation is a...



The region's central location within the Florida peninsula gives it high potential to continue to grow as an intermodal transportation hub. Coordinating transportation planning with land use planning can improve local economies as well as quality of life. The region contains corridors of statewide importance and an extensive freight rail network. However, some parts of the roadway network do not meet current transportation needs, which can decrease the attractiveness of sites for economic development.

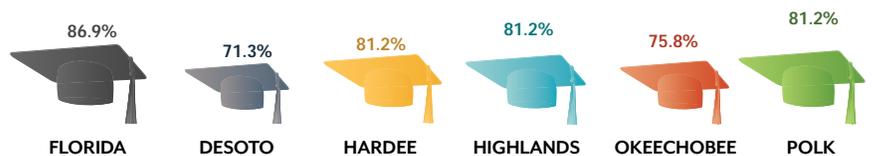
Heartland transportation infrastructure includes:

- 12 General aviation airports
- 4 Amtrak stations
- 1,628 miles of state & US highways
- 490 miles of railroad track

Education and Workforce

The Central Florida region shares workforce development issues with most other rural areas. The region's workforce is characterized by low graduation rates and high out-migration of young students and workers to urban and scholastic centers. Businesses, especially in high-tech fields, are often challenged to find well-trained administrative, management, and even entry-level employees. A major step forward for workforce development has been the inclusion of relevant training in K-12 and community college curricula to provide technical training in fields that do not require degrees.

HIGH SCHOOL GRADUATION RATE



Community members said our talent pipeline is...

A Weakness but Improving 67%

A Weakness & Getting Worse 17.8%

A Strength but Weakening 10.2%

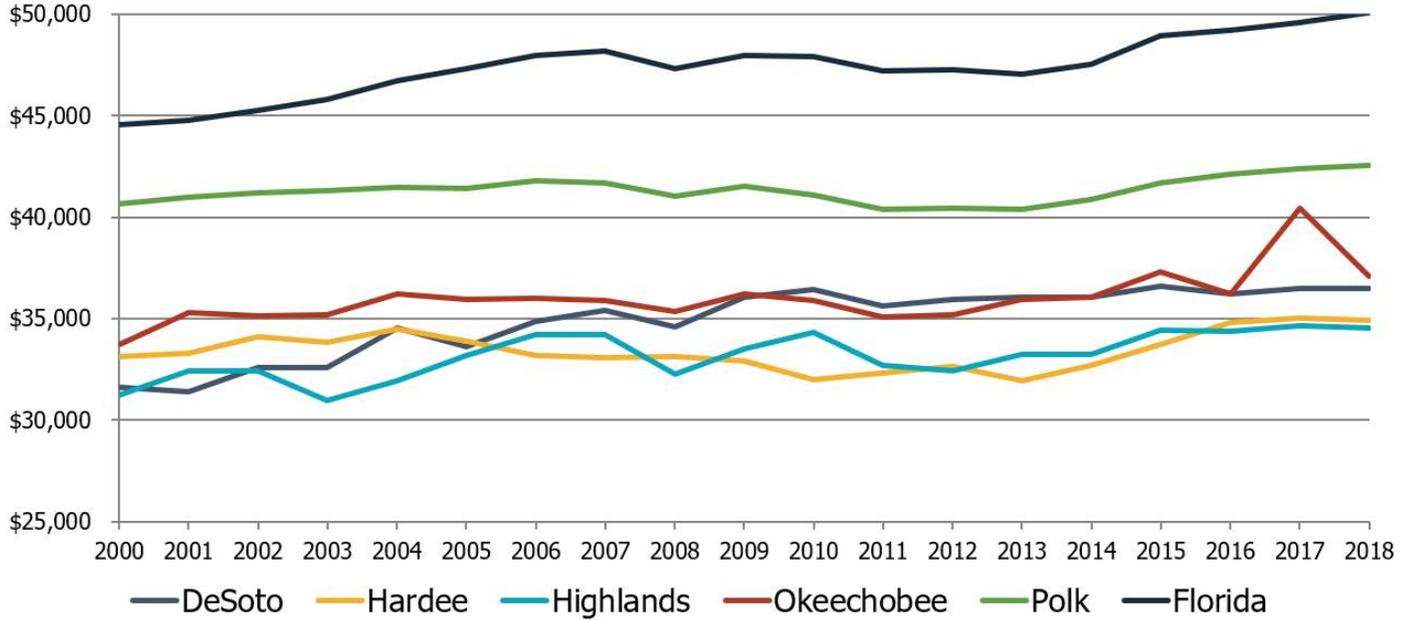
A Strength & Improving 4.6%

Talent Supply & Education

Average Annual Wage

Each of the five counties saw an increase in real annual wages over the past several years. Wages flattened from 2016 to 2018 with the exception of Okeechobee which experienced a spike in 2017 and flattened in 2018 as shown below.

Figure 1. Average Earnings Per Job, Adjusted for Inflation, in 2018 Dollars

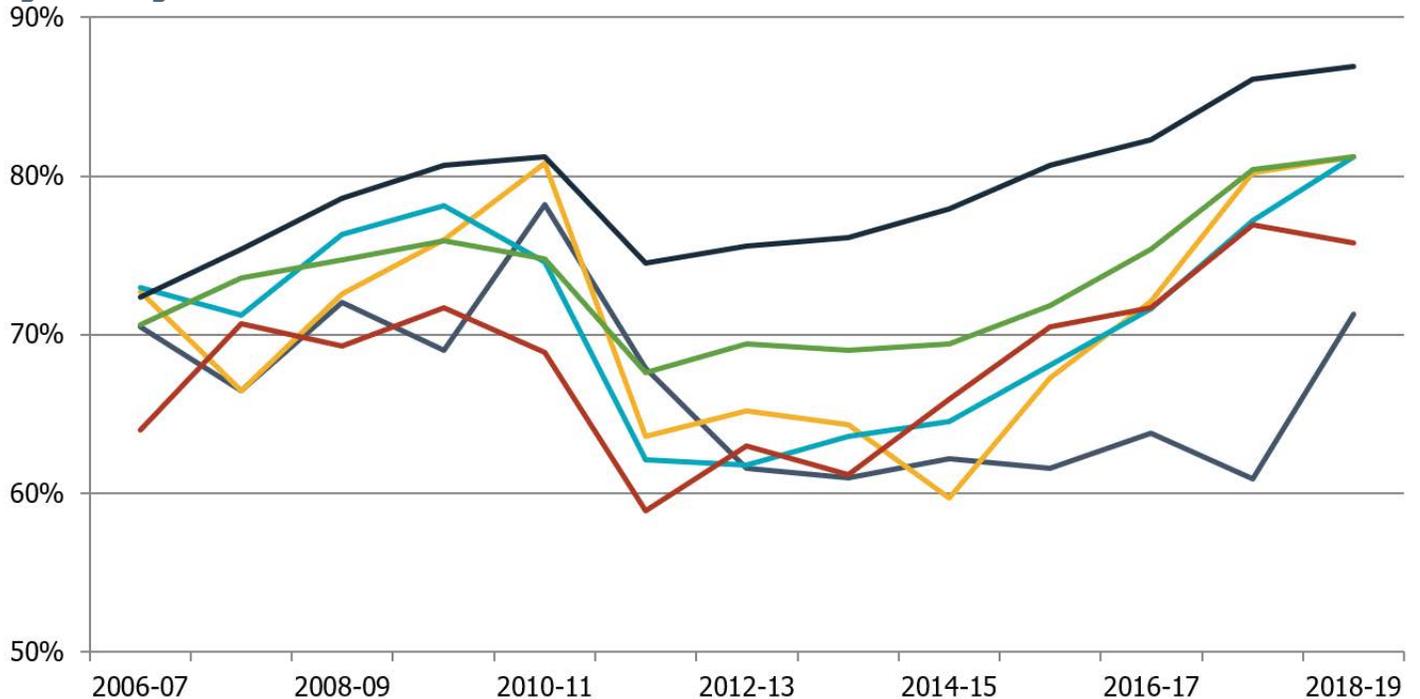


Source: Bureau of Economic Analysis

High School Graduation Rates

Public high school graduation rates fluctuated from 2006 to 2014 with graduation rates in the five counties increasing sharply from 2015 to 2019.

Figure 2. High School Graduation Rates, 2006-07 to 2018-19 School Year

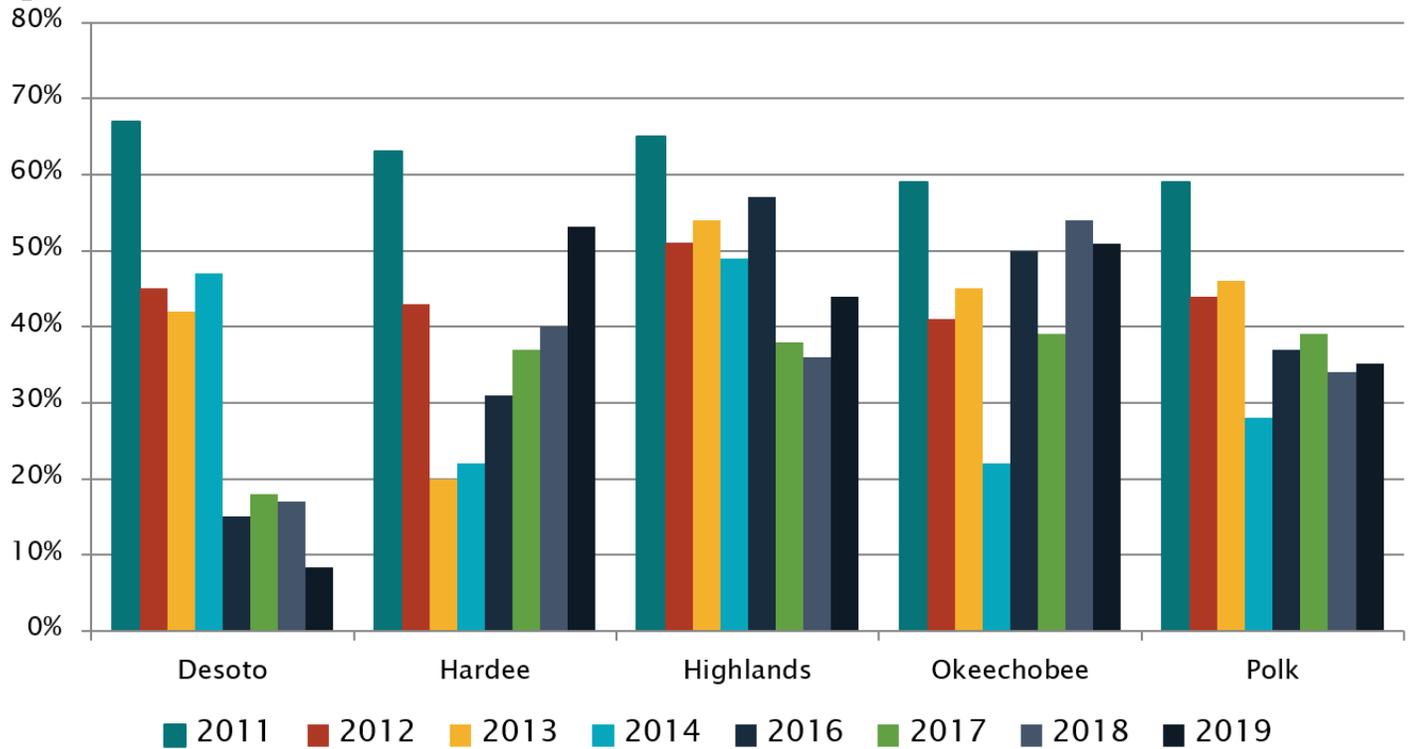


Source: Florida Department of Education, Data Publications and Reports: Students <<http://www.fldoe.org/eias/eiaspubs/pubstudent.asp>>

8th Grade Math Performance Rates

Public 8th grade math performance rates have fluctuated in the past several years, experiencing a decrease since the 2011 rates of over 55%, as shown below.

Figure 3. 8th Grade Math Performance (2011-2019)



Source: Florida Department of Education, Data Publications and Reports: Students <<http://www.fldoe.org/eias/eiaspubs/pubstudent.asp>>

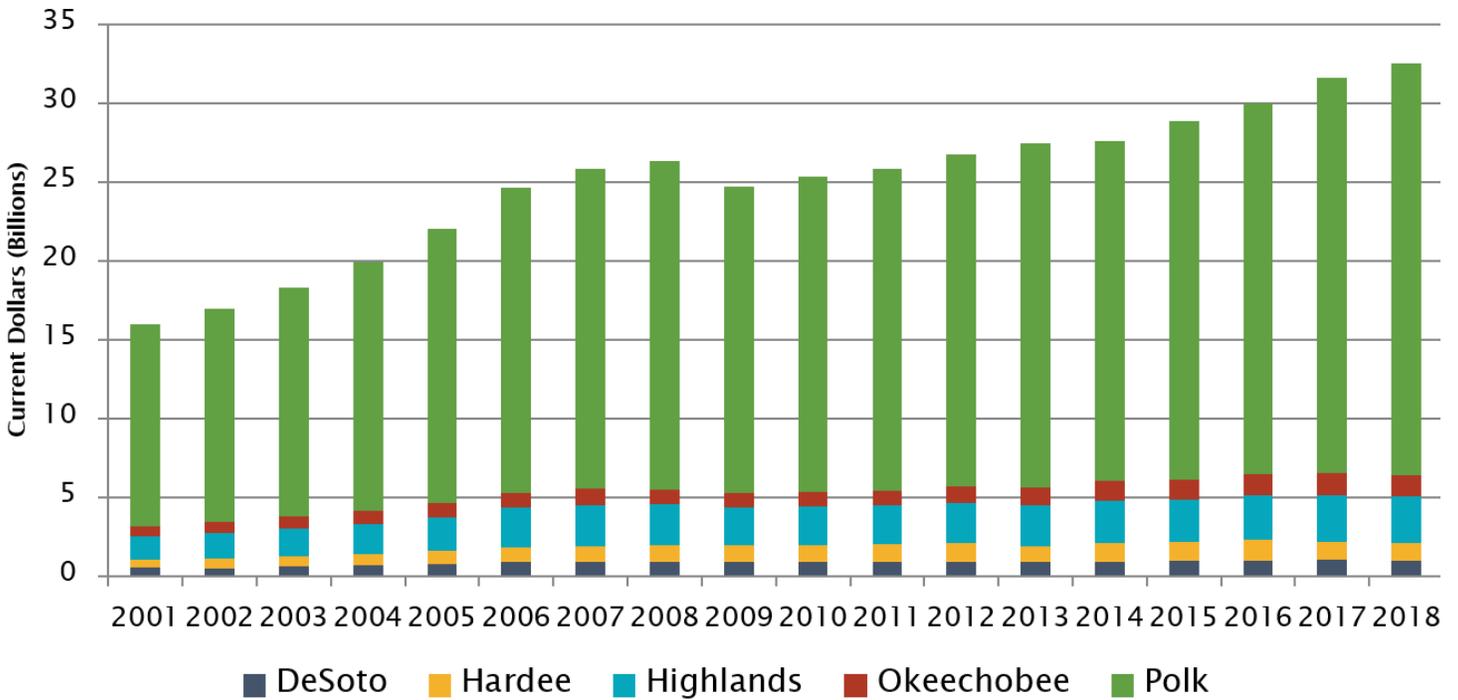
Innovation & Economic Development

Gross Domestic Product

Gross Domestic Product (GDP) is the total value of all goods and services produced within a given region. GDP figures for central Florida are provided by REMI (Regional Economic Modeling, Inc.). Figures for the year 2010 and later are projections. Table 3 shows the region's GDP, expressed in billions of fixed 2009 dollars (in order to correct for inflation).

GDP in the region has increased each year since 2012. GDP is projected to keep increasing as the national economy and the region's population and economy continue to grow.

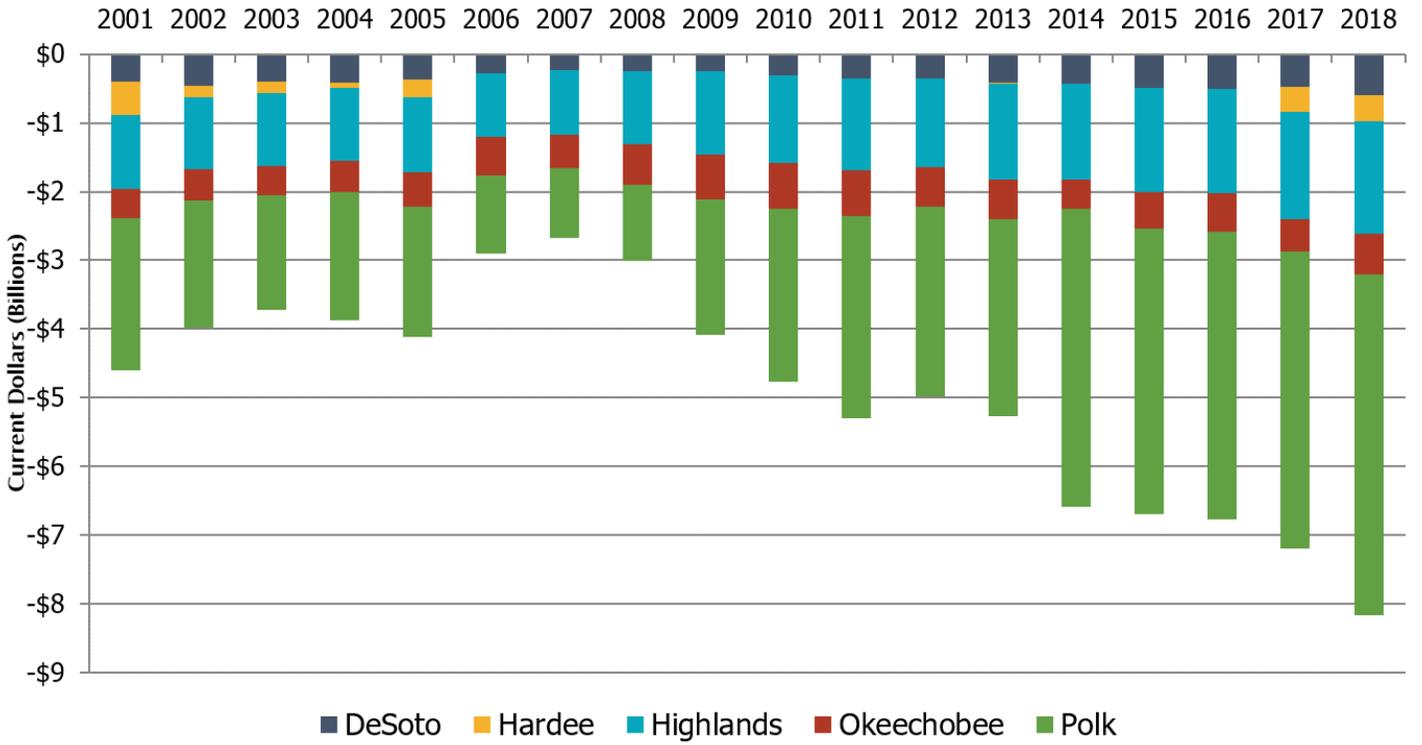
Figure 4. The Region's GDP (in millions of 2005 dollars), 2000-2014



Source: REMI Policy Insight Plus

Trade Exports

Figure 5. Net Trade Exports & Imports



Bed Tax Collections

Tourist Development Taxes, colloquially known as “bed taxes,” are levied as a local option by Florida’s counties. The revenues are used for construction of tourist-related facilities, tourist promotion, and beach and shoreline maintenance, per Florida Statutes §125.01041.

Tax revenues experienced an increase from 2016 to 2019 with revenues decreasing in year 2020.

Figure 6. Tourist Development Tax Revenues, SFY 2000-2020

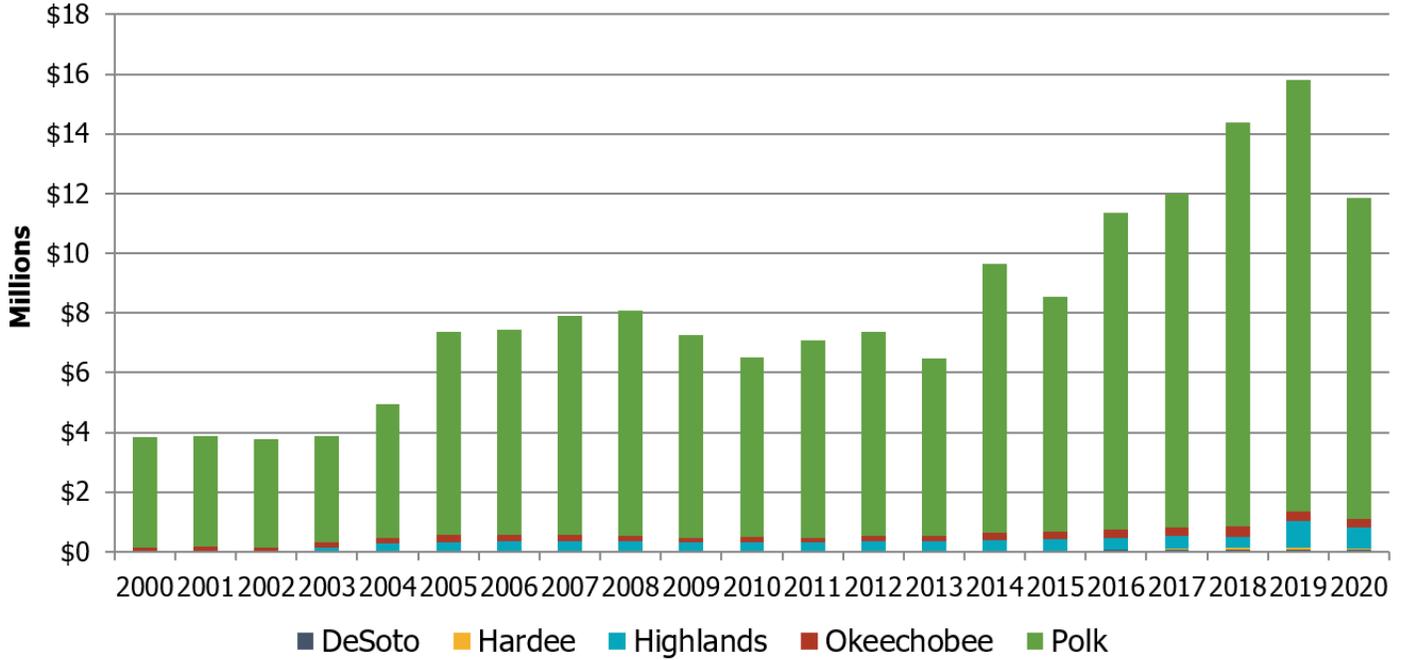
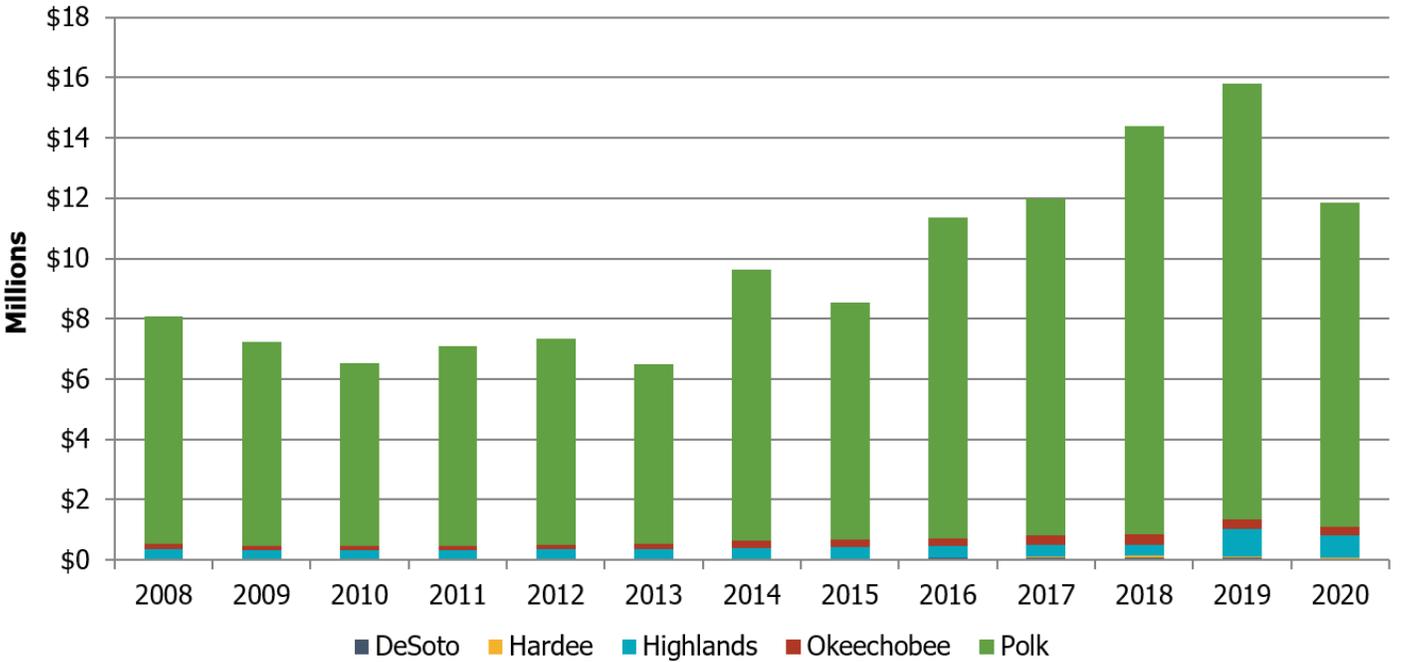


Figure 7. Tourist Development Tax Revenues, SFY 2008-2020



Population Estimates

Table 1 shows the most recent population estimates available for each county.

Population estimates have continued to increase over time with the region experiencing a 5.5 percent increase since 2016.

Table 1. 2011 Population Estimates

Area	2011	2012	2013	2014	2015	2016	2017	2018	2019
DeSoto	34,708	34,408	34,517	34,426	34,777	35,141	35,621	35,520	36,065
Hardee	27,653	27,762	27,519	27,712	27,645	27,637	27,426	27,296	27,385
Highlands	98,712	98,955	97,616	99,818	100,748	101,531	102,138	102,525	103,434
Okeechobee	39,870	39,805	39,330	39,828	40,052	40,806	41,140	41,120	41,808
Polk	604,792	606,888	623,009	623,174	633,052	646,989	661,645	673,028	690,606
Region	805,735	807,818	821,991	824,958	836,274	852,104	867,970	879,489	899,298

Source: Florida Statistical Abstract Table 1.20, 1.40

Figure 8. Population

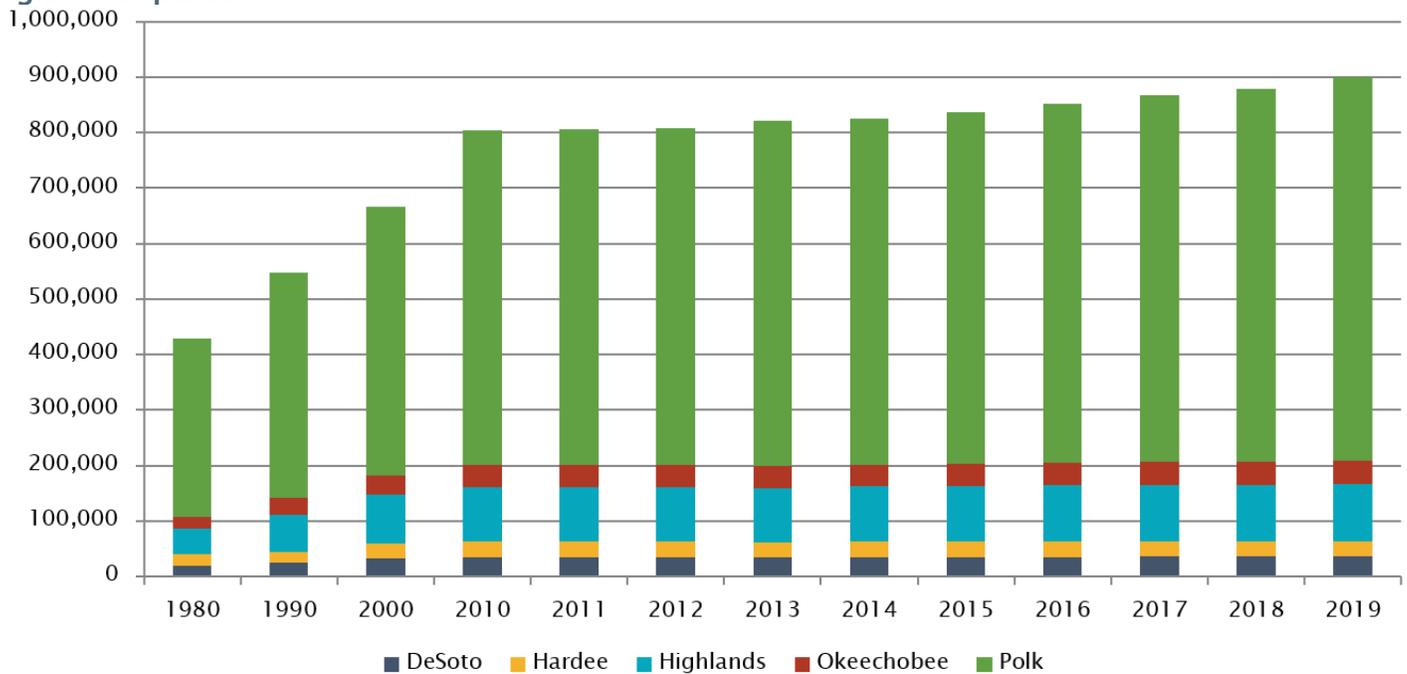
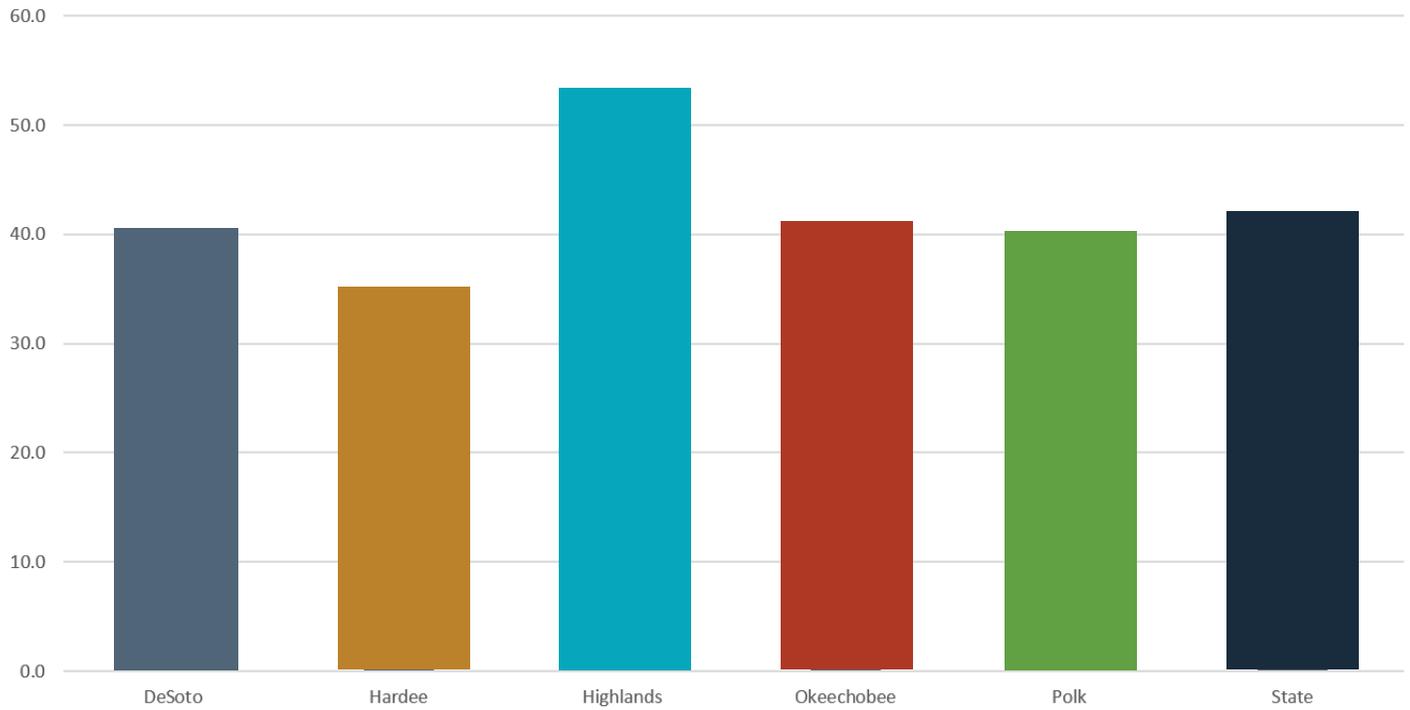


Figure 9. Median Age (2014-2018)



Annual Building Permits

Building permits issued annually have increased in the region steadily since 2015, more than doubling in year 2019.

Figure 10. Building Permits (Privately Owned Residential Buildings)

Building Permits (Privately Owned Residential Buildings)

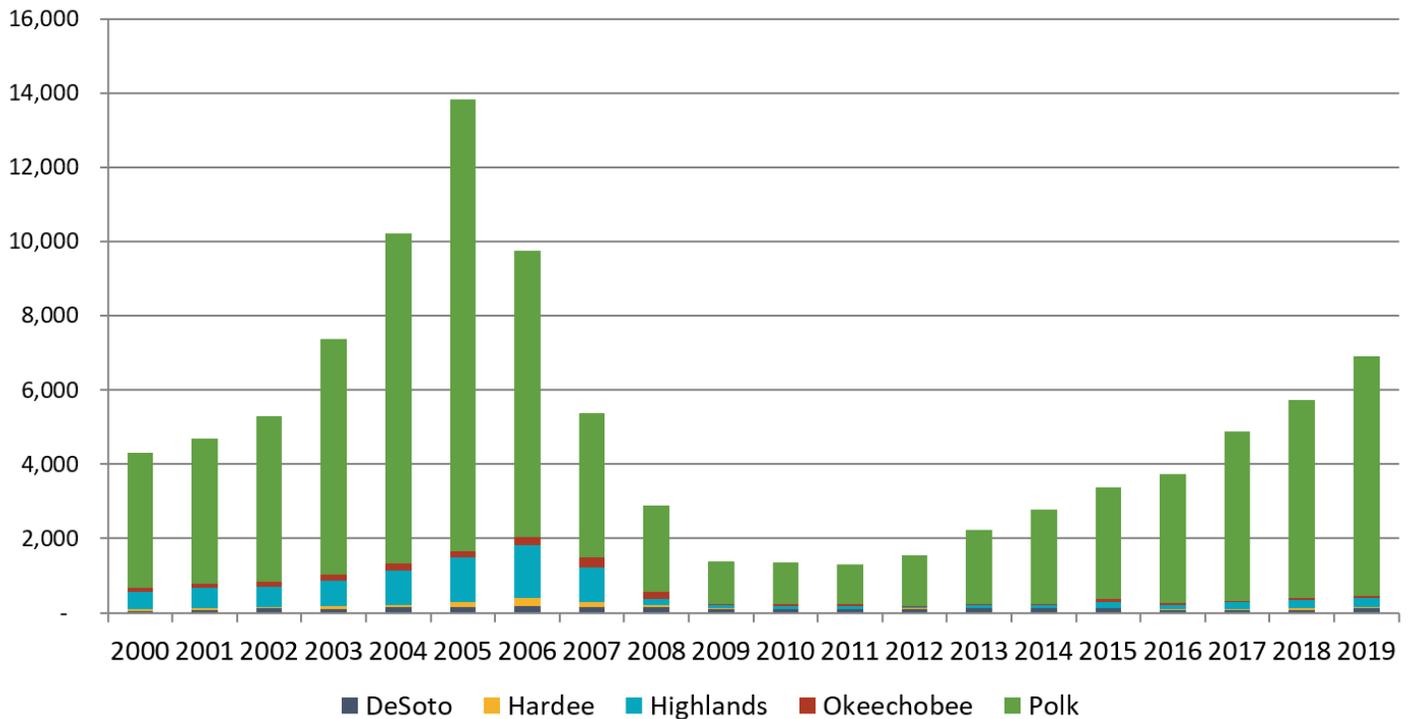
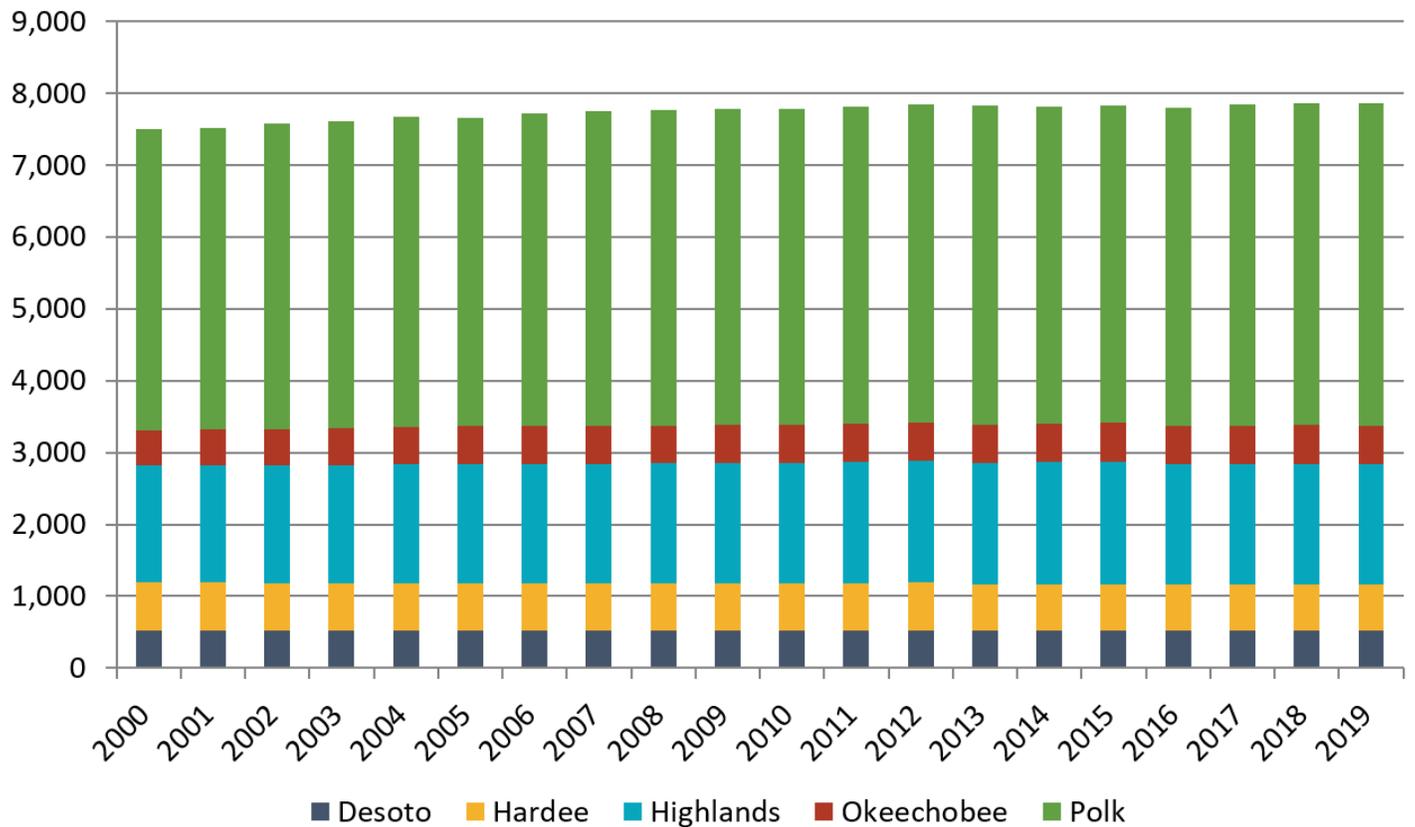


Table 2. Annual New Privately-Owned Residential Building Permits (2000-2019)

Area	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
DeSoto	57	69	113	95	149	166	177	41	163	109	96	95	99	117	112	118	71	79	76	127
Hardee	54	63	48	72	71	119	216	141	56	25	12	14	17	19	17	17	21	24	39	35
Highlands	439	538	526	704	926	1,205	1,435	926	162	68	85	76	32	60	92	159	124	178	229	233
Okeechobee	129	120	139	163	183	181	202	289	177	39	43	42	22	35	17	69	41	43	52	69
Polk	3,637	3,902	4,460	6,341	8,886	12,164	7,737	3,892	2,320	1,135	1,119	1,086	1,390	2,002	2,553	3,011	3,480	4,569	5,331	6,435
Region	4,316	4,692	5,286	7,375	10,215	13,835	9,767	5,389	2,878	1,376	1,355	1,313	1,560	2,233	2,791	3,374	3,737	4,893	7,745	6,899

Source: U.S. Census Bureau, Annual New Privately-Owned Residential Building Permits, Total Units, for Counties in Florida <<http://censtats.census.gov/bldg/bldg-prmt.shtml>>

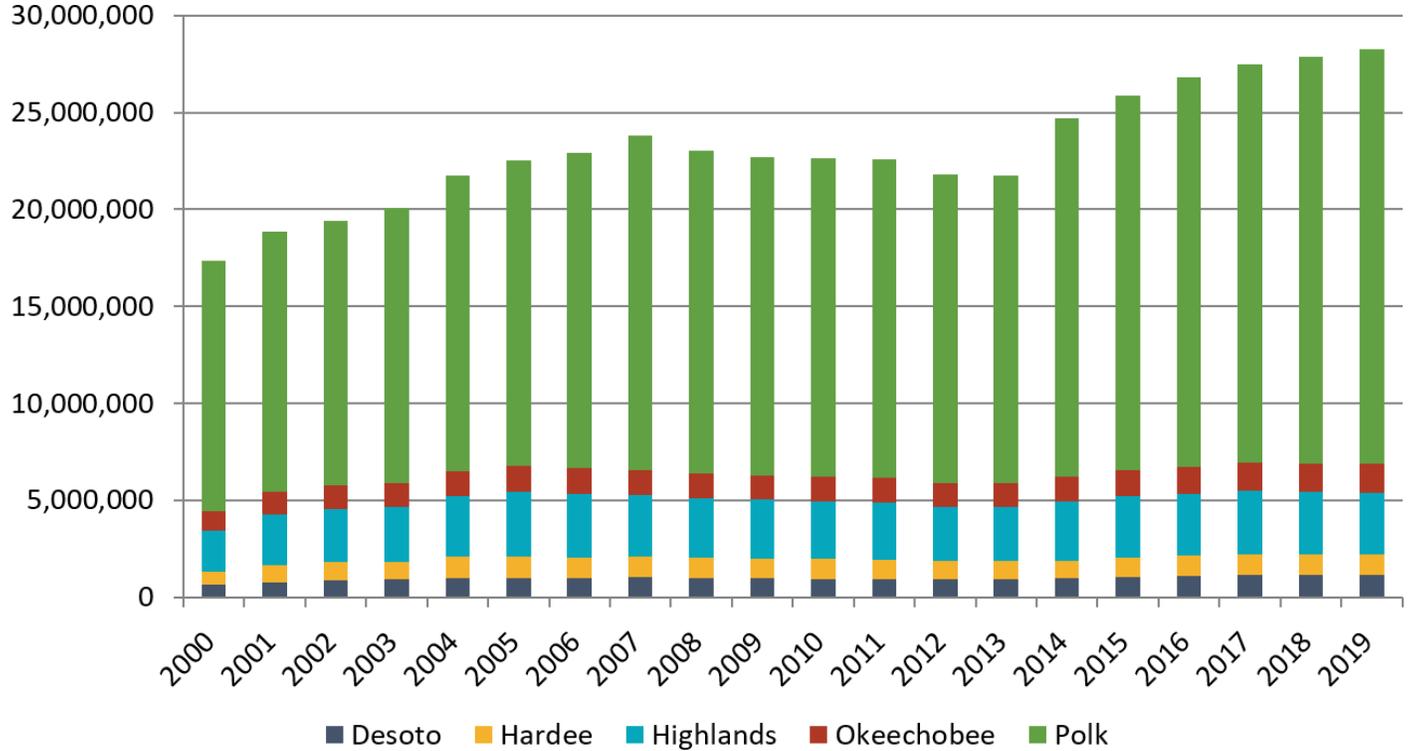
Figure 11. Centerline Miles of Public Roads



Vehicle Miles Traveled per Lane Mile

Vehicle Mile Traveled decreased from 2008 to 2013 consistent with fewer people employed and less disposable income due to the recession and slow recovery. A significant increase in Vehicle Miles Traveled has occurred beginning in 2014 and continued to increase through year 2019 due to lower gas prices, higher employment levels, and an improved economy.

Figure 12. Daily Vehicle Miles Traveled per Lane Mile, 2000-2019



Business Climate & Competitiveness

Average Annual Unemployment Rates

Over the past decade, annual average unemployment rates in the region were lowest in 2019 (3.7 percent). Unemployment rates have decreased steadily since 2011.

Figure 13. Average Annual Unemployment Rates (not seasonally adjusted)

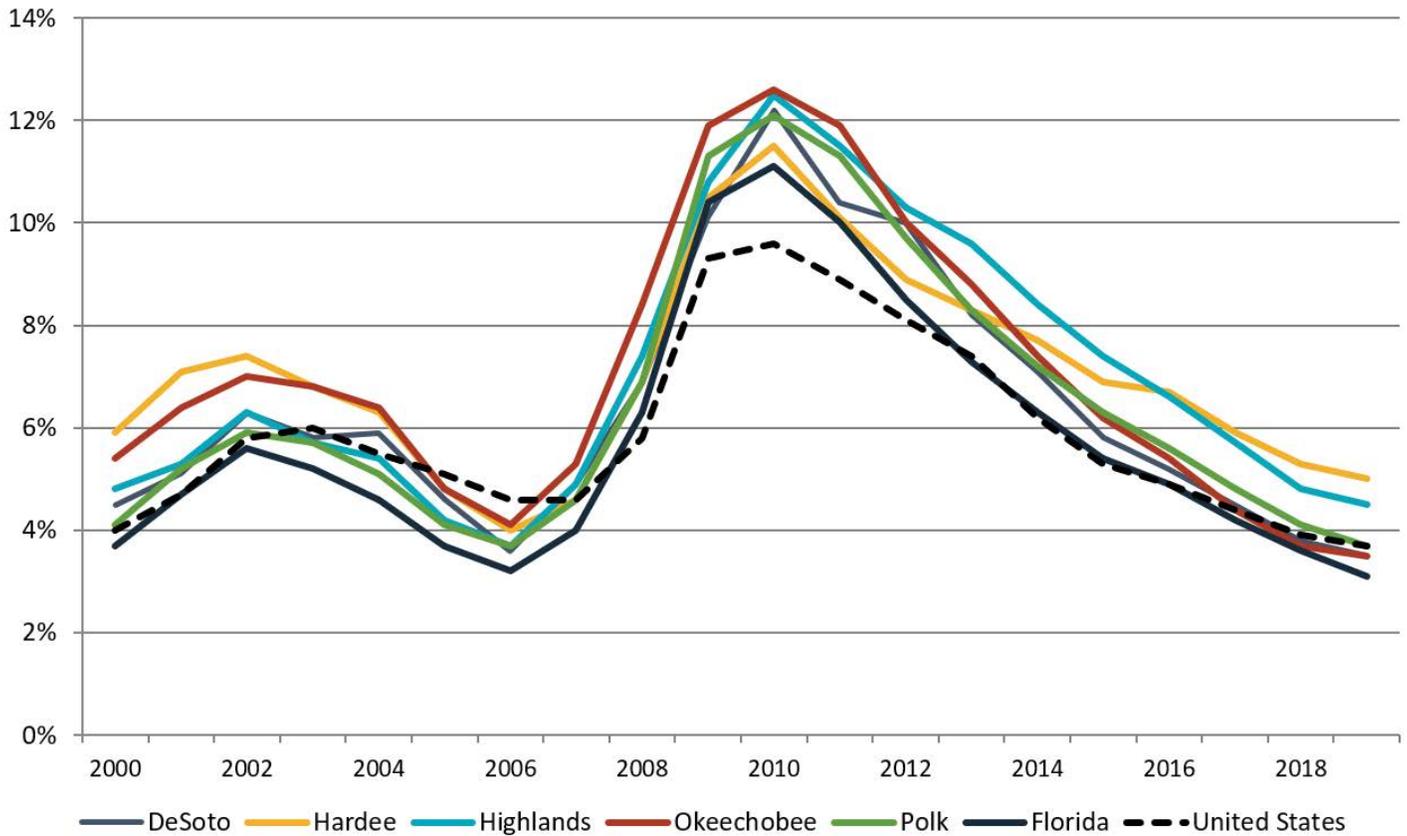


Table 3. Annual Average Unemployment Rates in the 5-County Region, 2011-2019

Area	2011	2012	2013	2014	2015	2016	2017	2018	2019
DeSoto	10.40%	10.00%	8.20%	7.10%	5.80%	5.20%	4.50%	3.80%	3.50%
Hardee	10.10%	8.90%	8.30%	7.70%	6.90%	6.70%	5.90%	5.30%	5.00%
Highlands	11.50%	10.30%	9.60%	8.40%	7.40%	6.60%	5.70%	4.80%	4.50%
Okeechobee	11.90%	10.00%	8.80%	7.40%	6.20%	5.40%	4.40%	3.70%	3.50%
Polk	11.30%	9.70%	8.30%	7.20%	6.30%	5.60%	4.80%	4.10%	3.70%
Florida	10.00%	8.50%	7.30%	6.30%	5.40%	4.90%	4.20%	3.60%	3.10%
United States	8.90%	8.10%	7.40%	6.20%	5.30%	4.90%	4.40%	3.90%	3.70%

Source: Florida Department of Economic Opportunity Local Area Unemployment Statistics <<http://www.floridajobs.org/labor-market-information/data-center/statistical-programs/local-area-unemployment-statistics>>

Employment by Industry

Table 10 shows the number of people in the region employed in the major industry groups established by the North American Industry Classification System (NAICS) with four counties experiencing an increase in total all industries since 2015.

Table 4. Total Employment by Industry, 2019 Annual Average

Industry	DeSoto	Hardee	Highlands	Okeechobee	Polk
Construction	594	314	1,377	766	12,898
Manufacturing	329	347	641	400	17,665
Natural Resources and Mining	1,109	1,301	2,039	989	3,414
Goods-Producing	2,153	2,013	4,145	2,118	34,532
Education and Health Services	1,826	1,630	8,460	2,511	48,100
Financial Activities	189	285	907	300	12,458
Information	**	17	148	67	1,833
Leisure and Hospitality	802	563	3,745	1,413	24,334
Other Services	133	66	659	378	5,718
Professional and Business Services	502	253	2,122	1,214	29,382
Trade, Transportation, and Utilities	2,544	1,032	5,694	2,397	59,641
Service-Providing	7,100	4,759	23,349	9,391	193,467
Unclassified	**	**	**	**	161
Total, all industries	9,252	6,772	27,493	11,509	227,999

Source: DEO 2019 Annual Data < <http://www.floridajobs.org/labor-market-information/data-center/statistical-programs/quarterly-census-of-employment-and-wages>>

Wages by Industry

Table 12 shows the average annual wage for workers in each of the major industry groups established by the North American Industry Classification System (NAICS) for each county in the region. Overall, wages are highest in Polk County and lowest in Hardee County.

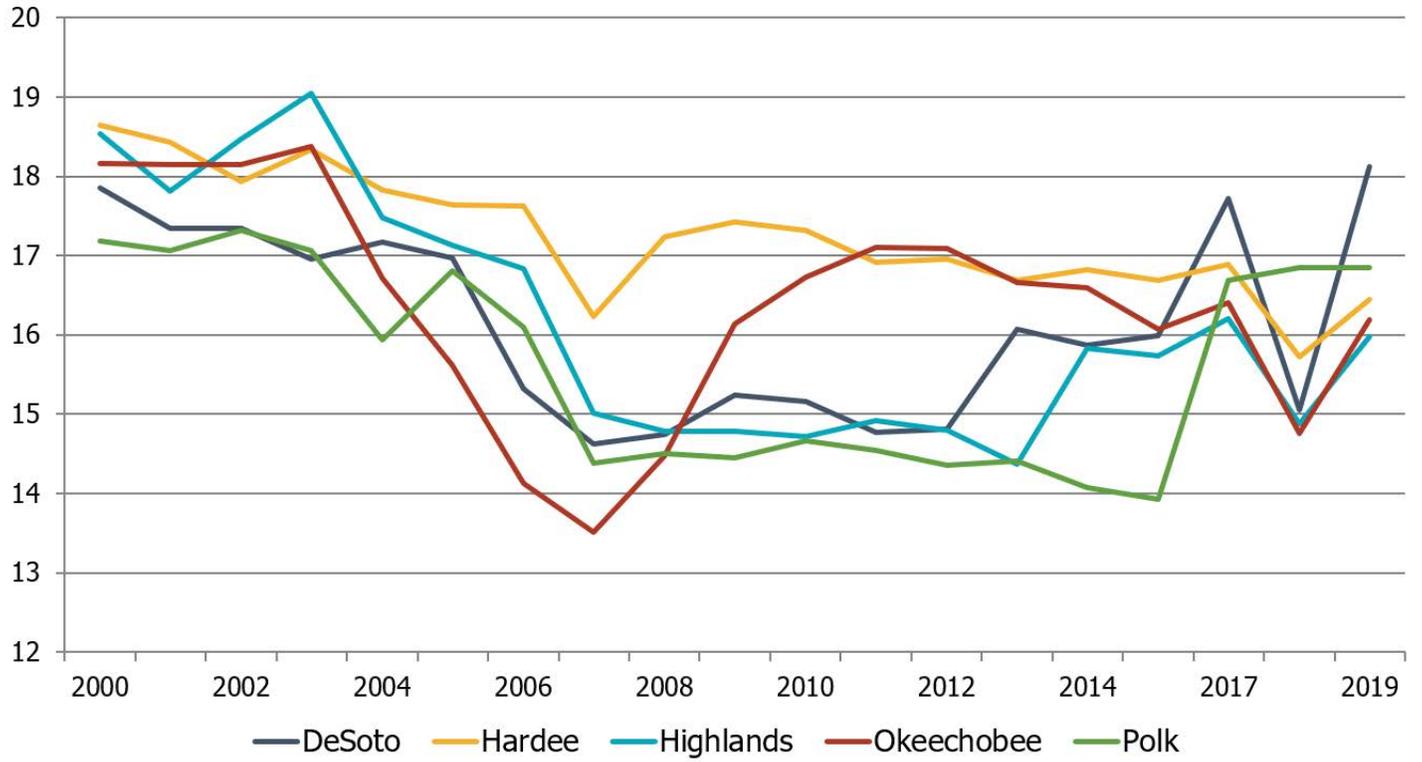
Table 5. Wages by Industry, 2019

Industry	DeSoto	Hardee	Highlands	Okeechobee	Polk
Construction	\$42,347	\$39,056	\$38,094	\$38,035	\$48,627
Manufacturing	\$67,318	\$32,576	\$41,764	\$49,584	56,945
Natural Resources and Mining	\$31,504	\$33,553	\$31,832	\$36,715	\$46,157
Goods-Producing	40,580	34,380	35,581	39,599	52,638
Education and Health Services	43,813	37,910	43,632	43,381	46,859
Financial Activities	\$42,115	\$48,963	\$42,453	\$42,273	\$56,141
Information	**	\$32,603	\$47,038	\$41,898	\$49,299
Leisure and Hospitality	\$20,213	\$16,531	\$19,589	\$19,272	\$19,991
Other Services	\$29,286	\$24,869	\$25,162	\$29,972	\$39,202
Professional and Business Services	\$37,970	\$33,020	\$33,936	\$41,044	\$47,177
Trade, Transportation, and Utilities	\$36,882	\$40,783	\$32,048	\$34,973	\$41,067
Service-Providing	\$37,167	\$36,612	\$35,664	\$36,690	\$42,247
Unclassified	**	**	**	**	\$29,676
Total, all industries	\$37,961	\$35,949	\$35,651	\$37,225	\$43,821

Source: U.S. Department of Labor, Bureau of Labor Statistics <<http://www.bls.gov/cew/data.htm>>

Civic & Governance Systems

Figure 14. Millage Rates



Registered Nonprofit Organizations (501(c)(3) only).

Figure 15 shows the total number of registered 501 (c)(3) nonprofit organizations in each county in the region from 2006-2016. This information could no be updated due to a lack of new data

Figure 15. Registered Nonprofit Organizations

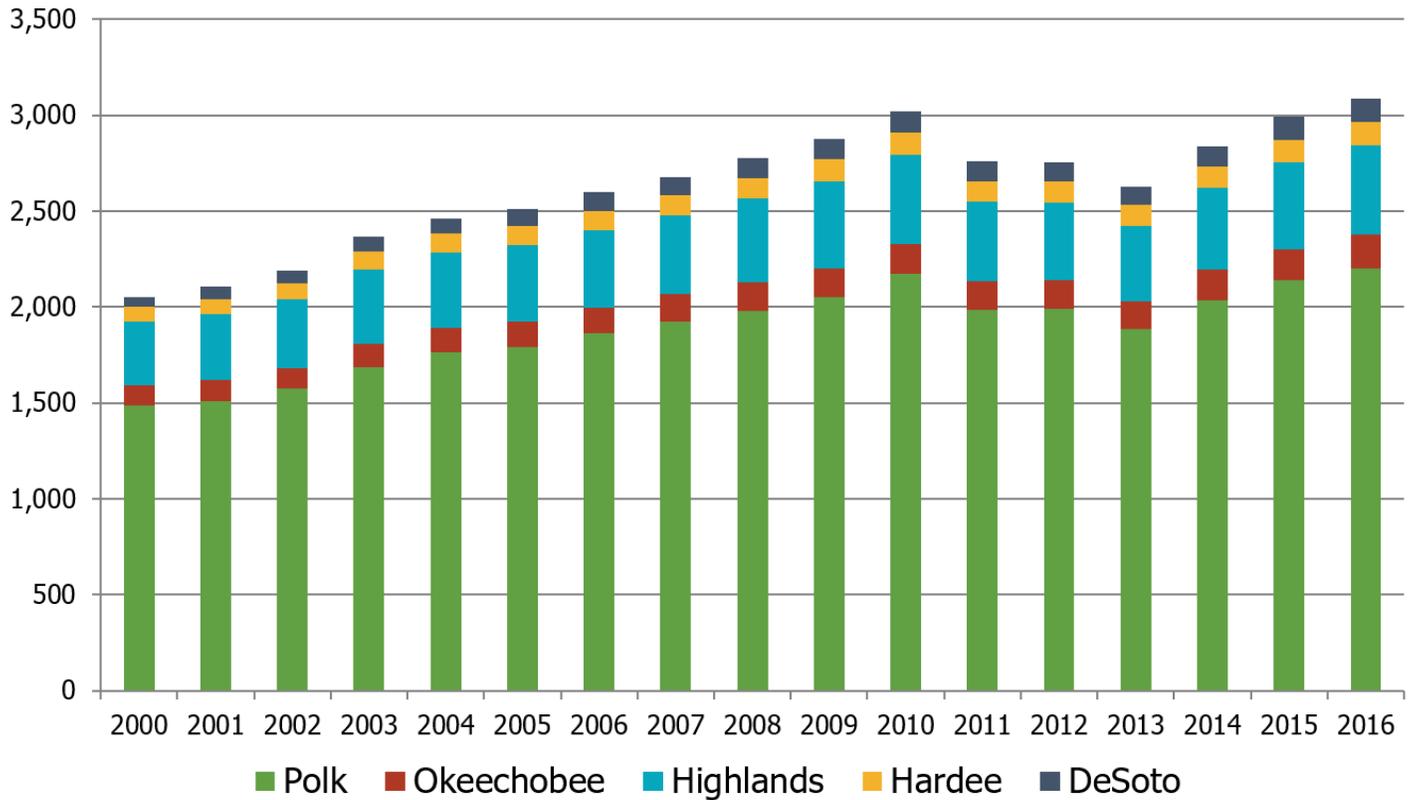
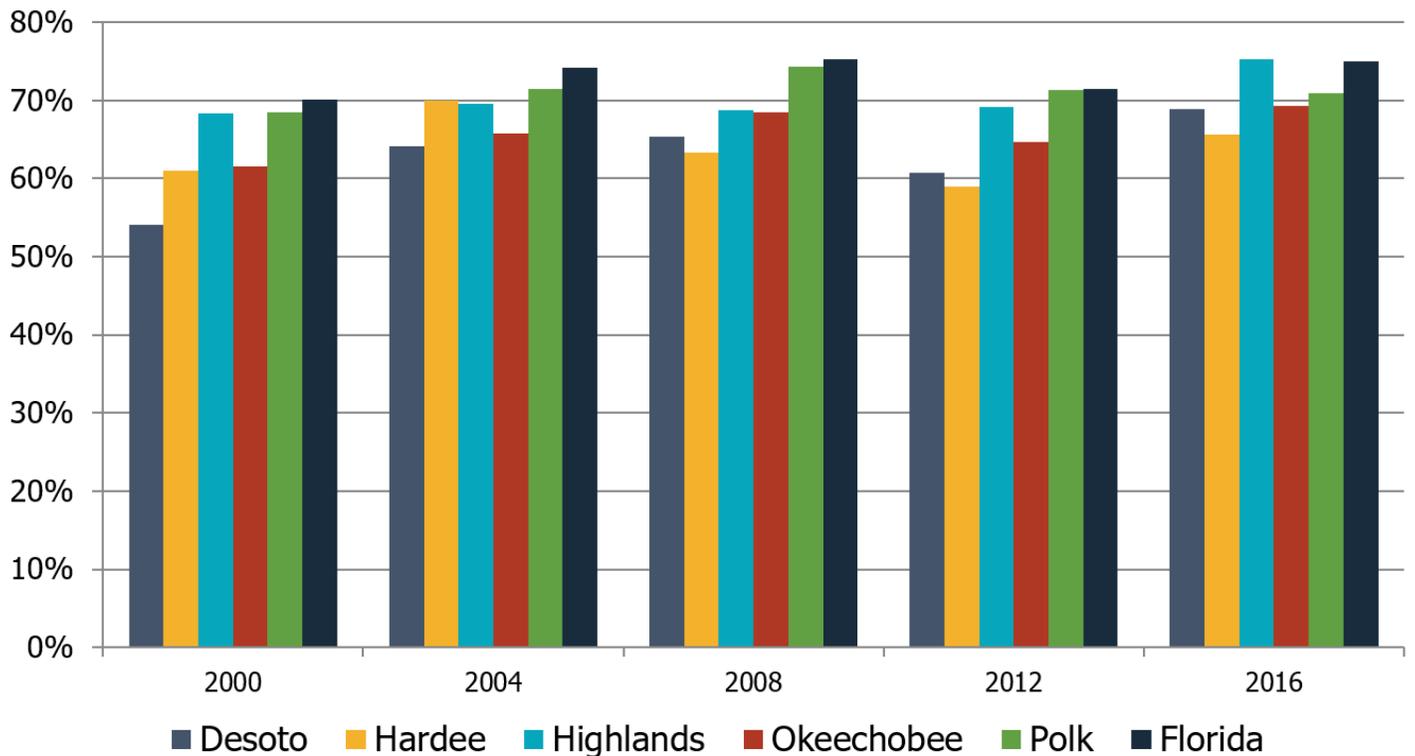


Figure 16. Voter Turnout – Presidential Elections



Quality of Life & Quality Places

Per Capita Income

The Bureau of Economic Analysis provides estimates of per capita personal income. Per capita personal income is defined as the income received by all persons from all sources (including transfer payments, and measured before personal taxes are deducted), divided by the total population. Table 14 shows per capita personal income in each county, in current dollars. Despite fluctuation, all counties in the region experienced an increase in per capita income since 2015.

Figure 17. Per Capita Personal Income, 2000-2018

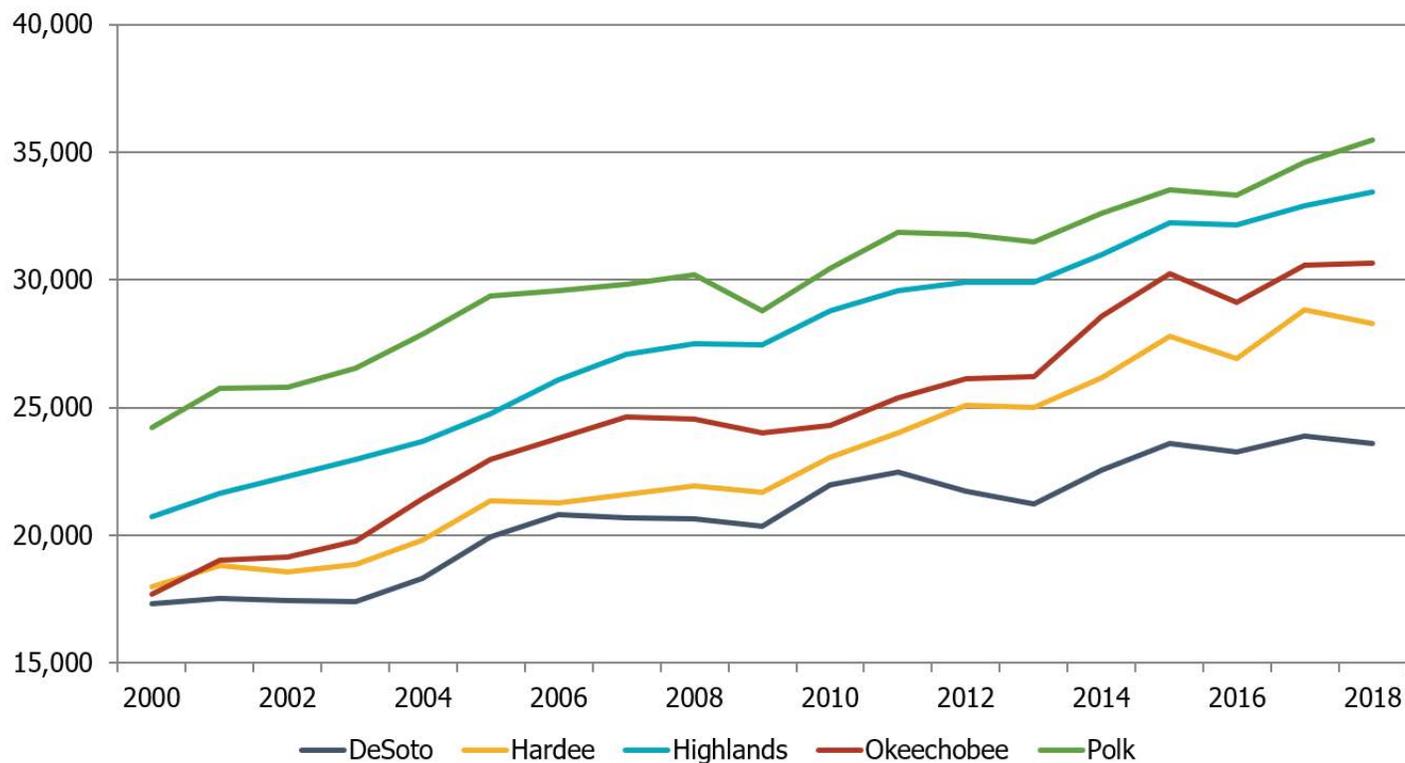


Figure 18. House Purchase Price Cost – Annual Change

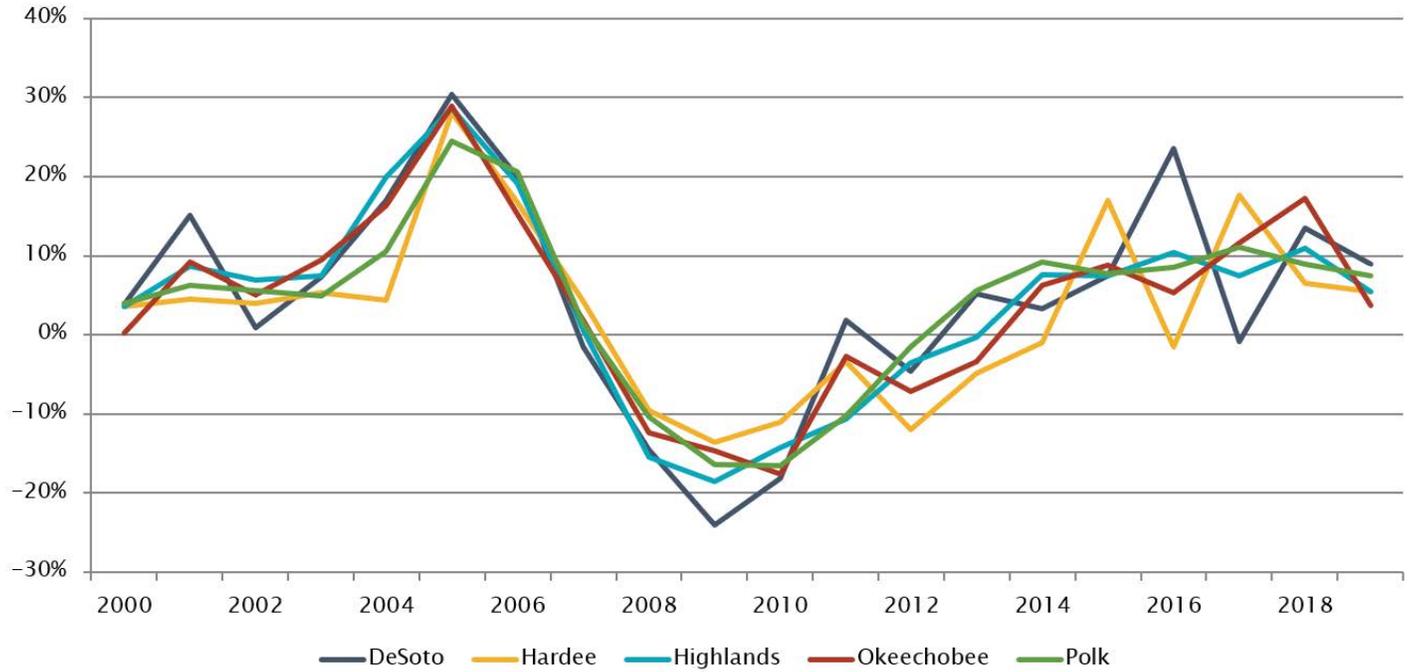
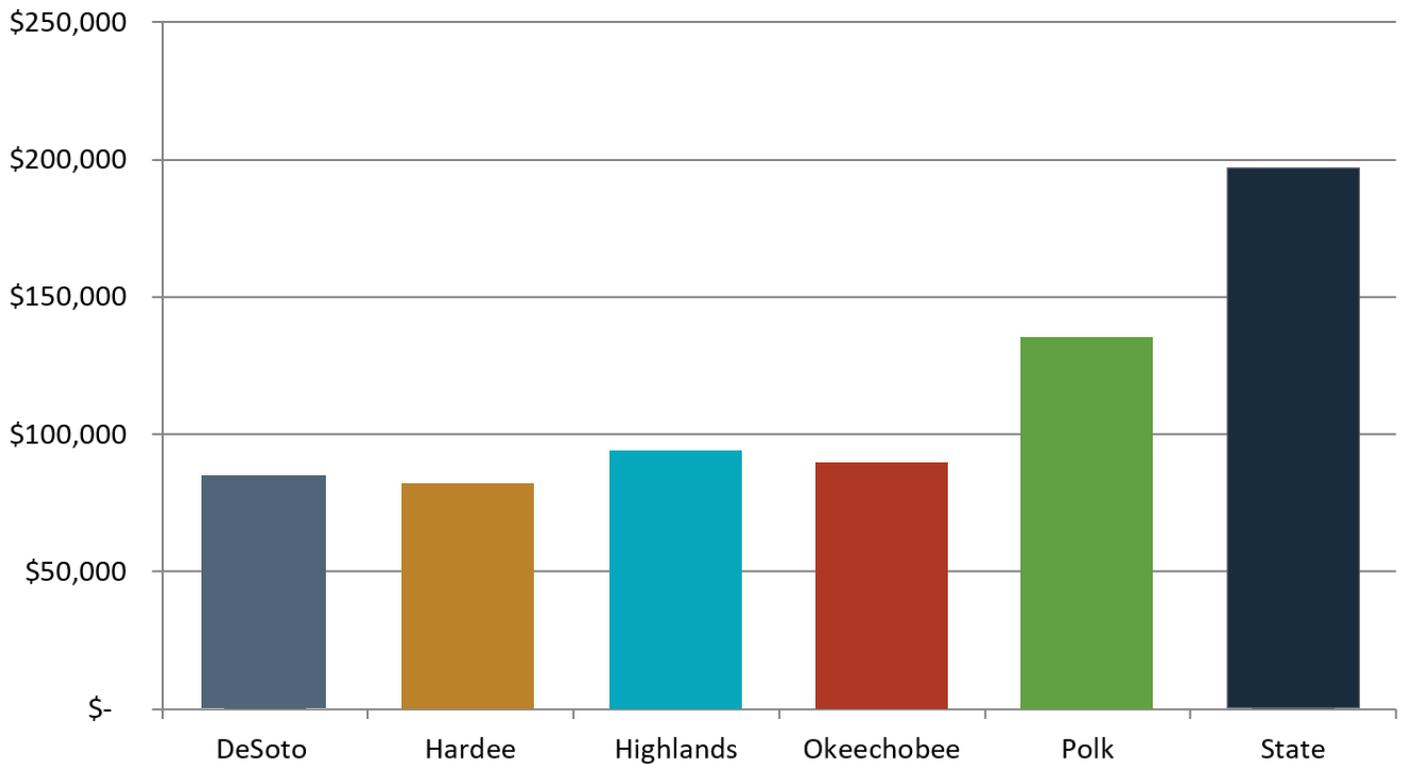


Figure 19. Median Home Value (2014-2018)

With the exception of Okeechobee all counties in the region saw an increase in median home value since 2016 with the greatest increase seen in Polk County (26 percent since 2016).



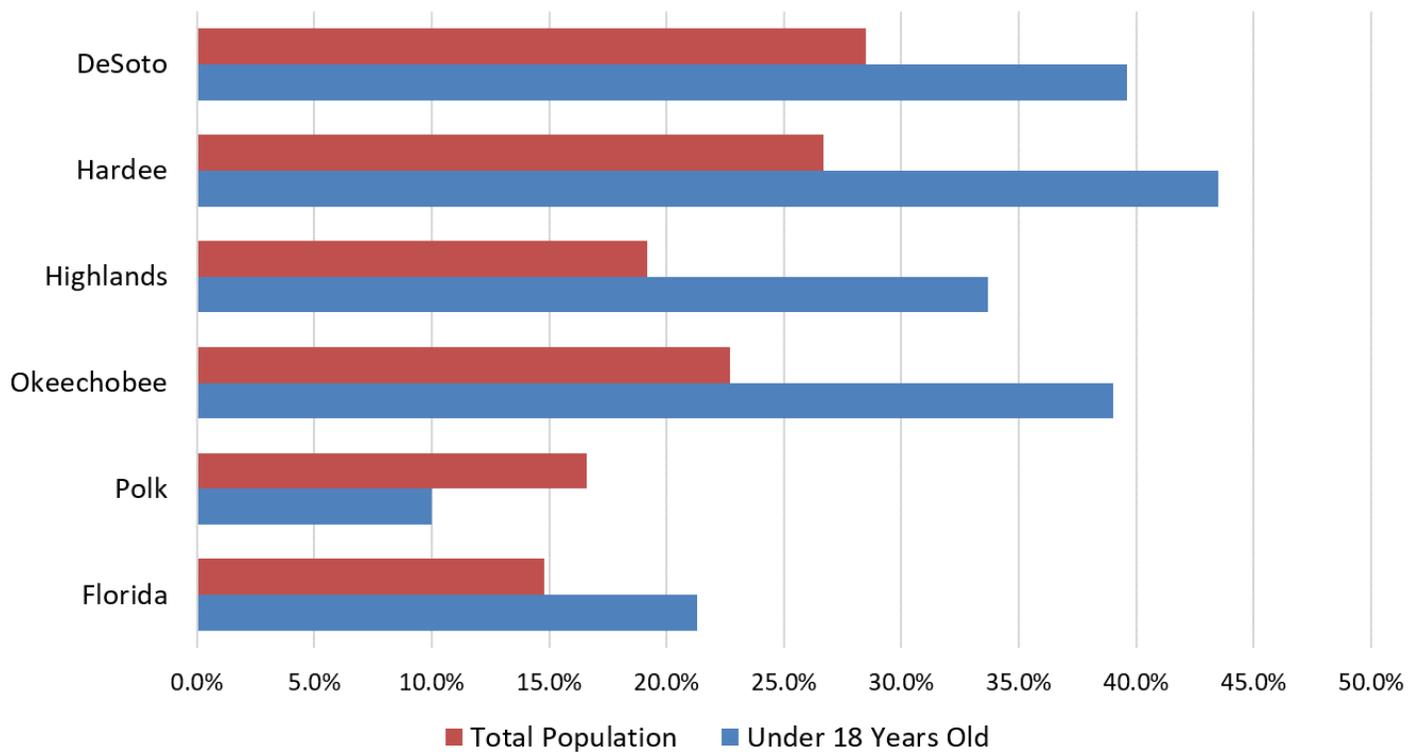
Persons Living in Poverty

Table 6 shows the percent of persons living in poverty in the region, reflecting a decrease throughout the region since (2011-2015).

Table 6. Persons Living in Poverty (2014-2018)

Area	Total Persons Living in Poverty	Percentage Persons Living in Poverty	Total Persons Under Age 18 Living in Poverty	Persons Under Age 18 Living in Poverty Percentage
DeSoto	9,824	28.50%	2,723	39.60%
Hardee	6,775	26.70%	3,105	43.50%
Highlands	19,331	19.20%	5,856	33.70%
Okeechobee	8,495	22.70%	3,190	39.00%
Polk	108,755	16.60%	38,381	10.00%
Florida	2,983,851	14.80%	870,505	21.30%

Figure 20. Persons Living in Poverty (2011-2018)



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