



## Report 2 Executive Summary: Target Industry Validation and Update



avalanche September 1, 2018

# About the Strategy

In March 2018, JAXUSA Partnership, Northeast Florida Regional Council, CareerSource Northeast Florida, and other partners initiated a Regional Economic Development Strategy to improve regional competitiveness and collaboration throughout Baker, Clay, Duval, Flagler, Nassau, Putnam, and St. Johns counties. Avalanche Consulting, a national economic development consultancy, and the Council for Adult and Experiential Learning (CAEL), a national nonprofit focused on lifelong learning, were selected to facilitate the preparation of the economic development and workforce development strategy.

Once complete, Elevate Northeast Florida will have four chapters:

## **Chapter 1: Economic Assessment & Community Benchmarking**

The first chapter of the Elevate Northeast Florida Strategy includes in-depth analysis of the region's current economic and demographic conditions in comparison to national and statewide trends, as well as selected benchmark regions. The first chapter also includes a SWOT Analysis (strengths, weaknesses, opportunities, and threats) based on both quantitative and qualitative information gathered through focus groups, interviews, and an online survey.

## **Chapter 2: Target Industry Validation & Update**

Chapter 2 examines the current status of the region's existing target industries and niche sectors that can be integrated into an updated target list for future economic development efforts. The Target Industry Validation & Update includes written profiles for each target industry, marketing messages, and an industry trend analysis.

## **Chapter 3: Workforce Development Assessment**

The Workforce Skills Assessment analyzes the skill sets of Northeast Florida's workforce and highlight workforce attributes that distinguish Northeast Florida from the competition or need improvement. Chapter 3 includes an examination of existing educational pathways, current and potential gaps in workforce supply, and opportunities for transitioning workers into higher growth careers.

## **Chapter 4: Marketing & Strategic Plan**

The final chapter of Elevate Northeast Florida provides marketing and community investment recommendations to help the region be even more competitive globally. Chapter 4 also includes an implementation timeline, estimated budget, and performance metrics that equip Northeast Florida leaders with the tools it needs successfully implement the Strategy.



# Project Partners

The Elevate Northeast Florida Strategy is being developed by JAXUSA Partnership, CareerSource Northeast Florida, and the Northeast Florida Regional Council in partnership with Avalanche Consulting and local residents, public organizations, and private businesses.

## **JAXUSA Partnership**

JAXUSA Partnership is a private, nonprofit division of the JAX Chamber and is Northeast Florida's regional economic development initiative. Its mission is to be a catalyst for economic growth and maximize the region's unique resources to aggressively recruit jobs and private capital investment to the region. JAXUSA coordinates economic development efforts across a seven-county region that includes Baker, Clay, Duval, Flagler, Nassau, Putnam, and St. Johns counties.

## **Northeast Florida Regional Council (NEFRC)**

The Northeast Florida Regional Council (NEFRC) is the regional planning organization for seven Northeast Florida counties (Baker, Clay, Duval, Flagler, Putnam, Nassau and St. Johns) and their 27 municipalities. The mission of the NEFRC is to celebrate the unique assets of Northeast Florida and to engage its people, businesses, governments and organizations. In 2009, NEFRC adopted a Comprehensive Economic Development Strategy (CEDS). Updated in 2012 and 2015, the CEDS buttresses other economic development efforts in the region through identifying programs and projects essential to the region's economic development objectives.

## **CareerSource Northeast Florida**

CareerSource Northeast Florida is a publicly funded agency that provides extensive workforce-related services to six counties on Florida's First Coast – Baker, Clay, Duval, Nassau, Putnam, and St. Johns counties. CareerSource opens the door to improved employment opportunities through education, training, and career services for workers. CareerSource administers an annual budget of more than \$20 million.

## **Northeast Florida Residents & Businesses**

Development of the Elevate Northeast Florida Strategy involved face-to-face discussions with private business leaders, representatives of philanthropic organizations, economic development professionals, and other civic champions. Additionally, more than 1,300 residents and business owners completed an online survey as part of the economic development strategic planning process.

(continued)





# Project Partners (continued)

## Avalanche Consulting, Inc.

Avalanche Consulting is the nation's premier economic development strategist. Avalanche is deeply driven to make a positive impact and seek clients who are equally inspired to energize their economies. Headquartered in Austin, Avalanche was established in 2005 and its team has a combined 80+ years of experience working with more than 150 cities, counties, and regions across the country.

## Council for Adult and Experiential Learning (CAEL)

CAEL is a national, non-profit organization whose mission is to put meaningful learning, credentials and work within reach for every community. CAEL works to remove policy and organizational barriers to learning opportunities, identifies and disseminates effective practices, and delivers value-added services. Since its founding in 1974, CAEL has been providing colleges and universities, companies, economic development organizations, labor organizations and state and local governments with the tools and strategies they need for creating practical, effective lifelong learning solutions to address long term skills needs.





# Steering Committee Members

The Elevate project partners and consulting team sincerely thank the members of Elevate Northeast Florida's Strategy Committee for helping inform and guide the development of this strategic plan. Members include:

Tony Allegretti, *Cultural Council of Greater Jacksonville*  
 Katrina Austin, *Flagler County DEO*  
 Dr. Perry Bechtel, *Mayo Clinic*  
 Brian Bergen, *Putnam County EDC*  
 The Honorable Aaron Bowman, *City of Jacksonville*  
 Michelle Braun, *United Way of Northeast Florida*  
 Debbie Buckland, *BB&T*  
 Carolyn Clark, *Urban Land Institute*  
 Josh Cockrell, *Infinity Global Solutions*  
 Rena Coughlin, *Nonprofit Center*  
 Steve Crosby, *InvestJAX*  
 Jay Cunio, *JAA*  
 Dr. Mark Dawkins, *University of North Florida*  
 Laura DiBella, *Nassau County EDB*  
 Lara Dietrich, *Dietrich Planning*  
 Janice Donaldson, *Small Business Development Center*  
 Kevin Doyle, *Wexford Strategies*  
 Heather Duncan, *AT&T*  
 Karen Everett, *St. Johns County Chamber of Commerce*  
 Bruce Ferguson, *CareerSource Northeast Florida*  
 Mike Fleming, *Jacksonville University*

Elizabeth Fuestel, *Jacksonville Civic Council*  
 Bill Garrison, *NEFBA*  
 Melissa Glasgow, *St. Johns County*  
 Jake Gordon, *Downtown Vision*  
 Shelley Hirsch, *Nassau County EDB*  
 Elaine Johnson, *Guidewell*  
 Will Ketchum, *Burdette Ketchum*  
 Robin King, *CareerSource Flagler Volusia*  
 Jana Kooi, *Florida State College at Jacksonville*  
 Dr. Anna Lebesch, *Steering Committee Co-Chair, St. Johns River State College*  
 Eric Mann, *First Coast YMCA*  
 Phyllis Martin, *United Way of Northeast Florida*  
 Trina Medarev, *World Affairs Council*  
 Jeanne Miller, *Jacksonville Civic Council*  
 Sherri Mitchell, *Nassau County EDB*  
 Katie Mitura, *Visit Jacksonville*  
 Candace Moody, *CareerSource Northeast Florida*  
 Alan Mosley, *Regional Transportation Commission*  
 The Honorable Don O'Brien, *Flagler County*  
 Mary O'Brien, *Meridian Waste*

Jeff Parsons, *AT&T*  
 Laura Pavlus, *Clay County EDC*  
 Robert Peek, *JAXPORT*  
 Jordan Pope, *JEA*  
 Crawford Powell, *Baker County Chamber of Commerce*  
 Ed Randolph, *City of Jacksonville OED*  
 Lake Ray, *FCMA*  
 Darryl Register, *Baker County Chamber of Commerce*  
 Bob Rhodes, *Attorney-At-Law*  
 Jeff Sheffield, *North Florida TPO*  
 Darnell Smith, *Steering Committee Co-Chair Florida Blue*  
 Kelly Smith, *Wells Fargo*  
 Jim Stallings, *Ps27 Ventures*  
 Chereese Stewart, *Clay County*  
 Crystal Stiles, *FPL*  
 Brian Teeple, *Northeast Florida Regional Council*  
 Brad Thoburn, *JTA*  
 Helga van Eckert, *Flagler County DEO*  
 Nina Waters, *Community Foundation for Northeast Florida*  
 Kirk Wendland, *City of Jacksonville OED*



# Methodology

Target selection is not an exact science – no single mathematical formula can identify the perfect target industries. Target selection is instead an iterative process – combining both quantitative and qualitative information. Through a process of data analysis and conversations across the community, target industries and supporting niche sectors were identified and tailored to Northeast Florida’s specific assets, needs, and opportunities.

The data analysis and stakeholder input conducted through Northeast Florida and presented in the Competitive Assessment and previous sections of this report provide a baseline for recommending specific target industries.

**The four key filters examined when identifying target industries are shown below. The analysis begins with a global view of whether an industry is growing and then filters through an increasingly local lens until the target is validated.** Throughout the process of identifying target industries, the consulting team also considered whether the industry will make Northeast Florida’s economy more diverse, resilient, and sustainable.



## 1. Is the industry growing and projected to grow within the region and US?

*Examining global and national trends helps determine if the target industry will continue to grow and create future opportunities in Northeast Florida.*

## 2. What industries have an existing presence in the region?

*Industries with an existing concentration in the region demonstrate local competitive strengths and present some of the best opportunities for expansion, recruitment, and startup growth. The industry analysis conducted for this report is included in the Appendix.*

## 3. Which industries are best suited to the region’s assets?

*Elevate Northeast Florida examined assets in the region across a variety of topics. The ability of these assets to support industry ecosystems and expanded activity is an important filter.*

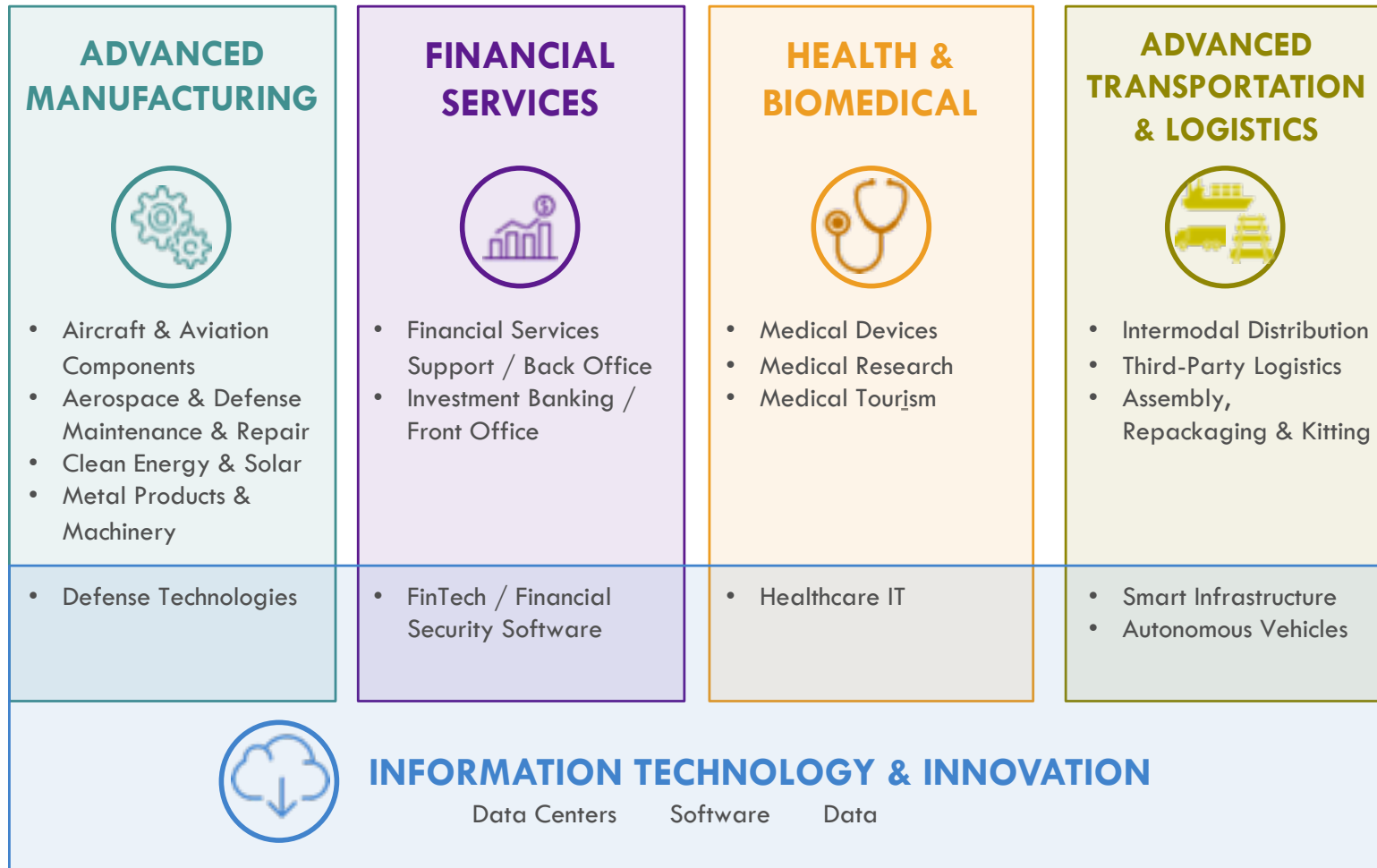
## 4. Which industries align with the region’s goals and values?

*Each industry was evaluated on whether it reinforces the goals and values identified by Northeast Florida stakeholders through interviews, focus groups, and a region-wide survey.*



# Target Industry Recommendations

Northeast Florida's target industries are performing well and, for the most part, should continue to be the focus of economic development activities over the next five years. The recommended target industries illustrated below represent only slight variations. For example, Logistics is expanded to reflect more connected and technology-oriented niche sectors. Information Technology & Innovation serves as a cross-cutting industry that has niche sectors within each target industry. Clean Energy Products has been added to reflect the sector's growing presence in Northeast Florida. The region's target industries are:





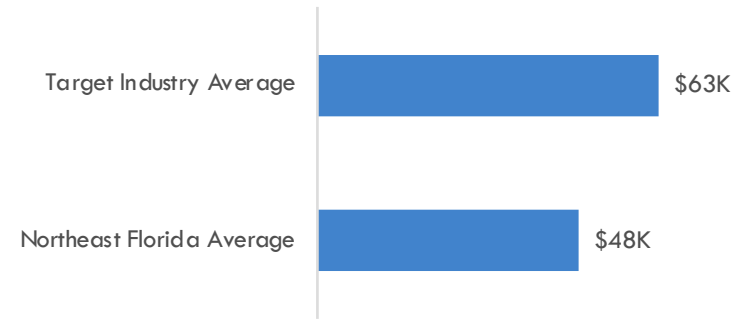
# Target Industry Recommendations

The proposed target industries represent a further refinement of the region's existing investment priorities and build upon the past successes of Northeast Florida's economic development efforts. **During the past five years, Advanced Manufacturing & Aerospace, Financial Services, Health & Biomedical, Advanced Transportation & Logistics, and Information Technology have directly accounted for 30% of all employment growth in the region.** Targeted industries have also helped fuel growth in other sectors like Construction. An expanded workforce in Northeast Florida's target industries, all of which offer higher wages than the regional average, has boosted the pocketbooks of workers and stimulated spending in retail and entertainment businesses.

**Northeast Florida's target industries are projected to assume an even greater role in the region's economic dynamism in the years ahead. Through 2022, these five industries alone are forecasted to fuel 45% of all employment growth in Northeast Florida – a sizable share of all jobs created.** These gains are likely driven by the maturation and diversification of existing industries into higher value-added areas as well as opportunities that emerge from closer integration among the targets. For example, the rise of autonomous vehicles may benefit both Northeast Florida's Advanced Manufacturing sector as well as its Logistics industry. Similar opportunities may arise at the intersection of the region's other target industries.

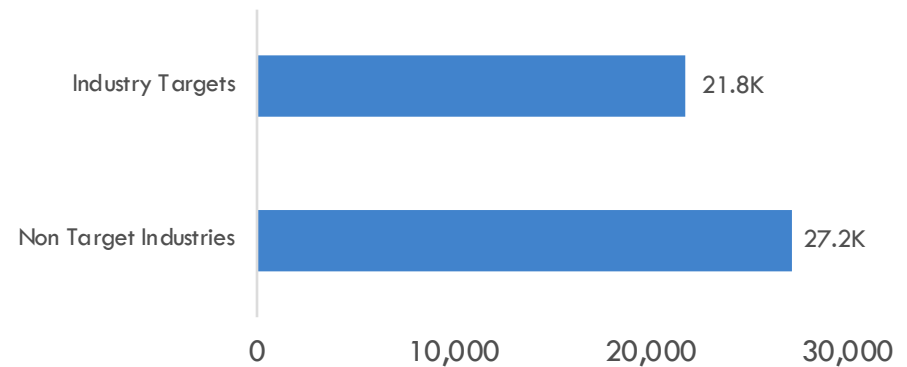
Finally, Northeast Florida's current target industries leverage the region's broad portfolio of physical and labor assets. The region's size and diversity can accommodate a wide range of business operations, mirroring the unique and varying needs of identified target industries. As a result, the target industry recommendations provide opportunities for all counties in the region.

AVERAGE ANNUAL SALARY, 2017



SOURCE: EMSI / Avalanche Consulting

NORTHEAST FLORIDA PROJECTED EMPLOYMENT GROWTH 2017-2022



SOURCE: EMSI / Avalanche Consulting



# County Target Recommendations

The table to the right presents opportunities for each county in Northeast Florida. The profiles on the following pages provide insights into each niche sector. New investments and assets will also increase the competitiveness of each county for developing target niche sectors.

By sharing core target industries and various niche sectors within each, Northeast Florida counties can be confident that investments and target business growth in their communities will enhance overall regional competitiveness. Likewise, JAXUSA Partnership's focus on these industries will benefit all counties in the region.

## SELECTING COUNTY TARGETS

County-level target recommendations are based on several factors: First, the consulting team examined each county's economy and industries. (County profiles are available in the Appendix of the first report of this CEDS, Economic Assessment and Benchmarking.) Next, the consulting team reviewed the websites and marketing materials of each county in the region to assess current local target industries. After the review, the team visited each county in the region and facilitated workshops with economic development leaders and their stakeholders, during which participants were asked questions aimed at understanding their current audiences and vision. Based on the analysis and county visits, a draft target list was crafted for each. County economic developers were asked to share feedback on the list prior to it being finalized.

Baker Clay Duval Flagler Nassau Putnam St. Johns

### ADVANCED MANUFACTURING

Aircraft & Aviation Components	○	○	○	○	○	○	○
Aerospace & Defense Maintenance & Repair		○	○	○	○		○
Clean Energy & Solar	○	○	○	○	○	○	○
Metal Products & Machinery	○	○	○	○	○	○	○
Defense Technologies		○	○		○	○	○

### FINANCIAL SERVICES

Financial Services Support / Back Office		○	○	○	○		○
Investment Banking / Front Office		○	○		○		○
FinTech / Financial Security Software			○	○	○		○

### HEALTH & BIOMEDICAL

Medical Devices		○	○	○	○		○
Medical Research			○	○	○		○
Medical Tourism			○	○	○	○	○
Healthcare IT		○	○	○	○		○

### ADVANCED TRANSPORTATION & LOGISTICS

Intermodal Distribution	○	○	○	○	○		○
Third-Party Logistics	○	○	○		○		
Assembly, Repackaging & Kitting	○	○	○	○	○	○	
Smart Infrastructure	○	○	○	○	○	○	○
Autonomous Vehicles			○		○		○

### INFORMATION TECHNOLOGY & INNOVATION

Data Centers		○	○	○	○		○
Software		○	○	○	○		○
Data	○	○	○	○	○	○	○

