

**Bay County Economic
Development Symposium**
September 27, 2006

Technology Growth Strategic Plan for Bay County

31 Strategic Initiatives

DCG Corplan Consulting LLC
19 Hutton Ave.
West Orange, NJ 07052

Forward Bay County – Resource Matrix


















































The matrix below lists the strategic recommendations and codes them with three action plan resource demands (plus a fourth category):

- Fund-intensive resources – To complete this initiative, major capital funds may be necessary. For example, start-up or matching funds need to be put in place prior to implementation of the initiative.
- Personnel-intensive resources – For these programs, staffing must be committed, or outside help engaged, for dialogues or campaigns with large numbers of people, e.g., lobbying the State legislature for incentives alterations.
- Time-intensive resources – These programs will require long durations to accomplish, and may also be linked with funding or personnel commitments.
- Added to this list is an indicator of critical importance – The programs highlighted by the exclamation mark graphic are, in DCG Corplan’s view, of critical importance.


































The following five combinations of actions codes appear in the matrix. (Although seven combinations are possible, non-applicable instances are ignored):

- Fund-, Personnel-, and Time-intensive – probably the most difficult, and should be addressed first, especially if marked critical.
- Fund- and Time-Intensive – long term capital investments, probably managed by others, and not immediately required unless marked critical.
- Personnel- and Time-Intensive – long term or ongoing personnel or subcontracted assistance, not immediately required unless marked critical.
- Fund-only intensive – financial commitment is possible at any point, unless marked critical.
- Personnel-only intensive – staffing commitment is possible at any point, unless marked critical.





Forward Bay County Resource Matrix

				Assure availability of the Qualified Target Industry Tax Refund (QTI)
				Promote the Qualified Defense Contractor Tax Refund (QDC)
				Apply a more pro-active approach to workforce training
				Participate in the Florida Enterprise Zone Program
				Explore other states' unique incentive programs
				Seek to expand the use of Quick Response Training initiative (QRT)
				Link post-secondary education directly with workforce development
				Establish an apprentice program
				Attract venture capital
				Improve Certified Capital Company Act (CAPCO) funding
				Creation of a Bay County Affordable Housing Trust Fund
				Drafting of Affordable Housing Zoning Ordinances
				Promotion of downtown redevelopment
				Expediting the new airport
				Improving highway access
				Improving trucking services
				Reviving rail passenger service
				Meeting needs at the Port
				Implement St. Andrews Bay water taxi

Forward Bay County Resource Matrix

			Complete the strategic plan for Bay District Schools	
			Encourage more students to obtain bachelor's degrees or higher	
			Encourage a shift in focus from "soft" courses to technical education	
			Create Doctorate program in ECE at FSU-Panama City	
				Establish a Technology Incubator in Bay County
			Follow-up on value-added expansion of pillar firms	
			Determine the cost-benefit to Bay County of incentive deals	
			Coordinate workforce training	
			Coordinate management, technical, and marketing assistance	
			Prepare tentative "Road Fund" applications	
			Prepare prospectus for target industries	
			Promote an Undersea Technology cluster in Bay County	

Legend

	<i>Fund-intensive resources</i>
	<i>Personnel-intensive resources</i>
	<i>Time-intensive resources</i>
	<i>Critically important</i>

Action Items

Level-One Priority (high)

From the resource matrix, critical items that require the greatest resource demand should be set as the first priority. In all likelihood, these will take the

longest time to secure funds, assign personnel, and achieve end results. The following are not necessarily listed in order of need:

- Assure availability of the Qualified Target Industry Tax Refund (QTI)
- Link post-secondary education directly with workforce development.
- Creation of a Bay County Affordable Housing Trust Fund
- Promotion of downtown redevelopment
- Establish a Technology Incubator in Bay County

Level-Two Priority (moderate)

Action items of critical need but of less resource demand are as follows.

- Apply a more pro-active approach to workforce training
- Complete the strategic plan for Bay District Schools
- Establish an apprentice program
- Drafting of Affordable Housing Zoning Ordinances
- Expediting the new airport
- Encourage more students to obtain bachelor's degrees or higher
- Encourage a shift in focus from "soft" courses to technical education
- Create Doctorate program in ECE at FSU-Panama City
- Follow-up on value-added expansion of pillar firms
- Coordinate workforce training
- Coordinate management, technical, and marketing assistance
- Promote an Undersea Technology cluster in Bay County

Level Three Priority (low)

Action items of critical need but of even less resource demand than Level Two are as follows. The

- Promote the Qualified Defense Contractor Tax Refund (QDC)
- Seek to expand the use of Quick Response Training initiative (QRT)
- Determine the cost-benefit to Bay County of incentive deals
- Prepare prospectus for target industries

Items of Non-Immediate Need

Although important, the following recommendations are not immediately essential. They are grouped by degree of resource demand:

Higher Resource demand

- Meeting needs at the Port
- Implement St. Andrews Bay water taxi
- Attract venture capital

- Improve Certified Capital Company Act (CAPCO) funding
- Improving highway access
- Reviving rail passenger service

Lower Resource Demand

- Participate in the Florida Enterprise Zone Program
- Explore other states' unique incentive programs
- Improving trucking services
- Prepare tentative "Road Fund" applications

The Forward Bay County plan is presented in the following strategic descriptions. If all 31 strategic initiatives were implemented, DCG Corplan estimates that an overall \$85.0 million would be required during an operational period of 9 years (year 2 through year 10). First year expenditures would not be allocated for project mobilization. Based on the 5,000-job 10-year target, this would translate to an outlay of approximately \$1,700 per job annually, which is not unusually high economic development expenditure for an effort of this magnitude.

FORWARD BAY COUNTY

Strategy

LINK POST-SECONDARY EDUCATION DIRECTLY WITH WORKFORCE DEVELOPMENT

Priority

LEVEL ONE (HIGH)

Resources

FUNDS, PERSONNEL, TIME

Strategic Objective

Currently, only 18.5% percent of Bay County's adult residents have completed four years of college, well below the state average of 24.9% and the national average of 26.4%

This program will be called the "Bay County Promise". The plan is to develop a grant from a group of anonymous donors that will provide free college tuition to students who live in the County, graduate from its high schools, and attend a public university or community college in Florida, and major in technology disciplines. The fund will cover tuition only.

Sales tax proceeds may be used in lieu of initial donor contributions, but private investors must be sought on a continuing basis.

Budget

Initial allocation is for 20 students, at \$60,000 estimated for public university tuition. Fund raising may require initial public seed money.

Total cost:	\$1.2 million
Anticipated future goal:	\$5 million

Staffing Responsibility

BCEDA

Strategic Timeline

Project mobilization:	years 1-2
Progress review:	end of year 3
Public investment:	end of year 4
Operating completion:	end of year 10

FORWARD BAY COUNTY

Strategy

CREATION OF A BAY COUNTY AFFORDABLE HOUSING TRUST FUND

Priority

LEVEL ONE (HIGH)

Resources

FUNDS, PERSONNEL, TIME

Strategic Objective

Bay County cannot afford to wait for the State legislature to revisit the 1992 Sadowski Act for affordable housing. Establishment of a trust fund by the County will ensure the initial creation of affordable housing projects, especially if the development community can be induced into action, not penalized by statute. The Bay County Affordable Housing Trust Fund will be initially seeded by public investment, but later by in-lieu payments by developers for affordable housing requirements. The goal of the fund will be to provide financial aid to developers as subsidies to acquire affordable housing land purchases and below market lending; to provide mortgage assistance to homebuyers of affordable housing properties; and, to offset increases in ad valorem tax for five years on rental affordable housing projects.

Budget

Initial allocation is estimated at \$5 million. Future allocations should be on a sliding scale, reducing public commitments by \$1 million annually.

First year:	\$5.0 million
<u>Ten year sliding scale:</u>	<u>\$10.0 million</u>
Total cost:	\$15.0 million

Staffing Responsibility

Bay County Commission
Bay County Planning & Zoning office

Strategic Timeline

Project mobilization:	year 1
Progress review:	end of year 4
Public investment:	end of year 6
Operating completion:	end of year 10

FORWARD BAY COUNTY

Strategy

PROMOTION OF DOWNTOWN REDEVELOPMENT

Priority

LEVEL ONE (HIGH)

Resources

FUNDS, PERSONNEL, TIME

Strategic Objective

The successful Harrison Avenue corridor in downtown Panama City is a good example of how urban redevelopment can be achieved, but a missing component is mid-rise rental housing. Today's tech worker is usually drawn to "chic" downtown boutiques and a live/work atmosphere prevalent in many of the more successful urban markets. To make this type of affordable housing a reality, Panama City may have to exercise eminent domain rights to assemble properties and entitle them for mixed-use redevelopment. The formation of a Panama City Development Corporation with adequate funding is required.



Budget

The Development Corp. should be a public/private venture, soliciting funds government and the private sector. Although initial operations will be run at a loss, longer term profitability from sale of assembled properties should be anticipated, certainly by the fifth year of operation. If Affordable Housing Trust funds are allocated, the City should benefit from tax increment financing opportunities starting in the seventh year.

Initial funding estimate:	\$5.0 million
<u>Interim funding:</u>	<u>\$7.5 million</u>
Total funding:	\$12.5 million

Staffing Responsibility

City of Panama City
SHIP Affordable Housing Advisory Committee

Strategic Timeline

Project mobilization:	years 1-2
Progress review:	end of year 5
Public investment:	end of year 6
Operating completion:	end of year 10

FORWARD BAY COUNTY

Strategy

ESTABLISH A TECHNOLOGY INCUBATOR IN BAY COUNTY

Priority

LEVEL ONE (HIGH)

Resources

FUNDS, PERSONNEL, TIME

Strategic Objective

With the promotion of more technology capability in Bay County, a critical effort will center on encouraging local entrepreneurial activity. A strong research platform at FSU-Panama City will help fuel the need for start-up technology firms, especially with the Navy's help through liberal procurement contracts with the Naval Surface Warfare Laboratory.

A Technology Incubator should be located at or near the GCCC/FSU campus. If an existing building of about 20,000 square feet is available it should be secured for implementation of the facility. If not, then a new building should be developed. Future expansion should be allocated.

Budget

The Technology Incubator building should be purchased or constructed, but not leased. Expansion, alteration, and other required modifications should be inexpensively accommodated and not be subject to lease negotiation and possible penalties. Set up costs for furnishing, telecommunication, and equipment must be also included. Salaries and operating costs must come from initial funding and collected rents.

Capital investment:	\$3.0 million (20,000 sf @ \$150 psf)
Furnishings, equip't:	\$1.5 million
<u>Operational funds:</u>	<u>\$2.0 million</u>
Total Cost:	\$6.5 million

Staffing Responsibility

FSU-Panama City
Gulf Coast Community College

Strategic Timeline

Project mobilization:	years 1-2
Progress review:	end of year 4
Public investment:	end of year 5
Operating completion:	end of year 10

FORWARD BAY COUNTY

Strategy

APPLY A MORE PRO-ACTIVE APPROACH TO WORKFORCE TRAINING

Priority

LEVEL TWO (MODERATE)

Resources

PERSONNEL, TIME

Strategic Objective

The Quick Response Training Initiative (QRT) responds to individual company needs by reimbursing the firm's training expenses. In Bay County with its limited industrial base, however, QRT fails to develop a cadre of skills in advance that will be needed to convince prospects to consider the area for their facilities.

Similarly, the Incumbent Worker Training Program (IWT) appears to help upgrade skills, but only for businesses already in place for at least one year. Competitive states that fund their training programs with grants to schools (as opposed to reimbursements to existing companies) are pro-actively equipping their labor force to meet projected demands.

Manpower agencies have projected Florida's future occupational needs, but QRT and IWT are not designed to fill this pipeline. Accordingly, Bay County should consider local sponsorship of training program to build the identified skills that will be needed by prospects in the target industries and clusters.

Budget

Estimate: \$150,000 per year (personnel costs)

Staffing Responsibility

BCEDA

Tom P. Haney Technical Center

Gulf Coast Community College

Strategic Timeline

Project mobilization: years 2-3 (1 year lag)

Progress review: end of year 5

Operating completion: end of year 7

FORWARD BAY COUNTY

Strategy

COMPLETE THE STRATEGIC PLAN FOR BAY DISTRICT SCHOOLS

Priority

LEVEL TWO (MODERATE)

Resources

PERSONNEL, TIME

Strategic Objective

The District is in process of developing a strategic plan that will:

- Establish a vision, mission, and core beliefs for the District
- Establish a path to accomplish its desired future
- Allow the District to set specific data-driven priorities
- Provide a vehicle to allow stakeholders to work together toward these goals and objectives

A team is in place that is charged with guiding the strategic planning process, but this activity should be expedited. The pressing needs are to improve FCAT scores in District schools (averaging about 300 in reading and mathematics vs. a possible 500), as well as mean scores in the Florida Writing Assessment Program (averaging 3.5 in Grade 4 vs. a possible 6.0). Bay County must set up a program to monitor results and, if necessary, rejuvenate the plan.

Budget

Estimate: \$75,000 per year (personnel costs)

Staffing Responsibility

Bay County Commission

Bay District Schools

Strategic Timeline

Project mobilization: year 2 (1 year lag)

Progress review: end of year 4

Operating completion: end of year 6

FORWARD BAY COUNTY

Strategy

ESTABLISH AN APPRENTICE PROGRAM

Priority

LEVEL TWO (MODERATE)

Resources

PERSONNEL, TIME

Strategic Objective

Some pillar companies in Bay County are experiencing stringencies in supply of specific skills, such as welders and IT application engineers. While these firms face difficulties maintaining their present employment level, they are not expanding and may not qualify for QRT or ITW training funds. Moreover, training programs for these skills may not be offered at post-secondary schools.

Bay County should lead the effort for the State of Florida to develop a “flexicurity” apprenticeship program. In essence, the employer is encouraged through state-paid subsidies (possibly ranging up to 40% of the starting wage for the first six months) to hire two on-the-job trainees instead of attempting to recruit one expensive veteran. This innovative program assures the employer that retiring workers (or those leaving the area) will be replaceable within a reasonable time frame.

Budget

Estimate: \$175,000 per year (lobbying & personnel costs)

Staffing Responsibility

BCEDA

OTTED

Enterprise Florida

Strategic Timeline

Project mobilization: year 2 (1 year lag)

Progress review: end of year 5

Operating completion: end of year 6

FORWARD BAY COUNTY

Strategy

DRAFTING OF AFFORDABLE HOUSING ORDINANCES

Priority

LEVEL TWO (MODERATE)

Resources

PERSONNEL, TIME

Strategic Objective

Neither Bay County nor the City of Panama City has strong affordable housing development guidelines, and it is advisable that language similar to the suggestion presented below be incorporated uniformly throughout the County and its jurisdictions, non-incorporated or otherwise. The uniform ordinance should contain language to encourage rental as well as purchased affordable housing based on area median household income.

Specific requirements as to number and size of affordable housing units, as well as transfer of allocation by in-lieu payments to an established Affordable Housing Trust Fund are fundamental requirements. However, the ordinance should be viewed as entitling, rather than punitive, thereby encouraging development of affordable housing over otherwise higher-end single family properties.

Budget

Estimate: \$100,000 per year (personnel & public meeting costs)

Staffing Responsibility

Bay County Commission

Bay County Planning and Zoning office

Strategic Timeline

Project mobilization: year 2 (1 year lag)

Progress review: end of year 3

Operating completion: end of year 5

FORWARD BAY COUNTY

Strategy

EXPEDITING THE NEW AIRPORT

Priority

LEVEL TWO (MODERATE)

Resources

PERSONNEL, TIME

Strategic Objective

To assure the commercial viability of the new airport, commitments will have to be secured from prospective air carriers to utilize the facility and expand their routes and services, and to qualify as an *international* airport, it should offer flights to places abroad and provide customs and immigration services. Foreign Trade Zone (FTZ) status should be investigated for applicability to the new project.

While sale of the old airport will be essential in funding the new facility, planning for conversion of the close-in 700 acres should be consistent with the community's critical need for affordable housing and technology business development. Feasibility analyses of the potential reuses of the older property should have been already commenced.

Discussions should be also conducted with the St. Joe Company about ancillary use of acreage surrounding the new airport as a class-A business park intended to attract new technology firms to the area.

Budget

Estimate: \$75,000 per year (personnel costs)

Staffing Responsibility

BCEDA

Bay County Planning and Zoning office

Strategic Timeline

Project mobilization: year 2 (1 year lag)

Progress review: end of year 3

Operating completion: end of year 4

FORWARD BAY COUNTY

Strategy

ENCOURAGE MORE STUDENTS TO OBTAIN BACHELOR'S DEGREES OR HIGHER

Priority

LEVEL TWO (MODERATE)

Resources

PERSONNEL, TIME

Strategic Objective

The Panama City-Lynn Haven MSA has a relatively low 18.5% of residents age 25 and over who have attained a four-year college degree. This compares unfavorably with the national average of 26.4% and the statewide average in Florida of 24.9%. It is of even greater concern when compared with leading high-tech communities such as California's Silicon Valley (35.7%), Austin, TX (35.4%), or North Carolina's Research Triangle (38.6%), or other areas competing with Bay County for high-tech investments.

More students must be encouraged to take advantage of the two-plus-two program and move on from GCCC to FSU PC to complete their post-secondary education. Through a focused public relations campaign, high school and GCCC students must be convinced to prepare themselves for the well paid occupations in the high-tech industries that Bay County is expecting to attract.

Budget

Estimate: \$375,000 per year (personnel & public relations advertising costs)

Staffing Responsibility

Bay District Schools
BCEDA

Strategic Timeline

Project mobilization: year 2 (1 year lag)
Progress review: end of year 5
Operating completion: end of year 6

FORWARD BAY COUNTY

Strategy

ENCOURAGE A SHIFT IN FOCUS FROM “SOFT” COURSES TO TECHNICAL EDUCATION

Priority

LEVEL TWO (MODERATE)

Resources

PERSONNEL, TIME

Strategic Objective

Recognizing the need for four-year degree programs in the Bay area, community leaders including the Naval Coastal Systems Center, the Bay County School, Board, Gulf Coast Community College, and Tyndall Air Force Base originally lobbied for the establishment of an institution of higher learning in Bay County. In practice, however, the University of West Florida concentrated on training of elementary teachers and, today, relatively few courses at FSU PC are in challenging technical disciplines. As a result, Bay County sorely lacks the technological base sought by high-tech employers and FSU PC has obtained few research grants.

Closer coordination between Bay County’s economic development objectives and the academic community is recommended. Students should be encouraged to enroll in the more challenging courses at GCCC, obtain an AS or AAS degree, and then complete their studies at FSU PC in such “harder” subjects as computer science, engineering, statistics, or information technology.

Budget

Estimate: \$250,000 per year (personnel & public relations advertising costs)

Staffing Responsibility

Bay District Schools
BCEDA

Strategic Timeline

Project mobilization: year 2 (1 year lag)
Progress review: end of year 5
Operating completion: end of year 6

FORWARD BAY COUNTY

Strategy

CREATE DOCTORATE PROGRAM IN ECE AT FSU-PANAMA CITY

Priority

LEVEL TWO (MODERATE)

Resources

PERSONNEL, TIME

Strategic Objective

A recent visit to the Electrical and Computer Engineering (ECE) school at FSU-Panama City revealed the heated interest in robotics by students there, and the program appeared to be seeking outside support by the commercial sector. Local companies should be polled for their need for high-level computer and engineering candidates and the results offered to FSU staff for proof of need for a more robust research environment as a major driver for technology cluster development.

The Tallahassee campus provides live television link-up to the Panama City facility, but all research laboratories are located at the home campus. Laboratory and research facilities should be provided at the Panama City campus, possibly for shared use by local technology startups. Research and development is the key to attracting and developing technology companies, but without Ph.D. level university support, the mission is all but unachievable.

Budget

Estimate: \$250,000 per year (personnel & university support)

Staffing Responsibility

Florida State University

Florida Agricultural and Military University

BCEDA

Strategic Timeline

Project mobilization: year 2 (1 year lag)

Progress review: end of year 4

Operating completion: end of year 5

FORWARD BAY COUNTY

Strategy

FOLLOW-UP ON VALUE-ADDED EXPANSION OF PILLAR FIRMS

Priority

LEVEL TWO (MODERATE)

Resources

PERSONNEL, TIME

Strategic Objective

Informative materials have been distributed to each of the identified pillar companies outlining specific potentials for expansion of their products or services. While comments on DCG Corplan suggestions were solicited, response has been understandably slow. Internal review by the firm requires considerable time and effort to determine the feasibility of the suggested expansion, as related to the company's business model, its available capital, management capabilities, etc.

Persistent follow-up among the pillar firms, therefore, is essential. For busy executives subject to the pressures of day-to-day operations, planning for expansion may require frequent reminders of its importance.

Budget

Estimate: \$75,000 per year (personnel costs)

Staffing Responsibility

BCEDA

Strategic Timeline

Project mobilization: year 2 (1 year lag)
Progress review: end of year 3
Operating completion: end of year 4

FORWARD BAY COUNTY

Strategy

COORDINATE WORKFORCE TRAINING

Priority

LEVEL TWO (MODERATE)

Resources

PERSONNEL, TIME

Strategic Objective

Successful implementation of the Quick Response Training Initiative (QRT) will depend upon obtaining assistance from GCCC (or another school) with the grant application, program development, and delivery. The state will then reimburse the company for incurred training expenses, including instructor salaries, curriculum development, textbooks, manuals, etc.

Similarly, successful implementation of the Incumbent Worker Training Program (IWT) will require coordination with GCCC (or another school) to prepare the grant application and provide classroom and on-the-job training of existing employees to keep the workforce competitive and re-train employees for new products and services.

Budget

Estimate: \$50,000 per year (university-liaison personnel costs)

Staffing Responsibility

BCEDA

Strategic Timeline

Project mobilization: year 2 (1 year lag)
Progress review: end of year 4
Operating completion: end of year 5

FORWARD BAY COUNTY

Strategy

COORDINATE MANAGEMENT, TECHNICAL, AND MARKETING ASSISTANCE

Priority

LEVEL TWO (MODERATE)

Resources

PERSONNEL, TIME

Strategic Objective

Specific input should be obtained from pillar companies about the management, technical, and marketing assistance needed to implement their value-added expansion. Pertinent QRT, IWT, or other training programs then should be coordinated with FSUPC, GCCC, and other local schools to meet these needs.

The goal should be the facilitation of value-added potentials for these companies involving (1) expansion of their customer base, (2) introduction of changes in their products or services, and/or (3) making changes in their production methods.

Beyond periodic follow-up contact, these interviews should be geared to providing pillar company executives with reliable referrals to marketing, legal, specialty consulting, or other areas of assistance that will help to achieve expansion objectives.

Budget

Estimate: \$100,000 per year (personnel costs)

Staffing Responsibility

BCEDA

Strategic Timeline

Project mobilization:	year 2 (1 year lag)
Progress review:	end of year 4
Operating completion:	end of year 5

FORWARD BAY COUNTY

Strategy

PROMOTE AN UNDERSEA TECHNOLOGY CLUSTER IN BAY COUNTY

Priority

LEVEL TWO (MODERATE)

Resources

PERSONNEL, TIME



Strategic Objective

The presence of the NSA as well as a leading company in this technology, Oceaneering, provides a unique cluster opportunity for Bay County. The Naval Surface Warfare Laboratory should be approached for a list of declassified technology products or innovations that are available for commercial application for underwater technology.

Students at Florida State University's electrical engineering program are already experimenting with land and sea-based robotics. The recreational boat market is prime target for an inexpensive ROV for inspecting vessel bottoms or for other sports uses. Bay County could capture world notice in this area with the proper marketing approach.

The undersea robot, weather tethered, autonomous or hybrid AUV-ROV, represents a tremendous opportunity for technology companies with software, electro-mechanics, electronics, or marine engineering experience. Commercialization of this military technology is already vital to the Gulf Coast oil and gas exploration industry, and may represent an untapped market for the fishing industry as well. A coordinated public relations campaign should be undertaken that highlights the unique contribution Bay County offers to this exciting new industry cluster.

Budget

Estimate: \$375,000 per year (personnel & public relations advertising costs)

Staffing Responsibility

BCEDA

Strategic Timeline

Project mobilization: year 2 (1 year lag)
Progress review: end of year 5
Operating completion: end of year 6

FORWARD BAY COUNTY

Strategy

PROMOTE THE QUALIFIED DEFENSE CONTRACTOR TAX REFUND (QDC)

Priority

LEVEL THREE (LOW)

Resources

PERSONNEL

Strategic Objective

In 2003, the legislature added QDC refunds for contract and sub-contracts approved by the U.S. Department of Homeland Security.

Local contractors should be informed about this program which can provide refunds as much as \$5,000 per job created or saved through conversion to civilian production, acquisition of new defense or homeland security contracts, or a consolidation that produces more employment. At the state level, requirements for a consolidation tax refund should be liberalized to aid smaller contractors.

Rather than the present minimum of a 25% increase in employment and at least 80 employees, the minimum job gain should be revised to 10% and at least 10 employees. Some of Bay County's pillar companies have already been alerted as to available incentive, but this represents only a starting point in the promotion to local companies.

Budget

Estimate: \$100,000 per year (personnel & publishing costs)

Staffing Responsibility

BCEDA

Strategic Timeline

Project mobilization: year 3 (2 year lag)

Progress review: end of year 4

Operating completion: end of year 5

FORWARD BAY COUNTY

Strategy

SEEK TO EXPAND USE OF QUICK RESPONSE TRAINING INITIATIVE (QRT)

Priority

LEVEL THREE (LOW)

Resources

PERSONNEL

Strategic Objective

Rather than allocate funds directly to a technical center, a community college, or university school, the QRT *reimburses* the company for incurred training expenses, including instructor salaries, curriculum development, textbooks and manuals, and materials and supplies.

Workforce Florida, Inc., the administrator of the QRT, must be approached and encouraged to become more pro-active. It should be providing funds for advance training of residents in skills required by targeted high-tech industries. This training effort could then proceed in tandem with marketing to these prospects, and the availability of a trained workforce would be a significant competitive advantage for attracting high-tech investments to Bay County.

Budget

Estimate: \$125,000 per year (personnel & lobbying costs)

Staffing Responsibility

BCEDA

Strategic Timeline

Project mobilization: year 3 (2 year lag)
Progress review: end of year 4
Operating completion: end of year 5

FORWARD BAY COUNTY

Strategy

DETERMINE THE COST-BENEFIT TO BAY COUNTY OF INCENTIVE DEALS

Priority

LEVEL THREE (LOW)

Resources

PERSONNEL

Strategic Objective

A pragmatic analysis of the cost-benefit to the county will be needed to determine whether the expanding firm should be awarded financial incentives. This is particularly critical for the Qualified Target Industry Tax Refund (QTI) since the state's program requires a 20% local match of the refund. To qualify a firm for a QTI refund of \$3,000 per new employee, Bay County should follow the state program, i.e., at least 10 new jobs and a pay level of 115% of the county's average wage. To qualify for another \$1,000 per new employee, it should pay at least 150% of the average, and to add another \$2,000 per new employee it should pay double the average.

A similar case-by-case approach should determine the cost-benefit to the county of any real estate tax abatements. A structured approach with established cost-benefit ratios should be in place prior to any major public investments.

Budget

Estimate: \$100,000 per year (personnel costs)

Staffing Responsibility

Bay County Commission
BCEDA

Strategic Timeline

Project mobilization: year 3 (2 year lag)
Progress review: end of year 4
Operating completion: end of year 5

FORWARD BAY COUNTY

Strategy

PREPARE PROSPECTUS FOR TARGET INDUSTRIES

Priority

LEVEL THREE (LOW)

Resources

PERSONNEL

Strategic Objective

Marketing reports for each of the seven leading targeted industries should be prepared that illustrate why Bay County is a good “fit” for technology companies. Data developed by DCG Corplan for this study can be readily adapted for use in new marketing documents. The goal should be to familiarize the prospective company with Bay County’s geographic location and quality of life, and then to empirically demonstrate the advantages to the targeted audience of profitably operating a business here. The materials should also feature available incentives and the ongoing efforts of Forward Bay County to facilitate technology development.

The prospectus can be generally broad in basic information, however, each must be designed to reach the target industry, and therefore seven distinct versions should be prepared.

Budget

Estimate: \$150,000 per year (personnel & publishing costs)

Staffing Responsibility

BCEDA

Strategic Timeline

Project mobilization: year 3 (2 year lag)

Progress review: end of year 4

Operating completion: end of year 5

FORWARD BAY COUNTY

Strategy

MEETING NEEDS AT THE PORT

Priority

NON-IMMEDIATE (HIGHER RESOURCE DEMAND)

Resources

FUNDS, PERSONNEL, TIME

Strategic Objective

The Port must be encouraged to complete its south dock expansion and associated dredging. It also requires more property for cargo storage and warehousing and more acreage will be needed accommodate the projected 40,000 TEUs of containerized cargo. Funding should be provided to expand the Industrial Park and the Port must prepare for its projected annual cruise ship volume of 150,000 revenue passengers.

Port Panama City should be actively promoting short sea service along the Gulf Coast. Such short-sea service, already well established in Europe, is being supported by federal regulatory agencies seeking to reduce highway truck traffic and air pollution.

Since rail is available on dock at Port Panama City, consideration also should be given to rail-ferry service similar to the Mobile, AL link with Coatzacoalcos, Mexico. That expanding service features multi-vessel sailings and fast transit time (three days on water).

Budget

Estimate: \$25 million (over 6 years)

Staffing Responsibility

Panama City Port Authority
US Corps of Engineers
Bay County Commission
BCEDA

Strategic Timeline

Project mobilization: year 4 (3 year lag)
Progress review: end of year 7
Operating completion: end of year 10

FORWARD BAY COUNTY

Strategy

IMPLEMENT ST. ANDREWS BAY WATER TAXI

Priority

NON-IMMEDIATE (HIGHER RESOURCE DEMAND)

Resources

FUNDS, PERSONNEL, TIME

Strategic Objective

St. Andrews Bay, with all its beauty and recreational amenities, should also be viewed as a viable transportation resource. For Bay County, an overlooked opportunity exists to implement a water taxi network that can link Panama City with the beach, the Airport(s) and Tyndall AFB.



The development of the water taxi industry will bring jobs and investment to the area and provide continued support for the active boating industry here. Rush hour traffic congestion could be eased somewhat through use of water taxi services, and evening excursions by boat would help to promote bar and restaurant patronage in downtown Panama City, as well as attendance at Marina Civic Center events. A ridership feasibility study should be commissioned, followed by distribution of Requests for Expressions of Interest (RFEI) to water taxi operators. It is assumed that wharfs and other vessel amenities would be required expenses by the County, and not by private operators.

Budget

Estimate: \$750,000 per year (physical infrastructure, marketing)

Staffing Responsibility

Bay County Tourist Development Council
BCEDA

Strategic Timeline

Project mobilization: year 4 (3 year lag)
Progress review: end of year 6
Operating completion: end of year 7

FORWARD BAY COUNTY

Strategy

ATTRACT VENTURE CAPITAL

Priority

NON-IMMEDIATE (HIGHER RESOURCE DEMAND)

Resources

PERSONNEL, TIME

Strategic Objective

Among Florida's 27 identified VC firms, 70% are clustered in the Tampa, Miami, and West Palm Beach metropolitan areas, and none in the Panhandle. A review of the in-state portfolios reveals that venture capital firms tend to focus on smaller firms that can be supervised easily from their local offices.

To foster venture capital funding, therefore, Bay County should seek to attract a branch office of one of these existing venture capital firms. As envisioned, this local full-service business development facility would be manned by licensed professional securities specialists who are experienced in aiding entrepreneurs with business plan preparation, loan documentation, financial modeling, and capital resource assistance.

Budget

Estimate: \$100,000 per year (personnel & recruiting costs)

Staffing Responsibility

BCEDA

Strategic Timeline

Project mobilization: year 4 (3 year lag)

Progress review: end of year 6

Operating completion: end of year 7

FORWARD BAY COUNTY

Strategy

IMPROVE CERTIFIED CAPITAL COMPANY ACT (CAPCO)

Priority

NON-IMMEDIATE (HIGHER RESOURCE DEMAND)

Resources

PERSONNEL, TIME

Strategic Objective

Bay County should encourage the State of Florida to expand the CAPCO model, but only if the program can be improved to eliminate its most objectionable features, as follows:

- Centralize control of CAPCOs in a single state agency
- Eliminate restrictions on size of the portfolio business
- Limit the interest rate paid to insurance companies
- Modify the fund-raising experience prerequisite
- Utilize professional services to select fund advisors and managers
- Monitor the CAPCOs annually Distribute all profit to the state [
- CAPCO funding must result in job creation

Budget

Estimate: \$125,000 per year (marketing & lobbying costs)

Staffing Responsibility

BCEDA

Strategic Timeline

Project mobilization: year 4 (3 year lag)

Progress review: end of year 5

Operating completion: end of year 6

FORWARD BAY COUNTY

Strategy

IMPROVING HIGHWAY ACCESS

Priority

NON-IMMEDIATE (HIGHER RESOURCE DEMAND)

Resources

FUNDS, TIME

Strategic Objective

While U.S. 231 is a four-lane highway, vehicular flow is inhibited by numerous traffic signals. Planning should consider the construction of an express by-pass route (at least within Bay County) and fly-over provisions may be needed at the busiest intersections.

Route 77 should be widened to four lanes for its full length to relieve traffic along U.S.231, to handle the anticipated increase in vehicular volume from the new airport, as well as to provide a needed additional evacuation route to upland areas.

Pressure should be brought before the State DOT to fund these improvements, especially with the new airport still in planning stages. In all likelihood, Bay and Washington Counties will be asked for matching funds.

Budget

Estimate: \$10 million (over 6 years)

Staffing Responsibility

Bay County Commission

Strategic Timeline

Project mobilization: year 4 (3 year lag)

Progress review: end of year 7

Operating completion: end of year 10

FORWARD BAY COUNTY

Strategy

REVIVING RAIL ACCESS

Priority

NON-IMMEDIATE (HIGHER RESOURCE DEMAND)

Resources

FUNDS, TIME

Strategic Objective

During FY 05, Chipley station had a total of 1,424 boardings/alightings. This volume suggests adequate demand exists to support three trains per week on the suspended portion of the Sunset Limited route between Pensacola and Orlando. An alternate carrier such as the Rail Management Corporation (headquartered at Panama City) should be encouraged to revive this passenger service with possible support of the State of Florida, at least for several years until the Sunset Limited route can be rebuilt through hurricane-torn Mississippi.

With a Rt. 77 widening to Chipley, the effort may be accompanied by a parallel study of light rail service from the new airport to the Amtrak station. A feasibility study should be offered that would more closely study potential ridership for both light and heavy rail.

Budget

Estimate: \$150,000 per year (personnel & study costs)

Staffing Responsibility

BCEDA

Bay County Commission

Strategic Timeline

Project mobilization: year 4 (3 year lag)

Operating completion: end of year 5

FORWARD BAY COUNTY

Strategy

PARTICIPATE IN FLORIDA'S ENTERPRISE ZONE PROGRAM

Priority

NON-IMMEDIATE (LOWER RESOURCE DEMAND)

Resources

PERSONNEL

Strategic Objective

While the state currently has 55 enterprise zones (including Pensacola), Bay County and Panama City are not on this roster. The program offers tax refunds of \$6,000 per net new job to a qualified target industry locating in an enterprise zone and significant jobs tax credits against sales taxes and state corporate income taxes, and credits against business equipment sales taxes, business materials sales taxes, property taxes, electric energy, and community contributions. Accordingly, an enterprise zone offers considerable attraction for prospective investors and is well worth the inconvenience of filing claims for these credits.

The Office of Tourism, Trade and Economic Development (OTTED) will be announcing a community application process this year to name one new urban enterprise zone and one new rural enterprise zone. It is anticipated that the application deadline will be December 31, 2006 and Bay County should seriously consider applying for an EZ designation, perhaps oriented to the new airport.

Budget

Estimate: \$75,000 per year (personnel costs)

Staffing Responsibility

BCEDA

Bay County Commission

Strategic Timeline

Project mobilization: year 4 (3 year lag)

Operating completion: end of year 5

FORWARD BAY COUNTY

Strategy

EXPLORE OTHER STATES' UNIQUE INCENTIVES PROGRAMS

Priority

NON-IMMEDIATE (LOWER RESOURCE DEMAND)

Resources

PERSONNEL

Strategic Objective

Since Bay County is reasonably isolated from other technology zones in Florida, the County must be more proactive in developing incentives for high tech promotion and development. Explorations of special programs successfully implemented in other states, could be proposed to the Florida legislature by Bay County leadership, or become stand alone programs administered solely by the County.

Bay County should possible consider copying New Jersey's Technology Business Tax Certificate Transfer program where unprofitable technology businesses can sell their unused Net Operating Loss carryover (NOL) and any unused research and development tax credits to unaffiliated, profitable corporate taxpayers in NJ for up to 75% of the value of the tax benefits.

A study of the "best practices" incentive programs and their potential cost-benefits should be brought before both the BCC and the State legislature.

Budget

Estimate: \$150,000 per year (personnel & study costs)

Staffing Responsibility

BCEDA

Strategic Timeline

Project mobilization: year 4 (3 year lag)

Operating completion: end of year 5

FORWARD BAY COUNTY

Strategy

IMPROVE TRUCKING SERVICES

Priority

NON-IMMEDIATE (LOWER RESOURCE DEMAND)

Resources

PERSONNEL

Strategic Objective

In order to complete more effectively with other Gulf Coast cities, Bay County should obtain commitments from motor carriers to extend their service to the Panama City-Lynn Haven MSA in support of the targeted high-tech industries. A positive response toward capturing market share can be anticipated from carriers as the volume of business expands.

The potential development of an intermodal port on a greenfield site north of Panama City should be explored with interested carriers, especially if air cargo and intensified business shipments will occur as a result of the new airport.

Budget

Estimate: \$75,000 per year (personnel costs)

Staffing Responsibility

BCEDA

Strategic Timeline

Project mobilization: year 4 (3 year lag)

Operating completion: end of year 5

FORWARD BAY COUNTY

Strategy

PREPARE TENTATIVE “ROAD FUND” APPLICATIONS

Priority

NON-IMMEDIATE (LOWER RESOURCE DEMAND)

Resources

PERSONNEL

Strategic Objective

Commonly known as the “Road Fund,” this program is an incentive tool designed to alleviate transportation problems that adversely impact a specific company’s location or expansion decision. These grants are limited to \$2 million and are awarded by the state to the local government (not to the business) for public transportation facility improvements.

Only limited grants are available to local governments through the state’s Economic Development Transportation Fund. Accordingly, preliminary surveys among pillar firms should be conducted to determine their potential need for roads, rail siding, or other infrastructure improvements to support expansion projects. Then, tentative “road fund” applications should be prepared for early filing with the state.

Budget

Estimate: \$100,000 per year (personnel & survey costs)

Staffing Responsibility

BCEDA

Strategic Timeline

Project mobilization: year 4 (3 year lag)

Progress review: end of year 5

Operating completion: end of year 6