



# 2010 Annual Report to Okaloosa County Government

## Okaloosa County, Florida



LEADING TECHNOLOGY

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Economic Development Council  
of Okaloosa County, Florida

[www.florida-edc.org](http://www.florida-edc.org)

## Economic Development Council serving Okaloosa County

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In accordance with Section 125.045, Florida Statutes, the Economic Development Council (EDC) serving Okaloosa County is engaged in economic development activities on behalf of the Okaloosa County governing body. The EDC is a non-profit public-private partnership committed to the continued growth and diversification of the local economy. The EDC's efforts are directed in 3 main areas: 1) existing industry diversification, retention & expansion, 2) development of a technically-skilled and available workforce and 3) existing industry diversification along with recruitment of targeted industries to help diversify and strengthen the economy.

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Economic Development Council  
of Okaloosa County, Florida



January 5, 2011

Mr. Jim Curry  
Okaloosa County Administrator  
1804 Lewis Turner Boulevard – Suite 400  
Fort Walton Beach, FL 32547

Re. Economic Development Council Annual Activities Report

Dear Jim:

The Economic Development Council (EDC) serving Okaloosa County, Florida has prepared the following annual activities report highlighting our marketing efforts to provide assistance to the local governments and the business community throughout the greater Okaloosa County area. In accordance with Section 125.045(4), Florida Statute, the EDC is submitting this report as it is engaged in economic development activities on behalf of Okaloosa County, Florida. This report to the governing body of Okaloosa County details how county funds were spent and the results of the EDC's efforts on behalf of Okaloosa County.

The EDC report covers a full calendar year (2010) of business activities and marketing programs. Each program has distinct goals, but all EDC programs work together to provide assistance to new and expanding businesses and the local governments that support the business communities.

The EDC Executive Board and the staff of the EDC are proud to present this comprehensive report to our County Partner and remain available to answer any questions you may have regarding the activities as outlined in this report.

Sincerely,

Larry J. Sassano  
President, EDC  
EDC serving Okaloosa County, FL

## Income and Expenses

Amount of Funds received from Local Government – Okaloosa County

- 2010- 2011     \$139,968

Amount of Funds received from Private Investors

- 2010-2011     \$166,205

Administrative Costs of the EDO

- |                              |                                       |
|------------------------------|---------------------------------------|
| ○ Salaries \$127,322         | ○ Rent \$4,800                        |
| ○ Commission \$8,020         | ○ Telecommunications \$5,175          |
| ○ Payroll Tax \$11,504       | ○ Mobile Phones \$2,700               |
| ○ EE Insurance \$26,000      | ○ Equipment Lease/Maintenance \$9,880 |
| ○ Banking/Accounting \$5,806 | ○ Postage \$720                       |
| ○ Auto Allowance \$4,800     | ○ Office Supplies \$3,540             |
| ○ Company Insurance \$3,600  |                                       |

## Business Assistance

In 2010, the EDC provided assistance to over 1,331 businesses that required customized assistance, general assistance or financial assistance. The largest category for assistance is in the “General Assistance” field (87.6%) due to the high number of phone and electronic inquiries received on a daily basis.

### Customized Assistance

Customized assistance is largely directed at start-ups, expanding and new businesses seeking specialized information that allows them to better evaluate their market potential and available local, state and federal business assistance programs. The EDC assisted 82 companies through projects, job training and technical assistance.

In 2010, the EDC had 38 active projects in various stages of development for Okaloosa County. The EDC conducted 14 site tours with new and expanding businesses throughout the Okaloosa County area. Site tours allow businesses to physically tour potential business buildings and sites based on the criteria they provide to the EDC staff. In order to properly conduct each site visit, the EDC must maintain current comprehensive data on all available buildings and sites in the Okaloosa County area. The EDC coordinates this data with commercial realtors and property owners to assure that the prospect receives accurate information to allow them to properly evaluate each site.

Permitting and licensing assistance is coordinated with the Planning and Growth Management Departments of the county and each municipality. State permitting issues are also coordinated with State Permitting agencies.

All job training programs are worked collectively with the Region II Workforce Development Board of Okaloosa and Walton Counties of which the EDC serves as a board member. Partnering with the local workforce board and the state assures the businesses are receiving the full attention they need for their planned workforce expansion. The EDC collaborates with its university and college partners on identifying and implementing customized training needs requested for the businesses it is assisting.

Incentives education is a large part of the EDC’s business assistance activities. Sitting across from start-up firms, existing firms, and new firms considering an Okaloosa County business location is critical to educating what programs may be available to help assist a business to grow locally. The EDC coordinates incentive education

assistance with Enterprise Florida, the Office of Tourism, Trade and Economic Development (OTTED), the Workforce Development Board, Small Business Development Center, the University of West Florida, Northwest Florida State College, the University of Florida – Research and Engineering Education Facility and Troy University. The EDC also coordinates with federal agencies such as the US Department of Commerce and the Economic Development Administration (EDA),

This past year, the EDC provided business technical assistance to include the following:

- Completing local, state and federal programs and incentive applications.
- Partnering businesses to do business with each other linking technical capabilities.
- Providing training initiatives that will fulfill the anticipated workforce needs of a highly skilled portion of the Okaloosa market.
- Technical assistance to the public sector members involving the impacts created by new and expanding businesses so they can evaluate their potential benefit to the local community (This often includes a cost/benefit analysis).

## **General Assistance**

### **Demographics and Market Research**

The EDC is contacted on a daily basis via e-mail, phone calls and website inquiries regarding statistics for Okaloosa County and city specific data. Inquiries range from consultants, business investors, residents and government officials. We maintain the ability to obtain data from our onsite Gulf Power Resource Room, the UWF Haas Center, government agencies, and confidential surveys initiated by the EDC as well as maintaining other resources available to EDO's. In 2010, the EDC responded to over 900 general assistance inquiries for research or report-building.

Information inquires received were from out-of-state potential new business, existing local businesses, consulting firms and residents. The requests often range from general statistics and information regarding unemployment, housing market data, sales tax revenue, sales figures, growth rate, population statistics for county and municipalities, commercial statistics, construction statistics, tourism information, bed tax information, economic impact studies, lease rates, labor force and wage information and statistics, household income, military statistics, list of corporations, in depth surveys, Enterprise Zone verification, traffic counts on major roads, cost of living data, BRAC statistics, contact information for businesses, crime statistics, school information, religion, out of country requests, grant info, top ten employers list, hospital information, and maps and brochures.

### **Workforce Assistance**

The EDC conducted over 100 business interviews with local industries involved in Aviation, Aerospace and Defense, Information Technology, Life Sciences, and Construction. The interviews helped identify workforce issues these local businesses were experiencing. The results of each interview were shared with the Workforce Development Board staff members and programs were implemented in all cases to assist the businesses with recruitment, screening and placement of new employees.

Each new or expanding firm that the EDC worked with received assistance with their workforce needs through this process. Since the availability of qualified workers is the number-one priority for new and expanding businesses, the EDC has placed more emphasis on providing this specialized assistance to its business community.

### **Strategic Planning Assistance**

In 2010, the EDC established a new incubator facility, the Innovation Center, on the University of West Florida's Combs Campus in Fort Walton Beach. The entrepreneurial firms located in the Innovation Center required

specialized strategic planning assistance that was provided by the EDC and its partners. The EDC Innovation Center Advisory Board is composed of local business leaders, institutional leaders and successful entrepreneurs. The board is available to provide strategic planning assistance to firms located within the Innovation Center.

### **Technology Coast Manufacturing & Engineering Network (TeCMEN)**

The EDC is committed to retaining and expanding its manufacturing and engineering related industries, excelling them in the competitive global marketplace, and maintaining a technologically skilled workforce to support continual growth. The EDC meets monthly with its manufacturing and engineering firms (42 companies) comprising what is known as TeCMEN to offer strategic planning coordination to the small business community in the form of mentoring programs. This program continues into 2011 as a very successful business assistance program. The objective of TeCMEN is to allow EDC-member technology, manufacturing, engineering and defense related companies to gain access to larger projects by partnering and teaming. Using a collaborative concept, these companies join together to compete for and complete both defense-contracting and other substantial business opportunities that are too expansive for a single business to undertake.

TeCMEN member companies represent every major manufacturing and engineering discipline required to support requirements of both the military missions and the civilian community including: aerospace & aviation; information technology; micro-electronics; biometric technology and precision machining and metal fabrication. TeCMEN's unique dynamics allow its members to form defense contractor-teaming arrangements that offer the best combination of price, performance, and delivery for the defense system or product being acquired. The TeCMEN members often partner and team together to compete for contracts that utilize mutual capabilities.

### **Defense Support Initiative**

The Economic Development Council of Okaloosa County (EDC) originated the Defense Support Initiative in 1991 to focus on supporting and maintaining our local military installations and their existing missions. The EDC, through its Defense Support Initiative Committee, is recognized by the State of Florida as the official representative and lead agency in the Okaloosa County area for base-community initiatives. The mission of the DSI is to support and promote the local military installations and their positive economic contributions to the tri-county area while nurturing the relationships with the civilian communities that house them.

The presence of the multi-service military units at Eglin results in a greater density of technology-based and defense-contracting firms creating industry clusters. These military installations provide a direct economic impact and an indirect impact with a ripple effect of military spending. Seven of the ten largest defense contractors in the State of Florida have a presence in Okaloosa County. An industry cluster of these targeted businesses catering to the local military installations has developed over the years. These businesses, of which there are approximately 300 in Okaloosa, work with local suppliers to obtain the goods and services necessary to meet the needs of the military; creating jobs and sustaining the economy. The EDC's DSI supports and advocates for the aviation, aerospace, technology, engineering, manufacturing and defense contract companies in the tri-county area.

### **Financial Assistance**

Financial assistance is provided by the EDC to small and large businesses through its partnering network with Enterprise Florida, the Office of Tourism, Trade and Economic Development (OTTED), the Workforce Development Board, the University of West Florida, Northwest Florida State College, the University of Florida REEF, Okaloosa County, the 9 municipalities in Okaloosa County, and the business community that the EDC serves.

The EDC was proactive in coordinating several financial assistance programs to assist the business community. One program that the EDC provided was the Emergency Bridge Loan Program. Due to the economic damage that was brought on by the Deep Water Horizon oil spill the state of Florida instituted the Emergency Bridge Loan Program on June 7, 2010. This loan program was provided by the state of Florida to provide Florida small businesses with no-interest loans to bridge the gap between the economic injury caused by the oil spill and a

business's receipt of longer term assistance such as BP claim payments, federal disaster or insurance proceeds. These short term (12 month maximum) loans are applied for and reviewed by a local committee. In most cases, once approved the funds are available within a number of days. The EDC in alliance with the UWF Small Business Development Center, and the local banking community coordinated weekly loan review and distribution meetings from June 14, 2010 through November 3, 2010 to provide those small businesses seeking assistance quick action. By programs end, \$1,087,500 dollars had been distributed to 47 different companies in Okaloosa County.

### **SBA Programs**

The EDC also coordinated with the local bankers in linking local small businesses to the Small Business Administration 504 and 7a programs. These programs helped businesses find available, low- interest loans to expand their local businesses. The EDC worked with its network of financial institutions to stay current on the federal changes made to these two matching loan programs.

### **IT Academy**

The IT Academy is a partnership between the University of West Florida (UWF) and the EDC that utilizes the TeCMEN aerospace cluster and UWF training solutions. The EDC's TeCMEN group, in partnership with UWF and the Workforce Development Board (WFDB) secured grants to provide advanced training to its TeCMEN members at no cost. The courses were customized based on their needs to expand the capabilities of their workforce.

The following training programs have been provided:

- Program Management Class 1                      Course Value = \$2,200 per student
- Program Management Class 2                      Course Value = \$2,200 per student
- CMMI    Course Value = \$800 per student
- Negotiations    Course Value = \$490 per student
- Supervisory Skills 1                                      Course Value = \$1,000 per student
- Supervisory Skills 2                                      Course Value = \$400 per student

A total of 92 employees from TeCMEN company firms received certifications for completing these five courses. The total overall cost saving to TeCMEN firms for the five classes/workshops equates to \$146,900.

The EDC recognizes the value of these training programs and is currently pursuing additional grants to train more local firms' employees, at no cost.

### **Economic Development Transportation Fund Grant (EDTF)**

The EDC coordinated two state grants for local expanding businesses. The Economic Development Transportation Fund Grant was successfully used to retain 60 high wage aviation/aerospace jobs and help create 160 new aviation/aerospace jobs in Okaloosa County.

The total amount of 2010 grant funds approved equaled \$1,976,696.00. This was a partnering effort between the county, the EDC and Enterprise Florida.

## **Forums and Workshops**

### **Roundtable Breakfast Symposiums**

The EDC hosts breakfast meetings for its member companies and community to provide them an opportunity to hear from renowned business leaders who discuss economic development issues that impact our local, regional and state economies. On June 2, 2010, the EDC hosted Economic Growth: The BRAC Factor which provided a current status and projection for what is occurring in the Okaloosa County area as a result of the 2005 BRAC decisions. The panelists for this event included leadership from Eglin 33<sup>rd</sup> Fighter Wing, Army 7<sup>th</sup> Special Forces,

Lockheed Martin (F-35), and an economic update provided by Dr. Rick Harper. This event brought over 210 business and community leaders together.

### **EDC Bankers Dinner**

The EDC continues its commitments to the retention and expansion of our existing businesses. A meeting of our banking industry members met in April 2010 in an effort to leverage local resources. The purpose of this meeting was to discuss issues and opportunities for taking our community beyond the current economic boundaries. Some of the action items decided upon by this group were to set up a bank capabilities sheets to allow the EDC to promote each institution's focus in working with business entities, to pursue a bank consortium to assist business prospects with unique "local business incentives" to draw them to our area, and to participate in a defense contracting seminar to draw awareness and understanding of this sector's financial needs. It was decided by the group that these steps would create a win-win in our community by stimulating business and to provide bankers with new business opportunities.

### **iTen Wired**

iTen Wired is a regional partner network initiated by the Pensacola Bay Area Chamber of Commerce in concert with its regional economic development partners in Mobile, Baldwin, Santa Rosa and Okaloosa counties. The primary goal of iTen Wired for the region is to remain competitive in the global economy by embracing the innovation of entrepreneurs. The goals of iTen Wired are to showcase the region's technology entrepreneurs, identify success stories across the region, connect entrepreneurs to resources and assets that can help grow their businesses, and connect entrepreneurs, researchers, universities, investors and military innovations. Three summits are hosted throughout the calendar year to bring the economic development partners, support partners, and entrepreneurs together to dialogue about issues on technology transfer, capital formation, and entrepreneurship and to share best practices and ideas to enhance the current efforts.

The Economic Development Council serving Okaloosa County and the Pensacola Bay Area Chamber of Commerce co-hosted the 7<sup>th</sup> Annual iTen Wired Summit on December 9-10, 2010 in Destin, Florida. The theme for this iTen Wired Summit was centered on "Entrepreneurial Strategies for the New Economy" and identified strategies that foster and promote entrepreneurial activity as a growing trend for many regions. iTen Wired summits are aimed to educate, create awareness and build partnerships that support Innovation, Technology and Entrepreneurs across our 5-county region.

The December 2010 summit featured keynote speakers Dr. David Goetsch and Bill Payne, Northwest Florida and Southeastern Alabama companies on the Inc 500 | 5000 companies list, representatives from the education institutions and local entrepreneurs. The afternoon sessions allowed for participants to meet four regional tech organization leaders and representatives of several high growth entrepreneurial resources. Panel topics included: Fostering entrepreneurial activity through technology transfer; Featuring Inc 5000 growth strategies for entrepreneurs; Supporting access to capital for business growth; Targeting key industries and innovation initiatives for regional economic growth; and accelerating a technology friendly environment.

### **Northwest Florida Defense Coalition**

The EDC's DSI functions as the lead organizer for the five-county Northwest Florida Defense Coalition Washington DC delegation. Approximately 55 key business and community leaders participate in this regional military support mission. The fly-in consists of a two-day itinerary with respective Congressional Delegation and Pentagon leaders. The delegation is hosted Wednesday by Congressmen Miller and Boyd at the Capital Visitor Center and includes a Congressional Reception for delegation participants, military leaders and Congressional delegates to interface. An all day Pentagon Session is conducted Thursday. Shared community concerns include the Joint Gulf Range, air space, transportation and energy. The DSI composes a talking point-paper for our Congressional Delegation and Pentagon leaders addressing community concerns.

### **BRAC Growth Management for the Tri-County Area**

The 2005 BRAC decisions will result in growth encompassing the Army's cantonment development and bed down of their 7<sup>th</sup> Special Forces Group (Airborne) and the Air Force's Initial Training Center for the Joint Strike Fighter. The 7SFG realignment will infuse 200 soldiers into the area by December 2010, and 2,000 between April and September 2011. Additionally, the JSFITC with 59 aircraft will support 1,563 personnel and their families by 2016. The first JSF is expected to arrive at Eglin by early 2011. With a total population growth of 9,800, compatible use of land, sea, and airspace as well as the growing needs of transportation, housing, education, and utilities are but a few of the challenges the military installations and our communities are facing.

The EDC and DSI support the Okaloosa Board of County Commissioners' tri-county Joint Land Use Study, and their tri-county Growth Management Plan. The EDC and DSI continue their involvement in the regional Gulf Range Airspace Strategic Initiative addressing the regional airspace issues and concerns. The 2010 Deepwater Horizon tragedy has heightened critical attention to the Gulf range.

### **Retention of T&E**

The Air Force continues attempts at out-of-state relocation and/or restructuring of the Test & Evaluation organizations (46<sup>th</sup> Test Wing). Some of their options would result in movement of high tech, core missions out of Eglin; as well as the supporting defense contractors. The EDC through its DSI, remains committed in supporting and advocating for the retention of T&E missions at the Eglin Complex.

### **Gulf Coast Aerospace and Defense Coalition**

The EDC has joined alliance with the economic development organizations of Santa Rosa and Escambia to maintain and promote the Gulf Coast Aerospace and Defense Coalition which focused on retaining the existing multi-services defense/aerospace industries. The aerospace assets of the Gulf Coast are promoted to enhance relationships with domestic and international aerospace and defense companies.

### **Retain and Enhance Technology**

Retention of current defense contractors and their high-skill high-wage jobs remains a focus and primary objective of the EDC. The EDC sponsors the Technology Manufacturing and Engineering Network (TeCMEN) in order to accomplish this goal in supporting the targeted industries of aviation-aerospace, technology transfer, information technology and software development. These TeCMEN companies assist our military installations and their missions.

### **Capital Investment of Businesses Assisted**

This past year, the EDC assisted over 1,331 companies either currently located in the county or considering an Okaloosa County location. The EDC tracks each new or expanding company it assists and the capital investments projected by company officials.

In 2010, the EDC assisted 12 companies who made an estimated \$27,985,000 capital investment into the area in manpower, machinery and equipment, and physical buildings or land acquisitions.

### **Foreign Investment of Businesses Assisted**

A few of the firms who made investments in the county and who were assisted by the EDC are foreign owned (BAE Systems) but have been listed under the general heading above of "Capital Investment of Businesses" due to the fact that their US Divisions were responsible for the investments.

### **New Jobs Created**

New and expanding firms to the Okaloosa County area created an estimated 520 new direct jobs (also full time) as a result of assistance provided to them through the EDC office.

### **Retained Jobs**

An additional 205 full-time positions were retained by local businesses who received assistance from the EDC office. All retained jobs are on-going.

## **Incentives**

### **Economic Development Transportation Fund Grants (EDTF)**

- Two grants approved – Total of \$1,976,696
  - \$92,000 – Existing Aviation Company
  - \$1,884,696 – Existing Aviation Company

### **Local Government Contribution - Ad Valorem Tax Abatement**

- \$75,847 Local Option Tax Abatement approved by the County for North Okaloosa Medical Center
- \$123,762 Local Option Tax Abatement approved by the County for DRS Training & Control Systems

### **Qualified Defense Space Contractor Refund (QDSC)**

The EDC assisted one of its major defense contractor businesses with a QDSC application that was approved by the county and the State of Florida. This program will provide \$1,056,000 in tax refunds from the State of Florida over a 5 year period.

### **Brownfield Redevelopment Bonus**

Three businesses located in the Fort Walton Beach Brownfield Redevelopment area have received state approval for Brownfield benefits. The EDC coordinated the applications and municipal resolutions with the City of Fort Walton Beach. The EDC does not have available the dollar amount in incentives provided by the state to each of the three companies.

### **Qualified Target Industry Tax Refund Program (QTI)**

The EDC assisted one of its major defense contractors with a QTI application that was successfully approved by the county and the State of Florida. This program will provide \$1,274,260 in tax refunds from the State of Florida over a 10 year period.

### **Enterprise Zone #4601 – Okaloosa/Crestview Enterprise Zone**

- Jobs Tax Credit (Sales Tax)
- Sales Tax Exemption for Electrical Energy Used
- Jobs Tax Credit (Corporate Income Tax)
- Property Tax Credit (Corporate Income Tax)
- Business Equipment Sales Tax Refund
- Building Materials Sales Tax Refund

Eleven of the 13 companies located in the Okaloosa/Crestview Enterprise Zone received assistance from the EDC in qualifying for the above listed Enterprise Zone business incentives. The EDC worked with each of these firms to review and approve their applications before being sent to the State of Florida for formal approval. The actual total amount of incentives approved by the State of Florida cannot be verified as it is confidential information between the Department of Revenue and the business that filed the application.

The EDC is required to submit quarterly and annual activity reports for Enterprise Zone #4601 to the Office of Tourism and Trade and Economic Development. In 2010, the EDC reported increased new business creation by 2%; Increased new job growth by 81 new full time positions; Increased private investment by 5%; Increased public

awareness of the zone locally, regionally and nationally, and assisted 144 businesses seeking information about EZ #4601.

In addition, the EDC also assisted companies located in the Enterprise Zone receive \$35,000 for Local Option Economic Development Property Tax Exemption, \$92,000 for Economic Development Transportation Fund, and \$1,884,696 for Economic Development Transportation Fund.

## **Additional Activities Resulting in Economic Benefits**

### **Governor's Business Diversification Awards Program**

Each September the EDC hosts a recognition program for leading local businesses that have impacted the local and state economies through their investments, job creation and civic contributions. The EDC recognizes industries in the Aviation/Aerospace, Homeland Security/Defense, Information Technology, life sciences, clean energy and manufacturing fields.

### **EDC Innovation Center**

The EDC assisted new/start-up firms through its new incubator facility, the Innovation Center. The EDC with its partners, the University of West Florida, provided physical space and support services to two technical start-up firms. Their future growth potential is strong and will continue to create economic benefits to the local government.

### **Phase 0 Program – SBIR/STTR**

The EDC is a partner with Enterprise Florida in promoting the Phase 0 Pilot Program that helps local companies increase their chances of submitting a successful Small Business Innovation Research (SBIR) or Small Business Technology Transfer (STTR) proposal for federal research and development funds. This assistance program helps new and start-up businesses to the next stage of growth and development.

### **Trade Shows**

The EDC attends the major aviation/aerospace/defense shows as a way of generating new targeted industry growth for the local area. The EDC partners with the county airports office, the regional economic development organization, Florida's Great Northwest, and the State of Florida – Enterprise Florida, to help generate new investments into the local economy. The EDC represented Okaloosa County businesses at the Farnborough Air Show, Paris Air Show, the National Business Aviation Association (NBAA) show and the MRO Show. These shows represent the largest aviation shows in the world and have provided continuous economic benefit to the local government through the investments that have been made by existing and new businesses to the area.