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How to Prepare an Economic Development Action Plan for Your Community

Case Study 2: Burb County, Florida

Prepared by

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Case Study 2.

BURB COUNTY, FLORIDA

Burb County, Florida faces some serious challenges related to economic development and needs an action plan to guide it into the 21st century. Burb has one of the fastest growing residential communities in Florida. Its population increase has averaged 2.7% each of the past five years and this growth rate is projected to decrease only slightly during the next five years. By comparison, Florida's average population growth over the same time span has averaged 1.8%. The current population of Burb County is estimated at 968,885 persons. The county's current employment-to-population ratio is about 0.555.

It costs the county approximately \$100,000 per single-family residential unit to expand public infrastructure to support the residential growth. (The costs of infrastructure for multi-family units and agricultural property are subsumed within the average figure of \$100,000.) The prevailing belief among the county's leadership is that additional revenue sources – other than property taxes – must be developed to support new growth.

A recent article in the *Burb County Blurp*, one of the county's two daily newspapers, relates how class sizes at public schools were juggled and teacher raises postponed to keep the School Board's budget in line. The elected School Board will face some even more agonizing decisions next year when the new Riverside High School is scheduled to open. Burb must address the issues of maintaining a balanced tax base to support its burgeoning population, as well as address the increasing competition for economic development resources, both locally and regionally.

Burb is fortunate to be located along the Silicon Interstate, which is believed to be a hot bed of high-tech economic opportunities. Nine other counties are also located along Silicon Interstate; five years ago six of the nine counties – including Burb – formed a regional economic development alliance, which is called the Western Consortium (WC). Burb's population is approximately 25% of the WC's total population. Burb County appears to be well positioned to meet future economic development challenges.

Three high-tech firms have selected sites, which are adjacent to planned high-tech research parks, in the WC. If they move into these sites, total planned capital investment is \$8 billion and about 6,200 new jobs will be created. Local businesses that could supply these high-tech firms have projected increased output valued at several billion more dollars.

There are four incorporated cities within Burb County. The cities, from largest to smallest by population, are Stanford, Fremont, Burb (the county seat), and Kingsville.

The following is a list of the major private sector employers in Burb County.

<u>Company (Headquarters)</u>	<u>Location</u>	<u>Product</u>	<u>SIC</u>	<u>Employees</u>
GEICO Corp. (Wash. D.C.)	Stanford	Insurance-Regional Headquarters	6331	1,700
		Insurance-print/mail center	6331	110
		Insurance-computer center	6331	50
CVS (RI)	Burb	Pharmaceuticals	5331	450
Capital One (VA)	Stanford	Bank-credit card operation	6022	398
GM Powertrain (MI)	Burb	Mfg. torque converter clutches	3714	314
Bookcrafters (local)	Burb	Book binding	2731	300
Diversified Mailing Services (CA)	Burb	Direct Mail	7331	250
Intuit (CA)	Stanford	Computer software, financial	7389	200
Unique Binders (local)	Burb	US postage stamp finishing	2796	150
Simmons Bedding Co. (NC)	Burb	Bedding, mattresses	2575	130
Kaeser Compressors (Germany)	Burb	Air compressors	3563	125
Insteel Inc. (NC)	Fremont	High carbon steel wire	3861	87
Walter Grinders (Germany)	Burb	Cutting and machine tools	3542	80
Greenhost, Inc. (local)	Kingsville	Greenhouse for floral products	0181	70
Dongsung America, Inc. (Korea)	Stanford	Photoconductive drums	3674	65
Western Power & Light (local)	Kingsville	Electric power generation	4911	60
Mapei Corp. (Italy)	Stanford	Surface preparation, floors	3253	40
Waste & Recycle, Inc. (local)	Kingsville	Landfill	4953	35
Sunshine Assembly & Design (local)	Burb	Electrical apparatus & equipment	7379	27
Vulcan Materials Co. (local)	Fremont	Crushed stone	1423	26
Life Care Medical Transports (local)	Stanford	Medical transportation services	4119	25
Shaw Industries (GA)	Burb	Carpet distribution center	5023	25
Jim Carpenter Co. (VA)	Burb	Building products	5251	24
Harkness Screens, Inc. (UK)	Fremont	Screens, projection	3861	20
Bowman Containers (local)	Burb	Bottle manufacturer	5182	10

The biggest private employer in Burb County is GEICO Insurance Corp. that employs over 1,800 workers. GEICO has one of its nine Regional Headquarters in Stanford as well as operating a print/mail center and a computer center in that city.

Capital One, a bank holding corporation headquartered in northern Virginia, operates a call center in Stanford. The call center supports the bank's credit card operations and employs 398 people.

Simmons Bedding Co. operates a manufacturing plant located along Silicon Interstate. The plant employs 130 people including its manager, Tom Saladin. Simmons' corporate headquarters is in North Carolina and the firm has 17 plants around the nation. The Burb County plant ships 10,000 mattress each day by truck from its plant.

The Lester Group runs a builders' supply store and light manufacturing facility. George Lester, president and CEO, cited the "helpful and supportive" county officials for choosing Burb over several other proposed locations. Chris Kaila of the WC stated that Lester is a company of the type and caliber that the WC was looking for, and that the WC will continue to recruit attractive businesses aggressively. The Burb County government pitched in to help by offering the Lester group an interest-free loan and by accelerating the permitting and application process

needed to open the facility. The Lester group has announced plans for a \$7 million expansion such that the facility will eventually have 125 workers. The Jim Carpenter Company is a subsidiary of the Lester group.

Unique Binders is a family-owned and operated company. Sandy Lane, the plant manager, along with her father and company founder, Dick Lane, is a life-long Burb County resident. Unique Binders packages postage stamps that are then sold through vending machines. Despite e-mail, faxes, and the Internet, the postage stamp packaging business has been growing at a steady 3% per year. Unique Binders employs 150 people.

The Consular Suites Hotel chain runs a 5-story, 85-unit facility in Stanford designed to cater to business travelers. Other hoteliers located in Burb County include Sheraton, Holiday Inn, Holiday Inn Express and Howard Johnson. All local hotels are easily accessible from the Silicon Interstate.

A survey commissioned by the WC found that 74% of the region’s workforce who must commute to work travel 25 minutes or more each way. The survey also found that 39% of the county’s workforce travel to another county for their jobs, while only 5% of jobs in Burb County are filled by workers who commute to Burb from another county. The following commuter patterns were noted by city workforces: 61% of Kingsville residents commute to work outside that city, 17% commute out of the city of Burb, 23% out of Stanford, and 44% out of Fremont.

The WC labor market is extremely diversified and strong. The supply, quality, and cost of labor are very competitive in comparison with other metropolitan areas around the nation. Many county officials believe that a significant pool of talent exists in the region despite what the low unemployment rate would seem to imply. The region’s unemployment rate has been below the state’s 4.1% level for the past three years. Burb County’s rate has been slightly above the regional level, but consistently below the state level.

The distribution of Burb County jobs by industry is given in the following table.

<u>SIC code</u>	<u>Industry</u>	<u>Percent of Jobs</u>
0	Agriculture, forestry, and fisheries	2.11%
1	Mining and construction	4.93%
2 & 3	Manufacturing	6.75%
4	Transportation, communication, and utilities	6.43%
5	Trade	22.66%
6	Finance, insurance and real estate	8.20%
7 & 8	Services	44.27%
9	Public administration	4.66%

Vocational training and academic education are available through Burb Community College. (Some vocational training is also available to adults at the county’s high schools.) The community college has its main campus in Burb and a satellite campus in Stanford. The community college reported a 16.5% increase in FTE (full-time equivalent students) last year compared to a 4% growth rate for the remaining community colleges throughout Florida. Much of the recent growth can be attributed to the opening of the college’s Stanford campus in August

1998.

Washington College, located in Fremont, is consistently ranked as one of the top undergraduate liberal arts colleges in the nation. The college awards about 300 bachelor's degrees every year. Washington also offers continuing education and graduate programs in engineering and business. The college is active in regional economic development efforts and operates a Small Business Development Center (SBDC) as well.

One of the ten universities of the State University System (SUS) is located in a county adjacent to Burb County.

A very aggressive school-building program has been undertaken in Burb County in order to meet projected needs of a rapidly growing population. Last year the county's public school enrollment was 156,580 students including pre-kindergarten and there were 842 high school graduates. The Florida Department of Education statistics reflect that 62% of Burb County high school graduates go on to post-secondary educational opportunities. The county also has a separate vocational high school. The county's annual expenditure per pupil is \$7,652 and the pupil-teacher ratio is 22:1 on average for K through 12. The WC's strategic economic development plan emphasizes the role education plays in attracting new businesses.

Shannon Airport, a general aviation facility in Burb County, is located two miles south of Fremont. The airport provides charter, corporate and commuter services (daily to Tallahassee and Miami). The airport has a 3,000 foot paved runway and FAA approved lighting. In addition, the WC's regional airport, in an adjacent county and about 60 miles from Fremont, handles domestic and international passenger and air freight services. The regional airport averages 75,000 takeoffs and landings annually.

Burb's Board of County Commissioners has indicated in debate on various issues that their consensus is that with few sources of tax revenue other than property taxes, they cannot provide the additional infrastructure needed to sustain residential development at the past 5-year level of growth. One percent of a 5% retail sales tax is returned to the county from the state. The Commissioners feel that Burb must increase exported product and residents' income/local spending. They also view tourism as a desirable economic development objective for increasing the county's revenue. Furthermore, although there is no current research on the topic, the Commissioners believe that the county loses significant sales tax revenue because of residents commuting to jobs outside Burb County. They purchase meals at restaurants and go shopping while at their commuting destinations. However, because the area is already saturated with retail jobs, the Commissioners think that the county's economic development action plan must emphasize other sources of employment. They believe that both target markets and desired industries must be addressed in the plan. The Commissioners have suggested the "logical" progression for business recruitment: direct mail and telemarketing, follow-up programs, visits to target industries, attendance at trade shows, and networking via trade associations and local businesses.

County government has included an Economic Development Department for many years. However, the county's economic development action plan is out-of-date. The existing plan was

formulated about eight years ago and long before the residential growth spurt in the county. The Director of the Economic Development Department feels that a new strategic plan should be prepared to position the county to be one of the most desirable areas in the Southeastern U.S. for business to either expand or relocate. As an ED professional within the Economic Development Department, you have been asked to take the lead in the process for producing a new plan for the county.

The Director wants a 5-year plan that will act as a road map in developing future business growth, expansions, and relocations. He was quoted in the *Blurb*, “We want business development that both the public and private sectors perceive as the kind the county needs to encourage.” The Director wants new businesses that preserve Burb County’s natural environment, its land, aesthetics, wildlife, and ecosystems. Such businesses, the Director assures the County Commissioners, would stimulate the social environment, improving the quality of life along the way.

(This case study is partly based on Chandler, 1999.)

Questions for Case Study 2.

1. Make a list of the community’s leadership and explain how the economic development professional can engage each stakeholder or stakeholder group to participate in the process of formulating the county’s economic development action plan.
2. Prepare a list of the county’s economic development strengths and weaknesses. Draft a vision statement for the community’s leadership to consider during the process of formulating the plan. What do you recommend as the appropriate time span to be covered by the new plan? Why?
3. Suggest three goals that should be included in the plan. Provide rationale for these goals. Do you need to prioritize these goals?
4. Propose actions and responsible agencies for achieving these goals. Discuss the funding implications for each goal.
5. Briefly explain some problems that may need to be overcome in order to achieve the goals.