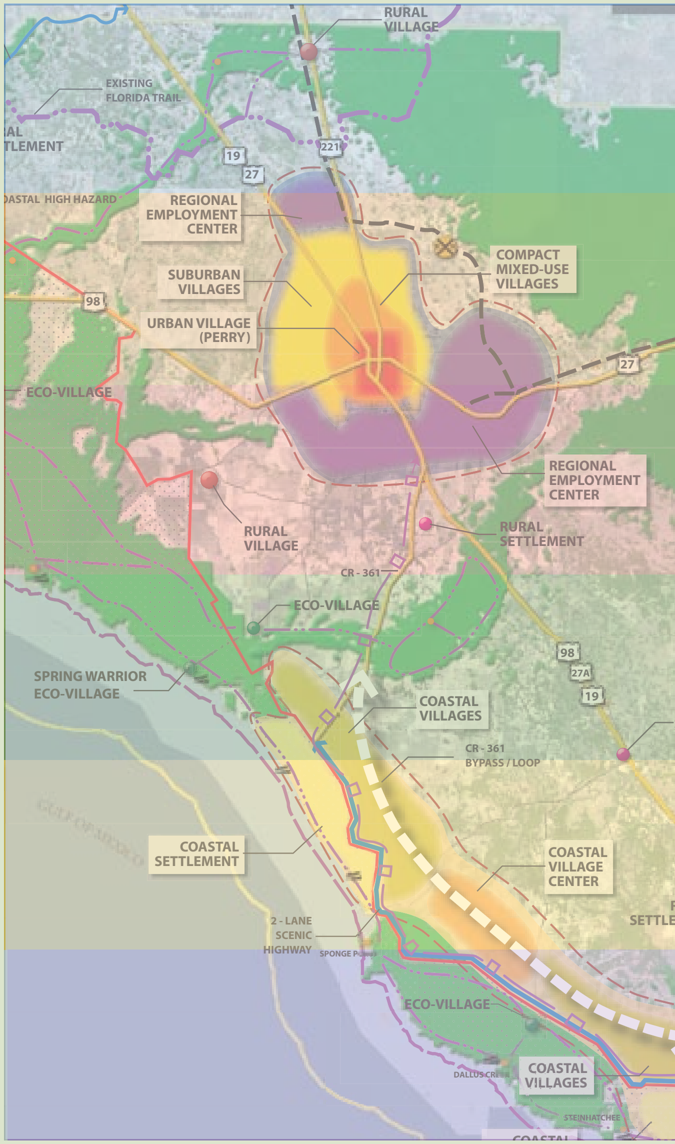
TAYLOR COUNTY
ECONOMIC DEVELOPMENT PLAN
GROWING A DIVERSIFIED AND SUSTAINABLE TAYLOR COUNTY ECONOMY
APRIL 2009



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Introduction

TCDA

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Taylor County Vision 2060 set forth a plan to "guide future decisions that protect, sustain, and enhance" the quality of life of Taylor County residents. The Vision trumpets the importance of building a secure and growing economy and highlights the essential relationship such an economy can have on the prosperity of Taylor County and the quality of life of its citizens. In fulfilling its role to facilitate and manage the economic development activities of Taylor County, the Taylor County Development Authority has created the Taylor County Economic Development Plan: *Growing a Diversified and Sustainable Taylor County Economy.*

The plan provides a strategic road map to help guide the community to reaching key economic development objectives, including those enumerated in Taylor County Vision 2060. Specifically, the strategies revealed in the plan will aid in the expansion of existing Taylor County businesses, or recruitment and creation of new Taylor County businesses. These businesses, in-turn, will retain existing and/or create new, value-added jobs in Taylor County and expand the county's tax base.

Working with the local business community, elected officials, County staff, and other concerned citizens of our great County, the Taylor County Development Authority will use the strategies outlined in this economic development plan to help grow a diversified and sustainable Taylor County economy.

R. C. Breer

Rick Breer
Director
Taylor County Development Authority

Vision, Goal and Mission

VISION, GOAL, AND MISSION

The Taylor County Development Authority (TCDA) supports the following Vision and Goal Statements of Taylor County VISION 2060.

VISION 2060 VISION STATEMENT

"To establish a balanced County/City where business complements and adds to the quality of life of all members of the Taylor County community."

VISION 2060 GOAL STATEMENT

"To facilitate the growth, diversification, and stability of Taylor County's economy; create a variety of employment opportunities for all citizens of Taylor County; and expand the economy to provide a sustainable future for all residents."

Accordingly, the Mission Statement of the TCDA is to:

TAYLOR COUNTY DEVELOPMENT AUTHORITY MISSION STATEMENT

Advance the objectives of Taylor County VISION 2060 and its Strategies for Economic Development by implementing a strategic economic development plan that helps facilitate the expansion, recruitment, and creation of businesses which grow the County's long term, ad-valorem tax base and retain/create permanent, value-added, high-wage jobs in Taylor County and which add to the qualify of life of its citizens.

Context

CONTEXT

In 1957 U.S. Steel was ranked fourth among the nation's top 500 businesses according to Fortune magazine. Chrysler Corporation was number seven. Just twenty short years later, U.S. Steel had fallen to fourteenth, Chrysler to ninth, and IBM had risen to number eight. By 1997, Chrysler was still ninth, IBM was sixth, and Walmart had risen to the number four spot, while U.S. Steel was not in the top 25. In 2007, Walmart was number one, IBM had fallen to fifteenth, and Chrysler was not even in the top 25.

Among the myriad lessons to be learned from these companies, and their ebb and flow in U.S. history, undisputed is the message that change is inevitable in local and global economies. Businesses and communities that adapt to, or build upon the changes they face, are better positioned to be tomorrow's "winners".

Florida's history has been one of remarkable change: from a veritable frontier, to the home of Henry Flagler's opulent resorts and railroad, to a retirement haven (with the advent of air conditioning), to a technology and tourism rich state grown from the seeds of Cape Canaveral and Disney. Few state's have literally weathered the pressures of change as well as Florida has. As the fourth most populous state in the U.S., Florida's population growth continues to drive new challenges and opportunities to the Sunshine State. The State is now projected to double in population by 2060, growing from roughly 18 million people today to upwards of 36 million in just slightly more than five decades. While the majority of this growth is anticipated to concentrate in coastal regions of south Florida, and along the I-4 corridor between Orlando and Tampa, constraints relative to the environment, infrastructure capacity, fiscal impacts and public policy will result in additional economic pressures for much of Florida.

Although the pressure this growth will impose on land resources, infrastructure, government services, and the day-to-day quality of life of Floridians is not without challenges, for rural communities, such pressures can help

Context

create long term economic opportunities. By implementing smart-growth principals, such as best land-use practices and balanced environmental stewardship, rural communities can create value that will differentiate them from competing, less planned regions.

Capitalizing on smart growth alone, however, will not remedy the economic woes of job constrained and economically isolated rural communities, such as Taylor County. Governor Crist's recent designation of Taylor County as one of Florida's Rural Areas of Critical Economic Concern further frames the challenges facing Taylor County as it competes in today's ever changing economic landscape. According to The Governor's Executive Order, Taylor County is one of only a handful of Florida counties "struggling to maintain, support or enhance job creating activity or to generate revenues for education and other critical government services such as infrastructure, transportation and safety." As the Executive Order further notes, these challenges threaten both the "well being and viability" of Taylor County. Although the "critical economic concern" designation qualifies the County for special assistance from the Governor's Office as well as other state and regional agencies and organizations, it leaves the principal task of creating an economically viable community to the County's citizens. To embrace this task, Taylor Countians must harness the pressures of Florida's dynamic growth while at the same time utilize its available resources to support the growth and location of contributory businesses which increase the County's ad-valorem tax base and create high wage jobs.

It is within this context that Taylor County is uniquely positioned within Florida's rural, "Nature Coast" region to capitalize on such pressures. Taylor County has the timely opportunity to learn from history, prepare for the changes coming its way, and build upon its strengths. It has the opportunity -- if it will take it -- to both preserve its good heritage and grow a thriving and sustainable economic future.

Taylor County Vision 2060

TAYLOR COUNTY VISION 2060

For a nine month period from late April 2007 until early January 2008, a Taylor County-based Task Force lead a historic community participation program to develop a shared 50-year vision for Taylor County and its citizens -- Taylor County Vision 2060. Assessing the valuable environmental assets, cultural heritage, and treasured quality of life that Taylor County has to offer, the Task Force pledged to preserve the best of these resources for future generations and recommended charting a new course that conserves the environment, strengthens existing urban centers and provides a variety of choices for how citizens live, work, play, travel, and raise their families. Foundational to achieving Vision 2060 was the essential need to diversify, strengthen, and grow a local economy that is sustainable and under girded by value-added industry and jobs.

As part of the process of creating a Vision for the future of Taylor County, a contextual analysis was conducted to determine where the County had been, where it is now, and where it is heading.

The analysis brought to light several key points, including the fact that Taylor County has had relatively little population growth since 1980. While the State grew by over 86% and the Region by 63.2%, the County grew by only 22.4%. Although there has not been a substantial increase in population, there has been a significant structural change whereby the percentage of people over 55 years of age is greater than those in the 25-44 age groups. Additionally, median household income continues to lag behind that of the State.

As part of the Taylor County Vision 2060 process, four committees were established to address critical areas of planning for the future: Economic Development and Housing (including Education), Environment, Transportation, and Development Patterns. The Economic Development and Housing Committee discussed many key issues, principles, and solutions pertaining to future economic growth in the County. One of the key issues areas addressed the question of, how does Taylor County provide for its younger people to be able to work and raise families?

Part of the discussion identified certain weaknesses, be they real or perceived, which need to be addressed, as well as strengths upon which to capitalize. For example, education became a major topic of discussion. The perception is that Taylor County schools are performing poorly and are a detriment to attracting higher educated workers and their families. The facts, however, show that Taylor's Pre-Kindergarten Child Development Center is in the top five on Florida's Kindergarten Readiness Screening; Perry Primary is one of two Florida Department of Education's "Reading First Model School" in both 2006-07 and 2007-08; and Taylor Elementary and Perry Primary scored in the top 10 on the 2006-07 FCAT. Working with Taylor County Schools to support these upward trends and promote the good news occurring in education is a key to strengthening the local economy.

Taylor County Vision 2060

In terms of future economic development, there is a realization that to be successful Taylor County and the City of Perry must be part of a Region that is competitive in the national and international market place.

The principles, strategies and solutions recommended within the Economic Development section of the Taylor County Vision 2060 plan were modeled to address the transformation from the Economy of yesteryear (Old Economy) to the Economy of the future (New Economy). The following table outlines differences in the approach to economic development between the Old and New Economies.

Old Economy vs. New Economy

In the old economy, people believed that:	In the new economy, people believe that:
Being in a cheap place to do business was the key.	Being a place rich in ideas and talent is the key.
Attracting companies was the key.	Attracting educated people is the key.
A high quality physical environment was a luxury and stood in the way of attracting cost-conscious business.	Physical and cultural amenities are key in attracting knowledgeable workers.
Regions won because they had a fixed competitive advantage in some resource or skill.	Regions prosper if organizations and individuals have the ability to learn and adapt.
Economic development was government led.	Only bold partnerships among businesses, government, and the nonprofit sector can bring about change.

Building on these new approaches to economic development, the VISION 2060 Economic Development Strategies and Action Plan recommended Taylor County address five strategic areas, including:

- Business Climate and Entrepreneurship
- Workforce and Education
- Sites and Infrastructure
- Quality of Life
- Economic Development and Marketing

Further, VISION 2060 concluded that Taylor County's economic development efforts should address the growth of its existing industry clusters including timber and mining, wood products,

Taylor County Vision 2060

aluminum and materials fabrication, and education, while providing for the required support infrastructure - both physical and organizational - to attract new ventures.

Since tourism is also an integral part of Taylor County's base economy, actions that enhance accessibility to State lands, help provide for second/vacation homes, and provide for additional water access are important elements that will help further the growth of the County's nature- based tourism industry.

VISION 2060 also recognizes that effective economic development initiatives require enhanced quality of life elements - both the natural and built environments. Actions that help revitalize downtown Perry, establish the means of assuring the long-term availability of a variety of housing, and balance utilization and conservation of the natural environment will go a long way in achieving this goal. In particular, the Vision stresses a need for highly amenitized executive housing communities to draw those who own businesses to the area, as well as affordable housing that addresses the needs of the Very Low and Low income households (those earning less than 80% of median family income), and workforce housing (generally those earning between 80% to 120% of median family income) which is targeted to essential service providers such as teachers, police, fire, and health-care givers, to name a few.

To help guide the County's economic development strategy, Vision 2060 recommended the following Key Principles and detailed list of long term recommendations.

A. Key Economic Development Principles of Vision 2060

1. Integrated Approach: Collaborate Locally to Compete Globally
2. Poverty Reduction: Leave No One Behind
3. Local Focus: Growing Your Own Business
4. Promote Existing Industry Clusters: Building on Local Advantages
5. Human Investment: People are the Most Valuable Resource
6. Environmental Quality: Prosperity Forever
7. Livable Communities: Investing in the Quality of Life
8. Distinctive Communities: Capitalizing on a Sense of Place

B. Long Term Strategic Plan Recommendations of Vision 2060

1. Create a regional industry association to take a leadership role in fostering collaborative relationships and provide functions such as marketing, develop training programs, institute cooperative buying, etc.
2. Promote communication and col-

Taylor County Vision 2060

laboration among industry clusters in the County and region.

3. Diversify the economy by establishing relationships between universities, research institutions and local businesses.
4. Create an advocacy group for the better public utilization of state lands and recreational opportunities.

5. Market community pride and values to newcomers.
6. Augment and fund the economic development entity (Taylor County Development Authority) with the additional responsibility of coordinating, facilitating and funding incentive programs.
7. Develop and market a set of financial incentives to attract and retain businesses such as the Qualified Target Industry Tax Refund, the Economic Development Transportation Fund, Enterprise Zone Incentives and various Small Business Administration Loan Programs.

8. Identify emerging industries with a competitive advantage (such as alternative energy, fuels, etc.) that could operate in Taylor County.
9. Provide arts and cultural opportunities in the City of Perry, Coastal Communities and Rural Settlements, such as farmers markets, festivals and other events.
10. Prepare a Re-development Plan for Downtown Perry.

11. Improve technology and infrastructure associated with the existing airport, necessary for an airport expansion.
12. Perform an airport feasibility study for the purpose of evaluating the future need for expansion and/or relocation of the airport.
13. Create an Airport Employment Center.
14. Rezone and strategically acquire lands that are associated with the airport to prevent against incompatible uses.

Taylor County Vision 2060

15. Identify potential sites in and around Perry for Industrial, Business/Office and Research Parks.

16. Fund the infrastructure (water, sewer, roads, etc.) necessary to create shovel-ready industrial and business sites.

17. Insure that the Comprehensive Plans for Taylor County and the City of Perry contain provisions and land use categories that will preserve additional sites for employment centers where growth is expected.
18. Identify potential sites for various expansion of business and industry:
    a. Industrial Park in proximity to Buckeye Plant
    b. Light Manufacturing/Logistics (Distribution) Park along the rail line north of Perry
    c. Business Parks: one in Perry, one in north Taylor County
    d. Incubator space in Perry
    e. Research Park in or around Perry

19. Improve public access to the Gulf of Mexico and local rivers.

Taylor County Vision 2060

20. Promote eco-tourism opportunities through partnerships with the State and private land owners.

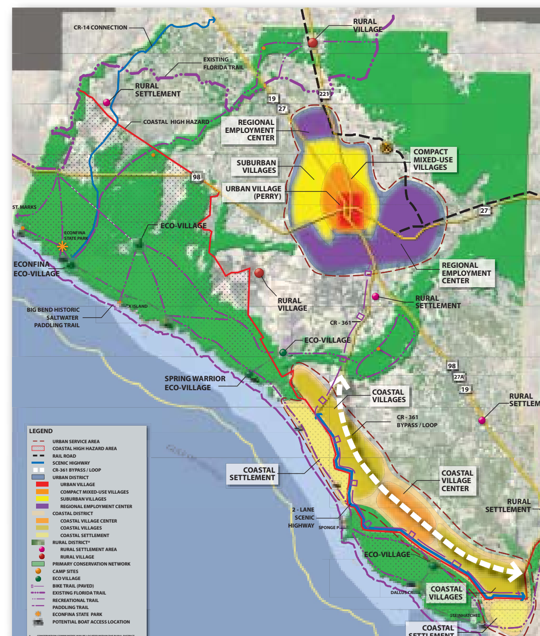
21. Assure that future developments are pedestrian-oriented with connectivity and a sense of place.
22. Create and fund a series of incentive programs specifically for the revitalization of Downtown Perry.
23. Create guidelines and design standards that promote the redevelopment and/or adaptive re-use of structures in Downtown Perry.
24. Create and fund incentive programs for designated areas for Village Center, rural settlements and retail development, i.e., assistance for the developer for participation within the designated area.

25. Create a communications development system that has strong linkages and participation with public schools, community colleges and universities.
26. Develop an Action Plan to raise educational attainment and increase job skills.

27. Create cooperative programs between businesses and schools. For example, mentoring programs for grade school students and internships for high school students.
28. Develop outreach and informational programs targeted to high school students and their families to help identify barriers to students receiving the best education they can.
29. Develop a set of workforce training incentives, like the Quick Response Training and the Incumbent Worker Programs, to help industries remain competitive both regionally and globally.

Taylor County Vision 2060

30. Fully utilize the North Florida Workforce Development Board to develop training programs that enhance workforce skills and knowledge in existing industries.
31. Consider Community Land Trusts as a tool for developing workforce housing.
32. Explore innovative ways to provide workforce housing, e.g., bonus density incentives.
33. Partner with community organizations or a workforce housing developer to provide affordable housing units for community residents.
34. Actively support and participate in regional economic development initiatives, such as the North Florida Workforce Development Board.
35. Encourage local companies to invest in their community by adopting schools, providing scholarship opportunities and sponsoring community programs and events.
36. Amend the land development code for the City and County to allow for a full array of housing types.
37. Support the development in Taylor County of highly amenitized master planned communities and second home communities. Support the development of higher density housing in Perry.



Taylor County Job Creation and Population Forecast

Introduction

As a part of the process of moving toward implementation of a long-term Vision Plan for Taylor County, Florida, MSCW engaged ERA to analyze historical population and household formation patterns, review population projections provided by the Bureau of Economic and Business Research (BEBR), and recommend alternative methodologies to project long-term population growth for Taylor County. ERA evaluated available demographic data, projections by various sources, and planning documents, to understand the county's potential moving forward. **For the entire ERA Technical Memorandum, please see Appendix A.**

Because the state uses BEBR projections for planning purposes, ERA began its analysis for Taylor County by examining this data and comparing those to Census data. However, in acknowledgement of the potential for a new development to capitalize on the county's strengths and alter the direction of economic growth, ERA examined other published projections and historical growth for both Taylor and the surrounding region. After evaluating several sets of projections for the region, ERA identified larger areas from which the area could draw new employment, including: the Coastal Counties, which includes Gulf, Liberty, Franklin, Wakulla, Jefferson, Dixie, Levy, Taylor, and Citrus Counties; the North Central Florida Regional Planning Council (NCFRPC) which includes Alachua, Bradford, Columbia, Dixie, Gilchrist, Hamilton, Lafayette, Madison, Suwannee, Taylor, and Union Counties. As the official state planning region that includes Taylor County, the NCFRPC represents a set of similar counties that are aligned with Taylor for state initiatives and planning. On the other hand, the chosen coastal counties share Taylor County's asset of waterfront land and resources, and the economic opportunities compatible with these assets.

Methodology

For each of the two regions, ERA analyzed historical employment trends by industry from 1970 to 2000. From these data, ERA developed two sets of projections for each region: a high projection based on the historical rate of growth, applied to the 2008 employment data and a low projection using least squares regression fitted to the historical data points and projected forward to 2030[1]. The high R^2 (a measure of the fit of the projection to the actual data; $R^2 = 1$ implies a perfect fit) shows a good fit for both of the forecasting approaches to the historical data. The figures below show the alternative forecasts for the regions with the analyses' R^2 values and the growth in jobs between 2008 and 2030.

[1] 2008 data derived from June 2008 Bureau of Labor Statistics data and adjusted for employment not included in BLS data such as self-employment and those excluded for confidentiality reasons.

Taylor County Job Creation and Population Forecast

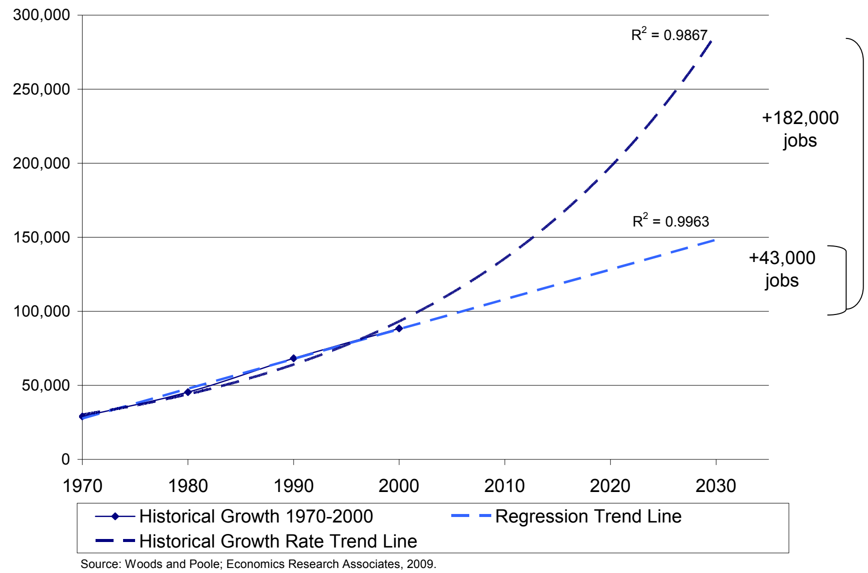


Figure A: *Coastal Counties' Potential Employment Growth, 1970-2030*

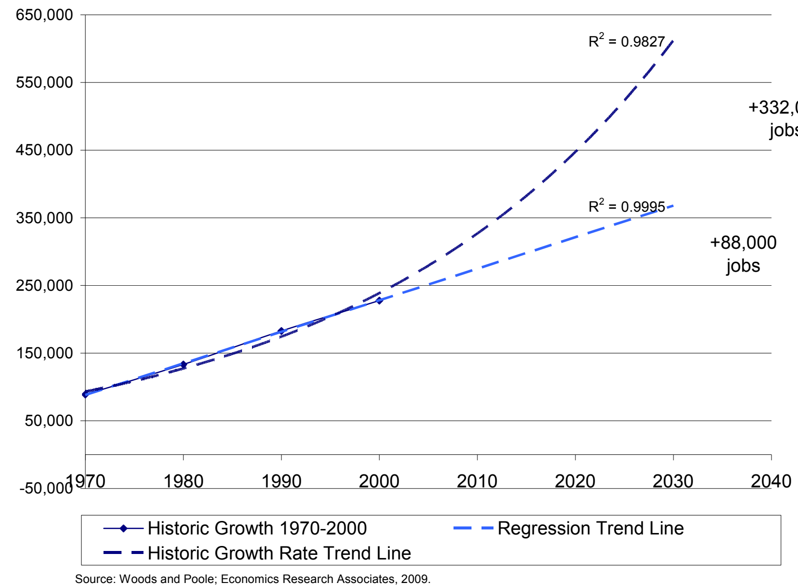


Figure B: *NCFRPC Potential Employment Growth, 1970-2030*

Taylor County Job Creation and Population Forecast

ERA then calculated the employment change using these two methods between 2008 and 2030. To determine how the regional employment growth would impact Taylor County, ERA applied the county's 2000 share of employment to the high and low numbers. Taylor's share of overall employment was approximately 9 percent in the Coastal Counties and 4 percent of the NCFRPC.

		Coastal /1		NCFRPC /2	
	Taylor County	Emp	Taylor Share	Emp	Taylor Share
1970	5,270	28,998	18%	88,807	6%
1980	7,023	45,453	15%	133,231	5%
1990	8,058	68,214	12%	182,860	4%
2000	8,129	88,455	9%	227,715	4%

1/ Coastal Region includes Gulf, Liberty, Franklin, Wakulla, Jefferson, Dixie, Levy, Taylor, and Citrus Counties.

2/ NCFRPC includes Alachua, Bradford, Columbia, Dixie, Gilchrist, Hamilton, Lafayette, Madison, Suwannee, Taylor and Union Counties.

Source: Woods and Poole; Economics Research Associates, 2009.

Figure C: *Taylor Share of Total Employment by Analysis Area, 1970-2000*

Households and Population

To estimate new households and population based on these employment growth numbers, ERA applied a jobs per household ratio of 1.0. Taylor County's ratio is currently 0.9, so this would represent a slightly more balanced employment/household ratio. The average household size for Taylor County has been steadily decreasing, reflecting nationwide trends toward smaller household sizes. Taylor County's average household size was 2.51 in 2000. According to ESRI, a nationally recognized provider of economic and demographic projections, the average household size decreased in 2008 to 2.46, a 2 percent overall reduction or an average annual reduction of 0.25 percent. By 2013, projections place the new average size at 2.44, another average annual reduction of 0.1 percent.

	Jobs				Population	
Industry	Low	High	Jobs/ HH	Avg HH Size	Low	High
Coastal /1	42,730	181,723	1	2.4	102,552	436,135
NCFRPC /2	87,757	332,231	1	2.4	210,616	797,355
Taylor County	3,500	16,400	1	2.4	8,400	39,400

1/ Coastal Region includes Gulf, Liberty, Franklin, Wakulla, Jefferson, Dixie, Levy, Taylor, and Citrus Counties

2/ NCFRPC includes Alachua, Bradford, Columbia, Dixie, Gilchrist, Hamilton, Lafayette, Madison, Suwannee, Taylor and Union Counties.

Source: Woods and Poole; Economics Research Associates, 2009.

Figure D: *2030 Additional Population based on Incremental Employment Growth*

Assuming that the household size continues to decrease at the same rate as between 2008 and 2013, by 2030, the average household size will be 2.40. This brings the total potential new residents for Taylor County to between approximately 8,400 and 39,400.

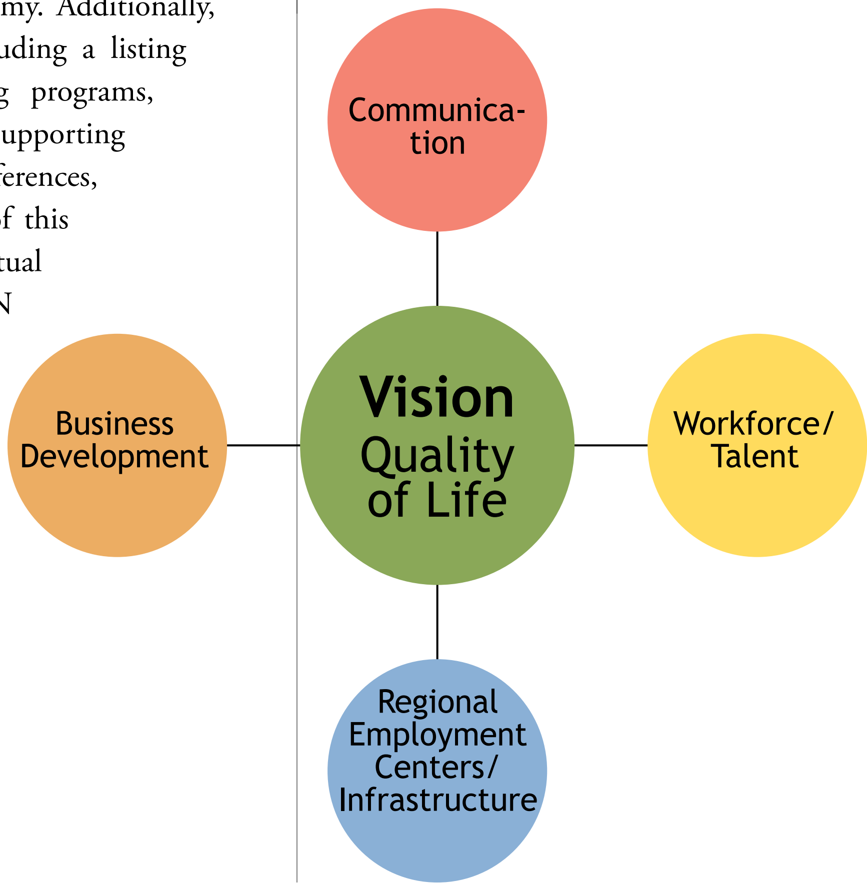
For the entire ERA Technical Memorandum, please see Appendix A.

Taylor County Economic Development Strategy

TAYLOR COUNTY ECONOMIC DEVELOPMENT STRATEGY

In the context of today's competitive regional, state, and global economies and using VISION 2060 as the cornerstone for establishing a comprehensive economic development plan, the Taylor County Development Authority has formed a four-pronged strategy to help grow a diversified and sustainable Taylor County economy. The four components of this strategy are illustrated by the diagram on the right. As depicted, the objective of the strategy is to achieve the Vision 2060 goal of preserving and enhancing the quality of life of Taylor County citizens. Thus, each of the four work areas represent one component of a unified economic development action plan to support this Vision.

Beginning on the next page, a "First Year Action Plan" is detailed. This plan will serve to jump-start the process of addressing the four, key work areas: Communication, Business Development, Regional Employment Centers/Infrastructure, and Workforce/Talent. Following the First Year Plan -- and based on the long- and short-term economic development strategy recommendations of Vision 2060 -- is a list of "Five Year Objectives." These objectives will help guide the on-going task of diversifying Taylor County's economy. Additionally, support material, including a listing of potential financing programs, and a bibliography of supporting case studies and references, are listed at the end of this plan. The full contextual analysis of VISION 2060's Economic Development component is presented in the Appendix of this Plan.

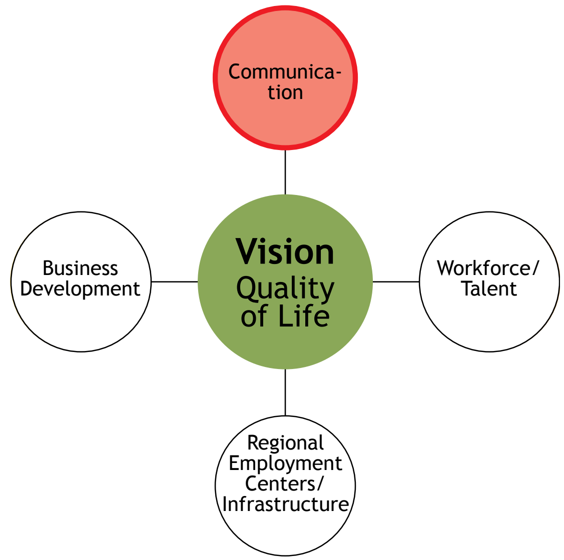


Taylor County Economic Development Strategy

"FIRST YEAR" ACTION PLAN

The first-year action plan focuses on establishing the basis for creating the four work areas for the Taylor County Economic Development Plan, lays the foundation for reaching the five-year objectives, and provides a list of specific tasks that should be accomplished over the next twelve months.

Although tasks for each of the four work areas are listed separately, to help expedite and maximize the desired results of the plan, work in each of the four areas should be addressed in concert, where and when possible. As communication is essential to begin the plan, it is addressed first.



A. *Communication*

This work area will focus on the critical need to communicate locally, regionally, and at the state level about Taylor County and its work to build a diversified and sustainable economy. Understanding the issues and solutions to creating a sustainable economy and establishing the mechanisms to communicate that information is essential to Taylor County's long term success.

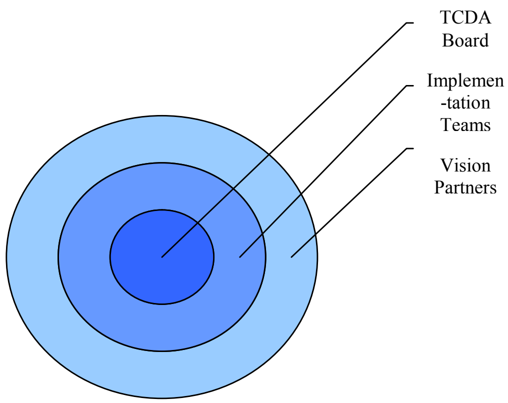
The TCDA will work to build community consensus and ownership in economic development and the Economic Development Plan, thus empowering a much broader base of support to become engaged in the County's future. To accomplish this goal, the TCDA will work with the Perry Chamber of Commerce and other interested organizations and citizens to:

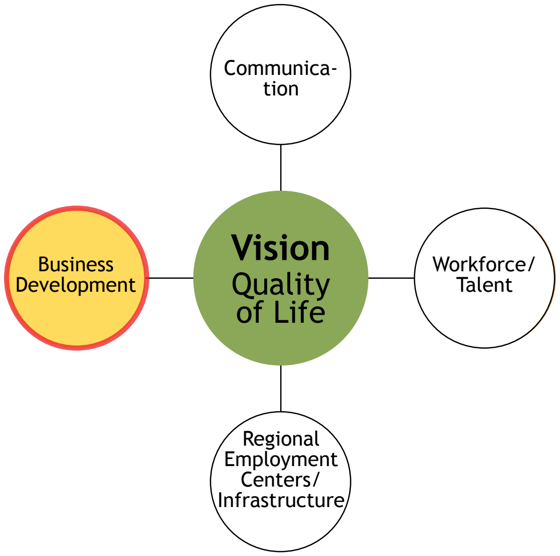
- Facilitate a Community wide Economic Summit. The purpose of the summit will be to:
  - Establish the need of the community for a Collective Vision and a sound economic development plan
  - Establish the need to work together to accomplish the plan
  - Establish support for "targeted" industry sectors
- Build four Implementation/Response Teams to support the four work areas of the plan.
- Establish a team of Partners who will support the broad objectives of the Economic Development plan as well as

Taylor County Economic Development Strategy

support those entrusted with the on-going task of carrying it forward.

- Where and when appropriate the TCDA will, solicit help to accomplish economic development plan. (As a designated Rural Area of Critical Economic Concern, Taylor County is guaranteed a listening ear from various State agencies and organizations.)
  - Solicit support from regional, state, and federal sources that specialize in assisting rural counties.
  - Make presentations to the Governor, his senior staff, Secretary's of various state agencies, and Enterprise Florida, Inc. on Taylor County's plans for diversifying and growing its economy.





B. *Business Development*

This action area will focus on tasks that directly increase the County's tax base and support the generation of new, high wage jobs.

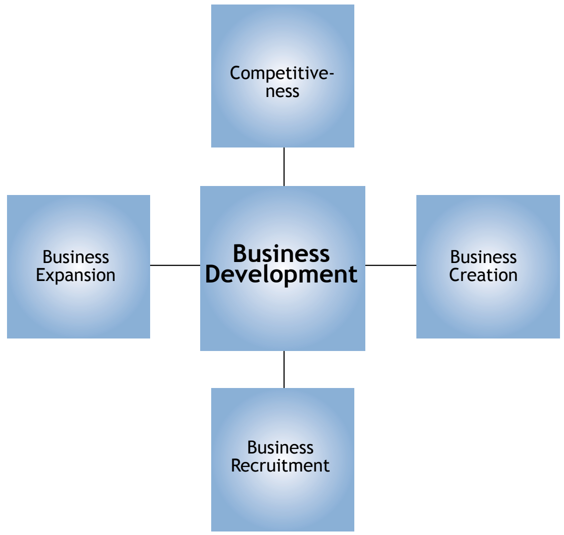
Working with the Business Development Implementation Team, the TCDA will establish Action Plans for a comprehensive *Business* Development Strategy. The actions should include, at a minimum, plans for how to address the community's competitiveness, support the growth and expansion of existing

Taylor County Economic Development Strategy

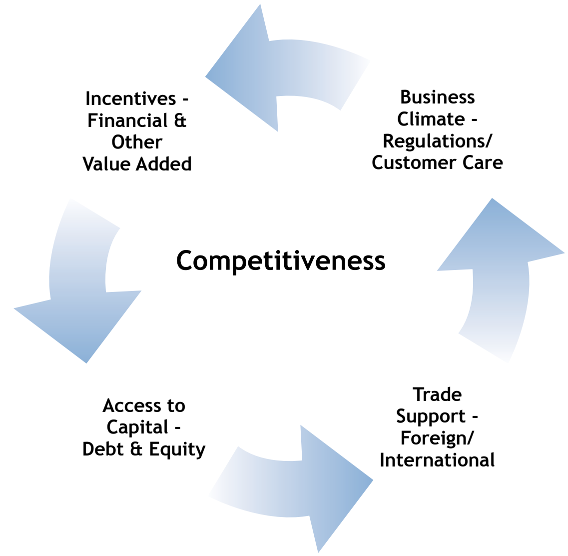
industry, target and recruit new businesses, and facilitate the creation of new enterprises.

As stated in the ERA Technical Memorandum, industries that appear to offer the greatest opportunities for expansion of Taylor County's employment build on the county's key existing assets, including:

- Manufacturing
- Mining
- Forestry and agriculture
- Energy/green industries
- Tourism
- Aviation and aviation-related industries
- Research and education related to these industries



- The **Competitiveness** portion of this strategy should address business climate issues such as local and regional regulations and permitting, as well as access to capital, business expansion or location incentives, international trade support, and workforce support.



- The **Business Expansion** portion of this strategy should address the on-going needs of existing Taylor County businesses and the resources and infrastructure these companies need to grow. Existing companies, or "customers" are the most cost-effective means to creating new jobs and investment. By taking care of its existing industry, the community will establish a sound foundation from which to grow the local economy.
- The **Business Recruitment** portion of this

Taylor County Economic Development Strategy

strategy should focus on the following three sub-strategies: Community Preparation and Development, Incremental Business and Job growth, and Catalytic Business and Job growth (i.e., attracting those opportunities that create significant positive change in the community):

a. Community Preparation and Development
  - Work in this Sub-Strategy will help prepare the economic "soil" needed to grow a competitive business environment. Working with the communications team, a clear message that Perry is "open for business" will be created. "First appearances" of the County and its urban and rural districts will be addressed, as will establishing a "tool box" of business support services, and addressing "doing business in Taylor County" issues.

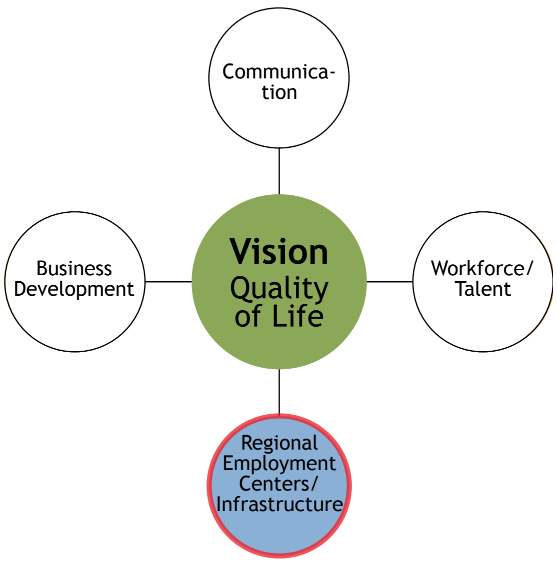
b. Incremental Job Growth
  - Work in this Sub-Strategy area will focus on identifying existing and new prospective businesses that can grow and create new jobs in Taylor County. Analyzing existing businesses for their needs, strengths and weaknesses, suppliers, and networks will be important. Conducting targeted marketing, prospecting, sales calls, and similar work will also be important, as will establishing the data bases and local teams to respond to Requests for Proposals, site visits of prospective companies, and various negotiations.

c. Catalytic Projects
  - Work in this area will focus on those unique opportunities that can significantly expand the economic impact of the County. The impacts of such projects are far reaching and will support numerous long-term objectives of the economic development plan. Site work, targeted industry research, and public/private partnerships will be important to identifying and securing these types of projects.

- The **Business Creation** portion of this strategy should address those resources the community must have in place to facilitate the creation of new, successful business enterprises. After establishing a competitive business climate and putting in place requisite workforce, finance, and business service resources, the community should be positioned to help establish and nurture the development of new, local businesses. These businesses may service local or global markets and since they were locally grown, the odds of retaining them

Taylor County Economic Development Strategy

in the community are high.



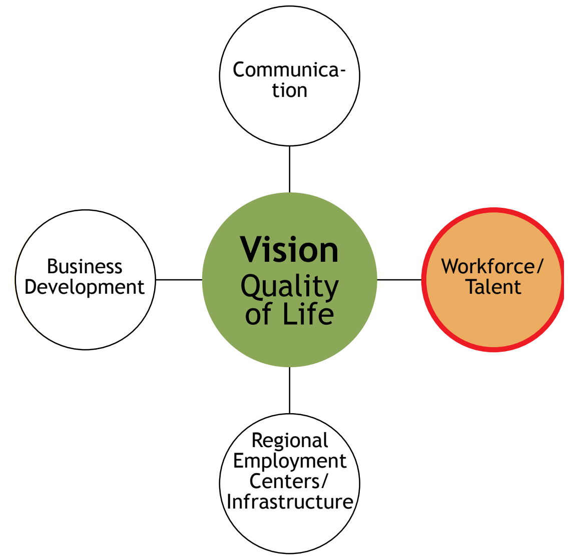
C. Regional Economic Centers/ Infrastructure

This work area will focus on establishing and protecting the infrastructure required to enable business expansion. Working with appropriate implementation team members and county and state officials, TCDA will begin the process of establishing business and industrial sites as well as developing plans to utilize Perry, Steinhatchee, and planned "Eco Villages" as targeted business development locations. Initial work will focus on:

- Conducting a comprehensive assessment of business development infrastructure assets and liabilities.
- Establishing phase I of Business Park North.
- Siting and permitting for Industrial Park South
- Identifying the acreage, infrastructure requirements, and potential locations for establishing a "Mega" site.

D. Workforce / Talent

This work area will focus on addressing the issues surrounding a competitive and available workforce. The availability of "talent" has fast become one of the most important ingredients to competing in the global economy. The ability of the Taylor County community to collectively address this essential need cannot be overstated. Working with the Workforce Development Implementation Team:



- Develop a comprehensive workforce plan that supports Business Development objectives. Such a plan may recognize the importance of K-12 education, but should focus on issues and objectives that relate directly to the workforce required of existing and prospective employers as well as ways to develop and recruit talent needed to diversify the economy.

Meet with the Executive Director of Workforce Florida, Inc. to ensure local plans utilize state and regional resources.

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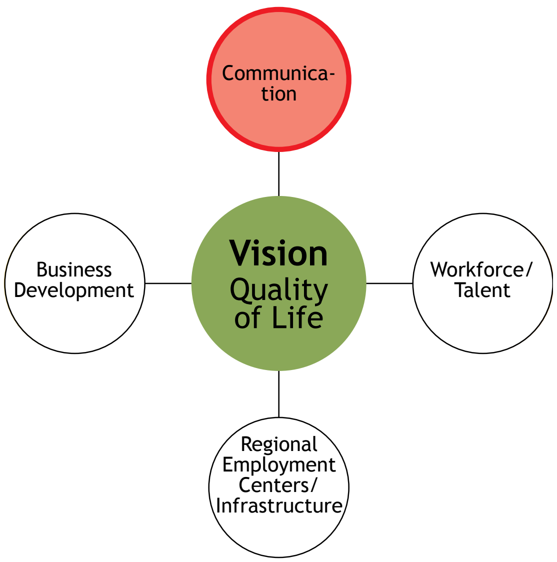
FIVE-YEAR OBJECTIVES

The TCDA, working with the four implementation teams , and other community organizations will seek to implement the following five-year objectives identified in the Vision 2060 Economic Development Action Items. The objectives are listed within the four working group areas.



A. Communication

1. **Professional Networking:** Under the leadership of the Chamber of Commerce, a regularly scheduled forum for business should be instituted. The Chamber should provide topics and invite experts to talk to them and lead discussions on those areas that are of concern/interest to the business community. Further, create targeted networking opportunities that meet the needs of the local workforce. Also, supporting a young professionals association should be a top priority.

2. **Enhanced Recreational Opportunities:** Taylor County has a significant portion of its land in state ownership. A public/private partnership dedicated to seeking better utilization and access to public lands should be created. This will help improve the quality of life for existing and future generations as well as enhance access and support activities such as those envisioned by the Taylor County 2060 Plan's "Eco villages." It would also greatly aid the County's nature-based tourism industry as well as support other economic development objectives.

Conduct a survey of residents to help identify potential outdoor recreation opportunities that are not already present in the County, or that need to be expanded or improved. Benchmark recreational assets against other regional and national peers. Measuring the amount and type of recreational assets available to residents and visitors will help the County objectively analyze its relative position in providing a key quality of life element.

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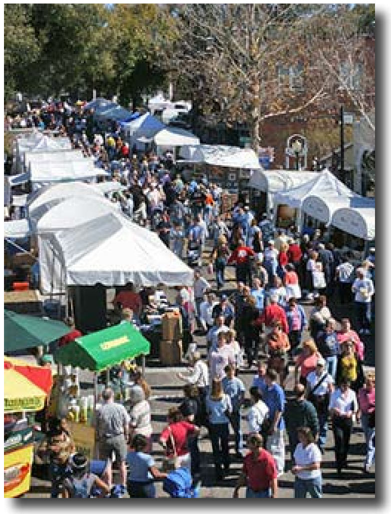
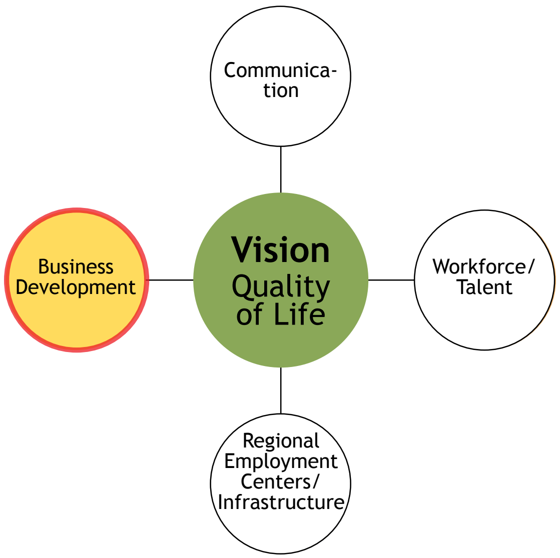
3. **Arts and Culture**: Promote arts and culture by by marketing to young professionals. Use a web portal to create an event guide for Taylor County. Consider working with other arts and cultural groups in the region to promote programs throughout the region.



Quantify the impact of arts and cultural events and leverage this knowledge to obtain funding, Part of this initiative will include educating the community about the economic importance and impact of the arts.

Create an Arts District in Perry. Hold monthly events to promote the arts in the district as well as encouraging the community to eat, drink and shop in the area. Utilize the arts community to fill cultural gaps. Promote diverse programs that build upon traditional arts, crafts and music programs from African American and other traditional culture programs. Use arts and cultural/historical amenities, as well as quality of place assets in business recruitment efforts. Work with land and regional organizations to conduct a comprehensive survey of arts and cultural assets in the County. Once compiled, the area should jointly promote cultural and entertainment events, taking into consideration the perspective of both workers and employers.

Taylor County Economic Development Strategy



B. Business Development

1. **Entrepreneurship:** Young and aspiring entrepreneurs may have the idea, but usually lack the experience to run a new business. A forum that helps aspiring entrepreneurs obtain the requisite knowledge and resources to run and grow new ventures will begin to address Taylor County's need to diversify its economy and provide job opportunities that both keep and attract a younger workforce. Build an entrepreneurship program by leveraging existing talent and resources in the area. There are an increasing number of successful entrepreneurs starting and running successful businesses in the Region. In some cases they are starting incubator type organizations to facilitate the transfer of technology into commercial ventures. In addition, there is the potential of retired senior executives from large national corporations moving to the area. The majority of these retired executives want to stay involved in business and have a great deal of expertise.
   a. The Taylor County Development Authority should facilitate an "Entrepreneurs Forum: where these individuals can network and discuss key issues relevant to their efforts. Members for these forums should be actively recruited and qualified and the meetings should be closely managed to ensure they are truly valuable to the participants.
   b. The Taylor County Chamber of Commerce should sponsor an awards program and provide enticing/incentive awards for the most innovative concept presented at these forums.

2. **Government Programs:** There is a significant need for resources to support economic development, downtown re-development, and affordable housing that is outside the currently available funds from the County and City. There are many financial incentives programs to address these needs (see Appendix B, Financial Assistance Programs). However, the ability to leverage private capital with these funds requires that a concerted effort be made to apply for, administer, and often times provide a match. Therefore,

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the County and City, to be successful, must invest its funds to assure that the needed resources are available.

Facilitate the availability of venture capital for early stage businesses.

a. An "angel" investor network should be established. Individuals in this network should be recruited and qualified, and the network's activities should be actively managed. One specific activity should be a business plan pitch meeting where local entrepreneurs present their plans and the "angels" consider their investment in those businesses.
b. Host a venture capital forum to introduce outside venture capital firms to local businesses and entrepreneurs.

Take advantage of existing government programs. Many government programs require that financial incentives for economic development, urban redevelopment, and affordable housing be administered by a local not-for-profit economic development or housing organization. Therefore, it is important that the County and City identify ways to provide these organizations with the resources needed to acquire and administer these program funds. Explore funding options. Offer assistance to area taxing entities to explore funding options from state and federal agencies, and area nonprofits to expand recreational opportunities in the County.

3. **City of Perry:** Encourage innovative business expansion and relocation into the downtown. The City of Perry, Taylor County and the TDA should consider adopting an incentive strategy to encourage specific innovative and high wage businesses to expand or relocate downtown. Develop free wireless throughout downtown Perry. Wireless is an integral component of a successful downtown strategy. It promotes activity throughout downtown at all times and encourages entrepreneurial networking.

To make Perry a favored place of choice for living, it must offer shopping, entertainment, and cultural venues not currently present. A revitalization program for Downtown Perry will create the environment that will be attractive for those seeking to live and work downtown.

Expand resources for landscaping, building facades, and general streetscape improvements along major arterials into Downtown Perry. This is the first impression a prospective business has of the City.

Encourage pedestrian and bicycle activity in downtown. Among the 25-44 year old demographic, and now expanding into the active retiree lifestyles, biking

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and pedestrian oriented development is important.

a. Ensure that every new roadway within certain districts has a bike lane and safe pedestrian walkways.
b. Benchmark bike lanes among regional and national peers, to be able to tout the County's success or to be able to understand the additional efforts that need to be done towards making the area more pedestrian and bicycle oriented.

Housing: A trend over recent years is the importance in creating a "24-hour" environment or "live, work, play" communities. Increasing options for downtown living plays a significant role in establishing this. However, like any housing market, downtowns must achieve two conditions - a safe, quality environment and investor confidence – before they can effectively compete for residents. Important ingredients for successful downtown residential development include:

a. Neighborhood identity.
b. Creating the correct balance between employment generating uses, entertainment and residential development.
c. Continually analyze the market potentials for residential and non-residential development in Downtown Perry.
d. Increase attainable housing options. Housing options should range in price, type and size. There is a need for lower-income housing for low-wage workers that support the tourist/service industry as well as housing that is affordable to higher wage employees such as doctors and business executives.

Providing attainable housing should be a collaborative effort between the attainable housing advocacy community, the development community and the City and County. Collaboration among these groups is key, in addition to development guidelines and a development process that supports the production and preservation of attainable housing.

Review/modify land use map, zoning classifications to ensure that a mix of housing is encouraged throughout the community.

Review Best Practices from other communities and consider adopting initiatives in the city/county development process that promote attainable housing development throughout Taylor County.

Create a Housing Committee to look at Best Practices and how they may be implemented throughout the County.

Encourage innovative building practices that will support the reduction of the overall cost of housing without reducing the quality. Encourage housing design and technologies that can reduce the cost of construction.

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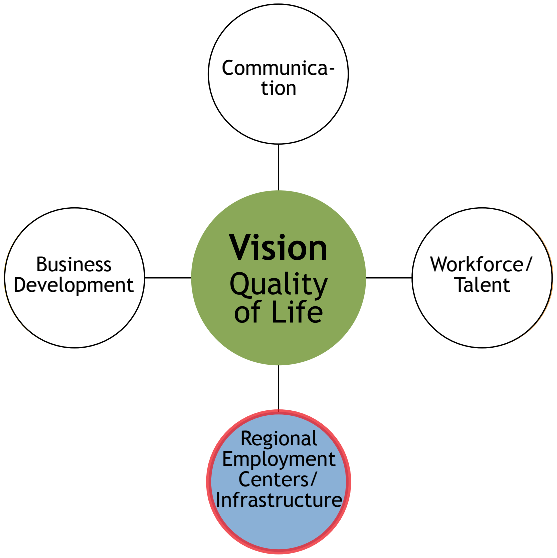

C. Regional Economic Centers/Infrastructure

1. **Industrial Mega Site:** Develop a shovel ready mega site. This is an industrial site of at least 1,000 acres that could have access, backbone infrastructure including major road and utilities, including water, sanitary sewer, electricity, and fiber optic cable. It should have access to a centralized storm water management system.

2. **Business/Office Park:** Develop a shovel ready business/office park. A site, at least 100 acres, needs to be identified, permitted, and have its major infrastructure (water, sanitary sewer, electric, fiber optic cable, and roads constructed. Design standards and guidelines should be developed. Using GIS technology, index and map out all existing commercial and industrial property that could be developed for future use. This would help in the planning and developing of key commercial and industrial parcels.

Create a work plan to identify those parcels of land to obtain, develop, and rezone as employment centers. Work with the private sector to fully understand their needs to participate in the development of these areas. Ensure that the City and the County understand their roles in any potential public/private collaborative. Create Regional Employment Centers. Taylor County currently does not have "shovel ready" sites to market for industrial, office, education and research purposes.

a. Public/private partnerships are required to acquire, permit, construct and market theses special districts.

b. The primary public partner should be the Taylor County Development Authority.

3. **Education/Research Park:** Taylor County needs to be aggressive in establishing a research/education park, as well as forging on-going relationships with universities and research institutes. An initial tenant in such a park could be an expanded Taylor Technical Institute. An education/research commission should be established that is comprised of representatives of TCDA, the Chamber of Commerce, private sector companies, the Taylor County School Board, Taylor Technical Institute, and North Florida Workforce Board, and City of Perry.

Perry-Foley Airport: Airport should be upgraded in order to be an asset/catalyst for economic development in the County. Required improvements would include taxiway lighting, visual approach aids, taxiway and apron expansion, increased

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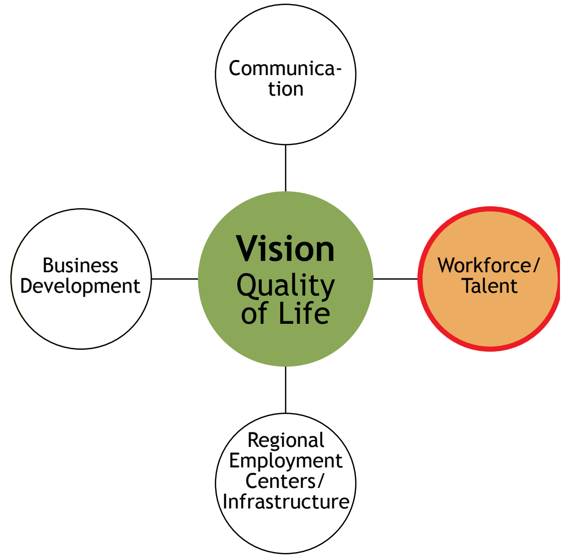
parking, improved signage, and fuel storage. Consideration should be given to instituting an "Airport Authority". [Also, consider establishing a land acquisition strategy for future growth and protection from encroachment.] Perry-Foley Airport. This asset, if upgraded, can become a catalyst for economic development both directly by encouraging the location and expansion of companies that are dependent on being near a general aviation airport and indirectly by providing greater accessibility to corporate executives and visitors.



D. Workforce/Talent Work Area

1. **Education and Workforce Partners:** A workforce and education working committee should be established to identify issues and solutions to address the employment training needs of local business and industry. Members should include representatives of TCDA, Taylor County School District, Taylor Technical Institute, local businesses, and community groups.

2. **Entrepreneurship Training.**

Many skills needed for entrepreneurship can be learned. Although intrinsic skills such as motivation and determination are a prerequisite, the skills of building a business can be taught and learned. The following programs are some potential tools for assisting entrepreneurs:

a. Develop continuing education courses in entrepreneurship. The Taylor County Chamber of Commerce should develop and/or sponsor workshops for would-be entrepreneurs. Topics could include: developing business plans, raising capital, and managing growth.

b. Encourage entrepreneurship programs

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in the secondary schools. Achievement programs should be developed at every middle and high school. Local entrepreneurs and the Taylor County Chamber of Commerce can help facilitate the program.

3. **Workforce Conference:** Taylor County should become the place that hosts an annual conference for regional business owners and managers. Topics should focus on how to grow the regional economy and be competitive in the global market place. Facilitate an annual workforce conference of owners and/or plant managers of industrial and other business establishments as well as representative of area workforce training assets.
   a. Understand the workforce assets and talent base available for potential employers relocating to the county (especially among target industries).
   b. Establish or maintain cooperative relationships between the TCDA, workforce development assets such as Taylor County School District (TCSD) and Taylor Technical Institute, and industrial and other critical business assets.
   c. Support new and expand existing internship/apprenticeship programs that aid in the placement of students with area employers to support their needs for talent.
4. **Internships and Apprenticeships:** Internships and apprenticeships can provide meaningful, work-based experience for local students, including high school students and Taylor Technical Institute students. The TCDA should work with local companies to expand the number of internships available and increase awareness about employment opportunities available to graduating students. Consider an online portal providing a listing of local opportunities.
5. **Expand Involvement with the School District**. There are several options for increasing corporate involvement in education, ranging from mentoring programs to teacher training.

Identify education and workforce partners. The TCDA should facilitate the formation of a workforce and education working group. This group should include representatives from TCSD, Taylor Technical Institute and other public and private education and workforce providers, as well as business leaders from major industry sectors in the region, and representatives from workforce investment boards serving Taylor County.

a. One of the first actions of the working group should be to identify the best practices related to education.
b. Corporate representation in the working group can provide a means for identifying specific skills required in the region.

Work with TCSD to improve educational attainment levels and identify partnership opportunities that can help prepare K-12 students for future careers.

a. The working group should assist TCSD in identifying and implementing strategies for engaging parents in their child's education. Available resources include the National Coalition for Parental Involvement in Education and the National Community Education Association.

b. The working group should identify "college bound" programs that help prepare high school students for college. Examples of such programs include www.collegebound.org and University of California's www.uctv.tv/collegebound/.

c. Support the school district in career preparation efforts. The focus can enhance the learning experience for college-bound and work-bound students. It ensures that students have been exposed to the concepts and competencies required by potential colleges or universities and employers. Programs that provide direct links between technology-based learning and business opportunities have great potential. TCSD is encouraged to work with businesses to provide broad-based IT skills and involve students in business-related issues.

d. The TCDA should continue to or increase it's participation on the regional workforce board. In this role, the County can work with the state workforce board to encourage an industry-based approach to workforce training, focused largely on the targeted industries of the Region. Under this model, individual training funds are targeted to those occupations that are identified as demand occupations based on a cluster-based approach and input from area business leaders.

Inventory and promote training and skills programs. The TCDA should conduct a comprehensive survey to better understand how existing programs might support and identify industry clusters.

Appendix A

Technical Memorandum

Taylor County Vision Plan Population Projections – Alternative Methodologies

Prepared for

MSCW
Orlando, Florida

Submitted by

Economics Research Associates, an AECOM company (ERA)

April 6, 2009

ERA Project No. 18199

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General & Limiting Conditions

Every reasonable effort has been made to ensure that the data contained in this report are accurate as of the date of this study; however, factors exist that are outside the control of Economics Research Associates, an AECOM company (ERA) and that may affect the estimates and/or projections noted herein. This study is based on estimates, assumptions and other information developed by Economics Research Associates from its independent research effort, general knowledge of the industry, and information provided by and consultations with the client and the client's representatives. No responsibility is assumed for inaccuracies in reporting by the client, the client's agent and representatives, or any other data source used in preparing or presenting this study.

This report is based on information that was current as of March, 2009 and Economics Research Associates has not undertaken any update of its research effort since such date.

Because future events and circumstances, many of which are not known as of the date of this study, may affect the estimates contained therein, no warranty or representation is made by Economics Research Associates that any of the projected values or results contained in this study will actually be achieved.

Possession of this study does not carry with it the right of publication thereof or to use the name of "Economics Research Associates" in any manner without first obtaining the prior written consent of Economics Research Associates. No abstracting, excerpting or summarization of this study may be made without first obtaining the prior written consent of Economics Research Associates. This report is not to be used in conjunction with any public or private offering of securities, debt, equity, or other similar purpose where it may be relied upon to any degree by any person other than the client, nor is any third party entitled to rely upon this report, without first obtaining the prior written consent of Economics Research Associates. This study may not be used for purposes other than that for which it is prepared or for which prior written consent has first been obtained from Economics Research Associates.

This study is qualified in its entirety by, and should be considered in light of, these limitations, conditions and considerations.

I. Introduction

As a part of the process of moving toward implementation of a long-term Vision Plan for Taylor County, Florida, MSCW engaged ERA to analyze historical population and household formation patterns, review population projections provided by the Bureau of Economic and Business Research (BEBR), and recommend alternative methodologies to project long-term population growth for Taylor County. The county has traditionally been outside of the path of growth, but has significant assets, including natural features, undeveloped coastline, large contiguous tracks of undeveloped land, and natural resources for mining and timber production. The county is particularly strong (as indicated by a high location quotient) in mining and manufacturing; however, in addition to these important sectors for economic development, Taylor's coastal position and higher percentage of seasonal home owners than the region (14 percent of all housing units in Taylor County versus 3 percent in the North Central Florida Regional Planning Council as a whole), suggests that the county also has greater potential for tourism development. [1]

ERA evaluated available demographic data, projections by various sources, and planning documents, to understand the county's potential moving forward. We analyzed various projection data with an understanding of the Vision Plan as well as experience in similar counties and familiarity with projections' methodologies. Because long-term trends are inherently difficult to predict, particularly for regions that are on the cusp of development, projections by the Bureau of Economic and Business Research (BEBR) at the University of Florida have historically under-counted population growth in Taylor County and other rural counties. (See Figure 1 for a comparison of these projections.)

ERA also participated in a meeting at Florida's Department of Community Affairs to present its preliminary alternative approach for on-site households and employment.

[1] Source: U.S. Census Bureau, Census 2000 Summary File 1, Matrices H3, H4, H5, H6, H7, and H16. "Vacant Housing Units For seasonal, recreational, or occasional use."

Figure 1: Comparison of BEBR Projections

	Taylor County			Florida		
	1980	1990	2000	1980	1990	2000
1973 BEBR	14,400	15,000	15,800	9,378,700	11,898,700	14,486,000
Variation from Census (#)	-2,132	-2,111	-3,456	-368,261	-1,039,371	-1,496,824
Variation from Census (%)	-13%	-12%	-18%	-4%	-8%	-9%
1980 BEBR	n/a	17,100	19,000	n/a	11,978,100	13,624,100
Variation from Census (#)	n/a	-11	-256	n/a	-959,971	-2,358,724
Variation from Census (%)	n/a	0%	-1%	n/a	-7%	-15%
U.S. Census	**16,532**	**17,111**	**19,256**	**9,746,961**	**12,938,071**	**15,982,824**

Source: Bureau of Economic and Business Research, University of Florida; U.S. Census Bureau; Economics Research Associates, 2009.

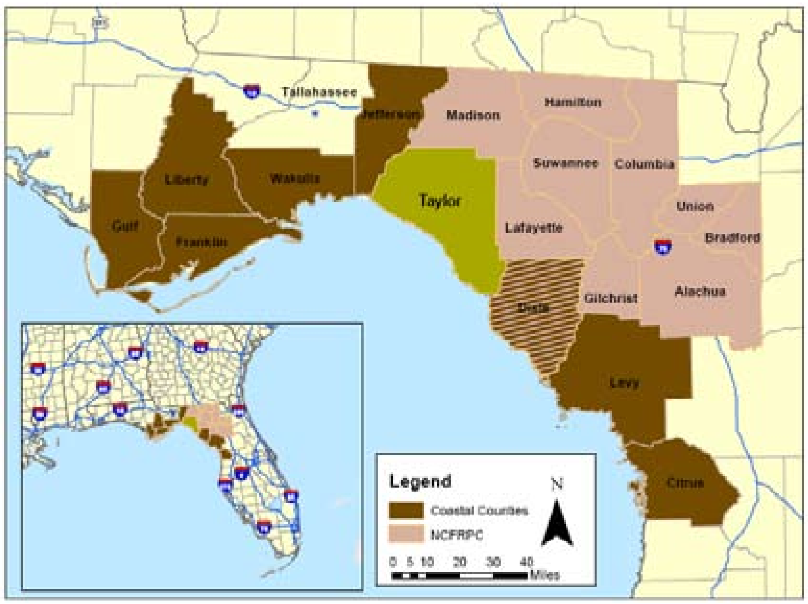
II. Employment Projections for Taylor County

All projections reflect a "best guess" of future population based on historical growth rates coupled with historical demographic dynamics at a macro and micro level. They therefore rely upon past experience, and cannot measure unknown variables, such as planning initiatives or major developments that are not on the immediate horizon. In general, projections have greater accuracy the closer they are to the projection year and are less reliable in areas that experience rapid change.

Population growth is driven by two major components – the natural rate of growth (births minus deaths) and net migration. Because the births and deaths in a given area are consistent and stable over long time periods, demographers can project the natural rate of growth with relative accuracy. However, because migration patterns depend on a variety of factors—economic opportunities, cost of living, quality of life, etc, which are hard to quantify and often subject to change—projecting them on a long-term basis tends to be less accurate. While we acknowledge that Taylor County's natural rate of growth will likely not change, we believe that with new economic development opportunities and a focused growth strategy, the county can attract economic migrants and deviate significantly from historical population growth patterns.

Because the state uses BEBR projections for planning purposes, ERA began its analysis for Taylor County by examining this data and comparing those to Census data. However, in acknowledgement of the potential for a new development to capitalize on the county's strengths and alter the direction of economic growth, ERA examined other published projections and historical growth for both Taylor and the surrounding region. After evaluating several sets of projections for the region, ERA identified larger areas from which the area could draw new employment, including: the Coastal Counties, which includes Gulf, Liberty, Franklin, Wakulla, Jefferson, Dixie, Levy, Taylor, and Citrus Counties; the North Central Florida Regional Planning Council (NCFRPC) which includes Alachua, Bradford, Columbia, Dixie, Gilchrist, Hamilton, Lafayette, Madison, Suwannee, Taylor, and Union Counties. As the official state planning region that includes Taylor County, the NCFRPC represents a set of similar counties that are aligned with Taylor for state initiatives and planning. On the other hand, the chosen coastal counties share Taylor County's asset of waterfront land and resources, and the economic opportunities compatible with these assets.

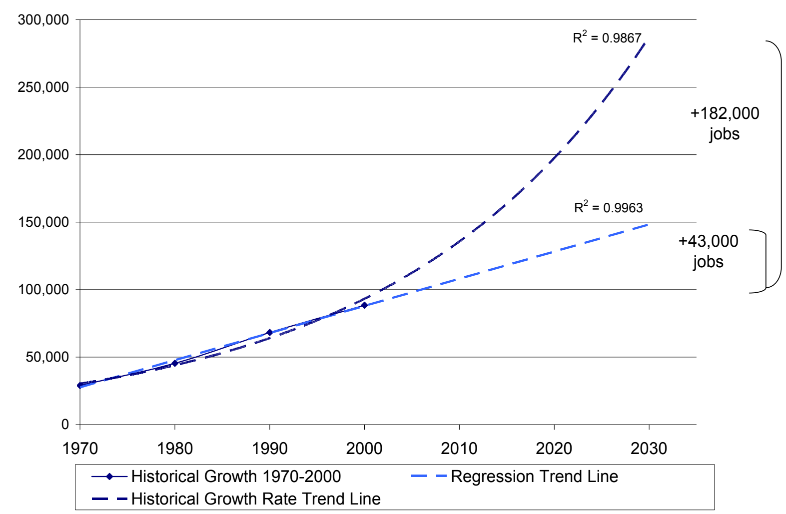
Figure 2: Map of Analysis Areas



Source: ESRI; Economics Research Associates, 2009.

For each of the two regions, ERA analyzed historical employment trends by industry from 1970 to 2000. From these data, ERA developed two sets of projections for each region: a high projection based on the historical rate of growth, applied to the 2008 employment data and a low projection using least squares regression fitted to the historical data points and projected forward to 2030.[2] The high R^2 (a measure of the fit of the projection to the actual data; R^2 =1 implies a perfect fit) shows a good fit for both of the forecasting approaches to the historical data. The figures below show the alternative forecasts for the regions with the analyses' R^2 values and the growth in jobs between 2008 and 2030.

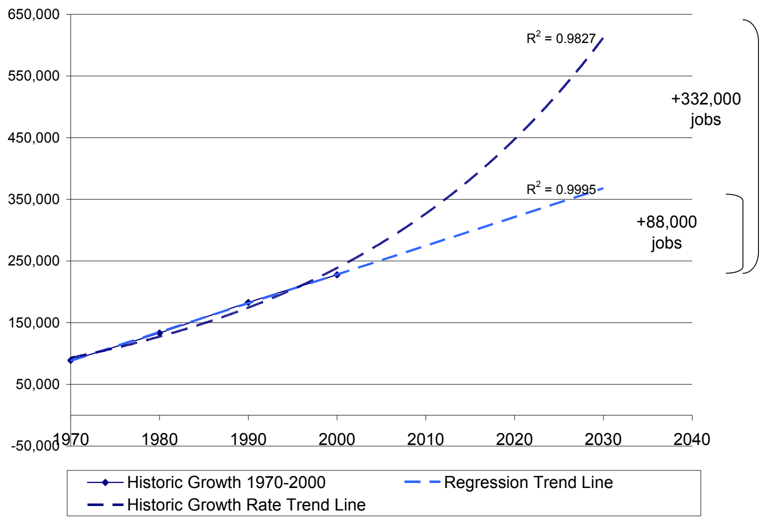
Figure 3: Coastal Counties' Potential Employment Growth, 1970-2030



Source: Woods and Poole; Economics Research Associates, 2009.

[2] 2008 data derived from June 2008 Bureau of Labor Statistics data and adjusted for employment not included in BLS data such as self-employment and those excluded for confidentiality reasons.

Figure 4: NCFRPC Potential Employment Growth, 1970-2030



Source: Woods and Poole; Economics Research Associates, 2009.

ERA then calculated the employment change using these two methods between 2008 and 2030. To determine how the regional employment growth would impact Taylor County, ERA applied the county's 2000 share of employment to the high and low numbers. Taylor's share of overall employment was approximately 9 percent in the Coastal Counties and 4 percent of the NCFRPC. Taylor's share of employment in both areas decreased between 1970 and 2000.

Figure 5: Taylor Share of Total Employment by Analysis Area, 1970-2000

		Coastal /1		NCFRPC /2	
	Taylor County	Emp	Taylor Share	Emp	Taylor Share
1970	5,270	28,998	18%	88,807	6%
1980	7,023	45,453	15%	133,231	5%
1990	8,058	68,214	12%	182,860	4%
2000	8,129	88,455	9%	227,715	4%

1/ Coastal Region includes Gulf, Liberty, Franklin, Wakulla, Jefferson, Dixie, Levy, Taylor, and Citrus Counties.

2/ NCFRPC includes Alachua, Bradford, Columbia, Dixie, Gilchrist, Hamilton, Lafayette, Madison, Suwannee, Taylor and Union Counties.

Source: Woods and Poole; Economics Research Associates, 2009.

Figure 6: High and Low Projection of Net New Taylor County Employment, 2008-2030

	Low			High		
Industry	Linear Growth	Taylor Share	New Taylor Emp	Exp. Growth	Taylor Share	New Taylor
Coastal /1						
New Employment, 2008-2030	42,730	9%	3,846	181,723	9%	16,355
NCFRPC /2						
New Employment, 2008-2030	87,757	4%	3,510	332,231	4%	13,289
			Low			High
Total Range of Potential New Taylor Employment			3,500			16,400

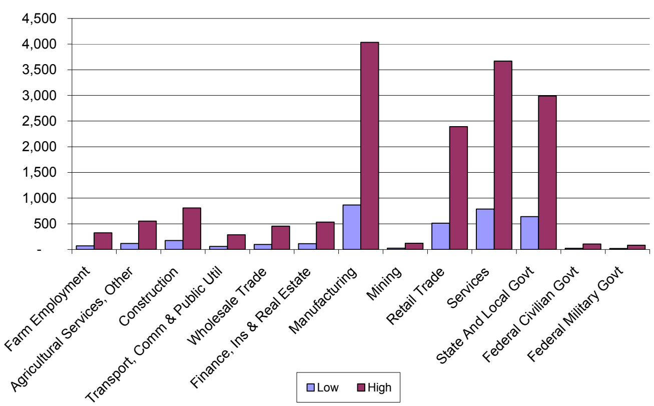
1/ Coastal Region includes Gulf, Liberty, Franklin, Wakulla, Jefferson, Dixie, Levy, Taylor, and Citrus Counties

2/ NCFRPC includes Alachua, Bradford, Columbia, Dixie, Gilchrist, Hamilton, Lafayette, Madison, Suwannee, Taylor and Union Counties.

Source: Woods and Poole; Economics Research Associates, 2009.

ERA used Taylor's 2000 share of the analysis areas' employment as a conservative estimate of the area's share of growth by 2030. However, because Taylor's share has been expected to continue its pattern of contraction, use of this capture rate implies the development of a comprehensive and strong economic development strategy to leverage the county's assets and attract additional businesses and industries. By implementing such a plan, Taylor can be expected to not only stem its loss of share of regional employment, but also to increase its competitiveness. To the total high and low numbers, ERA then applied Taylor's 2000 share of employment by industry to estimate the employment growth in each sector.

Figure 7: High and Low Employment Projections for Taylor County, 2030



Source: Woods and Poole; Economics Research Associates, 2009.

III. Economic Development Opportunities for Taylor County

The Economic Development Plan that was prepared as a part of Taylor County's Vision 2060 recommends initiatives that include building on existing assets (through networking, cultivation of entrepreneurs, and workforce development), identifying and establishing the proper physical needs (industrial park location, strengthening of the airport's capabilities), incentive programs, and enhancement of quality of life assets (revitalization of Downtown Perry, expanding housing choice).

Our employment projections show that the industries with the largest employment growth are: Manufacturing, Services, and Retail. Services and retail are both likely to follow rooftops. While the employment projections provide a wide range, we believe that achieving significant employment growth in the County will require the implementation of a coordinated and comprehensive economic development plan. An example of efforts in such a plan could include the location of an educational institution or branch campus to provide specialized worker training and spin-off research and development activity and targeted incentives for industries providing high quality jobs and positive economic impacts, including spin-off or multiplier impacts that create additional job opportunities and economic growth in the County.

A 2007 study for Enterprise Florida on opportunities for the North Central Rural Area of Critical Economic Concern (RACEC), of which Taylor County is a part, identified key target industries as logistics and distribution, building component design and manufacturing, aviation services and products, biofuels and renewable energy, and healthcare services and products. Several of the industries that appear to offer the greatest opportunities for expansion of Taylor County's employment build on the county's key existing assets and include:

- Manufacturing
- Mining
- Forestry and agriculture
- Energy/green industries
- Tourism
- Aviation and Aviation-related industries
- Research and education related to these industries.

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Taylor County is well positioned to capitalize on the "green" trends, both for energy development and for green building materials production. Taylor is already recognized for its natural beauty and resources, and development of eco-tourism opportunities would complement the development of green industry components. The county has received interest from companies looking to expand, particularly in new and existing energy development such as bio fuel because of its natural resources and coal-fired power. Even in traditional industries, such as the production of cellulose, new technological advances are being employed in the area. Though these industries exist currently, the above-mentioned economic development efforts are required to expand them, which will likely require cooperation between public and private parties to implement.

The economic impacts of an economic development strategy to attract new and expand existing industries will have greater implications than the direct jobs and wages paid in the company's operation. The construction of new plants, office space, and tourism facilities will likely have indirect and induced effects, supporting other industries, and acting as a catalyst for further development.

IV. Households and Population

To estimate new households and population based on these employment growth numbers, ERA applied a jobs per household ratio of 1.0. Taylor County's ratio is currently 0.9, so this would represent a slightly more balanced employment/household ratio. The average household size for Taylor County has been steadily decreasing, reflecting nationwide trends toward smaller household sizes. Taylor County's average household size was 2.51 in 2000. According to ESRI, a nationally-recognized provider of economic and demographic projections, the average household size decreased in 2008 to 2.46, a 2 percent overall reduction or an average annual reduction of 0.25 percent. By 2013, projections place the new average size at 2.44, another average annual reduction of 0.1 percent.

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Figure 8: 2030 Additional Population based on Incremental Employment Growth

	Jobs				Population	
Industry	Low	High	Jobs/ HH	Avg HH Size	Low	High
Coastal /1	42,730	181,723	1	2.4	102,552	436,135
NCFRPC /2	87,757	332,231	1	2.4	210,616	797,355
Taylor County	3,500	16,400	1	2.4	8,400	39,400

1/ Coastal Region includes Gulf, Liberty, Franklin, Wakulla, Jefferson, Dixie, Levy, Taylor, and Citrus Counties

2/ NCFRPC includes Alachua, Bradford, Columbia, Dixie, Gilchrist, Hamilton, Lafayette, Madison, Suwannee, Taylor and Union Counties.

Source: Woods and Poole; Economics Research Associates, 2009.

Assuming that the household size continues to decrease at the same rate as between 2008 and 2013, by 2030, the average household size will be 2.40. This brings the total potential new residents for Taylor County to between approximately 8,400 and 39,400.

V. Seasonal Population Trends

In addition to primary households, given Taylor County's natural beauty and resources, the County has the potential for further development of second homes. Taylor's coastal location and higher percentage of seasonal homeowners than the region (14 percent of all housing units in Taylor County versus 3 percent in the NCFRPC), suggests that the County also has greater potential for tourism development. As an example, as of Census 2000, in Franklin and Dixie Counties, 19 percent of all housing units were for seasonal/recreational use, and in while in Gulf County the percentage of seasonal homes was 17 percent. All other comparative counties have a smaller share of housing as seasonal units. Of total seasonal units across the comparative region, Taylor had a similar share of the total (approximately 9 percent) as Gulf, Franklin, and Dixie. Citrus County had a full third of the total units. As Taylor moves forward with the Vision Plan to include quality tourism development, it could likely increase its share of seasonal housing as well as development of traditional lodging and visitor services.

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Appendix B

A. Contextual Analysis

1. Introduction

The purpose of the Economic Review and Comparison is to analyze demographic and socioeconomic factors that have impacted and shaped Taylor County to this point. The analysis, which is comparable with the Contextual Analysis of the Taylor County Vision 2060, looked at factors such as population growth, age, race, household income, educational attainment, employment trends, housing stock, housing affordability and building permits. The analysis also examined several areas for comparison. They are provided below in Table 1.

Table 1: Areas of Study

Regions for Analysis
Florida
NCFRPC - North Central Florida Region: (Alachua, Bradford, Columbia, Dixie, Gilchrist, Hamilton, Lafayette, Madison, Taylor and Union Counties)
NCFRPC w/o Alachua: North Central Florida Region excluding Alachua County*
Taylor County
Unincorporated Taylor County- (UNIC. Taylor County)**
City of Perry
* Alachua was excluded because of the possible skewing that Gainesville/University of Florida has on the rest of the region.
** Unincorporated Taylor County (exclusion of Perry) was analyzed to determine Perry's affect on the County.

B. Demographic and Socioeconomic Factors

1. Population Growth and Change

The population in Taylor County grew 12.5% from 1990 to 2000, up significantly from a 3.5% growth rate from 1980-1990. This increased growth is also noteworthy considering that the City of Perry, according to the U.S. Census, had a net loss of population in the 1980s and the 1990s. Unincorporated Taylor County had the largest relative growth in population in the 1990s when compared to the other study areas. In the 1980s, Florida grew at a much faster average rate than the rest of the study areas, with an increase of approximately 33%, an increase of almost 3.2 million people from 1980 to 1990. Unincorporated Taylor County grew by 20%, netting more than 1,600 people from 1980 – 1990. The City of Perry experienced a decline of 13.4%, which explains why the County's net population growth was so low. According to Florida Netlink, none of the population increase that occurred in Taylor County between 1980 and 1990 was due to net migration.

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From 2000 – 2006, the state grew by 13.2% (Figure 1), which was proportionately slightly larger than the other defined areas of study (Table 1). If the state were to continue at the same rate of growth for the remaining years of the decade, the growth would be approximately 22%, and would be less than the 2 previous decades. The growth within the North Central Florida Region, excluding Alachua County (Table 1), continues to outpace the growth of the region as a whole. We can therefore assume that Alachua County is not growing as fast as the rest of the region. Growth in the City of Perry is currently positive, adding approximately 520 people, or 7.6%, over the period from 2000 – 2006 (Figure 1). During the same period, the growth in Unincorporated Taylor County has slowed to a net gain of 250 people, less than 2%.

Figure 1: Regional Population Growth 1980-2006

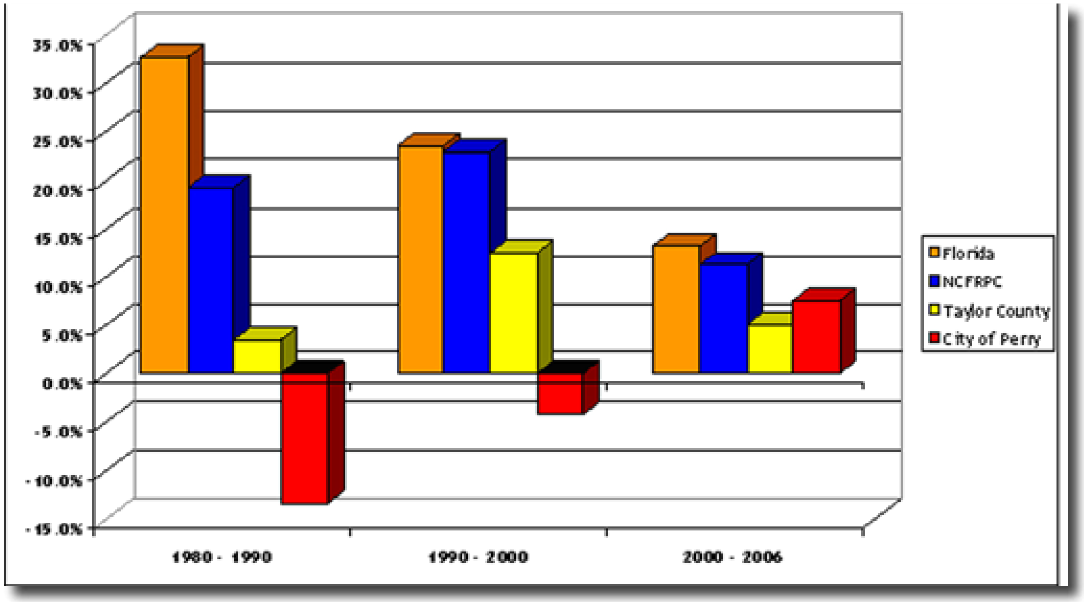

Table 2: Population 1980 – 2006

	Florida	NCFRPC	NCFRPC w/o Alachua	Taylor County	UNIC. Taylor County	City of Perry
1980	9,746,961	296,984	145,615	16,532	8,278	8,254
1990	12,937,926	354,196	172,600	17,111	9,960	7,151
2000	15,982,378	435,444	217,489	19,256	12,872	6,847
2006	18,089,888	484,543	244,643	20,237	13,123	7,365

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Table 3: Change in Population, 1980 -2006

	Florida		NCFRPC		NCFRPC w/o Alachua		Taylor County		UNIC. Taylor County		City of Perry	
	% Change	# Change	% Change	# Change	% Change	# Change	% Change	# Change	% Change	# Change	% Change	# Change
1980-1990	32.7%	3,190,95	19.3%	57,212	18.5%	26,985	3.5%	579	20.3%	1,682	-13.4%	-1,103
1990-2000	23.5%	3,044,42	22.9%	81,248	26.0%	44,889	12.5%	2,145	29.2%	2,912	-4.3%	-304
2000-2006	13.2%	2,107,50	11.3%	49,099	12.5%	27,154	5.1%	981	19.5%	251	7.6%	518

Trend Analysis

The population growth in the region is expected to slow over the next 10 years, according to forecasts provided by the University of Florida's Bureau of Economic and Business Research (BEBR). BEBR predicts that the population will increase at a rate of approximately 1.4% annually for the next several years, compared to an average increase of approximately 2.5% from 2000 to 2005. It should be noted that BEBR's population projections tend to be low when compared with actual population growth. They are unable to predict a "structural change" that would have a significant impact on the population growth in an area.

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Strategic Finding

Net population growth can be accounted for by three elements: natural growth (births less deaths); domestic migration; and international migrations. Domestic migration accounted for about 25% of the population growth in the region in 2005. Therefore, approximately 75% of the region's population growth occurred due to net migration. The components of the net migration are domestic migrants (retirees and economic migrants), and international migration. In the region, the total net migration was an increase of 5,600 people. Domestic migration accounted for approximately 59.5%, or 3,300 people, and international migration accounted for 17%. Most domestic migration was for economic reasons, indicating that this part of Florida is not yet a hot spot for retirees.

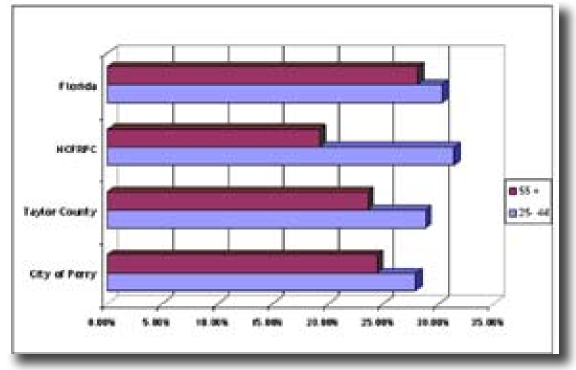
However, retiree migrants are expected to increase dramatically in the next few years. From 2003 to 2005, the number of retirees moving to the area as a percentage of the total population growth increased from 6% to 12% of the total population growth. This predicted increase in retirees could be considered a "structural change", especially when it is paired with highly amenitized housing developments to cater to the retirees.

With migration playing a relatively large role in population growth in the region, the Economic Development District can use this opportunity to connect workforce with these new migrants and make sure the population has skills that match jobs.

2. Age

In 1990, Florida, as a whole, had the largest relative percentage of persons over 55 years old, Figure 2. The City of Perry was slightly behind the state average with 24.5% of its population over 55. As a comparison, in 1990 approximately 17.4% of the United States population was over 55 years old. The North Central Florida Region had the largest concentration of persons from 25-44 years old, 31.5%, mostly attributable to the University of Florida and other area schools. This region's percentage of 25-44 year olds is closest to that of the United States, 32.5% in 1990. Also, in all of the study areas, there is a larger proportion of 25-44 year olds than 55 and over (Figure 2).

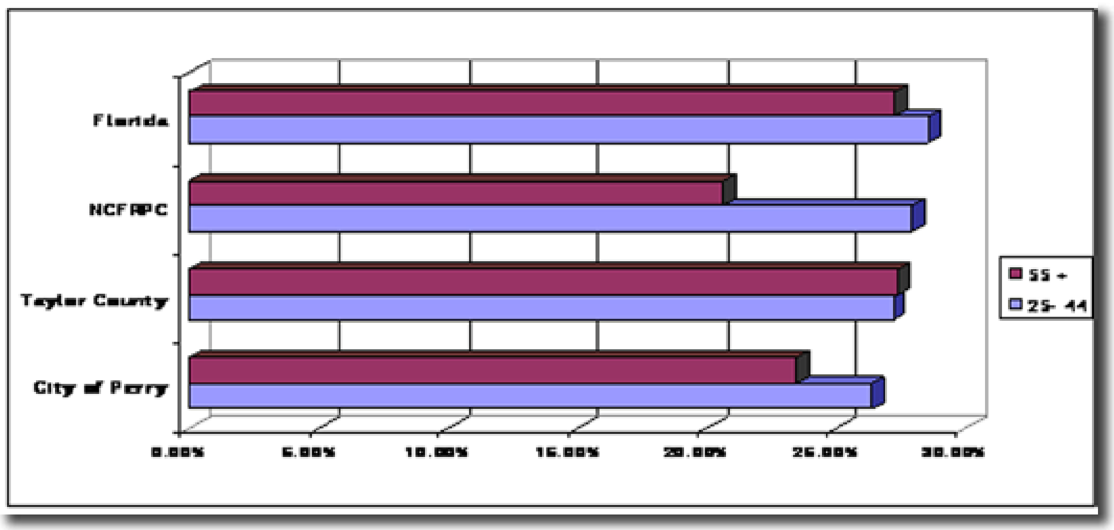
Figure 2: 1990 Age Break-Out for 25-44 and 55+



In 2000, the Taylor County population of 55 years and older edged out the 25-44 year olds for the larger share of the population. This is the only area within the study area that had where this occurred (Figure 3). The growing population proportion of those aged over 55 years old may be, in part, attributable to the aging baby boomer population across the United States.

Also in 2000, the proportionate share of 25-44 year olds in the Florida grew to a larger percentage than was represented in the North Central Florida Region (Figure 3). Nationwide the percentage of 25-44 year olds in the population for the year 2000 was about 30.2%, slightly lower than the proportion in the study areas show in Figure 3.

Figure 3: 2000 Age Break-Out for 25-44 and 55+



In 2006, Florida had the largest share of people over 55 (43.5% of the total population) which was also greater than its share of people from 25-44 years old. The North Central Florida Region and the City of Perry continued to have a larger percentage of 25-44 year olds in their populations. However, Taylor continued to have a slightly larger percentage of people over 55 years old. (Figure 4).

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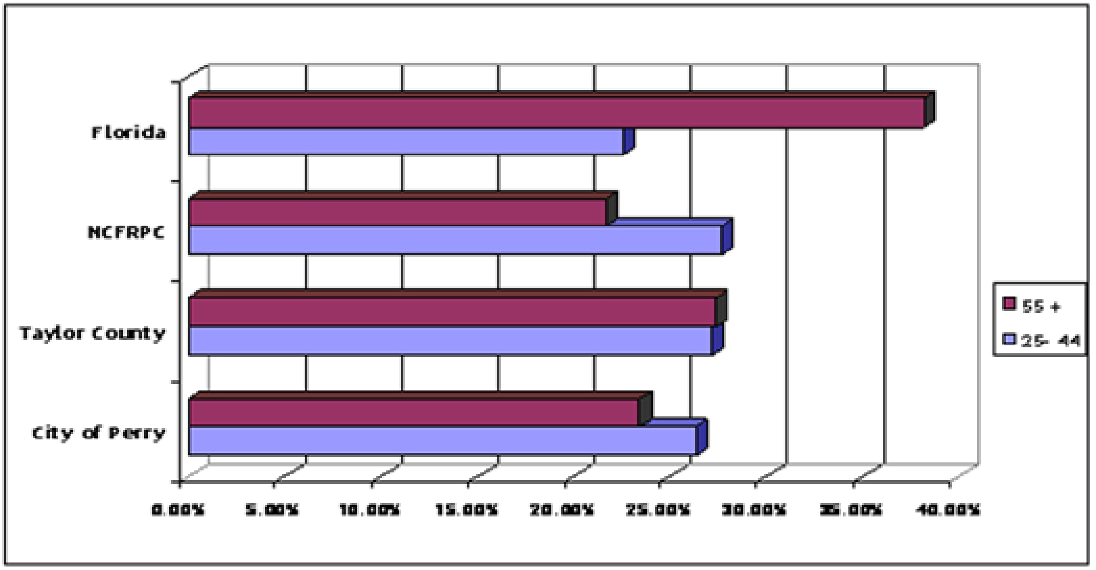
Figure 4: 2006 Age Break-Out for 25-44 and 55+



As the nation's population is expected to live longer, the state of Florida's forecasted median age is also expected to rise. However, the North Central Florida Region is still expected to remain younger than the state as a whole, as shown below in Table 4.

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Table 4: Median Age Projections for North Central Florida

	Median Age			
County	**2005 Estimate**	**2010 Projection**	**2020 Projection**	**2030 Projection**
Alachua	29.2	29.8	31.9	33.6
Bradford	37.5	37.7	38.5	40.2
Columbia	38.5	39.4	41.5	44
Dixie	41.4	42.6	44.1	45.7
Gilchrist	38.2	40.3	44.1	47.3
Hamilton	35.6	36.4	37.7	39.6
Lafayette	34.9	35.1	36	37.3
Madison	36.2	36.3	37.2	40.1
Suwannee	41.2	42.5	44.8	47.6
Taylor	38.7	39.6	41.4	43.5
Union	36.2	36.5	36.9	37.7
Region	37.05	37.84	39.46	41.51
w/o Alachua Co.	37.84	38.64	40.22	42.30
State	39.7	40.7	42.5	44.4

Trend Analysis

In 1990, Taylor County had the greatest concentration of residents in the 25 and 44 age bracket. However, by 2000, the proportion of people over 55 years old surpassed that in the 25-44 range. Although the region has a lower median age than the state of Florida, Taylor County has a larger proportion of residents aged over 55 than the region.

Strategic Finding

The North Central Florida region has a younger population than that of the state as a whole. In part, this is attributable to the large concentration of college students in Alachua County. However, when Alachua is removed from the regional median age calculation, the region remains younger than the state as a whole.

Some of the implications of the growing proportion of those aged over 55 years may include an increased demand for healthcare and related services, increased demand for alternate transportation options, and a reduction in the available workforce. A fixed older population without an increase in the prime working age will challenge Taylor County's, as well as the North Central Florida region's drive to change its industrial mix from population-serving industries such as education, health services and leisure and hospitality to cluster industries such as bio-fuels, energy, building component design, and logistics and distribution.

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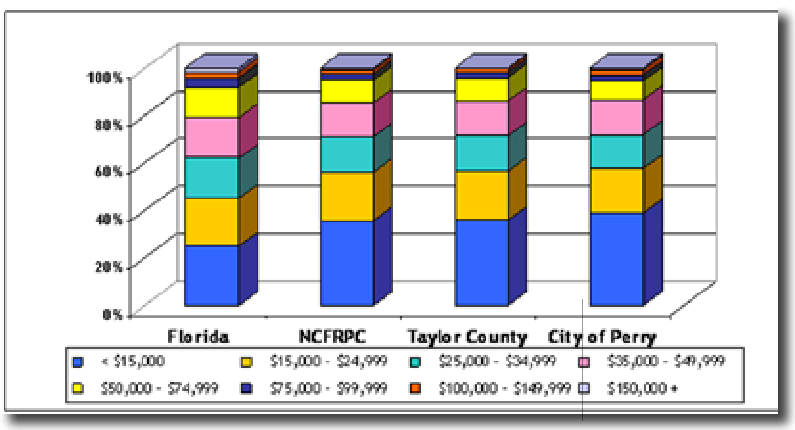
3. Household Income

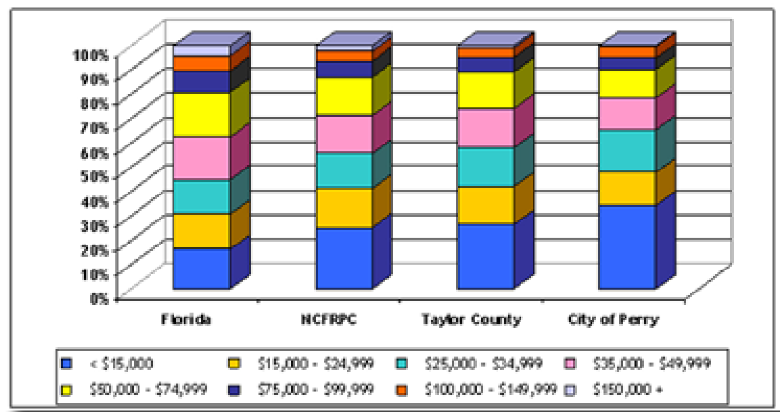
In 1990, households in the study areas had very similar distributions of household incomes. The largest proportion of households in each study area earned less than $15,000 a year. In Florida, 25% of its households brought home less than $15,000 a year. Florida's average household income was also, on average, over $8,000 to $10,000 more than the rest of the study area. Both Florida and the City of Perry had almost the same percentage, 2.3%, of households with incomes between $100,000 and $149,999 a year, whereas the other study areas had percentages of 1.5% and lower (Figure 8).

Figure 8: 1990 Households by Income



In 2000, household income began fluctuating across the study areas more than in the previous decade. Florida's largest percentage of households was no longer in the less than $15,000 a year range. The largest proportionate share of households, 18.5%, were those with a household income between $50,000 and $74,999 a year. However, this was not the case in the other study areas. The remaining study areas maintained the largest percentage of their households in the less than $15,000 a year range, although the percentage of households in that category was down from 1990. All of the study areas saw a fairly significant increase in the percentages of households making more than $50,000 a year (Figure 9). Also demonstrating the difference between Florida and the remainder of the study areas is median income. In 2000, Florida's median income jumped to $53,500 a year, a 46.5% increase from 1990. In Taylor County, median income increased by only 38.5%, to $37,942, and by only 22.1%, to $34,021, in the City of Perry.

Figure 9: 2000 Households by Income



In 2006, the largest percentages of households remained in the same income groups as in 2000. In all the study areas, the percentage of households with a household income below $15,000 a year continued to drop, while percentages of households with income of $35,000 a year continued to increase. These increases can be attributed to inflation, but more likely are the result of better paying jobs

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(Figure 10). In 2006, the median income in the City of Perry, $42,349, increased by a larger percentage, 24.5%, than in the Florida where median income increased 23.2% to $65,892. This is especially noteworthy considering that Florida's median income increase in 2000 was more than two times the increase in Perry. The remainder of the study areas continued to have increases in median income that were less than the increases in both Florida and Perry.

Figure 10: 2006 Households by Income

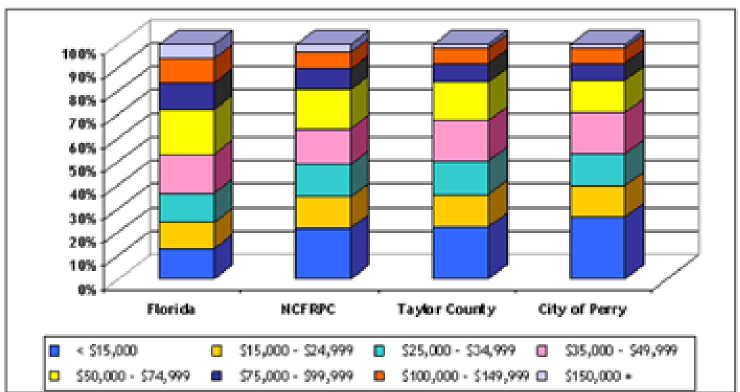
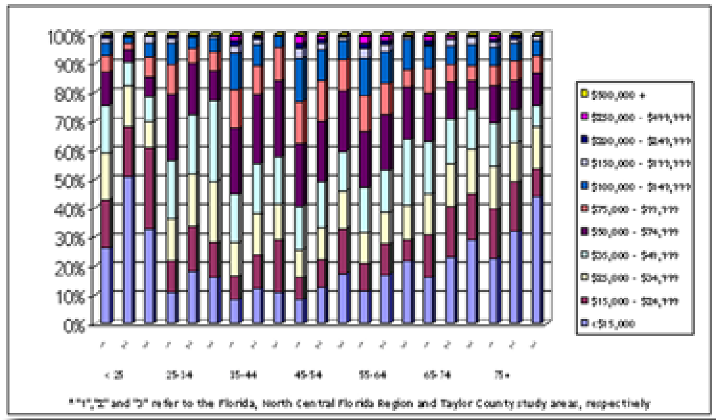


Figure 11: 2006 Household Income by Age of Head of Household



Trend Analysis

According to the U.S. census, the highest concentrations of elders living in poverty are found in the Big Bend and Panhandle portions of the state. The Big Bend region of the state is made up of many of the counties that are included in the North Central Florida region, which comprise the study area in this report. For example, in Dixie, Madison and Hamilton Counties, 31-40% of the population over 60 years old live in poverty. In Taylor, Lafayette, Suwannee, Columbia, Gilchrist and Union Counties, 21-30% of the population over 60 is in poverty.

Strategic Finding

Household income can be correlated with educational attainment and available jobs, which are both discussed in more detail in following sections of this contextual analysis. The percentage of residents in Taylor County that have above a high school education is considerably less than the region and the state. The limited "supply" of an educated workforce is one reason why there are a lack of high-tech jobs and other higher paying job opportunities.

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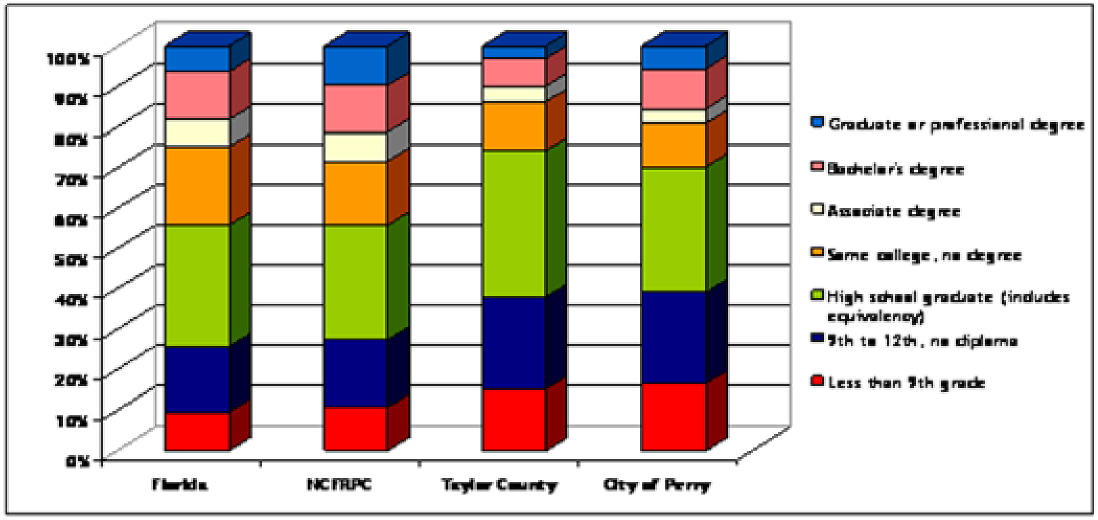
C. Education

1. Educational Attainment

In 1990, the City of Perry had the highest percentage of people who had less than a 9th grade education, 16.4%. Florida had the lowest percentage of this group at 9.5%. Taylor County has the highest percentage of people that are high school graduates, beating out the state and the North Central Florida Region. However, Florida and the North Central Florida Region have the largest percentage shares of population with a bachelor's degree, 11.9% and 11.4%, respectively. Taylor County and the City of Perry have the smallest percentages of residents with an education above the high school level (Figure 12).

Figure 12: 1990 Educational Attainment



In 2000, the City of Perry continued to have the largest percentage of people with less than a 9th grade education; however the percentage decreased to 12.9%. The North Central Florida Region had the highest concentration of people with an Associate Degree. As in 1990, Florida had the largest percentage of people holding a Bachelor's Degree; Taylor County had the smallest percentage from the same group, with only 5.3%. Overall, the percentage of people with less than a 9th grade education decreased. The North Central Florida Region also had the largest percentage of people holding graduate or professional degrees with 10.6% (Figure 13).

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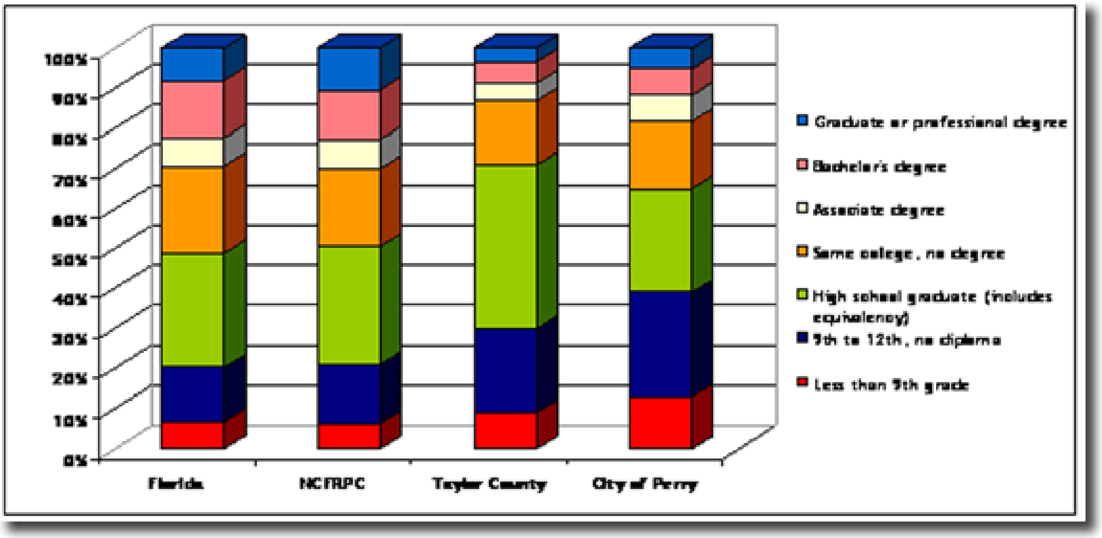
Figure 13: 2000 Educational Attainment



Trend Analysis

A long-term analysis of the region indicates that the number of persons completing a four-year college degree has doubled in the region from 1980 to 2000. Overall high school graduation rates are slightly higher in the region than the state at 73.2% vs. 71.9%. However, the national average in 2005 was a high school graduation rate estimate between 75% and 85% (www.centerforpubliceducation.org), indicating that Florida lags behind the nation in educational attainment.

Strategic Finding

As depicted in Figure 12 and Figure 13, the residents of Taylor County are lagging behind the state and the region in educational attainment beyond the high school level. One reason Taylor County has a lower than average percentage of residents with a college education or above is due to the "brain drain." Those students that do leave to go to school are unable to return to Taylor County after graduation because of a limited supply of quality jobs. An implication of the perception of a comparatively lower educated workforce is the inability to attract higher paying jobs to the County.

Educational attainment for area workers should be a regional priority in terms of matching the workers with needs of area employers. Interviews with area businesses indicate that basic "soft skills" are a critical need for most regional businesses. Programs that can increase skill levels to attract more high-tech jobs will also help diversify the regional economy.

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According to the North Central Florida Regional Planning Council there are two grants underway to implement the innovative CHOICES program in the region. This will allow area businesses to work with high school students so that upon graduation from high school, the students can gain valuable certifications in their field of choice.

D. Housing

Table 5: Housing Units 1990 – 2006

	Florida	NCFRPC	Taylor County
1990	6,100,262	147,722	11,699
2000	7,302,947	186,088	9,646
2006	8,388,904	206,616	10,617

Table 6: Change in Housing Units, 1980 -2006

	Florida		NCFRPC		Taylor County	
	% Change	# Change	% Change	# Change	% Change	# Change
1990 - 2000	19.7%	1,202,685	25.9%	38,366	-17.5%	-2,053
2000 - 2006	14.8%	1,085,957	11.0%	20,528	10.0%	971

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1. Housing Affordability

Cost-burdened households are defined as those households that pay more than 30% of income for rent or mortgage costs. In 2005, 1,630 Taylor County households (22%) paid more than 30% for housing. By comparison, 28% of households statewide are cost-burdened.

Table 7: Households by Cost Burden, Taylor County, 2005

	Amount of Income Paid for Housing		
	0-30%	30-50%	50% or more
Taylor County	5,741	927	703

Table 8: Households by Homeowner/Renter Status and Cost Burden, Taylor County, 2005

	Amount of Income Paid for Housing		
	0-30%	30-50%	50% or more
Owner	4,796	647	480
Renter	945	280	223

Table 9: Households by Income and Cost Burden, Taylor, 2005

	Amount of Income Paid for Housing		
	0-30%	30-50%	50% or more
Less than 30% AMI	377	228	436
30-59.9% AMI	833	356	192
60-79.9% AMI	639	142	30
80 + % AMI	3,892	201	45
Total	5,741	927	703

The U.S. Department of Housing and Urban Development (HUD) estimated median income for a family of four in Taylor County was $41,800 in 2006. Table 9, above, categorizes households based on household income as a percentage of Area Median Income (AMI) and the percentage of income that is dedicated to housing costs.

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Although Taylor County has a large percentage of people with low incomes, Table 9 shows that more that half of the area households (in 2005) made 80% or more of the AMI and paid less than 30% for housing, so therefore could not be considered cost burdened.

Table 10: Elderly Households by Age and Cost Burden, Taylor County, 2005

	Amount of Income Paid for Housing		
Age of Householder	**0-30%**	**30-50%**	**50% or more**
65-74	845	126	113
75 or older	626	160	84

Table 10 shows that approximately 25% of the County's elderly fall into the cost burdened category. In comparison, the State has about the same ratio of cost burdened elderly persons.

Table 11: Households by Size and Cost Burden, Taylor County, 2005

	Amount of Income Paid for Housing		
Number of Persons in the Household	**0-30%**	**30-50%**	**50% or more**
1 to 2	3,446	596	480
3 to 4	1,783	249	162
5 and more	512	82	61

As is true with the State, the majority of cost burdened households contain only 1 and 2 household members (Table 11).

Strategic Finding

Comparatively, Taylor County's households are not "cost-burdened" when it comes to the amount of income that they dedicate to housing. However, as growth continues, there will be pressure on the prices for land and housing. Taylor County is currently positioned to take proactive steps that can assure that future residents will continue to find affordable housing.

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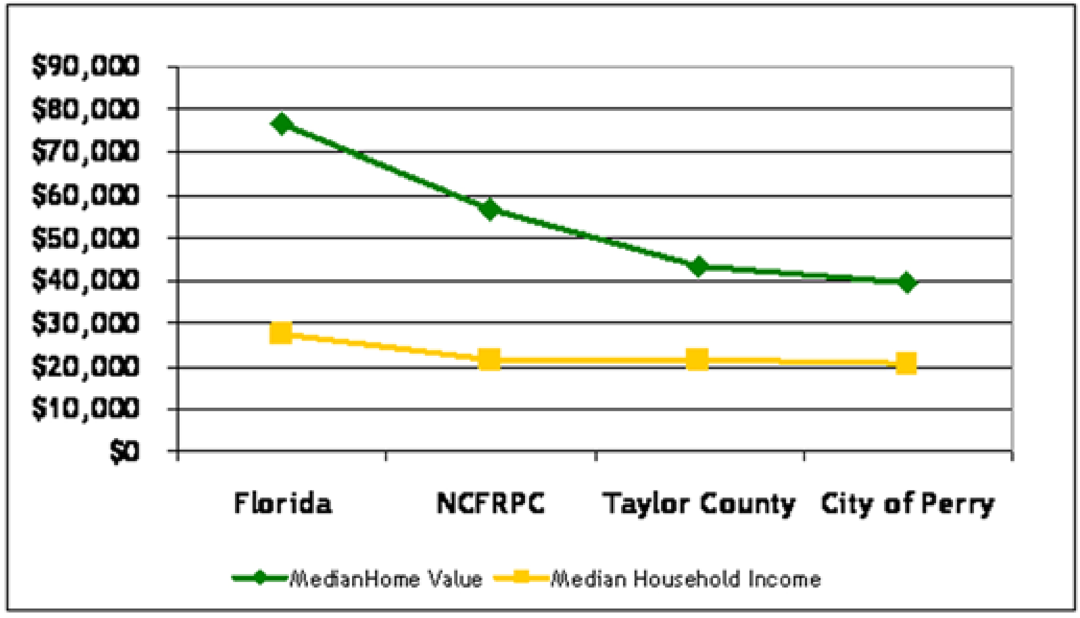
2. Median Home Value and Median Household Income

In 1990, the largest gap between home value and median income existed in Florida, as a whole, meaning areas other than the study areas, were contributing to a higher median home value and stable median household income. Generally speaking, the median home value decreased as the study areas got smaller. For example, median home value in the City of Perry, $40,000, was the lowest of all the study areas, while the median household income was flat in comparison (Figure 14).

Figure 14: 1990 Gap Between Median Home Value and Median Household Income



In 2000, the gap between median home value and median household income increased in Florida. It also increased in the North Central Florida Region. Median home values in this region went up approximately $40,000 from 1990 to 2000, and median household incomes went up less than $10,000. Taylor County also experienced the increase, however, not at the same intensity. The difference between median home value and median household income was less than $20,000 in Taylor County, while the difference in the North Central Florida region was more than $60,000, making Taylor County more affordable (Figure 15).

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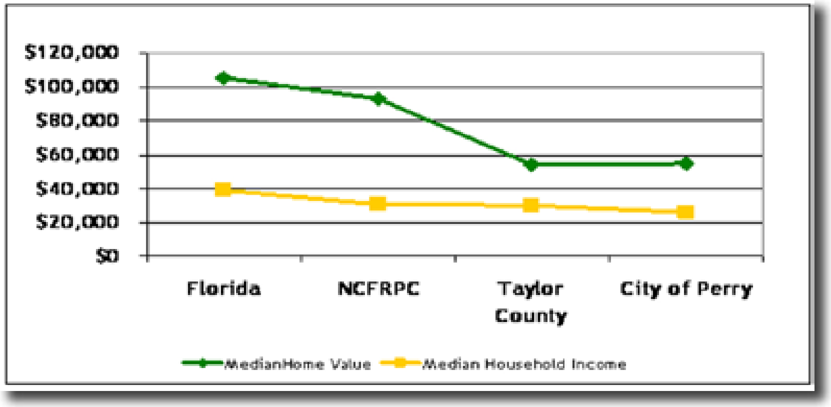
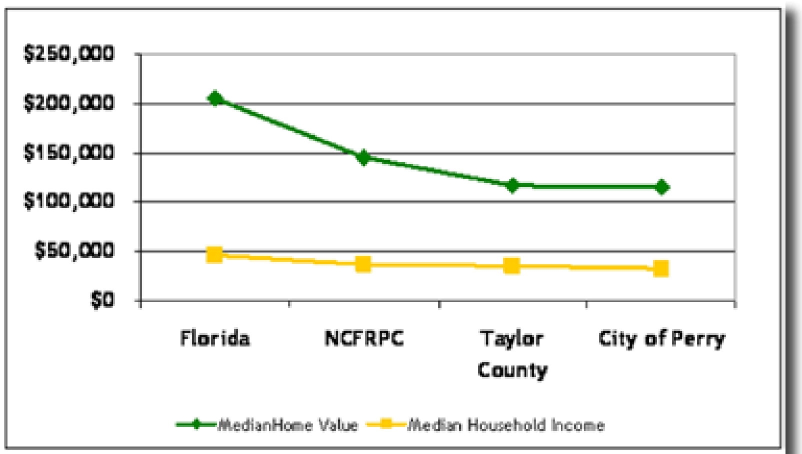
Figure 15: 2000 Gap Between Median Home Value and Median Household Income



In 2006, the trend as far as largest gap between median home value and median household income continued. In Taylor County, the median home value rose by over $60,000 from 2000, while median household income only rose by $4,000 (Figure 16).

Figure 16: 2006 Gap Between Median Home Value and Median Household Income



Trend Analysis

This is a good illustration of the emerging problem of affordable housing occurring across the state. Although Taylor County remains relatively affordable on a comparative basis with the state and the region, it is evident that it is an emerging issue that has and/or will affect many residents in Taylor County.

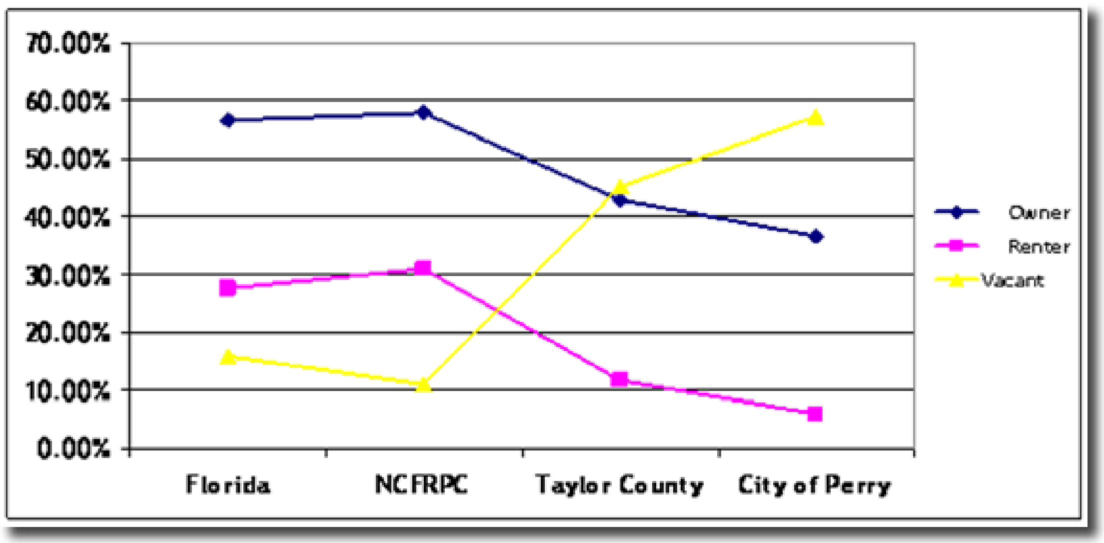
Strategic Finding

Although Taylor County and the North Central Florida Region may not currently be experiencing the same affordable housing crisis that other parts of Florida are dealing with, it could be an emerging problem. With little diversification among industries, and an expected increase of retiree population, the need for healthcare and service sector employees will grow. Generally these are not high paying positions, and as is occurring in other areas in Florida, wages will not rise at the same pace as housing costs, making it difficult for many to afford homes.

3. Housing Tenure

In 1990, the City of Perry had the largest percentage of vacant housing, 57.2%, much higher than the state's average of 15.8% vacant housing units. The North Central Florida Region has the largest number of renter occupied housing, 31%, while the City of Perry had the smallest, with 6% (Figure 17). The small amount of renter-occupied housing is due to a lack of a supply of rental housing within Perry and Taylor County.

Figure 17: 1990 Housing Tenure



In 2000, owner occupied housing was much more level than in the previous decade. Trends in renter occupied housing did not change in 2000, compared with 1990. The North Central Florida Region maintained the largest percentage of this group, while the City of Perry had the smallest percentage. The percentages of vacant housing continued to fluctuate based on study area. The City of Perry still had the largest percentage; however it decreased by 26% to 31.3% of housing units (Figure 18).

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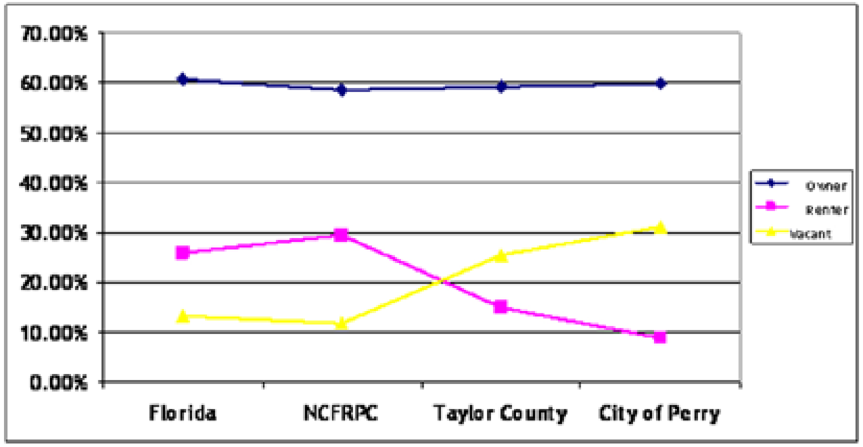
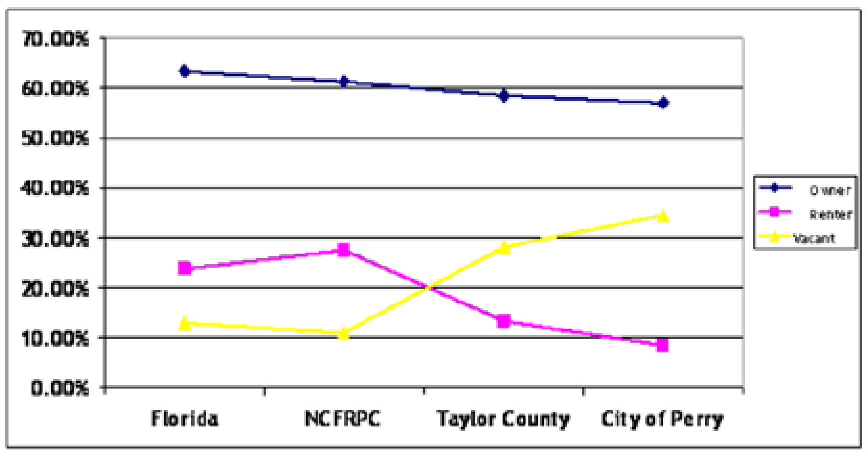
Figure 18: 2000 Housing Tenure



Owner occupied housing did not change considerably from the previous years; the percentage of home owners increased overall in each study area by the year 2006. As the number of owner occupied housing units increase, the number of renter occupied housing units should decrease. This is true for all areas except the City of Perry. Renter occupied housing increased by approximately 2.4% from 1990 to 2006 to 8.4%. The percentage of vacant housing units also increased in Taylor County, including the City of Perry (Figure 19).

Figure 19: 2006 Housing Tenure



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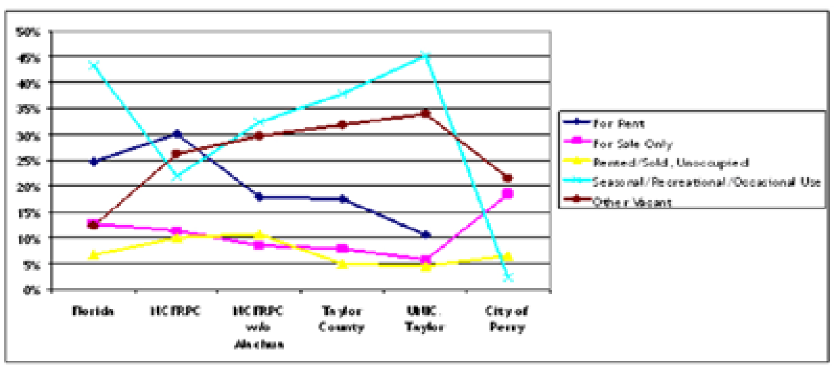
4. Vacant Housing

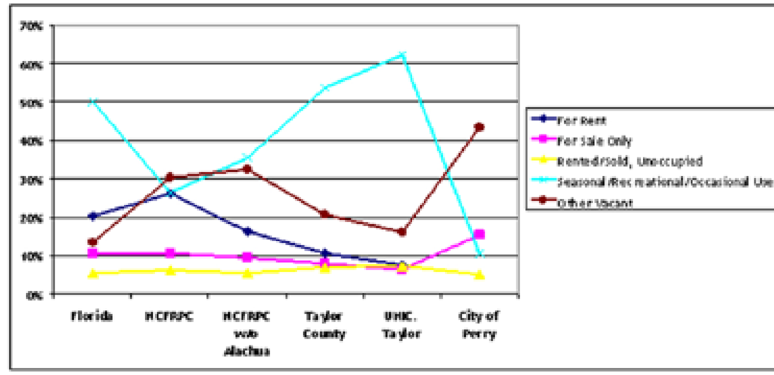
In 1990, much of Florida's vacant housing, 43%, was attributable to seasonal/vacation/ second homes. Unincorporated Taylor County had more than 45% of its vacant housing designated for the same use, whereas the City of Perry had only 2.3% considered to be for seasonal/vacation/second homes, despite the large percentage of vacant housing in the area. The City of Perry had a significant percentage, 18.4% of housing vacant for sale housing (Figure 20).

Figure 20: 1990 Vacant Housing Status



In 2000, the percentages of vacant housing created by seasonal/vacation/ second homes increased significantly in all study areas. In Unincorporated Taylor County the percentage increased by over 15% to 62.2%. In the state as a whole, it went up over 5% to 52.2%. The percentage of vacant housing for rent decreased across all study areas. The percentage of vacant housing for sale also decreased for the most part, except in the North Central Florida Region, excluding Alachua County, and in Taylor County (Figure 21).

Figure 21: 2000 Vacant Housing Status



5. Housing Ownership

In 2000, across the study areas most homes were owned by people between the ages of 45 and 54. In all of Florida, age for ownership is more or less even between the ages of 45 and 54 and 35 to 44. Also, homeownership percentages in 45 to 54 and 25 to 34 ranges are higher in all study areas when compare to Florida as a whole. The largest percentage of homeowner aged between 55 and 64 is in Unincorporated Taylor County. Florida has a higher percentage of homeowners aged 75-84 than the rest of the study areas and the City of Perry has the largest percentage of homeowners over 85 years old (Figure 22).

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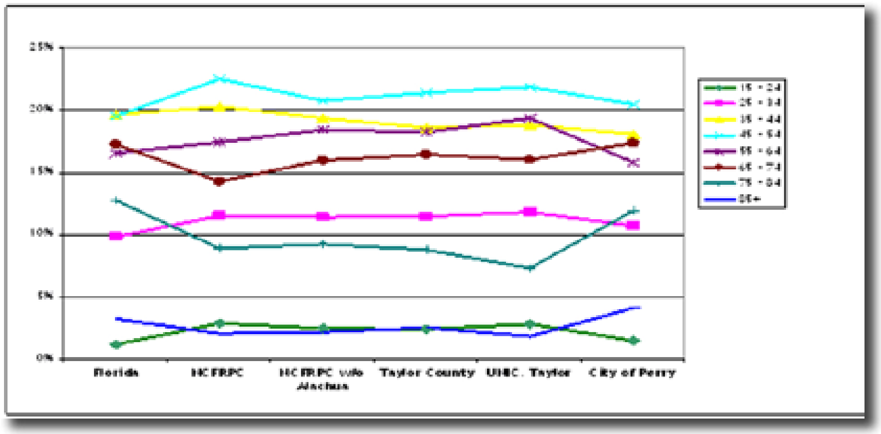
Figure 22: Housing Ownership by Age of Owner - 2000



6. Building Permits

There is not a lot of diversity in the building permits across the study areas. Florida has the most diversity, with small percentages of building permits in 2-4 family housing units, whereas in the other areas, there are virtually no permits for those types of units. Florida also has the largest percentage of building permits for 5 or more housing units. (Figure 23 and Figure 24)

Figure 23: 2004 Building Permits by Number of Units

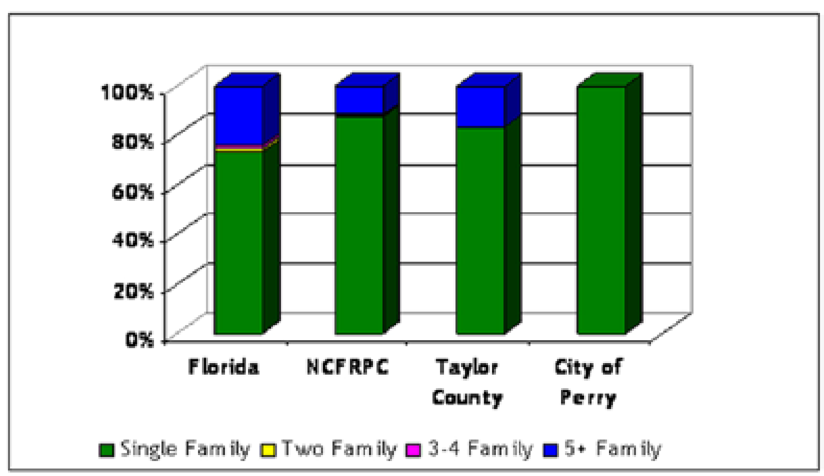
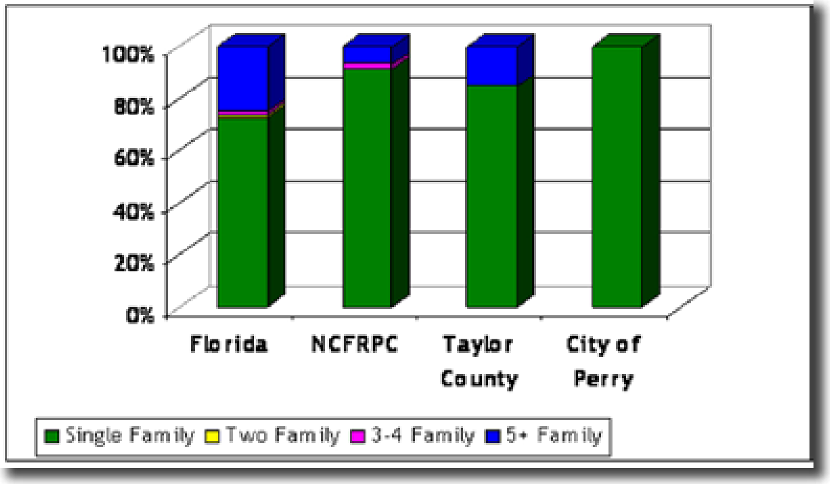


Figure 24: 2005 Building Permits by Number of Units



E. Employment

1. Total Employment

The Taylor County economy is relatively small. Those employed in the County numbered approximately 7,800 people in 2006, a growth of less than 1,000 employees from 1990, and only 0.10% of the state's total employed workers. Taylor County leads the state in forestry products, which helps explain why the largest industry, in terms of employment, is in the manufacturing sector. Lumber and other wood products and fabricated metal products accounted for the greatest employment in the manufacturing sectors.

Table 11: Employed Persons, 16 and older, 1990-2006

	Florida	NCFRPC	NCFRPC w/o Alachua	Taylor County	UNIC. Taylor	City of Perry
1990	5,810,467	143,206	65,390	6,850	4,001	2,849
2000	6,995,047	187,710	81,877	7,413	4,832	2,581
2006	8,068,277	207,981	91,043	7,813	4,972	2,841

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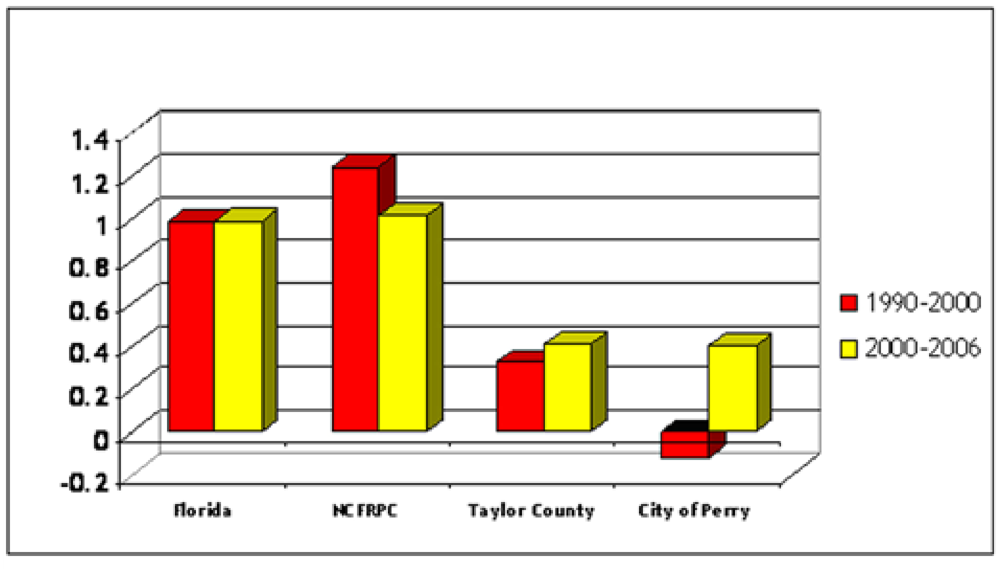
2. Jobs to Housing

National and statewide data indicate that a rate of between 1.24 to 1.50 jobs to housing units creates a "balanced" environment. As the ratio declines below 1.0, it is an indication that forces other than jobs are driving the housing market.

Florida has just below a one-to-one ratio for new jobs to new housing units, added from 1990 – 2000. The North Central Florida Region had more jobs added than housing units, creating a ratio of 1.24 for the same period. In Taylor County, there were more than 3 times as many housing units added than jobs from 1990 – 2000, resulting in a ratio of 0.32. The City of Perry had a negative ratio because there was a loss of almost 270 jobs from 1990 to 2000 (Figure 25).

The percentage of new jobs to new housing units did not significantly change from the period from 1990 – 2000 to the period from 2000 – 2006 in Florida. In the North Central Florida Region, the number of jobs added caught up to the number of housing units added and resulted in just under a one-to-one ratio. The City of Perry rebounded over the period from 2000 to 2006, with a ratio of approximately 0.80 (Figure 25).

Figure 25: New Jobs to New Housing Units, 1990-2006



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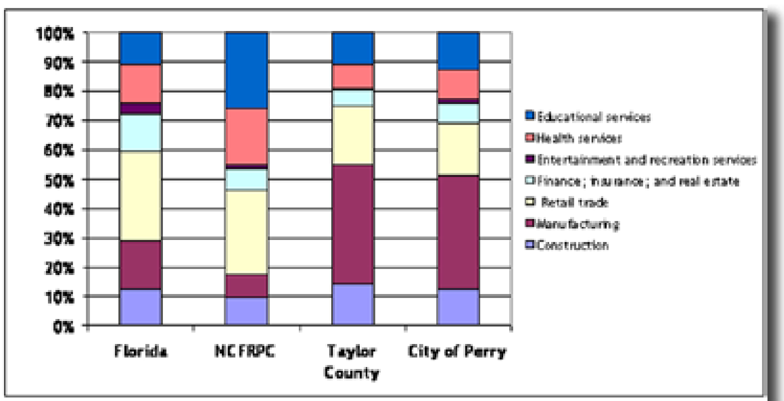
3. Employment by Industry

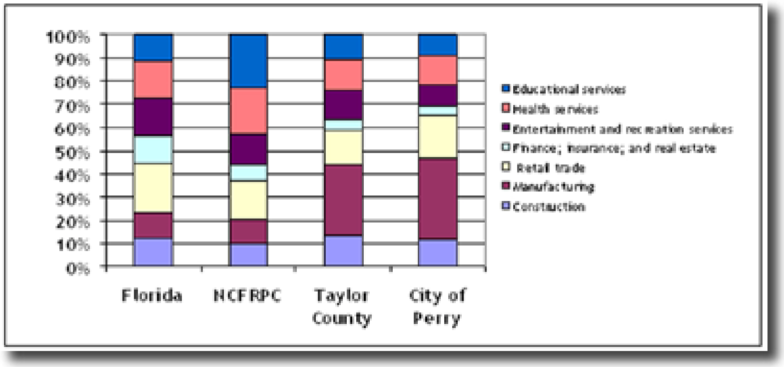
Employment trends in 1990 were fairly uniform across all the study areas and industries, with the exception of the manufacturing industry in Taylor County. Relatively, Taylor County's manufacturing workforce was 4 time higher than the state. The smallest concentration of employees was in the entertainment and recreation industry in each study area (Figure 26).

Figure 26: 1990 Employment by Industry



In 2000, Taylor County, and more specifically, the City of Perry had the largest percentage of their residents employed in the manufacturing industry. The percentage of employees in the manufacturing industry in Taylor County and the City of Perry outweighed the other study areas in by more than 3 times. In all the study areas, with the exception of Florida, the lowest concentration of employees shifted from the entertainment and recreation services industry to the finance, insurance and real estate industry (Figure 26 and 27). Florida's largest concentration of employees remained in retail trade and the North Central Florida Region had the largest concentration of employed people in the educational services industry (Figure 27).

Figure 27: 2000 Employment by Industry



There were few noteworthy changes or shifts in employment by industry in the study areas from 2000 to 2006. Although Taylor County and the City of Perry continued to have a relatively large percentage of employees in the manufacturing industry, the percentage was approximately 5% lower than in 2000 (Figure 28). The benefit of having a slightly lower percentage of employment in Taylor County's core industry, manufacturing, is the economy showed a slight diversification of employment in the County.

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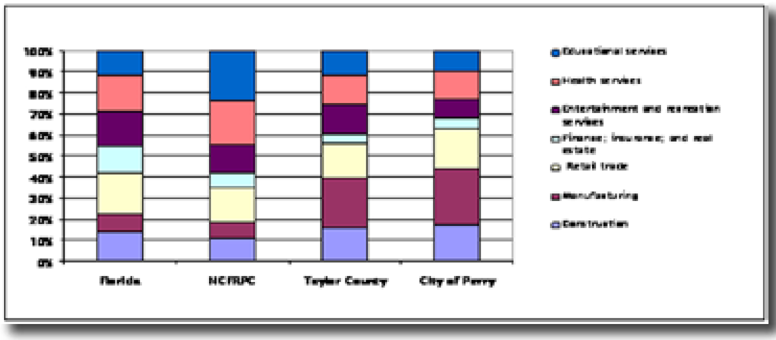
Figure 28: 2006 Employment by Industry



Trend Analysis

There has been little diversification of industry in Taylor County over the last 25 years. Manufacturing holds the largest share of employees in the County and City and is more than 3 times greater than the concentration of manufacturing employees in the state.

Strategic Finding

On average, 60% of Taylor County's employment base earns less than the average yearly wage for the County, $29,800. Diversifying the industry base is a necessity for the County, however, the diversification should target high-tech, high-wage jobs where the average wage is greater than the average wage for the County.

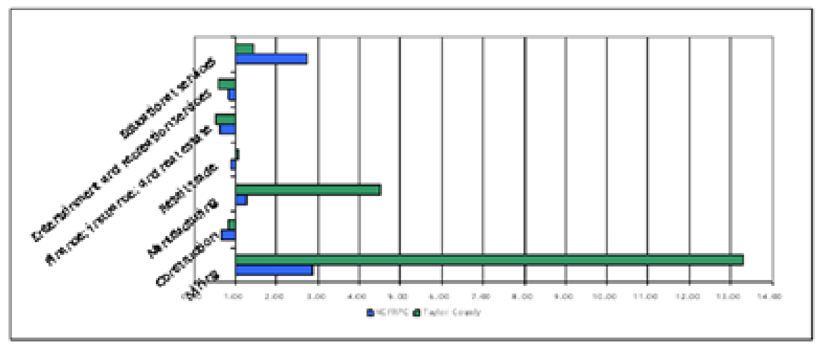
F. Target Industry Analysis

1. Location Quotient

Taylor County's economy is driven by the manufacturing industry. As the graph below indicates, this employment sector is heavily concentrated in Taylor County relative to the state and other regions in the state. Location quotients are a measure of clustering and can identify base or export industries in which services or goods are exported outside of the local Taylor County market, bringing outside dollars into the local economy and economic growth.

Industries scoring above a 1.00 indicate there is a greater concentration of jobs in the local market. Those industry groups achieving high location quotient scores for Taylor County include Educational Services (1.46), retail trade (1.08), manufacturing (4.51), and mining (13.29) (Figure 29).

Figure 29: Location Quotients for Selected Industry Groups



Trend Analysis

In comparison with the state, Taylor County's base industries are mining, manufacturing and education, which corresponds to the employment by industry graphs discusses in the previous section.

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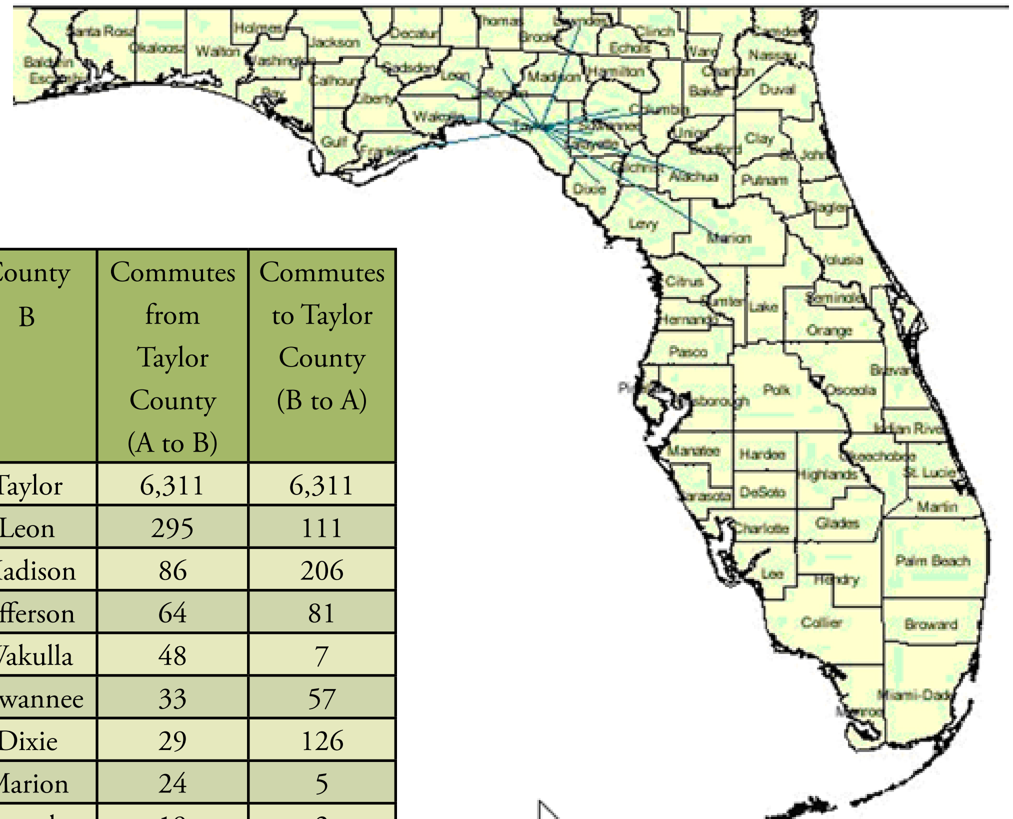
Strategic Finding

According to the Location Quotient Analysis, comparing Taylor County with the United States, performed by the North Central Florida Regional Planning Council 3 out of 23 total industry groups in Taylor County are considered basic industries (Forestry and Fishing; Accommodation and Arts, Entertainment and Recreation; and Healthcare). This analysis further illustrates the need for Taylor County to diversify its industry base.

Journey to Work

Figure 30: Journey to Work Map & Table



County A	County B	Commutes from Taylor County (A to B)	Commutes to Taylor County (B to A)
Taylor	Taylor	6,311	6,311
Taylor	Leon	295	111
Taylor	Madison	86	206
Taylor	Jefferson	64	81
Taylor	Wakulla	48	7
Taylor	Suwannee	33	57
Taylor	Dixie	29	126
Taylor	Marion	24	5
Taylor	Lowndes	19	2
Taylor	Alachua	16	10
Taylor	Lafayette	8	151
Taylor	Columbia	5	13
Taylor	Franklin	5	2

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In total, 771 workers commute into Taylor County for work, with the majority coming from Madison, Lafayette, Dixie and Leon Counties. In comparison, 632 workers leave Taylor County for work, with the majority going to Leon County (Figure 29).

In Florida in 1990, approximately 18.3% of people that did not work from home drove 15-19 minutes to work, and approximately 13% drove more than 40 minutes to work. In the North Central Florida Region, more than 20% of workers that did not work from home drove 15-19 minutes to work, and 10.7% drove 40 minutes or more to work. In Taylor County, 46% of its away from home workers commuted between 5 and 14 minutes to work each day and only 8.5% drove more than 35 minutes to work. In the City of Perry more than 30% away from home workers traveled between 5 and 9 minutes to work.

Table 13: 1990 Journey to Work Times

# Minutes	Florida	NCFRPC	NCFRPC-Alachua	Taylor County	UNIC. Taylor	City of Perry
< 15	29.01%	36.55%	38.87%	52.07%	40.77%	67.49%
15 – 19	18.26%	20.93%	17.92%	19.21%	23.22%	13.75%
20 – 40	37.26%	30.13%	25.91%	20.18%	25.16%	13.39%
Over 40	14.74%	11.50%	15.89%	7.87%	9.71%	5.37%

In 2000, the away from home workers that traveled more than 90 minutes to work grew slightly in all study areas. The percentages of the shorter commutes, those between 0 and 20 minutes, decreased slightly.

Table 14: 2000 Journey to Work Times

# Minutes	Florida	NCFRPC	NCFRPC-Alachua	Taylor County	UNIC. Taylor	City of Perry
< 15	24.97%	32.92%	32.67%	49.66%	41.99%	63.80%
15 – 19	16.20%	18.93%	15.56%	16.49%	18.02%	13.66%
20 – 40	37.64%	32.01%	28.88%	21.12%	24.65%	14.62%
Over 40	18.75%	13.78%	19.77%	9.61%	12.29%	4.66%

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B. Taylor County Vision 2060

1. Economic Development and Housing Committee SWOT Analysis

In order to evaluate the economic condition of the County, a "SWOT" analysis was conducted. This analysis looks at the Strengths, Weaknesses, Opportunities and Threats that are either present or perceived in the County in regard to the economic environment. Using the SWOT analysis, the County may identify key issues and develop an overall plan to either enhance the positive features or determine a way to mitigate the negative features. A summary of the findings is presented below.

Strengths

- The small school system in Taylor County allows students, as well as parents, to receive personal attention from educators
- Good hospital in the area
- Ease of mobility throughout the county (the "rush minute")
- Natural and outdoor recreation opportunities
- "Southern Charm" and the small town feel is a positive factor in the eyes of the residents
- Proximity to the coastline as well as other major cities in Florida, for example, Tallahassee

Weaknesses

- Minimal supply of rental housing in addition to virtually no variety in housing options
- Quality of the Taylor County school system; few extra-curricular activities; limited challenging/upper level classes offered
- Very few children that graduate from Taylor County schools and go on to college return to Taylor after graduation because of lack of job opportunities
- Limited shopping and retail in the County
- Limited entertainment and recreation opportunities
- Unable to attract quality jobs to the area as a result of several factors, including the school system and housing options
- Limited access to the coast for development or recreation

Opportunities

- Enhancement of the Knowledge-Based and Manufacturing Based Industries will create additional opportunities for quality jobs
- Revitalization of Downtown Perry
- Incentives for businesses to attract jobs and encourage development.
- Large amount of land that could be available for development
- Proximity to University of Florida and Florida State University

Threats

- Lack of diversification of economic base
- Inability of businesses to attract quality workers
- Global competition faced by base

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industries

- Rising property insurance costs.

2. Economic Development and Housing Issues

One of the first steps in the visioning process for the Taylor County Vision 2060 was to compile a list of issues facing Taylor County. The issues listed below were identified by the Economic Development and Housing Committee and accepted by the Task Force.

1. The opportunities, resources, activities, enticements, and support services that help students and their families reach full potential, whether provided by the public schools or by other entities, are very limited in Taylor County.
2. There is a lack of coordination between governmental officials at all levels (Federal, State, and Local) in providing incentives to attract and retain businesses that offer higher paying jobs. A support structure to encourage new business ideas, incubators, and entrepreneurship opportunities does not exist.
3. There is a lack of high-tech industry and therefore, limited opportunities for higher skilled, higher wage jobs. As a result, the county's wage levels are below state and national levels and are not keeping pace with the rising cost of living.
4. Unplanned growth in Taylor County may encroach into recreational lands and existing hunting leases, reducing opportunities for hunting, fishing, and other outdoor recreational activities.
5. Taylor County lacks facilities (campgrounds, boardwalks, multimodal trails, piers, horse trails, etc.) in state owned lands, and access is limited.
6. Concerns exist that growth will result in a loss of family-friendly atmosphere, safe environment, and small town feel of the community.
7. Unplanned growth away from the City of Perry will result in the lack of an authentic urban commercial center for Taylor County and the region.
8. There is a lack of designated employment centers and shovel-ready sites.
9. The size of the airport and the nature of the aircraft that can land there may limit growth opportunities for residential, busi-

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ness, and manufacturing sectors.

10. Potential growth around the airport may limit the expansion opportunities.
11. There is a lack of business-to business relationships across Taylor County and the Big Bend economic region.
12. Taylor County's local economy is too reliant upon the county's few industries.
13. Taylor-based companies are not capitalizing on their opportunity to enhance their community's quality of life.
14. There is a lack of the full array of housing types and price ranges (from executive housing to workforce housing) with available amenities.
15. There is a lack of shopping and retail options as well as entertainment and recreational opportunities.

A. Taylor County Vision 2060 References and Case Studies

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Progressive Policy Institute (2001). The Metropolitan New Economy Index, *Economic Development Strategies.*

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Appendix B: Taylor County Vision 2060

Vision 2060 Economic Development 5 Year Action Plan

AngelouEconomica (2006). *Northern Nevada Visioning Document*, Presented to Northern Nevada Development Authority.

Coral Springs, Florida Economic Development Foundation

Fortune Magazine, Anne Fisher, *Big Employers Small Town Jobs*

Vaughn L. Grisham, Jr. *Tupelo: Evolution of a Community*

Southwest Michigan First, The Kalamazoo Region's Economic Catalyst

Treasure Coast Regional Planning Council, *Comprehensive Economic Development Strategy 2007-2012*

Rick Cole, Trish Kelly, Judy Corbett with Sharon Sprawls, *The Ahwahnee Principles for Smart Economic Development*

Implementation

The majority of the responsibility for the implementation of both the long-term and 5 Year Action Plan is the Taylor County Development Authority. Currently, it's staff includes a full-time director and a part-time clerical assistant. In order to adequately carry out its responsibilities to the County and City of Perry, we recommend the following:

Increase operational funding sufficient to provide for 1 additional full-time economic developer, and upgrade the clerical assistant to a full-time position clerical assistant. Adequate funds should also be provided to assure that the requisite travel, marketing, and professional training/meetings costs can be met.

Fund the development and production of marketing materials. This should include printed brochures as well as an enhanced website that is integrally linked to the Regional and State economic development web sites.

Existing financial incentive and capital investment programs should be fully funded annually by the County and City.

Taylor County/Perry, in its own fashion, can take a lesson from the advice that Bill Gates, in 1993, gave in a speech to a group in India. He said:

1. Buy property and build buildings
2. Put airports close to that property and those buildings
3. Fill those buildings with Tech savvy people

This led to a whole new market in India.

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VISION 2060 Economic Development 5 Year Action Plan

A summary of the recommended actions that need to be take place over the next 5 years are listed below.

Item	Action	Major Responsible Party
Education and Workforce Partners	Form a workforce and education working group.	TCDA/School District
Professional networking	Create a regularly scheduled networking forum for business professionals	Chamber of Commerce
Workforce Conference	Institute an annual workforce conference	Local business owners and managers
Entrepreneurship	Develop programs to assist and encourage new and aspiring entrepreneurs	Chamber of Commerce
Housing in Downtown Perry	Revitalize downtown Perry with a mix of housing, retail, employment, entertainment, and institutional functions	Perry/TCDA
Enhanced recreational opportunities	Form a public/private partnership to actively seek better access to State lands	Taylor County State and local elected officials representing Taylor/Perry.
Government Programs	Acquire funds for financial incentives to leverage private capital for economic development, downtown redevelopment, and affordable housing	TCDA/County/City
Regional Economic Centers		
Industrial Mega Site	Create industrial site of at least 1,000 buildable acres	TCDA/Private Developer
Education/ Research Park	Establish an education/research commission; create an education research park	Chamber of Commerce/ TCDA/Private Developer/ School Board/TT Institute
Business Office Park	Develop a “shovel ready” business park of at least 100 buildable acres	TCDA/Private Developer
Perry – Foley Airport	Upgrade airport; create an Airport Authority	County Commission/ Airport Authority

Appendix C

FINANCIAL ASSISTANT PROGRAMS

A. Rural Economic Development

1. United States Department of Agriculture (USDA) Business Programs
   a. Rural Business Cooperative Service (BCS)
      i. Provides credit opportunities and services to businesses in under-served rural areas
      ii. Purpose is to create and maintain employment and improve economy or rural communities
      iii. Communities with fewer than 50,000 people in non-urban areas
   b. Business and Industry Guaranteed Loans
      i. Provides a guarantee of up to 80% of a loan made by a commercial lender
      ii. Maximum loan amount is $25 million but can be increased to $40 million for value-added commodity processing
      iii. Eligible uses:
         - Real estate
         - Construction
         - Machinery and equipment
         - Working capital
         - Limited refinancing
      iv. Ineligible uses:
         - Agricultural crop production
         - Relocation of business
         - Hotels and tourist facilities
   c. Intermediary Relending Program Loans (IRP)
      i. Loans to intermediaries to create a Revolving Loan Fund (RLF)
      ii. Requires experience in lending
      iii. Requires match of other funds
      iv. Terms of 1.0% and 30 years
      v. Eligible uses:
         - New businesses
         - Expansion of existing businesses
         - Creation of employment opportunities
         - Saving existing jobs
         - Community development projects
   d. Rural Business Enterprise Grants
      i. Eligible applicants:
         - Public bodies
         - Private non-profit corporations
         - Federally recognized Indian Tribal groups
      ii. Use of grant funds:
         - Technical assistance to small businesses
         - Lease of equipment to small businesses
         - Creation of a revolving loan fund
            o Construction of a small business incubator
   e. Renewable Energy Systems and Energy Efficiency Improvements Program (REEEP)
      i. Eligible applicants
         - Farmers
         - Ranchers
         - Rural small business (Small

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Business Administration size standard)

ii. Use of funds
- Renewable energy systems
- Energy efficient improvements

iii. Grants
- Based on need
- Not to exceed 25% of the project
- $2,500-$500,000 for renewable energy grants
- $1,500-$250,000 for energy efficient grants

iv. Loan Guarantees
- Up to 50% of eligible project costs
- $5,000 to $10 million

v. Combined grants and loans for up to 50% of the total project cost

f. Rural Economic Development Loans (REDL)

i. 0%; 10 year loans to electric and telephone utilities
- Utility required to re-lend at 0% interest to eligible “third-party” recipient
- 20% or greater from other financing sources
- 1% servicing fee to utility
- Purpose of financing
  - o Job creation
  - o Sustainable economic development

ii. Eligible purposes
- Business expansion/start-ups
- Community infrastructure required for economic development and job creation
- Community facilities for economic development and job creation
- Medical facilities and equipment for rural areas
- Educational facilities and equipment for job training
- Business incubator projects for emerging businesses

g. Rural Economic Development Grants (REDG)

i. Grants to electric and telephone utilities
- Create revolving loan funds
- Must promote sustainable rural economic development and job creation
- 20% match requirement for utility

ii. Initial loans at 0%; max tem is 10 years

iii. Eligible projects
- Community development projects
- Educational facilities
- Medical facilities
- Business incubators

iv. Subsequent Loans
- Interest rate not to exceed prime
- Eligibility under the utility’s revolving loan fund

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2. U.S. Small Business Administration (SBA) Programs
    a. SBA 7 (a)
        i. Benefits small businesses primarily by helping finance long-term loans
        ii. Reduces the risk taken by the lender and borrower
        iii. Lender-based program that provide guarantees of up to 85%
        iv. Rate up to prime plus 2 ¾ percent
        v. Most small businesses are eligible
        vi. Use of funds
            - Can be used for most legitimate business needs
            - Business owner must meet prudent lending criteria when analyzing management, owner capitalization and ability to repay
        vii. Eligible uses
            - Inventory and materials
            - Furniture and fixtures
            - Machinery and equipment
            - Leasehold improvements
            - Purchase an ongoing business
            - Repayment of existing accounts payable and other business debts
            - Working capital
            - Real estate
    b. SBA 504 Loan Program
        i. Fixed asset financing
        ii. Fixed rate financing
        iii. Long-term (10/20 years)
        iv. Low down payment
        v. Subordinate financing

B. Real Estate Related Community Development Programs

1. USDA Rural Development Community Facilities
    a. Designed to finance and facilitate the development of essential community facilities serving rural areas.
        i. Construct, enlarge or improve community facilities for healthcare, public safety, public services, cultural/educational and transportation
    b. 3 Different Programs
        i. Loan Guarantee Program
            - Guarantees up to 90% of loans originated by private lenders
        ii. Direct Loan Program
            - Rates vary based on the income level of the project's location (4.5% to market)
            - Term – 40 years or the useful life of the facility
        iii. Grants
            - Primarily for special

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initiatives

- Can be up to 75% or project costs

2. USDA Rural Development Homeownership
   a. Section 502 Direct Loans
      i. Mortgages direct to low or very low income families with reasonable credit histories
      ii. 33 to 38 year terms
      iii. Interest based on government cost of funds
      iv. Available for existing homes or new construction
   b. Section 502 Guaranteed Loans
      i. Guarantees for loans made by private sector lenders
      ii. 30 year term
      iii. Up to 100% of appraised value (no down payment)
   c. Section 523 Mutual Self Help
      i. Grants and site loans are provided to non-profit organizations, which supervise groups of 5-12 enrollees
      ii. Home buyers complete 65% of the work to build his or her home
      iii. Members of each group help work on each other's home, moving in only when all homes are complete
   d. Section 523 and 524 Site Loans
      i. Finance the purchase and development of affordable housing sites for low and moderate income families
      ii. 523 loans finance sites for self-help method
      iii. 524 loans finance sites for any low or moderate income family

3. USDA Rural Development Rental Housing
   a. Section 515 Rental Housing Program
      i. Direct, competitive mortgage loans for multifamily rental housing for very low, low and moderate income families, elderly and disabled.
      ii. In new projects, 95% of tenants must have very low incomes
      iii. Terms of up to 50 years at an effective interest rate of 1.0%
      iv. 4 variations
         - Cooperative housing
         - Downtown renewal areas
         - Congregate housing or group homes for persons with disabilities
         - Rural Housing Demonstration Program
   b. Section 538 Guaranteed Loan Program
      i. Loans made by private sector lenders
         - Guaranteed loans may be up to 40 years
         - Must be fully amortized
         - Fixed rate
      ii. Used to fund construction, acquisition or rehabilitation of

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multifamily housing
- Very low to moderate income
- Or, elderly, handicapped or disabled with income not in excess of 115% AMI

c. Section 514 Farm Labor Housing Grants and Loans
   i. Loans to:
      - Farmers
      - Farm worker associations
      - Family farm corporation
      - Indian tribes
      - Non-profits and public agencies
   ii. Grants to:
      - Farm worker associations
      - Indian tribes
      - Non-profits and public agencies

4. USDA Rural Development Technical Assistance and Training
   a. Funds available to intermediaries that have experience in providing training and technical assistance to recipients
      i. Non-profits
      ii. Low-income communities
      iii. Federally recognized Indian tribes
   b. Training and technical assistance must build the capacity of the recipient to undertake projects in:
      i. Housing
      ii. Community facilities
      iii. Community and economic development in rural areas
   c. Dollar-for-dollar (cash) match requirement from the intermediary

5. Federal Income Tax Credits
   a. Rehabilitation Tax Credits (RTCs)
      i. Historic Rehabilitation
         - 20%, one-time credit on rehab costs
            - o Certified historic structure or contributing to a National Register historic district
            - o Commercial, industrial or rental housing
            - o Substantial rehabilitation
         - 10%, one-time credit on rehab costs
            - o Eligible if the building was constructed prior to 1936
            - o Commercial, industrial or rental housing
            - o Substantial rehabilitation
            - o Building must not have been moved
            - o Exterior/interior wall retention requirements
   b. New Markets Tax Credits
      i. Designed to generate new, private sector investment in targeted distressed areas
      ii. Administered by Community Development Financial Institutions (CDFI) Fund, Division of the U.S. Treasury

iii. The taxpayer/investor will be eligible to claim a tax credit equal to 39% over 7 years.
- 5% per year for the first 3 years and
- 6% per year for the following 4 years

iv. Eligible real estate projects
- Commercial
- Mixed-use with commercial and housing rental uses
  - o At least 20% of income from commercial uses
  - o Cannot be a LIHTC project

c. Low Income Housing Tax Credits (LIHTCs) (discussed above)

C. Tax Exempt Bonds for Municipal Facilities

- 1. Revenue Ruling 63-20/Revenue Procedure 82-26
  - a. Revenue Ruling 63-20 allows a non-profit corporation to issue debt to finance a facility for tax-exempt purpose provided the following:
    - i. A local government endorses the financing
    - ii. The facility is to be occupied by a tax-exempt entity
    - iii. The facility must revert without encumbrance to the ownership of the endorsing local government at the retirement of debt.
  - b. While 63-20 is not the best financing vehicle for non-profits, it is useful for financing government buildings
  - c. 63-20 allow for the following:
    - i. Private development of public buildings using private tax-exempt debt
    - ii. Government control of the facility's use under the terms of a long-term lease
    - iii. A federal requirement that the facility to revert to governmental ownership at the retirement of debt
  - d. Advantages:
    - i. Tax-exempt debt
    - ii. Private development experience
  - e. Disadvantages
    - i. Greater up front costs
      - Higher interest rate
  - f. When to use:
    - i. When a private development process saves more in time and money than the added cost of an alternative tax exempt bond financing
    - ii. When conventional general obligation bonds are not a good alternative

2. 501(c)(3) Bonds
   - a. The current means by which 501(c)(3) non-profits finance facilities

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b. Requires 501(c)(3) status
   i. The activity must further the non-profit's public purpose
   ii. The use of the facility must be for an exempt activity
   iii. The bonds must be issued by a public agency

D. Business Development Finance and Job Creation Programs

1. Public Sector Incentive Financing
   a. Lender Incentive
      i. Subordinated Mortgage
         - Loan that is subordinated in payment and collateral to the first mortgage
         - Typically from public or non-profit source
         - Allows for higher total debt in the project
      ii. Loan Guarantee
         - Public entity guarantees a portion of the bank loan
         - Increase's the bank's security
         - Benefits the borrower by helping increase the size of the first mortgage
         - Reduces the risk taken by the lender and borrower
   b. Borrower Incentives
      i. Equity Investments
         - Repayment not based on level payments per month, they may be tied to cash flow, royalties on sales or sale of the business
         - Subordinated to all but common stockholders
         - Program models
            o Traditional venture capital
            o Community development venture capital
      ii. Grants
         - Funds from public and non-profit sources that require no repayment
         - Reduce the amount of debt or equity that must be attracted
         - Reduce the risk taken by the lender and the owner
      iii. Tax Incentives
         - Tax Increment Financing
         - Tax Abatement
         - Federal Tax Credits
      iv. Loans
         - A self-amortizing loan is normally repaid with a monthly level debt service payment that consists of principal and interest

2. U.S. Small Business Administration Finance Programs
   a. SBA 7(a) (Discussed above)
   b. NDC Grow America Fund
      i. Leverages local loan fund dollars
      ii. Provides underwriting, closing and servicing
   c. SBA 504 Loan Program (Discussed

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above)

d. SBA Micro Loan Program
    i. Provides very small loans to start-up, newly established, or growing small businesses concerned with being unable to secure credit from conventional banks
        - SBA makes funds available to non-profit community based lenders (intermediaries) which, in turn, make loans to eligible borrowers in amounts up to $35,000
        - Each intermediary is required to provide business based training and technical assistance to its micro-borrowers
    ii. Terms
    - Max term is 6 years
    - Varies on loan proceeds
    iii. Interest rate
        - 8-15%
    iv. Collateral
        - Personal guarantees
        - Assets being financed or other collateral

e. Other SBA Programs
    i. CAPlines for working capital
    ii. Surety Bond Program
    iii. International Trade and Export Working Capital Programs
    iv. Small Business Investment Company

3. USDA Rural Development Business Programs
    a. Rural Business Cooperative Service (RBS) provides credit opportunities and services to businesses in under-served rural areas.
    b. Communities with fewer than 50,000 people in non-urban areas
    c. Business and Industry Guarantee Loans (Discussed above)
        i. Purposes are to create and maintain employment, and to diversify and improve economy of rural communities
        ii. Provide guarantee of up to 80% of a loan made by a commercial lender
        iii. Maximum loan amount is $25 million

4. U.S. Department of HUD Programs
    a. HUD Section 108 Loan Guarantee Program
        i. Section 108 is the loan guarantee provision of the CDBG program
        ii. Eligible applicants
            - Entitlement communities
            - Small cities through state CDBG program
    b. HUD Brownfields Economic Development Initiative (BEDI) Grants
        i. Eligible uses
            - Reduce interest costs of a Section 108 loan
            - Pay initial loan payments or

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set up reserves
- Pay costs of development budget

ii. Application process is very competitive

iii. BEDI projects must increase economic opportunity for persons of low and moderate-income or stimulate and retain businesses and jobs that lead to economic revitalization

c. HUD CD Float

i. An incentive to developers and businesses
- Reduces front-end costs
- Local governing body must authorize expenditure
- Borrower must secure irrevocable letter of credit
- Terms are negotiable, less than 30 months

5. Environmental Protection Agency (EPA) Brownfields Program

a. Brownfields assessment

b. Revolving loan fund

c. Clean-up grants

6. Economic Development Administration Title IX

a. Public Works Grants

i. Grants to local governments to assist in infrastructure improvements

ii. Must show job creation

iii. For economically distressed areas that have employment linked to low-income populations

iv. Non-relocation restrictions

v. Improvements must remain in ownership of local government, so use is restricted to off-site public improvements

vi. Requires a 50% local funding match

7. Tax-Exempt Financing

a. Funding through State and local Bond issues

i. Interest exempt from Federal income taxes, equals lower borrowing rates

ii. Different types of tax-exempt financing
- Industrial Revenue Bonds (IRBs)
  - o Only for manufacturing uses
  - o $10 million project cap
  - o Bonds are issued by a public entity
  - o Credit security is provided by the borrower
- 501(c)(3) Bonds (Discussed above)
- 63-20 Bonds (Discussed above)
- Tax Increment Financing
- Tax Abatement
  - o Reduction in all or a portion of new taxes attributable to improvements

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- o Increase cash flow
- o Can increase debt capacity

8. Community Development Financial Institutions (CDFI) Fund
   a. Primary mission is promoting community development
   b. Target market, comprised of either
      i. Investment area
         - Enterprise Zone/Enterprise Community
         - Meets test of economic distress
      ii. Low-income target population
   c. Lending and development services
   d. Non-governmental entity
   e. CDFI Programs
      i. CDFI financial assistance
      ii. Technical assistance
      iii. Bank enterprise awards

9. USDA Intermediary Relending Program
   a. Rural Business Service (RBS)
      i. Establish revolving loan fund
      ii. Requires lending experience
      iii. Requires match of other funds
      iv. Terms: 1.0%, 30 years
      v. Finance business facilities and community development projects in areas with fewer than 25,00 people
      vi. RBS lends to intermediaries that, in turn, lend to a development project

E. Housing Development Finance Programs

- 1. HUD Home Investment Partnership
  - a. Eligible uses of funds for home ownership
    - i. Down payment assistance
    - ii. Second mortgages
    - iii. Purchase/rehabilitation for sale
    - iv. New construction

- 2. HOME Program
  a. Source of gap financing for ownership and rental projects
  b. Can finance development or buyers in homeownership
  c. All residents of HOME-assisted units must have incomes below 80% of the median income
  d. All HOME-assisted rental units have rent restrictions
  e. Resale restrictions apply for homeownership projects during the term of affordability
     i. Term of Affordability -

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Ownership
- Under $15,000 per unit – 5 years
- $15,000 - $40,000 per unit – 10 years
- Over $40,000 per unit – 15 years

ii. Term of Affordability – Rental
- New construction – 20 years
- < $15,000 per unit – 5 years
- $15,000 - $40,000 per unit – 10 years
- >$40,000 per units – 15 years

3. Low-Income Housing Tax Credits (LIHTCs)
   a. Rental housing only
   b. Investors with large taxable income will pay equity up front to receive a credit against future income tax over 10 years
      i. Can be used to finance construction
   c. 20% of the units must be occupied by tenants with incomes below 50% of the median; or
   d. 40% of the units must be occupied by tenants with incomes below 60% of the median
   e. All units designated for low-income occupancy have rent restrictions based on the number of bedrooms and the assumed household size (1.5 persons/bedroom)
   f. Rent, including utilities, cannot exceed 30% of the income targeted for the particular unit
   g. Types of LIHTCs
      i. 9% Credit (Competitive)
         - Investor will receive an annual credit of 9% on eligible basis costs each year for 10 years
         - Used for new construction or substantial rehabilitation
         - Eligible for projects that are not funded with a subsidized federal loan or tax-exempt financing
         - 30% basis increase for difficult development areas and qualified census tracts
      ii. 4% Credit (Non-Competitive)
         - Investor will receive an annual credit of 4% of eligible basis costs each year for 10 years
         - Used for new construction or substantial rehabilitation
         - Can be used in conjunction with tax-exempt bond financing
         - 30% basis increase for difficult development areas and qualified census tracts
      iii. Acquisition Credit
         - Annual credit of 4% of building value only (separate from land) for 10 years
         - Previous owner must have owned the building for at least 10 years
         - Available only for substantial

rehabilitation

4. Tax Exempt or "Private Activity Bonds
   a. Can be used to finance rental housing or homeownership
   b. May qualify project for "automatic" "4%" LIHTC on low-income units
   c. Real debt, i.e., requires repayment

5. Multifamily Mortgage Revenue Bonds
   a. Benefits project through lower interest rate
   b. Same 20/50 or 40/60 requirement as LIHTC
   c. Projects often have a substantial portion of market-rate units
   d. Fixed costs associated with bond issue are high so it works best on large projects

6. Single Family Mortgage Revenue Bonds
   a. Finances the home buyers
   b. Lowers the interest rate for home buyers by 1-2 %
   c. Available for first-time home buyers only – no ownership within the last 3 years

7. Federal Home Loan Bank Affordable Housing Program
   a. Competitive grant program
   b. Can be used to assist home ownership projects at or below 80% AMI
   c. Can be used for rental projects – all units for 80% AMI or below and at least 20% of units at 50% AMI

F. Florida Funding Programs

1. Florida Small Cities Community Development and Block Grant Program
   a. Eligible applicants
      i. Cities < 50,000 people
      ii. Counties < 200,000 people
   b. Program categories
      i. Housing
      ii. Neighborhood Revitalization
      iii. Commercial Revitalization
      iv. Economic Development
         - Applications can be submitted anytime, the other three are an annual basis
   c. Current grant maximums run from $600,000 to $750,000 based on population

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G. Other

1. FHL Bank Atlanta Community Investment Programs
   a. This is a private wholesale lending institution that is a cooperative of 1,200 member banks in the Southeast
   b. Available Programs
      i. Affordable Housing Program (AHP)
      ii. First-Time Homebuyer Program (FHP)
      iii. Community Investment Program (CIP)
      iv. Economic Development Program (EDP)
      v. Economic Development and Growth Enhancement (EDGE)
         - A competitive program which provides below market rate loans for economic development activities requiring subsidized funds