



NORTHWEST FLORIDA'S OPPORTUNITIES FOR GROWTH



The Northwest Florida region, commonly known as the Florida Panhandle, is known for its spectacular beaches and resorts, and the region has a significant statewide impact thanks to tourism spending related to these natural assets. While the natural benefits of the area are justifiably famous, the region's 16 counties are also home to three seaports, six military installations, many military contractors, and 1.4 million permanent residents.¹

This area is also conveniently located for access to Georgia and Alabama markets, and other Southeastern states. This region has been experiencing an increase in economic development projects, and growth could accelerate even faster with the opening of the Airbus facility in nearby Mobile, Alabama, where assembly should begin in 2015.²

As a recent Florida TaxWatch report titled *Ready for Takeoff: Florida Can Lead the Nation in Aircraft Manufacturing* showed, the Panhandle is home to many Florida aviation manufacturing and service companies and six industrial air parks, all of which could benefit from Airbus activity in Mobile.

To capitalize on the recent Airbus announcement, much emphasis is being placed on trying to emphasize the location's assets by Florida's Great Northwest, the agency responsible for coordinating and developing leads for the area. The organization has created a website for attracting more aerospace companies to the area (www.nwflaerospace.com), which details the benefits of the area, including the 23 existing companies in aerospace manufacturing, as well as a very diverse support industry that includes engineering, research and development, composite materials, air transportation and support, and other services for the industry including the maintenance, repair, and overhaul (MRO) companies.

¹ The 16 counties that make up Florida's Great Northwest: Escambia, Santa Rosa, Okaloosa, Walton, Holmes, Washington, Bay, Jackson, Calhoun, Gulf, Liberty, Franklin, Gadsden, Leon, Wakulla, Jefferson. <http://floridasgreatnorthwest.com/regional-overview/overview>

² Airbus Website. <http://www.airbus.com/company/americas/us/>

Just in the Aviation, Aerospace, and Defense sector, the website lists 571 companies located in the Panhandle area, which includes 21 companies in the National Defense category.³

Florida's Northwest region has many other assets that can be used for further developing and diversifying the region's economy. There are substantial military personnel, a well-developed infrastructure, cooperation between the state and local governments, economic development professionals, and private companies that are working to help the area become more economically diverse. These assets can also be used to provide new jobs to keep military retirees and graduates of Florida colleges and universities in Florida, thus providing higher returns to taxpayers on their educational investments.

THE U.S. MILITARY

The military has a greater impact in the Panhandle than in any other Florida region. According to a 2013 Haas Center report, defense activities in the region accounted for an estimated 192,243 jobs and \$18.9 billion in Gross Regional Product.⁴ This figure represents about one-third of the Panhandle's total economic output.

To help transition veterans into a workforce for the future development of the manufacturing industry, the Manufacturing Institute has created the *Get Skills to Work* program, which helps train veterans for manufacturing jobs. There are two Florida partners in this program located in the northwest Florida region: Tallahassee Community College and Gulf Coast State College, which is located in Panama City.

TRADE & LOGISTICS

The Trade, Transportation, and Utilities sector is the second largest employer in the Florida Panhandle, providing jobs for 104,579 Floridians in 2013, which accounts for 14 percent of the non-farm jobs in this market area. Besides having a well-developed infrastructure that has been improved with investments by state and local governments, the region's proximity to southeastern markets has helped develop the area into a logistics hub for some companies.

Creative economic development professionals have been instrumental in the development of unique sites such as Florida's only distribution industrial park (located in Marianna), where a 1.2 million square foot Family Dollar distribution center is located. The community and its economic development professionals partnered with Enterprise Florida and used several available economic development programs to out-compete 117 other communities that were considered for this project.⁵

Further growth of the Logistics, Transportation, and Distribution sector is ongoing, with multiple projects currently in progress. One of these projects is the construction of a 150,000-square-foot ramp at the Northwest Florida Beaches International Airport in Panama City. The new ramp is expected to allow the airport to handle larger jets, attract a more diverse group of airlines, and help attract additional MROs to this region.⁶

In addition, to add to Florida's port capacity in this region, the Florida Legislature appropriated \$20 million in the recent state budget towards the dredging of Port St. Joe's shipping channel. The potential reopening of this historic Florida port is expected to boost job growth in Gulf County and the region.

3 Northwest Florida Aerospace Website. <http://nwflaerospace.com/Graphics/Industries/AviationAerospaceandDefense.pdf>

4 The Haas Center. "Economic Impact of Defense Activities on the Florida Economy" <http://www.floridadefense.org/documents/HAA%20Study%202013/Impact2013FinalSubmission3.26.13.pdf>

5 850 Business Magazine. <http://www.850businessmagazine.com/February-March-2013/Mariannas-Battle-for-Family-Dollar/>

6 The News Herald. "Airport Launching New Ramp Project". <http://www.newsnerald.com/news/business/airport-launching-new-ramp-project-1.365055>



Panama City Beach, FL

TOURISM

Florida's northwest region has welcomed increased numbers of visitors that have accompanied the increased tourism marketing approved by the Florida Legislature, and carried out by Visit Florida. This increase in marketing has helped produce record tourism numbers for the state, and has increased sales tax receipts for both the state of Florida and local governments.⁷ Although northwest Florida enjoys substantial tourism revenues, attempts to add to the number and diversity of tourists coming to the area can enhance local and state revenues.

Recently, the Florida Department of State has been promoting 12 shipwreck sites in the Florida Panhandle, jointly referred to as the Panhandle Shipwreck Trail, with their "Beyond the Beaches" campaign. The trail was developed in 2012 by the Florida's Bureau of Archeological Research with 22 local dive shops and charter boat captains, in an effort to stimulate tourism in the BP-affected Gulf Region. The \$225,000 trail promotion is being paid for by a BP tourism grant. Over 800 divers have already purchased the \$5 passport from participating partners.⁸

⁷ Florida TaxWatch. "Unpacking the Benefits of Tourism: Quantifying the Jobs Created by Increased Florida Tourism." August 2014.

⁸ USA Today. "Florida Panhandle Shipwreck Trail beckons divers". <http://www.usatoday.com/story/travel/2014/08/07/florida-Panhandle-shipwreck-trail/13751693/>

RECOVERY FROM THE BP OIL SPILL

In the aftermath of the 2010 oil spill, BP has provided funds for long-term research through the Gulf of Mexico Research Initiative (GoMRI). Ten Florida universities and research institutes have been involved in the initiative.⁹ In addition, a \$30 million fund was created by the Oil Spill Economic Recovery Act passed by the 2011 Florida Legislature to support eight Florida coastal counties most affected by the oil spill: Escambia, Santa Rosa, Okaloosa, Walton, Bay, Gulf, Franklin, and Wakulla.

The funds were distributed in equal allocations of \$10 million for three years, beginning in 2012. The funds are administered by the Office of Economic Development and Engagement of the University of West Florida, and have been allocated to high-impact projects in the 8-county region. Recent economic development projects awarded money from this program include the Navy Federal Credit Union, which is creating a campus for 10,000 employees by the year 2020.¹⁰ Other awards announced include private-sector companies Bit-Wizards, iSirona, Grayton Beer Company, MarJam Supply Company, Global Business solutions, and Priton.

CONCLUSION

Northwest Florida is a great place to live and raise a family, boasting an extensive and growing infrastructure, some of the country's most important military assets (both in terms of facilities and personnel), and excellent cooperation between its economic development professionals and the public and private sectors.

⁹ Florida TaxWatch Center for Competitive Florida. "Florida's Gulf Research Cooperation." April 2013.

¹⁰ Pensacola News Journal. <http://www.pnj.com/story/news/2014/01/04/navy-federal-selects-builder-for-next-phase-of-expansion/4312721/>

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