Chairman Harold Smyth called the meeting to order at 2:05 p.m.

ROLL CALL

Committee Members:
Helene Caseltine  Indian River County
Joe Griffin  Indian River County
Pauline Becker  Martin County
Frank Tidikis, alternate  Martin County
Edwin Maxwell, via conference call  Martin County
Michael Corbit  Palm Beach County
Gary Hines  Palm Beach County
Carol Thompson  Palm Beach County
R. Douglas Bynoe  St. Lucie County
Al Rivett, via conference call  St. Lucie County
Harold “Buzz” Smyth  St. Lucie County

Excused:
Brian Fowler  Indian River County
Mark Mathes  Indian River County
Ike Crumpler  Martin County
Bill West  Martin County
Andrew Duffel  Palm Beach County

Absent:
Art Cobb  Palm Beach County
Jeremy Theisen  St. Lucie County

Council Staff:
Michael Busha, Executive Director  TCRPC
Tom Lanahan, Economic Coordinator  TCRPC
Kim Koho, Administrative Assistant  TCRPC

A quorum was present.
APPROVAL OF JANUARY 12, 2017 MEETING MINUTES

Pauline Becker moved approval of the January 12, 2017, meeting minutes. Gary Hines seconded the motion, which carried unanimously.

ELECTION OF 2ND VICE CHAIR, MARTIN COUNTY

Thomas Lanahan stated the position of 2nd Chair, Martin County, was unfilled as of the last CEDS Committee meeting. Martin County has finalized their appointments and the Committee may proceed with the nomination. Chairman Smyth nominated Ms. Becker who accepted as 2nd Vice Chair. Mr. Hines moved approval of Ms. Becker as the CEDS Committee’s 2nd Vice Chair, Martin County. Joe Griffin seconded the motion, which carried unanimously.

COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY UPDATE

Thomas Lanahan reviewed the 2012-2017 Strengths, Weaknesses, Opportunities, and Threats (SWOT) Analysis as a part of updating the Comprehensive Economic Development Strategy. The prior plan ends 2017 and the new plan is required to be updated by the fall of this current year.

Mr. Lanahan prepared the three documents as part of the CEDS Plan update; the Status of Regional SWOT Analysis from the 2012-2017 CEDS Plan, which provides current data related to each SWOT item; SWOT Analysis Summary from 2016 Economic Development Summit, which reviews the lists made for Strengths, Weaknesses, Opportunities, and Threats; and the Consolidated SWOT Analysis, which combines the SWOT Analysis of 2012 and the 2016 Summit. He asked the Committee to take a careful look at the Consolidated SWOT Analysis, since its conclusions will be the final product included in the CEDS Plan update.

Mr. Lanahan reviewed the Strengths listed in the current Plan. Number 1, moderating rate of population growth is still considered a Strength. The population growth from April 2015 to April 2016 for the Region is moderate at 1.14% between April 2015 and April 2016. Number 2, increasing rate of job growth projected is still considered a Strength. Jobs across the Region are projected to grow by 12.4% from 2016 to 2024. Ms. Becker asked if the job growth figures were actually as high as 12.4% and Ms. Thompson said that it was an overall growth figure for the period between 2016 through 2024. Mr. Lanahan continued with Strength number 3, which stated a high regard for quality of life/quality of place issues, and said that it continues to be an asset for the Region and an area of focus. Number 4, the steady rate of small business growth which is listed as Strength could be questioned. The formation of small businesses declined significantly during the recession and then rebounded last year. However, the number of small businesses is still the lowest it has been for almost 40 years, which is not just a local or state issue, but a national one. The data shows that employment is moving toward larger entities. The share of total employment working at small businesses (249 employees or less) has declined compared to 1993, from approximately 51% to approximately 46%.

Helene Caseltine asked Mr. Lanahan what source he obtained his employment numbers from and he replied it came from the Small Business Administration (SBA). Other sources used for employment data comes from U.S. Department of Labor, U.S. Economic Development
Administration, U.S. Census Bureau, and the Florida Department of Economic Opportunity. She asked if the SBA defined a small business as 249 employees or less. Mr. Lanahan explained they have many different thresholds such as 1 to 4 employees, 5 to 9 employees, 10 to 19 employees, 20 to 49 employees, 50 to 99 employees, 100 to 249 employees, and so on, and he chose the threshold of 249 and under. Ms. Caseltine thought the national threshold for a small business was 500 or less. Mr. Lanahan said that the SBA stops tracking at 1,000 employees.

Mr. Lanahan then reviewed the Weaknesses in the Plan. Number 1 sited lack of economic diversity. According to data based on employment by industry, economic activity is not diverse. It is concentrated in a few areas, with almost 72% in the top 5 industries and 33% in the top 2 industries of Education & Health Services and Professional & Business Services with the largest industry being Health Services. The industry reflecting the lowest amount of employment is Agriculture even though this industry provides large dollars moving into the Region through crop sales. Mr. Lanahan stated there are several ways to measure industry diversity. One way is to measure employment by different industries, another measure is the Gross Domestic Product (GDP) or economic output coming from different industries, which is difficult to obtain at a local level.

Mr. Lanahan continued with Weakness number 2, citing venture capital and entrepreneurial network lacking, which is still considered by the current CEDS Committee to be a Regional weakness. Weakness number 3, cites skills mismatch to industry needs. The Economic Development Council of St. Lucie County recently finished the Treasure Coast Skills Gap study. The study, through interviews and data collection, focused on a few targeted industries and showed 62% of manufacturers, 68% of health care businesses and 94% of trades such as plumbers, electricians, and contractors are having difficulty filling open positions because of applicant’s lack of skills. Chairman Smyth asked Michael Corbit, CareerSource Palm Beach County, for his input with regards to the millennial workforce. Mr. Corbit said soft skills (accountability, communication, and dependability) are the biggest issues that millennials have when entering the work force and the solutions are a work in progress.

Mr. Griffin said that another problem millennials are facing is that they can have student debt from $40,000 to $250,000 upon graduating and the education they have doesn’t always transfer to marketable skills. Ms. Caseltine stated that Indian River County’s technical and trade programs are really working hard to fill the skills gap. Mr. Lanahan said that the schools and universities are arranging internships as well. There is also a situation where jobs are available, but there is not a lot of knowledge about the profession such as in the marine industry. Ms. Becker said that there are employers who are willing to train. Frank Tidikis said that the high schools do have Career and Professional Education programs that help students who are not interested in going to college but want to remain in the community and find work. Indian River State College (IRSC) has a 6-week manufacturing training program. The veterans’ unemployment rate is currently lower than the general population because they have better a better work ethic and soft skills than the millennials as a whole.

Douglas Bynoe said that when community colleges became universities, he observed an important loss to local high school students, who might not have had the academics to get into a four year university but would have been accepted into a community college. Also, many vocational
programs that used to be available in high school, which introduced you to certain skill sets required by employers, are no longer available.

Carol Thompson said that Palm Beach State College works with the high schools to promote job training. West Tech Center in the Glades works to teach specific skills required for the jobs available in the area and has been very active and successful. She asked what level of detail of the job skills discussion was needed for the CEDS plan update. Mr. Lanahan responded that the CEDS Committee is in the process of identifying the different SWOTs. The Committee will then work on goals and strategies to leverage the Strengths, repair the Weaknesses, seize the Opportunities, and mitigate against the Threats. It is important to have a set playing field listing the important items.

Mr. Lanahan reviewed the Opportunities and said that number 1, emerging research/development clusters, is still trying to emerge and has not been fully realized. Opportunity number 2, ports and export capability and globalization have not been fully realized. Opportunity number 3, states regional partnerships emerging – workforce development, education, economic development, and finance. He said that partnerships are beginning to form and the ones that are in operation are between workforce development and education. Opportunity number 4, growing a culturally diverse population, is a trend that is continuing.

Mr. Lanahan reviewed the Threats identified in the 2012-2017 CEDS Plan. Number 1 stated that infrastructure systems and resources are stretched by residential and economic growth. The threat was present in 2012 and is still a threat today as additional maintenance funding is needed. Palm Beach County imposed a new self-tax to maintain roads for example. Threat number 2, Federal disinvestment for local priorities is still a threat. There is a proposed 14% cut in funding for the U.S. Department for Housing and Urban Development, which will affect the Community Development Block Grant program (CDBG). The CDBG is federal money that gets invested in local priorities. Ms. Thompson stated that redevelopment is accomplished in areas where there are no green fields. The Environmental Protection Agency Brownfields program is pivotal in cleaning up sites, which then allow for redevelopment because private sector money is not enough. The money from the Federal government that has been used for cleanup is brought back to the community through economically viable uses. This threat is not making a value judgment on the reallocation of Federal dollars, however, it does change the way future activities will happen.

Chairman Smyth stated that the City of Port St. Lucie absorbs a lot of infrastructure and is continuing to grow. He asked if the growth is beneficial in comparison to its demands. Mr. Lanahan said that there are patterns of growth that are efficient for the use of infrastructure based on density, uses, and patterns. Port St. Lucie has many challenges. They are very spread out and have a low density. This makes installing and operating infrastructure expensive. There is a mismatch between population and work that can also strain infrastructure. Mr. Tidikis said that studies have shown that the most effective use of tax dollars collected is in agriculture areas versus tax dollars spent in urban areas, which is the least efficient.

Michael Busha said that Port St. Lucie started as a residential community and has passed Fort Lauderdale as one of the most populated cities in the State of Florida and is now number three. They are one of the few cities that spent the money to convert homes from septic to sewer and are
trying to catch up with new roadways needed. They are working on fixing the problems that were

genetic to their creation as a city.

Mr. Lanahan continued with Threat number 3, job growth concentrated in low-wage sectors. It is
still an issue since, according to CareerSource Florida, most of the projected job growth through
2022 for the Region will be at below average wages. Chairman Smyth asked what the average
wage is for the Region. Mr. Lanahan said the average wage is under $50,000 a year. Ms. Caseltine
verified that the figure he cited was salary only without benefits or other investment income.

Mr. Lanahan said Threat number 4, lack of support for entrepreneurship and weak understanding
of process, is still a threat according to information collected at the Regional Economic
Development Summit in October 2016. It is a challenge for someone starting a business to
navigate the steps involved. Gary Hines asked if the lack of support was financial or entry support.
Chairman Smyth said that navigating the system is one issue and the lack of capital investment is a
separate issue.

Mr. Lanahan pointed out that the different agencies involved in startup processes don’t always
understand how their pieces fit together. Chairman Smyth agreed and said that his company is
building a 198 boat slip marina and resort vehicle park in Fort Pierce next to the waste water
treatment plant on the causeway. They are dealing with 8 different agencies that do not coordinate
with each other.

Mr. Lanahan said that the SWOT analysis summary from the 2016 Economic Development
Summit was reviewed at the last meeting. He recategorized a few items such as changing growth
potential from a Strength to an Opportunity.

Mr. Lanahan reviewed the consolidated SWOT Analysis. The Strengths are listed as: Quality of
life, place, and geography; Industry diversity – six sectors (marine, energy, aerospace, medical,
agriculture, tourism); Collaboration between educational institutions, business, government, and
CareerSource to develop talent pool; and a strong Transportation network.

Mr. Lanahan said the Weaknesses are listed as: Gap between existing worker skills and industry
needs; Lack of economic diversity; River and lagoon water quality problems; Lack of consensus
vision for economic development, which would provide the will, process and policies to succeed;
and Gaps and congestion in transportation network reduce mobility.

Mr. Lanahan stated the Opportunities are listed as: Ports and export capability; Growing and
culturally diverse population; Untapped citizen involvement, especially youth; Unrealized talent
pool. The Threats are listed as: Infrastructure and resources stretched by growth; Negative public
perception of economic development; Lack of civic knowledge and effective engagement in
decision making; Environmental impact from Lake Okeechobee discharges; Unbridled and
unbalanced growth; Persons becoming obsolete; and Manmade and natural disasters.

Chairman Smyth asked Mr. Lanahan to explain number 6 under Threats, “Persons becoming
Obsolete.” Mr. Lanahan said that he understood it to mean that it refers to people who have a set
of skills that are no longer needed in the workforce. Ed Maxwell added that some skill sets are still
needed but not in as much demand and therefore have less value. Mr. Tidikis cited an example: his wife went to school to become a business education teacher (typing and shorthand), which is now obsolete and not offered in schools.

Mr. Lanahan asked the Committee to validate the consolidated SWOT list presented to them. Ms. Caseltine saw a conflict in the 2012-2017 SWOT Analysis. Ms. Caseltine said the statement that referred to moderating the rate of population growth as a Strength did not balance with the consolidated SWOT Analysis statement listed under Threats that referred to unbridled and unbalanced growth. She did not see the region as having unbridled and unbalanced growth. Mr. Lanahan said that if it happened it would be a Threat, so the statement should read the potential of unbridled and unbalanced growth. Mr. Busha said that he was in the group that determined this was a Threat. He explained that there is the potential for unbridled and unbalanced growth which, if it happened, would be a Threat.

Chairman Smyth said that each one of the items listed in the SWOT Analysis is a piece of the problem that needs to be addressed. He asked when the Plan needed to be complete and Mr. Lanahan stated that it is scheduled to go before the Council at the September, 2017 meeting. Mr. Corbit said that the Plan is a continual work in progress that can be reviewed by the Committee at any time. Mr. Lanahan said that when the goals for the Plan are set, they should be specific enough to identify the issue and yet broad enough to allow for exploration of the issues. Once the Committee prioritizes the issues, they can focus on goal setting and solutions.

Chairman Smyth felt that government wants to help economic development but there might be a disconnection or lack of understanding as to what the solutions for the municipal sector are because he has not seen significant results in addressing our region’s economic challenges.

Mr. Busha explained that the CEDS Plan can shine a light on issues that the elected officials need to hear. If the CEDS Plan strategies are smart ones, local governments might use them to address the challenges that the region faces. The CEDS Plan is meant to be implemented by local governments and the job of the CEDS Committee is to provide the best guidance it can and good strategies can then turn into policy.

Al Rivett asked Mr. Lanahan if the SWOT Analysis should be prioritized. Mr. Lanahan said that only the top priorities identified at the summit were listed. Furthermore, as the lists are combined and winnowed down, only the most important will remain.

Mr. Busha said that the summit’s breakout groups prioritized their top three issues, and those issues were put into the Consolidated SWOT Analysis. Mr. Rivett agreed that all of the issues were of equal concern but felt a reader might interpret the numbering of the list as placing importance on one issue over another one. Mr. Busha suggested using bullets instead of numbers for the SWOT Analysis listings and the Committee concurred. Mr. Rivett said that he felt the two top issues listed in the consolidated SWOT Analysis were number 4 under Weaknesses, which stated a lack of consensus vision for economic development, which would provide the will, process and policies to succeed and number 3, under Threats, Lack of civic knowledge and effective engagement in decision making.
Ms. Thompson said that the SWOT Analysis priorities may become more crystalized as the Committee determines the strategies for the CEDS Plan. Mr. Lanahan said that if there were a goal that leveraged one of the strengths, addressed a weakness, seized an opportunity and mitigated a threat, it would be given top priority.

Ms. Becker said that the roll out of the first CEDS Plan was done at the Lyric Theater in Stuart, FL. The Committee invited the public to view it and make comments. Mr. Busha said that if there is time, once the Plan is completed in draft form, a small summit could be organized to review and comment on it. However, the draft Plan is scheduled to go to the Council in September, 2017 for direction and/or approval and it needs to be developed. The Council may want to take the Plan to their respective Boards for comment and review. He added that the more people that see the Plan the better it will be.

Chairman Smyth felt that there were five top issues that defined what the region wanted: money/capital, regulations, workforce ethic, growth management and quality of life. It is important to find capital to do public and private projects. Numerous regulations can inhibit small businesses. The new workforce needs stronger work ethics and commitments. Controlling growth is required to protect our environment, infrastructure, and quality of life. He stated that the region’s quality of life is the end result of a successful economic region. The CEDS Committee needs to crystalize the Plan so that it is a powerful tool for the elected officials.

Mr. Lanahan recapped the Committee’s suggestions for the SWOT Analysis. The list is to be bullet pointed and Threat number 5 was clarified to read that there is potential for unbridled and unbalanced growth. He asked the Committee if there were any other changes to be made and Mr. Tidikis said that Threat number 6, persons becoming obsolete should read persons skills becoming obsolete due to changing technology.

Mr. Lanahan proposed the following vision: The Treasure Coast Region will be strong and globally competitive, with increased economic opportunity for all residents through high-quality job growth, improved educational opportunities, a sustainable high quality natural environment, better regional collaboration, and enhanced community livability. The goals for the Plan should support the vision. The goal framework from the 2012 Plan aligned with the Six Pillars and he proposed that the goals for this plan do the same. He provided the Committee with 7 draft goals that aligned with the Six Pillars along with the Resilience Element. Resilience drives the discussion toward economic development. The first goal under Economic Resiliency states “A regional economy is strong, diverse, and dynamic in order to resist internal and external shocks.” This region has lived through the problems of the lack of economic diversity with the slowdown of the construction industry.

Mr. Busha suggested that the goals be measurable objectives and asked the Committee to review the vision statement. Mr. Rivett suggested that it should read “The Treasure Coast Region will have a strong and globally competitive economy, with increased opportunity for all residents through high-quality job growth, improved educational opportunities, a sustainable high quality natural environment, better regional collaboration, and enhanced community livability.” Mr. Bynoe suggested reordering the following statements to produce a more logical order and include the following change, “improved educational opportunities, solicit or leverage businesses to come
to the region to produce high-quality job growth.” Mr. Lanahan said that the studies show a cluster industry problem in the region. Mr. Bynoe felt that an auto manufacturing plant would address all of the different skill levels and there is land available in western St. Lucie County.

Discussion ensued regarding the differences in climate conditions in different states nationwide that were favorable for auto manufacturing, aviation, and technology industries.

Ms. Caseltine stated the reason large manufacturing plants are in certain states is because those state offers incentives. She stressed the importance of providing incentives to companies. If incentives are done away with in Florida, it will impact the State in many different ways. Mr. Lanahan said that there is a tie between investment and taxation. Mr. Griffin stated that many of those states are a right-to-work state, such as Florida, where a worker is not required to join a labor union. Mr. Tidikis said in many of those states there is workforce collaboration between industry, government, and education.

Mr. Lanahan asked Mr. Hines how the process worked to determine what industries this Region should seek. Mr. Hines said that in Palm Beach County there are two top industries they are trying to attract are aviation aerospace/engineering and wealth management. The aviation aerospace/engineering industries are attracted to Florida because of the weather and the longer fly times for testing. Sikorsky Lockheed Martin, Aerojet Rocketdyne, and Pratt Whitney are all expanding production. So much that, Northern Palm Beach County has the largest concentration of aviation aerospace engineers in the world. Within the last three years, Palm Beach County has also seen the relocation of millionaires and billionaires who have created satellite wealth management financial offices. He stated that Mayor Muoio of West Palm Beach has referred to the area of financial offices along Flagler Avenue as the Flagler Financial District. Ms. Becker said that another motivator involved in companies relocating to Florida is that they do not have to pay state income taxes. Mr. Hines said the top two industries in Palm Beach County are aerospace and business financial services. Manufacturing is on the rise along with logistics and distribution centers. Mr. Tidikis discussed educational opportunities available regionwide in certified financial planning.

Mr. Busha said that he would like to see the new CEDS Plan’s goals, strategies, and objectives be a little different from past ones. Some of the objectives and targets of the Plan might be to strive to have the best K-12 school system in the State of Florida; hosting two or three international events such as the summer Olympics; fix the lagoons and Everglades; be number one in job growth and focus on the industries that can support job growth such as marine, medical, tourism, and defense and aerospace; to be number one in the State in quality of life; to be number one in vocational high school programs; and attracting a large university. The Plan should highlight and inspire local elected officials to create big ideas that can change this region and how it is viewed from the outside. Mr. Hines said that one third of the State’s population is from Miami-Dade, Palm Beach, Martin, St. Lucie, and Indian River counties.

Ms. Thompson asked if the Plan should provide a measurable matrix for the objectives and strategies. The next five year plan would be able to provide data sources that can be quantified. Mr. Busha said that the Plan should focus on ten big objectives making it easier for the Plan to crystalize. Mr. Busha suggested better
vocational education. Mr. Busha stressed the importance of big ideas being put into the CEDS Plan.

Chairman Smyth liked the concept of the big idea for the CEDS Plan. He suggested that the Plan’s vision could be replaced with the wording Big Ideas. He continued by saying that there is a local pride in our youth, which should be capitalized and marketed. There are now four generations of people who have been born on the Treasure Coast of Florida and do not want to live anywhere else. Mr. Busha added that Florida and the Treasure Coast have a great lifestyle that not everyone has, which should be marketed.

Mr. Lanahan stated that the next meeting of the CEDS Committee will be May 11, 2017. The meeting will include a continued discussion of the CEDS Plan’s goals and encouraged the Committee to develop and share their big ideas at the next meeting or email them to him at tlanahan@tcrpc.org. Mr. Busha suggested that the part of the CEDS Plan that goes to the elected officials should include the concept of big ideas.

It was the consensus of the Committee that Mr. Lanahan did a very good job organizing and drafting the Plan’s goals and vision.

Mr. Busha announced that Mr. Merritt was retiring on March 10 and that Mr. Lanahan would be taking the position of Planning Council’s Assistant Director as of March 12, 2017.

Chairman Smyth suggested that the Committee invite guest speakers to future meetings. Ms. Thompson felt that focusing on the CEDS Plan was the top priority and once it was completed, it would be very worthwhile to have guest speakers at meetings.

PUBLIC COMMENT

None.

COMMITTEE COMMENT

Chairman Smyth asked that the Council send out an email to its members asking that they share information regarding future regional issues. Ms. Becker suggested including the different county school superintendents in the email as well.

Mr. Busha suggested soliciting on Council’s website for transformational ideas related to economic development, education, and transportation that would change the region.

Ms. Caseltine said that there is a Treasure Coast Council of Local Governments (TCCLG), which does not include Palm Beach County. It is made up of elected officials including school board members from Martin, St. Lucie, Indian River and Okeechobee counties. Mr. Busha attends the monthly meeting and said he would ask for time on the agenda to solicit discussion for the Plan’s big ideas. He asked Mr. Lanahan to ask the Chairman, Tom Campenni, City of Stuart, to email the TCCLG members, asking them to prepare big ideas and coordinate a future discussion.
STAFF COMMENT

Mr. Busha thanked the committee for its work.

ADJOURNMENT

Ms. Becker moved adjournment of the meeting. Mr. Hines seconded the motion, which carried unanimously. The meeting was adjourned at 3:55 p.m.