



# Q3 19/20 REPORT FOR POLK COUNTY

*Building partnerships and pathways for economic development in Polk County.*

### The CFDC's Organizational Pillars:

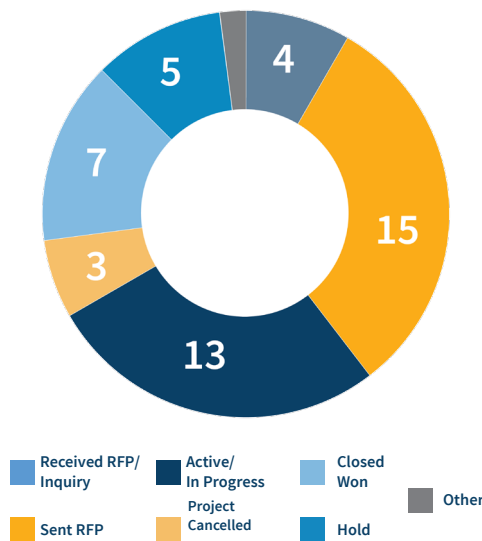
- Promote Polk County as Florida's Best Place for Business
- Advocate for Key Business Issues
- Facilitate Collaborative Partnerships
- Advance Strategic Initiatives



## Promote Polk County as Florida's Best Place for Business

Project and lead activity remained fairly strong throughout an unprecedented time for existing and new businesses. The CFDC business development team responded to six new RFI's (new projects) this quarter with five of those being international and the majority being in the manufacturing sector. Major projects throughout the county that were just getting underway are continuing to move forward with little to no delays in their timelines.

## JOB PROJECTS BY STAGE



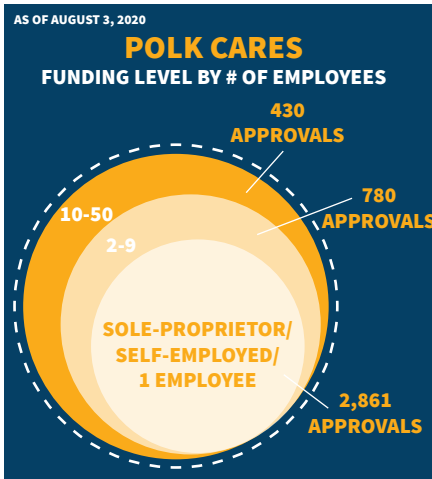
**Amazon Air** has completed its 223,000 sf air cargo facility at Lakeland Linder International Airport and in July welcomed its first Amazon Air aircraft, which traveled non-stop from Sacramento, CA. The regional air hub is Amazon's largest in the Southeast and includes two additional support buildings that are each approximately 30,000 sf. The e-commerce giant has already hired between 300-400 workers and will eventually hire up to 800. By mid-to-late August, there will be six daily Amazon Air aircraft flying in and out of the airport. Lakeland Linder International Airport invested over \$45 million to upgrade their Instrument Landing System, add five fuel tanks and made significant runway improvements to ready themselves for this project. Amazon's capital investment is approximately \$130 million for the construction of their facilities.

**Carvana**, the online used car retailer, continues to move forward with construction of its massive 200,000 sf state-of-the-art auto inspection and reconditioning center between County Road 544 and Bannon Island Road in Haines City. The 119-acre site offers easy access to U.S. 27 and Interstate 4 which made this central location an ideal spot for the Tempe, AZ headquartered company. Vehicles that have been purchased online will be trucked from the site to one of Carvana's glass "vending" machines for customer pick-up or will ship via truck directly to the customers home. The site will also include a 3-D photo booth that allows online customers to fully view the automobiles from every angle. Carvana plans to initially hire 100 employees but expects to employ up to 400 within 3-5 years. Total capital investment for land, construction, machinery and equipment is approximately \$50 million.

Polk County remains open for business and continues to attract the interest of businesses seeking to relocate and/or expand.



## Advocate for Key Business Issues



Keeping businesses informed regarding available resources during the Coronavirus emergency, reopening and offering consultant services were major priorities during Q3.

The Central Florida Development Council has been pleased to support the Polk County Board of County Commissioners **Polk CARES Small Business Relief grant program**. Made available through county funding received through the federal government’s Coronavirus Aid, Relief, and Economic Security (CARES) Act, grants are to provide assistance to help small businesses to remain open or reopen.



## Facilitate Collaborative Partnerships

Unified communication, sharing of information and business assistance during COVID-19 required collaborative partnerships throughout the County. To assist in the facilitation of business resources and recovery in response to the pandemic, the CFDC Community Stakeholders Committee transitioned to a **Disaster Relief Committee** to include additional business resource partners and held weekly, then bi-weekly calls for COVID-19 updates and reports. The business resource partners include Municipal Economic Development Councils, Chambers of Commerce, CareerSource Polk, the Polk County EOC Director, Small Business Development Center, SCORE and others. The calls are still on-going. The Paycheck Protection Program (PPP) and Polk CARES, along with COVID-19 updates, have been prominent points of discussion.

In April, the **Investor Relations Committee** was pleased to host a virtual investor meeting featuring an update from Tim Vanderhoof, Senior Vice President of Business Development for Enterprise Florida on what the state is seeing from an Economic Development perspective. He shared that the State of Florida is still seeing an influx of interest in relocation to our state with a large portion of that coming from the northeast where the tax increases have taken a toll on businesses. **Enterprise Florida** is working 247 total active projects and 147 of those are Foreign Direct Investment leads. One question asked of Tim was “What will be Florida’s best reshoring opportunities as we emerge from Covid19?” Tim answered “He believes that the west coast of Florida will see the largest increase. And that we can count on life Sciences and manufacturing to see the greatest gain.”

Ashley Link, Director of Marketing with **Southern Homes** offered an update to the group on residential construction and homes sales. Ashley stated that in Q1 of 2020, year over year the MLS property sales have risen. January saw a 23% increase, February a 10% increase, and March a 7% increase. However, April saw a 26% decrease in sales YOY. Locally, Southern Homes has not experienced the same decline as the MLS. Southern Homes has exceeded its sales goals in March, April and May by 21%. Marc Zimmerman, **Polk County Sports Marketing** Senior Economic Development Manager, offered a brief tourism update. From the loss of Spring Training, SUN n’ FUN, park closings and vacation rentals being closed down, the industry is rethinking consumer attraction and engagement. The good news he said “We have sports events starting later in June and July, more reopening is happening, Legoland is opening as well as Bok Tower.





## Advance Strategic Initiatives

In May, the CFDC was pleased to share the **Central Florida Innovation District Economic Impact Study** conducted by James Farrell, Ph.D., CFA, an associate professor of finance and economics at Florida Southern College.

Key findings show that when developed Polk County can expect over \$5.2B of total economic impact and 32,000 jobs for the region with the district compared to just under \$2.4B of total economic impact and over 20,600 jobs by the year 2040 without.



There are three main drivers for the difference in these economic impacts: first, the land allocation to commercial use is approximately 38% higher with the innovation district; second, the industries in the innovation district use space more efficiently which accounts for 25% more workers per square foot; third and most impactful, the difference in the incomes of the STEM-focused jobs created account for 77% more economic impact per worker. The increase in incomes and development are expected to drive up the relative state and local tax revenue by 2.5X from roughly \$51M without the innovation district to \$126M with the innovation district by 2040.

Overall, this study showed that there is great potential for the innovation district to have a meaningful impact on the region, both through the number and quality of jobs and through the positive fiscal impacts to the state and local governments.

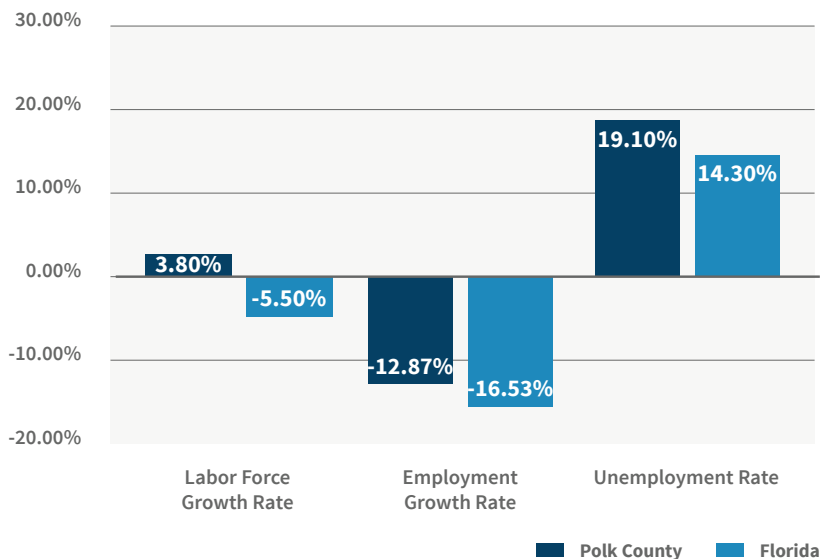
### POLK COUNTY ECONOMIC UPDATE

*Prepared by Jim Farrell, Ph.D., CFA,  
Florida Southern College*

The state, national and global economies continue to struggle as we face significant hurdles to returning to a normal economic environment. While some jobs have returned, with 4.8 million jobs added back in June and the unemployment rate nationally falling back down to 11.1% from a peak of 14.7% in April, many jobs remain sidelined as businesses struggle to resume full operations. As a society we must contend with the complex tradeoffs of economic activity and public health as the hardest hit areas must decide how to manage reopening efforts.

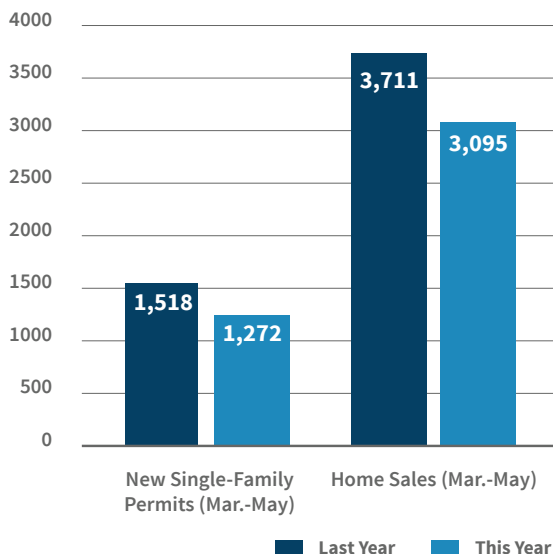
As of May, as anticipated, the unemployment rate had worsened significantly from February, with the county and state rates at 19.1% and 14.3%, respectively. Polk County labor force (3.80% growth to 315,084 people) grew since May 2019, likely as a result of the significant stimulus funding for unemployment benefits relative to local wages. Polk County had nearly 45,000 job losses since the start of the year, but an increase of over 50,000 unemployed persons. Employment levels (12.87% decline to 255,043 people) shrunk less severely than the state for the prior 12 months.

### LABOR MARKET STATISTICS (MAY 2020)

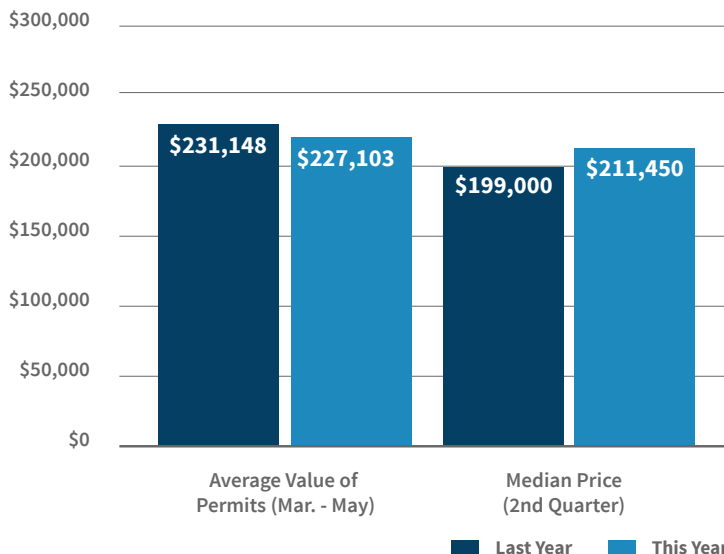


From March through May 2020, according to My Florida Regional MLS, home sales were down 16.6%, while the median sales price was up 6.3%, year-over-year. According to the Census, new single-family permit requests decreased 16.2% and the average value of each permit decreased by 1.7% year-over-year. In addition to the single-family home permits, the Census reported 248 multi-family permits between March and May. As anticipated, and in proportion to the general slowdown in economic activity, the housing market, both new and existing, slowed down meaningfully as a result of COVID-19 and the related shutdown. That said, the overall sales and construction numbers are still solid for the county, and just a step back from the growth we had achieved during 2019.

### HOUSING VOLUME



### HOUSING VALUE



#### In Quarter 3, the CFDC held the following meetings and events:

- April Investor Meeting
- Leading Virtual Teams Webinar with investor member Emily Rogers Consulting and Coaching
- CARES Act Webinar with Investor member GrayRobinson
- Eight additional webinars for community partners on COVID-19 business assistance

**SAVE THE DATE**

**2020 CFDC  
ANNUAL MEETING**

**THURSDAY, OCT 15**



**ABOUT CFDC** The Central Florida Development Council is Polk County's economic development partnership responsible for recruiting new businesses to Polk County and helping existing businesses expand.