

## Economic Development

**Department Purpose:** Pinellas County Economic Development (PCED) fosters high-quality economic growth and vitality through the attraction, expansion, retention, and start-up of businesses that bring new money into the local economy through sales of most of their products or services outside the State of Florida. The Department helps expand the tax base through the capital investment of the businesses they assist. Their work also helps diversify the county's employment base beyond the traditional sectors of tourism and construction, bringing more economic stability during economic downturns, natural disasters, or pandemics. PCED offers investment tools, connections to government contracting and purchasing, and business consulting to benefit companies large and small, while fostering a pro-business climate in Pinellas County through local, regional, and statewide partnerships. Beginning in FY21, PCED is also responsible for the operations of the Young-Rainey Science Technology and Research (STAR) Center, a business and industrial park that is home to over 1,600 workers.

### Executive Summary

The department has the following outcomes it intends to deliver and achieve in FY22:

- Actively recruit new companies and support existing businesses in the creation and retention of at least 500 high-wage jobs, help generate \$10.0M in new sales for local companies through export development programs and facilitate training grants totaling at least \$250,000 for local employers.
- Fully implement the Employment Sites Program (ESP) including the Penny IV Economic Development Capital Projects fund.
- Help create or retain 500 jobs by clients of the Small Business Development Center (SBDC), maintain at least 600 vendors in the Small Business Enterprise (SBE) database, and ensure that 95.0% of completed County purchasing contracts met their SBE goals.
- Develop a master plan for the redevelopment of the Young-Rainey Science Technology and Research (STAR) Center.

The department plans to become more efficient and improve service quality in FY22 by:

- Continuing the use of telecommuting and online meeting technologies to reduce travel time and expenses.
- Continuing to utilize virtual platforms for events, counseling, and classes to reach more clients.
- Utilizing Neighborly Software for online submission of Employment Sites Program applications and to allow multiple departments to efficiently evaluate them.
- Integrating SBE data on B2GNow with Purchasing's ePro system to reduce the duplication of entries and streamline the monitoring process.
- Continue efforts to reduce STAR Center energy consumption by replacing equipment that has exceeded its operational life, updating common area lighting controls, and reducing air conditioning set points.

## COVID-19 Performance Impacts

Economic Development (PCED) contributed 14,356 program hours to support COVID-19 related activities and programs from April 2020 to February 2021. PCED played a critical role in supporting the Business and Alternative Personal Protection Equipment (PPE) working groups in partnership with Emergency Management. The department was also active in aiding businesses with Coronavirus Aid, Relief, and Economic Security (CARES) Act navigation and support. PCED also supported the Pinellas CARES Small Business Grant Program, which included Sliding Scale Grants for businesses between \$17,000 and \$3.0M in gross sales, Business Diversity Grants and Arts Micro-Grants for businesses with barriers to other grants, and Health and Safety Grants to assist target industry businesses with COVID-19 related upgrades and safety precautions. The Pinellas CARES Small Business Grant Program approved 5,389 applicants and awarded \$55.6M to Pinellas County small businesses.

COVID-19 significantly impacted the Young Rainey Science, Technology, and Research (STAR) Center’s cafeteria licensee, Eurest, which experienced a substantial loss in revenue and plans to close by the end of September 2021. This dining amenity is important to the 1,600 plus employees at the STAR Center and, therefore, staff is preparing to alter support areas to house a self-service market by December 2021.

PCED saw an increase of 359.0% in its social media engagements, with 33,611 total engagements in FY20. FY21 engagements have also already exceeded all engagements for FY19. The increase is due to businesses and residents seeking information and support related to the Coronavirus, Aid, Relief, and Economic Security (CARES) Act.

- Social media engagements include Pinellas Biz on [LinkedIn](#), [Facebook](#), and [Twitter](#).
- Total [PCED.org](#) page views also experienced a 60.4% increase in FY20.

### Department Staffing Summary:

Program Name	Fund	Fund Name	FY18	FY19	FY20	FY21	FY22
Business Retention, Expansion & Attraction (1485)	0001	General Fund	13.0	13.0	13.0	14.0	14.0
Small Business Assistance (1486)	0001	General Fund	4.0	6.0	7.0	7.0	7.0
Economic Development Authority (1486)	1018	STAR Center*	-	-	-	-	13.0
<b>Total</b>			<b>17.0</b>	<b>19.0</b>	<b>20.0</b>	<b>21.0</b>	<b>34.0</b>

*\*The STAR Center was previously a part of the Department of Administrative Services for FY18 - FY21 Adopted Budgets.*

**Budget Summary:**

**Revenues:**

Revenues	FY18 Actual	FY19 Actual	FY20 Actual	FY21 Budget	FY21 Estimate	FY22 Request	Budget to Budget Change	Budget to Budget %
<b>1485 - Business Retention, Expansion &amp; Attraction</b>								
Other Miscellaneous Revenues	24,000	20,000	0	28,020	29,500	28,030	10	0.0%
<b>1485 - Business Retention, Expansion &amp; Attraction Total</b>	<b>24,000</b>	<b>20,000</b>	<b>0</b>	<b>28,020</b>	<b>29,500</b>	<b>28,030</b>	<b>10</b>	<b>0.0%</b>
<b>1486 - Small Business Assistance</b>								
Intergovernmental Revenue	153,672	157,171	194,133	174,720	174,730	174,730	10	0.0%
Charges for Services	37,630	36,165	34,155	9,500	10,000	19,000	9,500	100.0%
Other Miscellaneous Revenues	91,804	73,024	75,810	75,750	76,250	75,750	0	0.0%
<b>1486 - Small Business Assistance Total</b>	<b>283,106</b>	<b>266,360</b>	<b>304,098</b>	<b>259,970</b>	<b>260,980</b>	<b>269,480</b>	<b>9,510</b>	<b>3.7%</b>
<b>Grand Total</b>	<b>307,106</b>	<b>286,360</b>	<b>304,098</b>	<b>287,990</b>	<b>290,480</b>	<b>297,510</b>	<b>9,520</b>	<b>3.3%</b>

Total Revenues increase \$9,520, or 3.3%. Revenues of \$174,730 are primarily grant funded and make up 58.7% of total revenues. Charges for Services reflect an increase of \$9,500. This revenue is associated with a new agreement with City of St Petersburg for business training class fees. For FY22, revenues are anticipated to cover approximately 9.0% of Economic Development’s total Expenditures. The anticipated net impact to the General Fund is approximately \$3.0M.

**Economic Development User Fees:**

Economic Development	FY21 Adopted	FY22 Request
I. Economic Development Workshop/Seminar Registration (per person)	Up to \$199.00	Up to \$199.00
II. Exhibitor Fees (per participating business)	Up to \$100.00	Up to \$100.00
NOTE: Rates may vary depending upon such factors as audience size/participants, event type, duration, venue, and services required.		

These fees are associated with business education classes or events that support business development. Fees are based on industry standard for business education classes provided within the state-wide Florida Small Business Development Center (FSBDC) Network. The US Small Business Administration contracts with the FSBDC Network to provide information to the business community to assist entrepreneurs with establishing sustainable businesses. Fees are not intended to be a revenue source for the organization. Instead all program income is to be reinvested in the FSBDC program services to support business sustainability and creation. There are no changes proposed to the User Fees for FY22.

## Expenditures:

Expenditures	FY18 Actual	FY19 Actual	FY20 Actual	FY21 Budget	FY21 Estimate	FY22 Request	Budget to Budget Change	Budget to Budget %
<b>1484 - Economic Development Incentive Grants</b>								
Grants and Aids	58,245	70,055	46,913	96,440	72,020	82,840	(13,600)	-14.10%
<b>1484 - Economic Development Incentive Grants Total</b>	<b>58,245</b>	<b>70,055</b>	<b>46,913</b>	<b>96,440</b>	<b>72,020</b>	<b>82,840</b>	<b>(13,600)</b>	<b>-14.1%</b>
<b>1485 - Business Retention, Expansion &amp; Attraction</b>								
Personal Services	1,429,399	1,486,277	1,123,294	1,779,730	1,688,820	1,834,120	54,390	3.06%
Operating Expenses	546,503	599,778	378,278	480,300	480,800	476,560	(3,740)	-0.78%
Capital Outlay	0	7,424	20,648	3,160	3,160	0	(3,160)	-
								100.00%
<b>1485 - Business Retention, Expansion &amp; Attraction Total</b>	<b>1,975,902</b>	<b>2,093,479</b>	<b>1,522,220</b>	<b>2,263,190</b>	<b>2,172,780</b>	<b>2,310,680</b>	<b>47,490</b>	<b>2.1%</b>
<b>1486 - Small Business Assistance</b>								
Personal Services	423,612	595,040	579,338	783,790	745,660	813,320	29,530	3.77%
Operating Expenses	96,626	119,736	76,261	89,100	89,100	99,100	10,000	11.22%
Capital Outlay	4,300	1,017	0	0	0	0	0	0.00%
<b>1486 - Small Business Assistance Total</b>	<b>524,539</b>	<b>715,793</b>	<b>655,599</b>	<b>872,890</b>	<b>834,760</b>	<b>912,420</b>	<b>39,530</b>	<b>4.5%</b>
<b>Grand Total</b>	<b>2,558,686</b>	<b>2,879,327</b>	<b>2,224,732</b>	<b>3,232,520</b>	<b>3,079,560</b>	<b>3,305,940</b>	<b>73,420</b>	<b>2.3%</b>
<b>Net Impact to the General Fund</b>	<b>2,251,580</b>	<b>2,592,967</b>	<b>1,920,635</b>	<b>2,944,530</b>	<b>2,789,080</b>	<b>3,008,430</b>	<b>63,900</b>	<b>9.0%</b>

### Economic Development Incentive Grants Program

The Economic Development Incentive Grants Program provides funding for Economic Development incentive programs. This program decreased \$13,600, or 14.1%. The reduction is based on what is expected to be invoiced by the State of Florida for incentive projects that have been approved by the BCC.

PCED exceeded its target for state funded dollars awarded for County-facilitated training grants and had a total of \$607,000 in FY20.

### Business Retention, Expansion, and Attraction Program

The Business Retention, Expansion, and Attraction Program provides funding to expand and retain the existing industry base and attract targeted and primary industries to Pinellas County. This includes workforce development and the Industrial Development Authority. This program increased by \$47,490 or 2.1%. Increases in Personal Services of \$54,390 are due to the annual wage adjustment. The change in Operating Expenses includes increases for computer supplies and training costs to support the new Penny Program. Decreases are due to eliminating some business development events, reduced purchasing of promotional items, and the elimination of the incentive

tracking software since the State Qualified Target Industry Incentive (QTI) program was sunset in 2020.

- Pinellas County Economic Development (PCED) exceeded its target of 500 jobs and created and retained 830 jobs through announced projects in Calendar Year 2020 (CY20). This measure replaced the QTI measure that was historically reported to the Pinellas County Board of County Commissioners (BCC).

Pinellas County has experienced an unemployment rate that is lower than that of the State of Florida's average since May 2020. Pinellas County's unemployment rate was above the State average unemployment rate in March (Pinellas County - 5.2%; State - 5.0%) and April (Pinellas County - 14.7%; State - 13.9%). The most recent data (February 2021) indicates that Pinellas County's unemployment rate (4.1%) is one point below the Florida State average unemployment rate (5.1%).

The exploration of Team Tampa Bay, a regional economic development marketing effort, was placed on hold due to the COVID-19 pandemic in FY20; however, it is now in progress with an updated timeline. PCED expects to hold the final Pinellas County partners meeting in conjunction with Langley Economics this month. The new organization kick-off is currently scheduled to be completed by October 1, 2021. This effort will replace the services formerly provided by the Tampa Bay Partnership (TBP), or the County will undertake its Pinellas-focused marketing plan. The FY22 budget request includes \$25,000 for Team Tampa Bay membership costs; however, the details of Team Tampa Bay have not been finalized by County Administration, and additional costs are possible.

Pinellas County received a \$7.5M grant from the U.S. Economic Development Administration (EDA) and will match \$4.5M to design and construct a \$14.0M, 45,000 sq. ft. technology incubator. The architect is on track to complete the design and construction documents this month and expects initial site work to begin in July. The construction must be completed in July 2023 to meet EDA requirements. PCED has started fundraising through Tampa Bay Innovation Center (TBIC) and has a fundraising goal of \$3.5M for the initiative. PCED granted TBIC \$120,000 to hire an outside firm to provide development services. The \$3.5M goal will cover the remaining \$2.0M in construction costs and \$1.5M for furniture, fixtures, and equipment (FF&E).

The Launch Economic Development Penny IV Program initiative seeks to launch a program to utilize efficiently and effectively the 4.15% of Penny IV funds allocated for the development of new office and industrial space suitable for target industry employers. PCED expects to receive BCC approval on applications this August and will publish the first annual report this December.

The Department of Administrative Services (DAS) is currently working on two initiatives, Review and Assess County Owned Properties (by Colliers) and Conduct County Space Study (by Stantec), that will directly support PCED's initiative to Maximize the Use of County Properties for Economic Development. Stantec will provide a study on the County's space needs and Colliers will provide a study that assess County properties and determines their best use. Once the DAS studies are completed, PCED will have the tools it needs to determine which County owned surplus properties would be best used for job development and economic development. Both DAS studies were

delayed due to COVID-19, however, they are expected to be completed in FY21. Following the completion of DAS' studies, PCED will need to reevaluate its timelines.

Sales from international trade missions did not meet the goal of \$10.0M in FY20 due to travel and engagement restrictions as a result of the COVID-19 pandemic. PCED switched to a virtual platform but ended FY20 with only \$50,000 in sales. Virtual methods are being utilized in FY21, however, data on sales is not yet available. PCED is planning to have all in-person international trade missions in FY22 and has budgeted \$6,200 for travel expenses.

### **Small Business Assistance Program**

The Small Business Assistance Program provides funding for small business assistance including the Small Business Development Center (SBDC) and the Small Business Enterprise (SBE) program. This includes funding for classes, workshops, individual counseling, and technical assistance with financing and other needs. This program increased by \$39,530 or 4.5%. Personal Services increase of \$29,530 is due to the annual wage adjustment. Increases in Operating Expenses of \$10,000 include costs for class registration system called Outbound, purchase of Air Cards for the SBDC staff, and training costs for SBDC Certification related training. These increases were partially offset by reduced travel expenses due to the COVID environment.

The PCED Small Business Development Center (SBDC) exceeded its target of 500 jobs and supported 4,386 jobs by clients receiving services from Florida SBDC certified consultants in FY20. FY21 has already exceeded the target of 500 jobs as well, and as of March, Economic Development (PCED) had already supported 4,471 jobs. The significant increases are due to business owners seeking support and information related to the Coronavirus Aid, Relief, and Economic Security (CARES) Act.

PCED's Small Business Enterprise (SBE) program, which is administered in partnership with DAS' Purchasing and Risk Management Division, seeks to maintain 600 vendors in the SBE portal. By the end of CY20, SBE had exceeded that target with 671 total vendors and had 712 as of March 2021.

The department has started tracking the total percentage of completed contracts that met SBE goals and set a target of 95.0%. In Quarter II of FY21, the department was at 100%.

## STAR Center Fund Budget Review

Resources	FY18 Actual	FY19 Actual	FY20 Actual	FY21 Budget	FY21 Estimate	FY22 Request	Budget to Budget Change	Budget to Budget %
<b>Fund Balance</b>	<b>2,826,690</b>	<b>3,255,528</b>	<b>3,621,599</b>	<b>3,999,990</b>	<b>4,313,540</b>	<b>3,433,440</b>	<b>(566,550)</b>	<b>14.16%</b>
Intergovernmental Revenue	0	0	17,391	0	0	0	0	0.00%
Interest Earnings	36,206	115,698	93,464	65,350	49,360	47,890	(17,460)	26.72%
Rents, Surplus and Refunds	4,121,879	4,176,506	4,301,118	4,308,150	4,351,820	4,439,390	131,240	3.05%
Other Miscellaneous Revenues	2,350,655	2,321,127	2,367,249	2,484,330	2,457,700	2,363,560	(120,770)	-4.86%
<b>Revenues Total</b>	<b>6,508,739</b>	<b>6,613,331</b>	<b>6,779,222</b>	<b>6,857,830</b>	<b>6,858,880</b>	<b>6,850,840</b>	<b>(6,990)</b>	<b>-0.10%</b>
<b>Total Resources</b>	<b>9,335,430</b>	<b>9,868,859</b>	<b>10,400,822</b>	<b>10,857,820</b>	<b>11,172,420</b>	<b>10,284,280</b>	<b>(573,540)</b>	<b>-5.28%</b>

Requirements	FY18 Actual	FY19 Actual	FY20 Actual	FY21 Budget	FY21 Estimate	FY22 Request	Budget to Budget Change	Budget to Budget %
Personal Services	965,447	767,627	917,513	1,284,590	1,162,880	1,386,320	101,730	7.92%
Operating Expenses	4,430,909	4,718,249	4,614,358	4,622,840	4,604,820	5,037,710	414,870	8.97%
Capital Outlay	695,115	761,383	555,419	2,736,320	1,971,280	3,059,000	322,680	11.79%
<b>Expenditures Total</b>	<b>6,091,471</b>	<b>6,247,259</b>	<b>6,087,290</b>	<b>8,643,750</b>	<b>7,738,980</b>	<b>9,483,030</b>	<b>839,280</b>	<b>9.71%</b>
<b>Reserves</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,214,070</b>	<b>0</b>	<b>801,250</b>	<b>(1,412,820)</b>	<b>63.81%</b>
<b>Requirements Total</b>	<b>6,091,471</b>	<b>6,247,259</b>	<b>6,087,290</b>	<b>10,857,820</b>	<b>7,738,980</b>	<b>10,284,280</b>	<b>(573,540)</b>	<b>-5.28%</b>

### STAR Center Resources:

Total Revenues decreased by \$6,990 or 0.1%. Decreases include lower interest rates projected and lower projections in the utility reimbursement from leases. Increases in rental revenue is comprised of revenue from leasing various Young-Rainey Science, Technology, and Research (STAR) Center facilities.

### Star Center Requirements:

Expenditures are 100% supported by revenues generated by the STAR Center. Total Expenditures increased \$839,280. Increases include \$70,000 non-recurring expense to convert the current food service area to a self-service area, \$261,780 for costs associated with the scheduled shutdown in

December 2021, \$75,000 for Chiller Drift Eliminator and \$252,680 in Capital Outlay for increases for Switchgear replacements, fire alarm replacement, various Center Air Handler Unit (AHU) replacements. These costs are offset by decreases for roof repairs and various Center AHU replacements that were completed. Every three years LESSOR conducts required shutdown maintenance activities on the electrical switchgear and all major power distribution panels as well as maintenance on the Facility heating and air-conditioning services. As a result, these utility services will not be available during the Shutdown Activities.

As a result of the required maintenance and repairs needed in the upcoming years to the STAR Center, the projected Fund Balance will be in a deficit in FY24.

Reserves decreased \$1.4M, or 63.8%. The budgeted reserve of \$801,250 is dedicated to future capital projects.

Economic Development (PCED) is currently developing a STAR Center Master Plan, which seeks to maximize the creation of target industry employment and increase the tax base for the STAR Center property while ensuring that site operations achieve and maintain self-sustaining revenue levels. Vacant and rundown buildings were demolished in FY20 and PCED is currently engaging Colliers for the master plan and study. PCED expects the consultant study to be completed this September. The proposed cost of the Colliers study is \$60,000 and PCED had budgeted \$15,000 in FY21 and \$45,000 in FY22 for the consultant.

- In FY20, the STAR Center:
  - Employed 1,617 personnel.
  - Had total direct earnings (salary and benefits of personnel) of \$144.8M.
  - Generated \$624K in ad valorem taxes.
  - Was 87.1% occupied, with plans to increase occupancy to 92% in FY21.
  - Installed green technology and practices to reduce the total Kilowatt Hours.
    - Raytheon increased its shift schedule from two to three shifts due to COVID-19, which caused an increase in energy use in FY20.

**Attachments:**

- **Attachment 1 – Performance Work Plan**
- **Attachment 2 – Budget Reports**
- **Attachment 3 – User Fees**
- **Attachment 4 – Org Chart**