

# Economic Development

**Department Purpose:** Pinellas County Economic Development (PCED) fosters high-quality economic growth and vitality through the attraction, expansion, and retention of businesses that bring new money into the local economy through sales of a majority of their products or services outside the state of Florida. 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.

These efforts contribute primarily to the Board of County Commissioners' Strategic Plan goal to Foster Continual Economic Growth and Vitality.

For additional information, please visit <http://www.pced.org/>

## Performance Summary:

- PCED had developed a workplan for the Qualified Target Industry (QTI) program, however, it has since been retired due to the state legislature defunding the program. It will cease to exist on July 1, 2020.
- PCED is currently working through a strategic plan and part of that plan is to develop additional key performance indicators (KPIs). SPM is also reviewing trade association, and peer municipal economic development groups for insight into possible KPIs.

## COVID Performance Impacts:

- COVID-19 has disrupted the local economy as Pinellas County, like many other municipalities, saw business closures and restrictions, and a decrease in tourist and resident spending. The department estimates that the County temporarily lost at least 75,000 jobs due to COVID-19 related layoffs and closures.
- PCED has played a major role in supporting local businesses with federal, state, and local loans, grants, and programs. They have also convened business and County leaders to work together to expand manufacturing of alternative and conventional personal protective equipment.
- International trade initiatives were cancelled this year due to the pandemic. Economic Development is looking into possible virtual international trade sessions to help recover from the cancellations.
- Department focus on the Pinellas CARES Small Business Grant Program, and on providing alternate PPE during the COVID pandemic, will likely delay Penny IV Employment Sites Program rollout and the effort to explore a regional marketing program with our partner organizations in Tampa Bay by at least one quarter.

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## Budget Overview:

EXPENDITURE CATEGORY	FY17 Actual	FY18 Actual	FY19 Actual	FY20 Budget	FY20 Estimate	FY21 Request	% Of Total Budget FY21
PERSONAL SERVICES	1,760,902	1,853,012	2,081,317	2,334,730	2,375,578	2,507,920	78.2%
OPERATING EXPENSES	711,558	643,129	719,515	619,000	544,175	599,400	18.7%
CAPITAL OUTLAY	4,300	4,300	8,441	11,800	11,800	3,160	0.1%
GRANTS & AIDS	206,605	58,245	70,055	145,000	60,200	96,440	3.0%
<b>GRAND TOTAL</b>	<b>2,683,365</b>	<b>2,558,686</b>	<b>2,879,327</b>	<b>3,110,530</b>	<b>2,991,753</b>	<b>3,206,920</b>	<b>100.0%</b>

## COVID Impacts:

### Revenue:

Economic Development generates revenue through grants and user fees for workshop registrations and exhibitor fees. The Safer-At-Home order issued by the State has impacted the department's ability to generate user fee based revenues as the workshops have been cancelled or rescheduled. As such, the department has reduced its FY20 estimates for user fee based revenues by \$14,750 or 50% to reflect this impact. There are no impacts anticipated for grant revenues.

### Expenditures:

A large percentage of Economic Development's Operating budget consists of Travel, Per Diem, and Registration Fees associated with conferences that staff attend to promote Pinellas County as a business destination. Safer-At-Home orders and travel restrictions initiated as a result of COVID-19 have impacted the department's ability to expend these funds in the current year. As a result, the FY20 Estimate for Operating Expenditures was reduced by \$63,050 across programs 1485-Business Retention, Expansion & Attraction; and 1486-Small Business Assistance, as follows:

- **1485 – Business Retention, Expansion & Attraction**
  - Reduced FY20 Estimate by \$36,000
- **1486 – Small Business Assistance**
  - Reduced FY20 Estimate by \$27,050

With the Safer-At-Home orders and travel restrictions being lifted, the department does not believe that there will be significant impacts to their ability to travel or hold workshops in FY21, and as such, no changes have been made to their FY21 budget submissions for revenues or expenditures.

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## Budget Summary:

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Revenues	FY17 Actuals	FY18 Actuals	FY19 Actuals	FY20 Budget	FY20 Estimate	FY21 Request	% Variance (FY20 Bud - FY21 Request)
<b>1485 - Business Retention, Expansion &amp; Attraction</b>							
Other Misc Revenue	-	24,000	20,000	28,200	14,750	29,500	4.6%
<b>Retention, Expansion &amp; Attraction Total</b>	-	<b>24,000</b>	<b>20,000</b>	<b>28,200</b>	<b>14,750</b>	<b>29,500</b>	<b>4.6%</b>
<b>1486 - Small Business Assistance</b>							
Intergovernmental Revenue	148,667	153,672	157,171	174,910	174,724	174,720	-0.1%
Charges for Services	44,940	37,630	36,165	38,000	40,000	38,000	0.0%
Other Misc Revenue	92,593	91,804	73,024	76,100	76,253	75,750	-0.5%
<b>1486 - Small Business Assistance Total</b>	<b>286,200</b>	<b>283,106</b>	<b>266,360</b>	<b>289,010</b>	<b>290,977</b>	<b>288,470</b>	<b>-0.6%</b>
<b>Grand Total Revenues</b>	<b>286,200</b>	<b>307,106</b>	<b>286,360</b>	<b>317,210</b>	<b>305,727</b>	<b>317,970</b>	<b>0.2%</b>

### Revenues:

Revenues are primarily grant funding and change very little. Non-grant related revenues are associated with user fees for workshop registrations and exhibitor fees. These are budgeted based on trend analysis of prior years. For FY21, revenues are anticipated to cover approximately 9.9% of Economic Development expenditures. The impacts of COVID-19 will be seen in the FY20 estimate, however, the department feels confident that it shouldn't impact FY21.

### User Fees:

ECONOMIC DEVELOPMENT	FY20 Adopted	FY21 Proposed
<b>I. Economic Development Workshop/Seminar Registration (per person)</b>	Up to \$199	Up to \$199
<b>II. Exhibitor Fees (per participating business)</b>	Up to \$100	Up to \$100
NOTE: Rates may vary depending upon such factors as audience size/participants, event type, duration, venue, and services required.		

No changes to user fees are proposed for FY21. 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's 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.

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Expenditures	FY17 Actuals	FY18 Actuals	FY19 Actuals	FY20 Budget	FY20 Estimate	FY21 Request	% Variance (FY20 Bud - FY21 Request)
<b>1484 - Economic Development Incentive Grants</b>							
Grant & Aids	206,605	58,245	70,055	145,000	60,200	96,440	-33.5%
<b>1484 - Economic Development Incentive Grants Total</b>	<b>206,605</b>	<b>58,245</b>	<b>70,055</b>	<b>145,000</b>	<b>60,200</b>	<b>96,440</b>	<b>-33.5%</b>
<b>1485 - Business Retention, Expansion &amp; Attraction</b>							
Personal	1,360,641	1,429,399	1,486,277	1,573,000	1,628,359	1,724,130	9.6%
Operating	599,286	546,503	599,778	499,900	452,125	480,300	-3.9%
Capital	4,300	-	7,424	11,800	11,800	3,160	-73.2%
<b>1485 - Business Retention, Expansion &amp; Attraction Total</b>	<b>1,964,227</b>	<b>1,975,902</b>	<b>2,093,479</b>	<b>2,084,700</b>	<b>2,092,284</b>	<b>2,207,590</b>	<b>5.9%</b>
<b>1486 - Small Business Assistance</b>							
Personal	400,261	423,612	595,040	761,730	747,219	783,790	2.9%
Operating	112,273	96,626	119,736	119,100	92,050	119,100	0.0%
Capital	-	4,300	1,017	-	-	-	
<b>1486 - Small Business Assistance Total</b>	<b>512,534</b>	<b>524,539</b>	<b>715,793</b>	<b>880,830</b>	<b>839,269</b>	<b>902,890</b>	<b>2.5%</b>
<b>Grand Total Expenditures</b>	<b>2,683,365</b>	<b>2,558,686</b>	<b>2,879,327</b>	<b>3,110,530</b>	<b>2,991,753</b>	<b>3,206,920</b>	<b>3.1%</b>
<b>Net Impact to GF (Expenditures - Revenues)</b>	<b>2,397,165</b>	<b>2,251,580</b>	<b>2,592,967</b>	<b>2,793,320</b>	<b>2,671,276</b>	<b>2,888,950</b>	<b>3.4%</b>

## Staffing Summary:

	FY17	FY18	FY19	FY20	FY21	Change
<b>1485 - Business Retention, Expansion &amp; Attraction</b>	13	13	13	13	13	0
<b>1486 - Small Business Assistance</b>	4	4	6	7	7	0
<b>Grand Total</b>	<b>17</b>	<b>17</b>	<b>19</b>	<b>20</b>	<b>20</b>	<b>0</b>

## Expenditures:

The Economic Development Incentive Grants program decreased by \$48,560, or 33.5%, from the FY20 budget. This program provides a tax refund to qualifying companies that create at least 10 net new jobs in one of Florida's target industry sectors. The Qualified Target Incentive program is scheduled to sunset on June 30th, 2020, however, staff anticipate incentive payments will be made through FY30. The sunseting of this program may impact the department's ability to attract 500 new jobs through incentive programs in FY21.

The overall budget for the Business Retention, Expansion & Attraction program is increasing \$122,890, or 5.9% from the FY20 Adopted Budget. The main driver of that increase is the change in Personal Services associated with the Evergreen Study as well as countywide salary increases for FY21. The operating budget for this program is decreasing \$19,600, or 3.9% from the FY20 budget. This reduction is a net effect of several changes including:

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- \$10,000 increase to accommodate the purchase of IncentTrak. This software will provide the ability to manage and track all incentive programs in one location. Incentives include QTI, ad valorem tax incentives, grant funding agreements, etc. This is a recurring subscription and Economic Development staff is working on negotiating better pricing.
- \$42,690 increase to accommodate “Team Tampa Bay Partnerships” and “Area Development Forum” trade shows.
- \$4,800 increase to accommodate new software called “Neighborly” which will be used for the Penny IV Employment Sites Program applications and is currently being used for the CARES Small Business Grant program.
- \$50,000 decrease associated with AmSkills.
- \$24,940 decrease associated with sponsorships including the Tampa Bay Defense Alliance.
- \$4,800 reduction associated with the “Impact Data Source” subscription as Purchasing negotiated a reduced rate.
- \$53,000 is being realigned to engage an advertising agency that specializes in national and international advertising, to promote Pinellas County as a destination for industry relocations (similar in scope to advertising agency used by CVB). This appropriation was previously used by marketing staff to place ads on their own.

The Small Business Assistance program, which includes the Small Business Development Center (SBDC) and the Small Business Enterprise (SBE) program is unchanged from FY20 to FY21.