

*Economic Development*  
FOUNDATION DOCUMENT

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## 2-1 INTRODUCTION

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Santa Rosa County has chosen to include the optional Economic Development Element in its Comprehensive Plan for several reasons. First, the inclusion of the element recognizes the efforts already underway for responsible economic development and it underscores the County's commitment to continued support of those efforts. Secondly, the element will serve to coordinate the efforts of several different groups, including Santa Rosa County, Team Santa Rosa, Tourist Development Councils, Chambers of Commerce and the Military. Thirdly, the element will make evident the goals the Santa Rosa County Commission has set in terms of economic development. Finally, the element will serve as a guide to direct current and future economic development policy for the Board of County Commissioners.

In the first decades of its development, Santa Rosa County's economy was largely agriculturally based. The community was built around farming and the logging industry. Sawmills, spawned by the burgeoning timber harvests, were the first heavy industry in the area. Although the traditional agriculturally based economy still exists today, the County's economy has diversified to include other heavy industry, the military, tourism and personal services. In the latter half of the twentieth century, portions of Santa Rosa County began to grow primarily as bedroom communities for major employment centers in Escambia County. Again, this trend is still evident today; however, more and more Santa Rosa County residents both live and work within the County.

Today, Military is the number one industry (NAS Whiting Field employees and students as well as income from the defense related retirees). Tourism is second with agriculture and exporting coming in third and fourth respectfully.

### A. Organization of the Element

The Economic Development Supporting Documentation consists of three components:

- the existing framework for economic development,
- the existing economic conditions in the County and
- the analysis of economic development needs.

### B. Relationship to Other Elements of the Comprehensive Plan

The Economic Development Element is a fully integrated portion of the County's overall Comprehensive Plan and is, therefore, closely related to many of the individual Elements. A key relationship exists between this Element and the *Future Land Use Element*, which provides an overall blueprint for the future growth patterns within the County. Land use decisions will affect the availability of land for development and how that land can be developed (i.e. industrial, commercial, residential).

The *Recreation Element* determines the location and types of recreational facilities available in the county and guides the development of new facilities. The economic development element mutually supports development and maintenance of recreational facilities in Santa Rosa County because they serve as a basis for economic development and provide a high quality of life for current and future employees.

The *Infrastructure Element* addresses public water and sewer, stormwater and solid waste. Adequate infrastructure is inherent to a healthy economy; each of these facilities must have capacity available to accommodate potential new development. This is especially true for industrial development, which tends to tax these resources at a much higher level than other types of development.

The *Conservation and Coastal Management Element* identifies all County natural resources in need of management and conservation, due to their function or characteristics. As the County develops, it is important that these natural resources, which add to the quality of life in the area, are not compromised.

The *Transportation Element* identifies the major transportation facilities in the area and determines which roadways need capacity enhancement. The Transportation Element also addresses intermodal needs, including air, port and rail access. Adequate access and roadway capacity is an important component of economic development.

## 2-2 EXISTING ECONOMIC DEVELOPMENT FRAMEWORK

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Several entities play significant roles in the economic development climate of Santa Rosa County. These groups range from government agencies and government funded agencies to private organizations concerned with the economic climate in the area. One of the major purposes of the Economic Development Element is to coordinate the activities of each of these organizations and ensure each is working toward the same goal. The Goals, Objectives and Policies of the element directly indicate how the County should cooperate with the agencies by directing that specific tasks be accomplished. Not only does this ensure economy of effort and common goals, but it also ensures that the Goals, Objectives and Policies from other elements of the Comprehensive Plan guide economic development in Santa Rosa County.

### *Santa Rosa County Board of County Commissioners*

As the governing body of unincorporated Santa Rosa County, the Board of County Commissioners (BOCC) has ultimate authority on jurisdictional issues concerning Santa Rosa residents. These decisions often reflect the commission's economic development philosophy and impact the economic development climate in the area. Land Use decisions, transportation decisions and infrastructure decisions all indirectly relate to economic development. The BOCC also has direct control over the Santa Rosa County Industrial Park and Peter Prince Field, the only public general aviation airport in Santa Rosa County.

### *TEAM Santa Rosa*

TEAM Santa Rosa EDC, Inc. is an economic development council composed of business leaders, private citizens and government officials. TEAM Santa Rosa's mission is to "maintain, foster, enhance, facilitate and promote responsible, properly managed job growth in Santa Rosa County with the understanding that quality of life and the general welfare of the entire citizenry is primary; increase the economic wealth of Santa Rosa County through the growth of a balanced and sustainable economy." The Board of Directors for TEAM Santa Rosa is comprised of trustee members, city and county representatives and representatives from the various chambers of commerce. TEAM Santa Rosa is a not for profit entity, lead by an elected Board of Directors with a focus on four (4) components; While TEAM Santa Rosa is the responsible entity for attracting, retaining and expanding industry (defined by the County as those businesses that sell more than 50% of their product or service outside the region), what they are also responsible for is the development of the environment for the industries to be successful. Attached as Appendix B is a pictorial of what and how TEAM Santa Rosa accomplishes its mission.

### *Military*

As will be shown later mentioned earlier and to be elaborated on more in the existing conditions section, the military is a major component of the economy in Santa Rosa County. The County is home to NAS Whiting Field, a major facility for training naval aviators. Eglin Air Force Base, headquartered in neighboring Okaloosa County, also owns large tracts of land in Santa Rosa County and contributes greatly to Santa Rosa County's economy as does NAS Pensacola, Hurlbert Field, etc. The County is committed to maintaining and enhancing the ability of the Navy and the Air Force to continue operations in this area well into the future. Although the Navy is not an economic development entity in itself, it is heavily impacted by economic development within the county and it is often consulted on major issues. Increased or decreased operations at NAS Whiting Field would also have a significant economic impact on the County, thus pursuing programs like JPATS is a major focus of the BOCC.

### *Agriculture*

#### *Chambers of Commerce*

There are numerous Chambers of Commerce throughout the County. The Navarre Chamber in the south end and the Pace Chamber in the north end are both major players in the economic development policy of the County. Recently, the BOCC and TEAM Santa Rosa have begun working more closely with the Pensacola Area Chamber of Commerce. This effort at regionalism ensures that the two counties (Santa Rosa and Escambia) do not compete against each other for new businesses, but work together to attract new development. It is also a reflection of how closely the two economies are tied. The Chambers focus on working to promote non-industrial businesses where TEAM Santa Rosa focus on those industrial businesses.

## **2-3 DATA AND ANALYSIS**

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Unless otherwise documented, the source for the statistics presented in this section is the Haas Center of the University of West Florida with the data obtained through Team Santa Rosa, the County's economic development council. Other sources utilized for specific data are noted when applicable.

## A. Population Overview

Santa Rosa County, Florida is located in one of the fastest growing geographic areas of the nation, the southeast. The 2000 Census figures show the population of Santa Rosa County at 117,743 and by 2025 Santa Rosa County is expected to have a population just over 162,000. Between 1990 and 2000, Santa Rosa was the 9<sup>th</sup> fastest growing county in a state with an average annual growth rate of 1.4%.

Net migration is the main component of population growth in Santa Rosa County. Natural increase accounted for only 20.2% of growth between 1990 and 2000, while net migration accounted for 79.8% of population growth. Of the 11,074 people who moved into Santa Rosa County during this time, 44.8% were from other Florida counties, 49.5% from out of state and 5.7% from abroad.

Roughly 60% of the population is aged 20-64, while 29% of Santa Rosa County residents are under age 20. With only 11% of the population aged 65 and over, Santa Rosa County is one of the youngest counties in Florida. Statewide the proportion of Florida's over 65 population grew from 8.6% to 18.3% between 1950 and 1999. However, the proportion of the population 65 and over in Santa Rosa County is expected to increase to 15.9% by 2015.

Roughly 87% of the county's population resides in unincorporated Santa Rosa County. The City of Milton is the largest incorporated area in the County with almost 8000 residents. As with most coastal counties in the Florida Panhandle, the southern sections of Santa Rosa County are more urbanized and population densities tend to decrease from south to north, coastal to inland.

## B. General Employment and Income Trends

Over the last decade Santa Rosa County has experienced fairly low unemployment rates and all forecasts indicate that this trend will continue through 2010. The latest unemployment rate for Santa Rosa County is 3.4% and total employment in the county is currently 39,430. Unlike much of the rest of Florida and the nation, Santa Rosa County has not seen major increases in unemployment as a result of the recent economic downturn and the fallout from the events of September 11, 2001.

Santa Rosa County's largest employers are listed in *Table 2-1*. In terms of relative employment by industry, the largest sectors in Santa Rosa County are Education at 8.4% of the workforce, Eating & Drinking at 6.0% and the Military at 4.4%.

**Table 2-1**  
**Largest Employers in Santa Rosa County**

<i>Employer</i>	<i>Type of Work</i>	<i># of Employees</i>
Santa Rosa County School District	Education	3000
US Government	Government	19992290
Wal-Mart	Retail	11641375
State of Florida	Government	1351
Santa Rosa County	Government	8671018
Baptist Health Systems	Healthcare	850

State of Florida	Government	723
RaytheonLowe's	Aircraft Maintenance Home Center	424600
L3 Communications/Vertex Aerospace	Aircraft Service & Maintenance	475
Mediacom	Internet & Cable Service Provider	443
Santa Rosa Medical Center	Healthcare Hospital – General & Surgical	350400
Clearwire, LLC	Wireless Broadband	260
Andrews Institute	Hospital – General & Surgical	150
The Studer Group	Healthcare Management Consulting	135
Tata Business Support Services	Internet Support Services	100
TRX Fulfillment Services, Inc.	Call Center Internet Travel Services	300100
AppRiver, LLC	Internet Security	93
MTI Speciality Silicones	Rubber Products - Wholesale	83
Gulf Power	Utilities	82
Taminco Methylamines, Inc.	Chemical/Industrial	80
Boise Distribution	Building Materials - Wholesale	60
Sterling Fibers	Acrylic Fibers	275
Mold-Ex/Southland Technologies	Rubber Products	241
Air Products & Chemicals	Chemicals	198
Specialty Windows of Florida	Window Manufacturer	125
City of Milton	Government	120
Anderson Columbia Company, Inc.	Asphalt	100
Emerald Coast Interiors	Boat Cushions	90

**Source:** Team Santa Rosa Economic Development Council, Inc., 20027

Santa Rosa County experienced high employment growth rates (+4.66%) between 1990 and 1995. While more modest rates of 2.92% through 2005 and 2.25% through 2010 are predicted for the County, these still outpace the statewide average growth rates of 2.07% and 1.87%, respectively. This translates into 882 new jobs per year between 2000 and 2005 and 775 new jobs per year between 2005 and 2010. Continued employment growth is expected in the construction, services, retail trade, and finance, insurance and real estate sectors. Military employment, which has historically been an important regional employment sector, is expected to continue its decline. However, the sharp drops experienced in the early 1990's of -31.5% are not expected to be repeated; only modest decreases of around -1% are forecast for military employment through 2025.

Per capita income growth in Santa Rosa County was also healthy during the period 1990 and 1995. The county experienced increases in per capita personal income from \$18,756 in 1995 to \$24,311 in 2000. Although this 29.6% percent increase outpaced the statewide average of 21%, Santa Rosa County still

lagged behind statewide averages in terms of magnitude. The average per capita personal income in Florida was \$27,764, compared to \$24,311 in Santa Rosa County. Florida, however, has the second highest per capita income among southeastern states and ranks 20<sup>th</sup> nationwide. On a regional level, only Okaloosa County, with a growth rate of 30.9%, outpaced Santa Rosa's growth in per capita personal income.

Total earnings for employees in Santa Rosa County are expected to increase by 114% between 2000 and 2025 (in constant 1992 dollars). The three sectors forecast to experience the largest percentage increases in real dollars are fire, insurance and real estate (192%), services (170%) and transportation, communication and utilities (145%). Mining (18%) and military (23%) are expected to experience the smallest percentage increase.

### B.1 Economic Analysis by Key Employment Indicators

A more detailed review of employment in Santa Rosa County can aid in identifying and understanding key industries within the County. Employment data:

- Identifies the number of people whose incomes depend directly on a particular industry
- Signifies which industries are growing and which are declining.
- Illustrates the importance of an industry to the local economy relative to its importance nationally.
- Demonstrates how competitive regional industries are compared with their counterparts nationally.

A comparison of relative employment by industry sector on a national, state and local basis reveals several key pieces of information regarding the Santa Rosa County economy.

- Manufacturing in Santa Rosa County is a small sector by national standards, but not by state standards
- Retail trade, state and local government, construction, federal military government and federal civilian government sectors are all a much larger percent of the workforce than on a state or national basis
- The three largest sectors in terms of employment in Santa Rosa County are services, retail trade and state and local government. Construction was a close fourth.

Using a measure of employment density, the location quotient, the likely contribution of each industry to overall County economic activity can be determined. A location quotient is a measure of an industry's concentration in an area, relative to the rest of the nation. If the value of the location quotient is greater than 1, then the industry is employing a greater share of the local workforce than is employed by that industry on a national basis. It also implies that the industry is producing more goods and services than are consumed locally. This means that the industry is a net exporter of goods and services and that in the process of providing for and serving non-local customers, the industry is bringing outside dollars into the area. *Table 2-2* lists, by SIC Code, those industries in Santa Rosa County that have location quotients higher than 1.

**Table 2-2  
Santa Rosa County Industries With Location Quotients Higher than 1**

<i>SIC</i>	<i>Industry Sector</i>	<i>SRC Employment</i>	<i>% SRC Employment</i>	<i>% U.S. Employment</i>	<i>Location Quotient</i>
2824	Organic Fibers, non-cellulosic	492	1.4	0	47.22
2521	Wood Office Furniture	91	0.3	0	12.7
	Other Federal Government Enterprises	201	0.6	0	12.54
4940	Water Supply and Sewerage Systems	77	0.2	0	11.42

**Table 2-2**  
**Santa Rosa County Industries With Location Quotients Higher than 1**

<i>SIC</i>	<i>Industry Sector</i>	<i>SRC Employment</i>	<i>% SRC Employment</i>	<i>% U.S. Employment</i>	<i>Location Quotient</i>
4952					
131	Cotton	106	0.3	0	10.66
3536	Hoists, Cranes & Monorails	19	0.1	0	9.42
3799	Transportation Equipment, N.E.C.	50	0.1	0	8.44
8660	Religious Organizations	547	1.5	0.2	7.89
3060	Fabricated Rubber Products, N.E.C.	196	0.5	0.1	7.63
2821	Plastics, Materials and Resins	100	0.3	0.1	5.45
3732	Boat Building and Repairing	67	0.2	0	5.09
2310	Apparel made from purchased materials	731	2.0	0.4	4.98
2320					
2330					
2340					
2350					
2360					
2370					
2380					
8740	Management and Consulting Services	1337	3.7	1.0	3.82
2439	Structural Wood Members, N.E.C	40	0.1	0	3.79
116	Oil Bearing Crops	230	0.6	0.2	3.49
4311	U.S. Postal Service	674	1.9	0.6	3.36
	Federal Government- Military	1576	4.4	1.4	3.17
	New Residential Structures	1517	4.2	1.4	2.91
7620	Electrical Repair Service	123	0.3	0.1	2.48
	Forest Products	34	0.1	0	2.33
3826	Analytical Instruments	16	0	0	2.18
	New Government Facilities	497	1.4	0.6	2.17
	Maintenance and Repair, Residential	456	1.3	0.6	2.08
3843	Dental Equipment & Supplies	7	0	0	2.0
	New Highways and Streets	173	0.5	0.3	1.9
2434	Wood Kitchen Cabinets	41	0.1	0.1	1.87
2099	Food Preparations, N.E.C.	30	0.1	0.0	1.82
7530	Automobile Repair and Services	452	1.3	0.7	1.77
7549					
1380	Maintenance and Repair Oil and Gas Wells	39	0.1	0.1	1.74
780	Landscape and Horticultural Services	320	0.9	0.5	1.72
5400	Food Stores	1400	3.9	2.4	1.62
7350	Equipment Rental and Leasing	123	0.3	0.2	1.62
	New Industrial and Commercial Buildings	561	1.6	1	1.58
6500	Real Estate	1210	3.4	2.1	1.57
4500	Air Transportation	400	1.1	0.7	1.56
	New Utility Structures	152	0.4	0.3	1.55
7997	Membership Sports and Recreation Clubs	177	0.5	0.3	1.54

**Table 2-2  
Santa Rosa County Industries With Location Quotients Higher than 1**

<i>SIC</i>	<i>Industry Sector</i>	<i>SRC Employment</i>	<i>% SRC Employment</i>	<i>% U.S. Employment</i>	<i>Location Quotient</i>
	State and Local Government- Education	3015	8.4	5.4	1.54
7260	Funeral Service and Crematories	83	0.2	0.2	1.53
182	Greenhouse and Nursery Products	69	0.2	0.1	1.51
7230 7240	Beauty and Barber Shops	343	1.0	0.6	1.48
3999	Manufacturing Industries, N.E.C.	26	0.1	0	1.47
8350	Child Day Care Services	207	0.6	0.4	1.47
8800	Domestic Services	401	1.1	0.8	1.42
5500	Automotive Dealers & Service Stations	843	2.3	1.7	1.42
	Maintenance and Repair Other Facilities	939	2.6	1.9	1.39
1310	Natural Gas & Crude Petroleum	127	0.4	0.3	1.37
7340	Services to Buildings	374	1.0	0.8	1.31
2410	Logging Camps and Contractors	28	0.1	0.1	1.29
7630 7640	Watch, Clock, Jewelry and Furniture Repair	15	0	0	1.28
8610 8620	Business Associations	1123	0.3	0.2	1.27
7310	Advertising	97	0.3	0.2	1.25
2731	Book Publishing	28	0.1	0.1	1.25
3273	Ready-Mix Concrete	32	0.1	0.1	1.21
0740 8070 8080 8090	Other Medical and Health Services	443	1.2	1.0	1.18
8060	Hospitals	1167	3.2	2.8	1.16
4600	Pipe Lines, Except Natural Gas	4	0	0	1.16
5800	Eating & Drinking	2181	6.0	5.2	1.16
7930	Bowling Alleys & Pool Halls	33	0.1	0.1	1.14
	Other State and Local Government Enterprises	156	0.4	0.4	1.14
8720 8990	Accounting, Auditing and Bookkeeping	448	1.2	1.1	1.11
5200	Building Materials & Gardening	247	0.7	0.7	1.02
0710 0720 0750 0730 0254 0850 0920	Agricultural, Forestry, Fishery Services	163	0.5	0.4	1.01
	Federal Government- Non-Military	649	1.8	1.8	1.01
4810 4820	Communications, Except Radio & TV	263	0.7	0.7	1.00

**Table 2-2**  
**Santa Rosa County Industries With Location Quotients Higher than 1**

<i>SIC</i>	<i>Industry Sector</i>	<i>SRC Employment</i>	<i>% SRC Employment</i>	<i>% U.S. Employment</i>	<i>Location Quotient</i>
4840 4890					

Source: Team Santa Rosa, 2002

## B.2 Employment and Output Generated by Industry

Industry output is the value of production by industry for an annual calendar year of production and is measured by the total value of purchases by intermediate and final consumers. In terms of output, Santa Rosa County's largest industry sectors are construction, real estate, retail trade, chemicals, military, health and professional services, education, non-profit organizations, business services, communications, state and local government and apparel. These sectors account for approximately 76% of County economic output and 71% of employment. Table 2-3 shows the annual economic output of Santa Rosa County by industry sector.

**Table 2-3**  
**Annual Economic Output of Santa Rosa County by Industry Sector**

<i>SIC Code</i>	<i>Industry Sector</i>	<i>Industry Output (\$)</i>
	Construction	346,287,272
	Real Estate	323,742,996
5200	Retail Trade	199,723,704
2812	Chemicals and Allied	195,649,279
	Federal Government- Military	184,236,694
8010 8020 8030 8040	Health Services	156,989,290
8710	Professional Services	108,589,824
	State & Local Government- Education	107,223,259
8400 8650 8690 6732 8922	Non-Profit Organizations	66,346,294
7310	Business Services	62,746,074
4810 4820 4840 4890	Communications	56,853,203
	State & Local Non-Educational Government	54,377,373
2310 2320 2330 2340 2350 2360 2370 2380	Apparel	53,741,085
5000 5100	Wholesale Trade	50,533,882
6000	Banking	49,379,513
4311	Federal Non-Military	46,637,200
4500	Air Transportation	45,157,406
4910	Utilities	40,533,056

**Table 2-3  
Annual Economic Output of Santa Rosa County by Industry Sector**

<i>SIC Code</i>	<i>Industry Sector</i>	<i>Industry Output (\$)</i>
7510	Automotive Services	39,836,649
241	Farms	37,237,470
3010	Rubber Products	30,317,549
7000	Hotels and Lodging Places	18,530,848
7210 7250	Personal Services	18,236,185
4200	Motor Freight Transport and Warehousing	17,777,040
8330	Social Services	16,140,901
7920	Recreation Services	15,841,079
3711	Transportation Equipment	14,768,090
2410	Wood Products	13,269,478
0710 0720 0750 0760 0254 0850 0920	Agricultural Services	12,209,754
2710	Printing and Publishing	12,040,611
7620	Repair Services	9,595,617
1310	Oil Mining	9,653,766
3812	Scientific Instruments	9,255,774
6400	Insurance Agents and Brokers	7,732,853
8110	Legal Services	7,086,629
3210 3229 3230	Stone, Glass and Clay	6,407,595
3411	Fabricated Metal	6,404,930
2511	Furniture	6,276,234
3511	Industrial Machinery	6,079,094
2011	Food Processing	5,755,746
6100 6710 6720 6733 6790	Credit Agencies	5,730,114
7800	Motion Pictures	4,681,246
8800	Domestic Services	3,441,468
6300	Insurance Carriers	3,120,085
3911	Miscellaneous Manufacturing	3,004,532
8210	Education Services	2,306,183
4720	Transportation Services	2,269,198
0810 0830 0970	Forestry Products	1,906,283
6200	Security and Commodity Brokers	1,895,939
3312	Primary Metals	1,625,569
1410 1420	Non-Metal Mining	1,463,834
4100	Local-Interurban Passenger Transit	1,205,212
3612	Electrical Equipment	1,166,959

**Table 2-3  
Annual Economic Output of Santa Rosa County by Industry Sector**

<i>SIC Code</i>	<i>Industry Sector</i>	<i>Industry Output (\$)</i>
4600	Pipelines Except Natural Gas	1,108,857
4400	Water Transportation	839,279
	Special Sectors	382,673
4010 4740	Railroads and Related Services	294,223
910	Commercial Fishing	100,510
	<b>Total</b>	<b>\$ 2,506,107,460</b>

Source: Team Santa Rosa, 2002

### B.3 Employment Trends and Forecasts by Industry

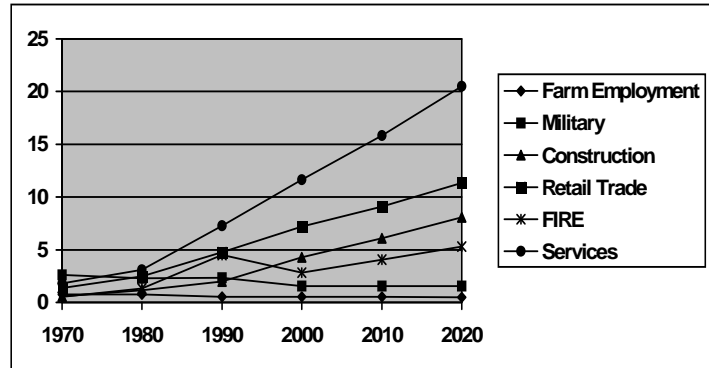
As discussed earlier, employment has grown significantly over the last ten years in Santa Rosa County and this growth is expected to continue through 2025. Over the next 20 years sectors such as manufacturing, federal civilians and transportation, communication and public utilities are projected to stay relatively stable. Other sectors, including services, construction, retail trade and finance insurance and real estate, are projected to expand substantially, both on sheer numbers and as a share of Santa Rosa County employment. However, several historically large sectors, like military and farm employment, are projected to decline slightly through 2025. *Table 2-4* shows historic and projected employment in selected sectors.

**Table 2-4  
Santa Rosa County Employment Through 2025 (Thousands of Persons)**

	1970	1975	1980	1985	1990	1995	2000	2005	2010	2015	2020	2025
<b>TOTAL EMPLOYMENT</b>	12.32	14.5	18.17	22.22	27.42	32.58	39.43	44.97	50.83	56.95	63.19	69.48
<i>Farm Employment</i>	0.75	0.74	0.77	0.58	0.55	0.52	0.53	0.52	0.51	0.49	0.48	0.46
<i>Agricultural Services</i>	0.04	0.05	0.13	0.31	0.39	0.60	0.81	0.95	1.10	1.24	1.36	1.46
<i>Mining</i>	0.09	0.13	0.28	0.28	0.33	0.27	0.19	0.19	0.19	0.20	0.21	0.22
<i>Construction</i>	0.59	1.06	1.14	1.86	1.99	2.9	4.27	5.15	6.10	7.09	8.07	9.00
<i>Manufacturing</i>	1.73	1.46	1.74	1.88	2.41	2.56	2.69	2.87	3.03	3.16	3.24	3.29
<i>Transportation, Communication &amp; Utilities</i>	0.27	0.39	0.77	1.29	1.13	1.33	1.58	1.88	2.20	2.53	2.86	3.16
<i>Wholesale Trade</i>	0.16	0.31	0.31	0.47	0.60	0.63	0.82	1.02	1.22	1.44	1.66	1.87
<i>Retail Trade</i>	1.37	1.73	2.47	3.81	4.78	5.81	7.17	8.07	9.07	10.15	11.31	12.54
<i>Finance, Insurance &amp; Real Estate</i>	0.54	1.05	1.33	1.44	4.49	2.22	2.82	3.43	4.05	4.68	5.3	5.87
<i>Services</i>	1.81	1.9	3.07	4.89	7.27	9.42	11.66	13.68	15.82	18.09	20.49	23.03
<i>Federal Civilian Employment</i>	0.60	0.76	0.86	0.64	0.75	0.72	0.79	0.86	0.94	1.00	1.06	1.11
<i>Military</i>	2.60	2.31	2.29	2.07	2.32	1.59	1.54	1.54	1.53	1.53	1.53	1.53
<i>State &amp; Local Government</i>	1.76	2.61	3.01	2.71	3.42	4.01	4.57	4.82	4.08	5.35	5.64	5.93

Source: Team Santa Rosa, 2002

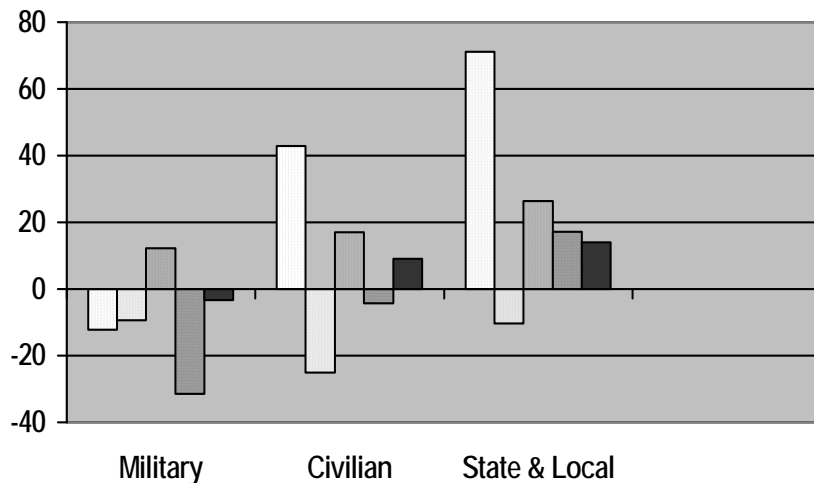
The chart to the right graphically depicts the changes in employment in those sectors that have declined or increased significantly historically and are predicted to change significantly over the next 20 years.



In terms of Goods Production versus Service Production, employment trends in Santa Rosa County have mirrored those both statewide and nationwide. Goods Production includes agricultural industries, manufacturing and mining sectors. Nationwide these aggregated sectors declined from 32.1% of employment in 1970 to 21.0% in 2000. Over the same time period, the employment decline in Goods Production in Santa Rosa County was from 26.0% to 21.5%.

Service Production includes the following sectors: Personal, Business and Professional Services, Retail Trade, Finance, Insurance and Real Estate, Wholesale Trade and Transportation and Public Utilities. These aggregated sectors have grown steadily over the last decade, both nationally and statewide. In 1980 the national share of employment in Service Production was 49%, in 2000 it had climbed to 65.6%. At 33.5%, Florida ranks fourth nationwide for the largest percentage of the workforce employed in services industries. In Santa Rosa County, the only Service Production sector to have an employment growth rate lower than 20% between 1995 and 2000 was Transportation, Communication and Public Utilities at 18.5%.

Employment growth rates in the government sectors have been mixed over the last 30 years. The chart to the right illustrates the changes in employment growth rates for the three composite sectors of Government employment, federal civilian, federal military and state and local government.



#### B.4 Competitive Advantage: Shift-Share and Employment and Output Multipliers

Shift-Share Analysis and Multipliers are common economic diagnostic tools used to describe the economy of a geographic area. Both of these tools provide the County with a picture of the health of the local economy and with data that can be used to formulate strategies for growth.

### Shift-Share Analysis

Shift-Share Analysis describes the County's current mix of industries, quantifies how fast individual industries are growing and measures how competitive Santa Rosa's industries are relative to the rest of the nation. Shift-share calculations estimate the portion of total employment growth attributable to growth of the national economy, a mix a faster or slower than average growing industries and the competitiveness of local industries. The competitiveness component is a key piece of data. Assuming that the amount of growth attributable to national trends and industrial mix has been accounted for, the rest of the growth (the competitiveness component) is attributable to the ability of the County to compete for jobs. This information aids in estimating future economic growth patterns and, thus, can be used to formulate the County's Goals, Objectives and Policies relative to economic development. *Table 2-5*, on the following page, shows shift-share calculations for Santa Rosa County.

**Table 2-5**  
**Shift-Share Calculations for Santa Rosa County**

<i>Sector</i>	<i>1990 SRC Employment (Thousands)</i>	<i>2000 SRC Employment (Thousands)</i>	<i>% Change</i>	<i>1990 US Employment</i>	<i>2000 US Employment</i>	<i>% Change</i>	<i>National Growth Component</i>	<i>Industrial Mix Component</i>	<i>Competitive Share Component</i>
<i>Total Employment</i>	27.42	39.43	43.81	139,184.60	166,657.03	19.74	5412.3	-0.5	6600.2
<i>Farm Employment</i>	0.55	0.53	-3.45	3147.00	2967.47	-5.70	108.6	-139.9	12.4
<i>Agricultural Services</i>	0.39	0.81	107.46	1452.37	2175.71	49.80	76.8	116.9	224.3
<i>Mining</i>	0.33	0.19	-41.52	1042.90	839.87	-19.47	65.1	-129.4	-72.8
<i>Construction</i>	1.99	4.27	114.88	7263.99	9270.18	27.62	392.6	156.7	1735.7
<i>Manufacturing</i>	2.41	2.69	11.80	19,634.59	19,666.62	0.16	475.1	-471.2	280.1
<i>Transportation, Communication &amp; Utilities</i>	1.13	1.58	39.73	6560.61	8105.57	23.55	223.1	43.0	182.9
<i>Wholesale Trade</i>	0.60	0.82	37.75	6651.90	7686.09	15.55	117.7	-25.0	132.3
<i>Retail Trade</i>	4.78	7.17	50.01	22,840.71	27,530.29	20.53	943.0	37.8	1408.2
<i>Finance, Insurance &amp; Real Estate</i>	1.49	2.82	89.70	10,695.60	12,920.93	20.81	293.3	15.8	1023.8
<i>Services</i>	7.27	11.66	60.34	38,662.93	53,005.45	37.10	1435.3	1262.0	1689.7
<i>Federal Civilian Employment</i>	0.75	0.79	4.93	3237.00	2811.04	13.16	147.4	247.4	132.0
<i>Military</i>	2.32	1.54	33.76	2750.00	2112.28	23.19	458.4	996.8	215.5
<i>State &amp; Local Government</i>	3.42	4.57	33.61	15245.00	17,565.52	15.22	674.9	-154.5	628.6
<i>County Component Totals</i>							5412.3	-531.9	7131.6

Source: Team Santa Rosa, 2002

These calculations illustrate that overall employment in Santa Rosa County has grown at over twice the national rate. National employment grew 19.74% between 1990 and 2000, while total employment in Santa Rosa County grew by more than 43%. Of the 12,012 jobs added in the last decade, only 5412 were attributable to national growth.

The Industrial Mix Component provides more detailed and more interesting data in relation to the Santa Rosa County economy. This component is calculated by taking the difference between the industry's national growth rate and the average national growth rate. It provides the number of jobs created or not

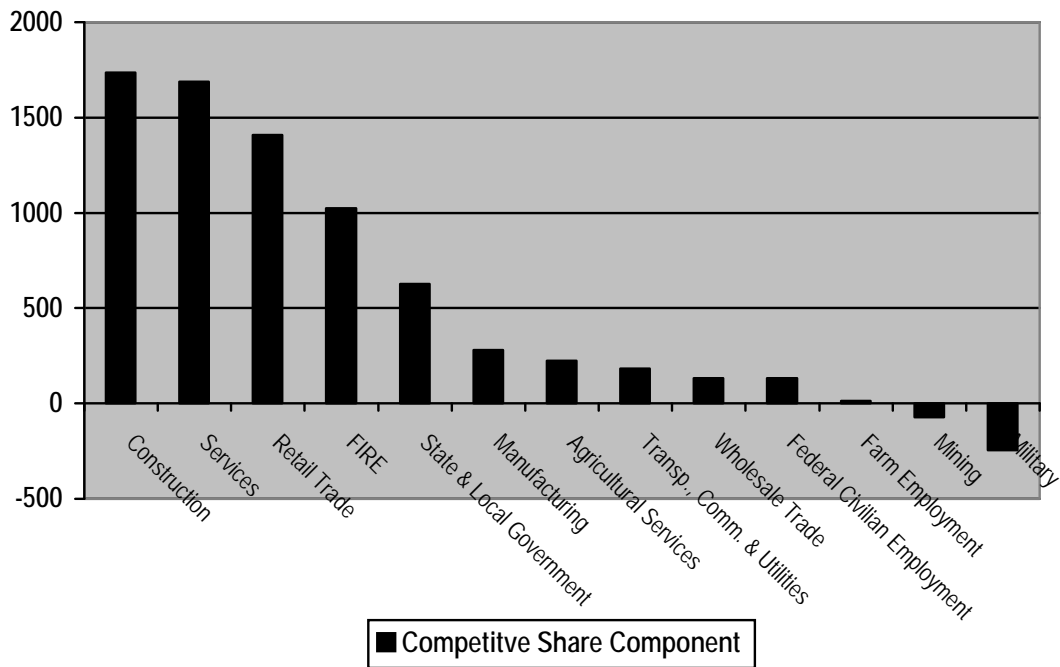
created in each industry. If the industry experienced favorable growth, it means that its employment growth rate outstripped the average national employment rate for all industries. The reverse is true if growth was unfavorable. The total number of jobs created or not created in the County as a whole is a function of the region's concentration of high-growth and low-growth industries.

Specifically, services, construction, agricultural services, transportation, communication and utilities, retail trade and finance, insurance and real estate are experiencing fast growth. Although the industries that are growing quickly are more dynamic and have brighter futures, they may have strong appetites for labor, space and other inputs that could outstrip local supplies if adjustments are not made to accommodate future demand.

Slow growth industries include the military, government, manufacturing, mining and farm employment sectors. There may be several reasons why these sectors experienced negative employment changes including, declining importance nationally, a cyclical business pattern that does not coincide with the national business cycle, increased efficiency so that more is produced while fewer are employed or ineffective management and processes that are hindering growth.

The County total for the industry mix component shows that Santa Rosa was negatively affected by its industry mix; the industry mix for this area is unfavorable. This means that more people in Santa Rosa County are employed in relatively slow-growth industries. The County's Economic Development Goal, Objectives and Policies should address this finding by creating an atmosphere favorable to employment growth in high-growth industries.

Finally, the competitiveness component describes the number of jobs created or not created as a result of the County's competitiveness. With growth from national trends and industry mix accounted for, the remaining growth is attributable to the County's relative competitiveness. The data from the table above indicates that Santa Rosa County is especially competitive in attracting employment in construction, services, retail trade and finance, insurance and real estate. Overall, of the County's total employment growth of 12,012 jobs in the last decade, 7131 are attributable to the County's relative competitiveness. The chart below illustrates the competitive share component of jobs created by industry.

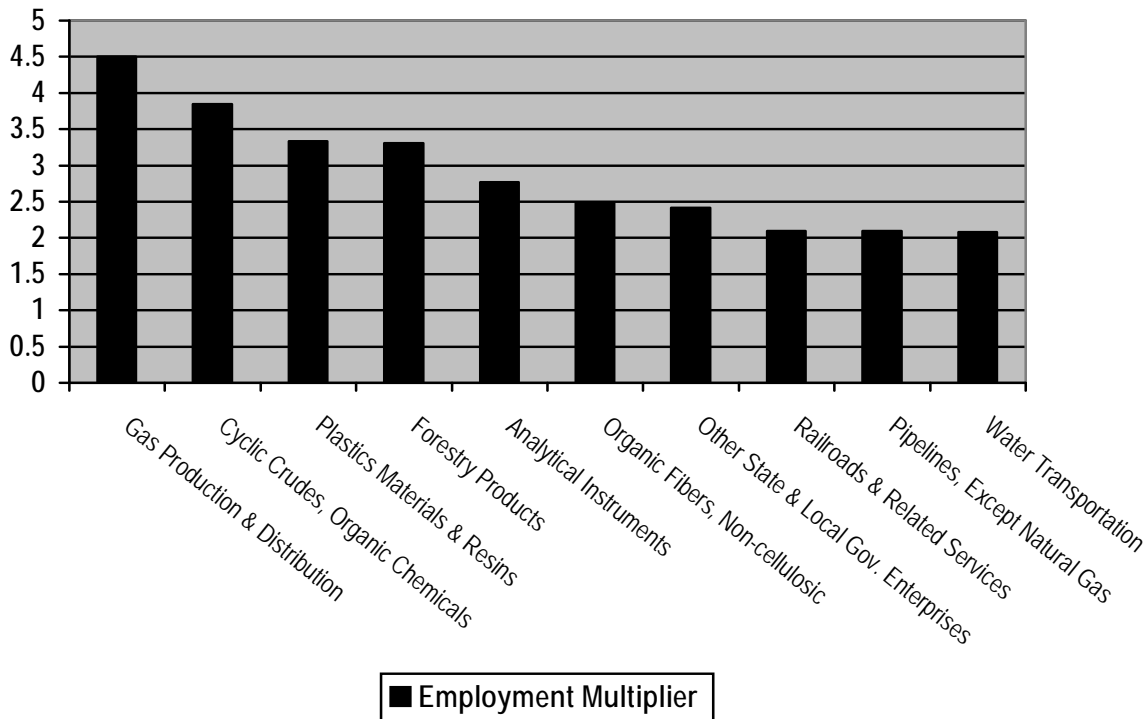


Shift-Share Analysis indicates that Santa Rosa County should concentrate on improving its industrial mix component by attracting more industries in fast-growing sectors. The County is already competitive in the fast growing construction, services and retail trade sectors. As a policy the County should attempt to increase its relative competitiveness in sectors that are fast growing and provide higher paying jobs than construction, services and retail trade.

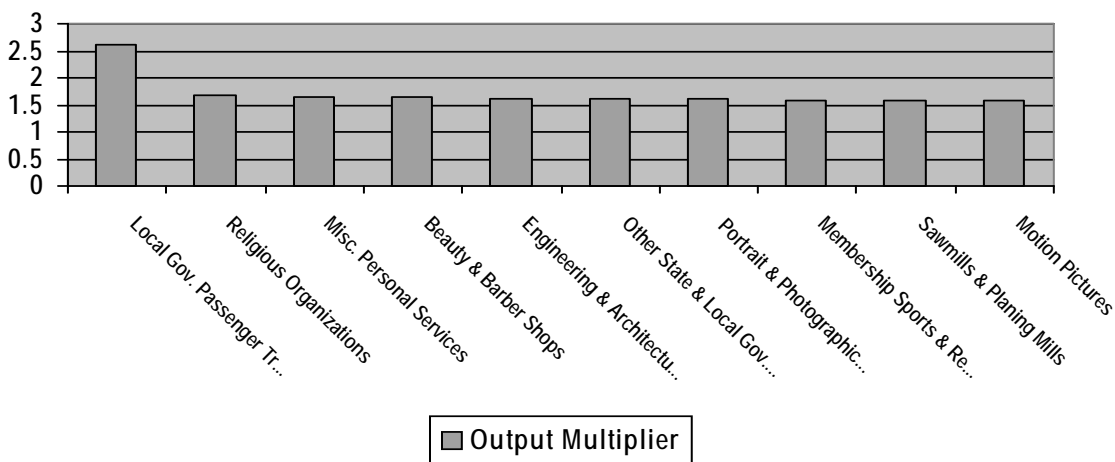
### *Employment and Output Multipliers*

Multipliers are a measure of the total impact of an economic activity. For example, a given industry may, in addition to the number of persons it employs, also be responsible for creating additional jobs in companion sectors. This effect is termed an employment multiplier. Another important multiplier used to describe a local economy is the output multiplier. The concept of an output multiplier is that every dollar of output generated by one industry indirectly results in additional output elsewhere in the economy. Generally, this secondary output is only a fraction of the original direct output. For example, when a restaurant serves a meal, it generates output. But, in order to generate that output, it had to purchase inputs such as raw food, napkins, water from other suppliers. Thus, the restaurant's output resulted in increased output somewhere else in the economy.

The chart below illustrates the ten industries in Santa Rosa County with the highest employment multipliers. Each of these industries not only creates jobs within its own sector, but also in other sectors.



The chart below shows the ten industries with the highest output multipliers. For every dollar of output generated by these industries, some fraction of a dollar is generated in another local industry.



Santa Rosa County should focus on developing the companion businesses to those industries with high employment and high output multipliers. This would capitalize on labor and resources already available in this area.

## C. Conclusions

The diagnostic tools used in the previous section illuminated several needs, problems and trends that Santa Rosa County should address in order to:

- Take full advantage of its natural competitiveness;
- Prepare for changes in local demographic and national economic trends;
- Capitalize on and enhance resource availability
- Maintain and improve on its high quality of life; and
- Fully utilize the existing workforce.

Specifically, the challenges Santa Rosa County faces are:

- Imbalanced industry mix
- Several different economic development entities
- Natural Resources Protection
- Aging population
- National decline in military, farm and agricultural services employment
- Below average wages
- Inadequate Infrastructure

In order to meet these challenges, Santa Rosa County must develop both short term and long term strategies. The Santa Rosa County Board of County Commissioners should coordinate with each of the economic development entities in the region and specifically with Team Santa Rosa. Working with these entities, the BOCC should develop strategic plans to lure targeted industries into the County. The County should undertake an analysis to determine if enough land is allocated for commercial and industrial uses. The Military and the County should partner in the development of specific strategies to ensure continued military activity in the area. The County should adopt specific policies to preserve the area's agricultural heritage and promote agricultural services industries. Finally, the County should use the Goals, Objectives and Policies of the Conservation, Coastal Management, Recreation and Infrastructure Elements to guide economic development in an effort to protect natural resources and preserve the integrity of the County's infrastructure.

