

## ECONOMIC DEVELOPMENT

The mission of Pinellas County Economic Development (PCED) is to:

- \* Retain existing businesses and encourage their success and expansion.
- \* Attract new high-quality, high wage and diversified employment to Pinellas County.
- \* Improve the business climate in Pinellas County, while preserving our quality of life.
- \* Serve as a liaison, partner, facilitator, advocate and provider among public agencies, private companies, business associations and educational institutions, to deliver strong, fast, efficient and effective support to Pinellas County businesses in a "Team Pinellas" format.
- \* Facilitate availability of a trained and productive workforce, to assure a vital and diversified Pinellas County economy.

In the coming budget years, PCED's primary Strategic Focus Area goals will be to: Attract and Retain High Quality Jobs; Ensure Adequate Sites for Business & Industry; and Match Redevelopment to Community Priorities.

The department also includes the Young-Rainey Science Technology and Research (STAR) Center. The STAR Center's mission is to promote its image as a dynamic, world-class center for high technology development and manufacturing and blend its leading-edge resources with PCED initiatives to enhance the Pinellas County economy.

### 0101 General Fund

#### Department Revenues by Fund

	FY07 Budget	FY08 Request	Variance	%
0101 FEDERAL GRANTS	180,220	78,300	-101,920	-56.6%
OTHER MISCELLANEOUS REVENUES	16,630	16,630	0	0.0%
TOTAL GENERAL FUND REVENUE	196,850	94,930	-101,920	-51.8%
GENERAL FUND TAX SUPPORT	3,395,530	6,530,300	3,134,770	92.3%
	94.5%	98.6%		

#### Department Expenditures by Fund/Cost Center

	FY07 Budget	FY08 Request	Variance	%
0101 4402000 ECONOMIC DEVELOPMENT	2,906,370	2,964,580	58,210	2.0%
4403000 ECON DEV INCENTIVE GRANTS	498,010	3,580,430	3,082,420	618.9%
4404000 BROWNFIELDS GRANTS	188,000	80,220	-107,780	-57.3%
TOTAL EXPENDITURES	3,592,380	6,625,230	3,032,850	84.4%

### 0218 YOUNG - RAINEY STAR CENTER

#### Department Revenues by Fund

	FY07 Budget	FY08 Request	Variance	%
0218 FEDERAL GRANTS	798,000	0	-798,000	-100.0%
INTEREST EARNINGS	82,940	90,000	7,060	8.5%
RENTS/SURPLUS/REFUNDS	4,242,410	3,867,690	-374,720	-8.8%
REIMBURSEMENTS	112,290	112,290	0	0.0%
OTHER MISCELLANEOUS REVENUES	3,671,810	3,361,130	-310,680	-8.5%
TOTAL REVENUE	8,907,450	7,431,110	-1,476,340	-16.6%
BEGINNING FUND BALANCE	919,840	373,680	-546,160	0.0%
TOTAL REVENUE & FUND BALANCE	9,827,290	7,804,790	-2,022,500	-20.6%

**Department Expenditures by Fund/Cost Center**  
0218      4401010 YOUNG - RAINEY STAR CENTER  
                 Subtotal Expenditures  
                 RESERVES  
                 TOTAL EXPENDITURES

## Personnel Summary

### Total Permanent Positions

### Total Permanent Positions

49	49	0
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Pinellas County FY08 Budget Development  
Summary of Departmental Programs for Total Budget Justification

**Economic Development**  
**Strategic Focus Area: Economic Development, Redevelopment & Housing**

Program	Classification	Description	FY08 Total Program Allocation (\$)	FY09 (2nd Year) Program Allocation (\$)	FTEs*	Performance Measures	Estimated FY08
<b>Economic Development</b>							
Business Attraction	Non-Mandatory	Funding to attract targeted and primary industries to Pinellas County.	\$589,595	\$616,985	4.9	Number of qualified prospects /leads	100
		Funding for Economic Development incentive grants (including SRI-St. Petersburg).	\$3,020,200	\$1,527,140		Total number of new jobs created through incentive programs	750
Business Retention & Expansion	Non-Mandatory	Funding to expand and retain the existing industry base, including workforce development.	\$883,223	\$908,058	9.2	Total dollar amount awarded for PCED facilitated training grants received	\$400,000
		Funding for Job creation incentive grants (including Nielsen Media Research).	\$560,230	\$656,970		Total number of new jobs created through incentive programs	750
Business Assistance	Non-Mandatory	Funding for small business assistance and entrepreneurial efforts including the Business Assistance Program.	\$696,708	\$701,823	4.7	Companies receiving technical business assistance	1,200
						Percentage of participants surveyed rating Business Assistance Program "Good" or "Excellent"	75%
Redevelopment	Non-Mandatory	Funding for Brownfield and other redevelopment programs, including the implementation of Pinellas by Design.	\$412,891	\$435,031	3.7	Total Existing Square Feet of Office Space	19,000,000
		Operating expenses for Brownfield Grants. The program is funded by EPA grants to perform environmental assessments of designated Brownfields properties within Pinellas County to allow redevelopment of those properties.	\$80,220	\$0		Total Existing Square Feet of Industrial Space	57,500,000
Administration	Administrative	Funding for department administration.	\$382,163	\$382,163	3.5	Number of staff training hours in professional economic development courses	550

## Summary of Departmental Programs for Total Budget Justification

**Economic Development****Strategic Focus Area: Economic Development, Redevelopment & Housing**

Program	Classification	Description	FY08 Total Program Allocation (\$)	FY09 (2nd Year) Program Allocation (\$)	FTEs*	Performance Measures	Estimated FY08
<b>Economic Development</b>							
<b>Young-Rainey STAR Center</b>							
STAR Center Leasing, Maintenance and Operations	Non-Mandatory	Funding for STAR Center Leasing, Maintenance and Operations. Funding source is STAR Center generated revenues and reserves.	\$7,673,000	\$8,338,790	26.0	Generated Revenues	\$8,427,450
						Employment Level	1600 Employees
						Average Annual Wage	\$42,055
						Economic Impact from Employment Income	\$118,000,000
						Total Ad Valorem Taxes from STAR Center Leases	\$780,000
STAR TEC - New Business Accelerator Program	Non-Mandatory	Direct STAR Center to provide 20,000 s.f. of space to STAR TEC at market rate in lieu of STAR Center annual intragovernmental allocations.	** \$295,540	** \$309,750	0.0	Clients in Program	10
						Program Employment	30
						Economic Impact from Employment Income	\$3,200,000
						Average Annual Wage	\$60,647
<b>PROGRAM TOTALS:</b>			<b>\$14,298,230</b>	<b>\$13,566,960</b>	<b>52.0 *</b>		
<b>RESERVES:</b>			<b>\$131,790</b>	<b>\$131,790</b>			
<b>TOTALS:</b>			<b>\$14,430,020</b>	<b>\$13,698,750</b>	<b>52.0 *</b>		

\* 3 Temporary Full-Time FTEs (interns) included within Economic Development total.

\*\* Expenditures not included in totals as they represent cost allocation figures that are not charged back in recognition of the market rent associated with space utilized for the program.

## Pinellas County FY08 Budget Development

### Budget Summary Analysis

#### **SFA: Economic Development, Redevelopment & Housing**

#### **Department: Economic Development**

#### **Fund 0101 – General Fund**

- The FY08 Request reflects an increase of \$3,032,850 or 84.4% over the FY07 Revised Budget.
  - Excluding grant expenditures, the FY08 request reflects an increase of \$58,210 or 2.0% over the FY07 Revised Budget.
  - The FY08 request for Economic Development incentive grant expenditures reflects an increase of \$3,082,420 over the FY07 Revised Budget. This figure is driven by the grant to SRI – St. Petersburg for which \$3,000,000 is anticipated to be due in FY08. Final grant payments totaling \$1,500,000 are anticipated during FY09.
  - The FY08 request for Brownfields grant expenditures reflects a decrease of \$107,780 below the FY07 Revised Budget. These expenditures are fully funded by an EPA grant that reflects a decrease in revenue of \$101,920. The EPA grant will expire in FY08. Therefore, additional funding and revenues are not currently anticipated for this program beyond FY08.
  - Personal Services includes an increase of \$244,180 or 13.0%. Executive Salaries increased \$137,610 or 14.32% with approximately 50% of the increase due to a position created in FY07 (Business Development Manager position formerly partially funded by St. Petersburg College), but funded via operating expenses. Other Salaries & Wages increased by \$29,540 or 111.0% due to assignment of all intern salaries into this category. A portion of the salaries had previously been assigned to Regular Salaries & Wages. The net number of new positions for the department is zero. The balance of the increase in Personal Services is attributed to the annual market survey and benefits costs increases.

## Pinellas County FY08 Budget Development

### Budget Summary Analysis

- Operating Expenses includes a decrease of \$170,950 or 21.6%. Cuts were applied in several areas to achieve the 2.0% overall budget target. Notable cuts include:
  - Reduction in professional services for redevelopment studies with Pinellas Planning Council (reduced from \$107,000 FY07 estimate to \$20,000 FY08 request). Performance should not be significantly impacted as there is currently a reduced need for outside professional services.
  - Reduction in promotional activities (reduced from \$168,550 FY07 budget to \$130,780 FY08 request). The department anticipates negative impacts for job creation performance measures, but no impact for worker training program performance measures.
- Grants & Aids includes a decrease of \$21,020 or 9.3% due to a reduction in the Business Assistance Partnership program (reduced from \$226,170 FY07 budget to \$205,150 FY08 request). One (1) city/chamber partnership, for which the chamber's business assistance program position is currently vacant, has been eliminated from the budget. A reduction in services is not anticipated as businesses will be served from the department's EpiCenter offices.
- For FY08, the programs and activities of this function are 98.6% supported by property and other taxes from the General Fund. This has increased from 94.5% in FY07 due to the SRI – St. Petersburg incentive grant.

## Pinellas County FY08 Budget Development

### Budget Summary Analysis

#### **Fund 0218 – Young-Rainey STAR Center**

- The FY08 Request reflects a decrease of \$954,940 or 11.1% under the FY07 Revised Budget.
  - Personal Services includes an increase of \$147,560 or 7.5%. Overtime expenditures are budgeted to decrease by 22.5% from \$51,610 to \$40,000 in FY08. The increases in Personal Services expenditures are attributed to a cyclical review following the FY07 budget submission that increased departmental expenses, the annual market survey and increases in benefits costs.
  - Operating Expenses includes a decrease of \$323,900 or 6.0%. Excluding Utility Services, Operating Expenses increased by \$24,580 or 1.7%. Utility Services decrease is due to the inclusion in FY07 of the energy usage related to the U.S. Department of Energy (DOE)-funded restoration of the DOE Northeast site. This cleanup has been completed and associated utility costs are therefore not included in the FY08 request. The cost savings is directly offset by a decrease in anticipated reimbursement revenues as noted below.
  - Capital Outlay includes a decrease of \$778,600 or 61.6%. The decrease is primarily attributable to the anticipated completion of the project to replace an existing Cooling Water Tower. This project is funded by a grant from the DOE. Following completion of this project, all capital improvements on site will be funded with STAR Center operating and reserve funds. Additional details regarding the CIP budget will be included in the countywide CIP Budget Report.
- Budgeted revenues for FY08 reflect a decrease of \$1,476,340 or 16.6% under the FY07 Revised Budget.
  - Revenue from Federal Grants, as noted above, concluded in FY07. This represents a decrease in FY08 revenues of \$798,000 versus FY07.
  - Revenue from Rents/Surplus/Refunds includes a decrease of \$374,720 or 8.8%. The FY07 budgeted revenue anticipated a lump-sum lease payment of \$724,000 for STAR V. The lessee elected to make

## Pinellas County FY08 Budget Development

### Budget Summary Analysis

monthly payments. The FY08 budget recognizes the change in the timing of the receipt of these lease revenues.

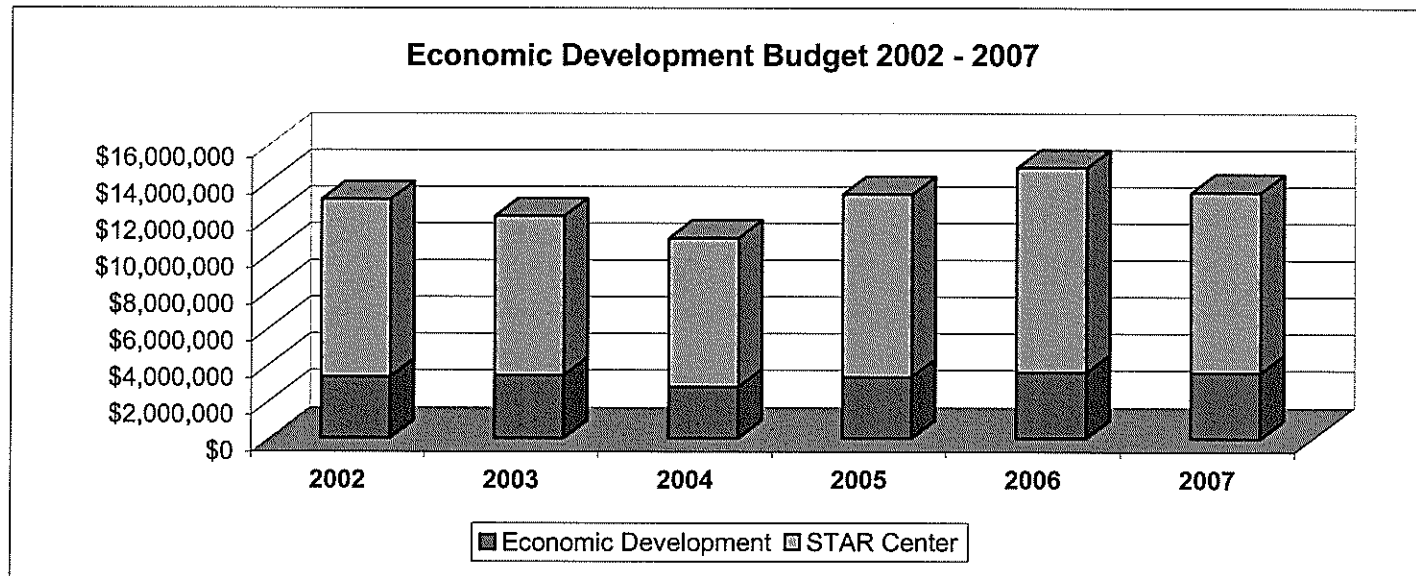
- Revenue from Other Miscellaneous Revenues includes a decrease of \$310,680 or 8.5%. This is directly attributable to the decrease in Utility Reimbursement resulting from the completion of the DOE-funded restoration of the DOE Northeast site as noted above.
- STAR Center occupancy rate is projected to be 98% by the end of FY07. One hundred percent (100%) of the 27 acres of available land remains under a long-term ground lease.
- To help offset rising overhead and material/contract costs, the STAR Center implemented a 5% increase to the maintenance rate charged to all tenants, beginning in January, 2007. An additional 5% increase is anticipated to be implemented in January, 2008. This represents the maximum allowable annual increase per tenant lease agreements.
- STAR-TEC, the new business accelerator program, is projected to have 10 clients with 30 employees at an average annual wage of \$60,647 in leased space in FY08. Total economic impact is projected to be \$3,200,000. There are no budgeted expenses or revenues for this program, but market rents for the 20,000sf utilized by this program are estimated to be \$295,540 for FY08. Intragovernmental cost allocations are not assessed in lieu of the market rents for this program.
- Reserves for future renewal and replacement for long-term capital outlay are estimated to be \$131,790 for FY08. This represents only 1.7% of the total budget. The entire \$131,790 is included in Reserve-Contingencies, while there is no balance in Reserve-Future Years for FY08. These reserves totaled \$1,199,350 in the FY07 budget, but were depleted due to capital projects that carried over from FY06 due to various factors including project design delays, weather, and attention to other higher priority maintenance projects. This allocation of reserves was approved via Board action on March 13, 2007.
- No major changes to existing programs have been proposed. No funding has been requested for any new or enhanced programs.



## Pinellas County FY08 Budget Development - Growth Trends - 5-Year History

### Economic Development \*

Year	Budget	Increase (Decrease) from Previous Year	Percent Change from Previous Year	Positions	Increase (Decrease) from Previous Year	Percent Staff Change From Previous Year
2002	\$13,022,730			63		
2003	\$12,113,320	(\$909,410)	-7.0%	59	-4	-6.3%
2004	\$10,916,370	(\$1,196,950)	-9.9%	46	-13	-22.0%
2005	\$13,306,090	\$2,389,720	21.9%	49	3	6.5%
2006	\$14,752,560	\$1,446,470	10.9%	50	1	2.0%
2007	\$13,419,670	(\$1,332,890)	-9.0%	49	-1	-2.0%



\* including reserves