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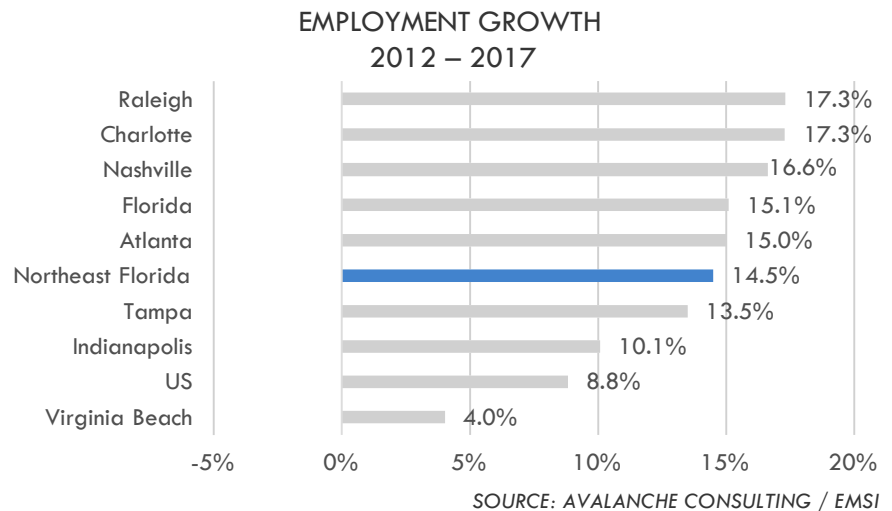
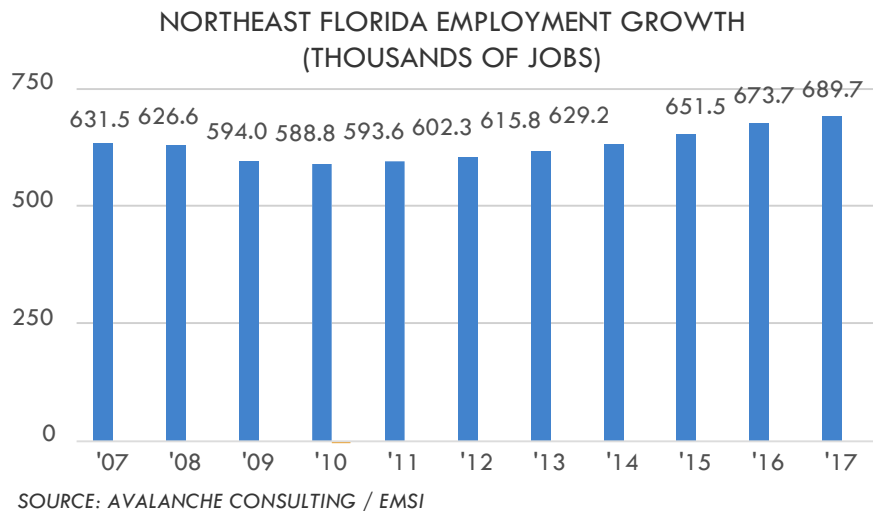
**Economic  
Evaluation**

# Employment Growth

Employment in Northeast Florida dropped sharply in the wake of the recession. Between 2008 and 2010, local employers collectively shed more than 42,000 jobs, a 6% decline. Since 2012, however, total employment in Northeast Florida has increased more than 14%, outpacing the national average by more than 50%. Also during the past years, job growth in Northeast Florida has accelerated. Between 2016 and 2017, the region enjoyed the greatest rate of employment growth compared to all benchmark regions except Nashville.

## WHY IS THIS IMPORTANT?

Employment growth is a primary measure of a community's overall economic health. Strong job creation relative to benchmark communities can indicate a more competitive business climate and the presence of supportive resources.

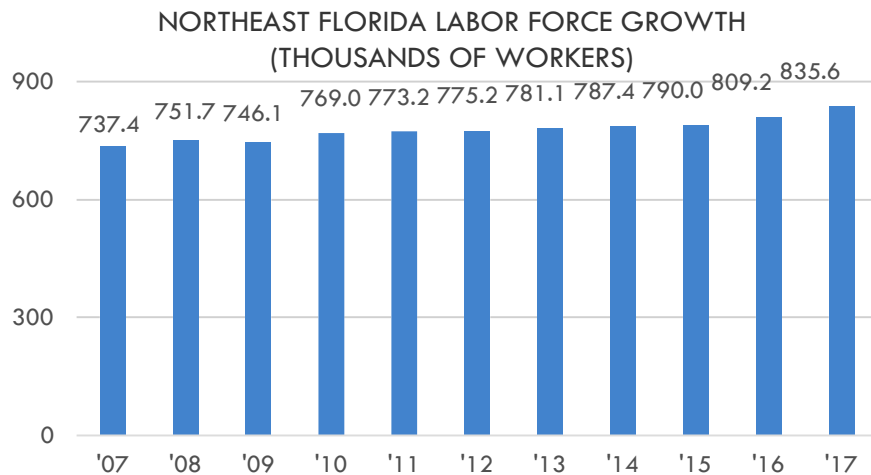


# Labor Force Growth

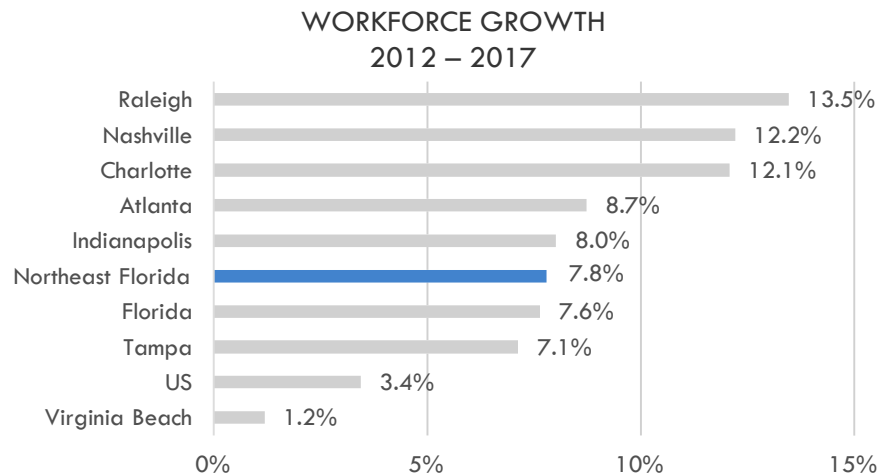
In 2017, the total workforce residing in Northeast Florida exceeded 835,000. Between 2012 and 2017, Northeast Florida's labor force increased by nearly 8%, a greater increase than the statewide average and benchmark regions such as Tampa and Virginia Beach.

## WHY IS THIS IMPORTANT?

Availability of talent drives business site decisions, especially today when unemployment rates are at record lows for many regions. The ability to attract talent and grow the workforce is a competitive advantage and will fuel a region's economic momentum.



SOURCE: AVALANCHE CONSULTING / EMSI

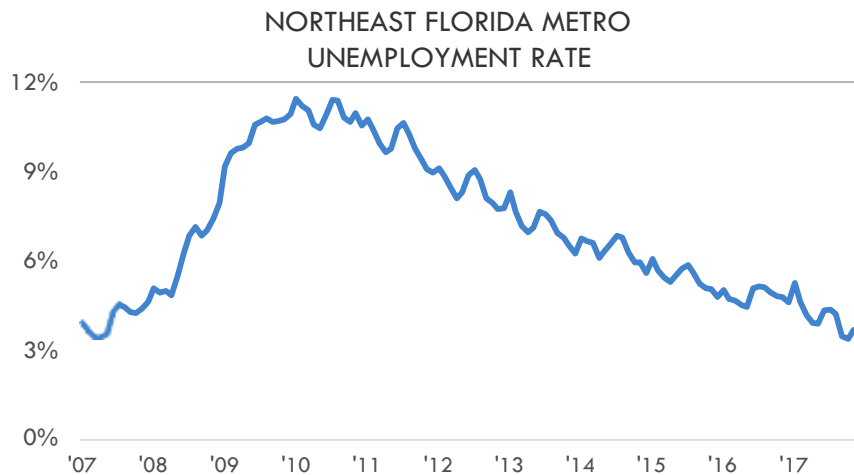


SOURCE: AVALANCHE CONSULTING / EMSI



# Unemployment

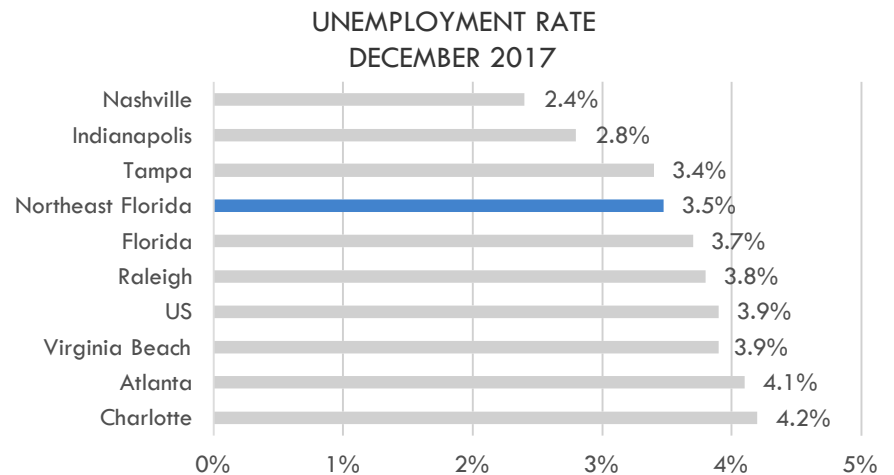
At less than 4%, Northeast Florida's unemployment is at its lowest level in a decade. In 2010, at the height of the recession, the unemployment rate in Northeast Florida topped 11%. Since then, the region has enjoyed a nearly uninterrupted year-over-year increase in job creation. Among benchmark communities, only Tampa, Indianapolis, and Nashville have lower unemployment rates.



SOURCE: AVALANCHE CONSULTING / BUREAU OF LABOR STATISTICS

## WHY IS THIS IMPORTANT?

Low unemployment suggests that residents are able to secure jobs and provide for themselves – an important indicator of a region's economic health. Especially low unemployment, such as the levels experienced by many US regions today, may indicate a labor shortage that could impede business growth.



SOURCE: AVALANCHE CONSULTING / BUREAU OF LABOR STATISTICS



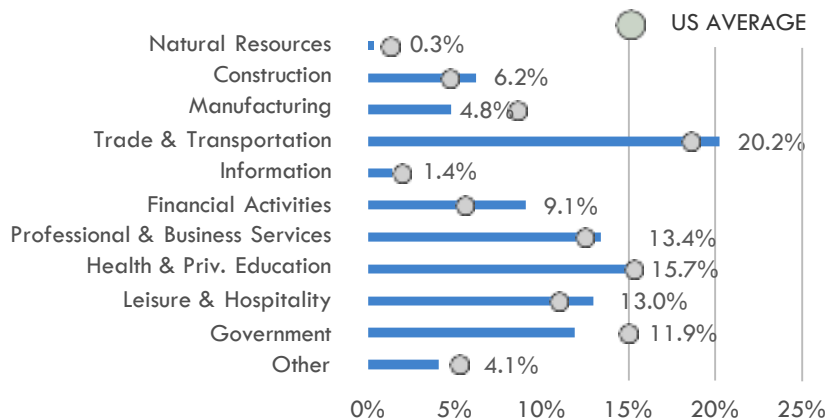
# Industry Diversity

Employment in Northeast Florida is diverse, and the region has significant concentrations of several industry sectors. Trade & Transportation employment is the largest industry in the region. In 2017, the industry employed one in every five Northeast Florida workers. Other leading sources of employment include Education & Health Services (16% of total employment), Professional & Business Services (14%), and Leisure & Hospitality (13%). Since 2012, virtually every industry in Northeast Florida posted job gains. In the past five years, for example, Construction employment has soared by nearly 50%. Leisure & Hospitality employment rose 20%. Trade & Transportation, Professional & Business Services, and Education & Health Services employment all increased by double-digits.

## WHY IS THIS IMPORTANT?

Resilient economies employ residents in a diverse mix of industries. A diverse industry base allows communities to better weather economic downturns that affect one industry more than others. A diverse economy also provides a variety of jobs with different educational and experience requirements.

NORTHEAST FLORIDA EMPLOYMENT BY INDUSTRY, 2017



SOURCE: AVALANCHE CONSULTING / EMSI

NORTHEAST FLORIDA GROWTH BY INDUSTRY



SOURCE: AVALANCHE CONSULTING / EMSI



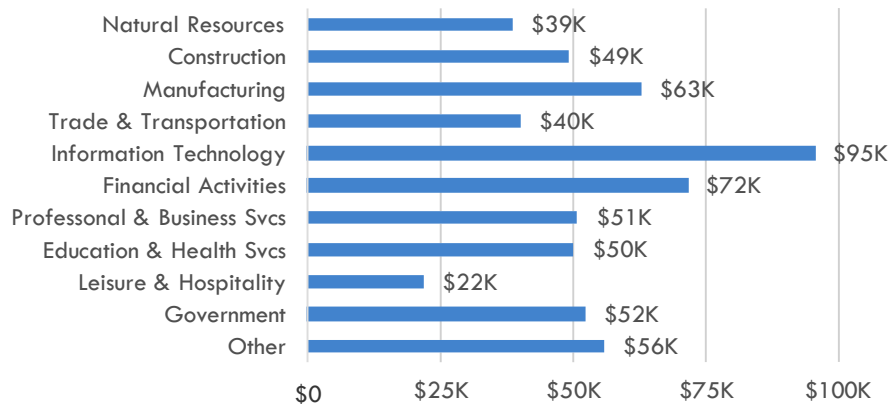
# Industry Wages

Average salaries vary widely by industry, and Northeast Florida is no exception. Information workers (including data centers) enjoy high wages, with employees annually earning approximately \$95,000 on average. At approximately \$22,000, Leisure & Hospitality workers have the lowest average annual salaries. Beyond these extremes, average salaries in most industries in Northeast Florida range from \$50,000 to \$60,000. On an inflation adjusted basis, average annual wages in Northeast Florida experienced relatively slow growth (3.1%). Among benchmark communities, only Tampa, Indianapolis, and Virginia Beach workers saw weaker wage growth.

## WHY IS THIS IMPORTANT?

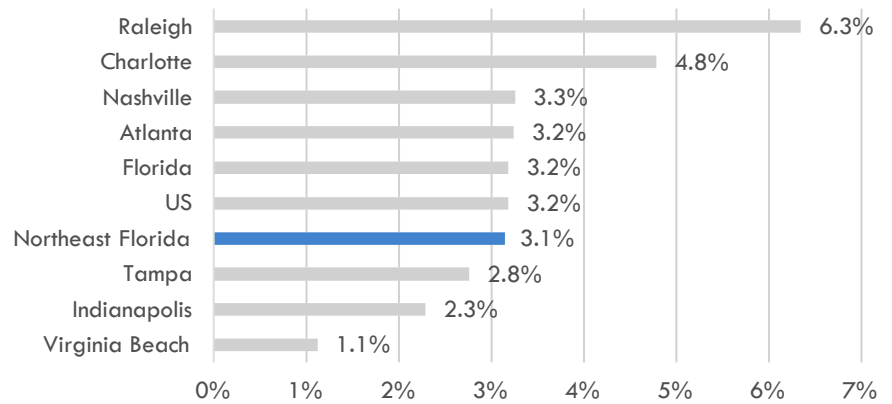
Examining salaries by industry helps reveal which local industries are more competitive for workers or where workers show higher productivity. Above-average wages may also indicate high demand for workers with that specific skillset.

NORTHEAST FLORIDA AVERAGE WAGE  
2017



SOURCE: AVALANCHE CONSULTING / BUREAU OF LABOR STATISTICS

CHANGE IN AVERAGE WAGE (INFLATION ADJUSTED)  
2012 - 2017



SOURCE: AVALANCHE CONSULTING / BUREAU OF LABOR STATISTICS



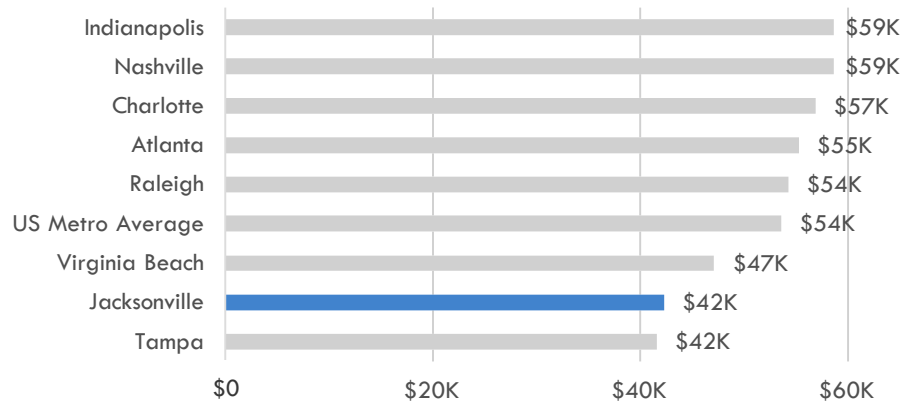
# Gross Regional Product

Per capita gross regional product is the primary measure of a region's overall economic productivity. In turn, higher productivity ultimately supports higher wages. At slightly more than \$42,000, real per capita gross regional product in the five-county Jacksonville metro is approximately \$11,000 less than the US metropolitan average. Between 2011 and 2016, per capita gross regional product in Jacksonville rose 5% on an inflation adjusted basis. (Note, GRP data is only available for the five-county MSA – labeled “Jacksonville” in the charts below – not the seven-county Northeast Florida study area.)

## WHY IS THIS IMPORTANT?

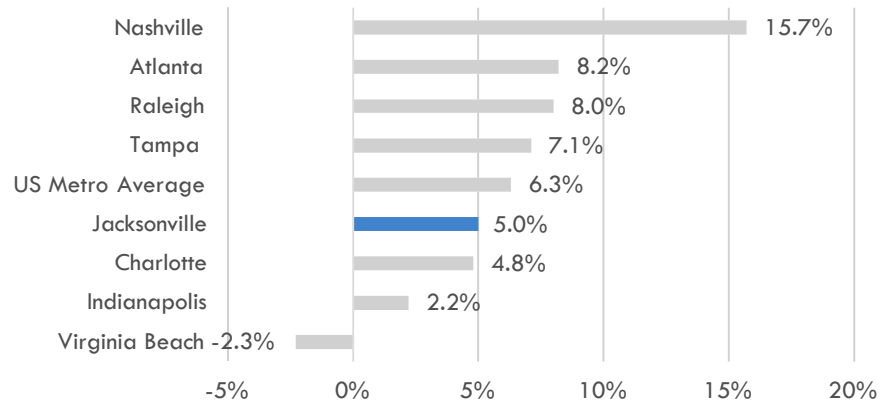
Gross Regional Product (GRP) is a measure of the overall economic growth and productivity in a region. When GRP growth outpaces job growth, it shows that local workers and industries are becoming more competitive.

GROSS REGIONAL PRODUCT PER CAPITA  
2016



SOURCE: AVALANCHE CONSULTING / BUREAU OF LABOR STATISTICS

CHANGE IN GROSS REGIONAL PRODUCT PER CAPITA  
2011 – 2016 (ADJUSTED FOR INFLATION)

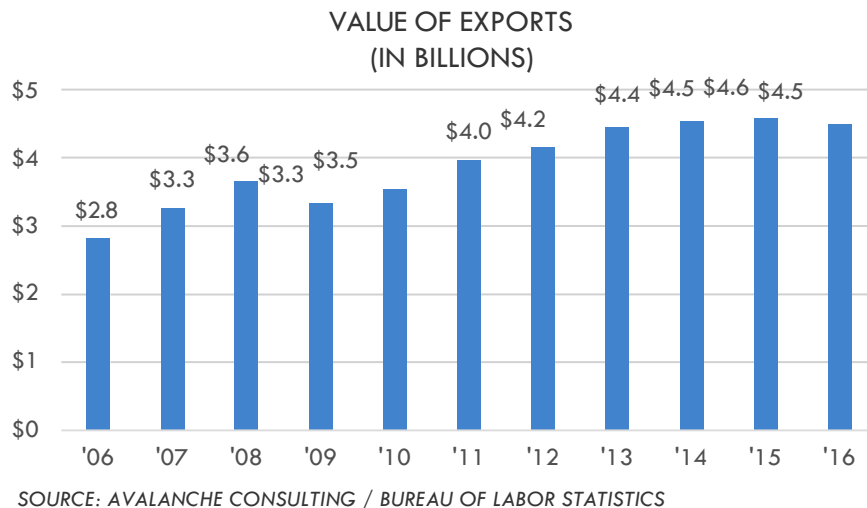


SOURCE: AVALANCHE CONSULTING / BUREAU OF LABOR STATISTICS



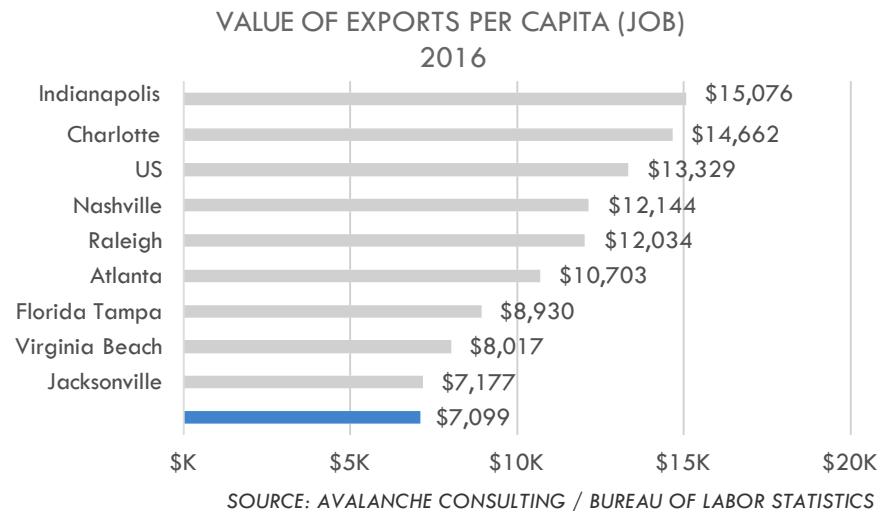
# Export Activity

On a per job basis, the five-county Jacksonville metro's export activity is relatively modest. Exports from the metro have also remained steady during the past several years. In 2016, the region generated approximately \$7,100 in exports for every worker. In 2016, total export activity in the Jacksonville metro reached \$4.5 billion, a slight decline compared to 2015 levels, but virtually identical to 2014 activity. (Note, export data is only available for the five-county MSA – labeled “Jacksonville” in the charts below – not the seven-county Northeast Florida study area.)



## WHY IS THIS IMPORTANT?

Exports reflect a region's competitive position. Exports draw outside dollars back into the community, increasing wealth and spurring secondary impacts across the community. If products and services are exported, they usually represent areas of specialization in the community and value-added work being done.





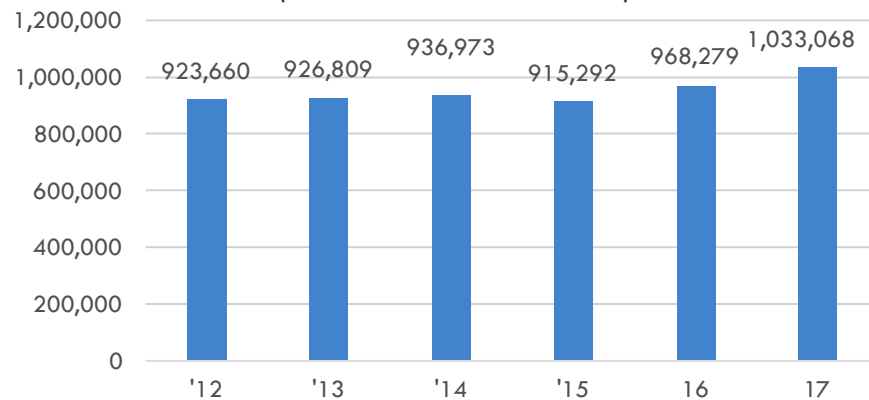
# Port Activity

In 2017, JAXPORT handled more than one million shipping containers and moved nearly 700,000 automobiles. While total container traffic at JAXPORT fluctuates slightly from year to year, overall activity is up nearly 12% since 2012. In addition to handling freight, JAXPORT also is a port of call for cruise ships. JAXPORT welcomed 74 cruise ships in 2017.

## WHY IS THIS IMPORTANT?

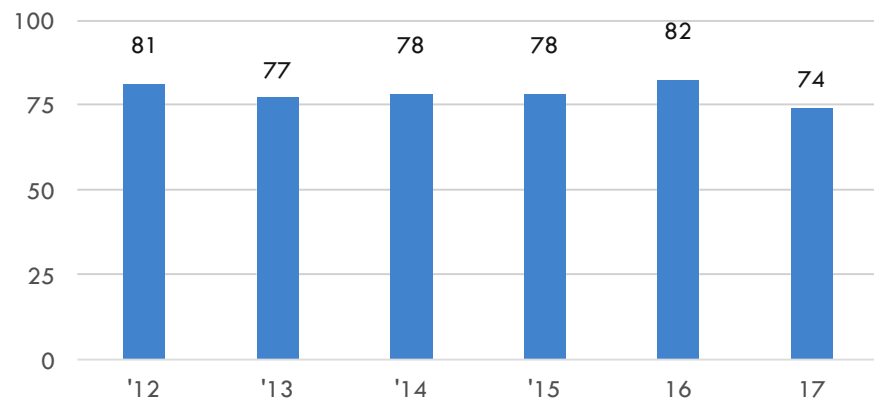
Ports are a critical component of the global economy. Shipping is responsible for handling more than 90% of all goods transported worldwide. As a result, ports often have a highly positive economic impact on their home regions. In addition to directly supplying employment opportunities, ports also indirectly support auxiliary industries such as distribution and manufacturing.

JAXPORT CONTAINER TRAFFIC  
(IN 20-FOOT EQUIVALENTS)



SOURCE: AVALANCHE CONSULTING / JACKSONVILLE PORT AUTHORITY

JAXPORT CRUISE VESSEL CALLS



SOURCE: AVALANCHE CONSULTING / JACKSONVILLE PORT AUTHORITY

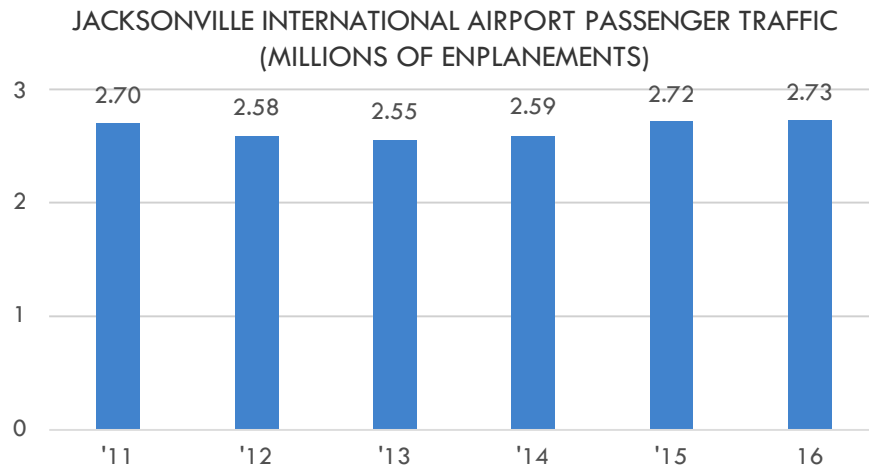


# Airport Activity

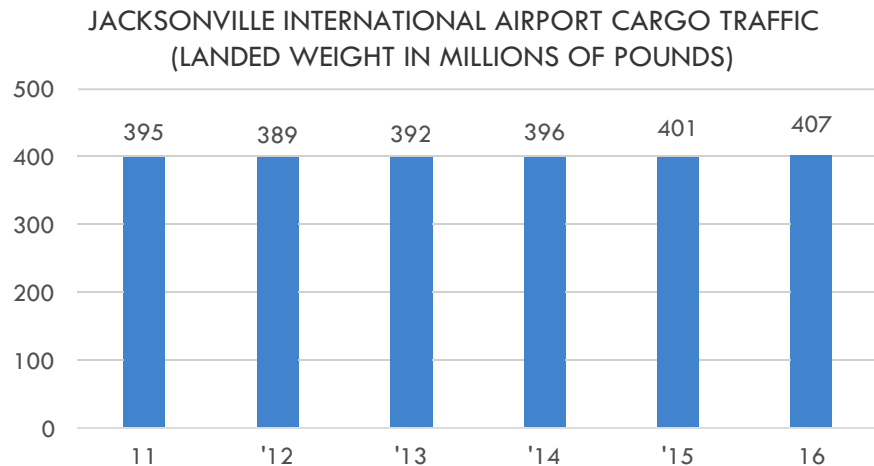
In 2016, the Jacksonville International Airport handled more than 2.7 million passengers. Jacksonville International Airport currently ranks as the 55<sup>th</sup> busiest airport in the US based on passenger volumes. Total passenger traffic has increased by approximately 13% during this period. In 2016, the airport also handled more than 400 million pounds of cargo freight. Cargo traffic at the airport has risen each year since 2011, ranking it as 57<sup>th</sup> in the US by cargo volume.

## WHY IS THIS IMPORTANT?

Airports play a critical role in connecting a region's residents and businesses to the rest of the world. Companies are often attracted to communities with direct air access to other domestic and international destinations. Although most goods in the US travel via rail, roadways, or ports, the presence of an international airport can also provide an important means of facilitating the import and export of high-value products.



SOURCE: AVALANCHE CONSULTING / FEDERAL AVIATION ADMINISTRATION



SOURCE: AVALANCHE CONSULTING / FEDERAL AVIATION ADMINISTRATION

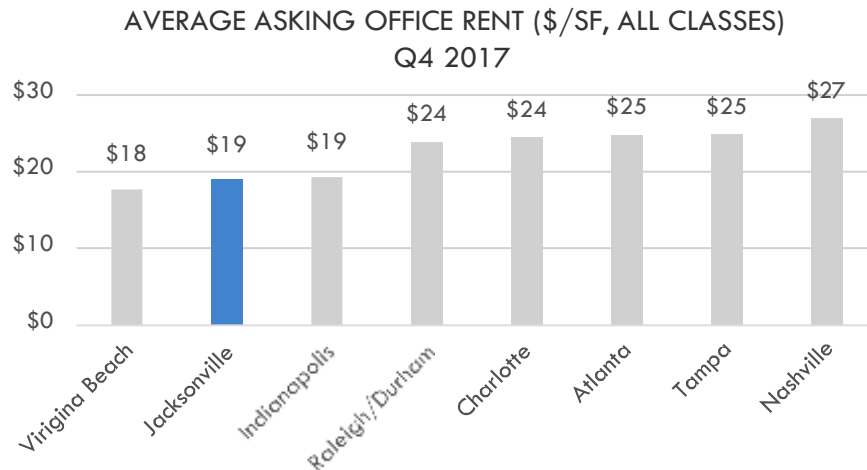


# Office Real Estate

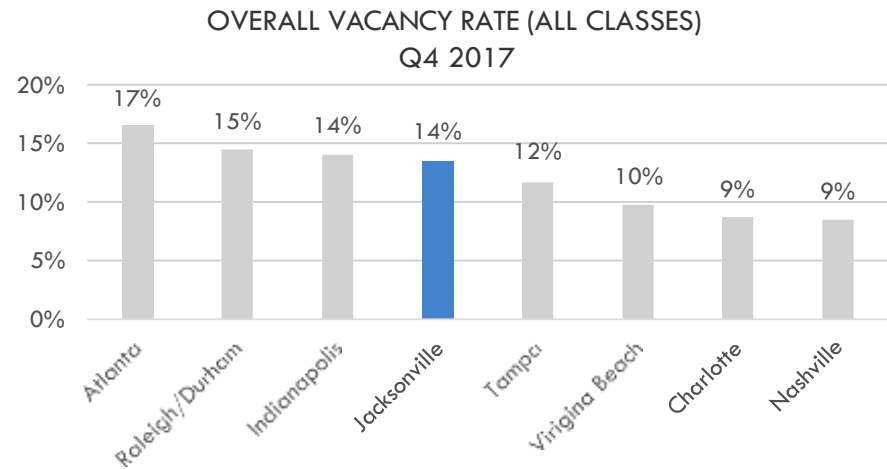
Office space in the five-county Jacksonville metro currently averages \$19 per square foot among all classes of real estate, a competitive rate relative to benchmark and state averages. In the fourth quarter of 2017, the office vacancy rate in the Jacksonville metro was approximately 14%. In Atlanta, the market with the highest share of unfilled office space, overall vacancy rates approach 17%. In Nashville and Charlotte, with the highest occupancy rates, the vacancy rates are just 9%. (Note, office real estate data is only available for the five-county MSA – labeled “Jacksonville” in the charts below – not the seven-county Northeast Florida study area.)

## WHY IS THIS IMPORTANT?

Competitive office lease rates and/or available office inventory is a marketable plus for a growing region. This can spark business expansion and retention, as well as encourage entrepreneurs to invest in the community.



SOURCE: AVALANCHE CONSULTING / CUSHMAN WAKEFIELD



SOURCE: AVALANCHE CONSULTING / CUSHMAN WAKEFIELD

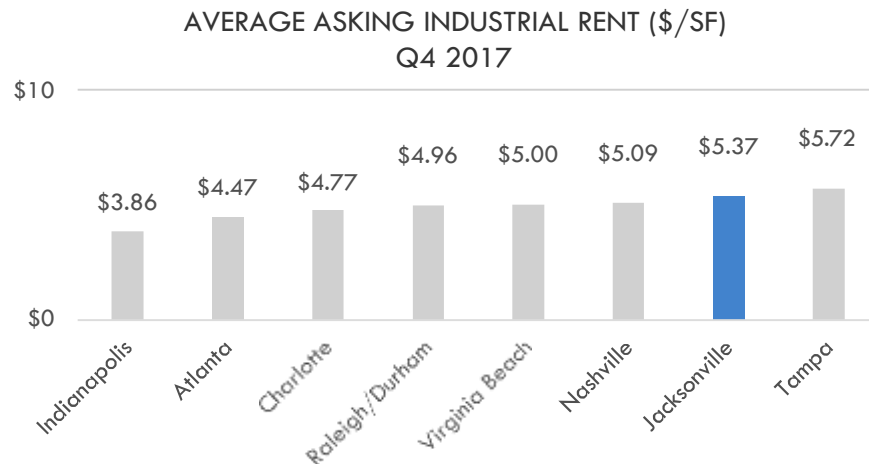


# Industrial Real Estate

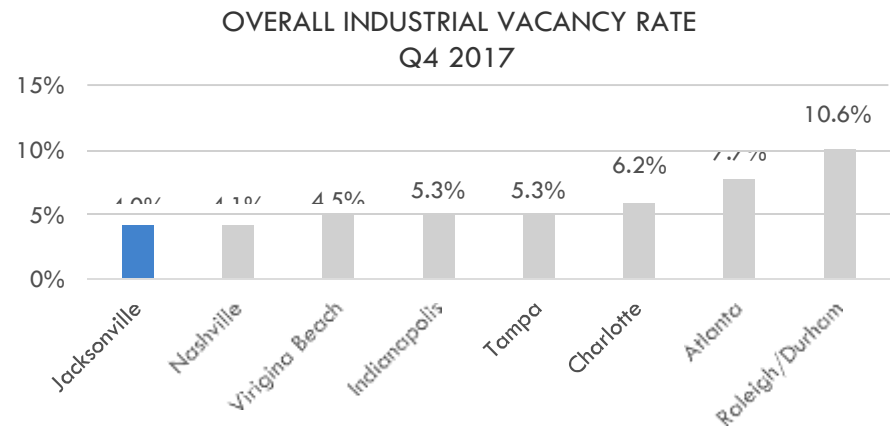
Industrial real estate prices in the five-county Jacksonville metro are relatively high and inventory is limited. In the fourth quarter of 2017, the average asking rent for industrial space in Jacksonville was \$5.37 per square foot. The vacancy rate for industrial space in Jacksonville is just 4%, lower than in any other benchmark region. (Note, industrial real estate data is only available for the five-county MSA – labeled “Jacksonville” in the charts below – not the seven-county Northeast Florida study area.)

## WHY IS THIS IMPORTANT?

Lower industrial lease rates and/or available industrial inventory can enhance a region’s attractiveness for business expansion and attraction. When vacancy rates fall, it is often indication that a region is growing and timing is ripe for developers to create more product in the market.



SOURCE: AVALANCHE CONSULTING / CUSHMAN WAKEFIELD



SOURCE: AVALANCHE CONSULTING / CUSHMAN WAKEFIELD



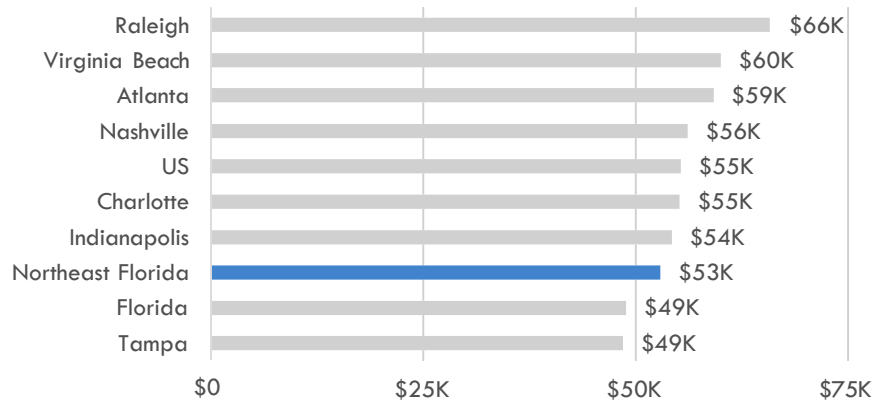
# Income

At approximately \$55,000, median household income in Northeast Florida is slightly less than the US. Among comparison regions, median household income in both Florida as a whole and Tampa trails that of Northeast Florida. Between 2011 and 2016, median household income in Northeast Florida rose by less than 1% on a non-adjusted basis. During this same period, median household income in the US and Florida rose 4.9% and 2.2% respectively. On a relative basis, all benchmark regions experienced greater median household income gains than Northeast Florida.

## WHY IS THIS IMPORTANT?

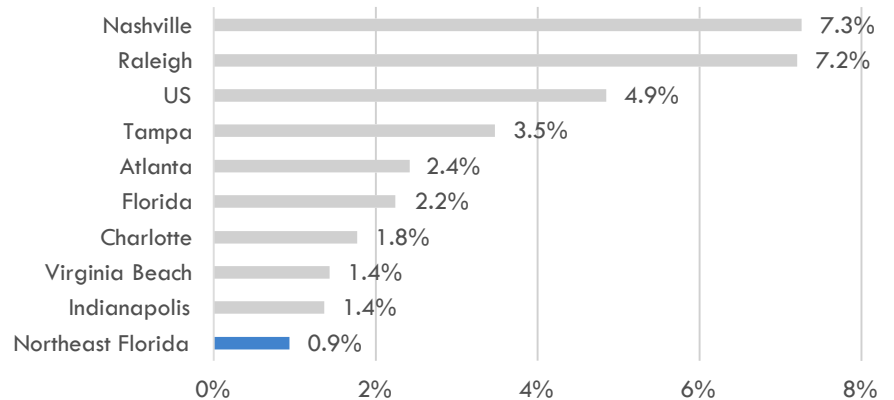
Wealth creation is an important goal of economic development and a strong measure of a community's economic health. When residents of a community have high household incomes, they are able to reinvest locally – purchasing goods and services that spur additional economic growth.

MEDIAN HOUSEHOLD INCOME  
2016



SOURCE: AVALANCHE CONSULTING / US CENSUS BUREAU

CHANGE IN MEDIAN HOUSEHOLD INCOME  
2011 - 2016



SOURCE: AVALANCHE CONSULTING / US CENSUS BUREAU



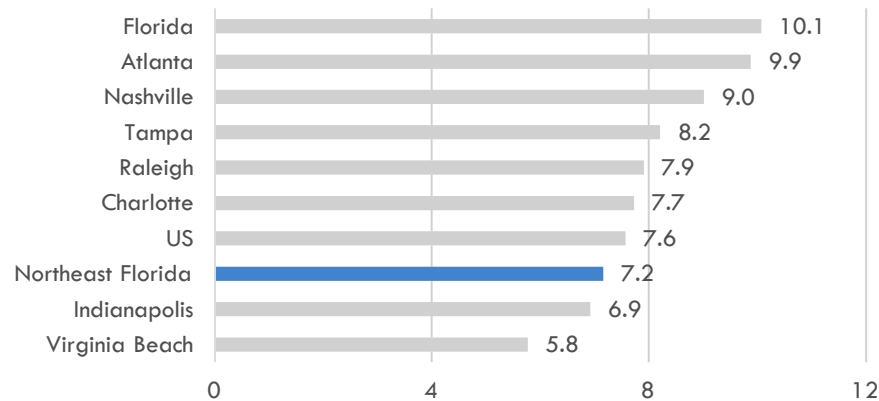
# Self-Employment

Northeast Florida is home to 7.2 self-employed individuals for every 100 residents, compared to 7.6 per 100 at the national level. Most benchmark regions, as well as the state of Florida, have higher rates of self-employment than Northeast Florida. Self-employed workers in Northeast Florida also generate less revenue than their counterparts elsewhere. In 2015, the average self-employed worker generated \$40,000 in receipts, approximately \$7,000 less than the US average. Among benchmark communities, no region has a lower average annual receipts for self-employed workers.

## WHY IS THIS IMPORTANT?

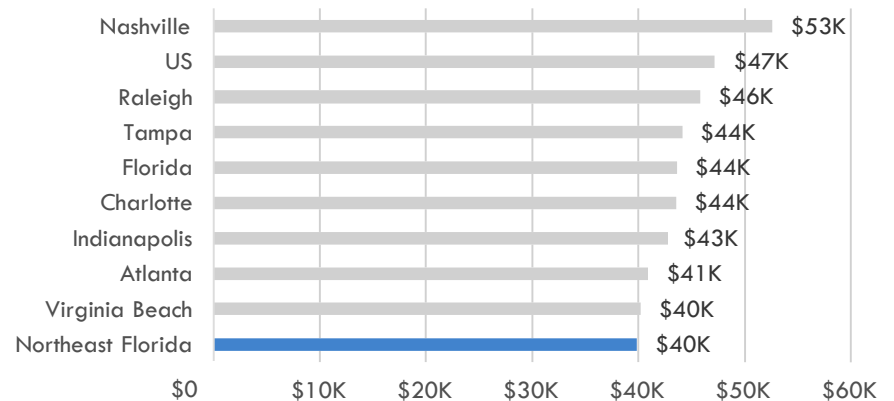
Self-employed individuals – those operating as a sole proprietor, independent contractor, or part-time business owner without employees – play a vital role in overall employment within a community. If successful, self-employed individuals may form businesses and create additional jobs. A growing number of self-employed individuals may also reflect an appealing quality of life and entrepreneurial ecosystem because many of these individuals have flexibility to choose where they live.

SELF-EMPLOYED PERSONS PER 100 RESIDENTS  
2015



SOURCE: AVALANCHE CONSULTING / US CENSUS BUREAU

AVERAGE ANNUAL RECEIPTS OF SELF-EMPLOYED PERSONS  
2015



SOURCE: AVALANCHE CONSULTING / US CENSUS BUREAU



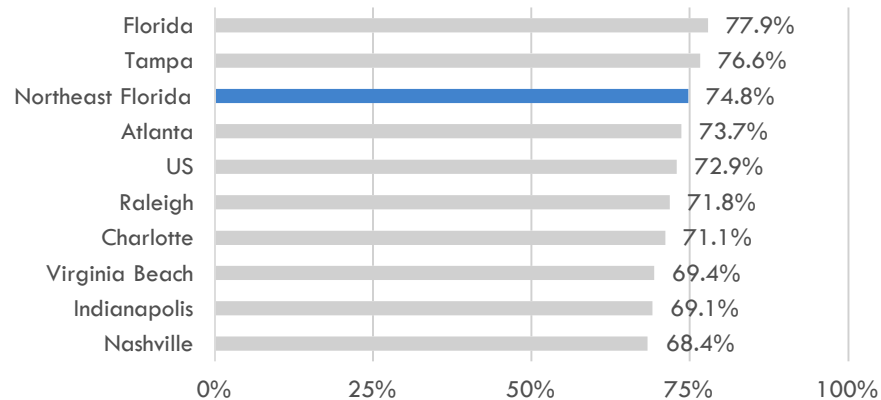
# Micro Businesses

Northeast Florida is home to a relatively high percentage of micro businesses – companies with fewer than 10 employees. Such businesses represent approximately 75% of all firms within Northeast Florida, a higher share than the US average and all but one benchmark communities. The recession impacted micro businesses at a higher level than other businesses. Between 2010 and 2015, the number of micro businesses in most metros declined. Northeast Florida is no exception. Between 2010 and 2015, the percentage of micro businesses in the region fell 1%. During this same period, the proportion of micro businesses declined 12% statewide.

## WHY IS THIS IMPORTANT?

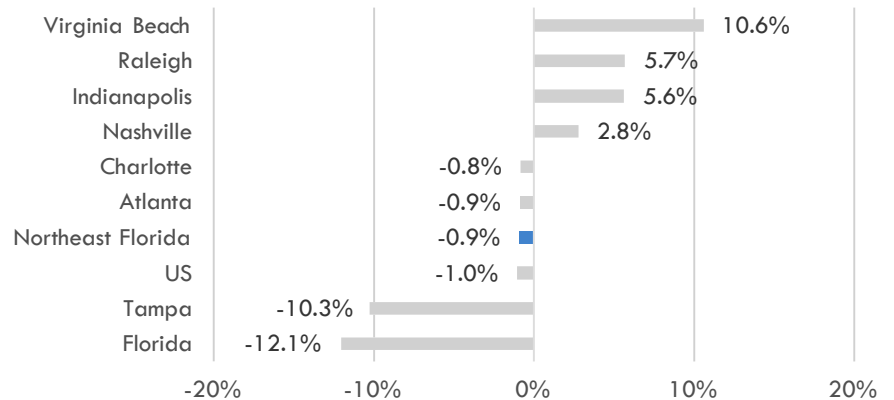
Micro businesses – businesses with fewer than 10 employees – are the heart of US economy. While they may not create big job gains all at once, positive growth of micro businesses reflects a thriving economy and the presence of an ecosystem that encourages entrepreneurship.

MICRO BUSINESSES (1 -10 EMPLOYEES) AS % OF ALL BUSINESSES  
2015



SOURCE: AVALANCHE CONSULTING / US CENSUS BUREAU

CHANGE IN MICRO BUSINESSES (1- 10 EMPLOYEES)  
AS % OF ALL BUSINESSES, 2010 – 2015



SOURCE: AVALANCHE CONSULTING / US CENSUS BUREAU



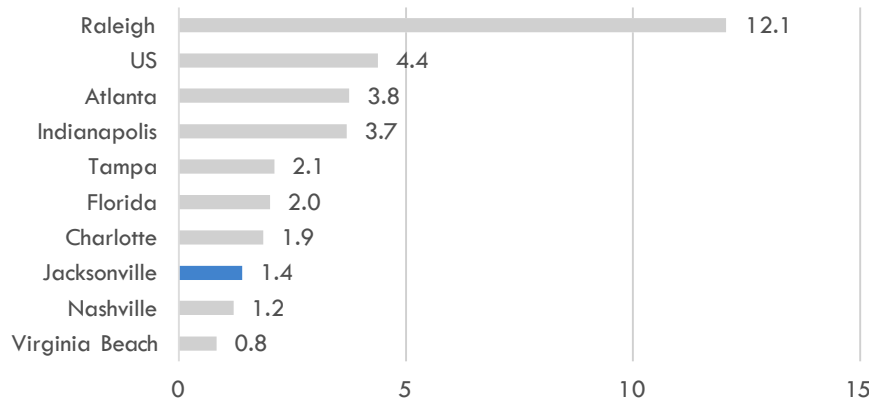
# Innovation

Jacksonville metro residents and businesses produced approximately 200 patents in 2015, representing 1.4 patents for every 10,000 residents. On a per capita basis, the region's level of patent production is less than the US average and lower than in all benchmark regions except Nashville and Virginia Beach. According to the National Venture Capital Association, businesses in the five-county Jacksonville metro received a total of \$150,000 in venture capital funding in 2015.

## WHY IS THIS IMPORTANT?

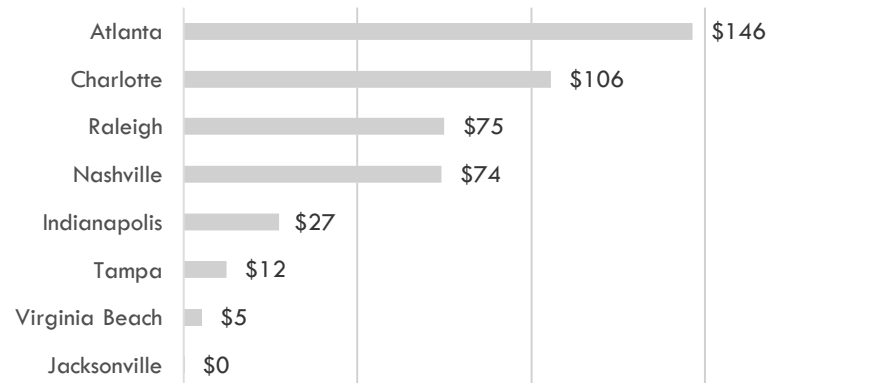
High levels of local patent production within a community reflects a concentration of innovative businesses and individuals. Venture capital is often drawn to regions with a concentration of patent-producers and vibrant entrepreneurial ecosystem.

UTILITY PATENT APPLICATIONS PER 10,000 RESIDENTS  
2015



SOURCE: AVALANCHE CONSULTING / US PATENT & TRADEMARK OFFICE

VENTURE CAPITAL FUNDING (DOLLARS PER CAPITA)  
2015



SOURCE: AVALANCHE CONSULTING / NATIONAL VENTURE CAPITAL ASSOCIATION





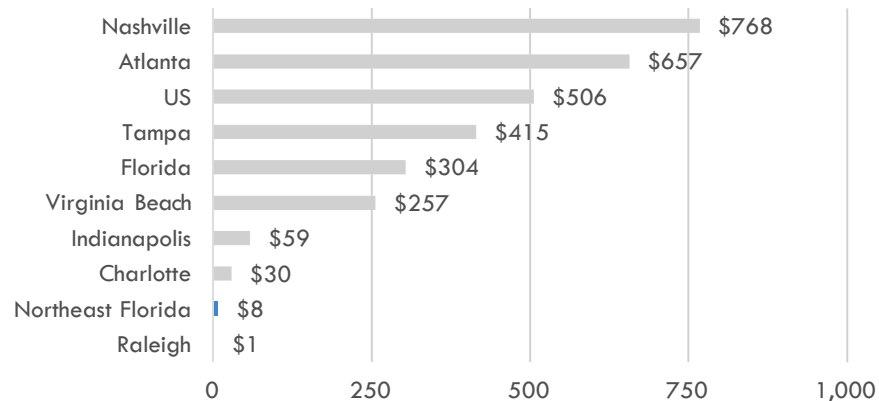
# Research & Development

Northeast Florida is home to modest levels of academic research and development (R&D) expenditures. In 2016, the region's colleges and universities managed total of \$5.1 million in academic R&D spending. On a per capita basis, only Raleigh has less academic R&D expenditure levels (though the University of North Carolina and Duke are in close proximity to Raleigh, both are formally located in the Durham metropolitan area). Between 2011 and 2016, academic R&D expenditures on a per job basis in Northeast Florida fell by nearly 50%. It should be noted, however, that the R&D statistics below do not capture R&D expenditures that occur in non-academic settings such as the Mayo Clinic.

## WHY IS THIS IMPORTANT?

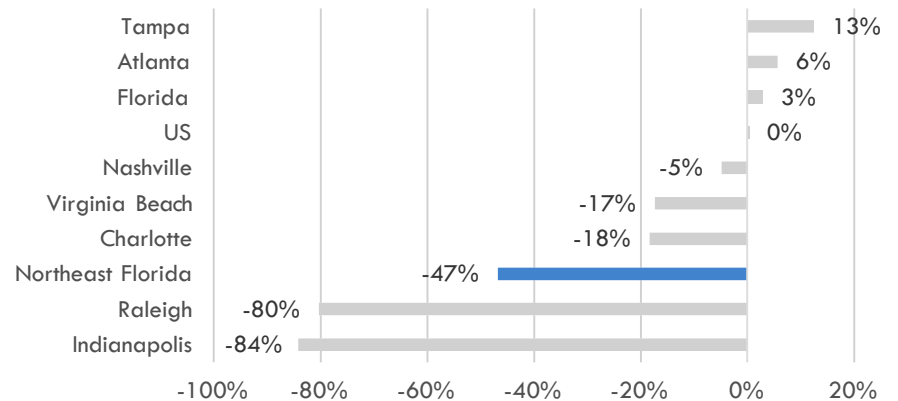
Academic R&D funding creates economic activity and often leads to induced benefits, such as the formation of businesses selling new products and services derived from research activity. Innovative businesses and high tech workers often choose communities that are research hubs.

ACADEMIC R&D EXPENDITURES (\$ PER LOCAL JOB)  
2016



SOURCE: AVALANCHE CONSULTING / NATIONAL SCIENCE FOUNDATION

CHANGE IN ACADEMIC R&D EXPENDITURES (\$ PER LOCAL JOB)  
2011 – 2016



SOURCE: AVALANCHE CONSULTING / NATIONAL SCIENCE FOUNDATION

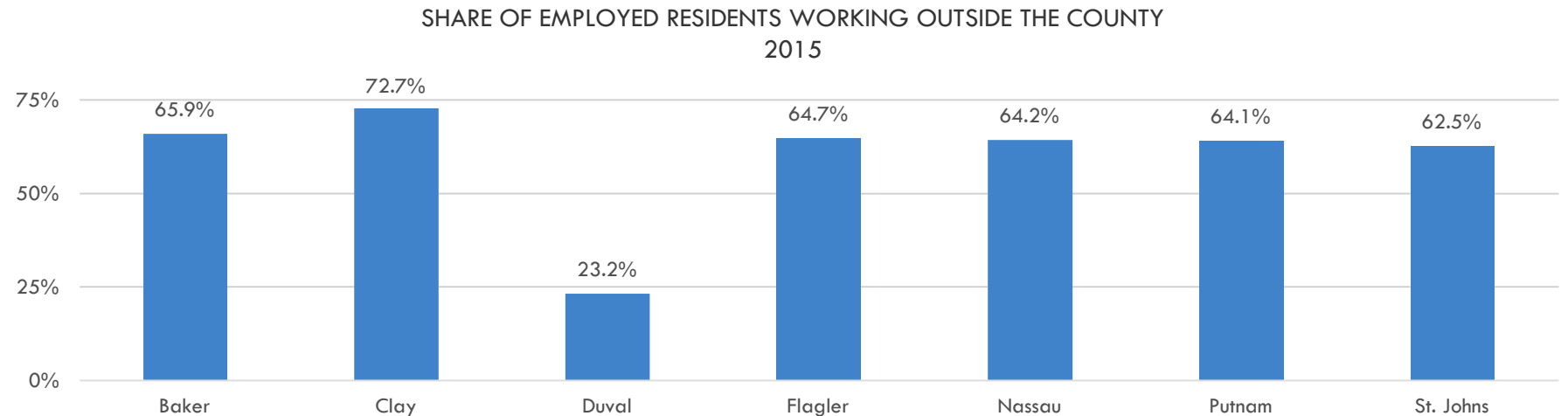


# Commuting Patterns

Counties within the Northeast Florida region are deeply intertwined economically. Much of the wealth earned by residents in many counties within the region is dependent on employment opportunities located in Duval County. Conversely, Duval County relies extensively on the talents of residents in neighboring counties. At least 60% of the employed residents in every county other than Duval within Northeast Florida are employed outside of their home county. Within Duval County, however, fewer than 25% of employed residents work elsewhere.

## WHY IS THIS IMPORTANT?

Commuting patterns play several important roles in a region's economy. Regions that can draw outside workers can significantly increase their available workforce. At the same time, long commutes by individuals who live and work in different locales contributes to traffic congestion and its negative side effects.



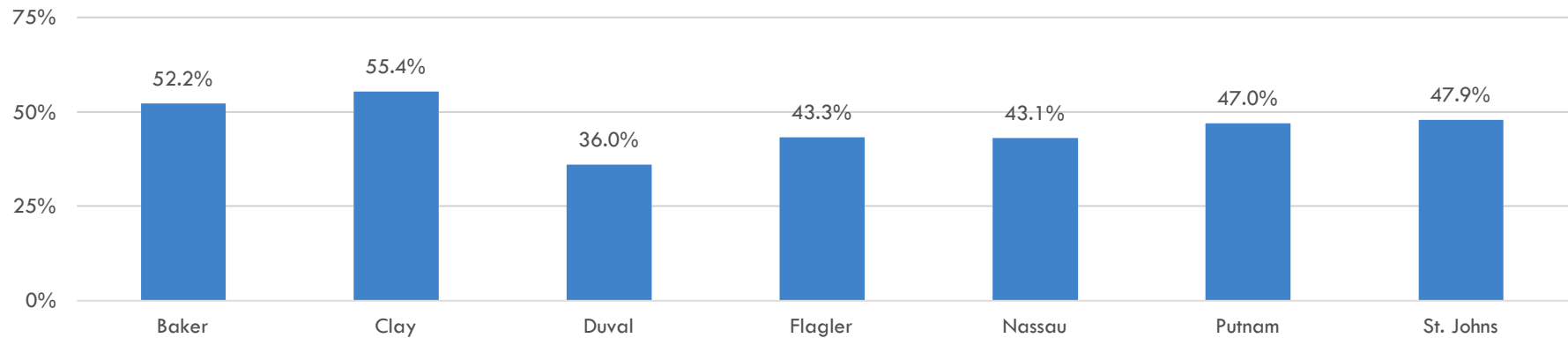
SOURCE: AVALANCHE CONSULTING / US CENSUS BUREAU



# Commuting Patterns (continued)

Duval County relies on imported workers less than other counties in the region. At least one in three workers employed in each of the seven counties in the Northeast Florida region live in another county. For some, such as Baker and Clay, more of their workforce commutes in than lives locally.

SHARE OF EMPLOYED WORKERS LIVING IN ANOTHER COUNTY  
2015



SOURCE: AVALANCHE CONSULTING / US CENSUS BUREAU



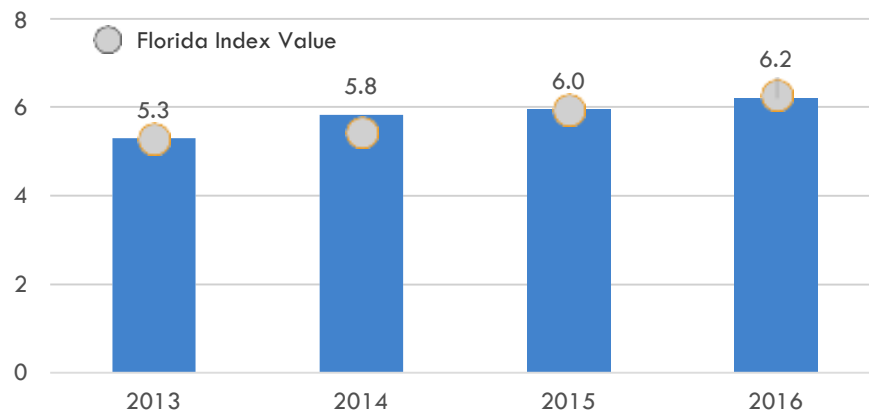
# Tourism

Duval County welcomed more than 6.2 overnight visitors in 2017. Since 2013, the number of overnight visitors to Duval County has risen approximately 17%. During this same period, tourist visits to Florida increased more than 18%. In a recent survey of planning meeting professionals prepared for Visit Jacksonville, the region ranked highly on logistical factors such as the “willingness to provide concessions” and “moderate lodging costs.” Jacksonville’s weather was also highly rated.

## WHY IS THIS IMPORTANT?

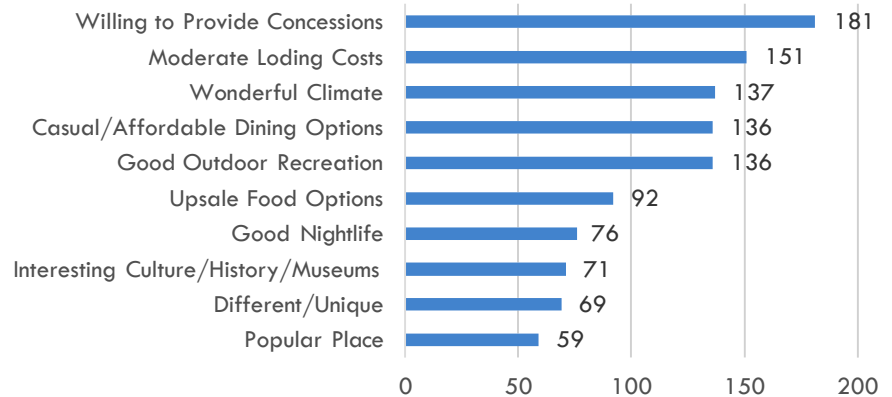
In a tourist-oriented region, visitors can generate substantial economic activity and significant tax revenue. A healthy tourism industry also indicates that a community has an attractive quality of life with potential to draw in new residents and businesses.

DUVAL COUNTY OVERNIGHT VISITORS



SOURCE: VISIT JACKSONVILLE / VISIT FLORIDA

TRAVEL PROFESSIONALS PERCEPTIONS OF JACKSONVILLE  
TOP 5 RANKED / BOTTOM 5 RANKED TRAVEL IMAGE METRICS



SOURCE: VISIT JACKSONVILLE



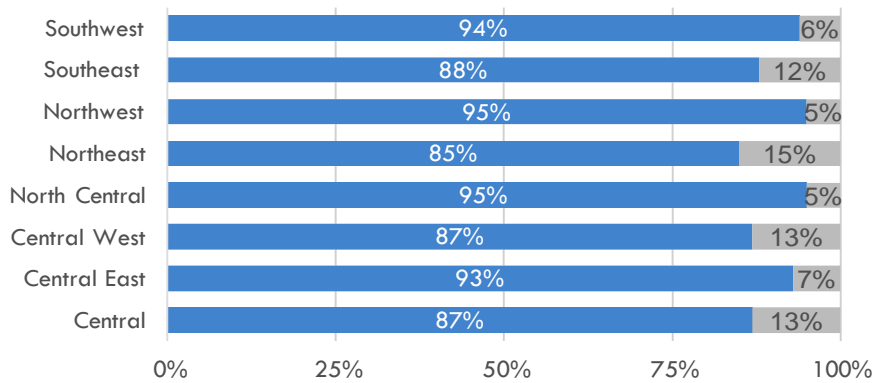
# Tourism (continued)

Florida's Northeast Tourism region consists of Baker, Clay, Duval, Flagler, Nassau, Putnam, and St. Johns Counties. In addition to the Northeast region, there are seven other Vacation Regions as defined by VISIT FLORIDA. In 2016, Business visitors represented 15% of travelers to Northeast Florida. No other region in Florida has a higher proportion of Business visitors. The leading activities for visitors to Northeast Florida include the Beach/Waterfront (44% of visitors), Visiting Friends & Relatives (30%), and Enjoying Culinary/Dining Experiences (28%).

FLORIDA'S EIGHT VACATION REGIONS

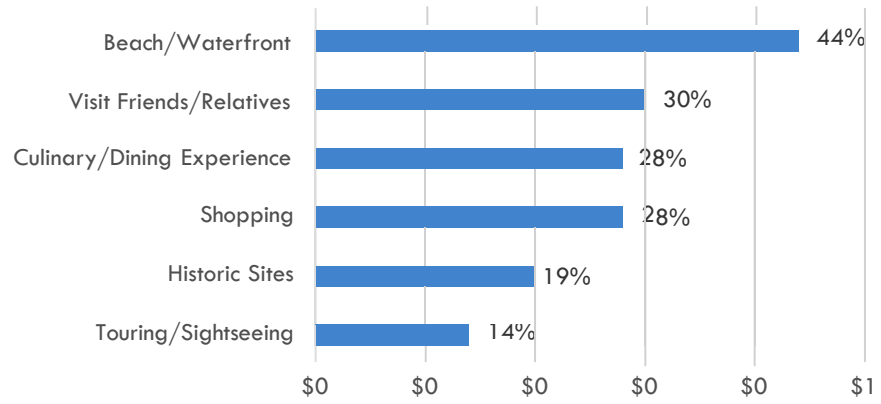


PURPOSE OF TRIP, 2016  
LEISURE BUSINESS



SOURCE: VISIT FLORIDA

NORTHEAST FLORIDA VISITOR TOP ACTIVITIES, 2016  
(MULTIPLE RESPONSES ALLOWED)



SOURCE: VISIT FLORIDA



# Key Takeaways

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## 01

*Employment in Northeast Florida has rebounded strongly since the recession.*

*Few regions escaped unscathed from the global economic downturn and Northeast Florida was no exception. Between 2007 and 2010, the region shed more than 40,000 jobs. Since then, Northeast Florida employees have added more than 95,000 workers to their payrolls. The region's unemployment, which topped 11.2% in 2010, approached 3% at the end of 2017.*

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## 02

*Construction has played an especially pronounced role in Northeast Florida's post-recession recovery.*

*Between 2012 and 2017, Construction employment within Northeast Florida has increased by 50%. Although Construction represents just 6% of total employment within Northeast Florida, the industry has accounted for 17% of all regional employment growth since 2012.*

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## 03

*Growth in income levels has not kept pace with benchmark regions, and vital indicators of entrepreneurship also trail.*

*While healthy job growth has been the story in Northeast Florida in the past five years, income levels have not increased. This is also reflected among self-employed individuals, whose annual receipts are the lowest of all comparison communities.*