

02

**Target
Industry
Recommendations**

Methodology

Target selection is not an exact science – no single mathematical formula can identify the perfect target industries. Target selection is instead an iterative process – combining both quantitative and qualitative information. Through a process of data analysis and conversations across the community, target industries and supporting niche sectors were identified and tailored to Northeast Florida’s specific assets, needs, and opportunities.

The data analysis and stakeholder input conducted through Northeast Florida and presented in the Competitive Assessment and previous sections of this report provide a baseline for recommending specific target industries.

The four key filters examined when identifying target industries are shown below. The analysis begins with a global view of whether an industry is growing and then filters through an increasingly local lens until the target is validated. Throughout the process of identifying target industries, the consulting team also considered whether the industry will make Northeast Florida’s economy more diverse, resilient, and sustainable.



1. Is the industry growing and projected to grow within the region and US?

Examining global and national trends helps determine if the target industry will continue to grow and create future opportunities in Northeast Florida.

2. What industries have an existing presence in the region?

Industries with an existing concentration in the region demonstrate local competitive strengths and present some of the best opportunities for expansion, recruitment, and startup growth. The industry analysis conducted for this report is included in the Appendix.

3. Which industries are best suited to the region’s assets?

Elevate Northeast Florida examined assets in the region across a variety of topics. The ability of these assets to support industry ecosystems and expanded activity is an important filter.

4. Which industries align with the region’s goals and values?

Each industry was evaluated on whether it reinforces the goals and values identified by Northeast Florida stakeholders through interviews, focus groups, and a region-wide survey.



Target Industry Recommendations

Northeast Florida's target industries are performing well and, for the most part, should continue to be the focus of economic development activities over the next five years. The recommended target industries illustrated below represent only slight variations. For example, Logistics is expanded to reflect more connected and technology-oriented niche sectors. Information Technology & Innovation serves as a cross-cutting industry that has niche sectors within each target industry. Clean Energy Products has been added to reflect the sector's growing presence in Northeast Florida. The region's target industries are:

<p>ADVANCED MANUFACTURING</p>  <ul style="list-style-type: none"> • Aircraft & Aviation Components • Aerospace & Defense Maintenance & Repair • Clean Energy & Solar • Metal Products & Machinery 	<p>FINANCIAL SERVICES</p>  <ul style="list-style-type: none"> • Financial Services Support / Back Office • Investment Banking / Front Office 	<p>HEALTH & BIOMEDICAL</p>  <ul style="list-style-type: none"> • Medical Devices • Medical Research • Medical Tourism 	<p>ADVANCED TRANSPORTATION & LOGISTICS</p>  <ul style="list-style-type: none"> • Intermodal Distribution • Third-Party Logistics • Assembly, Repackaging & Kitting
<ul style="list-style-type: none"> • Defense Technologies 	<ul style="list-style-type: none"> • FinTech / Financial Security Software 	<ul style="list-style-type: none"> • Healthcare IT 	<ul style="list-style-type: none"> • Smart Infrastructure • Autonomous Vehicles
<p> INFORMATION TECHNOLOGY & INNOVATION</p> <p>Data Centers Software Data</p>			



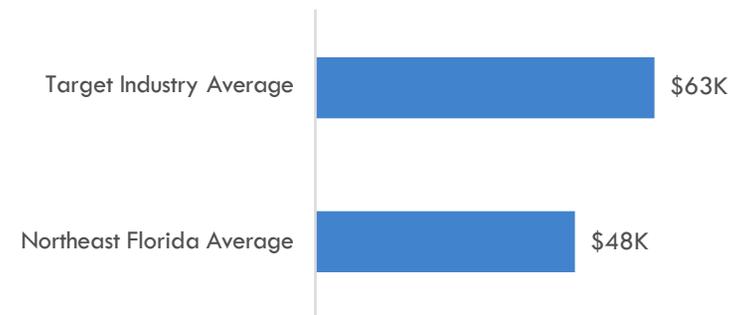
Target Industry Recommendations

The proposed target industries represent a further refinement of the region's existing investment priorities and build upon the past successes of Northeast Florida's economic development efforts. **During the past five years, Advanced Manufacturing & Aerospace, Financial Services, Health & Biomedical, Advanced Transportation & Logistics, and Information Technology have directly accounted for 30% of all employment growth in the region.** Targeted industries have also helped fuel growth in other sectors like Construction. An expanded workforce in Northeast Florida's target industries, all of which offer higher wages than the regional average, has boosted the pocketbooks of workers and stimulated spending in retail and entertainment businesses.

Northeast Florida's target industries are projected to assume an even greater role in the region's economic dynamism in the years ahead. Through 2022, these five industries alone are forecasted to fuel 45% of all employment growth in Northeast Florida – a sizable share of all jobs created. These gains are likely driven by the maturation and diversification of existing industries into higher value-added areas as well as opportunities that emerge from closer integration among the targets. For example, the rise of autonomous vehicles may benefit both Northeast Florida's Advanced Manufacturing sector as well as its Logistics industry. Similar opportunities may arise at the intersection of the region's other target industries.

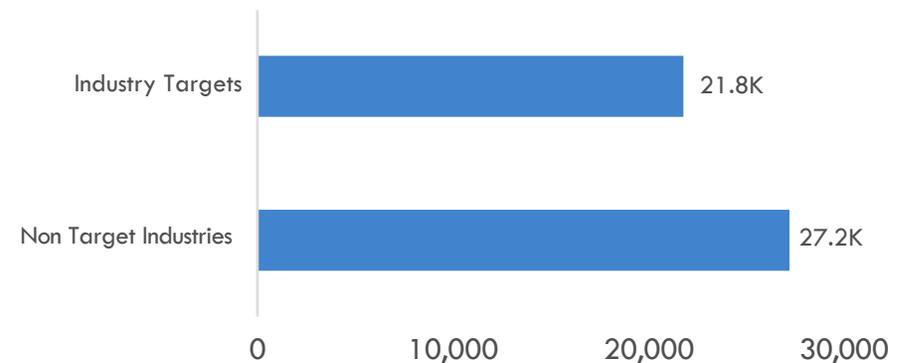
Finally, Northeast Florida's current target industries leverage the region's broad portfolio of physical and labor assets. The region's size and diversity can accommodate a wide range of business operations, mirroring the unique and varying needs of identified target industries. As a result, the target industry recommendations provide opportunities for all counties in the region.

AVERAGE ANNUAL SALARY, 2017



SOURCE: EMSI / Avalanche Consulting

NORTHEAST FLORIDA PROJECTED EMPLOYMENT GROWTH 2017-2022



SOURCE: EMSI / Avalanche Consulting



County Target Recommendations

Baker Clay Duval Flagler Nassau Putnam St. Johns

The table to the right presents opportunities for each county in Northeast Florida. The profiles on the following pages provide insights into each niche sector. New investments and assets will also increase the competitiveness of each county for developing target niche sectors.

By sharing core target industries and various niche sectors within each, Northeast Florida counties can be confident that investments and target business growth in their communities will enhance overall regional competitiveness. Likewise, JAXUSA Partnership's focus on these industries will benefit all counties in the region.

SELECTING COUNTY TARGETS

County-level target recommendations are based on several factors: First, the consulting team examined each county's economy and industries. (County profiles are available in the Appendix of the first report of this CEDS, Economic Assessment and Benchmarking.) Next, the consulting team reviewed the websites and marketing materials of each county in the region to assess current local target industries. After the review, the team visited each county in the region and facilitated workshops with economic development leaders and their stakeholders, during which participants were asked questions aimed at understanding their current audiences and vision. Based on the analysis and county visits, a draft target list was crafted for each. County economic developers were asked to share feedback on the list prior to it being finalized.

ADVANCED MANUFACTURING

Aircraft & Aviation Components	○	○	○	○	○	○	○
Aerospace & Defense Maintenance & Repair		○	○	○	○		○
Clean Energy & Solar	○	○	○	○	○	○	○
Metal Products & Machinery	○	○	○	○	○	○	○
Defense Technologies		○	○		○	○	○

FINANCIAL SERVICES

Financial Services Support / Back Office		○	○	○	○		○
Investment Banking / Front Office		○	○		○		○
FinTech / Financial Security Software			○	○	○		○

HEALTH & BIOMEDICAL

Medical Devices		○	○	○	○		○
Medical Research			○	○	○		○
Medical Tourism			○	○	○	○	○
Healthcare IT		○	○	○	○		○

ADVANCED TRANSPORTATION & LOGISTICS

Intermodal Distribution	○	○	○	○	○		○
Third-Party Logistics	○	○	○		○		
Assembly, Repackaging & Kitting	○	○	○	○	○	○	
Smart Infrastructure	○	○	○	○	○	○	○
Autonomous Vehicles			○		○		○

INFORMATION TECHNOLOGY & INNOVATION

Data Centers		○	○	○	○		○
Software		○	○	○	○		○
Data	○	○	○	○	○	○	○

