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# Northwest Florida Briefing

Triumph Gulf Coast  
March 17, 2016

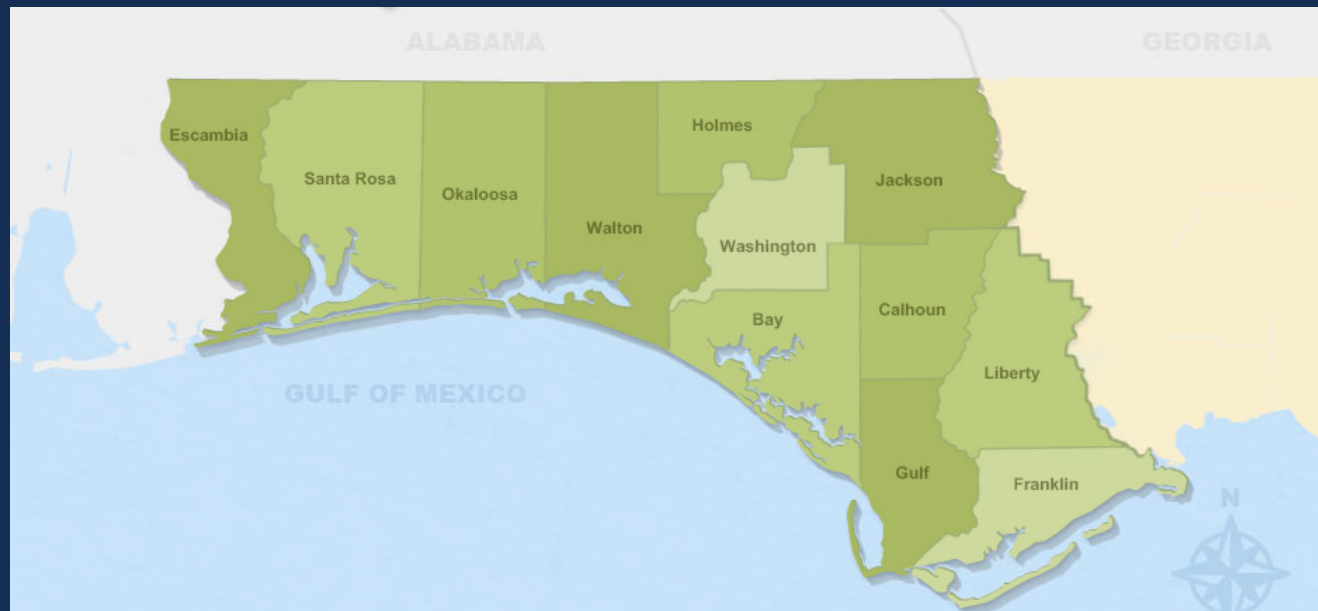
Bryan Parker  
FGNW Executive Committee &  
PowerSouth Economic Development Representative



FLORIDA'S  
Great Northwest

# Florida's Great Northwest

- A regional economic development organization comprised of public and private partnerships.
  - Local EDO's
  - Workforce Boards
  - Higher Education
  - Utilities
  - Private Companies
- Working together to market and brand as a globally competitive location for business



Florida's Great Northwest

# Economic Development

- Product Development
- Retention/Expansion of existing business
- Attractions
- New Business Development



# Northwest Florida Target Industries

- Advanced Manufacturing
- Aerospace & Defense
- Health Sciences
- Renewable Energy
- Transportation, Distribution and Logistics
- *Information Technology/ Engineering Services as support industries*



# Marketing Campaign

What else makes Northwest Florida  
the Perfect Aerospace Climate?



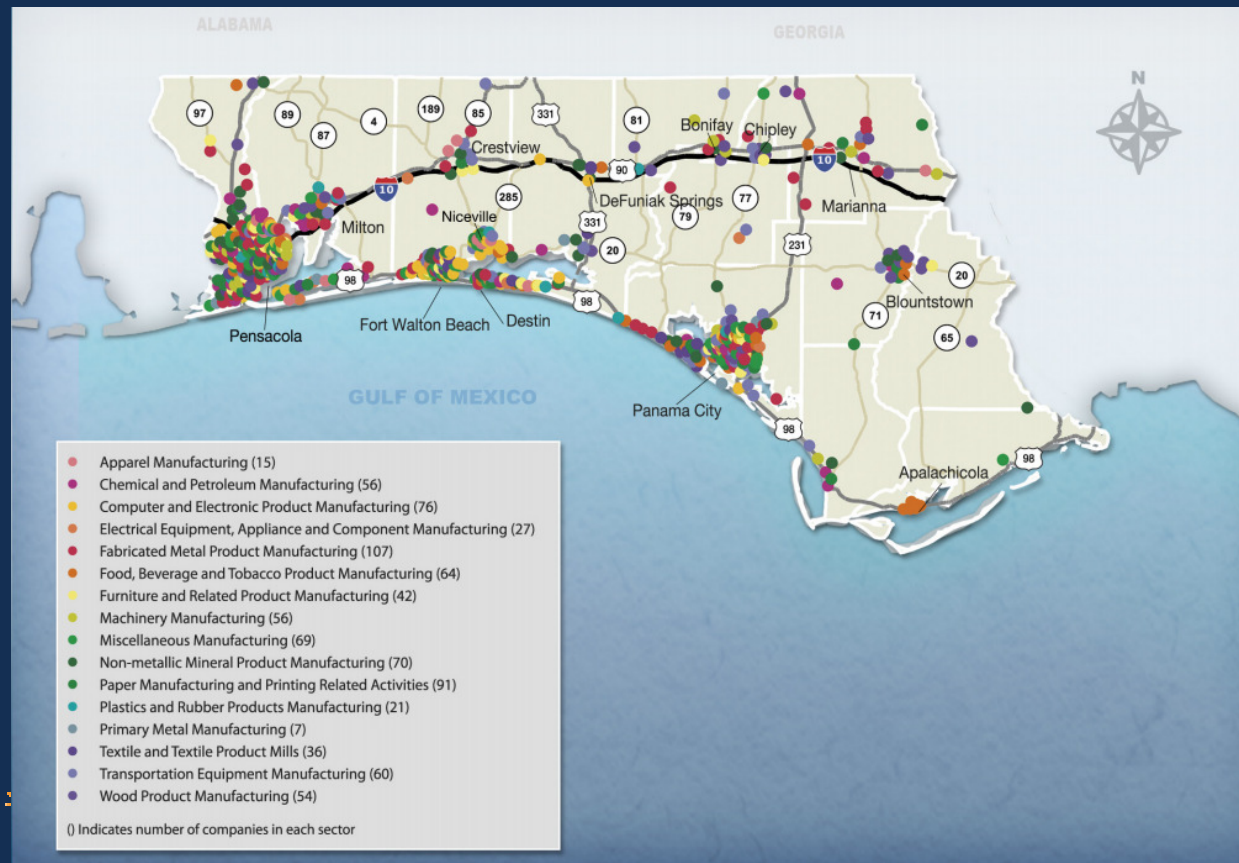
- 500 Aviation, Aerospace and Defense Companies
- Available buildings and sites to meet industry needs
- An environment for strategic partnership opportunities
- Competitive wage rates, typically lower than the national average
- Excellent highway, rail, air and sea-based infrastructure connecting you to the world
- State and local business incentives to reduce your cost of doing business
- University-based research focused in Aero-Propulsion, Robotics, Commercial Space Flight and Composite Materials and Systems

Throughout the years,  
we have sent out  
postcards and other  
mailings highlighting  
our success stories and  
facts about our area.

# Advanced Manufacturing

- 850 traditional & advanced technology manufacturing companies

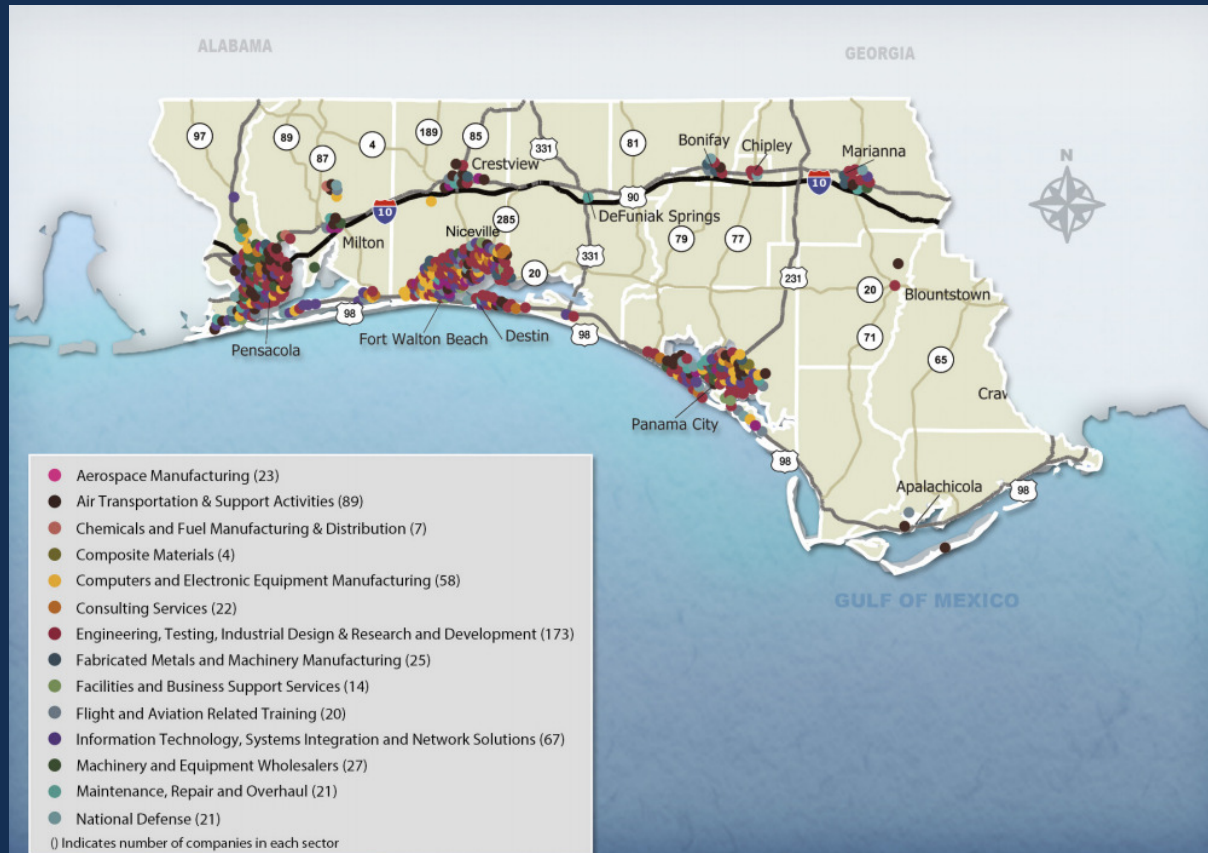
Example: Ascend  
Performance  
Materials  
Expansion





# Aerospace & Defense

- 6 military bases
- Almost 44,000 active duty
- More than 19,000 civilians employed



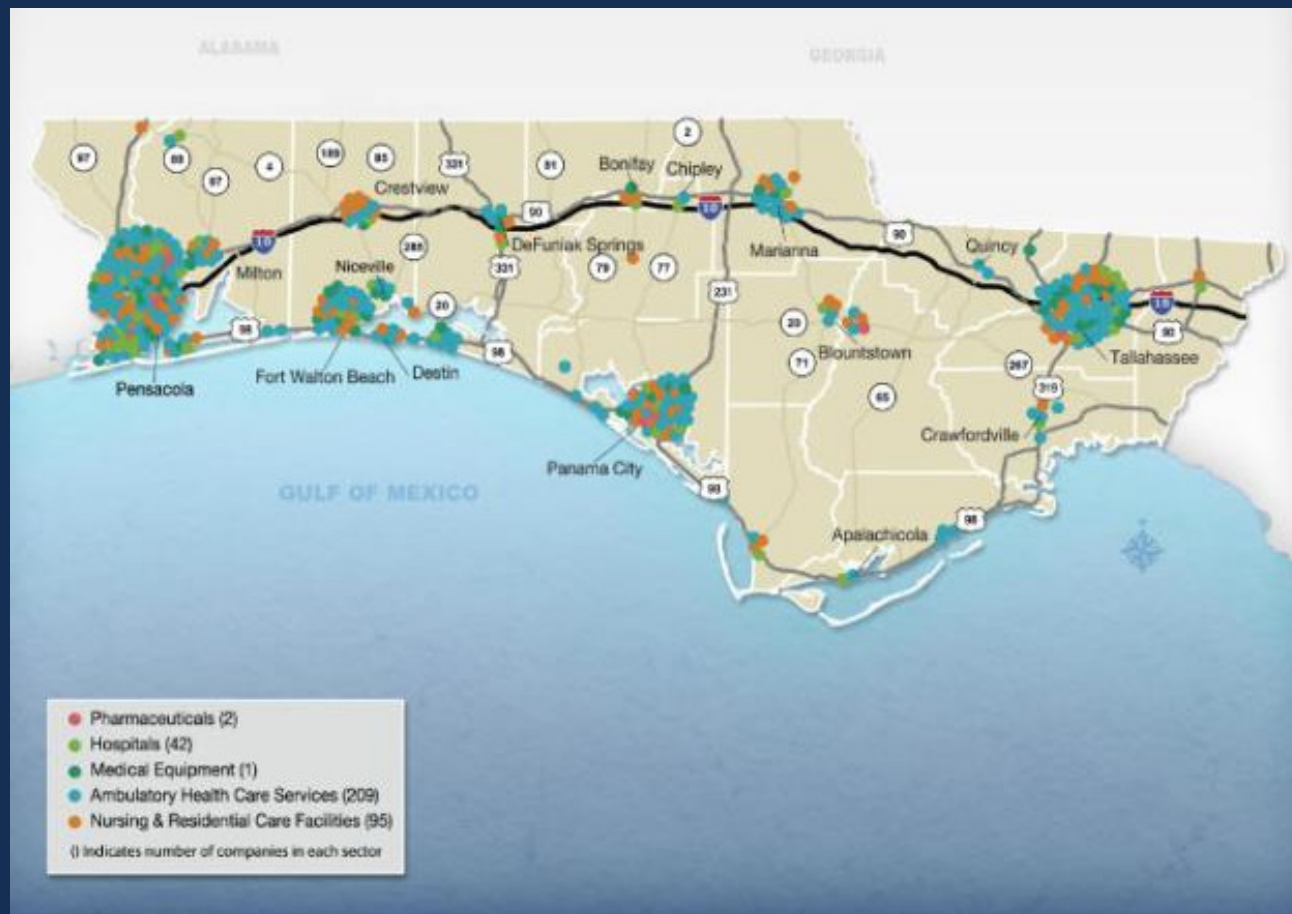
Example: Fort Walton Machining



# Health Sciences

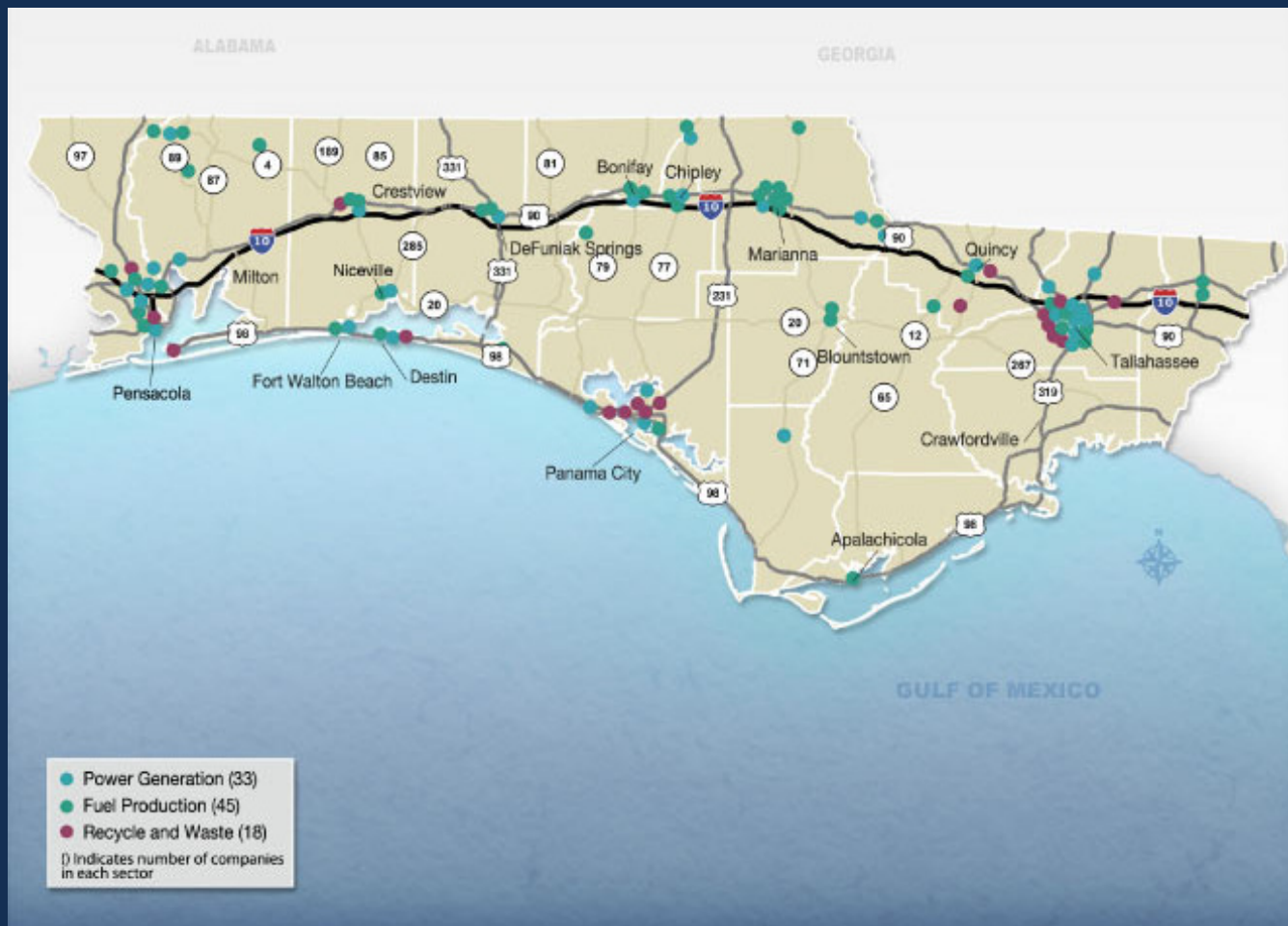
- Manufacture/Distribute medical devices, pharmaceutical and nutraceutical products
- Customer Service and back office operations in the health industry

Example:  
Nanthealth



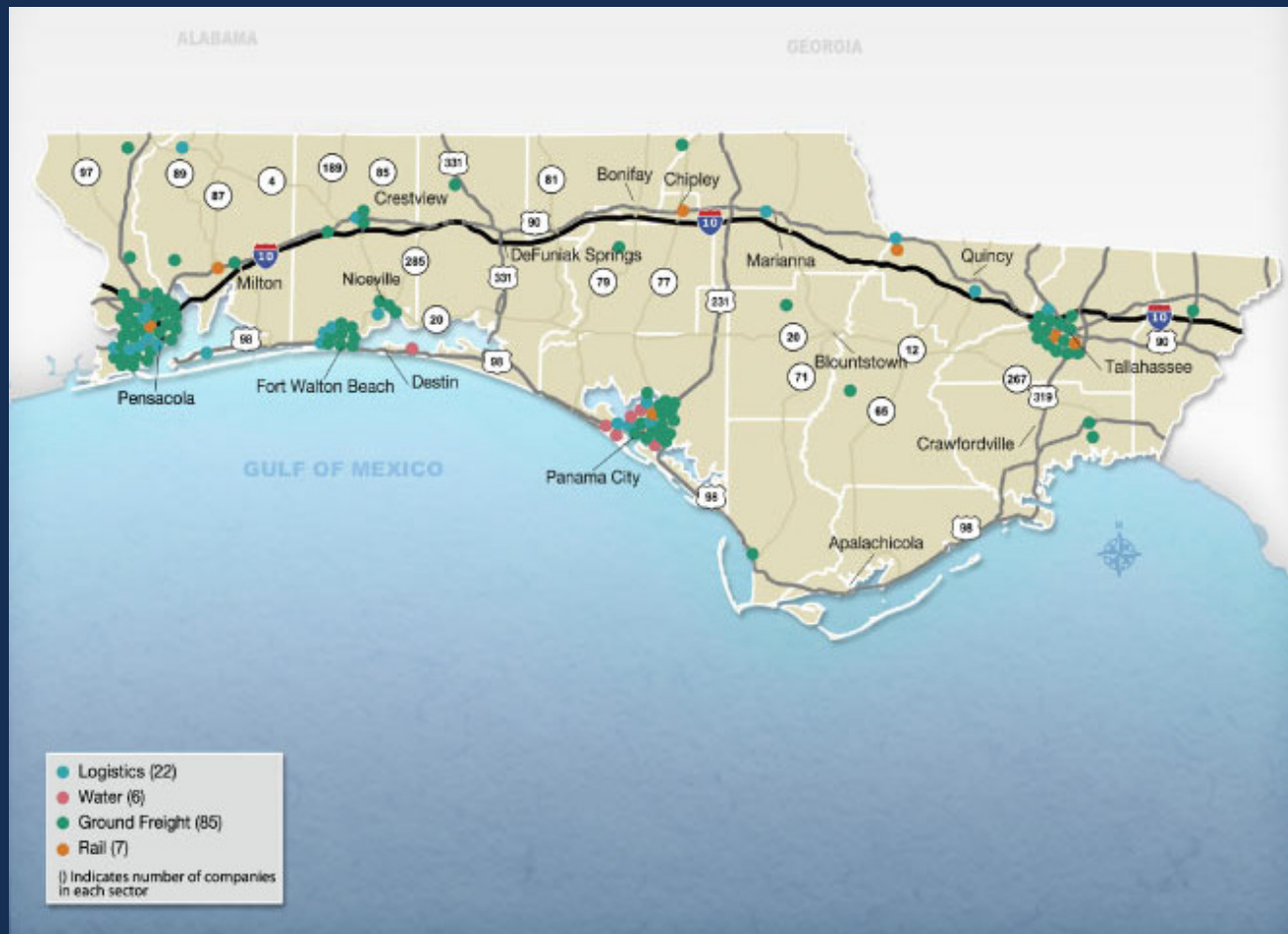
# Renewable Energy

- One of world's largest plantation-style pine forests



# Transportation, Distribution and Logistics

The region is home to numerous manufacturers and distributors, as well as specialized transportation companies serving those customers.



Example: FedEx Distribution facility

# NWFL Regional Transformation

- UWF Haas Center and FG NW are co-applicants on US Dept of Commerce EDA grant to build a Regional Economic Development Strategy.
- Strategically collaborating to market and brand as a globally competitive location for business.
- Emphasis on job creation and asset building.
- Key components will include targeted industry development with supporting supplier network and cluster development strategies.
- 13 County analysis





# FLORIDA'S

## Great Northwest



# **TRIUMPH GULF COAST, INC.**

***Florida State Board of Administration***

***Ash Williams***  
***Executive Director & CIO***





# State Board of Administration (SBA)

## SBA Mission

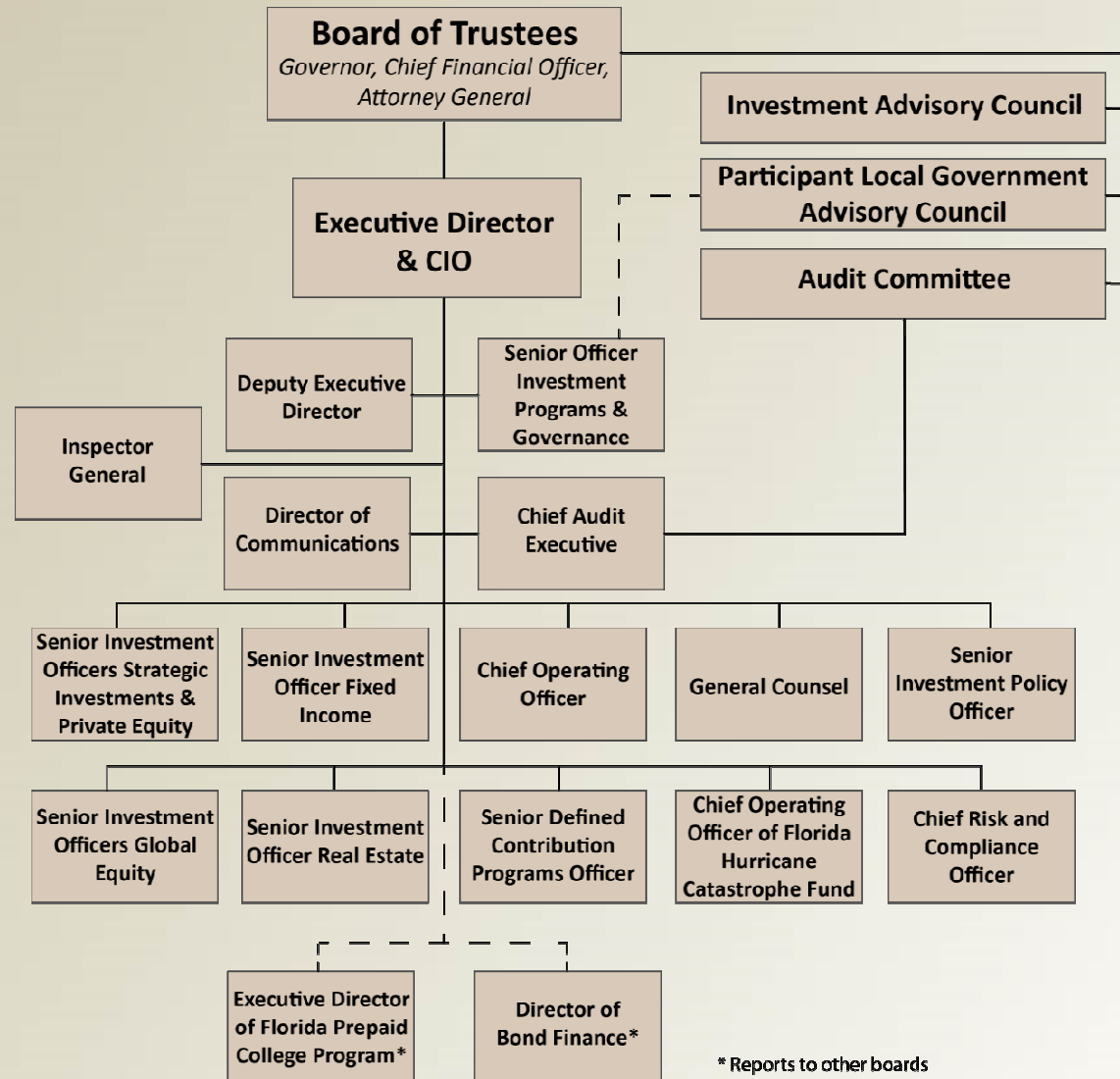
Our mission is to provide superior investment management and trust services by proactively and comprehensively managing risk and adhering to the highest ethical, fiduciary, and professional standards

## SBA Vision

Our vision is to be the best public sector investment and administrative service provider, while exemplifying the principles of trust, integrity, and performance



# SBA Governance Structure

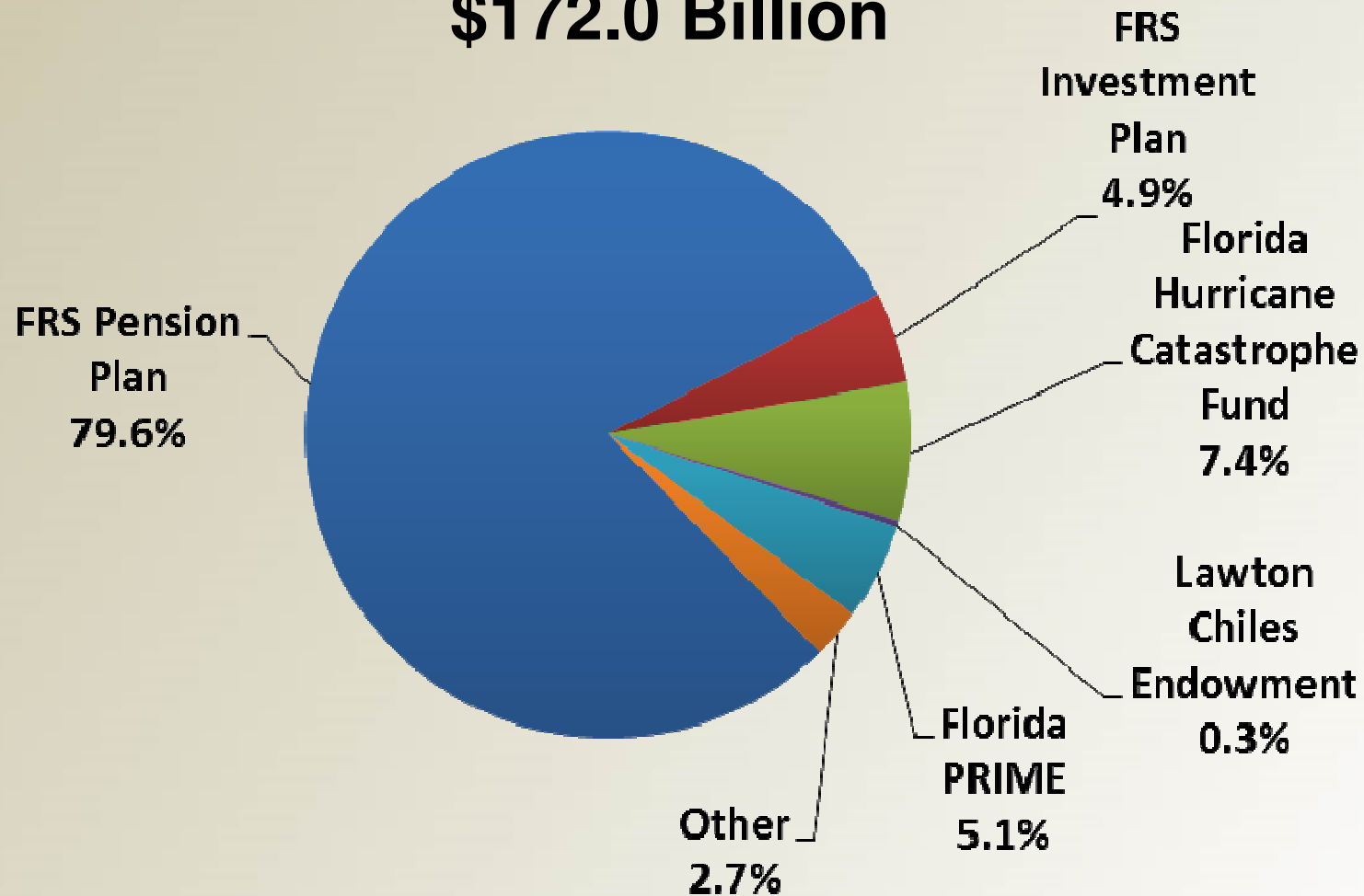




# SBA Assets Under Management

## 34 Separate Mandates

**\$172.0 Billion**



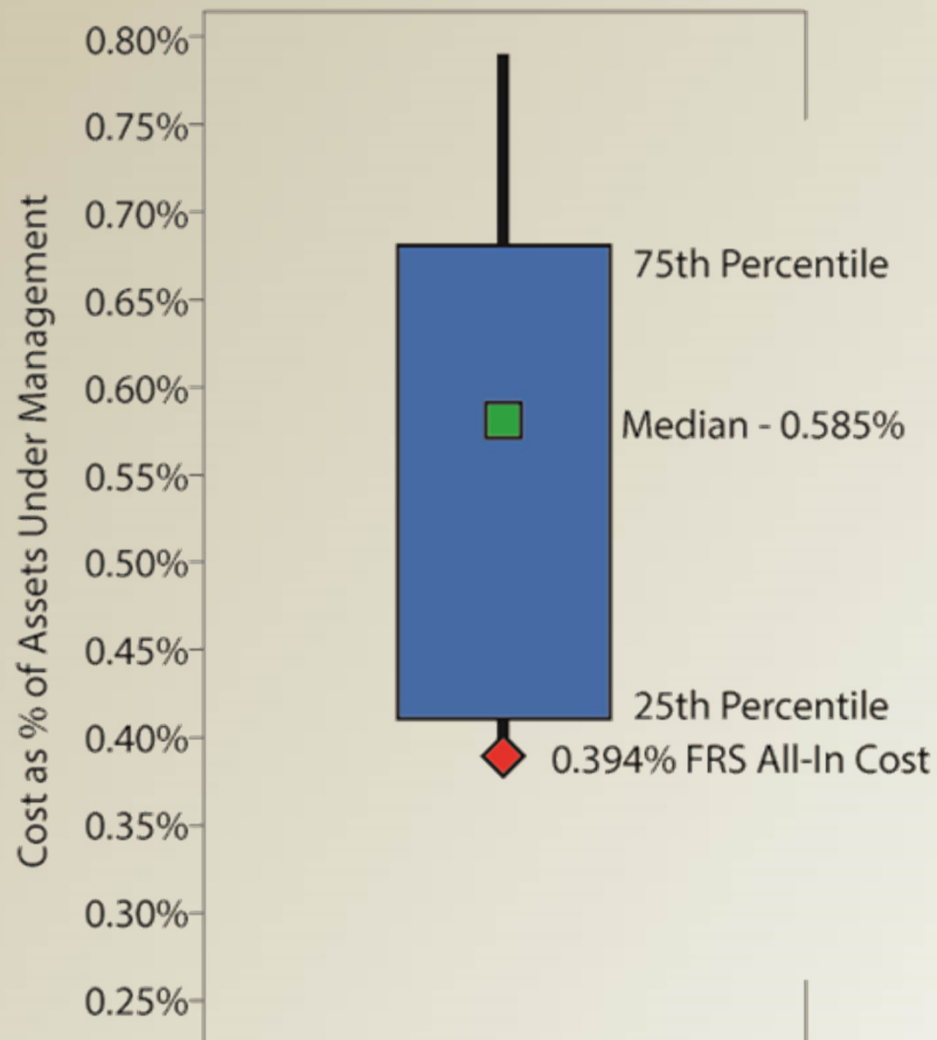


# Pension Plan Relative Asset Class Performance

	FY 07-08	FY 08-09	FY 09-10	FY-10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15
Better Performing ↑	Real Estate	Fixed Income	Strategic Investments	Global Equity	Real Estate	Global Equity	Global Equity	Private Equity
	Private Equity	Cash	Private Equity	Strategic Investments	Fixed Income	Strategic Investments	Private Equity	Real Estate
	Fixed Income	Real Estate	Global Equity	Real Estate	Private Equity	Real Estate	Real Estate	Strategic Investments
	Cash	Private Equity	Fixed Income	Private Equity	Strategic Investments	Private Equity	Strategic Investments	Fixed Income
	Strategic Investments	Global Equity	Cash	Fixed Income	Cash	Fixed Income	Fixed Income	Global Equity
	Global Equity	Strategic Investments	Real Estate	Cash	Global Equity	Cash	Cash	Cash



## Prudent Investing: Cost Comparison



At 39.4 basis points (0.394%), the SBA's all-in cost for managing the FRS Pension Plan was the lowest in its peer group for calendar year 2014.



# Cash Management Solution for Florida Public Entities





## Florida PRIME

**Florida PRIME provides eligible participants a cost-effective investment vehicle for their surplus funds. Its investment strategy emphasizes, in order of importance, preservation of capital, liquidity and competitive yield.**





## Florida PRIME

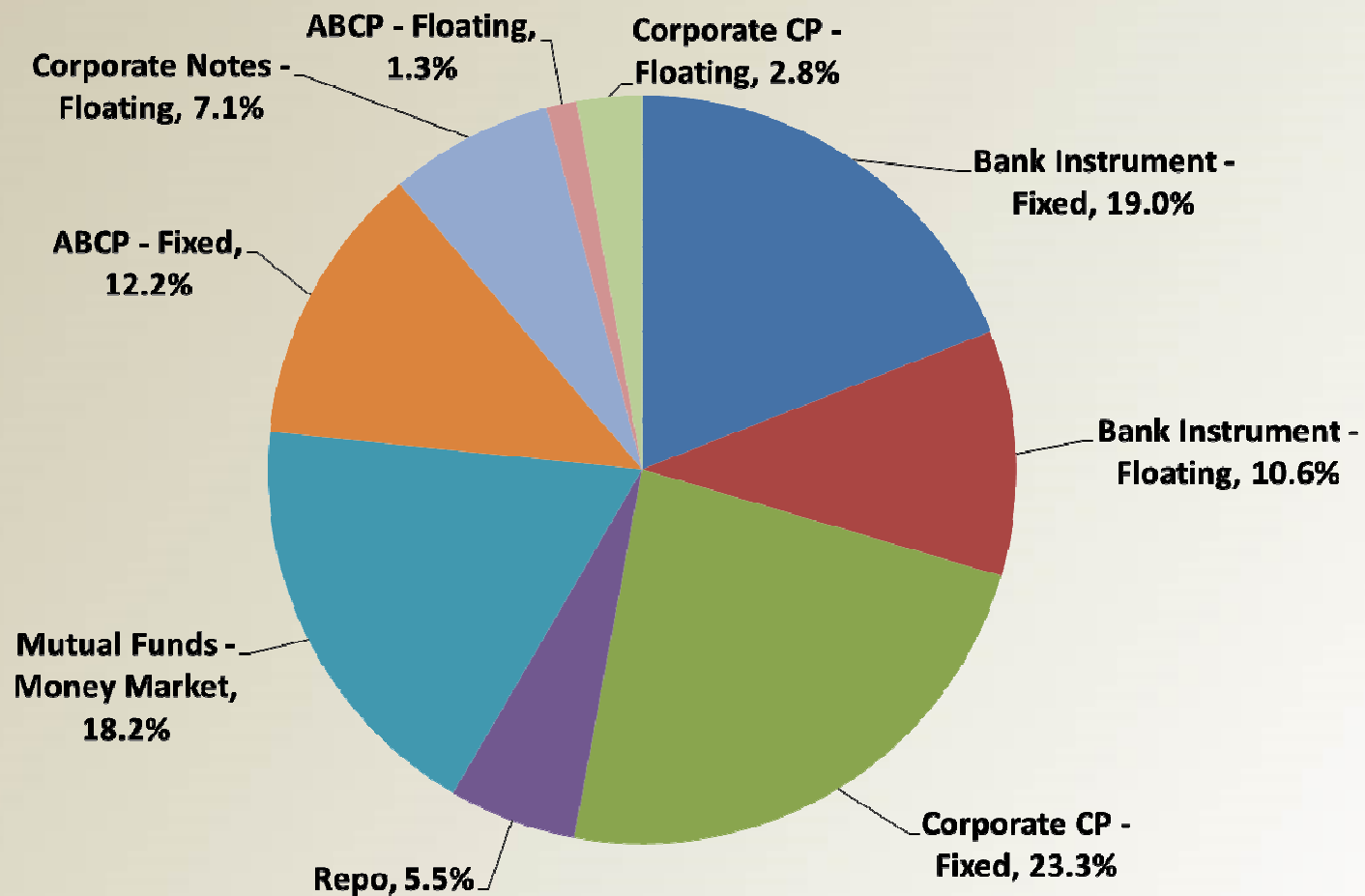
### **Conservative Management Consistent With State Statutes and Best Industry Practices**

- Invests exclusively in short-term, high-quality fixed-income securities rated in the highest short-term rating category by one or more nationally recognized statistical rating organizations.
- Rated AAAm by Standard & Poor's, the highest rating available for a local government investment pool.



# Florida PRIME Portfolio Composition

**\$8.8 Billion**





## Florida PRIME

### **Management by a World-Class Firm That Understands Public Finance**

- Since February 13, 2008, Federated Investors has managed the assets of Florida PRIME to the exact specifications of its investment policies.
- Founded in 1955, Federated is a market leader in providing investment management and administrative services to public sector cash investors. Federated is also one of the largest institutional investment managers in the U.S.



## Florida PRIME

### **The Highest Level of Support Through Superior Technology**

- Pool participants can efficiently and accurately initiate transactions and obtain account information through online systems.



# INVESTMENT POLICY STATEMENTS





# INVESTMENT POLICY STATEMENT

## Scope and Purpose

- Define the investor
- Define the structure



# INVESTMENT POLICY STATEMENT

## Governance

- Specify responsibility for investment policy
- Describe the review process for the IPS
- Describe the responsibility for engaging/discharging external advisers
- Describe the roles and responsibilities of boards and staff
- Assign responsibility for determination of asset allocation
- Assign responsibility for risk management



# INVESTMENT POLICY STATEMENT

## Investment, Return, and Risk Objectives

- Describe the overall investment objective
- State the return and risk requirements
- Define the risk tolerance of the investor
- Describe relevant constraints
- Describe other relevant considerations



# INVESTMENT POLICY STATEMENT

## Risk Management

- Establish performance measurement accountabilities
- Specify appropriate metrics for risk measurement
- Define a process for rebalancing portfolios



# Questions?

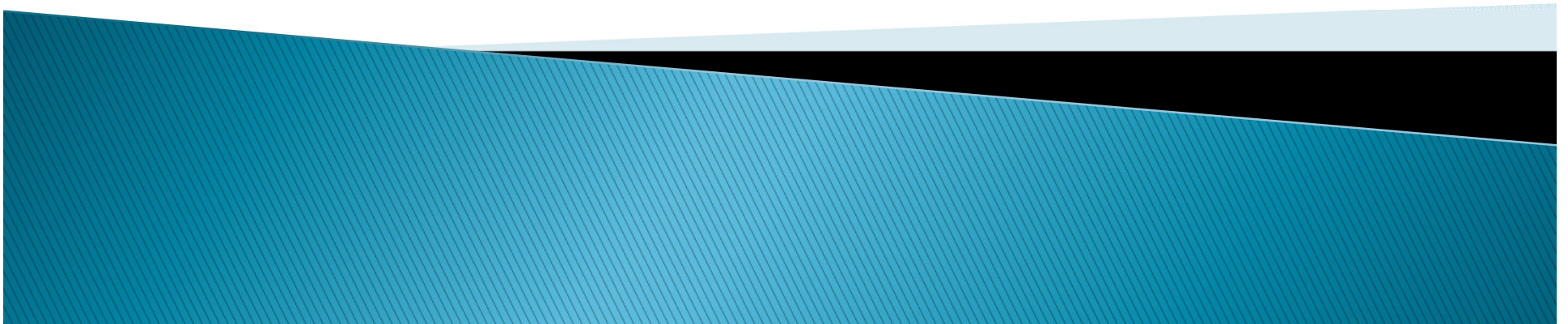


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# Transformational Regional Economic Development

Examples and Keys to Success



# Presenting Partners

- ▶ At the request of Trustee Connally at the October 2015 Triumph Gulf Coast meeting, Florida's Great Northwest convened the following to create this presentation

## Professional Economic Developers (from 8 disproportionately affected counties)

- Florida West
- Santa Rosa EDO
- Okaloosa EDC
- Walton County EDA
- Bay EDA
- Gulf EDC
- Franklin BoCC
- Wakulla BoCC

## Regional Partners

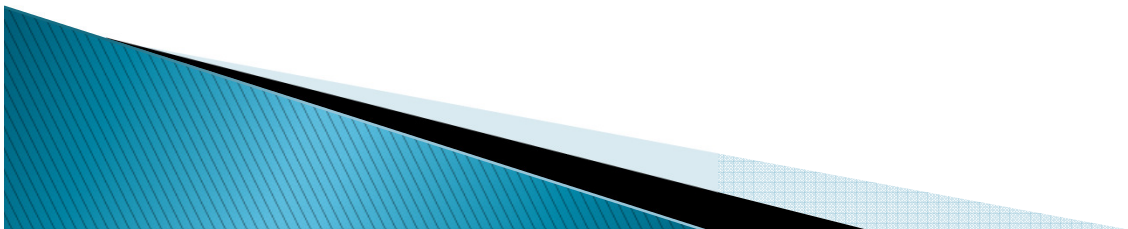
- Utilities
- Opportunity Florida
- UWF
- Regional Workforce Boards
- Regional Planning Councils

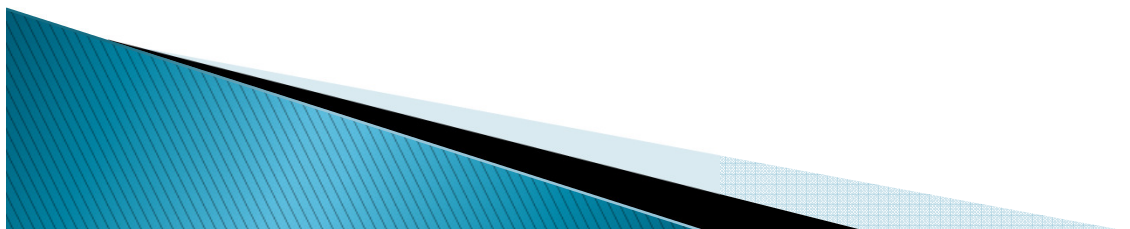
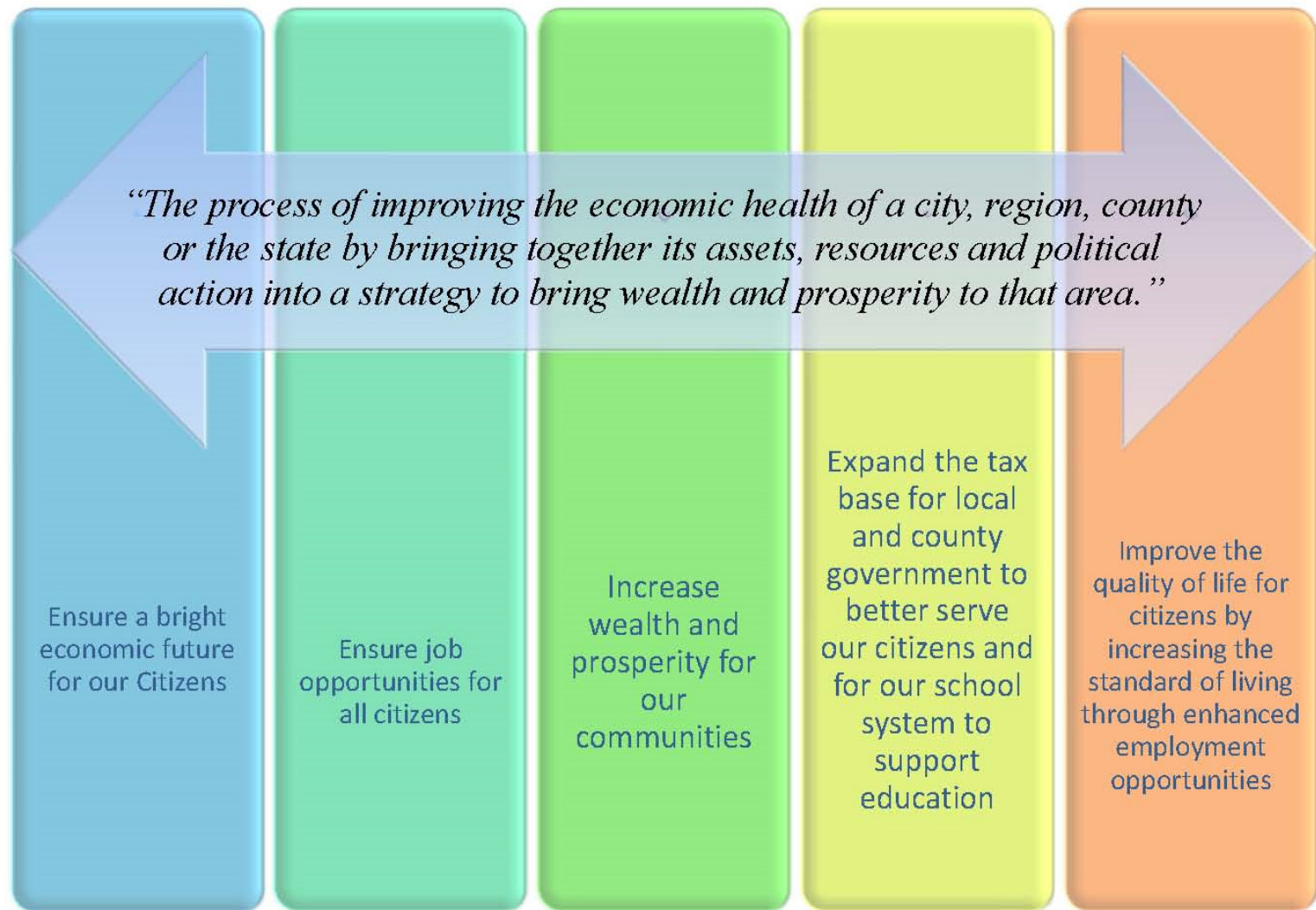
## State Partners

- Enterprise Florida
- CareerSource Florida
- FL Department of Transportation
- SpaceFlorida
- FL Department of Economic Opportunity

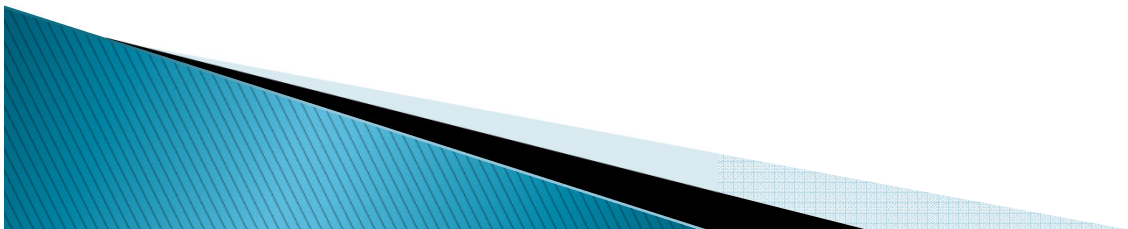


# Economic Development is Wealth Generation for an Economy





# Economic Development Through the Years...



### **The Era of Industrial Recruiting**

- Emphasized financial incentives
- Focused investments in physical infrastructure

**Until 1980**

### **The Era of Cost Competition**

- Began providing more aggressive incentives
- Focused on reducing costs and creating a favorable business and regulatory climate

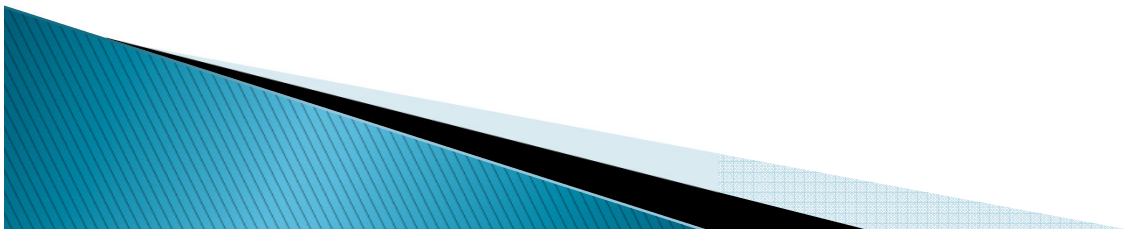
**1980 – late 1990's**

### **The Era of Regional Competitiveness**

- Leverage public and private investments to exploit region's advantages
- Blurs the lines between economic and workforce development

**Current Era**

Transformational economic  
development is about more than  
just a project...

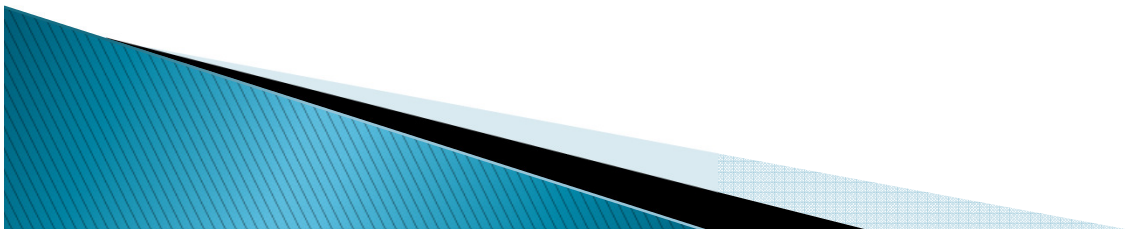






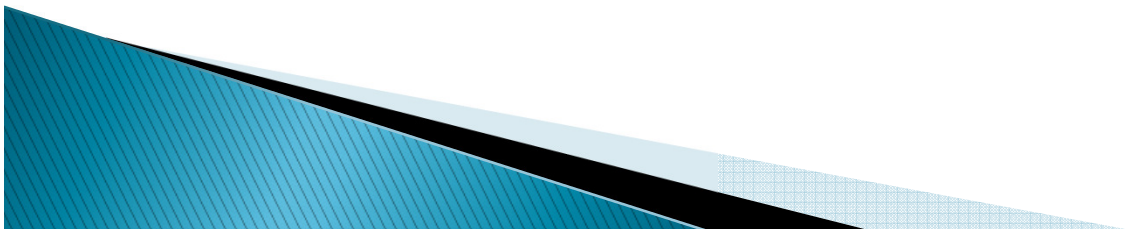


KEY is to look at ALL ways to grow the economy as part of a regional strategy.

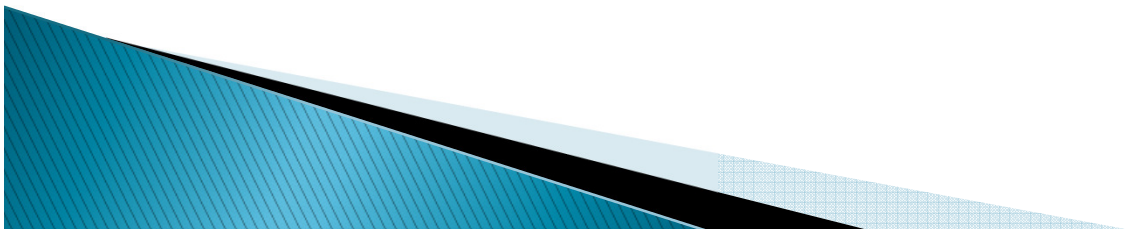


# Can build an economy many ways...

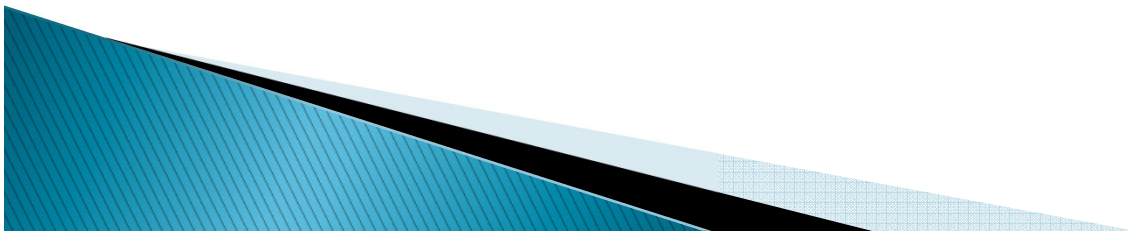
- ▶ Traditional economic development attraction projects (KIA, Airbus)
- ▶ Building an entrepreneurial/creative community/ innovation ecosystem (Tampa)
- ▶ Growing what you already have (Huntsville)
- ▶ Maximizing talent & workforce development (AIDT)



# Case Studies for Transformational Economic Development



# Traditional Economic Development Attraction



# Kia Motors Manufacturing Georgia



- ▶ 3,000 jobs
- ▶ \$1.2 Billion capital investment
- ▶ Produces 300,000 vehicles a year

# KIA

- ▶ 2006 – Broke ground in West Point, Georgia
- ▶ Kia's first manufacturing operation in North America
- ▶ Effort led by Governor Sonny Perdue and the staff of the Georgia Department of Economic Development.
- ▶ Local organizations included the Valley Partnership, city/county development authorities, city/county chambers of commerce, city/county governments
- ▶ 3,300 acre total site (35 individual land owners!)
- ▶ 3,000 direct jobs with average salaries of \$50,000/year plus benefits
- ▶ An additional 10,000 jobs in Georgia and Alabama with the growth of the supplier network.



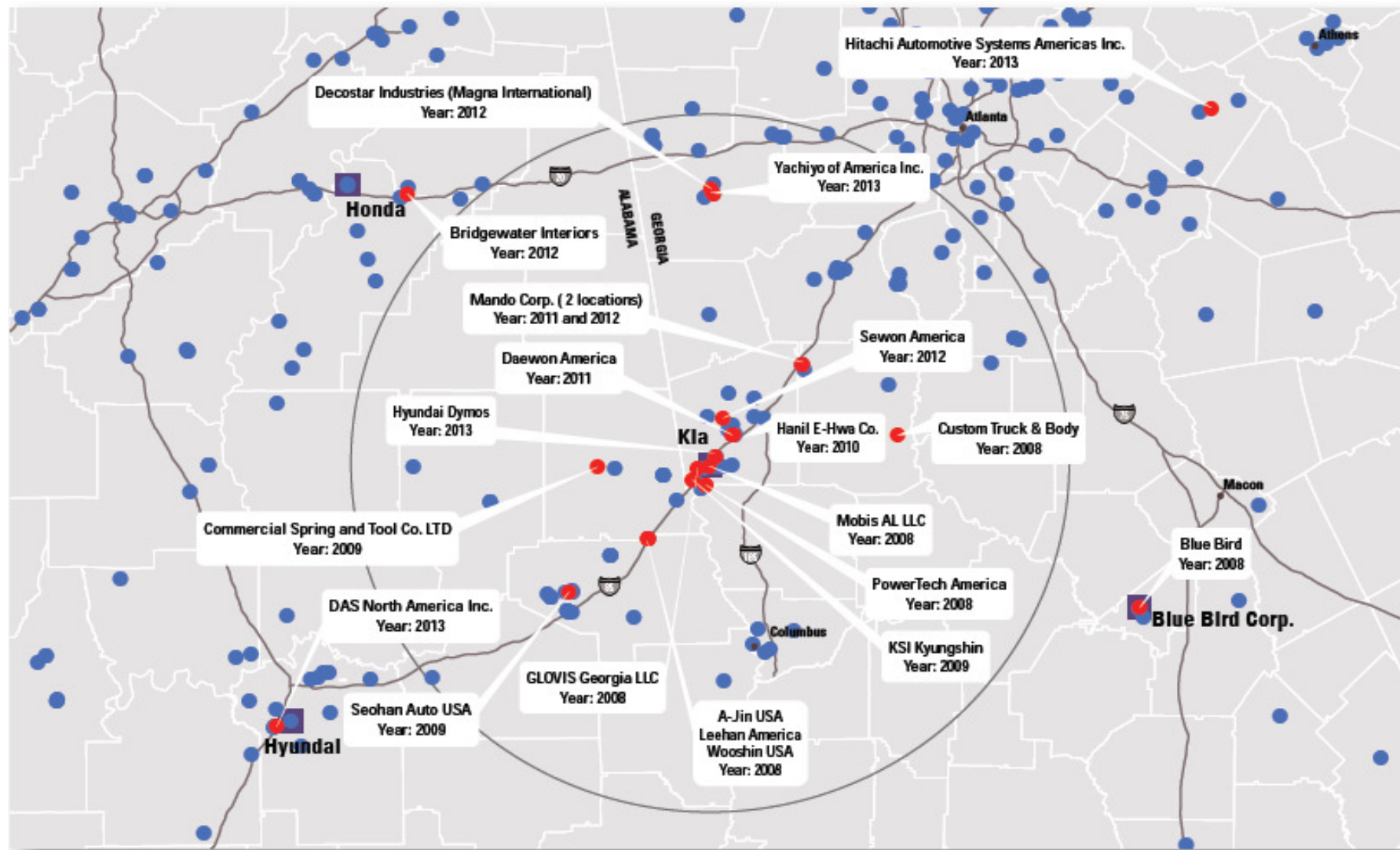
# KIA – The Deal

- ▶ State purchased the site and performed all site preparation (Kia has enough property to double the footprint of existing facility)
- ▶ Department of Transportation provided road improvements including a new interstate interchange and access road (also received funding from federal sources)
- ▶ Required a CSX rail spur
- ▶ State built and staffed a 70,000 square foot training center on the Kia site to provide customized training
- ▶ Additional tax incentives, training and utility incentives, and infrastructure were provided
- ▶ Total incentive package: \$300,000 million
- ▶ It's not just Kia! All OEMs require a similar amount of resources and commitment.





# Kia Supplier Map



Source: 2008-2013 Press Releases, State of Georgia, and 2008-2013 Recent Expansions and New Projects, Automotive Industry Profile, Economic Development Partnership of Alabama (EDPA)

- New Locations and Expansions
- Existing Locations



# Airbus / Brookley Field – Mobile, AL



- ▶ 1,000 new manufacturing jobs
- ▶ \$600 million, 53 acre facility
- ▶ Produces 40–50 aircraft per year by 2018

# Airbus / Brookley Field

**1982**

Mobile Airport Authority gained control of Brookley Complex and began its focused effort to recruit aviation business

**2003–2004**

Brookley was finalist for Boeing projects but lost

**2012**

Brookley was selected to become home of Airbus' first US final assembly line, manufacturing the A320 family aircraft

**1989**

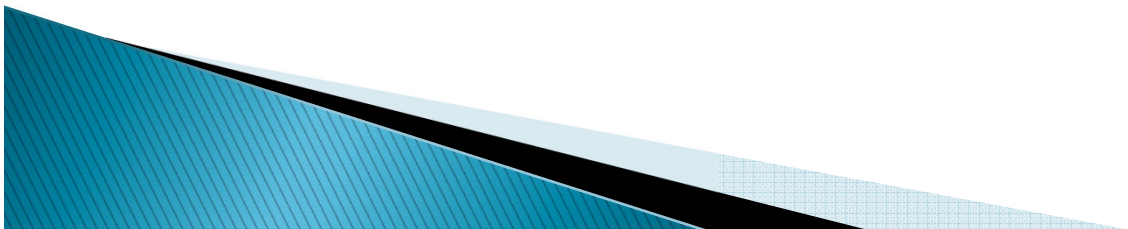
First success came from Singapore Technologies with its first US venture – Mobile Aerospace Engineering

**2005**

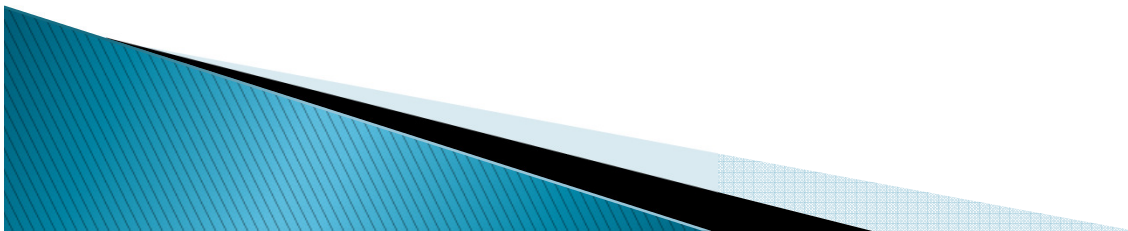
EADS (now Airbus) chose Brookley for the KC-30 tanker project. EADS also chose Brookley for its Airbus Engineering Center. While EADS lost the tanker bid, the Airbus Engineering Center moved forward

# Airbus / Brookley Field Incentives

- ▶ State of Alabama \$124.9M
  - ▶ City, County, & Mobile Airport Authority \$ 33.6M
  - ▶ Total Incentive Package \$158.5M
- 
- ▶ The money is being spent to build Airbus' plant as well as improve roads and regrade soil at the company's location at Mobile Aeroplex at Brookley. Airbus also will benefit from significant tax breaks while the manufacturing operation grows out of its infancy.
  - ▶ Airbus also received the same breaks that all new industries receive (State sales, property, and income taxes) worth almost \$19M.



# Building an Entrepreneurial Community/ Innovation Ecosystem

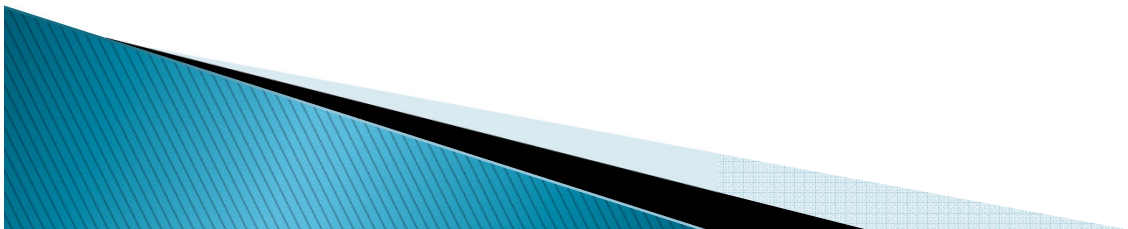


# Building an Innovation Ecosystem: Spotlight Tampa, Florida

- Emerging research university & centers– *USF Center for Advanced Medical Learning & Simulation, US SOCOM*
- Multiple business incubators and accelerators – *Tampa Bay Innovation Center*
- Wide array of programs and events focused on business creation & growth – *SMARTstart, Startup Xchange, Florida Venture Forum, etc.*
- Affordable housing
- Downtown redevelopment
- Building Innovation District



**THIS ECOSYSTEM ATTRACTS ENTREPRENEURS!**





# Building an Innovation Ecosystem: Spotlight Tampa, Florida

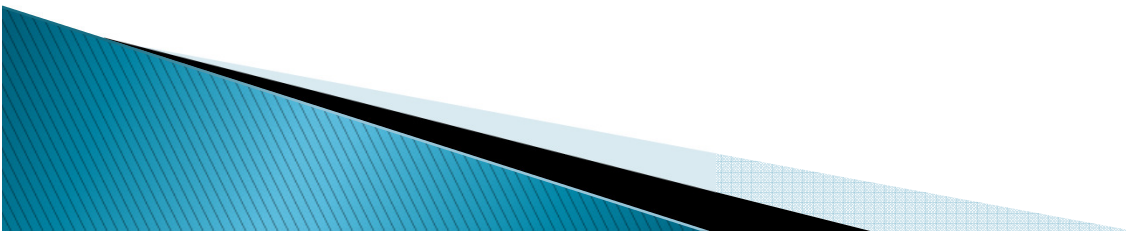
## ▶ Tampa Is...

- 2<sup>nd</sup> Best City in the US for young entrepreneurs
- Largest City in Growth in Tech Jobs according to Bloomberg
- USF Graduate Entrepreneurship Programs – 11<sup>th</sup> best in US by Entrepreneur Magazine

## ▶ Home to:

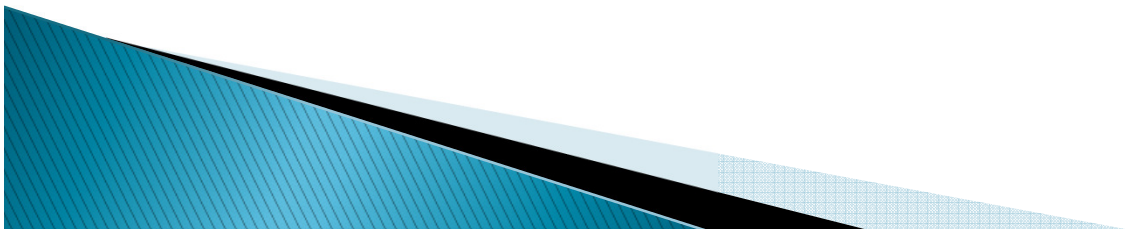


# Growing What You Already Have



# Huntsville's Robotics Cluster

- ▶ Reviewed the federal investments in the area to determine business growth opportunities
- ▶ 5 Focus Areas emerged:
  - Small spacecraft, airships & nanosats
  - Environmental monitoring & security
  - Intelligence–Surveillance–Reconnaissance
  - Robotics–interoperable systems (such as unmanned ground vehicles, unmanned aerial vehicles, etc.)
  - Innovative energy applications
- ▶ Moved forward with building a Robotics Cluster



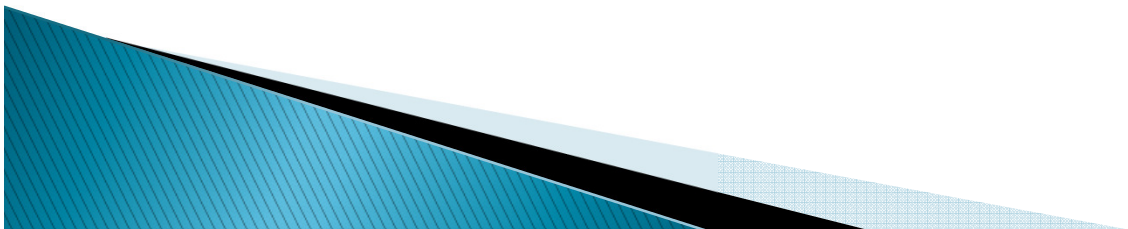


# Robotics Technology Park

- ▶ Built in 2010 to serve entire state of Alabama as robotics research and training center
- ▶ Designed to bring DoD, contractors, academia and commercial businesses together
- ▶ Includes three facilities:
  - **Robotics Maintenance Center** – training in industrial safety, robotics and PLC's – offered at no cost to Alabama companies
  - **Advanced Technology Research and Development Center** – research and test facility for existing companies
  - **Integration, Entrepreneurial and Paint/Dispense Training Center** – allows new and existing companies to build and adapt automation



# Maximizing Talent & Workforce Development



# Alabama Industrial Development Training – known as “AIDT”

- ▶ Since 1971, AIDT has served as the state of Alabama’s talent solution for economic growth
- ▶ AIDT has a unique infrastructure that allows for a total, upfront commitment of the state’s resources to hire and grow the talent needed for companies as they make selection/expansion decisions
- ▶ These talent solutions include comprehensive pre-employment selection and training, leadership development, on-the-job training, continuous/process improvement assessments, maintenance assessments, industrial safety assessments and training and sometimes even creation of advanced training centers for companies
- ▶ 2014 AIDT operating budget was \$51 million (from Alabama General Revenue – largely funded by state income tax)



“Alabama’s Number One Incentive!”

# Common Elements of Successful Regional Economic Transformations

- ▶ Visionary leadership with the will to follow through
- ▶ Public/private committed partnership
- ▶ Regional common vision/priorities
- ▶ Developed product, and the ability to demonstrate an available, capable workforce
- ▶ Clear understanding of regional assets, unique features and connective tissues on which to build a regional economy
- ▶ Clear understanding that this takes time

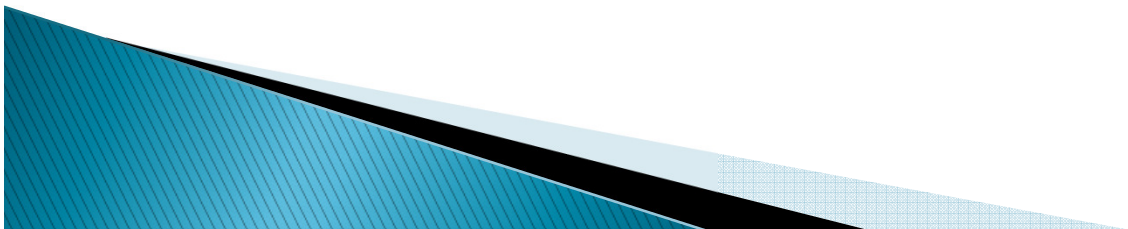


# Regional Economic Transformation

- ▶ Product: Sites & Buildings
- ▶ Workforce
- ▶ Education
- ▶ Research & Development
- ▶ Intermodal Connectivity
- ▶ Innovation & Entrepreneurial Development
- ▶ Supplier Networks
- ▶ Military
- ▶ Tourism
- ▶ Regional Image
- ▶ New Assets, Resources & Programs
- ▶ Residential Housing
- ▶ Healthcare
- ▶ Safety & Livability
- ▶ Culture & Amenities

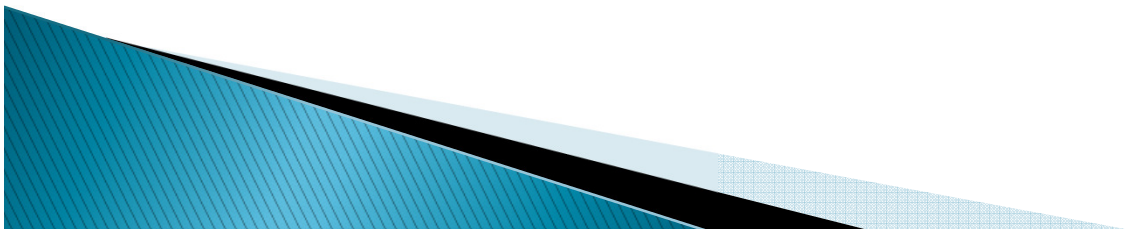
All are key components to connect to strategy

**Transformational economic  
development is a PROCESS, not a  
project.**



# NWFL Regional Economic Development Strategy

- ▶ We are moving forward with the development of OUR regional economic transformation strategy
- ▶ We look forward to working with you as we continue down this path
- ▶ We firmly believe that a strong regional economic development strategy will yield the economic outcomes we all desire





QUESTIONS?

