



Tri-Cities Partnership

MARKET ASSESSMENT AND SWOT ANALYSIS

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angelou**economics**

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North Shore of Lake Apopka

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INTRODUCTION

Cities across the U.S. are shaking off the psychological after effects of the recession, and emphasis is once being placed on strategic planning for economic growth. Cities, large and small, are taking control of the way they will evolve in the future.

As Florida rebounds from the impact of a collapsed housing market and begins to emerge from a glut of foreclosed homes, unemployment is decreasing and housing starts and retail sales are rising. Businesses and residents are responding to the news, with an upward swing in consumer confidence.

Growth is coming to Central Florida, and cities in the area are making plans to get in front of it. The strengthening economic environment and the focus on available space for development are increasing strategic planning activity by other communities and will increase competitive marketing to targeted industries. Many regional organizations are now at the table, mapping out a new portrait of Central Florida communities.

The cities of Apopka, Ocoee and Winter Garden are already seeing the growth. Nearly 250,000 people now call the region home. It is easy to understand why. With great quality of life, nearby theme parks and easy access to all of Florida, good schools, family-friendly values, a small-town environment, business supportive city governments and room to grow, small businesses have moved into the area looking lower operating costs and families have moved in looking for a better alternative to big city life. The completion of the Wekiva Parkway and the development of the SR 429 Corridor will spur growth even faster.

Understanding the scope of the changes to come and the need to operate with power in the competitive bidding for new industries, visionary city officials in Apopka, Ocoee and Winter Garden have taken the strategic step of banding the three cities together. In early 2013, they formed the Tri-Cities Partnership, which includes the additional communities of Oakland, Windermere and the Gotha settlement.

Combining resources and forging ahead with an inclusive and cohesive economic development plan gives Tri-Cities the ability to leverage a wide range of assets, including land and available workforce.

The new partnership provides an effective way to compete with some of the largest and most powerful communities in Florida. The alliance enters the market at a time when Central Florida is poised for strong growth, the development of new regional identities and the emergence of new key players in the Metro Orlando beltway.

In July 2013, Tri-Cities hired AngelouEconomics to assist in developing vision and a strategic plan to direct future growth and economic success. Together, Tri-Cities and AE have embarked on a project to analyze the current regional market and determine its strengths and weaknesses, identify target industries, assess the area from a site selector's point of view and determine strategic goals and strategies to ensure success. AE will also assist Tri-Cities in the evaluation of business parks and help the newly formed alliance with marketing and branding.

Project Design

AngelouEconomics is pleased to assist the newly-formed Tri-Cities Partnership in the creation of a strategic development plan to expand the vision and construct a road map for higher levels of economic success in the Central Florida market.

This work was made possible by the hard work of a team of dedicated Tri-City administrative staff members: David Moon, Planning Manager for the City of Apopka; Russ Wagner, CRA Administrator for the City of Ocoee; and Tanja Gerhartz, Economic Development Director for the City of Winter Garden.

AE would also like to thank the visionary members of the project Steering Committee who direct the efforts of economic development during this project. The Steering Committee includes: Richard Anderson, Apopka Chief Administrative Office; Robert Frank, Ocoee City Manager; Craig Shadrix, Ocoee Assistant City Manager; and Mike Bolhoefer, Wint

To arm the new alliance with more insight and the power to better position the region in diversifying and growing the local economy, the AE team has designed its economic development consulting services in four project phases:



This report is the second step in our first phase of analysis. Our Market Assessment Report and SWOT Analysis is based on public input gathered through on-site interviews with more than 150 stakeholders and online surveys taken by residents and business owners within the Tri-Cities area. The analysis is also based on information obtained through follow-up telephone interviews with additional stakeholders, government and regional agencies and from quantitative data gathered from public and private databases.

Phase 1 is currently funded. Subsequent phases will be funded in 2014.



The Market Assessment and SWOT Analysis provide background information to both the consulting team and the Tri-Cities Partnership that will be used as a research basis supporting the comprehensive economic development plan. Creating that plan for Tri-Cities begins with a critical analysis of the greater economic environment and a thorough tally of the community's assets and weaknesses. With that as a foundation, Tri-Cities can more easily identify its competitive strengths, recognize and correct weaknesses and clearly understand the actions that must be followed to take advantage of available opportunities.

EXECUTIVE SUMMARY

The Market Assessment Report examines many aspects of the Tri-Cities community as it exists today with an eye toward future development. Much detail is provided on the area's assets and the prospects of additional growth and economic prosperity.

Major determinants of economic development success are being evaluated in detail, such as business climate, education and workforce, sites & infrastructure and economic performance. Moreover, context is given to the the Tri-Cities competitive environment by comparing to selected benchmark cities and other regions..

This report also identifies issues which if successfully addressed will help guide and direct strategic change in the efforts to elevate the local economy to new heights of economic success.

Location/History/Economy

Tri-Cities is an informal geographic community roughly 18 miles west of Orlando that builds off the strengths of three historic cities – Apopka, Ocoee and Winter Garden. Tri-Cities is a temporary reference for the area. The allied partnership plans to develop a new name for the area during the marketing and branding segment of the project.

For generations the area developed as agricultural citrus communities and is now in the transition to a suburban environment. Cities are bound together by that rich history and by Lake Apopka, one of the largest lakes in Florida, by the West Orange Trail, a scenic and well-utilized bike trail, and by the economic development along the SR 429 Corridor.

Floriculture and agribusinesses continue as contributors to the local Tri-Cities economy. However, the area has achieved a much greater economic diversification in it s economic base with small to medium employers and strong entrepreneurial growth.

Tri-Cities is near multiple world-class entertainment

parks, including Disney World and Universal Studios. Communities in the area are known for their family-friendly, small town atmosphere. Overall, they have good schools and a lower crime rate than nearby Orlando.

Business Climate

Overall the Greater Orlando area has traditionally enjoyed a business friendly environment and the State of Florida is rated among the top US states in business climate from the Tax Foundation.

A focus in recent years by city governments to become more business-friendly, have attracted families in search of better life outside the city and businesses in search of lower operating costs, supportive government policies and higher quality of life.

This pro-business environment has contributed significantly to the growth of the local and regional economy via the attraction of new companies and the growth of existing ones.

Workforce & Education

The Tri-Cities are surrounded with major colleges and universities. The area has in place a ready and underutilized work force which by enlarge commutes to the City of Orlando for work.

The University of Florida IFAS Mid-Florida Research and Education Center, an agricultural research and education facility, is located in Apopka along SR 429. The underutilized site has the potential to be another economic generator for the area.

Area schools are considered among the best in the region driving more people to the west Orange County.

Infrastructure

One of the area's greatest assets is its location in the center of a strong transportation network consisting of

recently expanded and improved highways and a rail system in the process of upgrades that will allow larger and faster freight trains. The highways and rail connect to Florida ports on both the Atlantic Ocean and Gulf Coast and to major U.S. and Canadian distribution routes.

For residents, that translates into quick access to sandy beaches and Florida's wealth of recreational activities. For businesses, it means superior access to supplies and distribution options.

The completion of the Wekiva Parkway now underway will connect SR 429 and SR 417, establishing a beltway around Metro Orlando and position the Tri-Cities as a major presence inside the loop along its western rim. The SR 429 Corridor will be a major economic engine for the Metro-Orlando area, especially Tri-Cities, which encompasses its northern half.

Tri-Cities has commercial sites available and infrastructure in place at critical interchanges along SR 429 and other connecting highways. Effective marketing to targeted industries will result in the optimal development of these sites, with significant benefits to the Tri-Cities' future economy.

Tri-Cities has another major asset – available land. Each community has significant amounts of undeveloped property in inner and outlying areas that can be used for industrial, research, retail, office and residential activity.

Quality of Life

The most important asset in the Tri-Cities growth and development is its recognized strength in quality of life. The small city feel, rural environment, affordable housing, good health care services, easy commute to Orlando, lower crime and high performing schools are the fundamental reasons that people choose to live in the Tri-Cities.

The area is blessed with a plethora of superior biking and hiking trails, a growing bird sanctuary, Lake Apopka, parks and camping facilities, all of which provide a wonderful and quaint environment of family oriented residents and visitors alike.

The Tri-Cities region has experienced rapid growth during the last two decades evidenced by a pattern of urban sprawl, fast food restaurants and retail. Now the region is focused in attracting full service

restaurants and retail offerings to attract interest from young professionals.

Economic Development Efforts

Effective marketing to targeted industries will result in the optimal development of these sites, with significant benefits to the Tri-Cities' future economy.

Tri-Cities has major assets in available land. Each community has significant amounts of undeveloped property in inner and outlying areas that can be used for industrial, research, retail, office and residential activity.

With vacated agricultural properties and existing industrial businesses, Apopka is ideally suited for light industrial and major employer businesses. In the center of the region at the crossroads of major highways and with numerous facilities available for updating or new development.

Ocoee has the potential to expand as a major office location. Already with a highly successful downtown, a burgeoning Creative District and the potential to repurpose former manufacturing plants that ring the downtown area, Winter Garden is well-positioned to attract small businesses and entrepreneurs interested in a developing live/work environment and businesses in the creative industries.

The cities have history of conservative politics and long-serving elected officials. In surveys conducted for this project, both residents and businesses indicated a strong interest in more productive communication with city governments. Younger residents said that they desire a stronger voice in city planning and community development and young families have expressed a need for more support.

The Tri-Cities have all the elements in place to be successful with the establishment of a strong and permanent Economic Development organization that is adequately resourced with a professional staff, funding and business support.

Moreover, the cities have significant assets upon which to build a stronger and sustainable economy. With additional business diversity the cities will reach a new level of economic development success and prosperity.

ADDITIONAL KEY FINDINGS

Despite the harsh impact of the national recession on Florida's housing markets, Tri-Cities is growing, with nearly 50% increase in population from 2000 to 2013. That growth is expected to continue as new focus concentrates on Central Florida, with its offering of strong business opportunities linked to strong quality of life elements, affordable housing, a business friendly climate and increased tourism activity.

According to projections, the Tri-Cities population will grow to 267,732 (9.9%) by 2018. In order for the current level of employment to keep pace with population growth in Tri-Cities, over 5,800 new jobs must be created by 2018.

Interviews and survey responses indicate there exists a high level of community understanding for the need for economic development planning and a high level of support for the process among both residents and local businesses.

Survey and interview responses indicate a rural/urban division within the community, and a segment of residents that may initially be resistant to change.

The independent natures of Apopka, Ocoee and Winter Garden have served the cities well through tough times in the past, but in the new economic landscape, successful strategic planning will be tied to cooperation and communication within the Tri-Cities area and with other economic development organizations. The best planning will be achieved by listening to and participating in the strategic efforts of regionally-aligned organizations, while working as a Tri-Cities alliance focused on the interests of the local community.

"I'd like to see our communities focus even more on a variety of educational/ vocational efforts to empower and equip the people in our community and stimulate our economy."

- Residential Survey Response

One of Tri-Cities strongest assets is the diversity and quantity of land available and the vast possibilities for repurposing vacant industrial, manufacturing and agricultural facilities. All three cities have business/industrial sites in progress that will accommodate mixed-use development in strategic locations.

When it comes to quality of life, Tri-Cities offers many advantages, but also faces several challenges. Both business owners and residents say that quality of life was a key reason for moving into the area. On the other hand, in surveys, residents noted a desire to improve the quality of local restaurants, retail and entertainment.

Public input and data also indicates that wages paid by local employers are low and the types of jobs available within the area are a mismatch for the skill sets of blue collar workers and a salary mismatch for white collar workers.

Due to rapid population growth, the Orange County School District is having trouble keeping up with new classrooms, leading to an overcrowding of schools not uncommon in rapidly growing cities. Some residents noted the issue in survey responses.

Tri-Cities has strong infrastructure in place that has supported the region and growth for many years. The vast majority of the area is served by existing water and wastewater. Some outlying areas, particularly in Ocoee lack wastewater service.

Both business and residential surveys indicated a desire for more change and planned growth overcoming resistance from conservative politicians. A divide exists between newer community residents that support economic development and change and residents who have been in the area for many years that are opposed to more growth and development.

KEY FINDINGS CONT.

Tri-Cities is home to a workforce many describe as loyal with a strong work-ethic, but there is a disconnect between employers, educational training institutions and workers. The local workforce includes a large displaced set of former agricultural workers in need of new skills and training. Major employers say the local workforce lacks basic technology and computer skills to transition into the blue collar jobs available. Local community colleges and training campuses voice a desire to provide new training programs, but lack sufficient information from businesses to design new courses.

There is a great opportunity moving forward for Tri-Cities improve to communication between all elements of the community. Businesses, residents, educational agencies and other groups have expressed an interest in better communication with city government and more information on development plans. Businesses do not appear to be adequately communicating with other businesses or with educational institutions. Younger adults commute in and out of the community each day and are not well-represented at the polls. An opportunity exists for cities to encourage more public involvement, especially from younger adults.

Residents have expressed a clear desire for more and higher-quality region-wide community events and better communication of available activities. Young families indicated some difficulty in connecting with other young families, young professionals lack supporting lifestyle amenities and there is an indication of insufficient organized cultural events and activities.

Concern for adequate hotel space for patient families was expressed by hospital stakeholders during interviews. As the region develops, more full-service hotel space will be a necessary focus. Winter Garden would benefit from additional hotel space.



Downtown Winter Garden

All three cities have focused efforts in recent years to build a reputation for being business friendly and have effectively improved permitting processes individually. Business input through focus groups and surveys indicates an opportunity to further enhance those efforts by implementing region-wide rules, publishing simplified requirements and implementing online processing. Area office and commercial buildings are older and many are in need of updating or repurposing and improved appearance to modernize the perception of the area, especially to possible business tenants.

Both Apopka and Ocoee lack optimal downtown areas at this time. Each has plans and options available, and a coordinated effort between the three cities could provide considerable destination appeal to tourists and Central Florida residents.

Warehoused goods are a key component to Central Florida's strong freight flow. Tri-Cities location at the center of a transportation network coupled with the availability of warehouse space gives the area leverage in attracting freight businesses.

KEY FINDINGS CONT.

Quality of life is a major asset in attracting a growing creative industry and second-stage entrepreneurs that have the freedom to select where they establish new businesses.

Population shows that the area is attractive to families with children, a trend that will be useful in building a growing work force and more economic development capacity. More than 80% of businesses surveyed

Over the past 10 years, Tri-Cities has had the strongest growth in new businesses when compared to benchmark cities, Florida and the U.S.

Small businesses dominate the Tri-Cities environment.

The vast majority of workers travel in and out of the Tri-Cities to work and return home. An estimated 120,00 leave their home area for work each day, compared to 1,200 who both live and work in the same city.

General average Tri-Cities school scores are higher than those for Gainesville, Orange County and Florida, and the average ACT score this year is higher

than Orange County. However high school graduation rate is relatively low and historical ACT scores are low in comparison to Florida and the U.S.

Crime activity within the Tri-Cities is much lower than in Orlando and has been improving over the last 10 years, probably contributing to the migration of families to the area. However, the Tri-Cities crime rate is relatively high compared to other benchmark cities and the U.S. Crime is higher in pocket areas of the region, complicated by the jurisdictional checkerboard of cities and Orange County.

Businesses surveyed overwhelmingly indicated internet connectivity, speed and redundancy to be critical operational factors. However, no information on technology/telecommunications infrastructure is readily available.

An opportunity for better feed off from the Tourism Industry exists with the completion of the Wekiva Parkway providing direct access through the area and plans for an additional Disney theme park adjacent to the area. Orlando is the number one tourist destination in the U.S. in terms of visitors. The Metro Orlando EDC predicts tourism numbers in the area to hit 75 million a year by 2020

TRI-CITIES OVERALL ECONOMIC PROFILE SCORECARD

RANKING OF TRI-CITIES' OVERALL ECONOMIC PROFILE				
Variable	Leading	Strong	Lacking	Weak
Business Climate & Entrepreneurship		●		
Workforce & Education			●	
Sites & Infrastructure			●	
Quality of Life		●		
Overall Economic Profile		●		

TRI-CITIES OVERALL ECONOMIC PROFILE

When accounting for the major determinants that define the Tri-Cities economy, including business climate, workforce & education, sites & infrastructure, and quality of life, the economic performance of the Tri-Cities is ranked as strong.

- Three of the four economic determinants analyzed for this section ranked in the strong category.
 - Business Climate and Entrepreneurship is rated strong, with strong permitting processes. Response to developer feedback can further improve the process.
 - Sites & Infrastructure has strong elements with an interconnected network of transportation infrastructure and availability of regional assets. Additional master planning, branding and marketing of business parks
- some are yet market ready. Additional branding and marketing of the sites is needed. With proper planning, Sites & Infrastructure can shift to a strong rating.
- Even though the Tri-Cities area is performing at a higher level of economic growth, there are still opportunities for improvement, including improving entrepreneurial resources, better workforce training, improving wastewater services to outlying areas and addressing pockets of crime regionally.

However some sites are not serviced with sewer,

METHODOLOGY

AngelouEconomics has conducted in-depth analysis specific to the Tri-Cities region based on qualitative and quantitative sources. AE used a variety of sources to collect the quantitative and qualitative information used in this analysis.

To begin, the consulting team collected previous studies and plans developed for the Tri-Cities area and the surrounding region.

Qualitative research then began with interviews and focus groups conducted during a site visit to Apopka, Ocoee and Winter Garden July 22-25, 2013. Information was obtained during interviews with more than 600 stakeholders representing a wide range of community segments. Information was also gathered through community tours conducted during the site visit. Eight additional telephone interviews were conducted with key stakeholders in August and September at the request of Tri-Cities.

That initial qualitative information was strengthened by input from residents and Tri-City business owners obtained by an online survey that ran from Aug. 28 – Sept. 27. Two versions of the survey were available, one for residents and one for respondents that own businesses in the Tri-Cities area. The resident survey was completed by 253 residents and the business survey was completed by 39 employers.

Quantitative data was collected from state and national sources, including the U.S. Bureau of

Labor Statistics, the U.S. Census Bureau, U.S. Patent and Trademark Office, the Bureau of Economic Analysis, the Internal Revenue Service, the National Center for Education Statistics, the Energy Information Administration and numerous private sector sources including Decision Data Resources, and PricewaterhouseCoopers.

The results of this analysis formed the basis for all conclusions presented in this report. The research completed within this phase of the project has been directed specifically to meet the economic development needs and objectives of Tri-Cities and will guide future research and recommendations to be prepared by the project team in future stages of this project. This report represents an evaluation of trends, data, and businesses' and residents' perceptions of the Tri-Cities region.

This report evaluates Tri-Cities' readiness to attract and direct future economic development by analyzing the region and its communities in a range of economic and demographic variables by comparing it against a group of four benchmark communities: the City of Orlando, FL, the Gainesville and Palm Bay–Melbourne–Titusville metropolitan areas, and Orange County, FL. For further insight, the Tri-Cities is also compared with the State of Florida and the United States.

BENCHMARKS

In order to understand how the Tri-Cities area stacks up competitively in the eyes of target industries, it is important to examine the area's strengths and weaknesses compared to other cities and areas. The report not only collects and analyzes qualitative and quantitative data but also evaluates this information against six areas selected by Tri-Cities. This competitive intelligence will determine how to engage and leverage local assets in order to direct and promote a sustainable economic development program through 2020.

The City of Orlando, the Gainesville and Melbourne metropolitan areas, and Orange County, FL were chosen as competitive

benchmarks for this report. This study also benchmarks the Tri-Cities area against the State of Florida and the United States as a whole in order to differentiate between what may be attributed to local trends versus broader metropolitan, state or national trends.

"Apopka is growing with young families and professionals. We would all love nothing more than to have businesses in the area."

- Residential Survey Response

	Tri-Cities, FL*	Orlando, FL	Gainesville, FL MSA	Palm Bay-Melbourne-Titusville, FL MSA	Orange County, FL	Florida	United States
Population (2013)	243,529	248,003	268,462	543,755	1,192,255	19,313,777	311,873,842
Population Growth ('00-'13)	49.5%	23.5%	15.5%	14.2%	33.0%	20.8%	10.8%
Unemployment Rate, May 2013	5.37	6.60%	5.30%	7.50%	6.60%	7.00%	7.30%
Labor Force Growth ('02-'12)	75.86%	25.91%	13.22%	12.65%	25.32%	15.31%	6.98%
Median Household Income (2013)	\$57,371	\$42,432	\$39,401	\$47,938	\$48,197	\$46,424	\$54,398
Median Household Income Growth ('00-'13)	13.5%	17.8%	24.8%	19.5%	16.0%	19.2%	27.2%
% in 25-44 Age Group (2013)	27.2%	34.6%	26.1%	21.0%	29.8%	24.8%	27.1%
% Bachelor's Degree + (2013)	26.3%	32.3%	38.6%	26.2%	30.3%	25.9%	28.5%

SCORECARD ASSESSMENTS

Scorecards have been created to allow a visual representation of the health of the Tri-Cities' economy in each of the economic determinants excluding Marketing & Economic Development. AE was hired to assist Tri-Cities with efforts relating to marketing and economic development and it would not be appropriate to rank the region on those aspects of their economy at this point in time.

The scorecards condense the many data points in each section down to the main factors that define each economic determinant. The factors are then analyzed, ranked, and plotted graphically for easy interpretation. The economic determinants and their associated defining factors are detailed in the table to the right.

The output of each analysis is presented in the column labeled "Assessment Rationale." Each factor was then ranked and plotted graphically along a continuum from leading to weak, depending on the performance of that particular factor. Once all factors were analyzed and assigned ranks, a rank was given to the overall performance of the entire economic determinant.

Once an overall rank was assigned to each of the four economic determinants, those ranks were re-plotted on one final scorecard at the end of this section. This scorecard plots one final ranking; a ranking that defines the health and performance of the entire Tri-Cities economy.

ECONOMIC DETERMINANTS AND DEFINING FACTORS

Business Climate

- Global Competitiveness
- Tax Climate
- Business Establishments
- Entrepreneurship
- Patent Activity

Workforce & Education

- Job Growth
- Educational Attainment and Opportunity
- Wages
- Home/Work Match

Sites & Infrastructure

- Housing Characteristics
- Construction Costs & Permitting
- Utilities
- Transportation
- Regional Assets

Quality of Life

- Income & Net Worth
- Housing
- Crime & Poverty
- Cost of Living
- Standard of living

SWOT ANALYSIS

STRENGTHS, WEAKNESSES, OPPORTUNITIES, AND THREATS

This section of the report highlights the strengths, weaknesses, opportunities, and threats for the Tri-Cities, as collected through stakeholder discussions, survey information, and quantitative databases. We do not intend for this analysis of issues to be all-inclusive. Rather, we focus on those areas that will have the most direct impact on specific components of future economic development efforts in the Tri-Cities area.

We define the four aspects of “SWOT” in these terms:

Strengths: Issues or characteristics that can be built upon to advance current and future economic growth opportunities in the Tri-Cities.

Weaknesses: Issues or characteristics that, if not addressed effectively, could limit current or future growth opportunities.

Opportunities: Assets, events, or trends that offer the Tri-Cities the potential for economic growth and attraction of new industry.

Threats: Obstacles, events or trends that, if not addressed effectively, could threaten the County’s economic potential and its ability to attract, expand and start up new employers.

TRI-CITIES SWOT ANALYSIS

STRENGTHS	<ul style="list-style-type: none"> • Large amount of available land • Transportation infrastructure • Strong Quality of Life elements • Competitive cost of operations • Utility infrastructure for most areas • Existing manufacturing and industrial facilities • Transportation connectivity with other 	<ul style="list-style-type: none"> • areas of the region and state
WEAKNESSES	<ul style="list-style-type: none"> • Lack of higher-paying jobs • Lack of daytime population • Lack of restaurant, retail diversity • Lack of diversity in housing • Lack of entertainment options • Lack of downtowns or central gathering places in Apopka, Ocoee • Lack of full business investment 	<ul style="list-style-type: none"> • Insufficient communication between elements of the community • Disenfranchised younger populations • Small business education and support/entrepreneurial cultivation • Problematic roads, traffic within city boundaries • Need for more full-service hotels
OPPORTUNITIES	<ul style="list-style-type: none"> • Available land and vacated buildings • Underutilized activity sites • Natural assets and outdoor recreation • Educating underutilized workforce • Increasing community event focus • Ecotourism elements • More office space 	<ul style="list-style-type: none"> • Businesses willing to fund regional marketing • High interest indicated in supporting locally-owned restaurants and retail • Rail line upgrade will allow larger, faster freight trains • Winter Garden Creative district
THREATS	<ul style="list-style-type: none"> • Vanishing 25-44 year-old demographic • No Tri-Cities institution with budget and permanent employees • Lack of regional identity • Ultra-conservative city politics • Checkerboard of county-owned pockets • Growth-induced overcrowding in schools • Segmented communities 	<ul style="list-style-type: none"> • Lower workforce education levels • Lack of presence with metro and county economic development agencies and resources • Rural/urban conflict • Declining Young Professionals as a percentage of population

MARKET ANALYSIS

A CLOSER LOOK AT TRI-CITIES

Keeping with trends for Florida, Tri-Cities reflects an aging population, The region has a higher percentage of its population in the 45 and above age range than benchmarks, and growth for that age range is high, indicating a likely trend toward an a continuation of aging of population in the future.

Growth in the population of young professionals (ages 25-44) in the Tri-Cities has not kept pace with the rate of overall population growth, consequently the percentage of young professionals has fallen 15.4% since 2002.

The region shows signs of a healthy labor market with an impressive job growth (61.1%) rate and relatively low unemployment (5.9%).



Lake Apopka

Tri-Cities Demographic Snapshot

2013 population	243,529
Population Growth ('00-'13)	49.5%
2013 Median Age	36.4
2013 Median Household Income	\$57,371
Median Household Income Growth ('00-'13)	13.5%
Percentage of 2013 Population Ages 25-44	27.2%

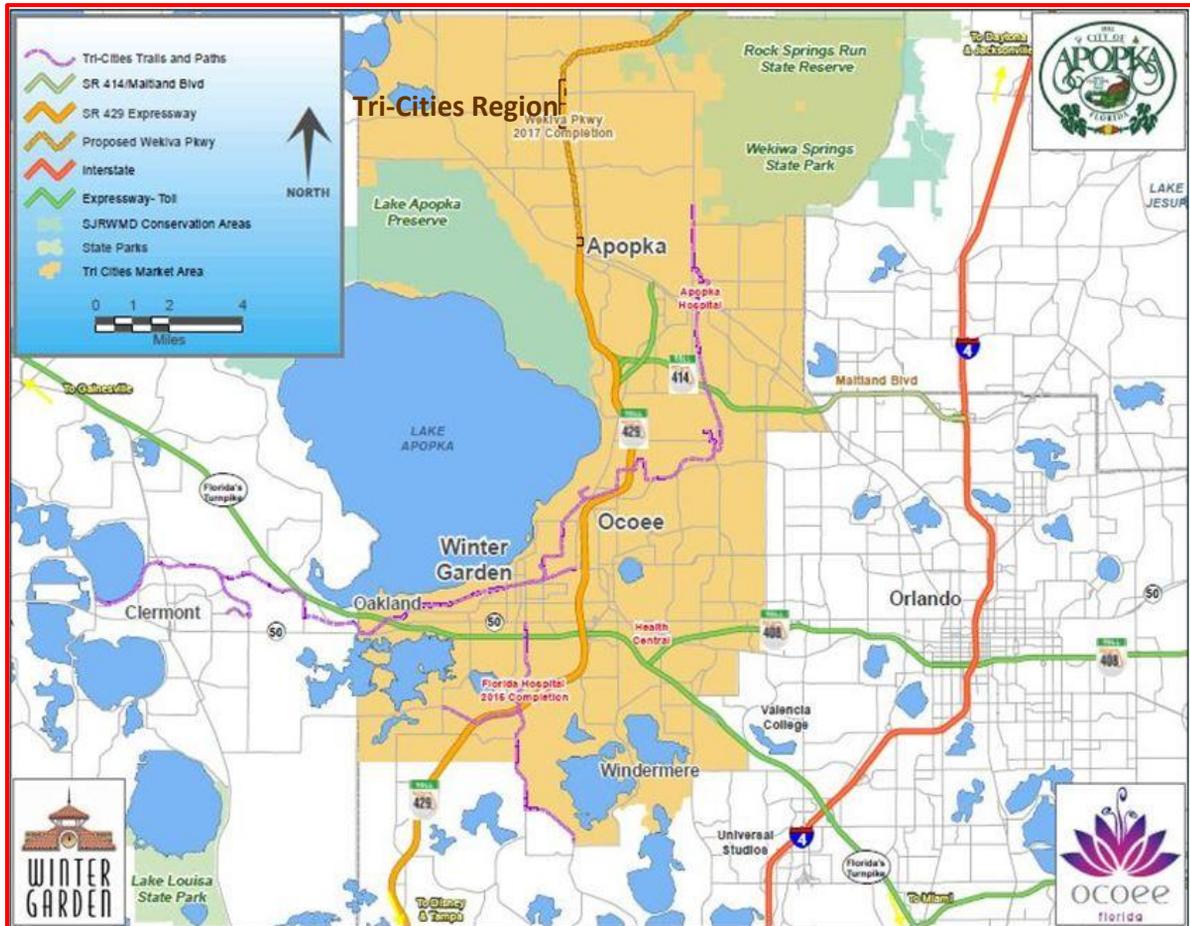
Source: Decision Data Resources

Tri-Cities Economic Snapshot

2013 Employment	120,577
July Unemployment Rate	5.9%
2002-2012 Job Growth	61.1%
Orange County Business Growth (10 yr CAGR)	2.9%
Orange County Average Annual Wage 2012	\$42,342
Orange County Largest Industry	Hotels & Entertainment

Source: Bureau of Labor Statistics

TRI-CITIES MARKET AREA



The Tri-Cities market area is anchored by several cities located along the SR 429 corridor that complement each other to create a distinct and growing living and working region. The Tri-Cities market area is comprised of the cities of Apopka, Ocoee and Winter Garden, along with the towns of Oakland and Windermere. The Gotha community and some unincorporated Orange County areas are also included. The market area follows census tract boundaries established by the Tri-Cities partnership that reflect market forces defining where people live, work and shop.

TRI-CITIES DEMOGRAPHIC SUMMARY

	Apopka		Ocoee		Winter Garden		Tri-Cities Total	
	2013	Growth ('00-'13)	2013	Growth ('00-'13)	2013	Growth ('00-'13)	2013	Growth ('00-'13)
Population	43,265	46.7%	37,054	39.6%	35,991	104.7%	243,529	49.5%
Median Age	34.8	14.3%*	35.5	19.4%*	34.9	6.7%*	36.4	16.7%*
Median Household Income	\$55,994	13.5%	\$60,617	17.8%	\$58,792	43.1%	\$57,371	13.5%
Percentage of Population Ages 25-44	29.3%	-10.5%	28.3%	-17.6%	29.7%	-4.5%	27.2%	-15.4%
Percentage of Population Age 65+	11.03%	15.5%	9.78%	15.9%	10.72%	4.9%	11.41%	17.5%
Bachelor's Degree or Higher	25.5%	29.5%	27.6%	29.4%	32.1%	55.9%	26.3%	13.2%

Source: Decision Data Resources
*1990-2013 Growth

APOPKA, OCOEE, AND WINTER GARDEN

A look at the demographic makeup of the individual cities illuminates many similarities but also some telling differences.

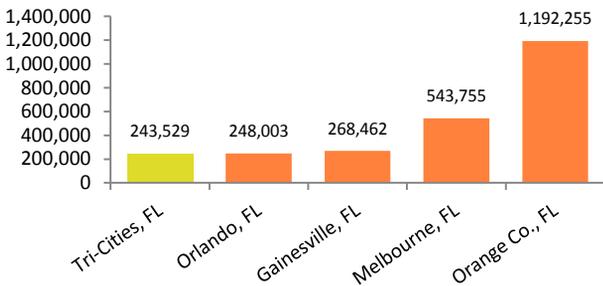
- While Apopka has the largest current population (43,265), Winter Garden has experienced the most rapid population growth since 2000 (105%).
- Compared to the overall Tri-Cities market area, household income has grown more rapidly in Winter Garden (43.1%), followed by Ocoee (17.8%).
- The region as a whole is experiencing a decrease in the percentage of young professionals (population aged 25-44), but the decline has been slowest in Winter Garden (-4.5%).
- The share of residents 65 and older in Apopka and Ocoee has grown more rapidly than in Winter Garden, but is still less than the average growth in the percentage of seniors of the entire market area.
- The level of higher educational attainment across the cities is comparable, but is growing more rapidly than the overall market area (13.2%) and is growing most rapidly in Winter Garden (55.9%).

“Above all, preserve the natural beauty and quality of life amenities that define our region. Careful preservation and planning focused on quality of life will pay dividends for years to come.”

- Residential Survey Response

POPULATION

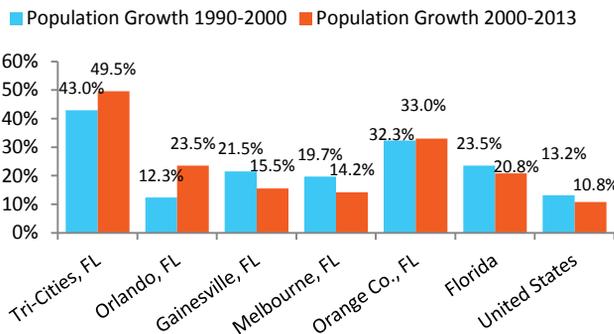
2013 Population



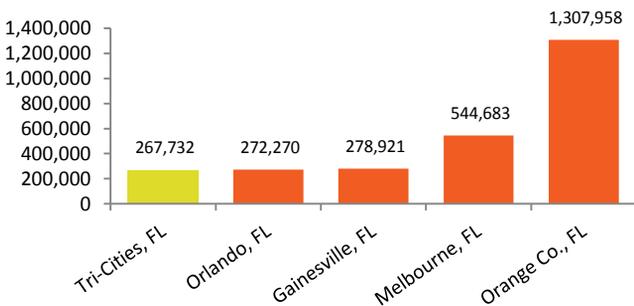
Despite the impact of the recession, the Tri-Cities area has experienced extensive growth since 1990, with its population growing by 50% since 2000.

- The Tri-Cities 2013 population was 243,529—the smallest among all of the benchmarks.
- The Tri-Cities area’s population growth has been by far the most rapid with 43% growth from 1990 to 2000, and 50% growth from 2000 to 2013.
- According to projections, the Tri-Cities population will grow to 267,732 (9.9%) by 2018.
- In order for the current level of employment to keep pace with population growth in Tri-Cities, over 5,800 new jobs must be created by 2018.

Population Growth



2018 Population Projection

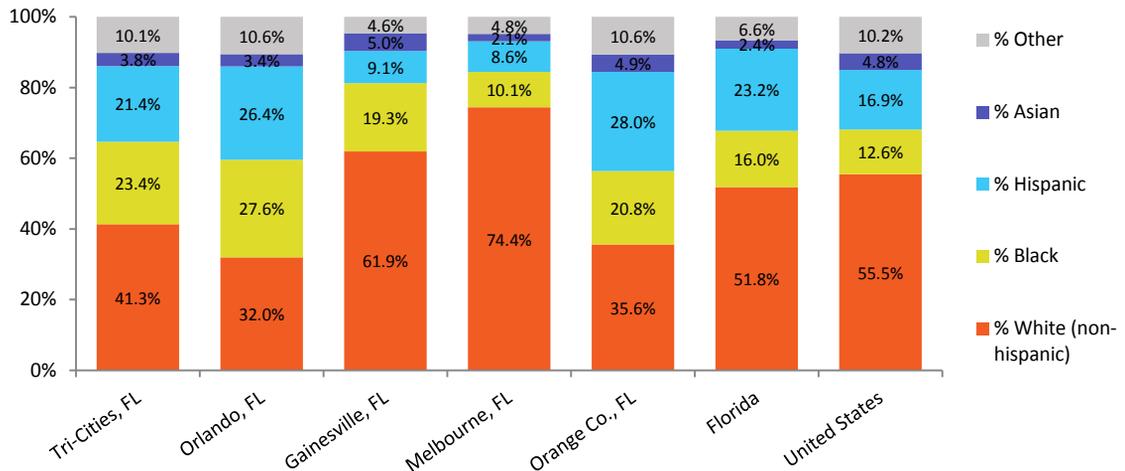


Source: Decision Data Resources

“I think it is imperative to identify something that the Tri-Cities can hang their hat on, see success and work on the pride, hope and outlook of the area.”

- Business Survey Response

Distribution of Race/Ethnicity



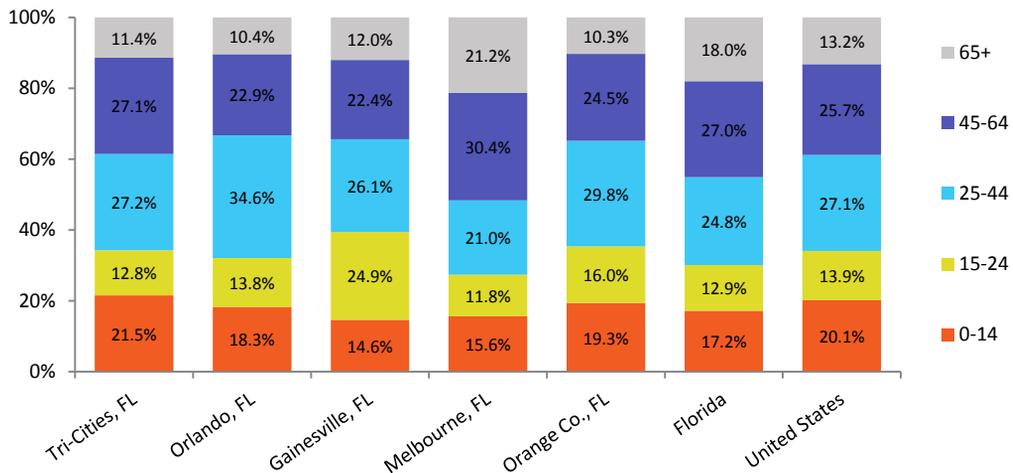
Source: Decision Data Resources

RACIAL & ETHNIC MAKEUP

The Tri-Cities area's racially diverse population offers potential employers a range of perspectives and skill sets.

- Over 58% of the Tri-Cities population is either Asian, Hispanic, Black, or other minority background, which is substantially higher than Gainesville, Melbourne, Florida as a whole, and the US.
- The US Census considers Hispanic descent to be an ethnicity rather than a race. This allows survey respondents to claim both race and ethnicity, such as a person reporting to be a white Hispanic.
- Using US Census data, AngelouEconomics combines standard segments for racial composition to include Hispanic ethnicity in order to provide a clearer depiction of the diversity within a community. Given the US Census' definition of Hispanic, AngelouEconomics prefers to present the racial makeup of a community using this approach.
- The Tri-Cities area has the highest representation of Black residents out of all the benchmarks with the exception of Orlando.
- The Tri-Cities area's percentage of Hispanic residents, the fastest growing population in the U.S., is higher than Gainesville, Melbourne, and the US.

2013 Age Distribution



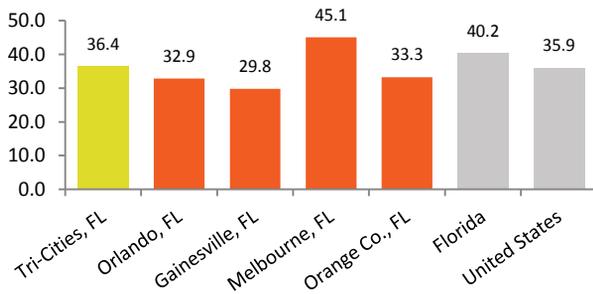
Source: Decision Data Resources

AGE DISTRIBUTION

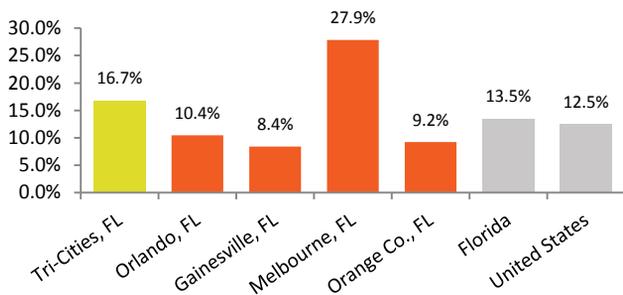
The age distribution of the Tri-Cities area is slightly older than most of the benchmarks and comparable to the national age distribution.

- The Tri-Cities share of 25 to 44 year-olds is in line with the US average at 27.2%, and is larger than the averages for Gainesville, Melbourne, and Florida as a whole. However, trending shows that the 25 to 44 age bracket is not increasing at as fast a pace as older population segments.
- The 25 to 44 year old demographic reflects a community's "Young Professionals" population, which is essential to a community's ability to support future business and job creation.
- The Tri-Cities area's percentage of population 45 and above (38.5%) is higher than all of the benchmarks, excluding Melbourne, but is considerably lower than the state average.
- The Tri-Cities percentage of population 65 and above (11.4%), is comparable to the benchmarks, excluding Melbourne, and the national average.
- The Tri-Cities area's percentage of children (0-14) is 21.5%, which is greater than the benchmarks, Florida and US. Reflecting a trend toward families moving into the area out of more urban areas, including Orlando.

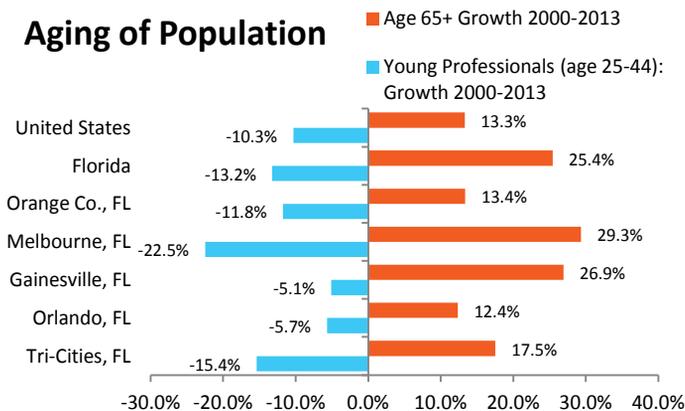
Median Age 2013



Median Age Growth, 1990-2013



Aging of Population



Source: Decision Data Resources

MEDIAN AGE

The Tri-Cities current median age is only slightly higher than the national average. With low growth in residents age 25-44 and high growth in individuals 65 and older, the community is trending towards a largely older population.

- The Tri-Cities area has a higher median age among all of the benchmarks, excluding Melbourne, signaling an overall older existing population.
- The Tri-Cities' median age growth (16.7%) since 1990 is higher than the benchmarks, excluding Melbourne, and is well above the growth in both Florida (13.5%) and the U.S. (12.5%).
- The Tri-Cities area's percentage of 65+ population has increased since 2000 (17.5%), signaling a transition to an aging population.
- The Tri-Cities area's increased population of 65 and older is reflective of the changing demographics within the U.S. with the baby boomer generation heading towards retirement.
- The percentage of the Tri-Cities population held by 25 to 44 year olds has been declining (-15.4%), more than the benchmarks with the exception of Melbourne. Contributing factors include lack of housing diversity, lower wages and lack of young professional lifestyle amenities, including upscale restaurants and entertainment.

FIVE DETERMINANTS OF ECONOMIC SUCCESS

BUSINESS CLIMATE – The general environment for and factors affecting business establishment and growth including key economic drivers, permitting, business costs, tax climate, availability of capital, access to markets, and incentives.

WORKFORCE AND EDUCATION – The available workers and their skill levels and experience. Important factors include colleges and universities, workforce training programs, and young professionals.

SITES AND INFRASTRUCTURE – The resources necessary to the functioning of a community and economy including available land, real estate product balance and availability, utility infrastructure, transportation and telecommunications .

QUALITY OF LIFE – The factors affecting the daily lived experience of community members including cost of living, housing, crime rates, recreation and entertainment, and others.

MARKETING AND ECONOMIC DEVELOPMENT EFFORTS - The expression of clear, collaborative vision in the establishment of a region-wide brand and the development of a strategic promotion plan, engagement of the private sector and government support in economic development and the leveraging of assets to attract targeted businesses and industry.



BUSINESS CLIMATE & ENTREPRENEURSHIP

INTRODUCTION

A competitive business climate is necessary to support an area's ability to promote new business growth and retain and expand existing companies. Communities engage in numerous initiatives to enhance their business climate, including streamlined permitting processes, workforce recruitment and training programs, maintaining lower tax rates, and implementing entrepreneurial and small business support services, which are all key components to any effective economic development strategy. As a result, communities throughout the United States have become highly competitive in their quest to attract businesses to their community. A previous study conducted by AngelouEconomics, which surveyed 20 states on their economic competitiveness, found that states with above average business climates economically outperform all other states.

To assess the overall business climate in Tri-Cities, this section will review the following criteria:

- A. Global Trade
- B. Tax Climate
- C. Business Establishment Activity
- D. Entrepreneurship
- E. Business/Development Friendly

The Tri-Cities are bound to the economies of the Orlando MSA and the state of Florida. The economic realities Tri-Cities may face in the future will be determined, in part, by the relations they have with these larger economies. Understanding the economic fundamentals of Greater Orlando, Florida, and the role these economies have in international trade is important to a plan for economic development and prosperity for Tri-Cities.

“Attract businesses that would use the demographics of the local workforce talent to cut down on long commutes and allow for people wanting to spend most of their time here to live, work and play.”

- Residential Survey Response

The tax climate is a big determination factor when deciding where to locate a business. Taxes add considerably to the cost of doing business in an area and are one of the leading factors that define the overall business climate.

Business establishment activity, entrepreneurship, capital availability, and a business friendly environment are all indicators that signal to the health of the overall business climate.

As the section progresses, it will become clear how the local region fits into the global economy, how it performs in terms of tax climate, and how businesses are actually reacting to various indicators that signal strengths or weaknesses in the business climate of the region. When all of these factors are put together, a clear comprehensive picture is created of the Tri-Cities' business climate.

KEY FINDINGS

Roughly 33% of business stakeholders in the Tri-Cities region said a lack of cooperation between the cities was one of the top challenges to economic success for the region. Addressing this important perception and developing a cooperative entity with support from major political and business leaders will be critical.

The majority of business establishments in the Tri-Cities are small in size and concentrated in three main sectors. These sectors include Retail Trade; Construction; and Professional, Scientific, and Technical Services. The largest employers in the Tri-Cities area operate in the healthcare and education sector, but more than 80% of businesses in the region have fewer than 10 employees. In each of the three cities, there are numerous businesses in healthcare and education that employ thousands of people. More than half surveyed businesses (57%) expect to be adding employees during the next two years. 67% of businesses surveyed expect to be adding a new product line in the next five years.

Businesses surveyed expressed a need for expanded enterprise zones and business incentive programs, including tax incentives. In interviews and survey responses, business stakeholders persistently expressed frustration with the need to further reorganize confusing and outdated city codes and ordinances and make them consistent between cities. Development review and permitting processes was listed as one of the major challenges to regional economic success by 33% of businesses surveyed.

The Tri-Cities lacks a strong network for venture capital and entrepreneurship. While numerous deals were closed in the Orlando region in Q2 2013, the Tri-Cities only

accounted for one of those deals. Over 25% of business stakeholders ranked lack of support for small businesses and lack of entrepreneurial training as one of the top five challenges to economic success and job growth. Other than the UCF Business Incubator in Apopka, little organized support exists for small businesses or entrepreneurs.

Top reasons for location in the region according to businesses surveyed were close proximity to customer base/suppliers, affordability, quality of life factors and transportation access and mobility. Additionally, significant support exists for new local businesses, including locally owned restaurants and small retail stores. Residents indicate an understanding of the value of a 'Buy Local' philosophy.

Patent activity in the area is growing very rapidly. Even though the overall level of patent activity is high, it remains relatively low when accounting for population.

The State of Florida currently ranks 5th overall in tax climate according to the Tax Foundation. Florida does not collect individual income taxes and although property taxes are the lowest ranked tax category, they are still ranked 25th in that category.

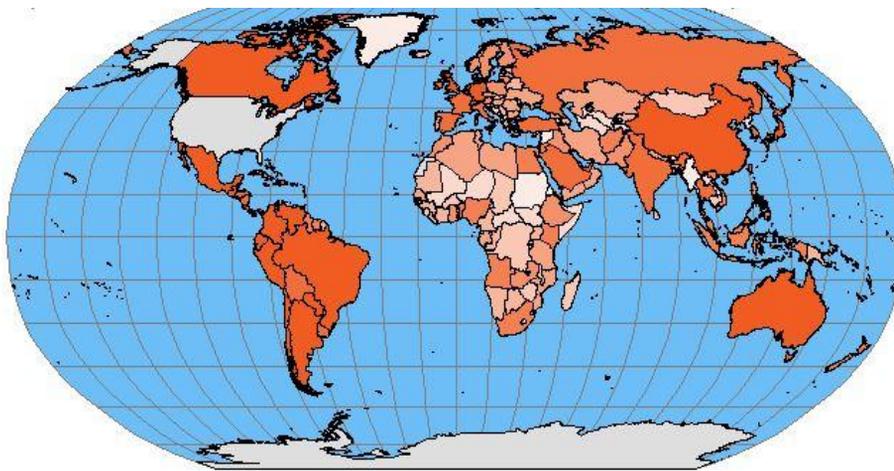
Gross domestic product in Orlando has been sluggish since the recession. After bottoming out in 2010, GDP has been increasing but only marginally compared to pre-recession growth trends. In 2012, 80% of all exports in Orlando were from the manufacturing sector. Orlando's exports represent a diverse set of manufacturing activities. If domestic manufacturing continues to expand, Orlando may see growth in their export activity.

SWOT: BUSINESS CLIMATE

STRENGTHS	<ul style="list-style-type: none"> • Current Industrial presence in the area • Business-friendly reputation • Pro-growth regional attitude • Low state taxes • Low business operating costs 	<ul style="list-style-type: none"> • Transportation infrastructure making easy access to customer base/suppliers • Quality of Life factors ease hiring process • Manufacturing exports • Upgraded rail access for freight
WEAKNESSES	<ul style="list-style-type: none"> • Lack of communication between cities and business leaders • Tri-Cities not represented in regional ED organizations • Little venture capital or angel funding • Declining agribusinesses • Perception of need for further permitting improvements 	<ul style="list-style-type: none"> • Many top businesses not involved in community activities • Collateral infrastructure missing in some outlying areas • Little support for small businesses and entrepreneurs
OPPORTUNITIES	<ul style="list-style-type: none"> • Clear resident support for locally-owned shops and restaurants • Coordinate all permitting and building approval processes into publication with online access • Business willingness to fund public/private marketing efforts 	<ul style="list-style-type: none"> • Strong growth in patent activity, but still low relative to the region's size • Possible agribusiness transition to artisan local food industry • Strong Quality of Life can attract more Creative Industries and entrepreneurs
THREATS	<ul style="list-style-type: none"> • No perceived area business leaders • Risk of future decline in entrepreneurs, professionals in 25-44 age group • Lack business diversity • Pockets of lower socio-economic demographic in area threatens viability of existing businesses and attraction of new businesses 	<ul style="list-style-type: none"> • Venture capitalists from other areas are poaching entrepreneurs from incubator and local colleges

GLOBAL TRADE

The Tri-Cities are a part of the Florida economy, which has a major global presence. This section will discuss Florida exports, Florida’s major export markets, Orlando exports, Orlando’s major export markets, and the gross regional product of Orlando.



2012 Florida Exports



Source: International Trade Administration

2012 TOP 10 FLORIDA EXPORT MARKETS

Rank	Partner	2012 (in Billions)	2010-2012 (% change)
	World	\$66.20	19%
1	Switzerland	\$8.22	63%
2	Venezuela	\$5.12	48%
3	Brazil	\$4.88	3%
4	Canada	\$3.85	0%
5	Colombia	\$3.10	23%
6	Chile	\$2.47	43%
7	Mexico	\$2.23	1%
8	Argentina	\$1.75	31%
9	United Arab Emirates	\$1.69	235%
10	Peru	\$1.65	21%

FLORIDA EXPORTS

The state of Florida has a diverse set of export markets and has witnessed growth in nearly every one.

- Between 2010 and 2012, Florida’s exports grew 19% to just over \$66 billion.
- Exports to the United Arab Emirates have grown 235% from 2010-2012, the largest growth experienced within this period.
- The majority of exports to Switzerland come from primary metal manufacturers, which accounts for 10.8% of Florida’s total exports.
- Florida’s unique group of trading partners points to the industries important to its international trade. The top 4 export destinations are detailed on the following page.

TOP INTERNATIONAL FLORIDA EXPORT DESTINATIONS

1.



2012 Exports From Florida to Switzerland

Product	Value (in Millions)	Percent
PRIMARY METAL MFG	\$7,169.5	87.3%
WASTE AND SCRAP	\$767.1	9.3%
COMPUTER AND ELECTRONIC PRODUCTS	\$71.6	0.9%
MISC. MANUFACTURED COMMODITIES	\$65.1	0.8%
TRANSPORTATION EQUIPMENT	\$51.4	0.6%
CHEMICALS	\$37.8	0.5%
ALL OTHERS	\$54.0	0.7%

2.



2012 Exports From Florida to Venezuela

Product	Value (in Millions)	Percent
COMPUTER AND ELECTRONIC PRODUCTS	\$1,740.2	34%
MACHINERY; EXCEPT ELECTRICAL	\$1,118.1	21.8%
TRANSPORTATION EQUIPMENT	\$597.9	11.7%
CHEMICALS	\$512.8	10%
MISC. MANUFACTURED COMMODITIES	\$258.0	5%
ELECTRICAL EQUIPMENT, APPLIANCES & COMPONENTS	\$236.3	4.6%
ALL OTHERS	\$656.6	12.8%

3.



2012 Exports From Florida to Brazil

Product	Value (in Millions)	Percent
COMPUTER AND ELECTRONIC PRODUCTS	\$1,445.7	29.6%
CHEMICALS	\$1,065.8	21.8%
TRANSPORTATION EQUIPMENT	\$994.4	20.4%
MACHINERY; EXCEPT ELECTRICAL	\$660.6	13.5%
MISCELLANEOUS MANUFACTURED COMMODITIES	\$256.0	5.2%
ELECTRICAL EQUIPMENT; APPLIANCES & COMPONENTS	\$106.3	2.2%
ALL OTHERS	\$352.1	7.2%

4.



2012 Exports From Florida to Canada

Product	Value (in Millions)	Percent
CHEMICALS	\$711.9	18.5%
TRANSPORTATION EQUIPMENT	\$535.8	13.9%
AGRICULTURAL PRODUCTS	\$505.8	13.2%
COMPUTER AND ELECTRONIC PRODUCTS	\$408.5	10.6%
FOOD MANUFACTURES	\$302.9	7.9%
MACHINERY; EXCEPT ELECTRICAL	\$298.6	7.8%
ALL OTHERS	\$1,081.8	28.1%

ORLANDO METRO AREA EXPORT DESTINATIONS

Destination	2010	2011	2012
Asia-Pacific Econ. Cooperation (APEC)	\$1,753,162,327	\$1,279,974,629	\$1,506,152,301
Organization of Petroleum Exporting Countries (OPEC)	\$455,646,324	\$567,404,571	\$942,197,516
N. American Free Trade Agreement (NAFTA)	\$1,227,940,951	\$739,175,414	\$901,269,511
South America	\$683,672,506	\$675,380,424	\$740,508,033
European Union - 27	\$511,281,783	\$600,838,446	\$573,215,558
Asia	\$417,184,122	\$428,073,990	\$432,678,050
DR-CAFTA	\$165,585,689	\$181,192,293	\$157,656,145
Assn. of Southeast Asian Nations	\$98,087,195	\$70,604,628	\$65,699,936
Africa	\$68,712,667	\$45,824,075	\$49,546,572



2012 Orlando Metro Area Exports

Product	Value	Percent
Machinery Manufacturing	\$1,405,037,962	36.5 %
Transportation Equipment Manufacturing	\$616,267,245	16 %
Computer and Electronic Product Manufacturing	\$360,198,616	9.4 %
Chemical Manufacturing	\$358,470,949	9.3 %
Electrical Equipment; Appliance; and Component Manufacturing	\$342,878,858	8.9 %
All Others	\$767,793,658	19.9 %
Total	\$3,850,647,288	100%

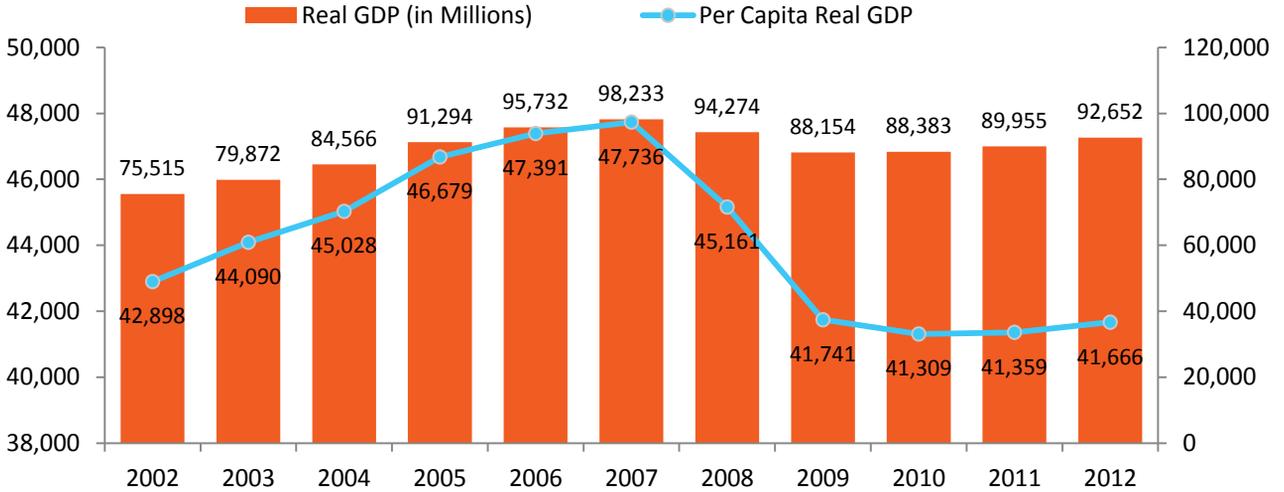
Source: International Trade Administration

ORLANDO METRO AREA EXPORT ACTIVITY

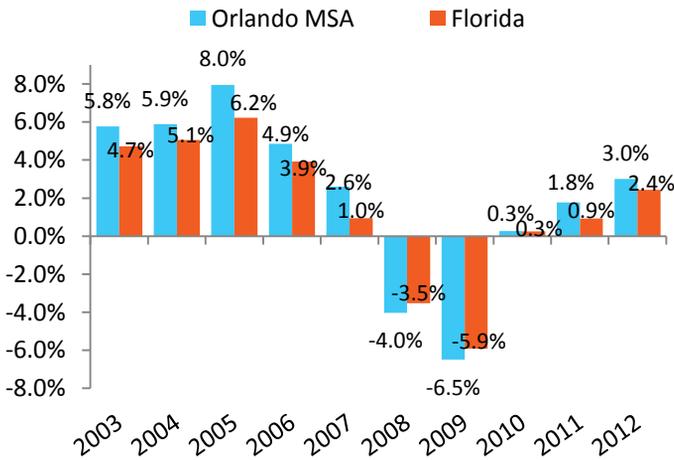
The Orlando MSA accounts for approximately 5.6% of total export activity within the state of Florida. Over 80% of Orlando's exports come from manufacturing.

- The total value of all Orlando exports in 2012 was \$3.9 billion. APEC is the largest recipient of Orlando exports which were valued at \$1.5 billion in 2012.
- A significant portion of Orlando's exports go to the major international trade groups APEC, OPEC, and NAFTA.
- Orlando's exports represent a diverse set of manufactured products for a variety of commercial and industrial uses. If the domestic manufacturing sector continues to expand, we may see growth in Orlando's export activity.

Orlando MSA Real GRP



Real GRP (YOY Change)



Source: Bureau of Economic Analysis

GROSS REGIONAL PRODUCT

Real GRP for the Orlando MSA has grown slowly, yet consistently, since the end of the recession in 2009.

- Real GRP in Orlando was \$92.6 billion in 2012. Real GRP per capita was \$41,666.
- The Orlando MSA posted a 22.7% growth in real GRP from 2002 to 2012, with the strongest YOY change in 2005.
- Orlando, and the rest of Florida, saw real GRP decline during the recession. While this measure has been making some progress toward reaching previous heights, per capita real GRP is still well below the pre-recession peak.

TAX CLIMATE

The tax climate is a key consideration when defining the business climate of a community. Taxes impose costs to both businesses and employees. The more imposing the tax structure, the higher the costs of doing business. Communities with tax structures that are more favorable towards businesses are generally more economically viable.

2013 STATE BUSINESS TAX CLIMATE RANKINGS

State	Overall Rank	Corporate Income Tax	Individual Income Tax	Sales Tax	Unemployment Insurance Tax	Property Tax
Wyoming	1	1	1	12	29	35
South Dakota	2	1	1	33	35	20
Nevada	3	1	1	42	41	16
Alaska	4	27	1	5	28	13
Florida	5	13	1	18	10	25

Sources: Tax Foundation, Florida Department of Revenue

DOING BUSINESS IN FLORIDA

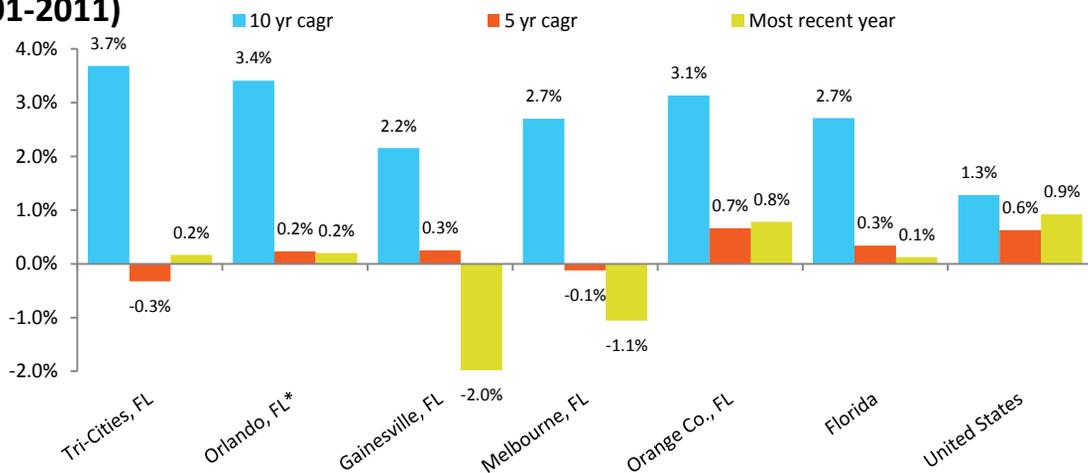
Florida's business tax climate ranks 5th overall as measured by the Tax Foundation.

- Florida ranks 13th in the category of corporate income taxes.
- Individual incomes are not taxed in Florida. Therefore, Florida shares the rank of first with all other states that opt out of collecting individual income taxes.
- The state of Florida has a 6.0% sales tax which ranks them 18th in the nation. Orange County also charges sales tax of 0.5% on eligible goods purchased within the county.
- The Tri-Cities region is, therefore, subject to a 6.5% sales tax.
- In 2012, the unemployment tax was renamed to the reemployment tax. Once an employer has reported filings for ten quarters, the reemployment tax adjusts from a fixed rate of 2.7% to a variable rate based on payroll taxes but cannot exceed 5.4%.
- Florida ranks highly in the reemployment insurance tax category, within the top ten, and pays between \$81.60 and \$432 per employee.
- Florida's poorest tax ratings is in the category of property taxes. Even so, the state ranks in the 50th percentile.

BUSINESS ESTABLISHMENT ACTIVITY

The types of businesses that communities attract can convey a lot about the community; “you can tell a city by the companies it keeps.” Also, business establishment trends can be indicative of the long-term business climate in an area.

Total Business Establishments Compound Annual Growth Rate (2001-2011)

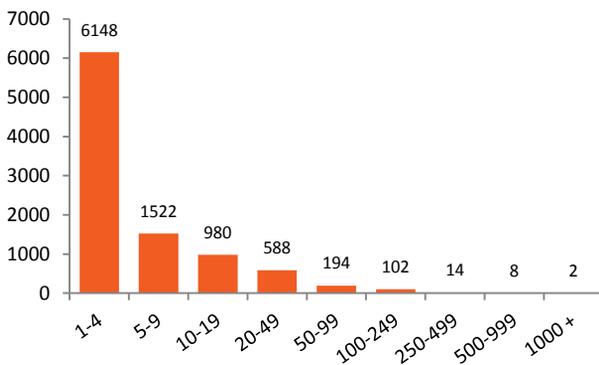


Source: Bureau of Labor Statistics
*data available by MSA

BUSINESS ESTABLISHMENT ACTIVITY

The Tri-cities market area experienced a decline in business establishments during the recession but has bounced back in recent years.

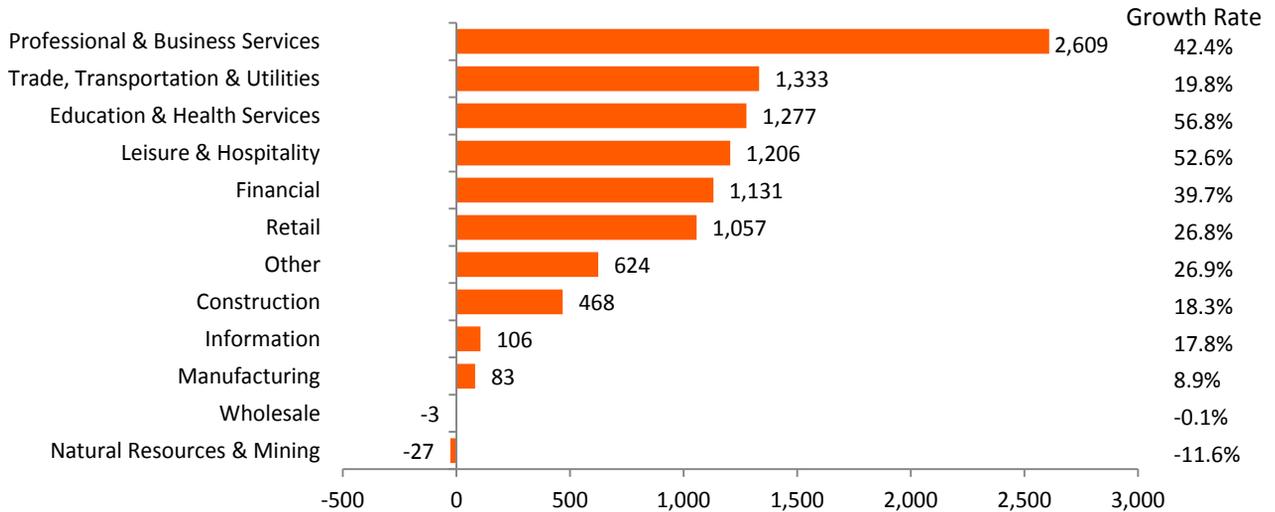
Tri-Cities Business Establishments by Number of Employees (2011)



Source: County Business Patterns

- Over the past 10 years, the Tri-Cities region has had the strongest growth in new business establishments when compared to the benchmarks, state, and nation.
- For 2010 to 2011, The Tri-Cities area saw more growth in new businesses than Gainesville (-2%), Melbourne (-1.1%), and Florida as a whole (0.1%).
- From 2011 to 2012 (not shown), growth in business establishments in Orlando (2.5%) and Orange County (2.8%) was well above the U.S. average growth (0.8%) signaling accelerated recovery in the region.
- 80% of new businesses in Tri-Cities have fewer than 10 employees.

Orange County New Establishments by Supersector (2002- 2012)



Source: Bureau of Labor Statistics

BUSINESS ESTABLISHMENTS BY SECTOR

Tri-Cities Business Establishments by Sector (2011)



Source: County Business Patterns

Tri-Cities is primarily made up of business with less than 10 employees.

- Tri-Cities new businesses operate three main sectors: Retail Trade; Construction; and Professional, Scientific, and Tech Services.
- Tri-Cities does not have a significant presence in Management of Companies and Enterprises; Forestry and Agriculture Support; Utilities; or Mining.
- In Orange County, Professional and Business Services experienced, by far, the highest number of new business formations at 2,609.
- Education and Health Services experienced the fastest growth rate with a 56.8% increase in new businesses.

MAJOR EMPLOYERS

A high number of Tri-Cities' major employers center around the healthcare and education sectors.

- In all three cities, Orange County Public Schools is the largest employer.
- In Apopka, the second largest employer is Walmart with 600 employees. The remainder of top employers in Apopka have between 400 and 200 employees. Those eight companies span a variety of sectors including manufacturing; outdoor products and services; and food.
- In Ocoee, the next largest employer is the Health Central Hospital with 1,243 employees. Manheim Auto Auction is the third largest company in Ocoee with 700 employees.
- The remaining top businesses in Ocoee range in employment from 651 to 300 employees. Those businesses span many different sectors including retail and food distribution.
- In Winter Garden, the next largest employer after Orange County Public Schools is Winter Garden Village at Fowler's Grove with 1,181 employees.
- Remaining top companies in Winter Garden employ between 300 and 175 workers. Those businesses serve primarily healthcare sectors but also span to agriculture, commodities, and municipal entities.

TRI-CITIES TOP 10 EMPLOYERS

Apopka		Ocoee		Winter Garden	
Employer	Number of Employees	Employer	Number of Employees	Employer	Number of Employees
Orange County Public Schools	1,400	Orange County Schools	1,700	Orange County Public Schools	1,200
Walmart Super Center	600	Health Central Hospital	1,243	Winter Garden Village at Fowler's Grove	1,181
Tri Quint Semiconductor	400	Manheim Auto Auction	700	Heller Brothers	300
Hermann Engelmann Greenhouses	400	Walmart Super Center	651	Louis Dreyfus Citrus	300
City of Apopka	380	West Oaks Mall	622	Community Health Centers	300
Spacelight Trailer Leasing	300	Westgate Resorts	541	Publix	300
Parking Structure Group Inc/Finrock	260	Sysco Foods	525	City of Winter Garden	291
South Seminole Sheet Metal	250	Publix	460	Health Central Park	275
Fiskar Brands Inc.	200	City of Ocoee	370	C & W Global	240
Publix	200	Bright Future Electric	300	Colonial Lakes	175

Source: Info USA 2011 and City Data

ENTREPRENEURSHIP

Small businesses account for the majority of new job creations in any given area and can help imbue a more unique sense of place and local culture. In order to facilitate a healthy environment for entrepreneurship, the appropriate resources must be available.

ORLANDO MSA VENTURE CAPITAL FUNDING: 2 nd QUARTER 2013			
Name	Location	Industry	Amount Received
Zentila Inc.	Winter Garden	Software	\$1,820,000
Kony Solutions Inc.	Orlando	Software	\$18,300,000
XOS Digital Inc.	Orlando	Software	\$5,071,000
Treehouse Island Inc.	Orlando	Media & Entertainment	\$7,000,000
Unikey Technologies Inc.	Winter Park	Software	\$0

Source: PriceWaterhouseCoopers

VENTURE CAPITAL FUNDING

The Orlando MSA is one of the most active areas for venture capital investment in Florida.

- In Q2 of 2013, the State of Florida closed on 14 venture capital deals worth \$155.8 million.
- The Orlando MSA was the recipient of five of those deals. With \$32.2million, the Orlando MSA secured 20.7% of all venture capital funding in Florida.
- One deal was closed in the Tri-Cities region in Q2 2013. A software company named Zentila Inc. received \$1.8 million in venture capital funds.
- Software is the major industry being funded through venture capital in the Orlando MSA. All deals but one were in the Software industry. The other industry represented was Media and Entertainment.
- Venture capital presents an area of opportunity for the Tri-Cities region. Developing a network of angel investors and venture capitalists will spur further investment into each of the cities in the Tri-Cities region and facilitate a positive environment of entrepreneurship in the area.

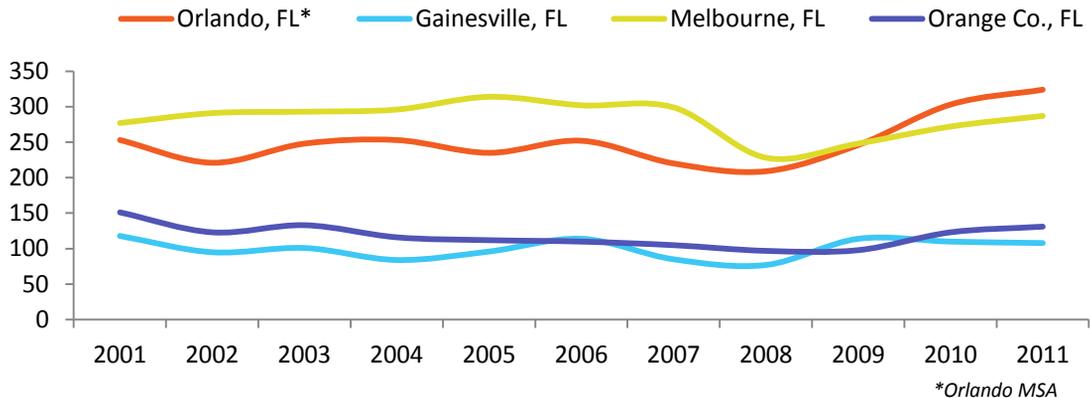
ORANGE COUNTY BUSINESS RESOURCES

Resource	Location	Description
SBDC at the University of Central Florida	Orlando, FL	The Small Business Development Center at the University of Central Florida serves an eight-county area in Central Florida with its main office in Orlando. The SBDC at UCF provides business seminars and free one-on-one counseling sessions for small business owners. The topics covered include accounting, finance, marketing, operations, new venture planning, and technical assistance.
Disney/SBA National Entrepreneur Center	Orlando, FL	The National Entrepreneur Center was created through the collaboration of the University of Central Florida, The US Small Business Administration, Orange County Government, and The Walt Disney World Company. The purpose of the program is to stimulate economic development in Central Florida. The National Entrepreneur Center helps small businesses by providing free easy access to industry connections, business counseling services, and relevant business training through personalized counseling or larger educational seminars.
Service Core of Retired Executives (SCORE)	Orlando, FL	Helps small businesses get off to a good start by offering education programs, workshops, and mentorship via retired executives. The retired executives are able to help new business owners by passing along their years of wisdom and experience.
Workforce Central Florida	Orlando, FL	Workforce Central Florida helps put Central Florida residents to work and finds and develops talent to help keep Central Florida businesses competitive. WCF provides recruiting, retention, and training resources to employers.
GrowFL	Orlando, FL	A program of the Florida Economic Gardening Institute established in 2009. Identifies and nurtures high-potential, mid-sized businesses in the second-stage of development through strategic research, exposure to peer CEOs, as well as events and seminars. Has created an economic output of \$510 million in the State of Florida, helping to create 3,285 jobs.
Metro Orlando Economic Development Commission	Orlando, FL	The Metro Orlando Economic Development Commission is dedicated to helping companies find the right location to grow or expand their business. By helping companies research factors such as cost of living, quality of life, and business climate, the Commission is able to help businesses locate sites that are a perfect fit for their individual and unique needs.
Orange County Economic Development Corporation	Orange, FL	The Orange County Economic Development Corporation was created to meet the demands for economic development in Orange County. The purpose of the Corporation is to attract and retain quality jobs and investments in Orange County. The Corporation provides services, free of charge, to assist new and existing businesses in expanding or relocating to Orange County.
UCF Institute for Economic Competitiveness	Orlando, FL	The Institute for Economic Competitiveness at UCF generates economic forecasts at national, state, and regional levels. By providing analyses that are accurate, comprehensive, and timely, the Institute instills both public and private sector decision makers with valuable insight regarding the competitiveness of their local economies.

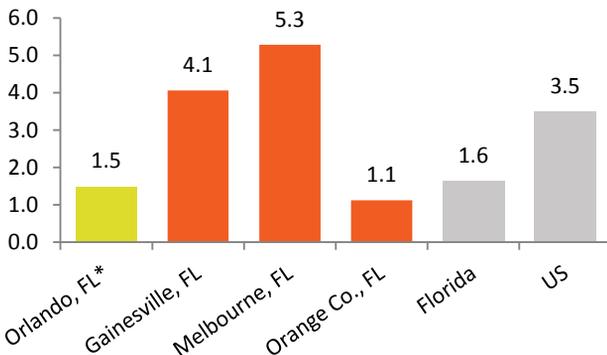
TRI-CITIES BUSINESS RESOURCES

Resource	Location	Description
University of Central Florida Business Incubator	Apopka, FL	The Business Incubator Program at the University of Central Florida functions to enable start-up companies to perform smarter, faster, and sustainable growth. Incubator clients are coached on an variety of business development topics. The mentorship process takes the form of strategic and tactical working sessions that are designed to help define the company business, market and capital strategies, and to create a better business plan.
City of Winter Garden Economic Development	Winter Garden, FL	The City of Winter Garden’s Economic Development Department is focused on facilitating sustainable growth through smart economic development initiatives. Those initiatives include approaches to business retention, business expansion, business attraction, and encouragement of entrepreneurial growth. Winter Garden also provides services to enhance the quality of life, enrich the culture, and create a sense of community and place for the workers and residents of Winter Garden.
West Orange Chamber of Commerce	Winter Garden, FL	The Chamber advocates for businesses in Central Florida, offering an estimated 1,000 members networking and business opportunity events and supporting projects and local nonprofit organizations that contribute to the West Orange County community.
Apopka Area Chamber of Commerce	Apopka, FL	The Apopka Area Chamber of Commerce assists Apopka entrepreneurs and business leaders through business development, relationship building, community enrichment and local, regional and statewide issue advocacy. The chamber coordinates economic development efforts, a Leadership Apopka course for community advocates and business leaders, networking meetings, guest speakers, and other events.
Apopka CRA, Ocoee CRA, Winter Garden CRA	Apopka, Ocoee, Winter Garden, FL	Public entities that finance redevelopment in economically blighted areas.

Patent Counts 2001-2011



2011 Patents (per 10,000 people)

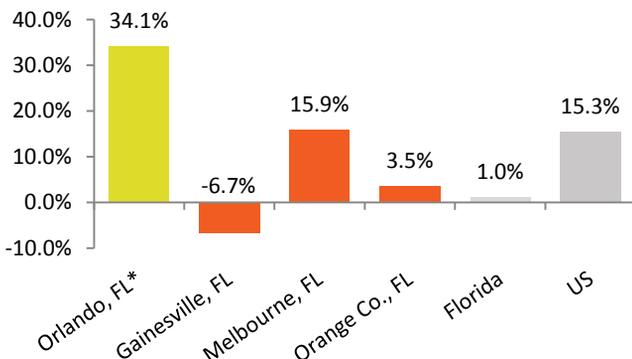


PATENTS

Patent activity for the Orlando MSA has been growing rapidly over the past few years but remains low relative to the benchmarks.

- The number of patents that have been issued in the Orlando MSA have been increasing since 2008.
- From 2000-2011, total growth in patents per 10,000 people for the Orlando MSA has been 34.1%. This is more than double the U.S. growth rate of 15.3%. Melbourne has the second highest growth rate at 15.9%.
- Even though the overall number of patents is highest in the Orlando MSA and growth has been very strong, they rank among the lowest in terms of patents per 10,000 people.
- At 1.5 patents per 10,000, the Orlando MSA performs better than Orange County's 1.1 patents per 10,000 people. However, the MSA issues less patents per 10,000 people than all other benchmarks, including the State of Florida and the U.S.

Patent Growth 2000-2011 (per 10,000 people)



Source: U.S. Patent and Trademark Office

BUSINESS/DEVELOPMENT FRIENDLY

Companies considering a new site location in the Tri-Cities will judge the area based on how simple and cost effective it is to start and conduct business there. Permitting processes need to be easy to comprehend and quick to complete. Communities can offer different types of incentives to companies to relocate or expand to assist in local job creation. Enterprise zones can be established to ease the financial or operational burden of doing business in a particular region.

PERMITTING

Permitting processes in all three cities have been enhanced recently to provide better efficiency and efficacy, opportunities for improvement remain. All cities now have building permit summary sheets. The reflected average permitting process in the area takes from 2-15 days for new construction and 3-10 days for retrofit or remodeling projects.

Permitting requirements and standards are not uniform within the regional area, creating confusion and frustration for prospective businesses.

Business stakeholders still perceive the process to be in need of improvement. A significant number listed permitting processes as an impediment to economic development in the area.

Good suggestions for improvement included standardizing requirements region-wide and publishing a user-friendly guide for the area that clearly identified all requirements.

Information on permitting was not readily available for this report had to be constructed in order to understand the basics in each city. Further information will need to be cohesively available to attract significant future business.

Tri-Cities Permitting

CITY	AVERAGE TURN AROUND		QUALIFYING FAST TRACK		ELECTRONIC FILING OPTION
	NEW	REMODEL	NEW	REMODEL	
Apopka	2-5	3	2-4	2	In Transition
Ocoee	12-15	8-10	7	5	Yes
Winter Garden	12-15	8	7	3	No

Only Ocoee has an electronic process up and running online, though plans are in place for Apopka. Many business owners would prefer to complete these processes online.

“There has got to be a way to make the permitting process easier – the same for all three cities. And the requirements need to be rewritten and put somewhere that I can find them so that I can figure out everything I need to do and when I need to do it. It’s just too confusing right now. There are too many surprises.”

- Business Stakeholder

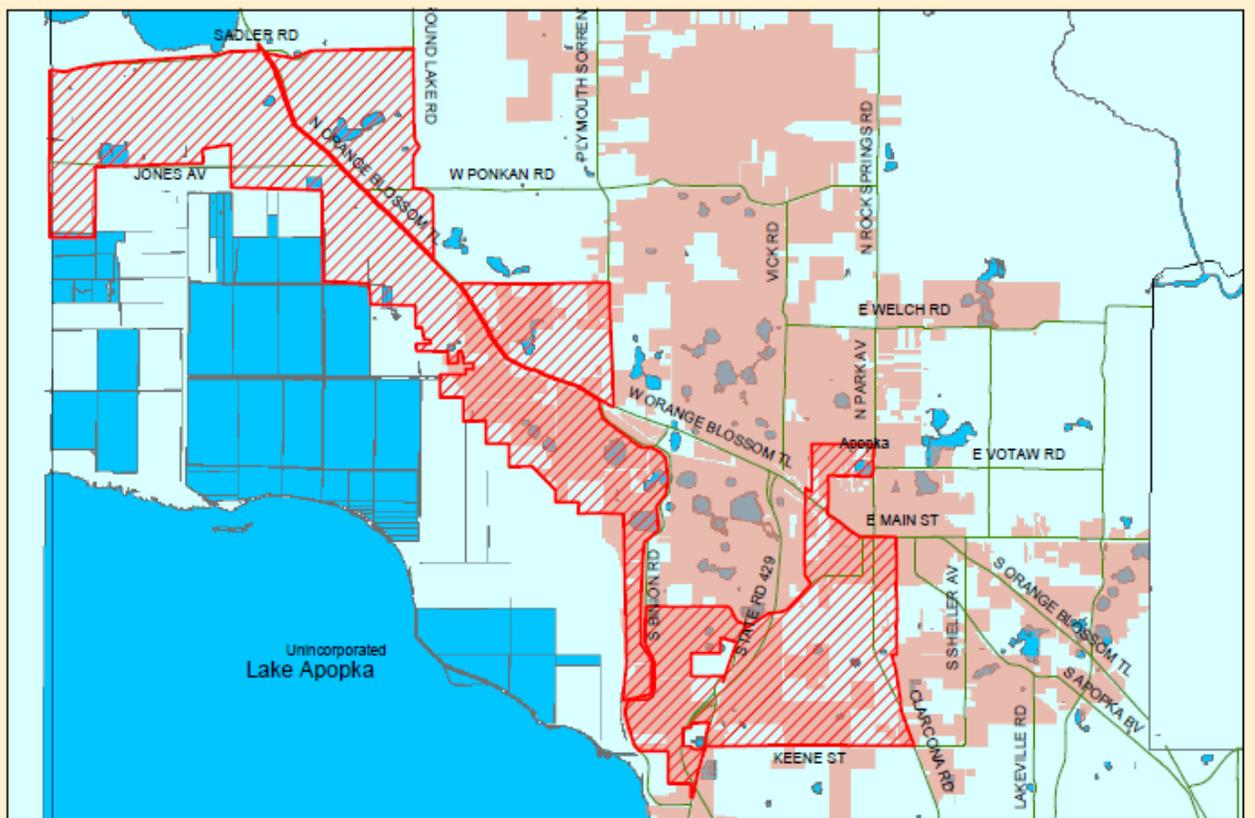
ENTERPRISE ZONES

There is one enterprise zone located within the Tri-Cities. The South Apopka Enterprise Zone (EZ-4802) is located in South Apopka and is comprised of 16.8 square miles.

ENTERPRISE ZONE INCENTIVES

Incentive	Description
Child Care Facility Ad Valorem Property Tax Exemption	If the facility is owned by a child care business provider, any licensed child care business can qualify for the ad valorem property tax exemption.
Community Contribution Tax Credit	Any businesses donating money to community development projects in the enterprise zone will receive a 50% credit against tax due within a taxable year.
Jobs Tax Credit	Job creations result in corporate income or sales tax credits.
Property Tax Credit	New or expanding businesses may receive corporate income credits on new or improved properties equal to 96% of ad valorem taxes paid.
Sales Tax Refund	Sales tax refunds are issued for eligible purchases of business equipment and materials. Homeowners may qualify as well.

Source: City of Apopka



Source: Orlando EDC

WORKFORCE AND EDUCATION

An understanding of the workforce in the Tri-Cities is key to developing an effective and pragmatic strategic economic development plan.

A critical assessment of the Tri-Cities area workforce is needed to promote continued economic stability and prosperity. By focusing not just on businesses but people, the community can take a holistic approach in its efforts to develop and grow.

"[We need] vertical integration to have specialized training geared toward desired industries from the high school level to technical training and college education opportunities."

- Business Survey Response

This report investigates place-based needs of people living in the Tri-Cities, employer-based needs, as well as sector-based needs. Communities face challenges such as disadvantaged or low-skilled workers, the need for more employees in a particular industry, and matching existing skills to

existing employment opportunities. Considering participants' many barriers and the overall needs of the region is a critical element of the Tri-Cities strategy.

"I feel apprenticeships and/or training programs for professional positions would be a great way for local employers to find employees for those hard-to-fill positions with educated workers who are falling through the cracks of Workforce Central Florida.."

- Residential Survey Response

"[We've] needed to train employees more extensively - not just in the 'position,' but in . . . thinking outside the box. I don't think there is enough training or educating of young people in how to problem solve, think of solutions, or work ethically. "

- Business Survey Response

KEY FINDINGS

While the Tri-Cities, like many communities, has felt the effects of the economic recession, the area's unemployment rates have remained relatively low. Over the course of the last decade, the Tri-Cities has seen exceptional growth in employment. In almost all cases, employment in the Tri-Cities has seen more growth than the benchmark communities.

When it comes working in the Tri-Cities area, most workers commute from nearby communities. Only 26% of people working in the Tri-Cities live in Tri-Cities. On the other hand, Tri-Cities is exporting residents to work in neighboring communities in nearly every sector. While the Tri-Cities population and labor force are growing rapidly, the Orange County workforce at large has lost some of its members to surrounding counties (Lake County and Seminole County in particular).

The Tri-Cities area has the lowest high school graduation rate compared to the benchmarks. However, at 85%, it is on par with the state of Florida's graduation rate.

While the percentage of Bachelor's degree holders is growing, the Tri-Cities area has a relatively low percentage of college graduates. The area has the highest percentage of individuals without a high school degree compared to the benchmark communities.

Overall, wages have grown more slowly in Orange County and Orlando when compared to the other benchmark communities, Florida, and the US. However, In two important sectors, Professional & Business Services and Education & Health Services, employment and wage growth have been extensive.

Orlando's employment is well-represented across five major industry supersectors: Leisure & Hospitality, Trade, Transportation & Utilities, Professional & Business Services, Retail, and Education & Health Services. Within Orange County, Leisure & Hospitality, Education & Health Services, and Retail have seen large gains in employment over the past decade.

"Too many schools are overcrowded with new neighborhoods going up, and no plans to take care of the overcrowding that will only get worse over the next 5 years."

- Residential Survey Respondent

SWOT: WORKFORCE AND EDUCATION

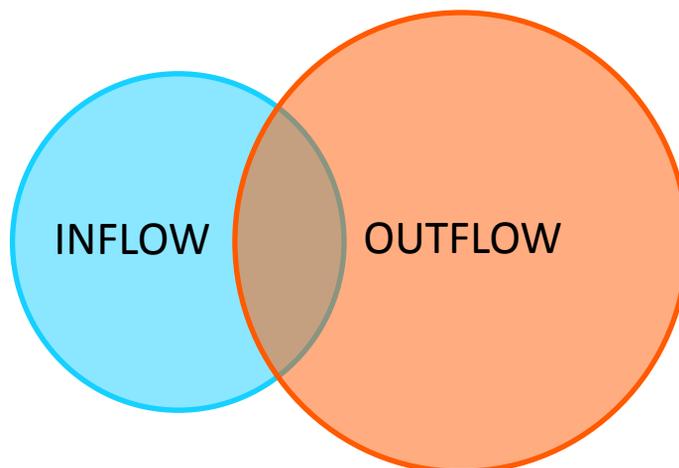
STRENGTHS	<ul style="list-style-type: none"> • Higher employment rates than Florida • Extensive employment and wage growth in key sectors • A sufficient number of university branches and colleges in the vicinity • Significant graduates from local colleges • Good K-12 schools
WEAKNESSES	<ul style="list-style-type: none"> • Respondents report that major employers are going outside of the area to fill higher paid positions • Displaced former agricultural workforce • Employer stakeholders pointing to inadequate executive workforce • Low high school graduation rate • Not enough masters degrees and degreed scientists in area • Inadequate communication between educational facilities, major employers and city governments • Not enough computer and high tech skills in workforce
OPPORTUNITIES	<ul style="list-style-type: none"> • Local colleges/universities/community college are looking to develop targeted workforce programs • Retraining and repurposing displaced blue collar work force • Infrastructure and an available blue collar work force that can support light industrial and manufacturing • The ease of highway access combined with a central location makes the area ideal for a ‘commuter college’ campus • New businesses can take advantage of displaced workforce
THREATS	<ul style="list-style-type: none"> • The vanishing 25-44 year-old demographic limits the growth of workforce is a danger signal to workforce growth • Overcrowded public schools with limited plans for expansion • Stakeholders report a widening gulf between socio-economic groups that carries over into the public schools • Major employers going outside the region for workers

A SELF –SUFFICIENT LOCAL ECONOMY?

The Tri-Cities economy is highly dependent on nearby communities as a source of employment for its residents and as a source of labor for its businesses.

- Very few communities are capable of serving as the source of all labor required for the needs of businesses contained within them or as the location of all jobs for those that live within that community. This is especially true for smaller communities located around major metropolitan areas.
- In comparison to the more than 120,000 individuals that traveled regularly into and out of the Tri-Cities for work in 2011, roughly 12,000 individuals (14%) both lived and worked within the Tri-Cities.
- The fact that the Tri-Cities have more individuals who live in the area but work outside of it than those that live outside of the county and work within it characterizes the Tri-Cities as a residential center rather than an employment center for the surrounding region. However, the degree of separation between being a residential center versus being a job center in this instance is only moderate.
- An analysis of the Tri-Cities' interrelationship with surrounding communities at an industry-level basis is presented in the Balance of Labor Exports, in following pages.

Inflow/Outflow Of Tri-Cities Workers (2011)



- 35,443 – Employed in the Tri-Cities, Live Outside
- 85,430 – Live in the Tri-Cities, Employed Outside
- 12,368 – Employed and Live in the Tri-Cities

Source: US Census LEHD

Where Tri-Cities Workers Live		
Location	Count	Percent
Orlando, FL	2,715	5.8%
Apopka, FL	2,428	5.2%
Ocoee, FL	2,198	4.7%
Winter Garden, FL	2,061	4.4%
Pine Hills CDP, FL	1,476	3.1%
Altamonte Springs, FL	773	1.6%
Clermont, FL	697	1.5%
Jacksonville, FL	693	1.5%
Deltona, FL	671	1.4%
Lake Butler CDP, FL	534	1.1%
All Other Locations	32,826	69.7%

Where Tri-Cities Residents Work		
Location	Count	Percent
Orlando, FL	25,734	26.3%
Lake Buena Vista, FL	6,047	6.2%
Ocoee, FL	3,193	3.3%
Apopka, FL	2,964	3.0%
Altamonte Springs, FL	2,678	2.7%
Maitland, FL	2,493	2.5%
Winter Garden, FL	2,280	2.3%
Winter Park, FL	1,671	1.7%
Jacksonville, FL	1,590	1.6%
Tampa, FL	1,337	1.4%
All Other Locations	47,811	48.9%

LABOR AND COMMUTE SHED

A closer investigation of the Tri-Cities labor force illuminates the differences in where people live and work in the region.

- Out of all employed residents of the Tri-Cities market area, 87.4% (85,430) work outside of the Tri-Cities.
- 60% (51,432) of those workers are aged 30-54.
- 37.6% (36,815 residents) of employed Tri-Cities residents commute less than 10 miles to their place of employment.
- The Tri-Cities labor force is made up of only 26% Tri-Cities residents –74% of Tri-Cities workers (35,443) live outside of the Tri-Cities market area.
- Top contributing communities to the Tri-Cities labor force include Orlando (5.8%), the Tri-Cities themselves, and Pine Hills (3.1%).

2010 ORANGE COUNTY MIGRATION: LARGEST GAINS

COUNTY	NET GAINS
Broward County	275
Foreign - Puerto Rico	254
Lee County	219
Miami Dade County	166
Leon County	157
Bronx County	116
Palm Beach County	98
Oakland County	90
Hartford County	72
Providence County	67

2010 ORANGE COUNTY MIGRATION: LARGEST LOSSES

COUNTY	NET LOSSES
Lake County	-838
Seminole County	-816
Harris County	-249
Hillsborough County	-228
Osceola County	-212
Los Angeles County	-190
Brevard County	-154
Queens County	-141
Polk County	-123
Tarrant County	-110

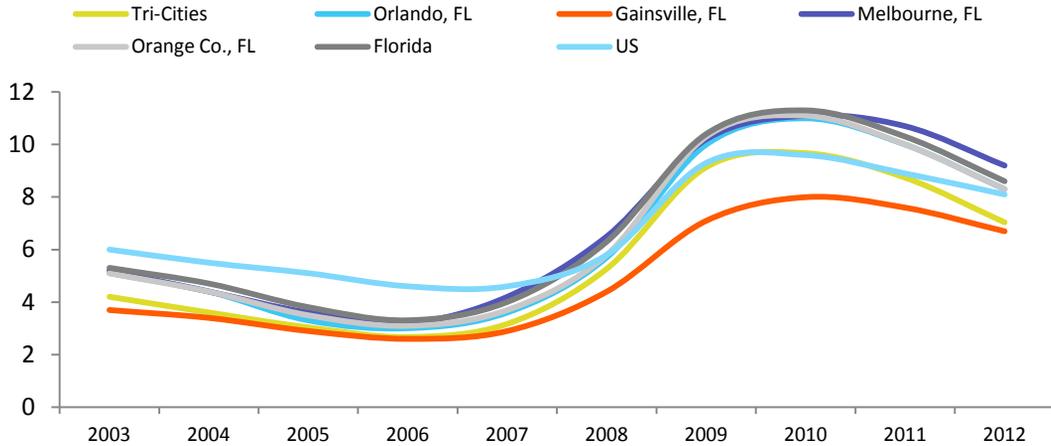
Source: U.S. Internal Revenue Service

DOMESTIC MIGRATION PATTERNS

Orange County has experienced a flux of residents from neighboring counties and Puerto Rico and a counter outflow of residents to Lake and Seminole counties.

- A majority of Orange County's population gains and losses have occurred from within Florida with a large number of individuals migrating to Lake County (838) and Seminole County (816).
- Puerto Rico is the second largest source of migration to Orange County out of all US states and territories (254 migrants).
- Based on the top ten domestic county gains and losses, Orange County has gained approximately 1,500 and lost over 3,000 migrants.

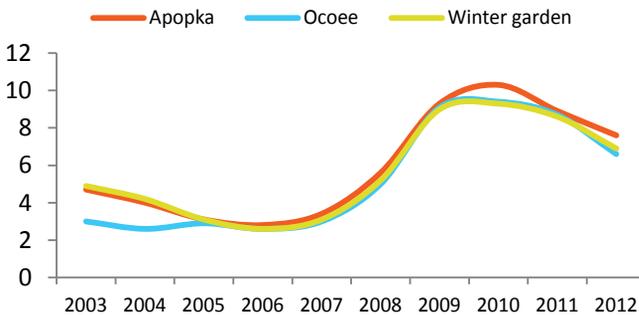
Historic Unemployment Rates



Source: Bureau of Labor Statistics

UNEMPLOYMENT RATE

Tri-Cities Unemployment (2003-2012)

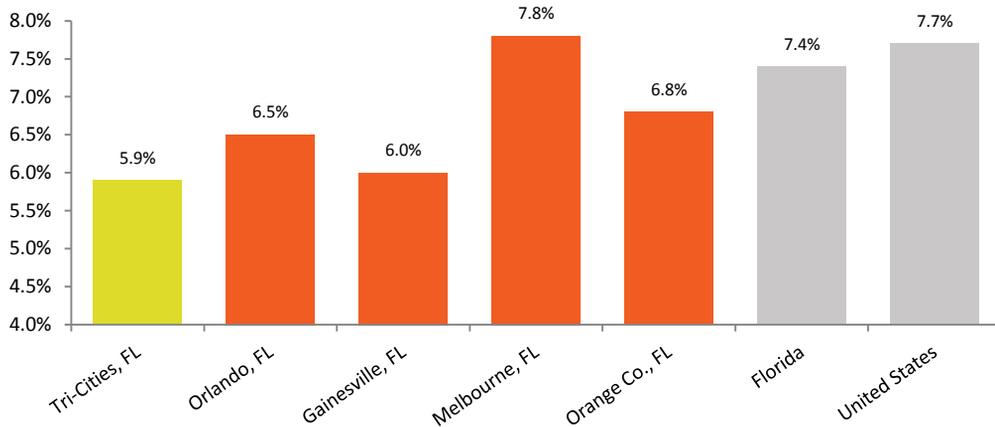


Source: Bureau of Labor Statistics

The Tri-Cities region has felt the effects of the recession, but has fared better than the benchmark communities.

- The area's most recent annual unemployment rates (2009-2012) have been significantly higher than those experienced in 2003- 2008.
- The Tri-Cities area did not experience as much of a spike in unemployment as many of the benchmarks and Florida.
- A closer examination of unemployment statistics shows that over the previous decade, Apopka has experienced slightly higher unemployment than Ocoee and Winter Garden.

Current Unemployment Rate, July 2013



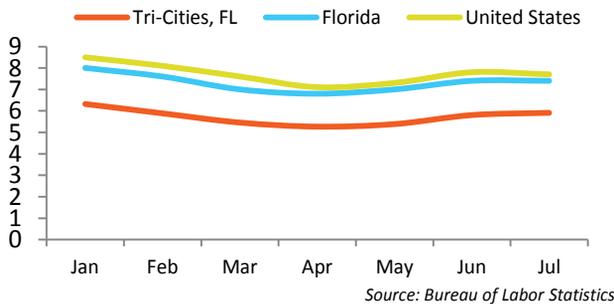
Source: Bureau of Labor Statistics

CURRENT UNEMPLOYMENT RATE

The Tri-Cities' employment base has fared relatively well, experiencing lower unemployment rates during 2013 when compared to other benchmark counties.

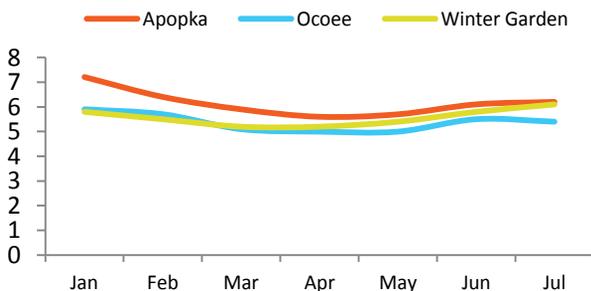
- Recent data shows a positive trend, with the Tri-Cities' unemployment rate at 5.9% in July 2013, significantly lower than the benchmark communities, except Gainesville.
- The region's current monthly unemployment rate is well below the U.S. and Florida rates.
- Over the past 6 months, unemployment has decreased in Apopka from 7.2% to 6.2% and in Ocoee from 5.9% to 5.4% but has risen slightly in Winter Garden from 5.8% to 6.1%. That increase in Winter Garden could be attributable to continuing displacement of citrus workers.

Monthly Unemployment, 2013



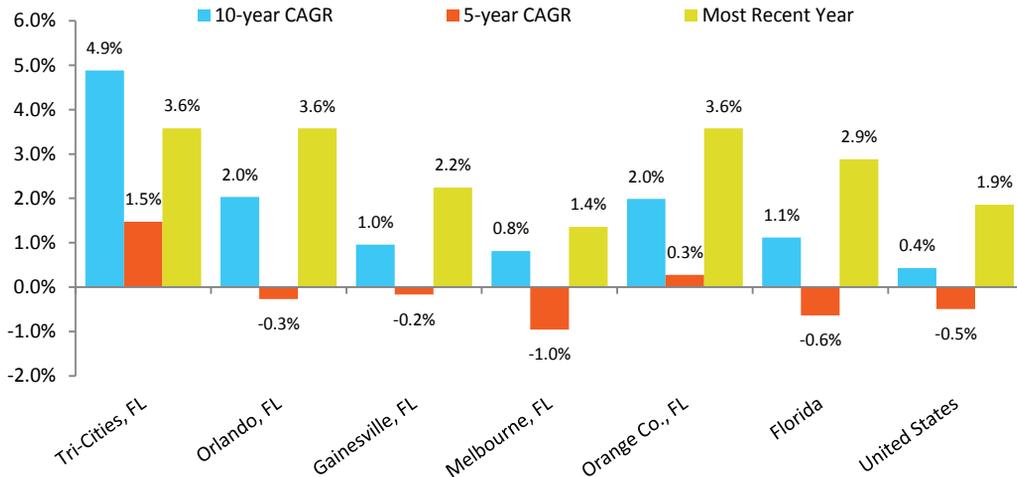
Source: Bureau of Labor Statistics

Tri-Cities Monthly Unemployment, 2013



Source: Bureau of Labor Statistics

Total Employment Compound Annual Growth Rate (CAGR)



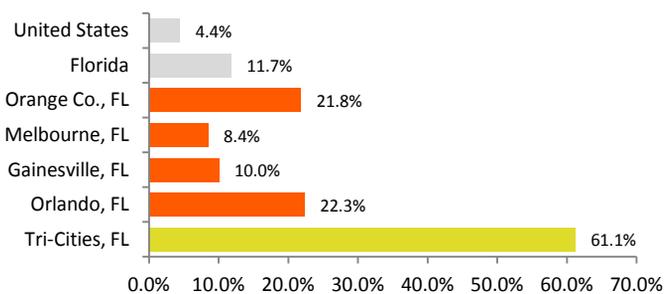
Source: Bureau of Labor Statistics

EMPLOYMENT GROWTH RATE

Tri-Cities has experienced above average compounded employment growth over the past few years which has helped to maintain its low unemployment rate.

- The Tri-Cities 10 year compounded growth rate (4.9%) far surpasses the growth for any benchmark community in any period.
- Although the five-year employment CAGR (1.5%) the negative effects of the recession, the Tri-Cities rate is much higher than any benchmark indicating that employment was more resilient in the region and positive growth, albeit slow, indicates a relatively strong economy for the region.
- The region boasts an impressive employment growth rate of 61.1% since 2002, far more than any benchmark.

Employment Growth (2002-2012)



Source: Bureau of Labor Statistics

BALANCE OF LABOR EXPORTS

In order to analyze various aspects of a community's local economy and workforce with a particular focus on the linkages between that community and those that surround it, AngelouEconomics has developed an analytical tool that it refers to as the *Balance of Labor Exports*. The *Balance of Labor Exports* (presented on the following page) illustrates the proportion of residents who live in the Tri-Cities and work in a particular industry relative to the number of jobs located within the Tri-Cities for that industry.

This is expressed using the "Labor Export Quotient". A quotient of 1.00 indicates that for every individual living in the Tri-Cities that works in a particular industry, there is an equal number of local jobs for that industry. A quotient higher than 1.00 indicates that there are more residents who work in a given industry than there are jobs in the area for that industry, thus the community is an exporter of professionals for that industry. A quotient lower than 1.00 indicates that there are more local jobs for a given industry than there are local residents who work in that industry, thus requiring more of the jobs to be filled by workers who live outside of the Tri-Cities.

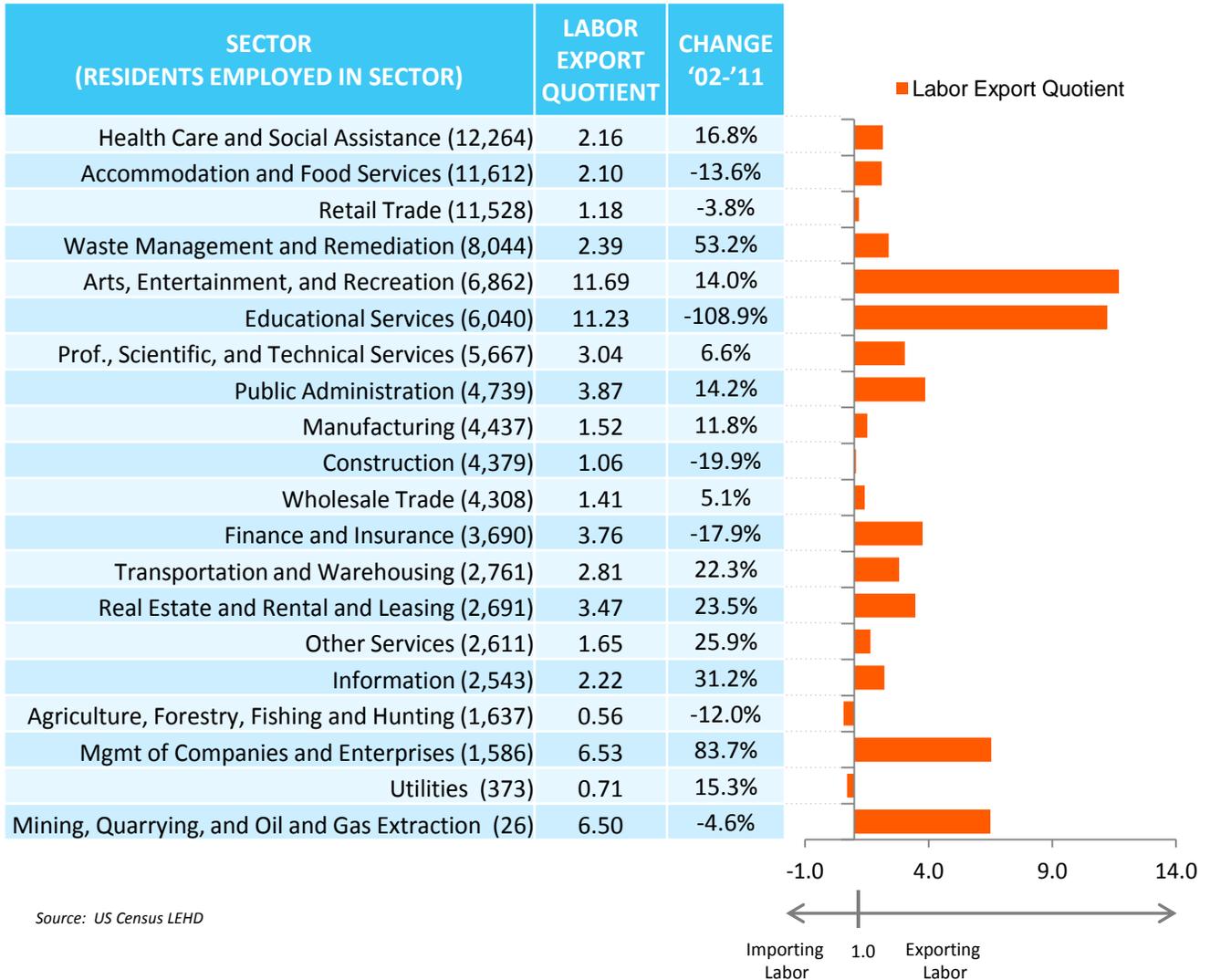
The chart on the following page indicates the balance of labor exports for major industry sectors within Tri-Cities and the rate at which this has changed between 2002-2011, the most recent period for which data is available. Statistics indicate that Tri-Cities exports labor for almost every sector, especially in entertainment (Disney World) and education.

"You won't bring money to the city without bringing higher class businesses to the area."

- Residential Survey Respondent



TRI-CITIES 2011 BALANCE OF LABOR EXPORTS



Source: US Census LEHD

2012 REGIONAL EMPLOYMENT SHARE OF SUPERSECTORS

	Orlando	Gainesville	Melbourne	Orange Co.	Florida	United States
Natural Resources & Mining	0.6%	1.5%	0.1%	0.5%	1.4%	1.8%
Construction	5.0%	4.9%	5.1%	4.0%	5.4%	5.0%
Manufacturing	4.2%	5.2%	13.0%	4.4%	5.0%	10.8%
Trade, Transportation & Utilities	21.5%	20.8%	21.1%	19.7%	24.3%	22.8%
Information	2.6%	1.7%	1.3%	2.7%	2.1%	2.4%
Financial	7.3%	7.2%	4.6%	7.0%	7.8%	6.8%
Professional & Business Services	17.8%	12.6%	16.8%	19.0%	17.0%	16.2%
Education & Health Services	14.1%	26.7%	20.1%	13.1%	17.3%	17.5%
Leisure & Hospitality	23.6%	15.8%	14.2%	26.6%	15.8%	12.4%
Other	3.1%	3.6%	3.6%	2.9%	3.8%	4.1%
Wholesale	3.9%	2.4%	2.9%	3.8%	5.0%	5.1%
Retail	14.3%	15.6%	15.8%	12.2%	15.5%	13.4%

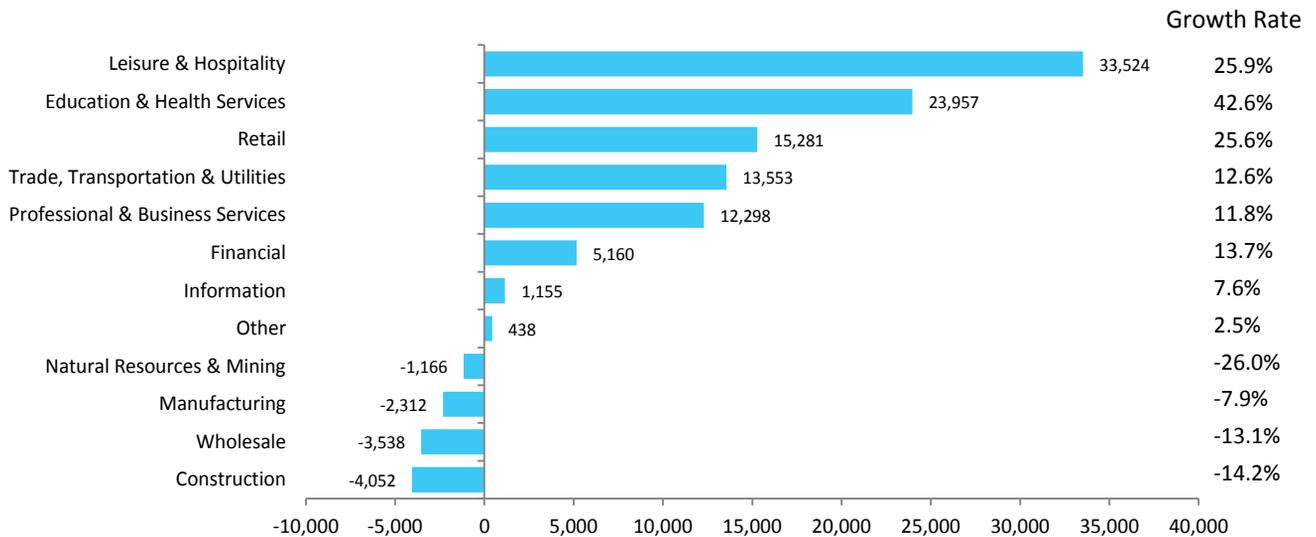
Source: Bureau of Labor Statistics

EMPLOYMENT BY INDUSTRY SUPERSECTOR

Nearby Orlando's employment is well-represented across five major industry supersectors: Leisure & Hospitality (23.6%), Trade, Transportation & Utilities (21.5%), Professional & Business Services (17.8%), Retail (14.3%), and Education & Health Services (14.1%).

- High employment levels in Leisure & Hospitality, Trade, Transportation & Utilities, Retail, and Education & Health Services are not surprising given the presence of Walt Disney World and various other theme parks and the area's numerous health and medical facilities.
- Orlando has a lower percentage of employment in the Manufacturing sector (4.2%) and Education & Health Services (14.1%) when compared to the other benchmark communities.
- Orlando has a 7.8% higher employment share in Leisure & Hospitality than the other benchmarks excluding Orange Co.

Orange County Net New Jobs by Supersector (2002- 2012)



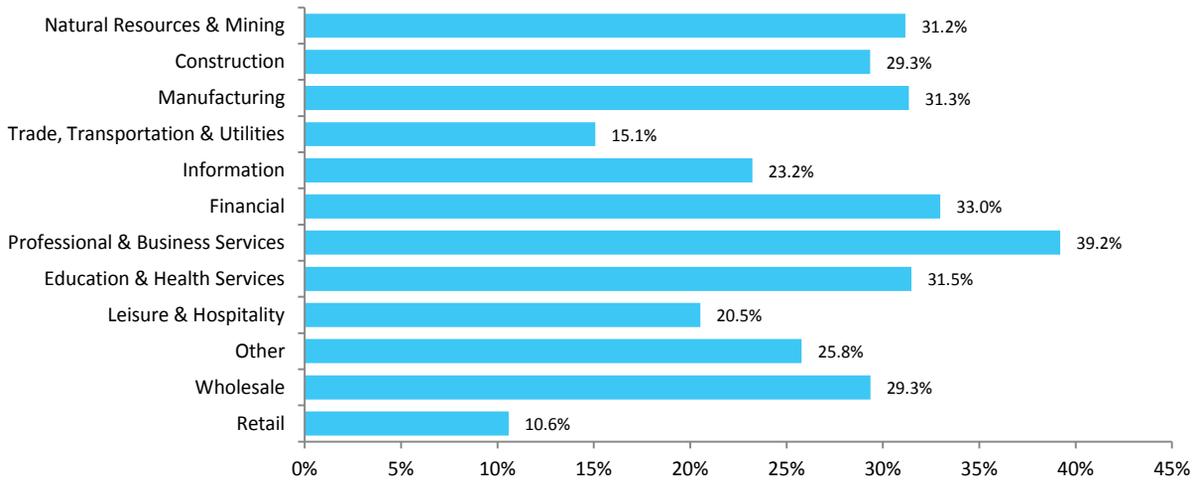
Source: Bureau of Labor Statistics

EMPLOYMENT GROWTH BY INDUSTRY SUPERSECTOR

Orange County has seen immense growth in a number of its most competitive industries including Leisure & Hospitality, Education & Health Services, and Retail.

- Over 33,500 new jobs were created in the county since 2002 in Leisure & Hospitality alone.
- With almost 24,000 new jobs, the Education and Health Service sector saw the greatest growth in employment (42.6%).
- Over the past 10 years, employment has fallen in Natural Resources & Mining (-26%), Manufacturing (-7.9%), Wholesale trade (-13.1%), and Construction (-14.2%).

Orange County Ave Annual Wage Growth by Sector (2002-2012)



Source: Bureau of Labor Statistics

WAGE GROWTH BY SECTOR

Orange County Ave Annual Wage (2012)



Source: Bureau of Labor Statistics

Wage growth across industry sectors in Orange County mirrors the growth in employment.

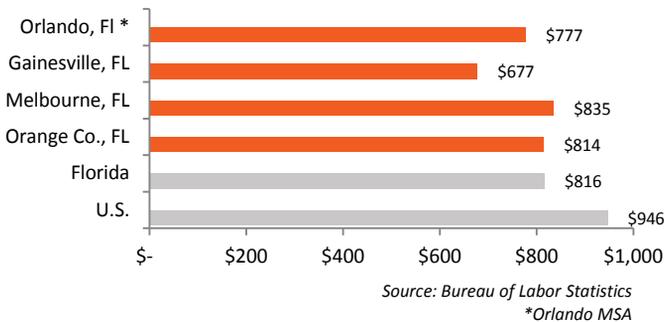
- Since 2002, Professional & Business Services and Education & Health—two Orange County industries with high employment shares and employment growth—have seen impressive increases in wages ranging from 32% to almost 40%.
- Despite significant decreases in employment, wage growth in Manufacturing (31.3%), Natural Resources & Mining (31.2%), and Construction (29.3%) has been high.
- At just over \$26,000, annual wages in Leisure & Hospitality—Orange County’s largest industry for employment—are the lowest out of any major sector.

AVERAGE WEEKLY WAGES

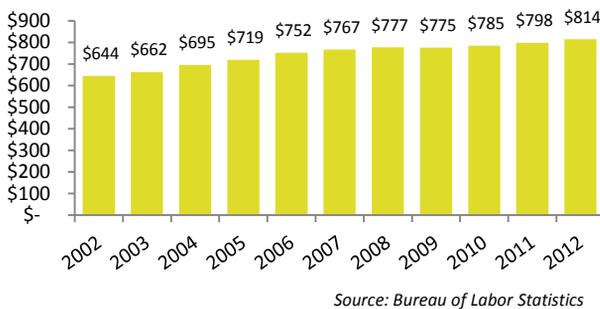
Across all industries, average weekly wages in the Orlando metropolitan area are lower and growing more slowly than the benchmark communities.

- Orlando's average weekly wage (\$777) is currently lower than all other benchmarks, excluding Gainesville (\$677), and the growth of wages (25.3%) is slower than all other benchmarks, Florida and the US.
- Wage growth in Orlando only slowed from 2008 to 2009 despite the recession which signals that the economic downturn did not have as much of an impact on wages as it did in much of the United States.
- The steady climb in wages is reflective of the increased wealth residents of the metropolitan area are experiencing given the growth of economic opportunities associated with higher paying jobs.

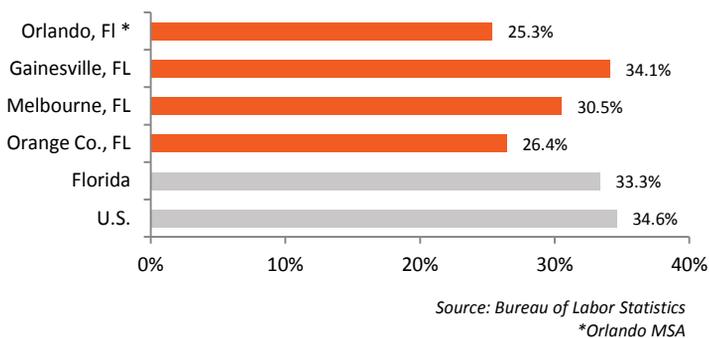
Average Weekly Wage (2012)



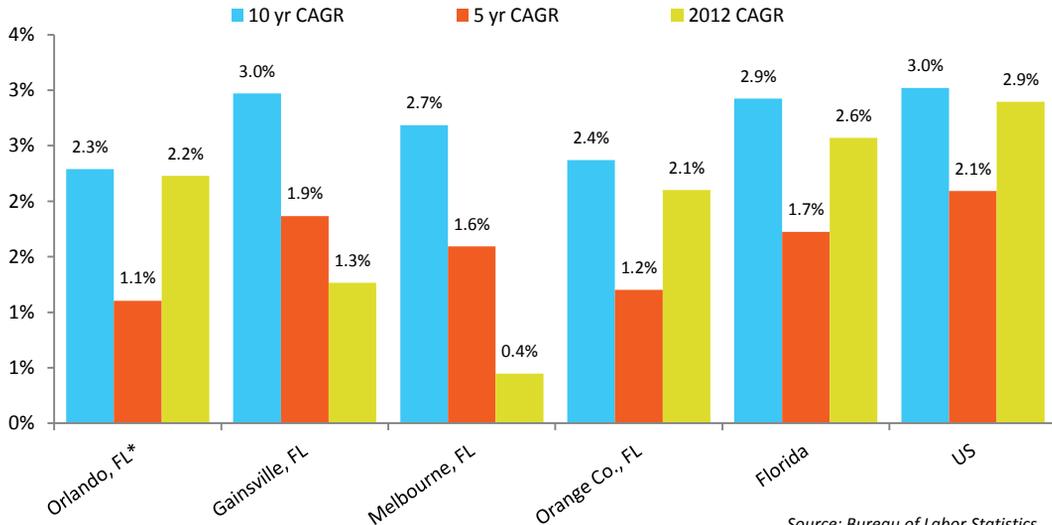
Orange County Average Weekly Wage (2002-2012)



Average Weekly Wage Growth (2002-2012)



Orange County Average Annual Wage Compound Annual Growth Rate (CAGR)



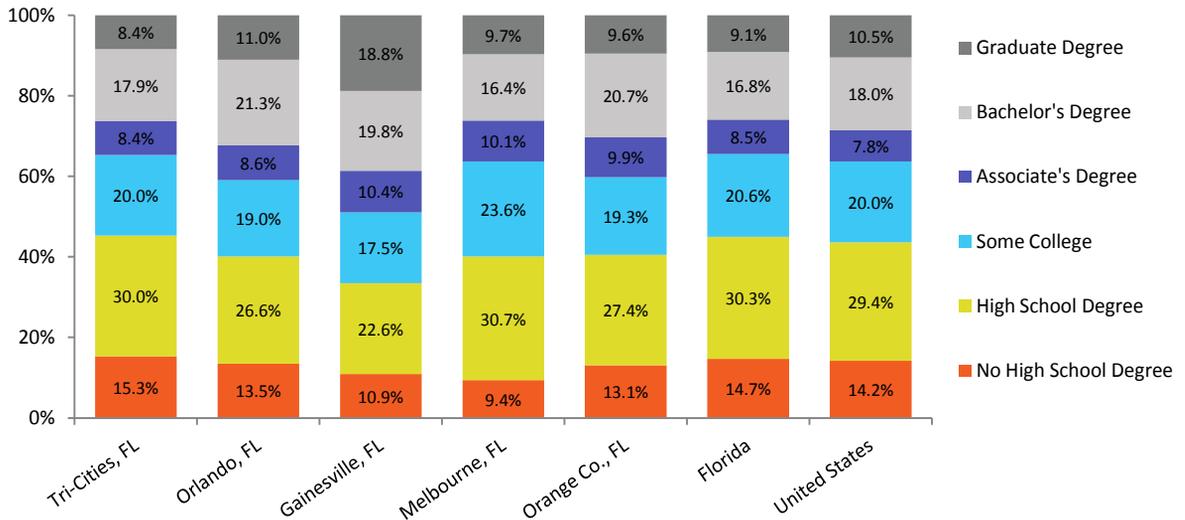
Source: Bureau of Labor Statistics
*Orlando MSA

AVERAGE ANNUAL WAGE GROWTH

The growth in average annual wages in Orlando has lagged behind the benchmark communities, but has increased dramatically in the past year.

- When examining the 10- year compounded annual growth rate, Orlando's growth in wages is the lowest of the benchmarks studied, Florida, and the US.
- At 1.1%, Orlando is also the slowest out of the benchmarks, state, and nation for the five-year growth rate.
- For the most recent year's wage growth rate, however, Orlando (2.2%) has surpassed Gainesville (1.3%), Melbourne (0.4%), and Orange County (2.1%).

Educational Attainment



Source: Decision Data Resources

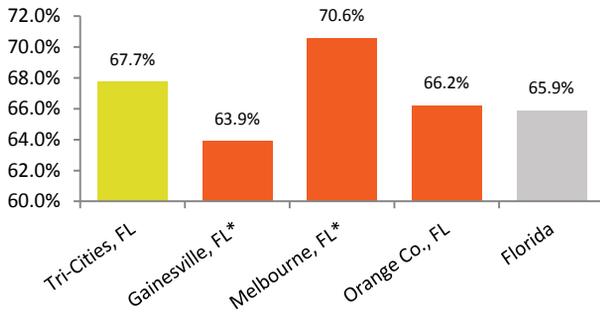
EDUCATIONAL ATTAINMENT

Overall, the Tri-Cities area is one of the less educated communities among the benchmarks, with low occurrence of high school and advanced degrees.

- 34.7% of the Tri-Cities' population has attained higher education degrees with 26.3% having a Bachelor's degree or higher, which, along with Melbourne, ranks these communities lowest and close to the state average.
- The Tri-Cities' percentage of population with no high school degree (15.3%) is higher than the benchmark communities as well as Florida (14.7%) and the US (14.2%).
- 8.4% of the Tri-Cities population has completed a graduate degrees, less than the benchmarks, Florida, and the US.
- The low rates of residents with bachelor's and advanced degrees is correlated to the low percentage of young professionals in the Tri-Cities.

K-12 EDUCATION

2012 K-12 Average School Scores

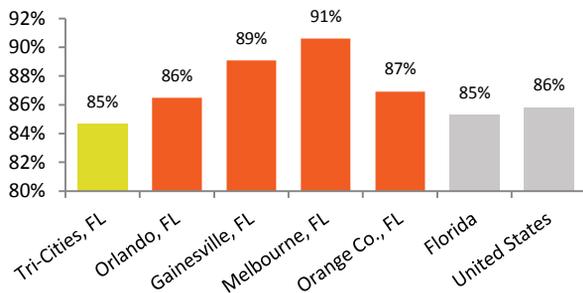


Source: <http://schoolgrades.fldoe.org/>
*by county

The average Tri-Cities school score is comparable to other benchmarks and average ACT score is higher than Orange County as a whole. Juxtaposed to that, the high school graduation rate is below the benchmark average and the area ACT score average is slightly lower than the Florida average and significantly lower than the U.S. average.

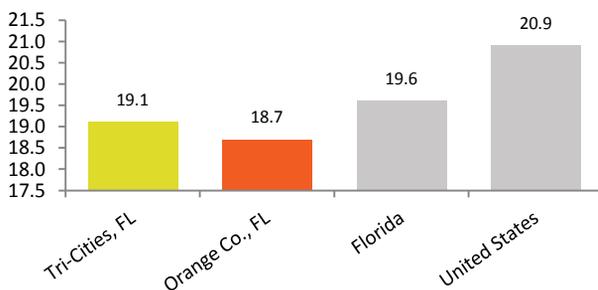
- According to the Florida Department of Education, K-12 schools in the Tri-Cities area performed better, on average, than schools in Gainesville, Orange County, and Florida but not as well as Melbourne.
- The Tri-Cities area has a high school graduation rate below all of the benchmarks, but is in line with the state (85%) and national (86%) rates.
- The Tri-Cities 2013 graduating class average ACT score (19.1) is above that of Orange County (18.7), but below the Florida state average (19.6) and the US (20.9).
- The lower ACT scores of Tri-Cities reflects the potential need for increased educational quality within the area.

High School Graduate Rates



Source: Decision Data Resources

2013 Average ACT Scores



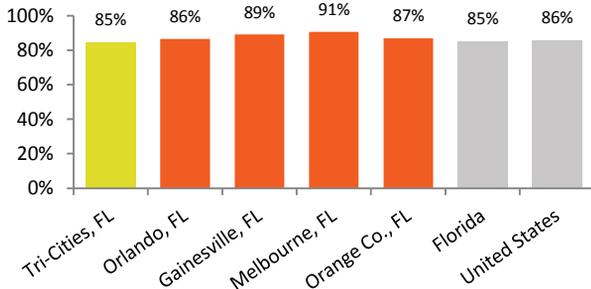
Source: Orange County Public Schools, ACT.org

HIGH SCHOOL EDUCATION

The Tri-Cities high school graduation rate is below the benchmark average and area ACT scores are low but near average.

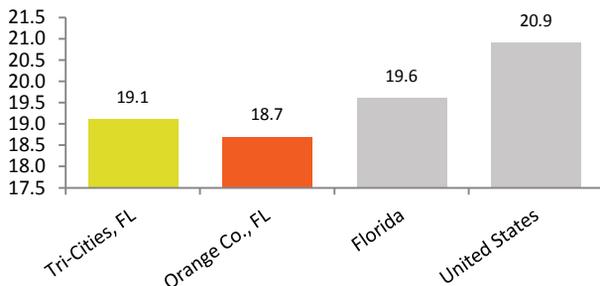
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High School Graduate Rates



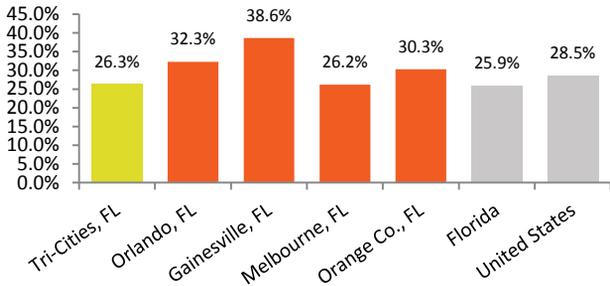
Source: Decision Data Resources

2013 Average ACT Scores



Source: Orange County Public Schools, ACT.org

Bachelor's Degree or Higher

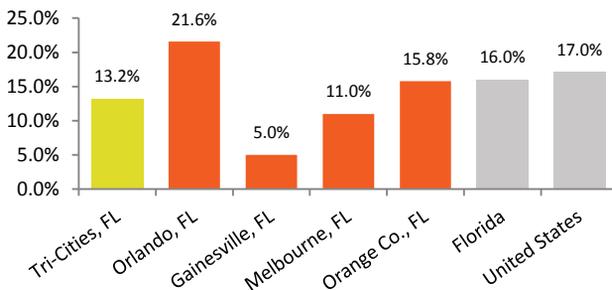


HIGHER EDUCATION

Tri-Cities resident's attainment of Bachelor's degrees is low amongst the benchmarks, but growing quickly.

- Tri-Cities' percentage of population with a Bachelor's degree or higher (26.3%) is lower than all benchmarks, excluding the Melbourne MSA (26.2%) and the Florida state average (25.9%).
- Tri-Cities' percent growth of higher education degrees (13.2%) is higher than both Gainesville (5%) and Melbourne (11%).

Growth of % Bachelor's Degree or Higher 2000-2013



Source: Decision Data Resources

REGIONAL HIGHER EDUCATION INSTITUTIONS

Institution	Location	Type	Awards Offered	Total Enrollment	Tuition* and Fees
Everest University	South Orlando, FL	Four-yr Private	MBA, Bachelor's, Associate's	33,852	\$14,616
	North Orlando, FL	Four-yr Private	Associate's, Bachelor's, Master's	978	\$14,616
Full Sail University	Winter Park, FL	Four-yr Private	Master's, Bachelor's, Associate's	23,497	\$21,448
Lake-Sumter Community College	Clermont, FL	Four-yr Public	Bachelor of Applied Science, Associate's, Certificates	4,682	\$3,142
Lincoln Tech	Fern Park, FL	Two-yr Private	Associate's, Certificates	365	\$26,150
Orlando Tech	Orlando, FL	Two-yr Public	Certificates	802	\$3,956
Rollins College	Winter Park, FL	Four-yr Private	Bachelor's, Master's	3,237	\$39,900
Seminole State College	Sanford, FL	Four-yr Public	Bachelor's, Associates, Certificates	19,450	\$3,131
University of Central Florida	Orlando, FL	Four-yr Public	Associate's, Bachelor's, Master's, Doctor's	59,601	\$6,247
University of Florida	Apopka, FL	Four-yr Public	Food and Agricultural Sciences	49,913	\$6,143
Valencia College	Orlando, FL	Four-yr Public	Bachelor's, Associate's, Certificates	42,915	\$2,378
Westside Technical Center	Winter Garden, FL	Two-yr Public	Associate's, Certificates	740	\$3,395
Winter Park Tech	Winter Park, FL	< 2-yr Public	Certificates	489	\$3,702

HIGHER EDUCATION

The extensive availability of higher education in the region is a key component to supporting the Tri-Cities growth and development, solidifying the county's economic growth potential.

- With over 12 institutions in close range to the region, residents have a multitude of options for technical training, undergraduate studies, and graduate studies without needing to relocate to another community.
- As evidenced by the various types of institutions, enrollment numbers and tuition fees, there is a wide variety of schools for residents to select from based on their specific preference, needs, and financial means.
- Valencia College was ranked the #1 community college in 2011 by the Aspen Institute.
- Many of the educational institutions in the area have expanded and are expanding their degree and program offerings which will make for a more skilled and versatile workforce.
- While only Westside Technical Center is located within the Tri-Cities area, all campuses are easily accessible to those who live and work in the area.

SITES AND INFRASTRUCTURE

A thorough understanding of available sites and present infrastructure is crucial to any strategic growth plan. These basic physical and organizational structures as well as networks of communication and distribution serve as the foundation and framework of a growing economy.

Few cities enjoy the standard of transportation infrastructure in place in the Tri-Cities area, with its network of new and expanding highways, passenger and freight rail and, proximity to Orlando Airport and regional airports. Tri-Cities residents use the pathways to access all of Florida's vast recreational and entertainment venues, while businesses enjoy fast access to meetings, clients, supplies and distribution.

As Tri-Cities steps beyond its agricultural history, the combined region finds itself ideally situated as one of the few places in Central Florida with large packages of available green space. Apopka has appropriate land available for repurposing large enough to accommodate industrial and manufacturing. Ocoee, with its ideal central location, has space available for office, light industrial, warehouse and distribution industries. Winter Garden, boasting a fully-occupied commercial downtown, has contingent areas available for repurposing ideal for its growing creative industries and live/work environments. All three cities have active plans in place for commercial developments.

KEY FINDINGS

As the cities position themselves to take optimal advantage of quality growth, they face several infrastructure challenges. A lack of diversity in housing types exists due to a predominance of higher priced single family units. Ocoee lacks

water/wastewater service to outlying areas where office or industrial/warehouse business might locate.

While Winter Garden has achieved significant success in transforming and creating a vibrant downtown area, Apopka and Ocoee lack cultural community gathering areas and face challenges in revitalizing their downtown domains.

Residents and business leaders point to outdated and run-down office and industrial buildings that need to be addressed to reduce the negative perception of the area and attract new business.

The cities lack recognizable and unified entrance portals and suffer from a patchwork of city/county pockets with negative appearance and crime factors. Industrial areas might merit additional entrance identification.

Prevalent frustration with city roads and traffic management existed throughout residential and business surveys.

Surveys also reflected a need for better public transportation infrastructure, including organized modes between the three cities and from the cities to downtown Orlando.

The area lacks sufficient full-service hotel space and conference centers. Hospital administrators already point to a need for more space for patient families. That need will grow more critical with the new Florida Hospital location in Winter Garden and as Tri-Cities brings new industries into the area.

As the Tri-Cities area continues to experience rapid economic and population growth, new and unprecedented demands will be placed on the area's land availability, resources, and infrastructure.

"People want to live close to Orlando, but not in Orlando. With the ease of jumping on the 429, you can go almost anywhere in Florida within minutes."

- Residential Survey Response

The region's strong housing market is an asset to current residents and future growth. Tri-Cities' growth in households since 1990 far surpasses the benchmark communities, state and nation. Since 2002, the number of Tri-Cities households has grown by over 60%. Because of this, the majority of residences in the Tri-Cities were constructed within the past 30 years. With residential construction at a five year high, the market is clearly on the path to recovery from the housing market bubble and financial crash. Even with extensive housing demand, construction costs remain competitive with average costs across the state which will benefit continued growth.

Rental housing remains a limited share of overall housing in the Tri-Cities region, but growth in renter-occupied housing is accelerating. Only 24.8% of Tri-Cities housing is renter-occupied, less than all benchmark

communities except Melbourne. The rental market however, has grown over 25% since 2000. Vacant housing has increased less in Tri-Cities than all other benchmarks.

Utility rates in Orange County and specifically the Tri-Cities area are competitive with the benchmark communities. Service to outlying areas is an issue to overcome in order to attract businesses to those areas.

Available land and insightful planning has established a number of existing and planned business and commercial park sites linked to excellent transportation infrastructure. Room exists for even more planned office parks and the renovation of existing structures.

A need for more communication regarding infrastructure needs and plans was indicated by both business leaders and residents in survey and stakeholder interviews.

Renovation and clean-up of offices and commercial facilities in some areas passed through frequently by commuters was seen as a critical need by stakeholders.

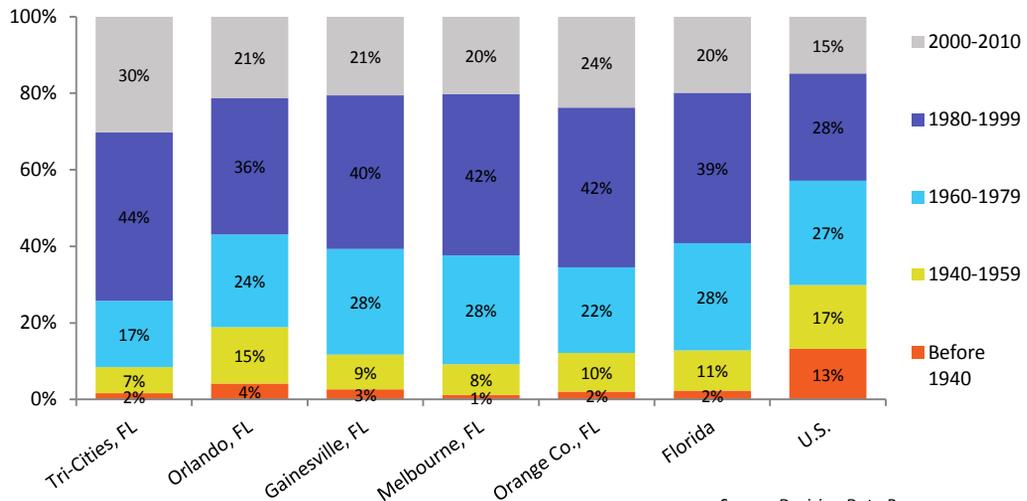
"Roads drive development, and change is coming. It is important to have the vision and direction coming from leadership in the three cities to be an instrument of change."

- Community Survey Response

SWOT: SITES & INFRASTRUCTURE

STRENGTHS	<ul style="list-style-type: none"> • Available land • Well-planned site developments with space and utilities • City-owned downtown property in Winter Garden and Apopka • Industrial and manufacturing components in place • Each city has planned site developments
WEAKNESSES	<ul style="list-style-type: none"> • Decline of West Oaks Mall • Outdated industrial parks, office complexes • Lack of utilities in some outlying areas • Inadequate office space in areas • Inadequate full-service hotel space • Lack of optimally functioning Apopka/Ocoee downtowns • Inadequate multi-family housing • Checkerboard nature of city/county areas and responsibility
OPPORTUNITIES	<ul style="list-style-type: none"> • West Oaks Mall repurposing • Passenger rail service • Activity site space along highways, including SR 429 Corridor • WG mixed-use development • Repurposing warehouses/packing plants and citrus fields • New town center for Apopka • Development of Ocoee downtown • Repurposing agri-plots next to existing industrial area in Apopka • Additional freight rail transportation businesses
THREATS	<ul style="list-style-type: none"> • Outdated industrial, commercial, office parks • Extensive growth in population and households will necessitate continued investments in infrastructure • Inability to control county pockets • Lack of utilities to outlying areas

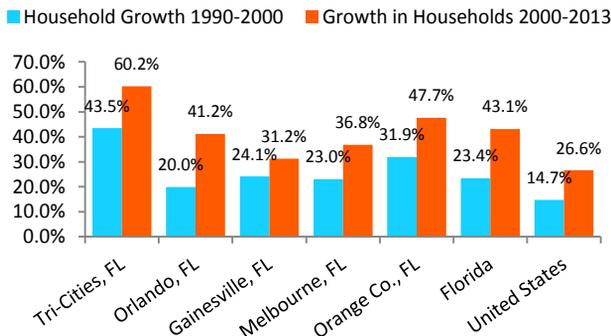
Housing Age Distribution



Source: Decision Data Resources

HOUSING AGE AND GROWTH

Household Growth

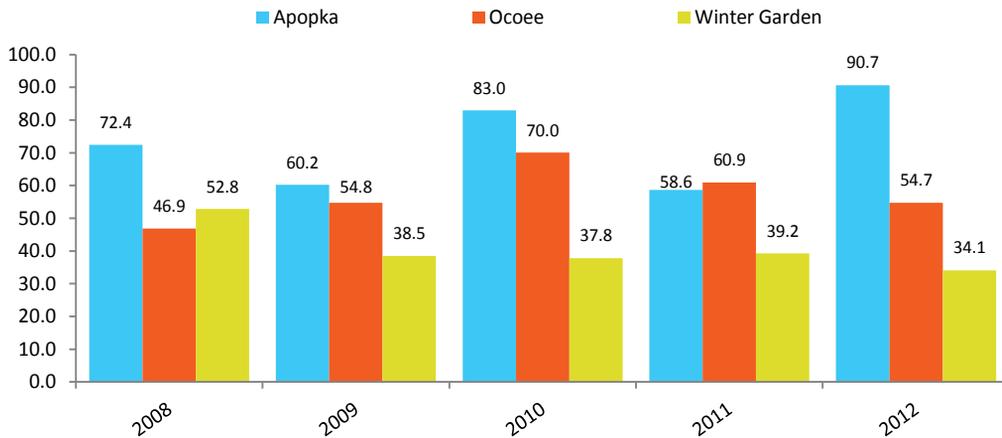


Source: Decision Data Resources

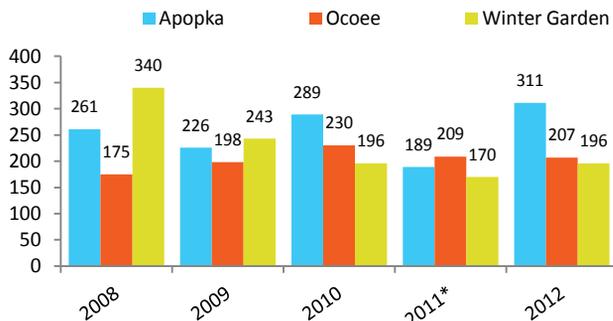
Nearly three-quarters of all of the homes currently standing in the Tri-Cities region were built in the past 30 years (almost a single generation).

- 30% of the Tri-Cities housing stock is considered new housing—much more than the benchmarks, state, and nation—while only 9% was constructed before 1960.
- The large percentage of homes built after 2000 is reflective of the high rate of economic and population growth that has occurred within the region during the past decade.
- The 60% growth rate in Tri-Cities households from 2000 to 2013 far outpaced the benchmark communities, as did growth from 1990 to 2000.

Tri-Cities Residential Construction Cost (in Millions)

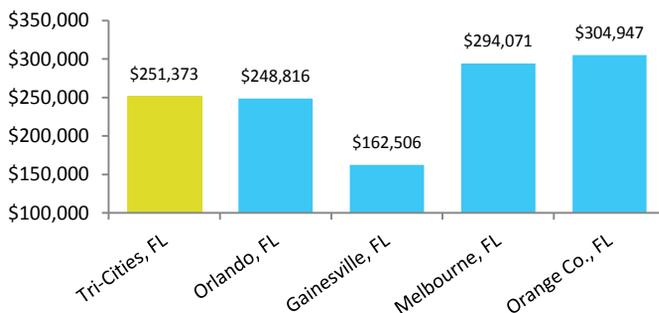


Tri-Cities Residential Building Permits



*16 multifamily permits in Winter Garden

Construction Cost Per Home (2012)



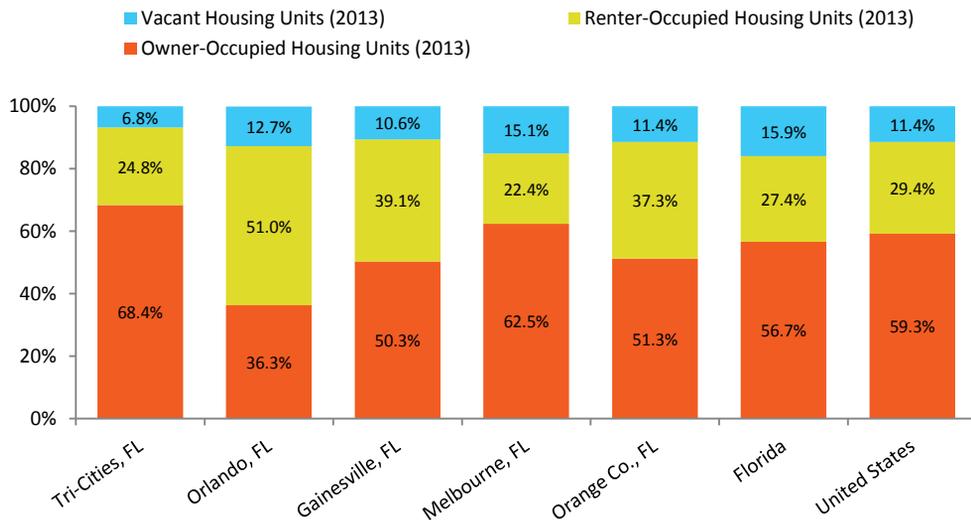
Source: US Census Bureau

HOUSING CONSTRUCTION

Residential building activity and costs within the Tri-Cities have grown in Apopka and slowed in Winter Garden but have remained fairly consistent over the past 5 years.

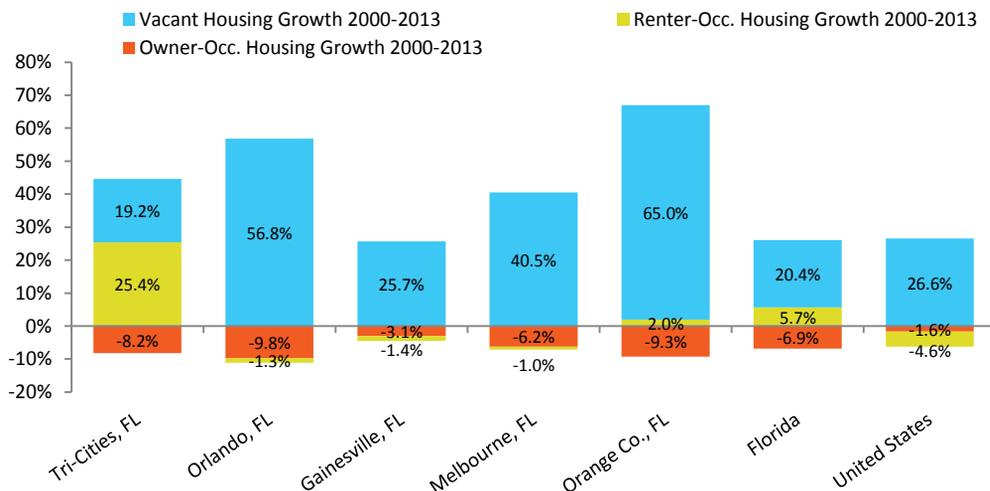
- The number of single-family housing permits in Apopka rose 19.2%, 18.3% in Ocoee, and fell 43% in Winter Garden since 2008.
- The cost per new home construction in the Tri-Cities region (\$251,373) is average among the benchmarks.
- While there is a smaller share of renter occupied housing units in the Tri-Cities, (24.8%), growth in rental housing units from 2000-2013 far surpassed the benchmarks.

Housing Units by Type



Source: Decision Data Resources

Change in Housing Units by Type



Source: Decision Data Resources

2011 ELECTRICITY RATES (cents/kWh)

	Entity	Commercial	Residential	Industrial
Tri-Cities	Progress Energy (Duke)	9.87	12.80	8.77
Gainesville, FL	Gainesville Regional Utilities (GRU)	13.94	13.08	9.86
	Clay Electric Cooperative, Inc	10.54	11.83	8.02
Melbourne, FL	Florida Power and Light	9.16	10.64	7.39
Orlando, FL	Orlando Utilities Commission	9.98	11.80	9.02
Orange County, FL	Progress Energy (Duke)	9.87	12.80	8.77
	Orlando Utilities Commission	9.98	11.80	9.02
Florida	(Multiple)	9.85	11.51	8.55

Source: U.S. Energy Information Administration

UTILITIES

Utility rates in the Tri-Cities area are competitive across the benchmarks and Florida which provides the region with an opportunity to market itself as a cost-competitive community.

- Tri-Cities overall utilities rates across the three user categories (industrial, commercial, and residential) are lower than Gainesville but higher than Melbourne and equivalent to Orlando, Orange County, and Florida as a whole.
- In terms of marketing to business prospects, the Tri-Cities area can use its competitiveness in utilities rates to target those industries that require a high concentration of electricity.
- Average rates for natural gas in Florida are also competitive—residential rates are \$18.51 and commercial rates \$10.37 per thousand cubic feet. All three cities are served by Lake Apopka Natural Gas District.
- Regarding water and wastewater capacity, Florida has reported \$12.8 billion in drinking water and \$19.6 billion in wastewater infrastructure needs over the next 20 years.
- Florida residents experience a high level of service from utilities, however there is a lack of adequate maintenance of existing infrastructure which may be a threat to service and safety in the future.
- Many areas of Florida are in need of alternative water supply options due to significant shortages of fresh water.

ACTIVITY SITES

The completion of the Wekiva Parkway extension northeast of Apopka connecting SR 429 on the west and SR 417 on the east, will establish Tri-Cities as a key player within the Metro Orlando Beltway. The Tri-Cities region is directly west of Orlando and due north of Disney World, one of Florida's largest employers. Most of the orange groves from the region's past agricultural history have transitioned into residential developments, resulting in few large business parks.

The acceleration of economic development along the SR 429 corridor will play a determining role in the regional success of Tri-Cities. Business park opportunities exist at several key interchanges with space planned for light industrial, warehouse, retail, office and residential space. An opportunity exists for Tri-Cities to produce the next viable major business activity center in the Metro Orlando region.

Completion of master planning and design standards, installation of infrastructure, creating shovel ready sites followed by branding and marketing them is still ahead. Central business parks such as the Central Florida Research Park, Heathrow/Lake Mary, Maitland Center, Medical City and Downtown Orlando are all major business parks/districts and employment centers. Many of those close-by business parks area are currently operating at or close to capacity.

The closest business park to Tri-Cities is Maitland Center, located just west of I-4, along Maitland Boulevard at the intersection of SR 414. This park has approximately 8 million sf and 30,000 employees. A recent market study indicates the park could accommodate up to 10 million sf in 10 years.

The Central Florida Research Park, with over 1,000 acres and 10,000 employees is completely built out, with a second park planned along Alafaya High Technology Trail and Innovation Way.

New business parks are already underway that will pose growing competitive elements in the Central Florida market as the area consolidates and focuses on attracting new industries and businesses. Each of the planned activity centers also brings with it an opportunity for economic development and job growth for all Metro Orlando communities. Elements of competitive consideration include the Creative Village in Downtown Orlando, Horizon West and Innovation Way. Flamingo Crossings, Disney's planned entertainment area along SR 429, may provide a positive spin off for the areas clustered along the SR 429. The mixed-use tourist commercial district will include hotel, restaurant and retail development.

Maitland Center Business Park



APOPKA MAJOR ACTIVITY SITES

Along the new beltway around the Metro Orlando area, Apopka offers valuable vacant land in large enough packages to attract new light industrial, research, and commercial businesses. The largest of these site areas straddles the S.R. 429 highway corridor at the crossroads with S.R. 414 and S.R. 451, at U.S. 441 interchange and at the Wekiva Parkway Interchange Area. Existing industrial parks with available sites and buildings also surround the S.R. 429 and S.R. 451 interchanges at U.S. 441 as well as next to the Orlando Apopka Regional Airport.

Sites for retail commerce and small businesses can be found within the Town Center District at the heart of Apopka, the Westside area, and along U.S. 441, Semoran Blvd. and Park Avenue/Rock Springs Road corridor. Office and retail development can be accommodated in the area surrounding the medical and health care center along Park Avenue on the north side of the downtown area.

Over fifteen strategic areas within the city are targeted for economic growth, including upwards of 1,000 acres of available undeveloped land for light industry, technology and research, higher education, and retail commerce.

Kelly Park Crossing DRI and Wekiva Parkway Interchange

A \$ 1 billion mixed-use development centered around the Wekiva Parkway extension. Plans for the 650-acre development include a regional mall, offices, a Valencia College campus, hospital, housing and a 4 million square-foot merchandise mart. Initial estimates predict 9.2 million square-feet of usable space.

The merchandise center could serve as a distribution center for goods coming from larger container ships accommodated by the structural changes in sea transport from the expanded Panama Canal and offloaded in the ports of Tampa, Miami and Jacksonville.

US 441/SR 429 Interchange Area

Westside Research Park

More than 486 acres adjacent to the University of Florida Institute of Food and Agricultural Sciences (IFAS) Research Center at intersection of SR 429 and CR414. Home to three business park nodes and the future site of Apopka's Agri-Business and Bio-Technology Small Business Incubator. The site is located in an Enterprise Zone and offers more than 6 million square-foot of mixed-use space.

Currently used for agricultural purposes, the site is zoned for: Mixed employment center, C-1 Retail/Commercial, I-1 Restricted Industrial and PO/I Professional Office/Institutional.

Node A: Agri-business and Bio-tech Planned home of Apopka Small Business Incubator A-B/B-T

*850,000+ square feet office *1 million+ office/warehouse *Up to 230 multi-family residential units on 146 acres

Node B: Mixed Use Industrial/Warehouse

*200 developable acres *840,000 sf office/warehouse *1.6 million sf warehouse/distribution
*Up to 614 MF residential units

Node C: Mixed Use Residential, Retail, Commercial

*84 acres *350,000+ sf office/warehouse *1.6 million + sf light industrial *1.2 mil+ sf warehouse/distribution
* 498 MF residential units

APOPKA MAJOR ACTIVITY SITES

Northwest Distribution Center

Oakmont Industrial Group is developing a 45-acre state-of-the-art warehouse/distribution center. This five-building complex will eventually include 688,000 sf of industrial and warehouse space, of which 317,280 sf are available for immediate occupancy. Site design and facility features are designed to specifically accommodate a range of ground transportation.

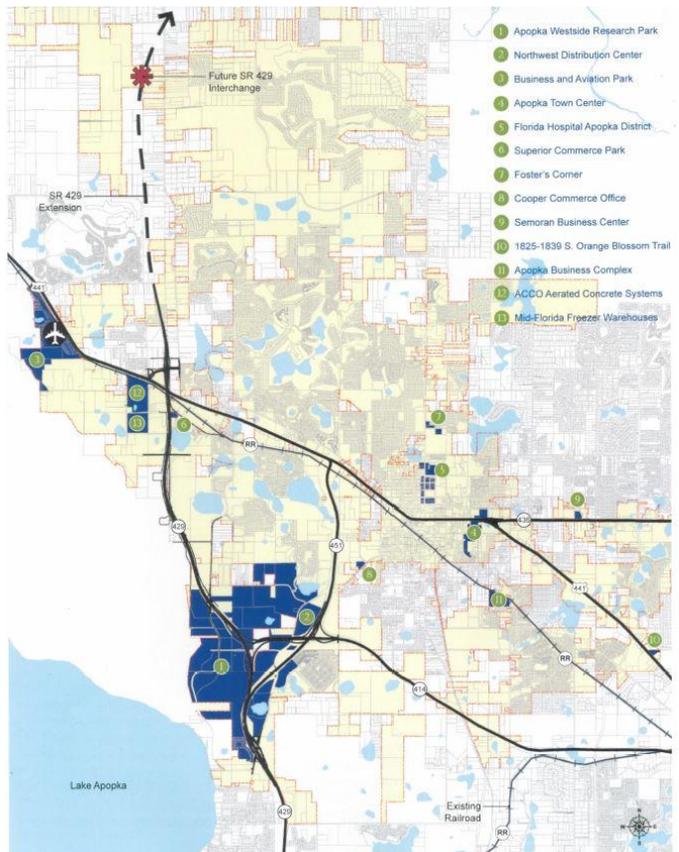
Florida Hospital Apopka District

Florida Hospital Apopka, a satellite of one of the nation's largest medical providers - Florida Hospital/Orlando, opened in 1975. It now has 52 beds and an ICU unit. The hospital has a Vision 2020 plan in place to grow into a full-service hospital by 2020. Apopka has identified several privately-owned properties around the area that can be developed into subsidiary businesses. Located in Apopka CRA – may be eligible for development incentives.

Apopka Town Center

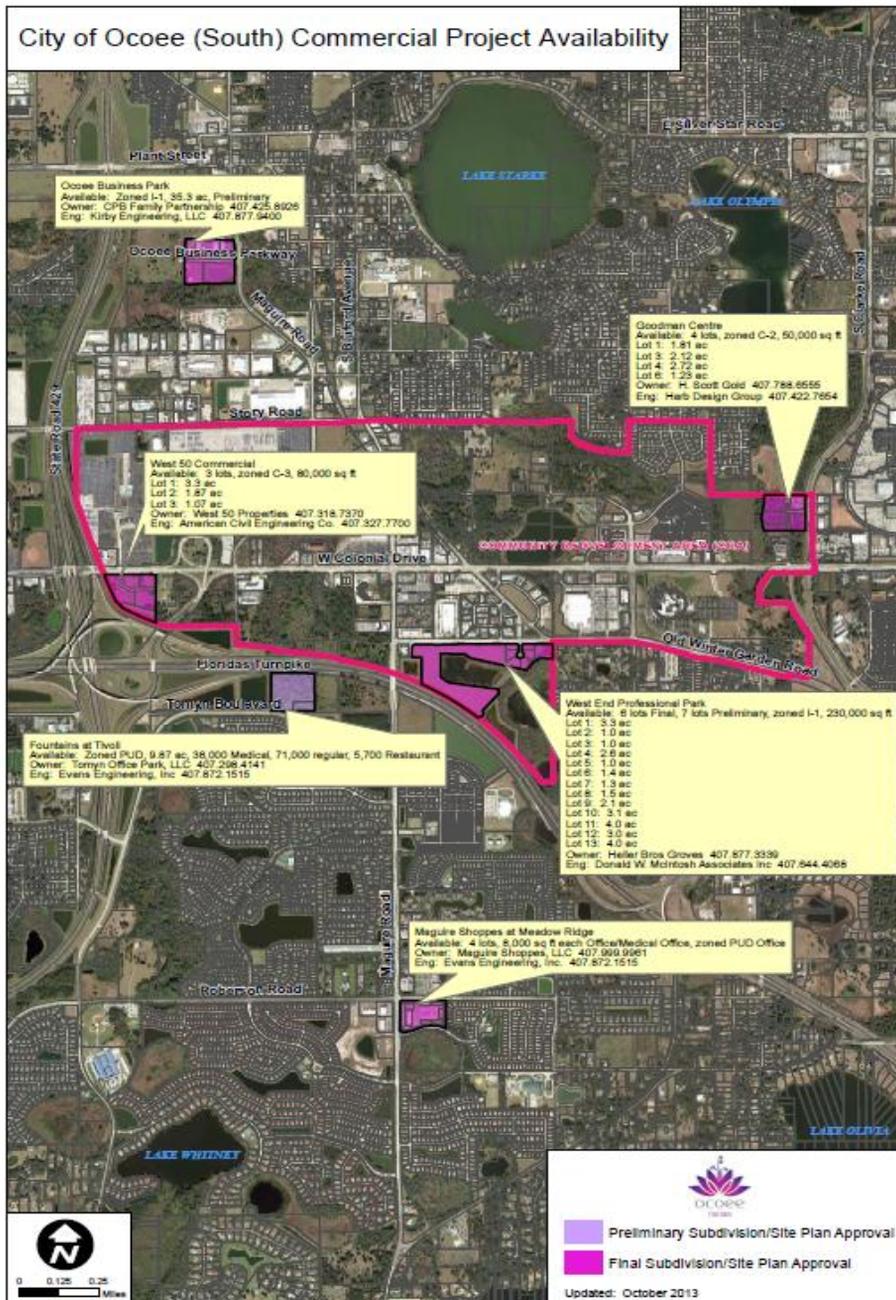
A 33-acre mixed-use development proposed for city-owned property located along US 441 just west of the intersection of US 441 and SR 436. Proposed uses include upscale dining, small retail shops, a regional movie theater, professional offices, a multi-story business hotel, pedestrian-friendly walkways, a pedestrian or pedestrian/vehicle overpass above US 441 and a parking garage.

Selected Apopka Activity Sites



OCOEE COMMERCIAL PROPERTY

Ocoee, with the lowest of area unemployment rates, has identified six business and commercial nodes for economic and job creation efforts.



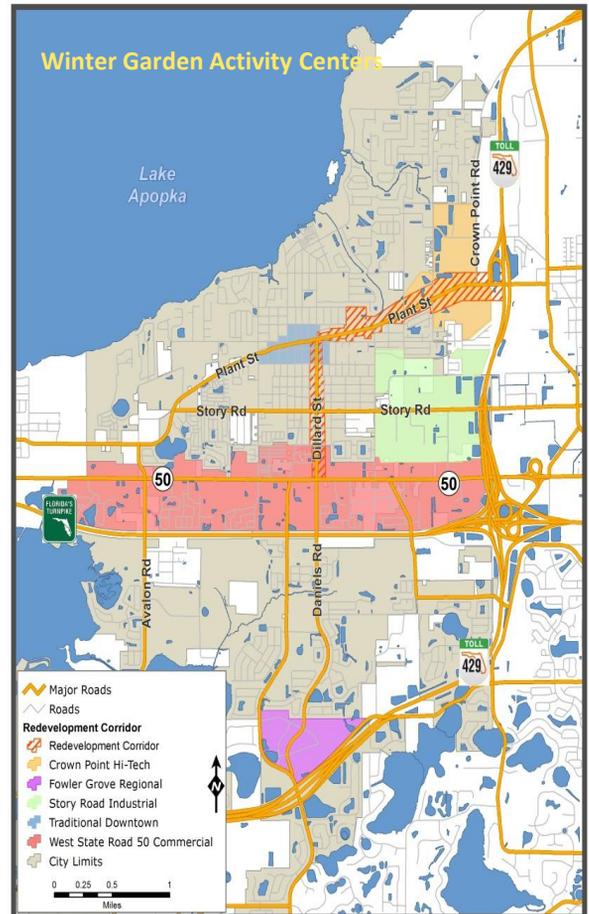
WINTER GARDEN ACTIVITY SITES

Winter Garden has developed a reputation as a charming and successful Central Florida shopping destination. City planners have leveraged their agricultural history and small town atmosphere to create a shopping draw for the area. Business districts are clustered along corridors, including SR 429, SR 50 and Plant Street.

Winter Garden's economy is driven by small boutique businesses and a thriving downtown business district. The downtown business district is currently operating at full occupancy with a waiting list of interested businesses.

The city has five distinct business districts or corridors. Three of these are activity centers located along SR 429.

The cities of Winter Garden and Ocoee are working closely on the master planning, design and branding of East Plant Street/429 and SR 50/429 activity centers.



Winter Garden Business Centers

Downtown District

East Plant Street Corridor and East Plant/429 Center

Story Road Industrial Area

SR 50 Business Corridor and SR50/429 Center

Winter Garden Village Activity Center

TRANSPORTATION INFRASTRUCTURE



A superior network of expanding road systems and rail lines that connect to Atlantic and Gulf of Mexico ports and a large international airport give Tri-Cities a superior infrastructure for both travel and commercial distribution. The transportation network is a draw for residents who want quick access to Florida's many recreation options and businesses looking for optimal supply and distribution infrastructure. Interconnected global access links the region to all areas of North America as well as to Canadian, European and South American markets.

Highway Systems

Highway systems include SR 429, the Wekiva Parkway, Florida Turnpike and parallel SR 50, the John Land Expressway/SR 414 and SR 441.

A unifying feature of the Tri-Cities is the presence of SR 429. Recent developments of the region's expressways will provide better access for trade, industry, and residents as well as increase exposure for the Tri-Cities.

In January 2013, the extension of SR 429/SR 414 from Boy Scout Road to US 441 near Plymouth Sorrento Road was completed. This 53.6 million dollar second phase of the SR 414 initiative features six travel lanes and a new connector road to allow access between SR 429 and US 441. This project allows for relief of traffic congestion in the Apopka area and serves as the gateway to the Wekiva Parkway.



Wekiva Parkway, a cooperative effort between the Florida Department of Transportation, the Orlando-Orange County Expressway Authority, and the Florida Turnpike, will connect to SR 417, completing the beltway around Central Florida. The project, estimated at \$1.5 billion, includes a multitude of improvements to road infrastructure in the region

TRANSPORTATION INFRASTRUCTURE



Source: The State of Florida Department of Transportation



Source: The State of Florida Department of Transportation

Airports

Two international airports are located proximate to Tri-Cities, the Orlando International Airport and the Orlando-Sanford Airport. The city also has its own regional airport, the Orlando Apopka Airport, located on the west side along US 441.

The Tri-Cities area is within easy highway access of Orlando International Airport, the second busiest airport in Florida and the 13th busiest in the U.S. The airport will soon begin a \$1.1 billion improvement and expansion program to address pressure from a growing metro population and tourism industry. Passenger traffic at the airport is expected to exceed 40 million/year by 2016. Scheduled non-stop service is available to 81 domestic destinations and 34 international destinations. The airport has space to grow significantly in coming years, as it sits on 15,000 acres, only roughly a third of which are currently developed.

The Orlando Apopka Airport is a privately-owned publicuse facility with 157 charter owners. The airport serves mostly general aviation planes and some small charter companies. Most of the aircraft that use the runway are small to medium single and twin engine planes. A few jets access the airport each year. Tentative plans for expansion or relocation of the airport are unclear at this time.

Rail Lines

Class I CSXT and the Florida Central Railroad (FCR), part of the Pinsky Railroad Company, service the region with connections to all major U.S. rail lines. Improvements are underway by FCR that will allow faster, heavier and longer trains and could interest more manufacturers in rail product distribution through Tri-Cities. The rail line improvements open the way for future expansion of passenger service for Tri-Cities.

SunRail, a commuter train portion of FCR, is currently in the process of completing a rail system that will link Orlando north and south with the Volusia, Seminole and Osceola communities. That 61-mile route will form the nervous center of a new urban community based on multi-modal transportation and pedestrian community lifestyle.

Seaports

The Port of Tampa on the Gulf of Mexico, Florida's largest port, is roughly 80 miles west of Tri-Cities. Port Canaveral and the Atlantic Ocean are around 70 miles away, giving the region access to European, North American and South American markets. With structural changes underway in the Suez Canal, Tri-Cities could see unique warehouse and distribution advantages.

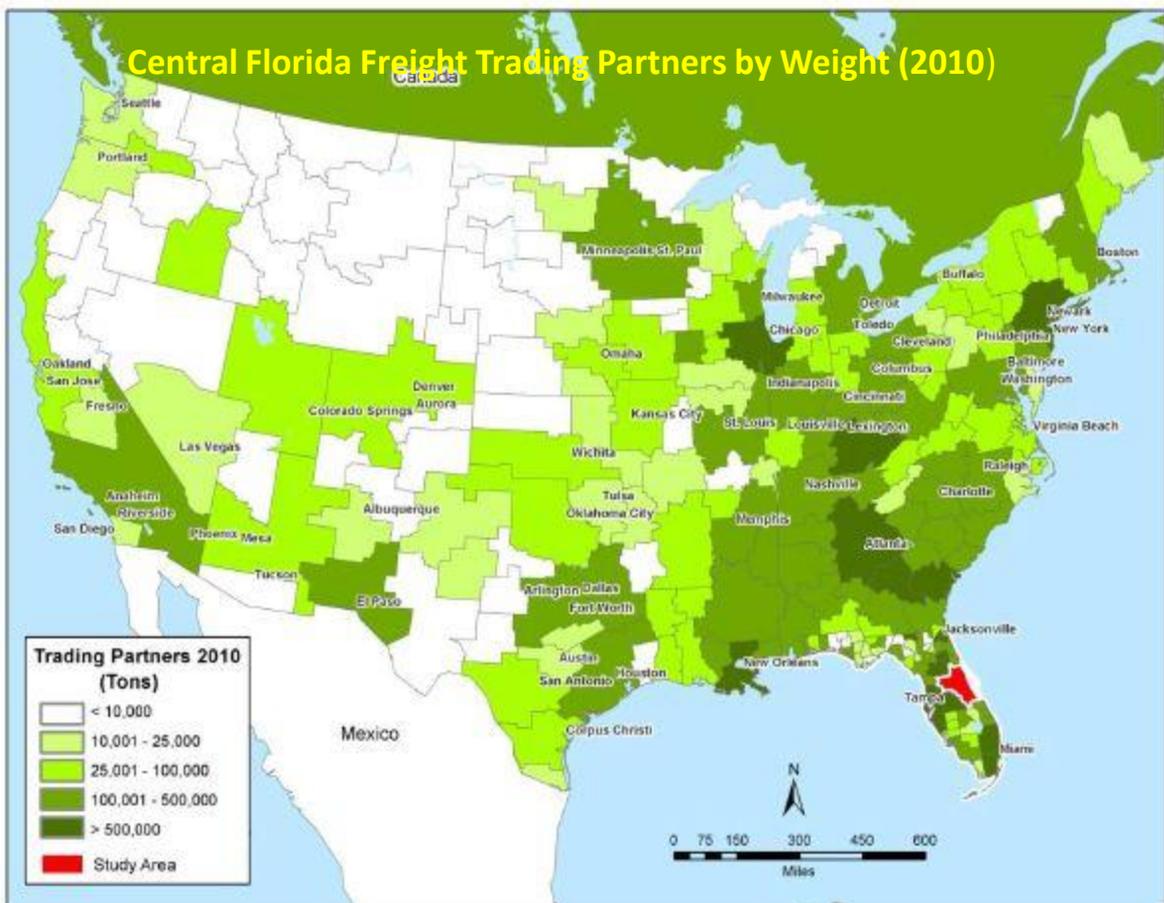
TRANSPORTATION INFRASTRUCTURE

Distribution

According to a recent Regional Freight and Goods Flow Analysis conducted for MetroPlan Orlando, nearly 202 million tons of inbound, outbound, intraregional, and through freight moved inside Central Florida's transportation network in 2010. Nineteen percent of this traffic initiated outside the area and terminated in Central Florida, 11% initiated inside the area and terminated outside, 10% initiated and terminated in Central Florida, and 60% was through traffic.

The vast majority of freight (95%) moved by truck and a small amount (4%) by rail.

Orange County is the largest freight generator and receiver within the region, accounting for more than 45 percent of all inbound tonnage and over 40 percent of all outbound tonnage in 2010. The top three commodity groups included nonmetallic ores and minerals (32%), clay, concrete, glass and stone products (22%), and warehoused goods (17%). Commodities shipped out of the area were dominated by warehouse goods (32%). Domestic trading partners stretch across the country to both the east and west coasts and into Canada.



Source: Central Florida Regional Freight Study
MetroPlan Orlando

QUALITY OF LIFE

While the quality of life in a community is one of the hardest elements to quantify, it is critical in supporting economic growth and particularly critical to Tri-Cities.

Quality of life is a major factor in attracting and retaining both industry and talent in Tri-Cities. Cities that find themselves at or near the top of quality of life rankings have an advantage in attracting new businesses to their communities. Quality of life and contentment affect productivity in the labor force.

Surveys indicated that community members are aware of value their quality of life. Many resident's lifestyles are tied to outdoor recreation, small-town life and family-oriented communities. From camping, hiking, hunting and fishing around Lake Apopka to biking on the West Orange Trail, residents have a lot of healthy ways to spend their leisure time. They also enjoy proximity to an array of world-class theme parks.

Tri-Cities residents also enjoy affordable housing and living costs. Expanded highways provide easy access to Orlando and all other business and recreation areas of Florida, including the coasts. Furthermore, residents enjoy access to numerous high quality health care facilities.

Quality of Life was a top reason given by residents for living in the Tri-Cities area and by businesses for locating there.

Residents and business owners also perceive weaknesses to living in Tri-Cities and challenges to the quality of life.

Wages in the area are low, and jobs are not a match to the skill level of local residents, who are

traveling outside Tri-Cities each day to higher-paying employment.

Safety is considered a key factor to quality of life in the community, with 83% of residential survey respondents designating it important. Yet crime in pocket areas is perceived as a problem by stakeholders.

Residential surveys reflected a need for better public transportation, including transportation from the area to Orlando and transportation between the centers of each city.

There are few higher-quality restaurants and drinking establishments, and few art/cultural venues located within the Tri-Cities area.

Residents are forced to drive outside the area for entertainment needs, resulting in the loss of potential sales revenue for the city and a missed opportunity for greater community satisfaction.

There is a clear call for cultural gathering points. Many stakeholders expressed frustration at the lack of development of downtown or central areas of Apopka and Ocoee. Tied to that is a need to provide and communicate more numerous and higher-quality community-wide events, including festivals and recreation options not tied to school sports.

There is significant desire for even more green space, parks and recreation areas and better upkeep and development of existing ones. Residents want to make sure that a new economic development plan protects the area's natural assets and provides more parks and green spaces as development grows.

KEY FINDINGS

The Tri-Cities area offers a high quality of life for its residents. High incomes and net worth coupled with a low cost of living are important contributing elements to a high standard of living. In surveys, residents listed quality of life and safety as the most important community factors and quality of life and parks and recreation tied as the top rated Tri-Cities features. Nearly 40% of businesses surveyed listed quality of life as a top determining factor in their decision to locate in the area.

The Tri-Cities region offers an impressive array of natural, cultural and recreational amenities that significantly contribute to a high quality of life.

Tri-Cities has the highest income and wealth out of the benchmark communities. Almost a quarter of Tri-Cities households earn over \$100,000 per year and median incomes are higher than the benchmark, state, and national averages signaling overall a very affluent community. Average assets are second highest only to Melbourne, while debts remain low. Incomes vary though, and in some areas median incomes fall between \$30,000 and \$40,000.

The Tri-Cities area has high home values and rental rates which indicate a strong housing market and local economy. Home values are considerably higher in Tri-Cities than Gainesville, Melbourne, Orlando and Orange County as a whole. While home prices are high, Orange County's favorable property tax climate eases the burden of housing costs on Tri-Cities residents. Due to high property values and high demand, the Tri-Cities market area offers the least availability of affordable rents. While strong local economies often experience

high home prices and rental rates, these costs are a barrier to lower-income households as well as young adults entering the workforce. A lack of diversity in the housing market with few multi-family options also limits choice for young professionals.

Statistical property and violent crime rates are higher in Tri-Cities than the benchmarks and U.S. as a whole. Crime exists in pocket areas, complicated by the jurisdictional checkerboard of cities and Orange County. However, the area has a much lower crime rate (37.1%) than Orlando (70.5), one of the reasons people choose to move to Tri-Cities. Crime is also on a trend of decline in recent years.

The Orlando metropolitan area has a higher cost of living than the benchmark communities. When indexed against the nation, the relative cost of living in the Orlando metro area is 2.1% lower than the national average but 2.4% higher than Gainesville and 1.1% higher than Melbourne.

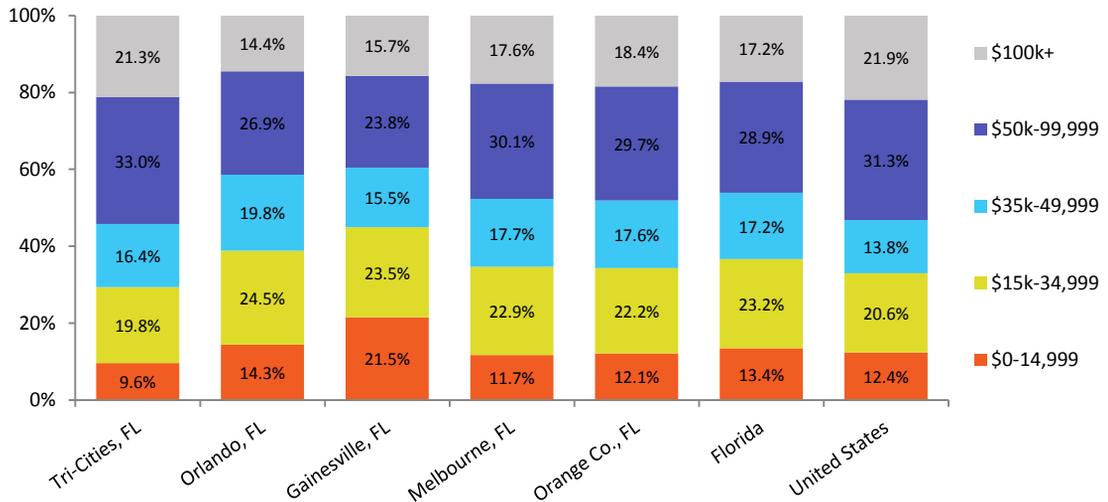
"No one should have to drive 25-30 minutes to get to a sit-down restaurant with table service. Frankly, it is causing the millennial generation to leave the Apopka area, because they want to be closer to entertainment and restaurants."

- Resident Survey Response

SWOT: QUALITY OF LIFE

STRENGTHS	<ul style="list-style-type: none"> • Strong home town appeal • Family-focused communities • Abundant natural assets • Hiking, biking, outdoor sporting • West Orange Trail • Affordable housing • Good public schools • Perception as good place to raise families 	<ul style="list-style-type: none"> • High incomes and net worth • Strong housing market • Great highway access to work and recreation • Fast airport access • Downtown Winter Garden • High level of community pride
WEAKNESSES	<ul style="list-style-type: none"> • Few central gathering places • Insufficient entertainment • Insufficient cultural events • Few lifestyle amenities for Young Professionals • Little cohesive social support for families • Perceived need for more innovation in 	<ul style="list-style-type: none"> • government • Few rental housing options • Low local wages • Effects of past urban sprawl • Inadequate quality/diversity of restaurants and retail
OPPORTUNITIES	<ul style="list-style-type: none"> • Targeting restaurants, entertainment, shops under cohesive ED plan • Creating and promoting social opportunities for young families. • Orange County cultural-facilities grants • Continued cleanup and revitalization of Lake Apopka as a recreation destination 	<ul style="list-style-type: none"> • Better utilization of area amphitheater • More community-wide cultural events and regional activity calendar • Expansion of outdoor activity events • Expansion of festivals
THREATS	<ul style="list-style-type: none"> • Friction from rural/urban transition • Inadequate input from young professionals, young families • High crime rates in pocket areas • Low-income areas /households in poverty • Overcrowding in public schools • No jobs for highly-educated local residents 	<ul style="list-style-type: none"> • Inadequate communication between residents and community government • Decreasing percentage of young professionals • Growing elderly population • High level of commuters, inadequate daytime population

2013 Household Income Distribution



Source: Decision Data Resources

HOUSEHOLD INCOME DISTRIBUTION

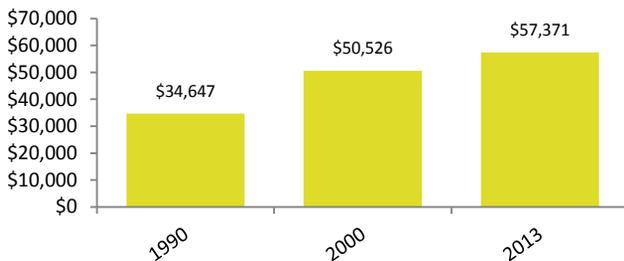
The Tri-Cities region is the wealthiest across benchmarks with 54.3% of individuals enjoying an income of \$50,000 or higher.

- The Tri-Cities has the highest percentage of households (21.3%) earning greater than \$100,000/year signaling overall a very affluent community.
- The Tri-Cities area has the lowest percentage of households earning less than \$15,000 (9.6%) among all of the benchmarks.
- In terms of lower middle class, the Tri-Cities (16.4%) and Gainesville (15.5%), rank among the lowest percentage of individuals living with an annual household income of \$35,000- 49,999.
- The higher income levels also reflect the overall more expensive cost of living associated with being in the Orlando metropolitan area.

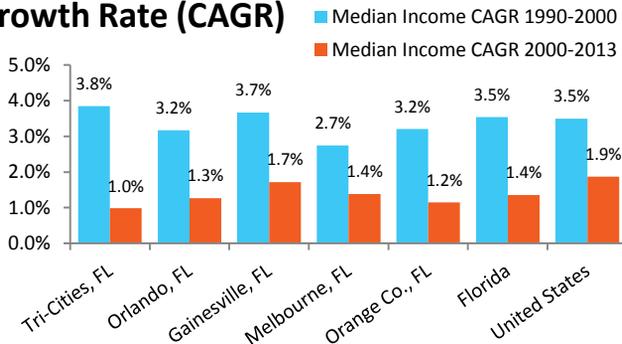
Median Household Income 2013



Tri-Cities Median Household Income by Decade



Median Income Compound Annual Growth Rate (CAGR)

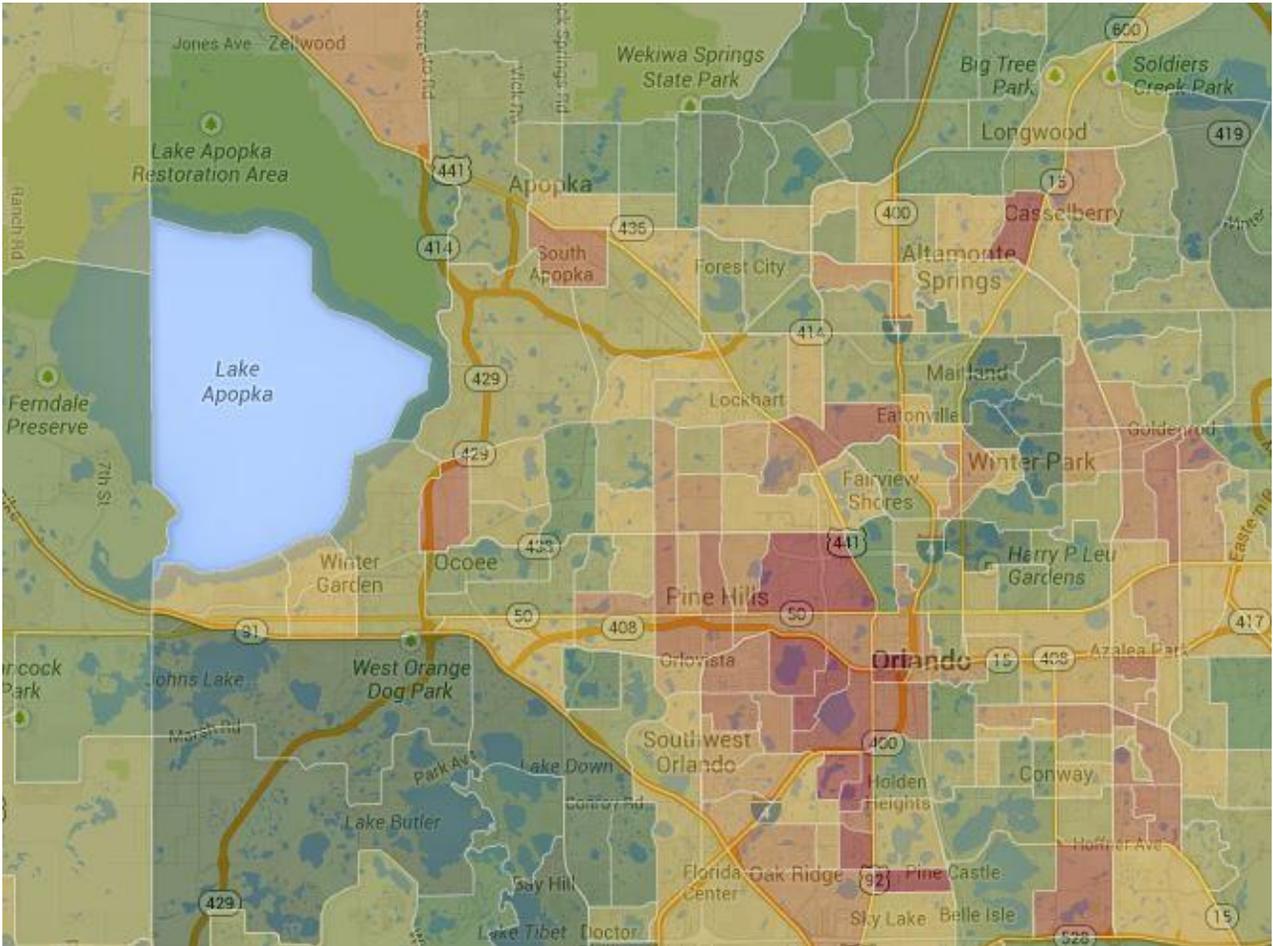


Source: Decision Data Resources

MEDIAN HOUSEHOLD INCOME

The Tri-Cities median household income is considerably greater than the benchmarks, Florida, and the US, but income growth has slowed since the '90s.

- Tri-Cities has a high median household income (\$57,371) compared to all of the benchmarks, Florida (\$46,424), and the US (\$54,398).
- From 1990 to 2013, The Tri-Cities area experienced 65.6% growth in median household income.
- Looking at compound annual growth, the region's median income grew quickly from 1990 to 2000 (3.8%) but slowed from 2000 to 2013 (1%), reflecting similar trends across the state.
- The drop in income growth that the Tri-Cities area has experienced since 2000 reflects the extensive effects of the housing market crash in Florida particularly and the financial crisis at large.



\$24,380.20 or less \$93,375.00 or more

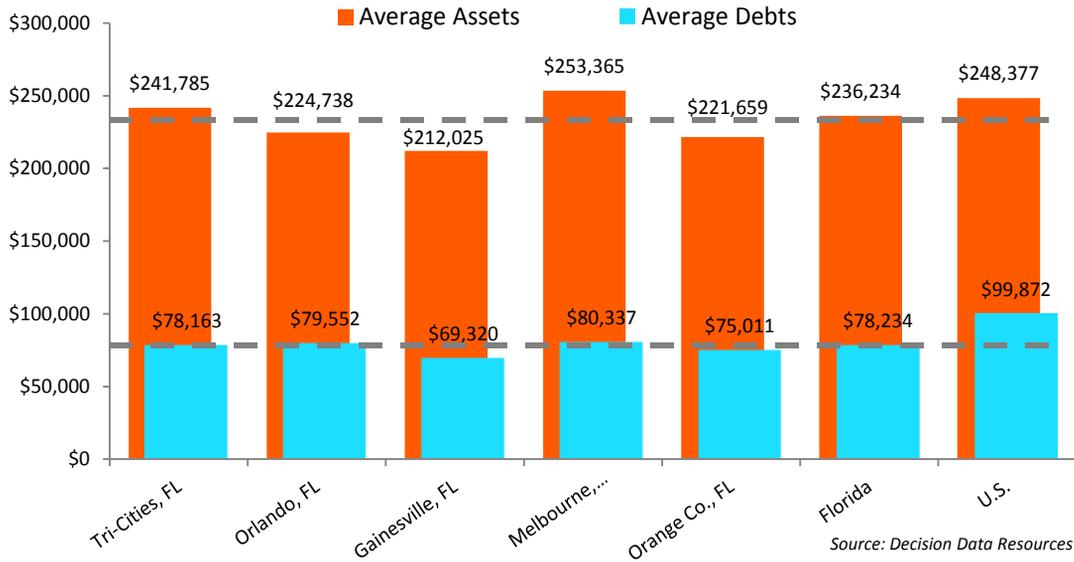
Source: richblockspoorblocks.com
*2011 dollars

MEDIAN HOUSEHOLD INCOME

Median household income varies widely across the communities that make up the Tri-Cities region.

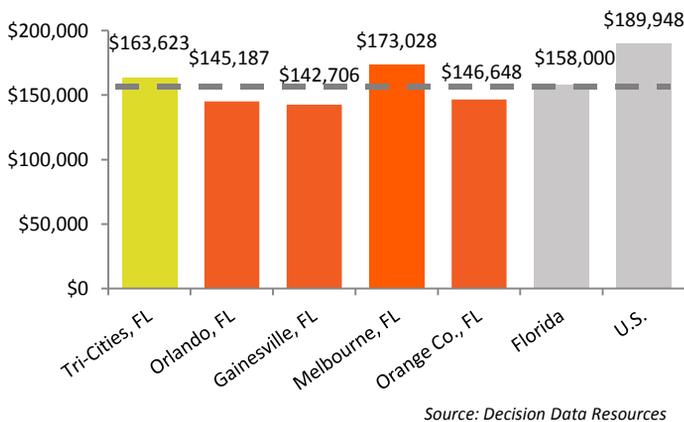
- Household income ranges greatly not only between but also within Apopka, Ocoee, Winter Garden and the surrounding areas.
- In the Apopka area, median household income falls between \$33,082 in South Apopka and \$66,182 further north.
- In Ocoee, median household incomes range from \$47,598 to \$71,865, and from \$41,427 to \$98,590 in Winter Garden.
- Florida middle-class income (defined as the middle 20% of incomes) falls between \$42,313 and \$51,387.

Average Assets and Debts Per Capita



Net Worth

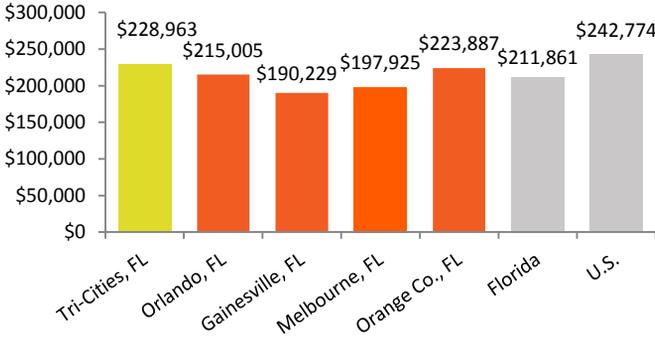
Average Net Worth



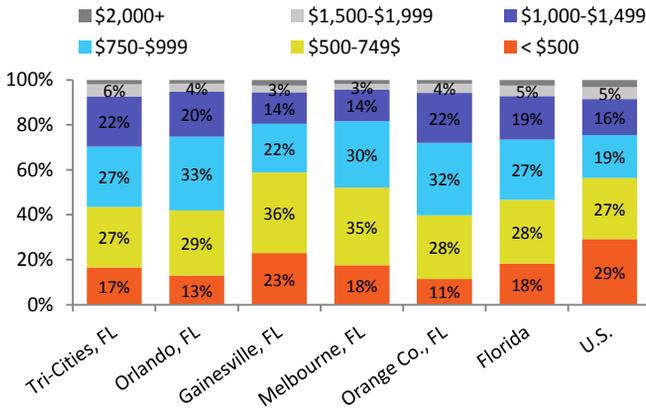
Tri-Cities resident’s average net worth—assets less debts—is high, which is inline with resident’s overall high incomes.

- Tri-Cities average assets are second highest only to Melbourne, while debts remain low and close to the averages for the benchmark communities.
- While Tri-Cities resident’s average assets are 2.7% lower than the national average, average debts are 27.8% lower.
- Tri-Cities resident’s average net worth (\$163,623) is second highest after Melbourne (\$173,028) and considerably higher than the averages for Orange County (\$146,648), Orlando (\$145,187), and Gainesville (\$142,706).

Average Home Values



Rent Distribution



Source: Decision Data Resources

2012 COUNTY PROPERTY TAX RATES

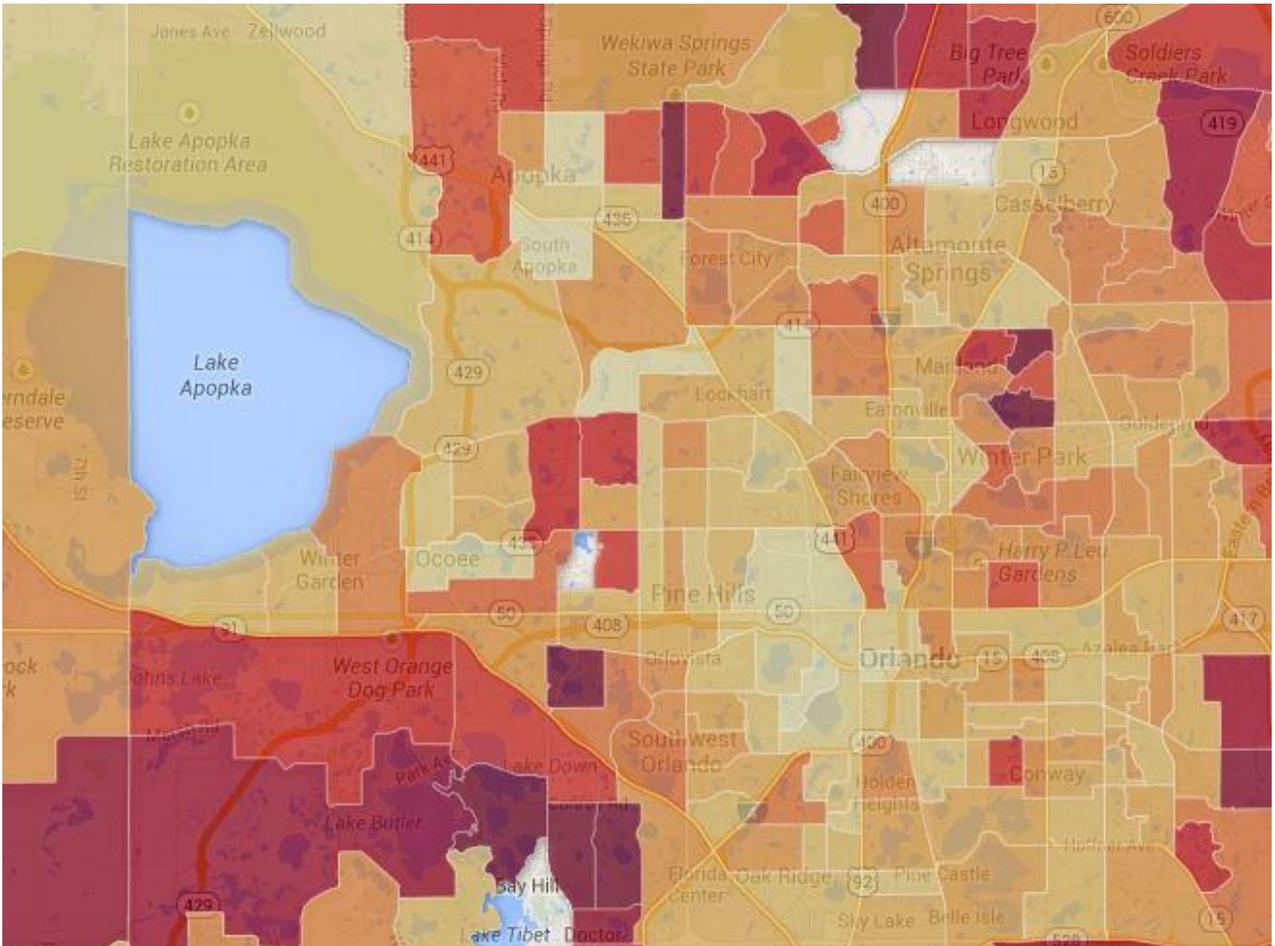
Benchmark	County	Millage* Rate
Orange Co., FL	Orange Co., FL	17.997
Gainesville, FL	Alachua Co., FL	23.442
Melbourne, FL	Brevard Co., FL	19.962

Source: Florida Department of Revenue
*tax dollars paid per \$1,000 of assessed value

HOUSING PRICES

The Tri-Cities area has higher home values and rents as well as more favorable property taxes than the benchmark communities and the state.

- The average value of a The Tri-Cities home is \$228,963, higher than the benchmarks and Florida, but lower than the national average.
- Looking at the distribution of home values, Tri-Cities has the smallest share of homes valued lower than \$250K (68%) but the difference among benchmarks is marginal.
- Tri-Cities and Orange County have the smallest share of monthly rents under \$1000.
- The relatively high home values and rental rates in the Tri-Cities area are a barrier to lower-income households as well as young adults entering the workforce, however, they are also a sign of a strong local economy.
- The millage rate in the Tri-Cities area, and Orange County as a whole, is 17.997, lower than both Gainesville (23.442) and Melbourne (19.962).
- Florida's state and local governments collected approximately \$1,507 per person in property taxes, which ranks 15th highest nationally.



\$475.00 or less \$1,455.00 or more

Source: richblockspoorblocks.com
*2011 dollars

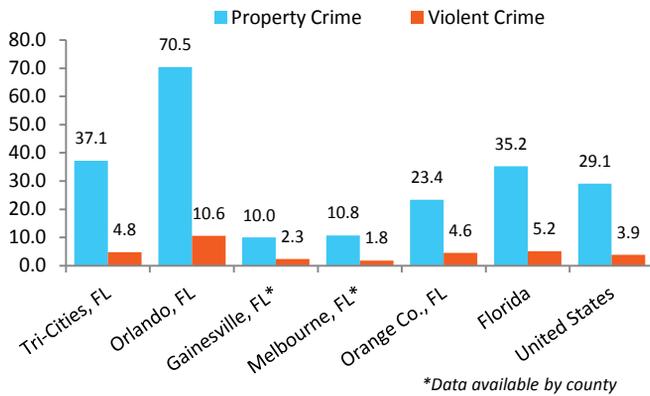
MEDIAN MONTHLY RENT

Rents in the Tri-Cities area may be the most costly amongst the benchmark communities, but they vary greatly across the region.

- Median monthly rent ranges from \$494 to \$1,165 in Apopka, which, on the low end, is as affordable as areas of Orlando.
- Median rents in Ocoee range from \$586 to \$1,204.
- In Winter garden, rents are the most costly, with the median ranging from \$763 to \$1,205.
- High rents in the Winter Garden area reflect the relative low availability of rental housing units.
- The Florida middle rental range (middle 20%) is \$771 to \$890 per month.

CRIME

2011 Crime Rates

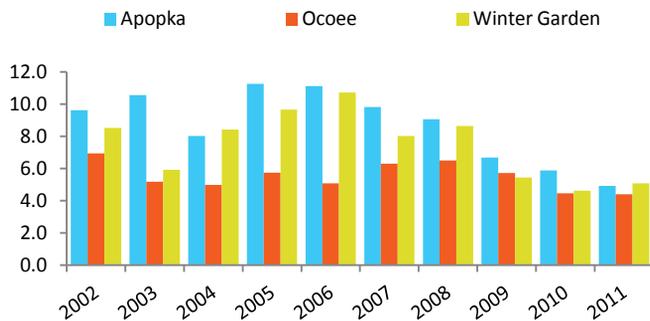


Crime activity within the Tri-Cities is much lower than in Orlando, likely a contributing factor for the movement of families with children to the Tri-Cities area.

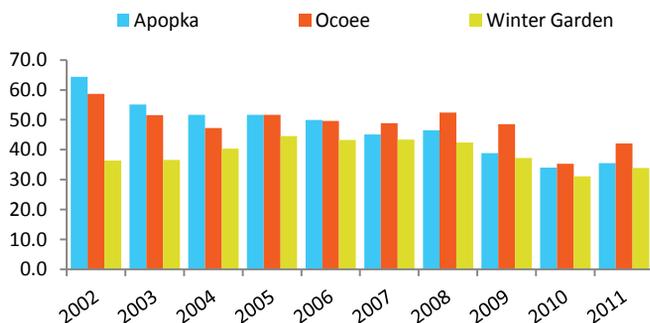
The Tri-Cities crime rate is relatively high compared to other benchmarks, but has improved over the most recent 10 year period.

- In 2011, the Tri-cities area experienced almost 42 incidents of crime per 1,000 people, 37 of which were considered property crimes (burglary, larceny- theft, and motor vehicle theft) and almost 5 of which were violent crimes (murder, non-negligible manslaughter, forcible rape, robbery, and aggravated assault).
- Within the Tri-Cities, Ocoee has had the lowest rates of violent crime over the last 10 years.
- Ocoee had only 4.4 incidents of property crime per 1,000 residents in 2011, followed by Apopka, 4.9, and Winter Garden, 5.1.
- Since 2002, All three cities have seen improvement in crime rates.
- Winter Garden has had the lowest rates of property crime, with 33.9 incidents per 1,000 residents in 2011, followed by Apopka, 35.5, and Ocoee, 42.1.

Tri-Cities Violent Crime Rates



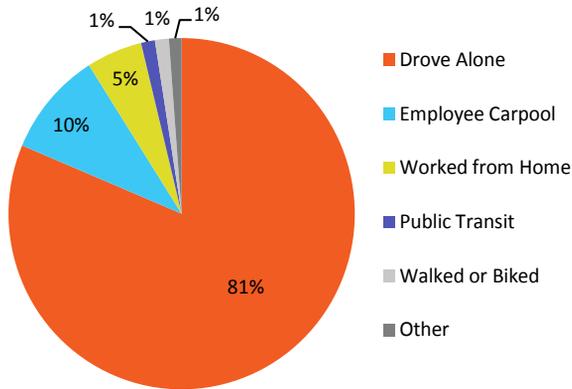
Tri-Cities Property Crime Rates



Source: FBI Crime Stats
*Incidents per 1,000 in population

COMMUTING

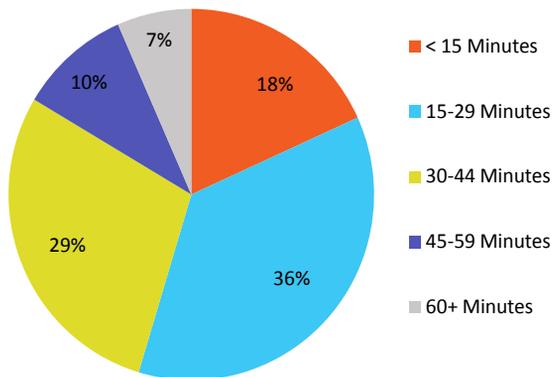
Tri-Cities Mode of Transportation



The majority of Tri-Cities residents drive to their place of work and experience moderate commute times.

- 81% of residents drive alone to work, much more than any other mode of transportation.
- Tri-Cities residents have a median commute time of 25 to 29 minutes, while the median commute time for Orlando residents is 20 to 24 minutes.
- Average commute times for the Tri-Cities and benchmark communities do not differ greatly, all fall within 20 to 23 minutes.
- The high percentage of car commuters reflects the demand for roads and highways within and outside of the Tri-Cities.

Tri-Cities Travel Time to Work



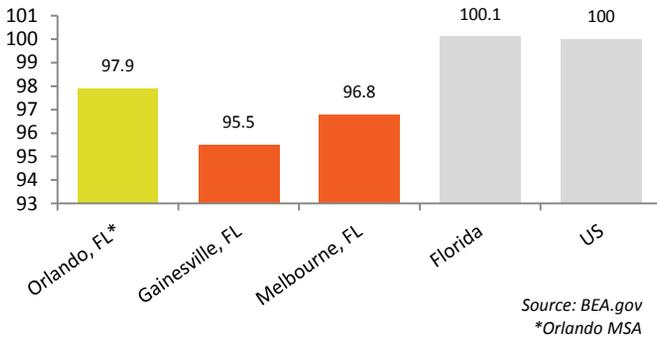
Source: Decision Data Resources

REGIONAL COST OF LIVING

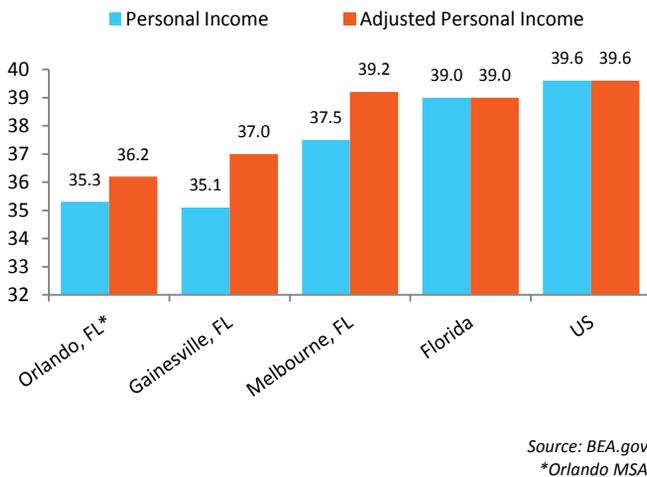
The Orlando MSA has a higher cost of living than the benchmark MSAs, Florida, and the US.

- The price parity for the Orlando MSA, 97.9, indicates that when indexed against the nation, the relative cost of living in the Orlando metro area in 2009 was 2.1% lower than the national average.
- The cost of living in Orlando, relative to the US as a whole, is 2.4% higher than Gainesville and 1.1% higher than Melbourne.
- One of the primary contributing factors of the Orlando MSA's higher cost of living is housing.
- Because the cost of living in Orlando is lower than the nation as a whole, the purchasing power of Orlando's per capita income (\$35,300) is \$36,200.
- Per capita income, when adjusted by regional price parities, is higher in both Gainesville (\$37,000), Melbourne (\$39,200), and Florida (\$39,000) than Orlando.

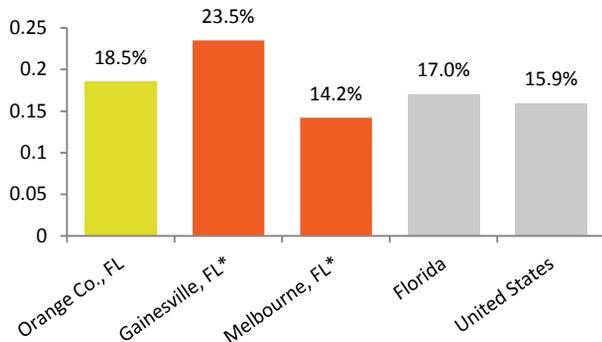
Regional Price Parities (2009)



Personal Income Adjusted by Regional Price Parities (2009, in thousands)

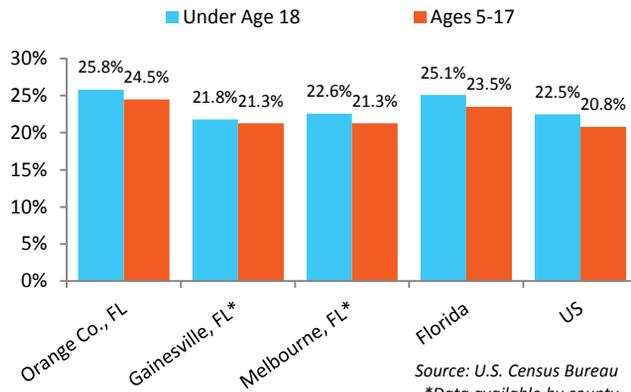


2011 % of People Below Poverty Line



Source: U.S. Census Bureau
*Data available by county

Youth In Poverty (2011)



Source: U.S. Census Bureau
*Data available by county

REGIONAL POVERTY

Orange County has an elevated level of individuals living in poverty and a high percentage of young people below the poverty line.

- With 18.5% of people living below the poverty line, Orange County has a lower poverty rate than Gainesville (23.5%), but higher rate than Melbourne (14.2%), Florida (17%), and the US as a whole (15.9%).
- The percentage of youth in poverty is higher in Orange County than all other benchmarks, but is only marginally higher than youth poverty rates for the state.

MARKETING AND ECONOMIC DEVELOPMENT

Central Florida is on the verge of a population expansion that will redefine existing communities and spur a new evolution of cluster activities. Metro Orlando organizations and Orange County are already at the table, mapping out a plan for how the area will come together and function economically in the future.

Economic growth in Tri-Cities will be driven by migration into the area by small businesses looking for lower operating costs and easy access to clients and supplies and by families looking for small-town lifestyle away from the city.

Transportation infrastructure will also drive economic growth as the cities are ideally located in the center of a network of improved highways and rail leading to nearby Atlantic and Gulf Coast ports and connections to all U.S. distribution routes.

The SR 429 Corridor constitutes a major engine for the economic growth of the larger Metro Orlando area, especially the Tri-Cities region, which encompasses the northern half of the corridor, has interchange connections and large amounts of space for ideally located activity site developments.

The Tri-Cities Partnership organized ahead of the coming growth to develop a strategic plan that combines area strengths and launches the group as a major force in the future development of Central Florida. Now is the ideal time for the communities to establish a new identity and leverage the considerable combined assets of the region.

In Phase Three of our project, AngelouEconomics will assist Tri-Cities in determining a strategic marketing plan to reach targeted industries and portray the powerful story of the historic communities and how they are positioned to offer strong opportunities for success and superior lifestyle.

The area has benefitted from several recent economic development advantages, including :

- Progress of the Wekiva Parkway Extension
- State Road 429 Cluster initiation and analysis
- Completion SR 429/SR 414 Interchange
- Completion of the SR 429 extension to U.S. 441
- Local rail freight upgrades

- West Orange Bike Trail growing reputation and impact
- Planned local passenger rail
- Planned addition of an additional entertainment park

A recent Orange County cluster analysis identified strong target areas for the general region that included:

- Nursery and Floriculture
- Research and Development
- Real Estate and Construction
- Specialty Manufacturing
- Creative and Digital Arts
- Custom Software and Video Production

In the coming phases of our economic development project, AngelouEconomics will evaluate those cluster industries and assist Tri-Cities in determining how well they align with specific Tri-Cities assets and resources and whether those identified industries or others would be the best focus of targeted marketing efforts. Our team will work closely with Tri-Cities in designing marketing materials, assisting with web services, conducting brand research and developing branding strategy and assisting in the marketing program management.

“Capitalize on eco-tourism with birders, agri-businesses, campers, hikers, local history buffs, etc. focused on our common star – Lake Apopka.”

- Residential Survey Response

KEY FINDINGS

By combining forces as one regional strategic planning, entity, Tri-Cities puts itself on equal footing in terms of population and key assets with other Major Central Florida communities, including Orlando.

Many challenges lie ahead in developing, implementing and constantly adapting an economic plan, and Tri-Cities currently has no permanent Structure or organization in place to ensure the long-term viability of the partnership and the agreement of goals. Key To success in guiding the region in a plan for growth and redefinition will be the permanent structuring Of the Tri-Cities Partnership as an institution with a budget and permanent staff.

Businesses have indicated a willingness to participate and fund a planned public/private marketing drive.

More direct highway access via SR 429 to Disney, its new theme park and other area theme park attractions will drive tourism traffic into the area.

Entrepreneurs and others looking for live/work options will be attracted to the area in part by Winter Garden's burgeoning Creative District and by the open space and possibilities for remodeling and repurposing of existing facilities.

Issues to address in marketing efforts will include determining a new name for the area, providing more in-depth crime and education information, and combating the subsidiary effects of an agricultural reputation.

To prepare for marketing, coordination of permitting requirements, activity site information, telecommunications/technology information and business support services is needed. Little collateral material is currently available in these areas. Clear branding of activity centers and consideration of the coordination of permitting requirements on a regional basis is also highly recommended.

COMPETITIVE ELEMENTS

Thriving and expanding cluster activity centers and the further development of new communities will have both positive effects on Tri-Cities and act as competition for target industries in the future.

The built-out status of many area activity centers will drive related industries to look for open space in nearby activity centers, leading many to the Tri-Cities centers, particularly along SR 429. Other businesses will be interested in repurposing centrally located facilities. Related smaller Businesses will be searching for office space in areas with direct and fast access to other cluster areas.

Activity sites close to the Tri-Cities area that will impact economic development by spurring interest from aligned businesses and competing for new industries are:

- Horizon West, a public/private with Orange County that plans 45,000 households segmented into six villages and town centers
- Creative Village Orlando, a public/private partnership with the City of Orlando planned for 68 acres of downtown Orlando infill to establish a live/work/learn/play community centered around the Creative Industry
- Lake Nona Medical City, a health/life sciences cluster southeast of the Orlando International Airport anchored by the UCF School of Biomedical Sciences and the University of Florida Research and Academic Center
- Innovation Way Corridor, a high tech cluster linked by easy access to UCF and the Orlando International Airport

SWOT: MARKETING & ECONOMIC DEVELOPMENT EFFORTS

STRENGTHS	<ul style="list-style-type: none"> • Strategic Central Florida location • Green space • Intermodal distribution hub for highways, air and rail with fast port connections • Florida Ridge topography • Strong Quality of Life Factor • West Orange Trail/Lake Apopka • Apopka amphitheater, sports fields • History of cities 	<ul style="list-style-type: none"> • Multiple higher learning campuses
WEAKNESSES	<ul style="list-style-type: none"> • Effects of past of rapid, unplanned urban sprawl • Poor drive-through perception in areas • Legacy governments resistant to change • Lingering agricultural stigma • Behind the times perception • Inadequate daytime population • Apopka and Ocoee lack destination quotient 	<ul style="list-style-type: none"> • More permitting coordination and information needed • More activity site coordination and information needed • Apopka/Ocoee lack downtown entities
OPPORTUNITIES	<ul style="list-style-type: none"> • Winter Garden Creative Area • Winter Garden Film Industry • Ocoee home furnishings industry • University of Florida IFAS spin offs • UCF new tannin program • Central Florida research hub • Hospital expansions • Ecotourism/Outdoor destination potential 	<ul style="list-style-type: none"> • Potential for regional athletics location • Potential for major arts/music festivals • Businesses receptive to public/private partnership for marketing • Wekiva Highway interchange/429 Corridor • Positioning further ahead of coming growth • Possible future expanded passenger rail • Repurposing of vacated business facilities
THREATS	<ul style="list-style-type: none"> • No institution for Tri-Cities effort • No regional brand • No presence with other Central Florida ED players • Acrimonious competition • Orange County focus and support of other areas • Anti-change factor 	<ul style="list-style-type: none"> • Young professionals/families lack voice, involvement in ED plan

CREATIVE VILLAGE ORLANDO



Creative Village is a public/private partnership with the city of Orlando, with joint venture participation by Banc of America Community Development Corporation and the Ustler Group of real estate, development, restaurant and retail companies. Plans call for development of 68-acres of infill property owned by Orlando and zoned for mixed-use development. If the project proceeds as originally planned, it will serve as a live/work/learn/play environment, with up to 1.2 million square feet of office/creative space, 500,000 square feet of university/college space, 25,000 square feet of K-12 education space, 1,500 resident units, 150,000 square feet of retail/commercial space and 225 hotel rooms.

The transit-oriented development focuses on leveraging Orlando's digital media industry to attract and expand the city's creative businesses. Both the University of Central Florida and Valencia College are set to achieve major downtown expansion through project participation. At build out, project organizers say the community will provide more than 8,000 jobs and include \$800 million to \$1 billion in new development.

Creative businesses looking for more affordable cost of operations and different quality of life amenities could see the creative business development in Tri-Cities as a viable alternative to downtown Orlando life.

LAKE NONA MEDICAL CITY

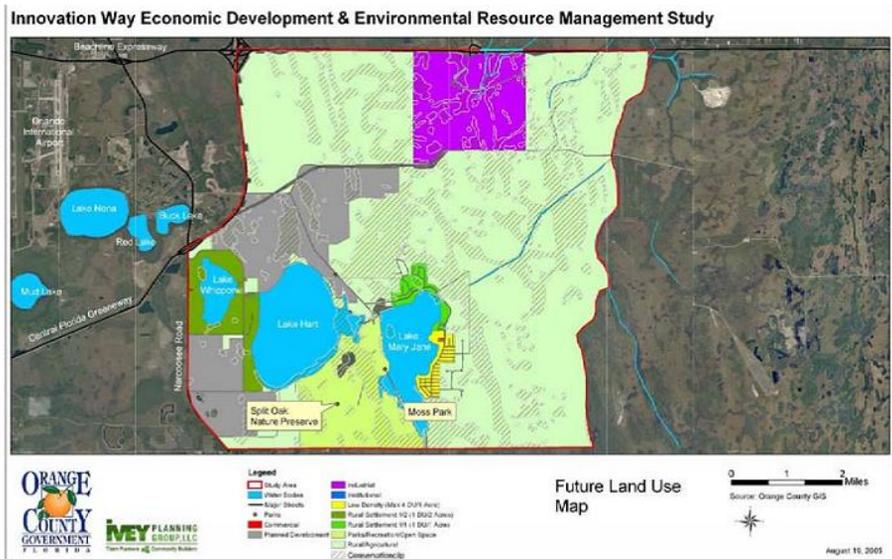


UCF COLLEGE OF MEDICINE, LAKE NONA CAMPUS

A 650-acre health and life sciences park southeast of the Orlando International Airport, with a cluster of healthcare and bioscience facilities strategically planned to create a hub of sophisticated medical treatment, research and education facilities in Central Florida. The cluster development is anchored by Sanford-Burnham Institute, the Orlando VA Hospital, Nemours Children’s Hospital, the University Of Central Florida College Of Medicine, the Burnett School of Biomedical Sciences, the University of Florida Research and Academic Center and the M.D. Anderson Cancer Center.

INNOVATION WAY CORRIDOR

The Innovation Way Economic Development Corridor in east Orange County is targeted by the county as a pathway to promote high-tech business and job growth by linking it to one area with housing and quality of life elements. The county plans to support the area with new expressway interchanges, a brownfield designation with economic incentives and investment and multi-modal transportation. The corridor links the University of Central Florida to Innovation Way and further to the Lake Nona Medical City and the Orlando International Airport.



SITE SELECTOR SCORECARDS

SCORECARD ASSESSMENTS

Scorecards have been created to allow a visual representation of the health of the Tri-Cities' economy in each of the most important factors affecting economic development.

The scorecards condense the many data points in each section down to the main factors that define each economic determinant. The factors are then analyzed, ranked, and plotted graphically for easy interpretation. The economic determinants and their associated defining factors are detailed in the table to the right.

The output of each analysis is presented in the column labeled "Assessment Rationale." Each factor was then ranked and plotted graphically along a continuum from leading to weak, depending on the performance of that particular factor. Once all factors were analyzed and assigned ranks, a rank was given to the overall performance of the entire economic determinant.

Once an overall rank was assigned to each of the four economic determinants, those ranks were re-plotted on one final scorecard at the end of this section. This scorecard plots one final ranking; a ranking that defines the health and performance of the entire Tri-Cities economy.

ECONOMIC DETERMINANTS AND DEFINING FACTORS

Business Climate

- Global Competitiveness
- Tax Climate
- Business Establishments
- Entrepreneurship
- Patent Activity

Workforce & Education

- Job Growth
- Educational Attainment and Opportunity
- Wages
- Home/Work Match

Sites & Infrastructure

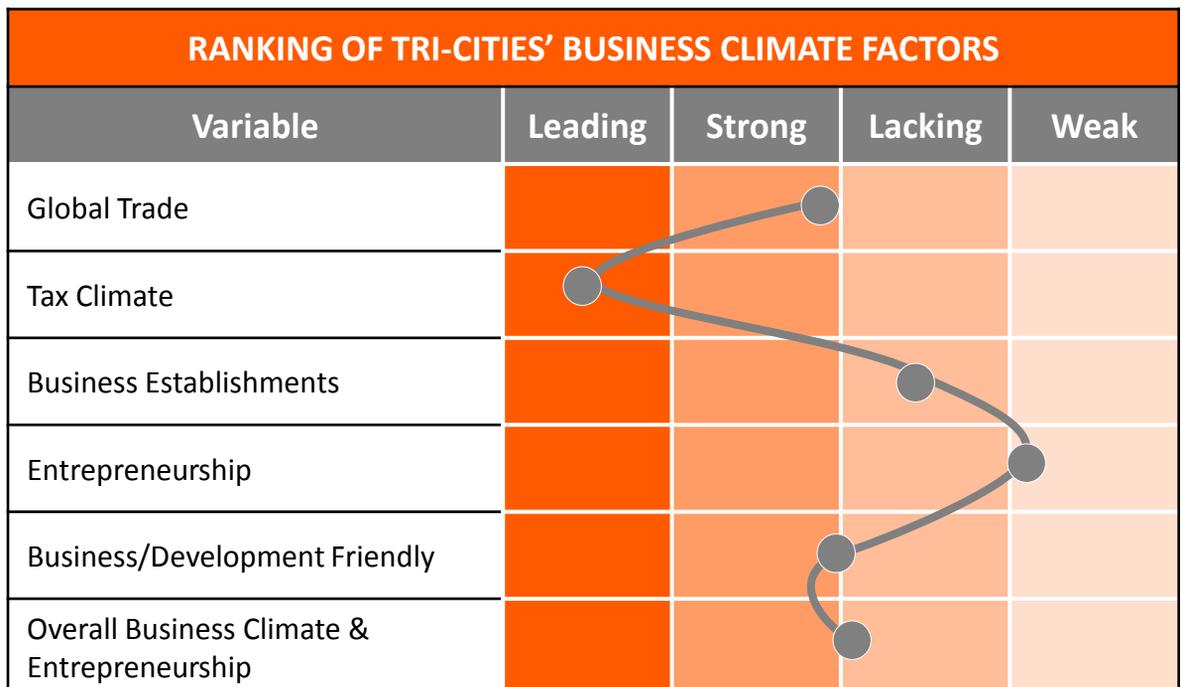
- Housing Characteristics
- Construction Costs & Permitting
- Utilities
- Transportation
- Regional Assets

Quality of Life

- Income & Net Worth
- Housing
- Crime & Poverty
- Cost of Living
- Standard of living

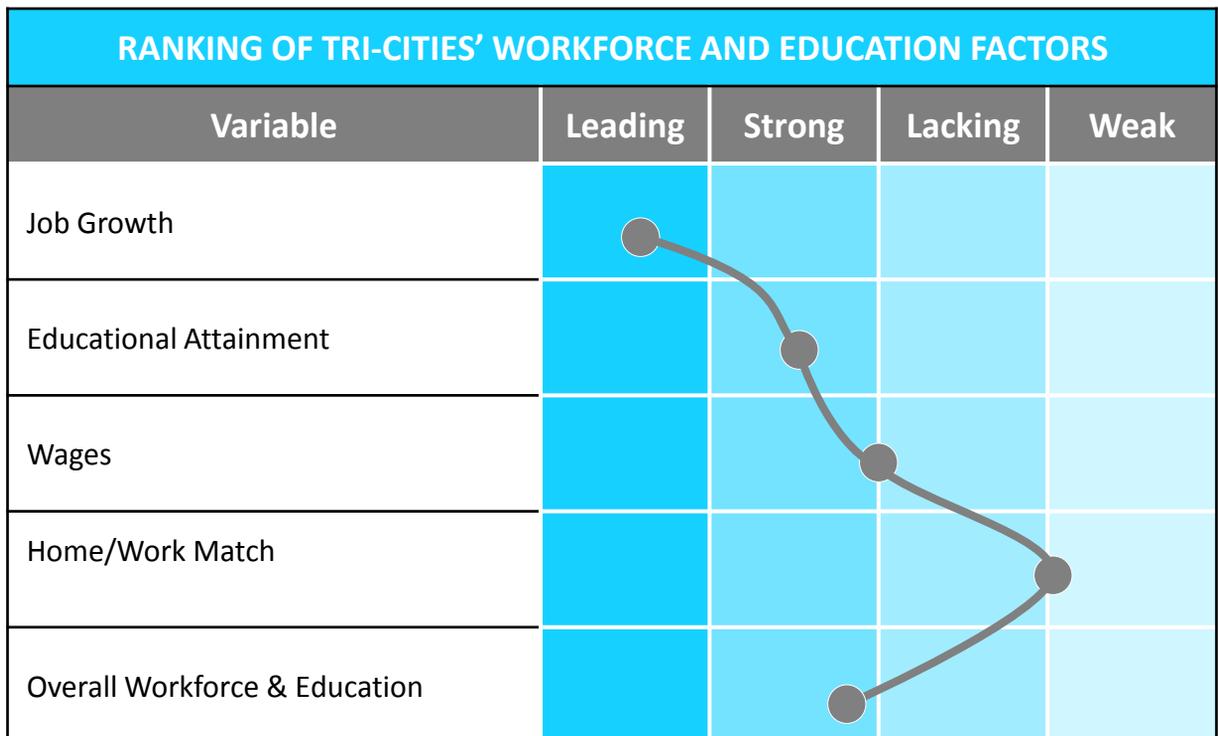
BUSINESS CLIMATE & ENTREPRENEURSHIP SCORECARD

ASSESSMENT OF TRI-CITIES' BUSINESS CLIMATE & ENTREPRENEURSHIP FACTORS	
Variable	Assessment Rationale
Global Trade	<ul style="list-style-type: none"> • Sluggish GDP growth compared to pre-recession trends • Strong exports in manufacturing, a sector growing both regionally and nationally
Tax Climate	<ul style="list-style-type: none"> • Florida is ranked 5th overall in U.S. • No individual income taxes
Business Establishments	<ul style="list-style-type: none"> • Strong regional growth in business establishments • Little business leader investment in community • Very few professional level jobs within Tri-Cities
Entrepreneurship	<ul style="list-style-type: none"> • Lacking in venture capital and angel investment • Low number of available business assets • In close proximity to many regional business assets • Patent activity is growing but levels are still relatively low
Business and Development Friendly	<ul style="list-style-type: none"> • Permitting has improved but still has room for improvements • Enterprise zone in South Apopka with diverse set of incentives



WORKFORCE & EDUCATION SCORECARD

ASSESSMENT OF TRI-CITIES' WORKFORCE AND EDUCATION FACTORS	
Variable	Assessment Rationale
Job Growth	<ul style="list-style-type: none"> • Exceptional growth in employment • Comparatively low unemployment
Educational Attainment and Opportunity	<ul style="list-style-type: none"> • Solid growth in percentage of bachelor's degree holders • High school graduation rate is below benchmarks • Many nearby institutions for higher education
Wages	<ul style="list-style-type: none"> • Wages are relatively low and growing slowly
Home/Work Match	<ul style="list-style-type: none"> • Most commute outside the Tri-Cities for work



SITES & INFRASTRUCTURE SCORECARD

ASSESSMENT OF TRI-CITIES' SITES & INFRASTRUCTURE FACTORS	
Variable	Assessment Rationale
Housing Characteristics	<ul style="list-style-type: none"> • Very strong growth in households • Most structures are less than 30 years old
Construction Costs & Permitting	<ul style="list-style-type: none"> • Construction costs are relatively low • Permitting levels have remained stable over past five years
Utilities	<ul style="list-style-type: none"> • Competitive utility rates • Lack of water and wastewater capacity
Transportation	<ul style="list-style-type: none"> • SR 429 and planned Wekiva Parkway Extension • SR 414 Interchange • Interstate 4
Regional Assets	<ul style="list-style-type: none"> • West Orange Bike Trail • Downtown Winter Garden • Availability for land development

RANKING OF TRI-CITIES' SITES & INFRASTRUCTURE FACTORS				
Variable	Leading	Strong	Lacking	Weak
Housing Characteristics	●			
Construction Costs & Permitting		●		
Utilities			●	
Transportation	●			
Regional Assets	●			
Overall Sites & Infrastructure		●		

QUALITY OF LIFE SCORECARD

ASSESSMENT OF TRI-CITIES' QUALITY OF LIFE FACTORS	
Variable	Assessment Rationale
Income & Net Worth	<ul style="list-style-type: none"> • Highest incomes of all benchmarked areas • Relatively high net worth • Strong growth in median incomes
Housing	<ul style="list-style-type: none"> • Housing prices are strong • High rents due to lack of diversified housing • Property taxes are low
Crime & Poverty	<ul style="list-style-type: none"> • High incidence of both property and violent crime • Crime rates have been decreasing since 2002 • High poverty rates overall but especially for youth
Cost of Living	<ul style="list-style-type: none"> • Cost of living is lower than U.S. average but higher than benchmarked communities
Standard of Living	<ul style="list-style-type: none"> • Local natural, recreational amenities and theme parks • Easy access to Florida coasts and recreation • Lower than average commute times

RANKING OF TRI-CITIES' QUALITY OF LIFE FACTORS				
Variable	Leading	Strong	Lacking	Weak
Income/Net Worth	●			
Housing		●		
Crime/Poverty			●	
Cost of Living			●	
Standard of Living		●		
Overall Quality of life		●		

PROJECT NEXT STEPS

TRANSITION TO TARGET INDUSTRY OPPORTUNITIES

In the next step of the economic development strategic plan, AE will validate, from a site selector's perspective, the target industries identified by Orange County and build a case to ensure Tri-Cities has the ability to support each industry with competitive advantage. We will evaluate the following identified target industries:

- Nursery and Floriculture
- Research and Development
- Real Estate and Construction
- Specialty manufacturing
- Creative and Digital Arts
- Custom Software and Video Production

AE may add or eliminate some of the target industries listed for consideration after consultation with Tri-Cities.

Industry clusters are highly integrated groups of businesses with strong vertical and horizontal linkages. "Vertical" linkages include the suppliers and customers in a region that combine to create a competitive business model, whereas "horizontal" linkages include the relationships between competing companies-which often recruit from the same labor pool of talent-and supporting public institutions. Clusters often mature when businesses expand their relationships with existing supplier firms in a region. As the clusters grow, additional supplier firms are attracted to the region, eventually creating a well-diversified "critical mass" of production, labor, and information.

AngelouEconomics has defined 35 standard industry clusters to categorize businesses according to their final product and how these products are related to each other and integrated along the vertical supply chain. To assess the strength of a cluster in a regional economy, AE has calculated location factors (or quotients) to each cluster. These factors are calculated by comparing the cluster's share of total local employment to the cluster's national share. This location quotient will yield a value generally between 0 and 2, where a result of "1" demonstrates that the cluster commands an average (expected) share of the local economy. Cluster location factors greater than 2 indicate a strong cluster agglomeration, while those less than 0.5 indicate extremely weak clusters.

For comparison purposes, AE has identified the following Orange County industry concentrations using empirical data resources:

2012 Orange County Industry Concentration: 10 Strongest Industries (By Location Quotient)		
Industry	Employees	LQ
Hotels & Entertainment	91,621	5.64
Transportation Services	15,085	3.59
Agriculture	3,599	3.48
Communication Services	7,006	1.70
Business Support Services	48,047	1.39
Professional Services	54,333	1.10
General Services	20,821	1.10
Software & Computer-Related Services	3,823	1.08
Eat/Drink	53,446	1.04
Industrial Supplies	4,197	1.03

APPENDIX

I. INTERVIEWS

II. ADDITIONAL FACTS AND FIGURES

INTERVIEWS

We would like to thank the following community members for their engagement in the development of this report. Our insights and findings would not have been possible without their valuable input.

Linda Laurendeau, Apopka

Steve Hooks, Apopka

Artie Vechio, Apopka

Bill Spiegle, Apopka

Hezekiah Bradford, Apopka

Barry Wilcox, Consultant, Apopka

Paul Seago, Apopka Area Chamber of Commerce

Carmen Ruiz-Ore, Apopka Area Chamber of Commerce

John Ricketson, Owner, Apopka Chief Newspaper

Natalie Arrowsmith Scheveling, Arrowsmith Realty

Rob Berens, BankFirst

Bill Arrowsmith, BankFirst

Ed Conlan, Beef O-Brady's

Jim Thomas, Biosphere Consulting

Tim Ross, Brighthouse

Stuart Bronson, Bronson Properties

Mayor S Scott Vandergrift, City Commission / Mayor

Donald Kahrs, City of Apopka IT

Jay Davoll, City of Apopka Transportation

Jeff Plaughter, City of Apopka Utilities

Eric Bennett, Coca-Cola

Paul Hoffman, VP Commercial Sales , Coldwell Banker

Trevor Hall, Jr., Director Central Florida , Colliers Int'l

Rick Schmidt , Conventional Wisdom

Mike Cooper, Cooper Industries

David Calcanis, Cushman & Wakefield

Marc Hoenstine, Duke Energy

Luis Nieves-Ruiz, Economic Development Program
Manager, East Central Florida Regional Planning Council

Wendy Kurtz, Elizabeth Charles & Associates

Mack McLaughlin , F/X Design Group

Regina Thomas, Farm Credit of Central Florida

William Garrett, Fifth Third Bank

Sheena Fowler, Film Orlando

Valli Ruhle, Fiskars

Pete Petreee, Florida Central Railroad

Kay Hill, Florida Film Academy/Steel Spyda

Alauna Friskics, Garden Theatre

Keith Smith, Garden Theatre/Disney

Micheal Morgan , Good Theory Productions/Vidaroo

Lou Haubner, Haubner Realty

Michael Mueller, Finance Director, Health Central -
Orlando Health, Inc

Louis Kellom, Homes in Partnership

Jim Golden, HSA Golden

Lance Osborne, Center Director, IFAS (Univ. of Florida)

Jimmy Dunn, June Engineering

Jon Feazell, Lake Apopka Natural Gas District

Everett Holmes, Lake Apopka Natural Gas District

Lisa Hill, Long & Scott Farms

Rebecca Ryan, Long & Scott Farms

Hank Scott, Long & Scott Farms

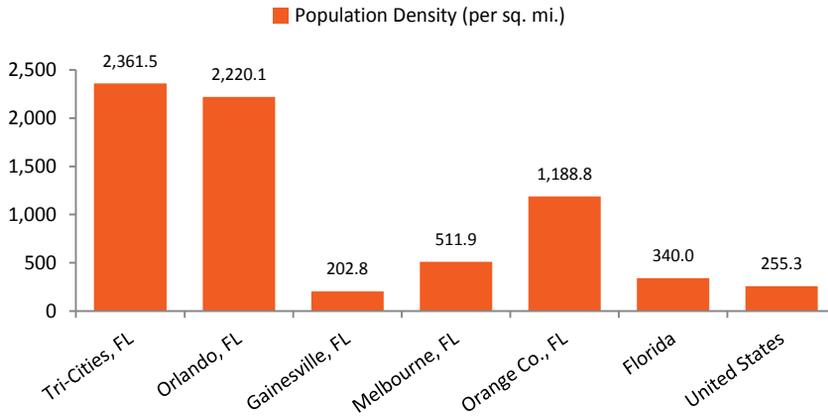
Andrea Ostrodka, Lynx

Joan Pike, Asst Gen Manager , Manheim Orlando
Maria Fernandez, Marriott Courtyard Hotel & Red Roof Inn
Paige Albright , Marriott Courtyard Hotel & Red Roof Inn
Frank Baumbeck, Mercury Advisors
Ken Stoltenberg, Mercury Advisors
Shawl Pryor, Executive VP, Leasing & Mgmt, MoonBeam Capital Investments LLC
Paul Faircloth, Mosquito Creek Retail
Marten Piccinini, Motitude
Harry Barley, MPO
Jerry Ross, National Entrepreneur Center
Robert Frank, City Manager, Ocoee
Craig Shadrix, Assistant City Manager, Ocoee
David Wheeler, Engineer , Ocoee
John Grogan, District One Commissioner, Ocoee
Rosemary Wilsen, District Two Commissioner, Ocoee
Rusty Johnson, District Three Commissioner, Ocoee
Joel F. Keller, District Four Commissioner, Ocoee
Ginger Corless, Ocoee CRA Board Member
Carla Bell Johnson, Ocoee CRA Board Member
David Painted, OCPS Westside Teck
Anita Gentz, OCPS Westside Teck
David Rankin, Old Florida National Bank
Eric Ushkowitz, Orange County Economic Development Administrator
Gregg Gronlund, Manager West Oaks Branch , Orange County Library
August Calabrese, Manager Winter Garden Branch, Orange County Library
Christine Moore, District 7, Orange County Public Schools
Tyrone Smith, Senior Administrator, Orange County Public Schools
Guy Haggard, Orlando Apopka Airport
Randy Somers, Orlando Apopka Airport
Rick Weddle, Orlando Economic Development Commission
Greg Ohe, President, Orlando Health Central Hospital

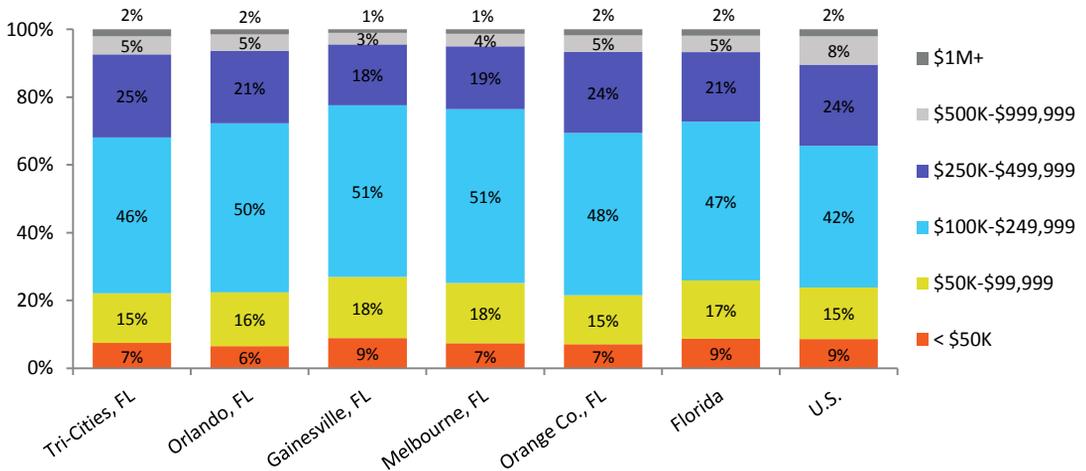
Bradley Campbell, Chairman, Planning & Zoning Commission
Tim Keating, RC Stevens
Alan Charron, President, Real Property Specialists
Paul Johnson, Real Property Specialists
Ken Simback, RKL Land Co.
Jeff Welch, Rochelle Holdings
Frank Hibler, Rock Springs Ridge HOA President
Carol Johnson , Shelby Distribution
Robert Christianson, SJRWMD
Dan Carr, Southland Construction
Jay Strates, Strates Family
Greg Rhodes, Sysco Food Service of Central Florida, Inc.
Tom Schmidt, Sysco Food Service of Central Florida, Inc.
Brian Py, Senior VP Investments & Finance , The Kessler Collection
T. Milton West , Tom West Blueberries
Dennis Foltz, Town Manager, Town of Oakland
Robert Smith, Town Manager, Town of Windermere
Rick Parks, UCF-Incubator
Keith Houck, VP, Operations & Finance, Valencia College
Debbie Perez, Vista Landfill
Sarah Kelly, VP of Business Development, Wayne Automatic Fire Sprinklers
Jim Hanson, Wekiva Riverwalk\Woolbright Dev.
Donna Mooser, Wekiva Riverwalk\Woolbright Dev.
David Rhodes, Assistant GM, West Oaks Mall
David Billsborough, Chamber Chairman, West Orange Chamber of Commerce
Lynetta Steed, Chairman-elect, West Orange Chamber of Commerce
Krista Compton Carter, Vice President, West Orange Chamber of Commerce
Stina Duva, West Orange Chamber of Commerce
Mike Bollhoefer, City Manager, Winter Garden
Larry Cappleman, CRA Chair, Winter Garden
Peter Fleck, Winter Garden

ADDITIONAL FIGURES

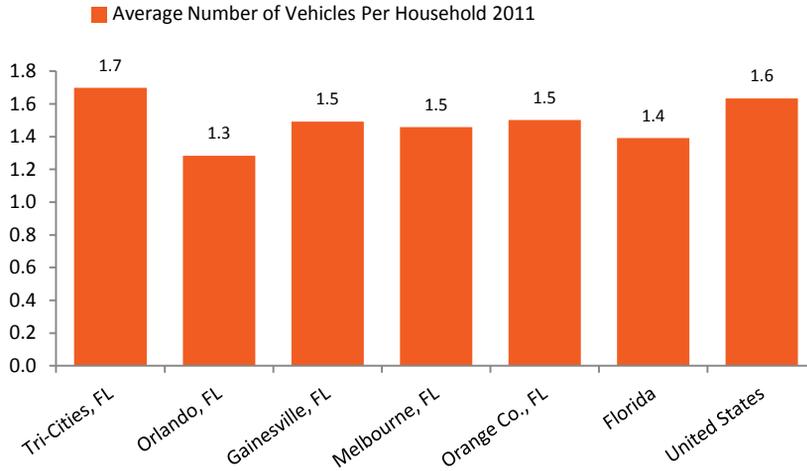
Population Density



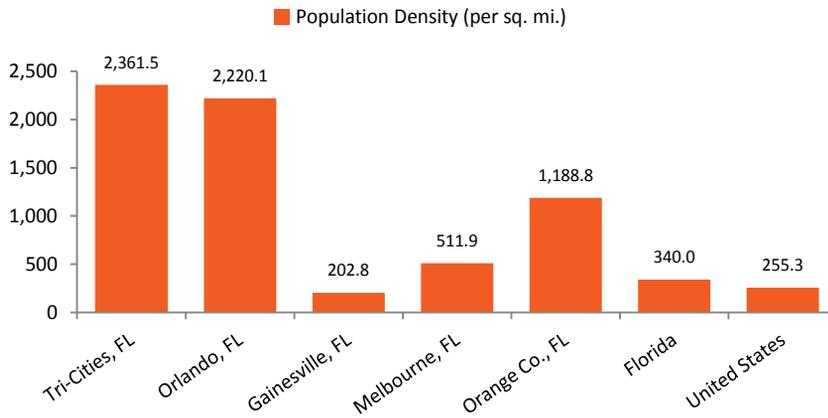
Housing Value Distribution



Vehicles Per Household



Population Density



ABOUT ANGELOUECONOMICS



ANGELOUECONOMICS

AngelouEconomics partners with client communities and regions across the United States and abroad to candidly assess current economic development realities and identify opportunities.

Our goal is to leverage the unique strengths of each region to provide new, strategic direction for economic development

As a result, AngelouEconomics' clients are able to diversify their economies, expand job opportunities and investment, foster entrepreneurial growth, better prepare their workforce, and attract 'new economy' companies.

To learn more, visit www.angeloueconomics.com

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