

Economic Assessment – Okaloosa County
Meeting Dates: 8-23-10 through 8-25-10

Communication and Perception – Economic Impacts due to disaster

- Stock assessments on fisheries need to be done since they have not been updated in a long time
 - No one believes the current estimates as they are based on assumptions
- Fisheries need to be based on fact, not guesswork
- Changes to fisheries need to be done in advance, with enough lead time for charter clients to plan their trips
 - Destin has the largest for hire charter fleet in the nation so this impact is large
- BP needs to stop or make material adjustment to its marketing campaign
- Claims process isn't being communicated well enough
- The event hits every business and industry in the region (domino effect)
- The concern goes beyond the summer season as some industries (hospitality and real-estate) rely on fall and winter visitors
- Human health issues are being confused with environmental issues
 - The information contradicts itself, and only appears to deal with the environment but people then fear the quality of the water (i.e. are dangerous chemicals present)
- The community needs a third party (trusted) validation on the quality of the water and the air
 - This validation needs to be communicated both internally and externally
- Without trusted validation, it could be a major mistake to begin to market to visitors that the water is clean and safe
- Communicating the quality of the water from a chemical perspective should be ongoing
 - Something similar to Homeland Security color code system could be used for ease of understanding
- Communication efforts need to be both unified and coordinated
- The Federal government should partner with the state and region to multiply marketing impacts

Economic Base and Diversification

- The economic base of Okaloosa County is primarily tourism and defense
- These economic assets need to be the basis for any diversification efforts
 - Must focus on strengthening and supporting economic base (particularly high-tech defense)
- Utilizing the high-tech aspects of the defense industry along with the University presence could lead to a high-tech corridor similar to central Florida
 - Incentives would be needed to help build on such a corridor
- Take advantage of highly trained retired military in the area
 - Need to find a way to convince them to become entrepreneurs
- Application is in to SBA for a regional innovation cluster program that would assist in the continued growth of the manufacturing industry
 - A large portion of the manufacturing industry is defense based
 - This program would create a training center of excellence and an entrepreneurial center
 - Qualified applicant pool is a negative issue for the high-tech industry in the region
- REEF program needs to be saved for both the high-tech vision and for the defense industry
 - REEF program out of UF has had a 60% reduction in funding
 - REEF program was planned to be an anchor tenant at the Emerald Coast Research Park
 - If program goes, the research park will likely go with it

Infrastructure

- Infrastructure needs (both roads and stormwater) is a major negative in recruiting new business or allowing for the expansion of business in the area
- Local funding and a shift in focus to disaster recovery have caused delays in some vital infrastructure projects
- Increased DoD missions have also placed a burden on local communities since the cost to prepare comes before the economic benefit
- Pressure on the range due to the disaster is a cause for concern
- The Air Force has already reduced the number of F35's coming to Eglin from 107-59, which has a negative impact to the local economy
- Could not apply for TIGER II grants since there is now a match requirement and the funds aren't there

Workforce and Universities

- Changes should be made to Federal financial aid to use dollars more strategically
 - STEM programs should provide more aid than programs that are less costly to run
- Allow higher cost degree training (e.g. high-tech engineering) to be performed on-site at the business looking for the workforce
- Definitions on who can participate needs to be loose enough as to not make those seeking training or employment services prove they are in need strictly due to the event
- Need the Federal government to extend "Back to Work" TANF emergency dollars
 - Took a long time to implement, so the funding is there, but the program expires September 30th
- Nontraditional adult students are important segment of many of the colleges and Universities in the area
 - These students are no longer comfortable signing up for classes due to the fear and uncertainty
- Hospitality programs at UWF are all but dead
- Local funding is down, so the school system has taken a huge hit on revenues
- Okaloosa county has very high performing schools, but any grant programs that do exist for K-12 schools usually exclude high-performing schools
 - Impacts on the school system could have a negative long-term effect on the quality of workforce in the region

Housing

- The real estate market was recovering
- The event stopped the recovery and is starting to force declines in values and on demand
- Condo rentals have a large impact on home prices in the area and they are down considerably
- Fear and uncertainty on the level of long-term impact is scaring people from the market
- Process for foreclosures and short-sales is way too long, which has hurt the recovery
- If there is any financial assistance provided, the real estate industry should set the guidelines

Capital and Financing

- SBA isn't doing enough to really assist small businesses
- SBA loans that have right-of-redemption rules have really gotten in the way of banks recovering and removing bad assets from their books
- Capital is needed to help get business through slow season, but there isn't an entity that is set up to provide low-interest short-term (3-5 year) loans to small businesses that have been struggling due to the economy
- Large banks are not focused on the region or on small business
- Due to new banking regulations over capital and asset management, community banks are not able to use the capital they may have to provide financing to the small business impacted
- Larger banks that may have capital available cannot make the loans due to the regulatory environment since the economic and banking crisis
- The Federal government could relax regulations, or provide capital to these institutions outside of normal regulatory environment so financing of these businesses will commence