



MEMORANDUM

AGENDA ITEM #VI.E

DATE: NOVEMBER 23, 2020
TO: COUNCIL MEMBERS
FROM: STAFF
SUBJECT: 2020 ANNUAL REPORT AND UPDATE

Council staff has undertaken an annual review and update of the South Florida Comprehensive Economic Development Strategy 2017 – 2022 (CEDS) in preparation for a full CEDS update next year. This Annual Report and Update incorporates the most recent data available for Asset Limited Income Constrained Employed (ALICE) Households (2018), unemployment rates, job loss by largest industries, key economic indicators, poverty, educational attainment, and transportation modes.

This Annual Update includes the 2019 Sea-level Rise Unified Projections of the Southeast Florida Regional Climate Change Compact and compares the economic progress achieved related to the CEDS before and after the ongoing economic shock of COVID-19. It also provides a preliminary analysis of the region's designated Opportunity Zones and surrounding major economic development assets. The preliminary analysis was presented to the Council at its October 19, 2020 Council Meeting and posted for public comment for a 30-day period beginning October 27, 2020.

Recommendation

Approve the 2020 Annual Report and Update.





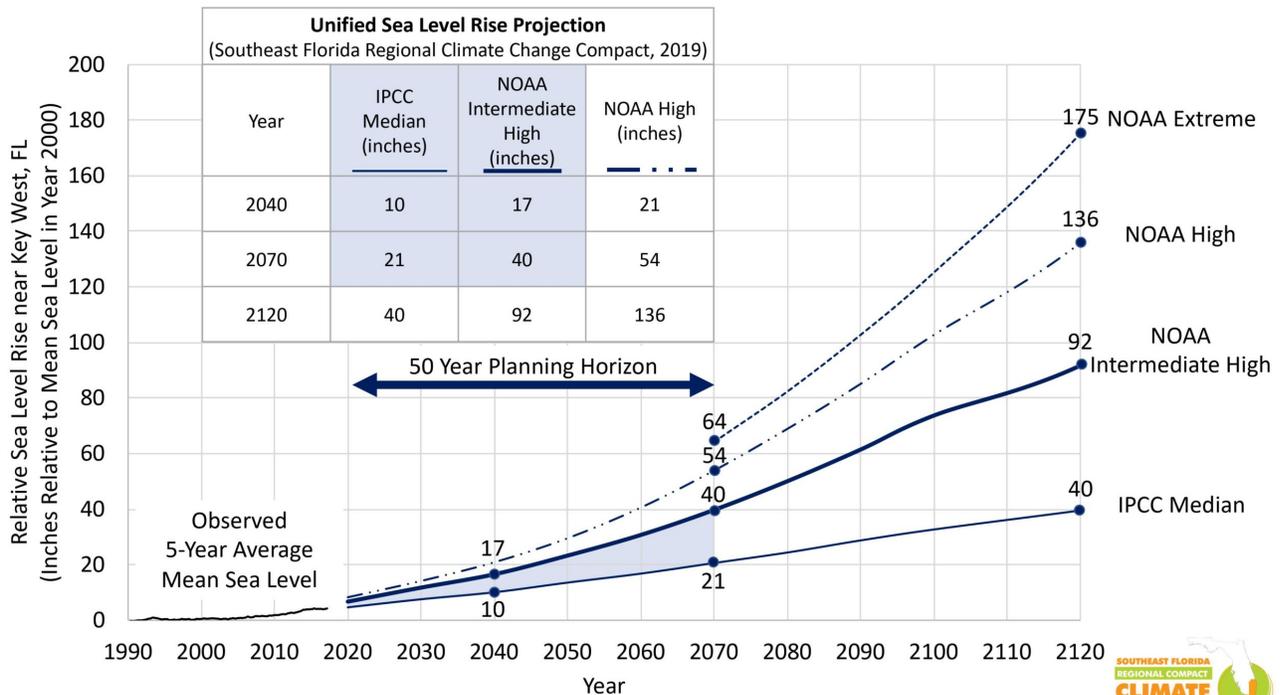
2020 ANNUAL REPORT AND UPDATE
2107 – 2022 South Florida Comprehensive Economic Development Strategy

Elevate South Florida CEDS
Economic Resilience

The [South Florida Regional Planning Council](#) is the U.S. Department of Commerce Economic Development Administration’s designated [Economic Development District \(EDD\)](#) for South Florida. The Economic Development District service area is Monroe, Miami-Dade, and Broward counties where the Council helps lead a locally based, regionally driven economic development process. We work with local government, public, private, non-profit, and philanthropic partners to provide information, technical assistance, and support and lead regional economic development efforts.

In 2019 the Southeast Florida Climate Change Compact released its third Unified Sea Level Rise Projection, which is represented Figure 1 below. The forecasts indicate high confidence (shaded blue in the chart) between 21-40 inches of sea level rise at Key West by 2070. For context, some roads and the Key West International Airport would be permanently inundated at 21 inches of sea level rise.

Figure 1: Updated Unified Sea Level Projection – Southeast Florida Climate Change Compact



Source: Source: Southeast Florida Climate Change Compact, 2019, https://southeastfloridaclimatecompact.org/wp-content/uploads/2020/04/Sea-Level-Rise-Projection-Guidance-Report_FINAL_02212020.pdf

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Additionally, this year the Urban Land Institute (ULI) published “The Business Case for Resilience in Southeast Florida.” Informed by regional stakeholders, this report quantifies a compelling business case for the region to make significant investments in resilience at the public and private level. The project has been supported by a coalition of local partners, including Broward, Miami-Dade, Monroe, and Palm Beach counties; the Florida Department of Environmental Protection; the Beacon Council Foundation; Broward Workshop; Community Foundation of Broward; Greater Fort Lauderdale Chamber of Commerce; and Greater Miami Chamber of Commerce with numerous more organizations, including the South Florida Regional Planning Council, participating in the study. This is just one part of a wave of regional resilience studies and investments, including the USACE Back Bay Coastal Storm Risk Management Study and SFWMD Alternative Water Supply and Conservation Funding, among others.

Regional CEDS-related efforts go beyond environmental resilience. For example, the South Florida Regional Transportation Authority’s work on Transit-Oriented Development and service expansion create economic development opportunities and drive investment into the region. Local Economic Development Organizations like the Miami-Dade Beacon Council and Greater Fort Lauderdale Alliance continue their efforts in business attraction and development efforts through programs like One Community One Goal and Six Pillars Broward.

As for how the South Florida region was progressing economically before COVID-19 hit, the region was doing well. Bureau of Economic Analysis data from 2018 shows that the region’s total GDP increased to \$247 billion, an increase of 9% since the 2014 data used in the 2017-2022 CEDS. Data from the Bureau of Labor Statistics shows that unemployment fell from 5.5% in 2014 to 2.1% by February 2020. Since then, the economic disaster caused by COVID-19 has skyrocketed regional unemployment in the 3-county area up to 10.9% across all industries in the three counties.

As for quality of life, the South Florida EDD tracks the ALICE metrics which represent Asset Limited Income Constrained Employed households. The ALICE index quantifies the number of households that are struggling financially based on income and cost of living but are above the threshold for poverty. Figure 2 below shows the percentage of households by county and state classified as “ALICE,” Poverty, and Combined, which is “below the ALICE threshold.” As you can see, 50% of Broward households are below the ALICE threshold; 54% below the ALICE threshold in Miami-Dade, and 37% in Monroe, with Broward and Miami-Dade with higher concentrations than the state as a whole. However, these figures have modestly improved for each county in recent years.

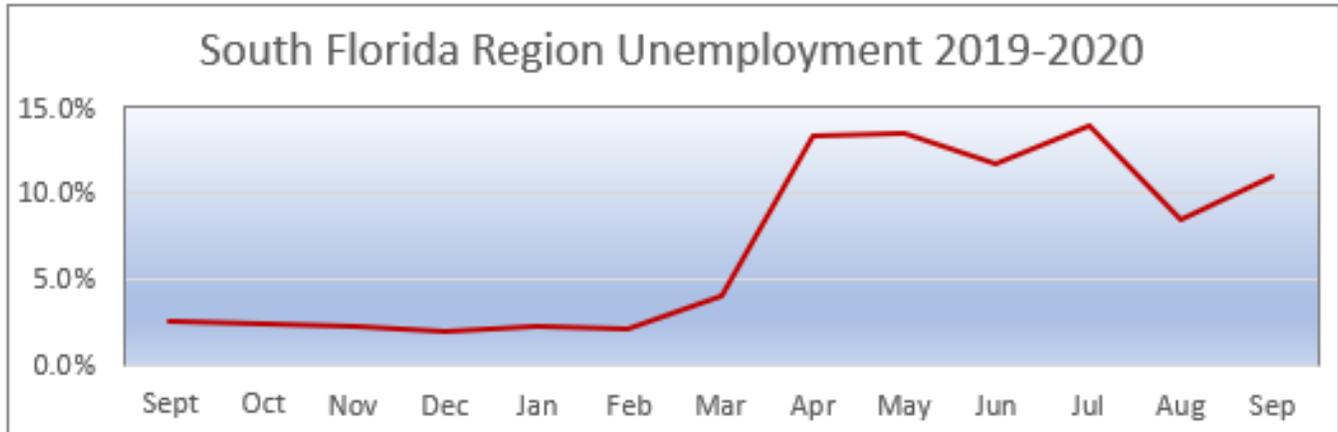
Figure 2: Percentage of Households in Poverty, ALICE, and Combined

| Geography | ALICE | Poverty | Below ALICE Threshold (combined) |
|------------|-------|---------|----------------------------------|
| Broward | 37% | 13% | 50% |
| Miami-Dade | 37% | 17% | 54% |
| Monroe | 29% | 8% | 37% |
| State – FL | 33% | 13% | 46% |
| | | | |

Source: United Way 2020 ALICE Report: https://www.uwof.org/sites/uwof.org/files/2020ALICEHighlightsReport_FL_FINAL-4.15.20.pdf

Figure 3 on the next page outlines the combined three-county total unemployment change since September 2019 to September 2020 according to U.S. Bureau of Labor Statistic (BLS) data. Regional unemployment was 2.5% in September 2019 and decreased continuously until it hit 2.1% February 2020. Once business shutdown began due to COVID-19 in March 2020, unemployment quickly shot up, with a peak in July 2020 at 13.9%. September 2020 unemployment in each county was 8.2 % in Broward, 13% in Miami-Dade, and 5.9% in Monroe County.

Figure 3: South Florida Regional Unemployment September 2019- September 2020



Source: Bureau of Labor Statistics

COVID-19 has had a particularly negative impact on the South Florida Region’s industry mix. Figure 4 below chart uses BLS data and describes the percentage of jobs lost the region’s largest industries. These five industries, Leisure and Hospitality, Retail Trade, Education and Health Services, Professional and Business Services, and Transportation, trade and utilities, make up 77% of total employment between Broward and Miami-Dade counties. The industries are ranked from top to bottom by number of employees.

Unfortunately, Monroe County is below the BLS threshold to release monthly industry employment statistics as currently occurs with Broward and Miami-Dade counties. However, we know that Monroe County has experienced similar hardship particularly because it has an even higher concentration of vulnerable Leisure and Hospitality industries than Broward and Miami-Dade. The data shows the significant regional impacts From September 2019 to September 2020 in these industries, with particular loss of leisure and hospitality jobs, losing 28.7% of hospitality jobs in Broward and 20.9% of jobs in Miami-Dade.

Figure 4: Percentage Job Loss in Largest Industries September 2019-2020

| Percentage Job Loss in Largest Industries September 2019-2020 | | | |
|---------------------------------------------------------------|---------|------------|---------------------|
| Industry | Broward | Miami-Dade | Monroe County |
| Leisure and Hospitality | -28.7% | -20.9% | No data |
| Retail Trade | -2.7% | -4.5% | available from |
| Education and Health Services | -6.6% | -5.7% | the U.S. Bureau |
| Professional and Business Services | -5.5% | -3.8% | of Labor Statistics |
| Transportation, trade, and utilities | -3.8% | -4.4% | |

Source: Bureau of Labor Statistic

Despite current employment data for Monroe County not being available, Council staff uses other tools such as Regional Economic Models, Inc. (REMI) software to forecast the economic impact of COVID-19. These tools allow us to make estimates of economic impacts that are not captured in regularly released data. For example, Council

staff was able to estimate the county, state, and national impacts to Gross Domestic Product (GDP) and disposable income.

While the figures in Figure 5 are estimates, they are most useful to derive the relative impacts for each geography. For example, Monroe county is projected to be relatively more impacted than Broward and Miami-Dade counties due to its significant concentration of leisure and hospitality jobs. It also shows that the region is worse off than the rest of the state of Florida and the nation as a whole. This makes sense considering our industry mix.

Figure 5: Forecasted Economic Indicators - Percent Change from 2019 – 2020

| Forecasted Economic Indicators - Percent Change from 2019 - 2020 | | | |
|------------------------------------------------------------------|------------|-------|-------------------|
| Category | Employment | GDP | Disposable Income |
| Broward | -9.1% | -6.2% | -1.8% |
| Miami-Dade | -8.6% | -5.8% | -1.3% |
| Monroe | -11.8% | -8.5% | -7.0% |
| South Florida | -9.0% | -6.0% | -2.0% |
| State of Florida | -7.7% | -4.8% | -1.8% |
| U.S. | -5.7% | -2.7% | -1.2% |

Source: SFRPC analysis using Policy Insight Plus from Regional Economic Models, Inc.

Elevate South Florida CEDS Opportunity Zones

An Opportunity Zone is an economically distressed community where private investments, under certain conditions, may be eligible for capital gain tax incentives. Opportunity Zones were created under the 2017 Tax Cuts and Jobs Act, signed into law by President Donald J. Trump on December 22, 2017, to stimulate economic development and job creation, by incentivizing long- term investments in low-income neighborhoods. (Source: eda.gov/opportunity-zones/)

The South Florida region contains 98 Qualified Opportunity Zones, with 30 in Broward County, 67 in Miami-Dade County, and 1 in Monroe County. Investors can defer tax payment on any prior gains invested in a Qualified Opportunity Fund (QOF) until the earlier of the date on which the investment in a QOF is sold or exchanged or until December 31, 2026.

Workforce Development is a major part of the Comprehensive Economic Development Strategy (CEDS) for South Florida. Workforce development is addressed in the Innovation and Competitiveness, Opportunity and Prosperity, and Economic Resilience Goals and Objectives of the CEDS action plan. Our analysis of the census tracts belonging to Qualified Opportunity Zones shows that there is greater poverty, lower educational attainment, and a greater reliance on transit in these areas than the state and regional averages. This revelation is consistent with findings in the 2020 ALICE (Asset Limited, Income Constrained, Employed) report for South Florida, which indicates many residents in low-income communities continue to have to make the difficult choice between food, shelter and transportation on a regular basis.

The onset of the COVID-19 pandemic has further exacerbated this situation and gives cause for even more prominent attention to this issue. Encouraging new businesses, job creation, and investment within Opportunity Zones is key to reversing negative trends and creating opportunity and a more positive future for Opportunity Zone residents.

This appendix includes a number of data sources relevant to the Opportunity Zone program. To improve legibility, we have covered the areas of potential economic activities, economic assets, and critical infrastructure on separate maps or charts. Locally, the Beacon Council has been marketing the program, issuing a Prospectus document giving detailed information about each Opportunity Zone in Miami-Dade County¹. The City of Tamarac has also published an Opportunity Zone Prospectus for its designated census tracts². The Greater Fort Lauderdale Alliance discusses Opportunity Zones prime for development in its Annual Economic Sourcebook. Broward County’s Office of Economic and Small Business Development (OESBD) is also in the process of developing a brochure as well as an online interactive map to help promote Opportunity Zones in the County. The following tables summarize the economic and demographic conditions of the Qualified Opportunity Zones in the region and the region and state as a whole.

Figure 6: Poverty in South Florida Opportunity Zones

| Poverty in South Florida Opportunity Zones is significantly higher than the Region and the State as a whole | |
|-------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------|
| Geography | Percent below the poverty level for whom poverty status is determined |
| OZs in Region | 23.4% |
| SF Region | 15.8% |
| State of Florida | 14.8% |

Source: ACS 2018 5-year data

Figure 7: Educational Attainment in South Florida Opportunity Zones

| Educational Attainment in South Florida Opportunity Zones is significantly lower than the Region and the State as a whole | | | | | | |
|---------------------------------------------------------------------------------------------------------------------------|-------------------------------|----------------------|-------------------------|--------------------|-------------------|---------------------------------|
| | 9th to 12th grade, no diploma | High school graduate | Some college, no degree | Associate's degree | Bachelor's degree | Graduate or professional degree |
| OZs in Region | 14.1% | 34.1% | 16.7% | 7.6% | 10.2% | 4.4% |
| SF Region | 7.4% | 27.0% | 17.4% | 9.3% | 19.5% | 11.8% |
| State of Florida | 7% | 28.4% | 19.4% | 9.9% | 19.3% | 11.4% |

Source: ACS 2018 5-year data

¹ https://www.beaconcouncil.com/wp-content/uploads/2020/02/MDBC_Miami-Dade-County-Prospectus_Opportunity-Zones_02.18.20.pdf

² <https://www.tamarac.org/DocumentCenter/View/7678/Tamarac-Florida---Opportunity-Zone-Prospectus-Web-version>

Figure 8: Means of Transportation for residents in South Florida Opportunity Zones

Workers in South Florida Opportunity Zones are significantly more dependent on transit than the Region and State as a whole

| | Drove alone | Carpooled | Public transportation | Other Means | Walked | Worked at home |
|----------------------|--------------|--------------|-----------------------|-------------|-------------|----------------|
| OZs in Region | 72.1% | 10.6% | 10.1% | 2.1% | 2.2% | 2.2% |
| SF Region | 75.6% | 5.5% | 4.2% | 2.1% | 8.4% | 1.8% |
| State of Florida | 79.4% | 9.2% | 1.9% | 1.6% | 1.4% | 5.7% |

Source: ACS 2018 5-year data

The following tables contain the Census Tract ID and corresponding Municipality for each County.

| Broward | |
|-----------------|-----------------------------------------------|
| Census Tract ID | Municipal Name |
| 12011080500 | Dania Beach/Hollywood |
| 12011010304 | Deerfield Beach |
| 12011040901 | Fort Lauderdale |
| 12011041600 | Fort Lauderdale |
| 12011041700 | Fort Lauderdale |
| 12011040801 | Fort Lauderdale |
| 12011041500 | Fort Lauderdale |
| 12011041000 | Fort Lauderdale/Unincorporated |
| 12011041400 | Fort Lauderdale/Unincorporated |
| 1201110030 | Hallandale Beach |
| 1201110020 | Hallandale Beach |
| 1201109190 | Hollywood |
| 1201105031 | Lauderdale Lakes |
| 1201105031 | Lauderdale Lakes |
| 1201105030 | Lauderdale Lakes/Fort Lauderdale |
| 1201105030 | Lauderdale Lakes/Oakland Park |
| 1201106030 | Lauderhill |
| 1201104120 | Lauderhill |
| 1201104130 | Lauderhill/Unincorporated/Plantation |
| 1201111050 | Miramar |
| 1201110080 | Miramar |
| 1201102041 | North Lauderdale |
| 1201105070 | Oakland Park |
| 1201105020 | Oakland Park/Fort Lauderdale/Lauderdale Lakes |
| 1201110050 | Pembroke Park/Hallandale Beach |
| 1201103040 | Pompano Beach |
| 1201103060 | Pompano Beach/Unincorporated |
| 1201105031 | Tamarac/Lauderdale Lakes |
| 1201104110 | Unincorporated |
| 1201110070 | West Park |

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| Miami-Dade | |
|-----------------|------------------------------|
| Census Tract ID | Municipal Name |
| 12086000134 | Aventura |
| 12086010609 | Cutler Bay/Unincorporated |
| 12086011403 | Florida City/Unincorporated |
| 12086009308 | Hialeah |
| 12086009307 | Hialeah |
| 12086000807 | Hialeah |
| 12086013400 | Hialeah |
| 12086001606 | Hialeah |
| 12086001605 | Hialeah |
| 12086011110 | Homestead |
| 12086011130 | Homestead/Florida City |
| 12086011100 | Homestead/Unincorporated |
| 1208600250 | Miami |
| 1208600240 | Miami |
| 1208600360 | Miami |
| 1208600250 | Miami |
| 1208600570 | Miami |
| 1208600270 | Miami |
| 1208600230 | Miami |
| 1208600220 | Miami |
| 1208600200 | Miami |
| 1208600200 | Miami |
| 1208600200 | Miami |
| 1208600190 | Miami |
| 1208600190 | Miami |
| 1208600190 | Miami |
| 1208600150 | Miami |
| 1208600140 | Miami |
| 1208600140 | Miami |
| 1208600240 | Miami |
| 1208600340 | Miami |
| 1208600310 | Miami |
| 1208600990 | Miami Gardens |
| 1208600940 | Miami Gardens |
| 1208601001 | Miami Gardens |
| 1208600050 | Miami Gardens |
| 1208601000 | Miami Gardens/Unincorporated |
| 1208600720 | Miami/Coral Gables |
| 1208600550 | Miami/Coral Gables |
| 1208600180 | Miami/Unincorporated |
| 1208600010 | North Miami |
| 1208600020 | North Miami Beach |
| 1208600040 | North Miami/Unincorporated |
| 1208600020 | North Miami/Unincorporated |
| 1208600820 | Palmetto Bay/Cutler Bay |
| 1208600760 | South Miami/Unincorporated |
| 1208600170 | Unincorporated |
| 1208601001 | Unincorporated |
| 1208601001 | Unincorporated |
| 1208601100 | Unincorporated |
| 1208600830 | Unincorporated |
| 1208600830 | Unincorporated |

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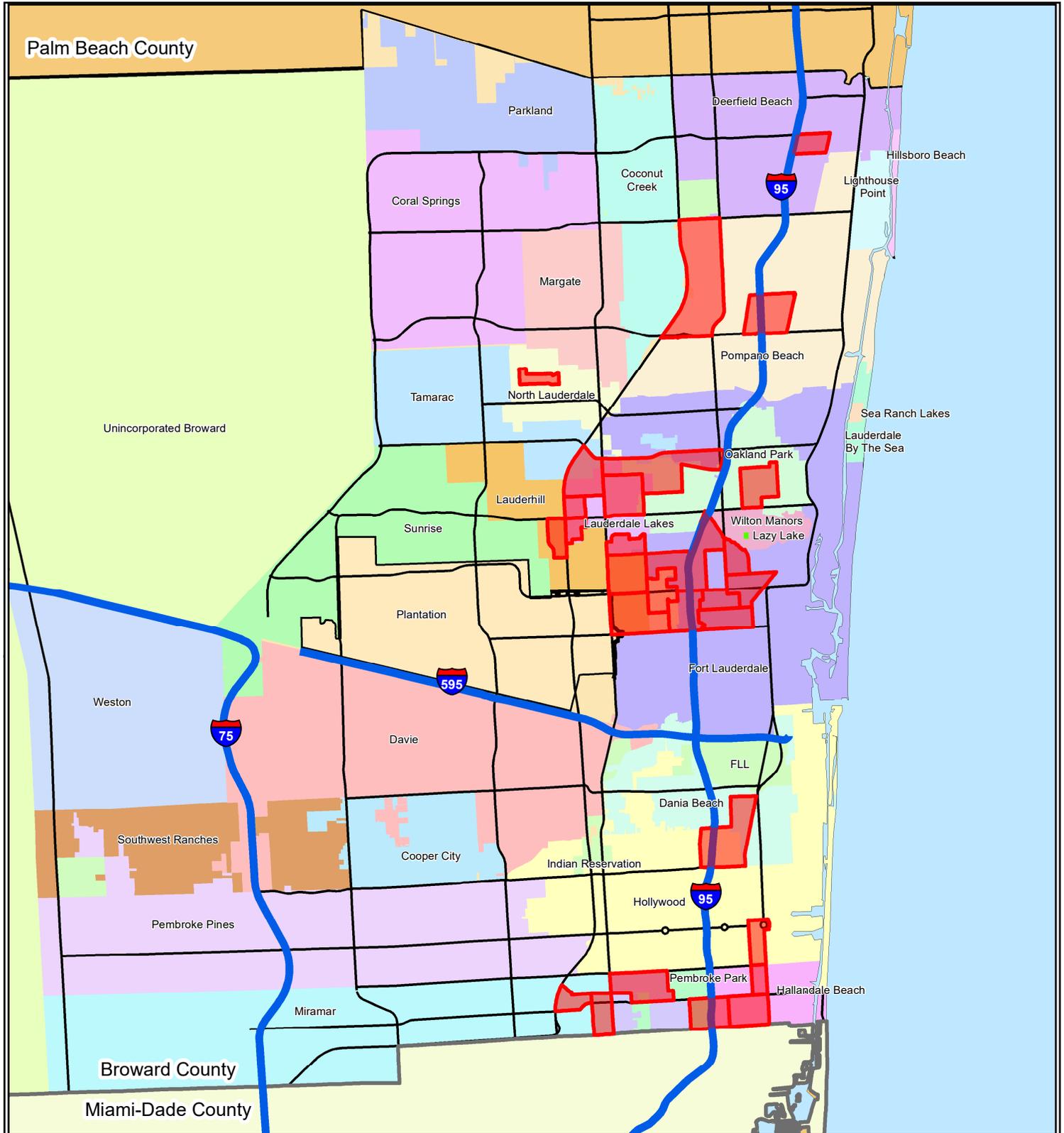
| | |
|------------|------------------------------|
| 1208600910 | Unincorporated |
| 1208600040 | Unincorporated |
| 1208600150 | Unincorporated |
| 1208600100 | Unincorporated |
| 1208600100 | Unincorporated |
| 1208600100 | Unincorporated |
| 1208600040 | Unincorporated |
| 1208600040 | Unincorporated |
| 1208600180 | Unincorporated |
| 1208600100 | Unincorporated/El Portal |
| 1208600170 | Unincorporated/Hialeah |
| 1208600090 | Unincorporated/Hialeah |
| 1208600180 | Unincorporated/Miami |
| 1208600980 | Unincorporated/Miami Gardens |
| 1208698080 | Unincorporated/Opa-Locka |
| | |

Monroe County

| Census Tract ID | Municipal Name |
|-----------------|----------------|
| 12087971100 | Marathon |

The following pages contain maps with the locations of these Designated Opportunity Zones in Broward, Miami-Dade, and Monroe Counties as well as Transportation Facilities of Regional Significance, Economic Development Resources, and Future Regional Developments.

Broward County Opportunity Zones



Opportunity Zones
 Major highways

130

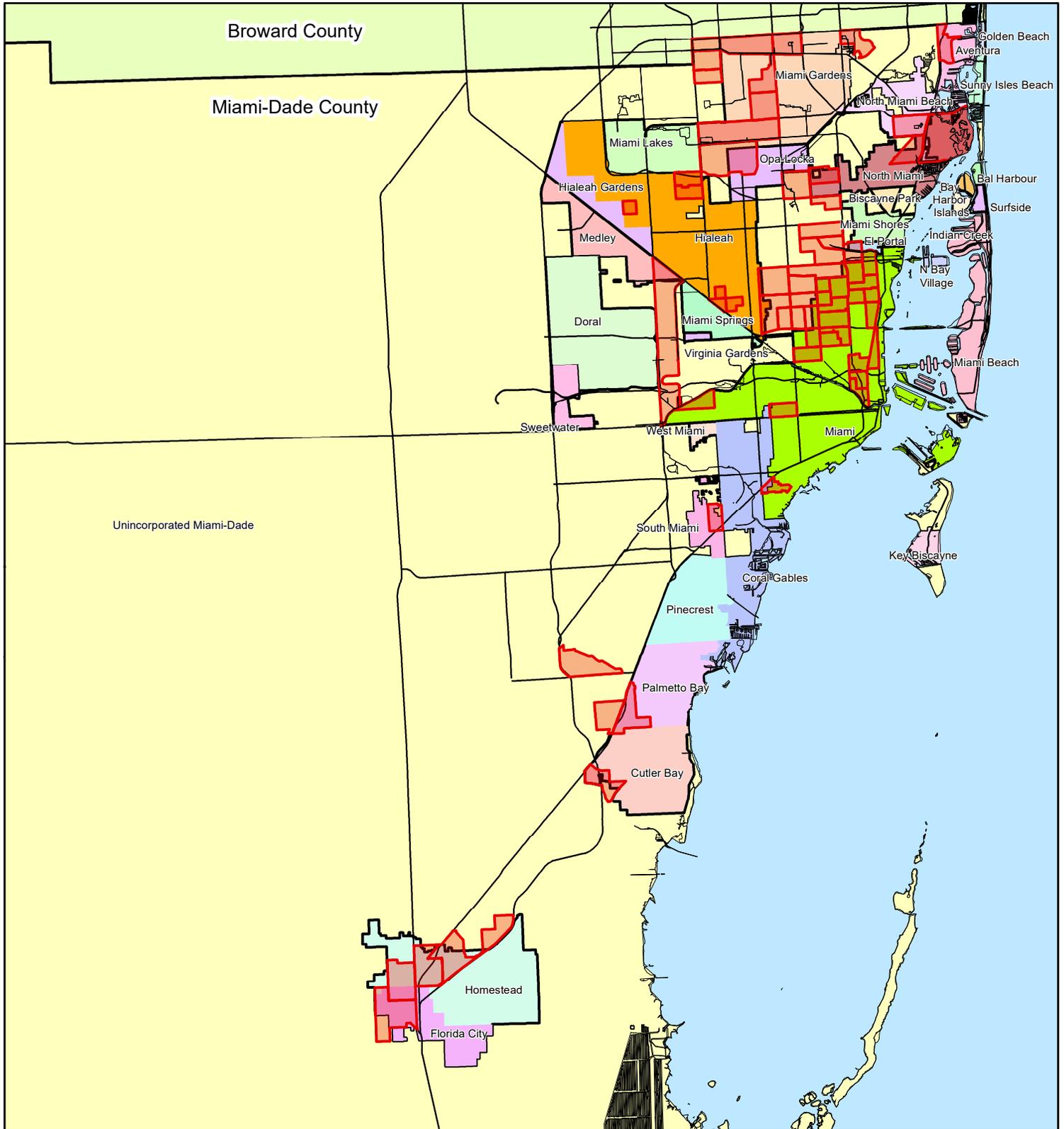
Miles



SFRPC

South Florida Regional Planning Council

Miami-Dade County Opportunity Zones



Major highways
 Opportunity Zones

130

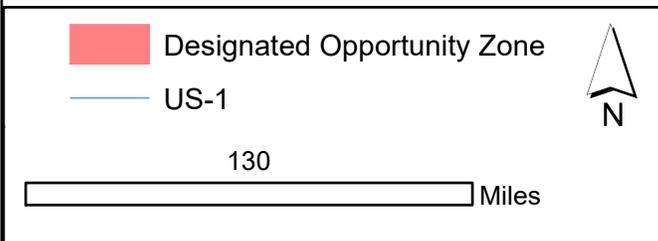
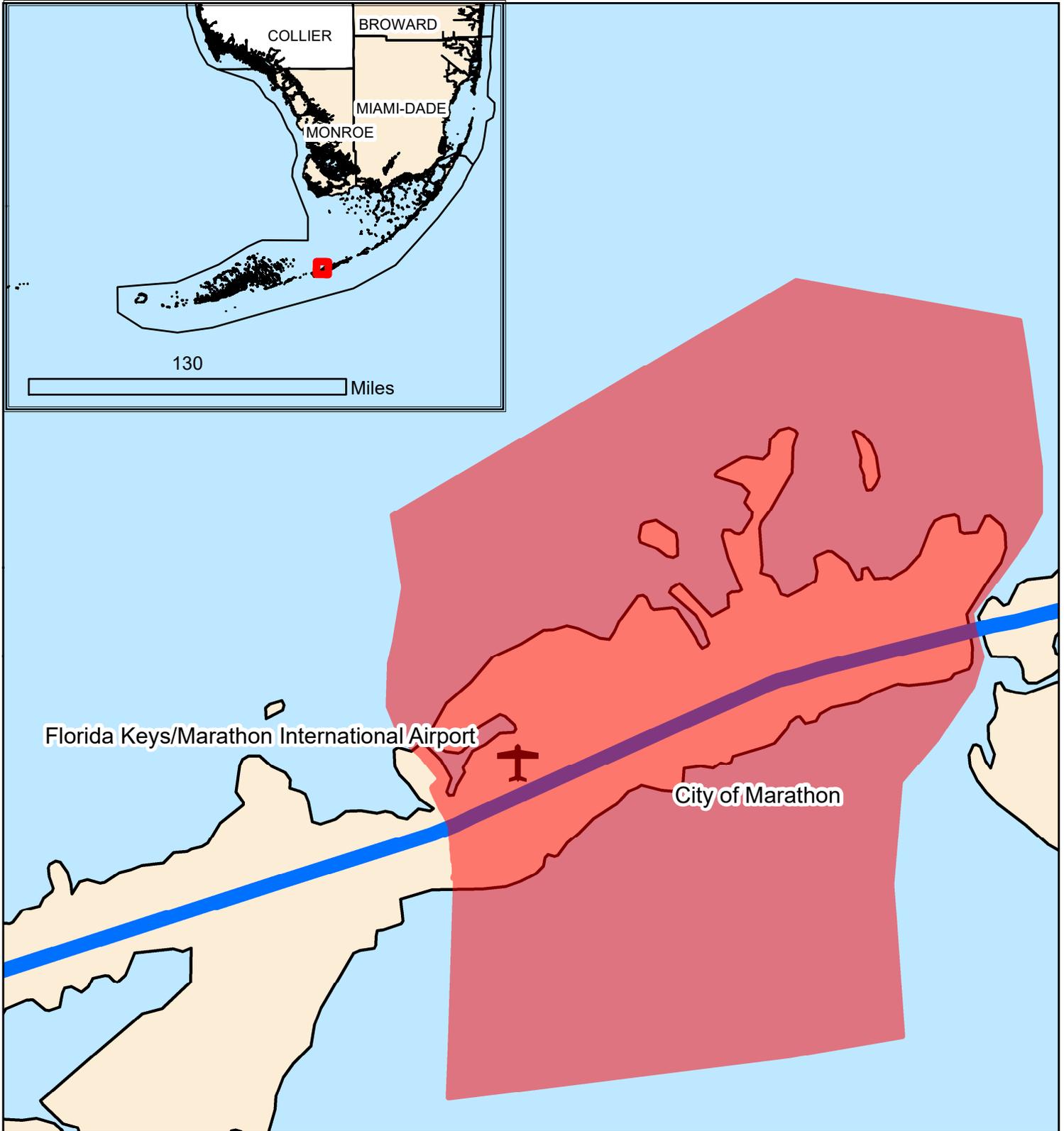
Miles



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Monroe County Opportunity Zone



Transportation Facilities of Regional Significance



South Florida Regional Planning Council

Legend



Seaports



Airports

Navigable Waterways

Major Regional Highways 40

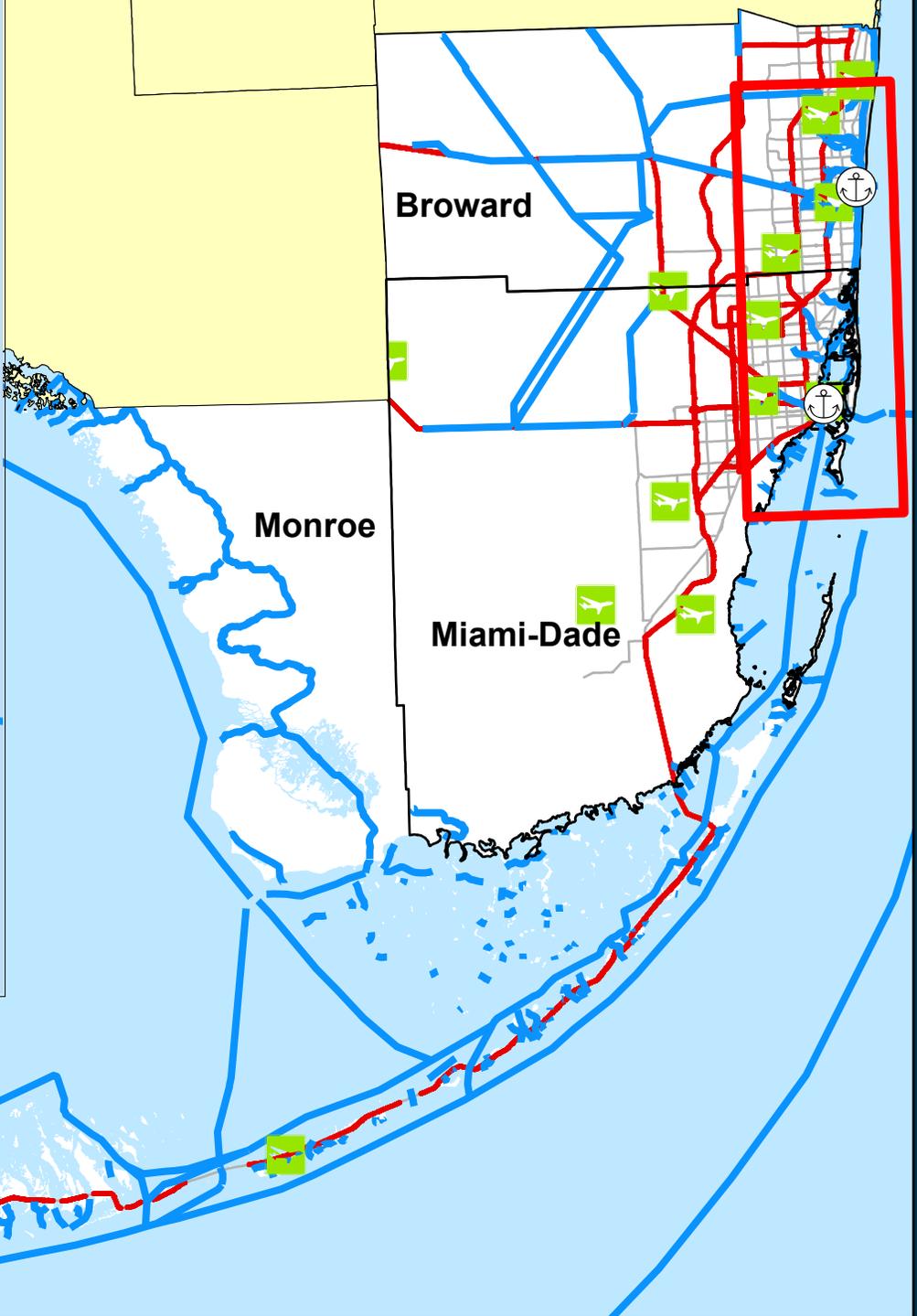
0 40 Miles



Source: SFRPC Data
Map Created 10/14/20



Sources: Esri, HERE, Garmin, USGS, Intermap, INCREMENT P, NRCan, Esri Japan, METI, Esri China (Hong Kong), Esri Korea, Esri (Thailand), NGCC, (c) OpenStreetMap contributors, and the GIS User Community



Economic Development Resources of Regional Significance



South Florida Regional Planning Council

Broward

Miami-Dade

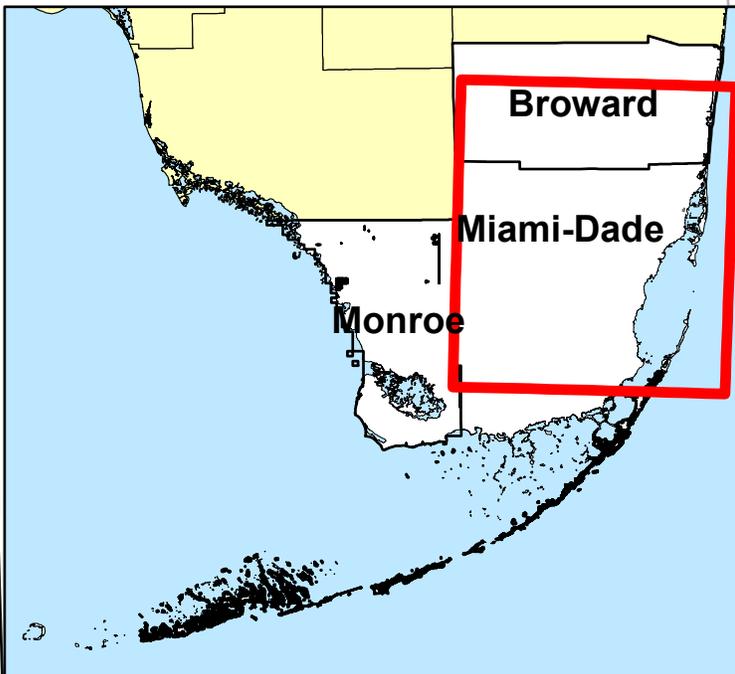
Legend

Top Regional Private Employers

Top County Private Employers

Major Regional Highways

0 10
Miles



Sources: Beacon Council, Greater Fort Lauderdale Alliance, and Key West Chamber of Commerce
Map created 10/14/20



Future Regional Development



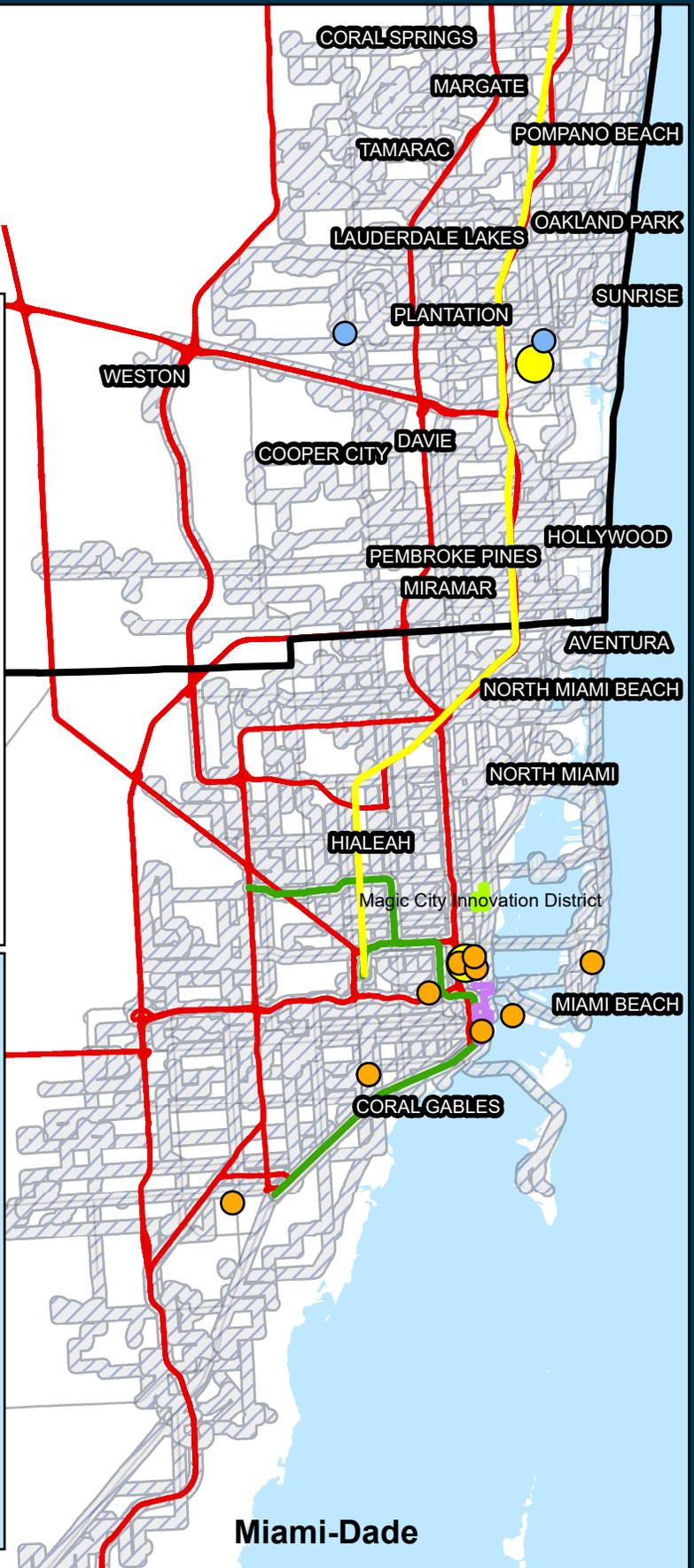
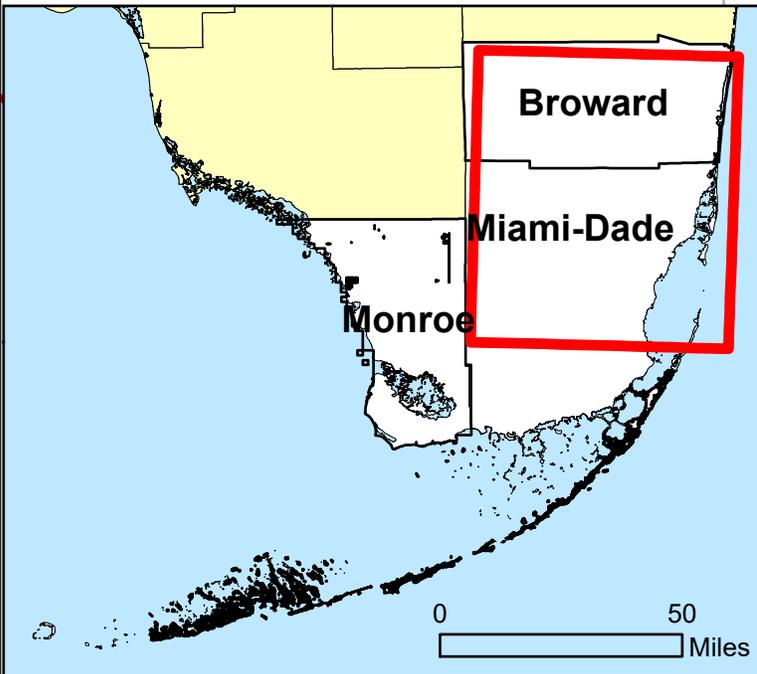
South Florida Regional Planning Council

Legend

- Offices Under Construction > 100,000 sf
- Multifamily Under Construction > 500 units
- Brightline Stations
- Magic City Innovation District (Opportunity Zone)
- MetroMover
- Tri-Rail
- MetroRail
- Major Regional Highways
- Transit Coverage Area (.25 mile from bus routes)



0 10 Miles



Sources: Yardi Matrix via Commercial Property Executive, Berkadia, Real Deal, and magiccitydistrict.com
 Map created 10/14/20