Invest:

Greater Fort Lauderdale 2019

An in-depth review of the key issues facing Broward's economy featuring the exclusive insights of prominent industry leaders

$159.00
ISBN 978-0-9988966-1-8

Discover...

PEMBROKE PINES



POPULATION

170,712

LIVING

HOUSEHOLD INCOME

$62,702.00

HOUSING UNITS

63,871

POPULATION: 1 HR DRIVE TIME

5.1

MILLION

Over the past 58 years, the City of Pembroke Pines has grown to the 11th largest city in the state of Florida with more than 170,000 people spread over 34 square miles. The City is strategically located with excellent access to major highways, air and sea ports. The City is home to wide range of commercial and industrial properties with over 3,500 businesses located within our borders. Pembroke Pines is successfully planned, family friendly suburban community that continues to build for the future.

Join Us and discover Pembroke Pines

601 City Center Way • Pembroke Pines, FL 33025 • 954.392.2100 • www.ppines.com

WHY SO MANY COMPANIES

are locating in

Greater Fort Lauderdale/Broward

Our continued success is linked to **our ability to attract diverse new businesses** while we nurture and sustain those already here.

ZERO STATE
Income tax

35
colleges & universities

access to over
6 million people

$23+ billion
in int'l trade

Over 120 million sq ft of office and industrial space in the southeast's
largest msa

Hello Sunny

75°
Average Temperature

200+
corporate, regional & international headquarters

$556,802,316
In payments to small businesses on County projects

Small business support to over
7,000+
residents and businesses

Diverse Work Force
32% foreign born representing 90+ languages

Broward County government is a proud participant in job skills development programs to enhance resident employability.

For corporate relocation:

greater fort lauderdale alliance | broward county

Life. Less taxing.

gflalliance.org
954-627-0123

For small business support:

BROWARD COUNTY FLORIDA

Broward.org/EconDev
954-357-6400

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Invest:

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greater fort lauderdale alliance broward county

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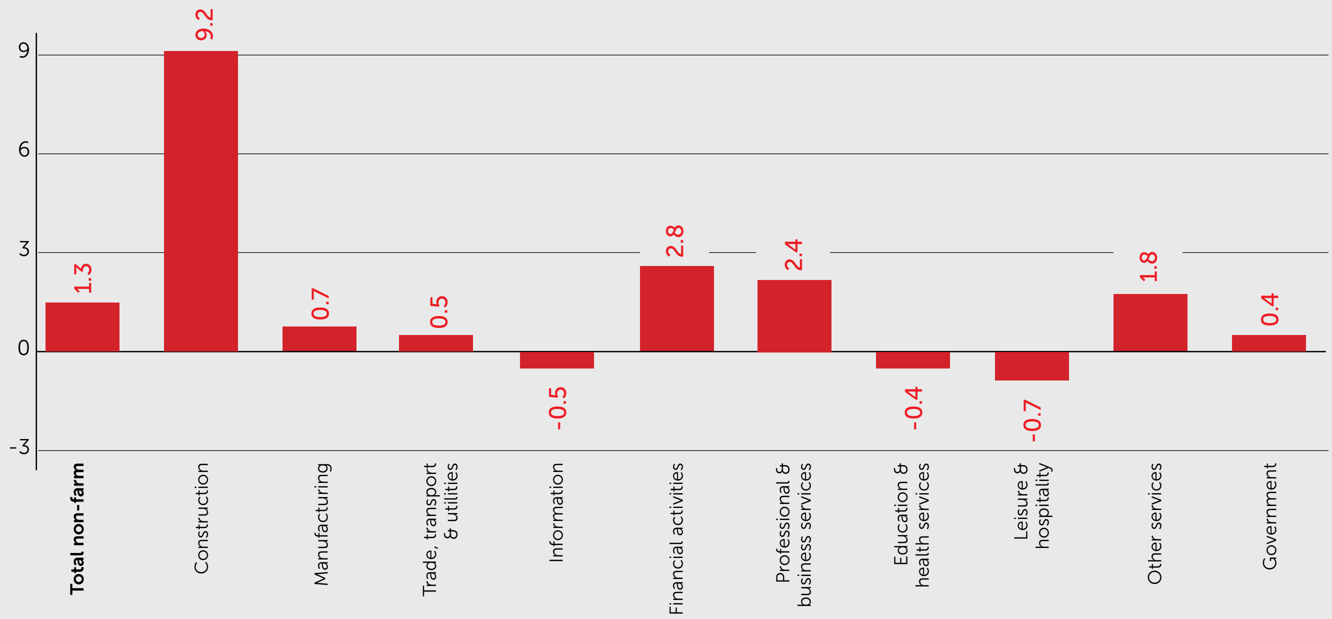
Economy:

The economy continues its upward trend in Broward, Florida's second most populous county, and employment continues to exceed pre-recession highs. With over 20 miles of sunny beaches, a diversifying workforce, arts and cultural hubs and the largest recreational marine industry in the state, developers are increasingly targeting Fort Lauderdale as the site of their newest ventures. However, as the global landscape evolves, it remains essential for residents and leaders to stay focused on small businesses and expanding the middle class.

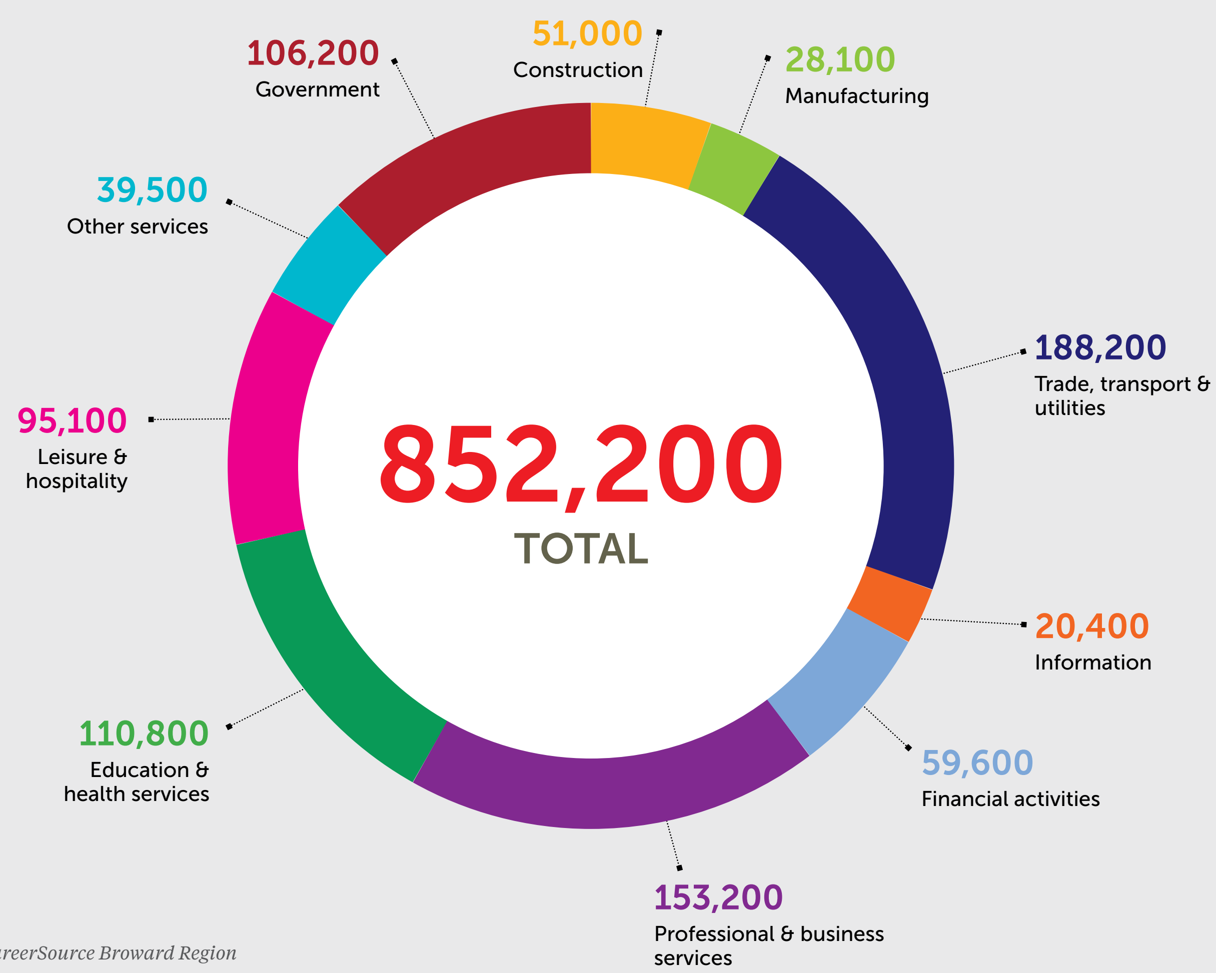
Economy in numbers:

Broward County employment change by sector, May 2018 (year-on-year percent change):

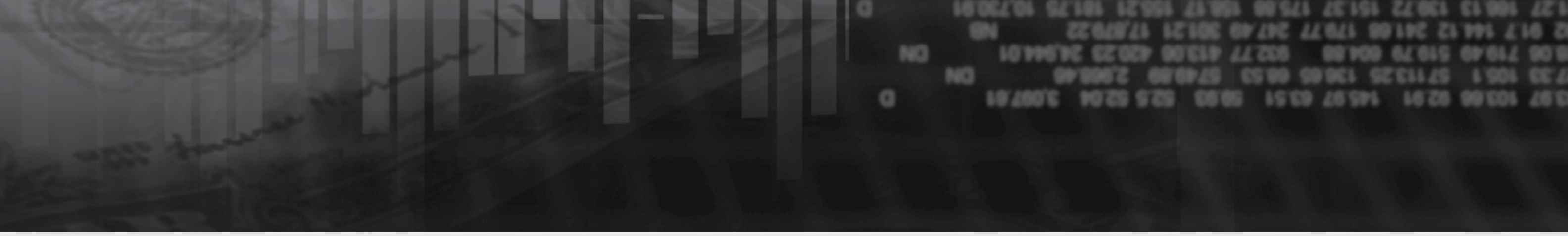


Source: CareerSource Broward Region

Broward County employment by sector, May 2018:



Source: CareerSource Broward Region



BROWARD COUNTY POPULATION

1,909,632
2017

1,887,281
2016

PERCENT CHANGE

1.2%

AVERAGE ANNUAL WAGE

$51,259
2017

$49,550
2016

PERCENT CHANGE

3.4%

Source: CareerSource Broward Region

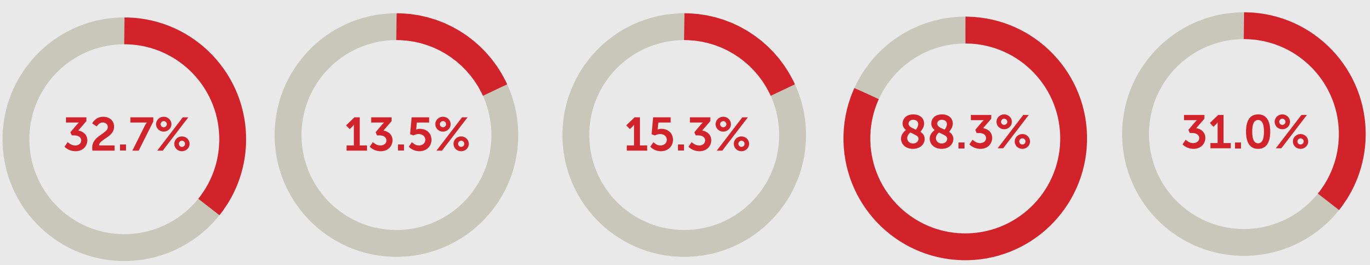
FOREIGN BORN PERSONS

PERSONS IN POVERTY

PERSONS WITHOUT HEALTH INSURANCE (UNDER 65)

HIGH SCHOOL GRADUATE OR HIGHER (AGE 25+)

BACHELOR DEGREE OR HIGHER (AGE 25+)



Source: *U.S. Census Bureau (2016 data)*

Top 10 employers in Broward County, ranked by # of employees (2017):

Company name	Municipality	Broward employees	Type of business
Nova Southeastern University	Davie	7,462	University - bachelor, master and doctoral degrees
AutoNation	Fort Lauderdale	4,000	Automotive retailer - corporate headquarters
American Express	Plantation	3,500	Commercial and consumer financial services; traveling consulting
Spirit Airlines	Miramar	1,800	Air carrier
Citrix	Fort Lauderdale	1,700	Leading software developer of interactive platforms
JM Family Enterprises, Inc.	Deerfield Beach	1,685	Diversified automotive provider
Kaplan	Fort Lauderdale	1,665	Online educational provider
Actavis	Davie	1,620	Developer, manufacturer and distributor of generic pharmaceutical
DHL Express	Plantation	1,400	Air courier services
Rick Case Automotive Group	Fort Lauderdale	1,379	Automotive sales and services

Source: *Greater Fort Lauderdale Alliance*

Relaxed and refined:

With a robust economy bolstered by Florida's largest recreational marine industry, Broward County continues to enjoy steady growth

Greater Fort Lauderdale has long been known as an international tourist destination, offering 23 miles of Blue Wave-certified beaches; 246 sunny days a year; creative culture, shopping and cuisine; and unparallelled accessibility thanks to its world-class airport and port. With a steady influx of new residents fueling a diverse workforce and a robust economy bolstered by Florida's largest recreational marine industry, the region continues to enjoy solid economic growth as it looks ahead to 2019.

Born to boom

Broward County is located in the southeastern part of the state of Florida. According to a 2017 U.S. Census report, Broward has a population of 1,935,878, making it the second most populous county in Florida after Miami-Dade and the 17th most populous in the country. It has an average elevation of six feet above sea level and is bordered to the east by the Atlantic Ocean and to the west by the Everglades Wildlife Management Area. Of the county's 471 square miles of developable land, the majority is already built.

Broward comprises 31 incorporated cities, the largest of which is the City of Fort Lauderdale, along with many unincorporated areas. The county was founded on April 30, 1915, and named for Governor Napoleon Bonaparte Broward, who championed Everglades drainage during his term as governor and is widely remembered for his campaign to turn the Everglades into "useful land." From its inception, the county was ripe for development, first as agricultural land and later as residential. It experienced several boom periods, with developers dredging wetlands to create island communities, before county leaders established a Land Use Plan in 1977 to help curb urban sprawl.

Along with Miami-Dade and Palm Beach counties, Broward makes up the South Florida region, which is home to about 6 million residents, 53 percent of whom are bilingual. South Florida's GDP is close to $325 billion, ranking it 38th in the world. With no individual state or local income taxes and a wide array of public and private universities, including four research institutions, the region is a hub for both national and international business. Served by three international airports and seaports and two major rail lines, South Florida is truly a global gateway.

Trade hub

Broward County — and the City of Fort Lauderdale in particular — has long been touted as a secondary market to Miami, but as prices continue to rise to the south, developers are increasingly looking north for affordable land. In PWC's 2018 Emerging Trends in Real Estate Report, Fort Lauderdale ranked number six for most investable real estate market out of the 78 markets studied, moving up an astonishing 19 spots from its number 35 ranking in 2017 and edging out Miami, which ranked number 11. Greater Fort Lauderdale has shed its wild spring break image in favor of a more refined appearance that showcases a relaxed coastal environment, beautiful beaches and strong centers of commerce.

An attractive home to multinational corporate and regional headquarters, Broward offers a strategic location for both U.S. and international companies to conduct business. A total of 1,200 multinational companies maintain operations in South Florida, generating more than $200 billion in revenue from the region each year. Greater Fort Lauderdale hosts many international and regional headquarters from countries in Europe, including the U.K., Spain, France, Germany and Italy. It is also home to a number of Canadian, Israeli and South American companies, as well as 200 headquarters for U.S. companies.

With convenient air and sea transportation, cutting-edge connectivity and a well-educated multicultural workforce, Broward continues to rebrand itself as a modern international trade hub. It also boasts the fourth-largest foreign trade zone (FTZ) network in the U.S. and is currently seeking to ramp up its FTZ footprint as global trade wars heat up. The county has applied for Alternative Site Framework designation and at the time of print was awaiting federal approval, expected in late 2018, to create a countywide trade zone.

Opened on an abandoned nine-hole golf course in 1929, today Fort Lauderdale-Hollywood International Airport (FLL) is recognized as one of the fastest-growing airports in the country. In 2016, FLL ranked number 21 in the U.S. for passenger traffic. Port Everglades, a man-made port originally dredged from a natural lake, is renowned for being one of the most diverse seaports in the country. Florida's "powerhouse port" is one of the top three cruise ports in the world, one of the most active containerized cargo ports in the U.S. and the main seaport in South Florida for moving petroleum products like gasoline and jet fuel.

Q&A:

Beam **Furr**
Outgoing Mayor
Broward County

How is Broward working to be at the forefront of resiliency?

The county needs to go from a gravity-fed drainage system to a pump-fed system because we only have so many inches of leeway. Right now, everything drains by gravity from the Everglades out to the ocean, but as sea level rises that cushion goes away. We have to do that within 20 years. It's important that we show that we're making some progress. The only way that we're going to be able to keep our insurance rates and our cost of living down is to invest in sustainability. We're going to find new technology, and we will also have to adapt. For example, building elevations are now based on future conditions. I think we're the first county anywhere in the U.S. to do that. It means we're looking forward in terms of development. We're not putting our heads in the sand when it comes to sea-level rise.

How are you working to increase collaboration in Broward County?

We've been able to pull cities together to work on a number of issues, including a comprehensive waste system and a 30-year transportation plan. We're realizing that makes sense for all of us to be working together. For the waste system, we will combine the cities and county into one district, which is to everybody's benefit due to rising prices. Some things need to be in the public sector, and this is one of them.

The number of cities in this county can create some difficulty, but we're trying to eliminate some of that through things like universal permitting and online permitting, where you can do it through the county and it would be available everywhere. We're recognizing some of those obstacles and listening to the business community's needs. Moving forward, we will see businesses, municipalities and the county working together towards shared goals. ■

Q&A

Monica **Cepero**
Deputy County Adminstrator
Broward County

What is your assessment of Broward's economy?
We continued to see strong job growth and business expansion in the first half of 2018. In June, our unemployment rate was 3.7 percent; that's one of the lowest of any large urban county in the U.S. We've added over 14,000 jobs year-over-year, and I think we're going to continue to see strong job growth thanks to the work of our private sector economic development partners, like the Greater Fort Lauderdale Alliance, focusing on targeted industries, including advanced manufacturing, aviation, aerospace, internal trade and logistics.

Can you tell us about the penny tax that's going on the ballot in November?
The funding sources for public infrastructure in this county, let alone our country, have not been able to keep up with the growing demand for public transit. The recession created an even greater setback. Concurrently, there was pressure to get people to their jobs, which equaled more demand on public transit. That remains a specific challenge for us. Our commission is taking the lead in addressing these funding shortfalls, and that has led us to ask voters to support the penny tax for transportation. It's going to help us have a sustainable, long-term, reliable resource and will also address the expansion work we need in the public transit arena. We're hoping that some of this infrastructure investment results in reinvestment in the county, but the main focus is mobility for our residents.

What makes Broward a great place to do business?
We have a very friendly business climate. There's a lot of collegiality among the business community and a willingness to invest in the people and the future. We're working collaboratively on our issues, trying to systematically address, for example, the homeless situation that exists. That's a great example because it includes everything from nonprofit industries to business to government, all coming together on the same issue. ■

Broward's robust economy is bolstered by Florida's largest recreational marine industry.

As a cultural crossroads, Broward is poised to continue its robust north-south trade with Latin America as it looks toward increasing east-west trade with growing partners like Kuwait, Russia and The Netherlands.

Global landscape

Nationally and globally, there are a number of trends that Broward County should be keeping an eye on as it continues to enjoy an era of economic prosperity. These include recent rollbacks to Dodd-Frank, welfare overhaul, immigration policy (particularly when it comes to the fate of DACA recipients, or Dreamers), burgeoning economic recovery in Latin America, an increasingly volatile global trade climate and the evolution of cyberspace.

Roll on back

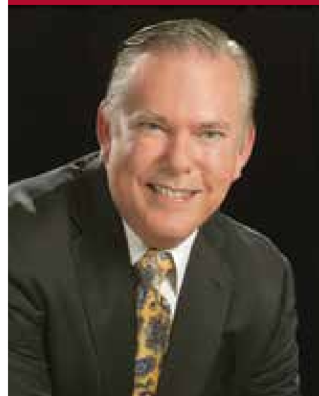
For Broward's robust banking industry, May 2018's Economic Growth, Regulatory Relief and Consumer Protection Act, which loosened some of the tight regulations imposed by lawmakers after the last recession, offers some breathing room for smaller and mid-sized banks, for which regulatory compliance has been a costly challenge. The hope is that this will free them up to better serve both clients and shareholders.

Faring not-so-well

Still facing uncertainty in the later part of 2018 is the fate of the nation's welfare system. In April, President Trump privately signed the Reducing Poverty in America by Promoting Opportunity and Economic Mobility executive order, which mandates that all secretaries government-wide review their welfare programs and propose new regulations and that all federal agencies enforce current work requirements, create new requirements and find ways to cut costs. In May, the House Ways and Means Committee approved the Jobs for Success Act, which proposes ambitious updates to the Temporary Assistance for Needy Families (TANF) program. The idea is to completely revamp both the way states are held accountable for putting recipients to work and the way the grants are managed while making no changes to the program's overall funding.

In 2017, 79,040 Florida adults and children statewide received welfare, and Broward County had a 14.4 percent poverty rate (up from 13.5 percent in 2016). In February 2018, state lawmakers were considering imposing a work requirement for those enrolled in Florida's Medicaid program. While the House passed a bill to this effect, it didn't move beyond a Senate committee before the legislative session ended.

Q&A:



Bob **Swindell**

President & CEO

Greater Fort Lauderdale Alliance

What is your reaction to Broward's growth?

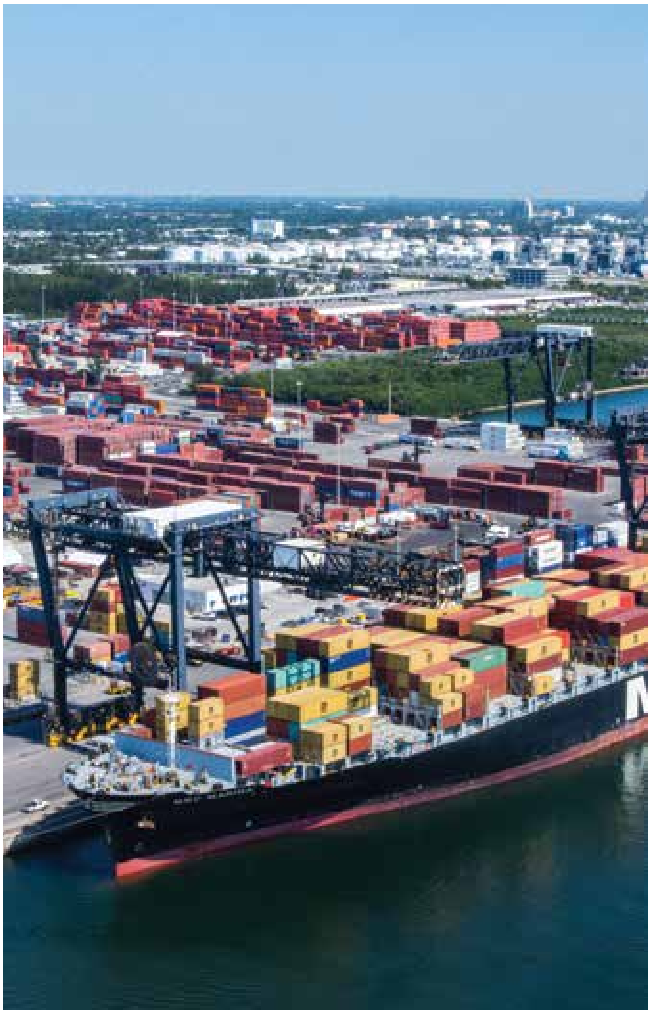
People choose to live in places that can offer them a good quality of life, and there are people moving to the area every day. When I grew up here, there was little residential in the heart of downtown Fort Lauderdale. Las Olas would close at six at night, and most stores closed in the summer. Things have changed dramatically, but we are still a young community. With the growth that we're seeing downtown now, there's enough of a concentration to generate significant residential in downtown. My genuine belief is if you're not growing, then you're stagnating, which no community wants. Our next step is to invest intelligently in infrastructure. Technology has changed dramatically just in the last decade and can make a huge difference in the quality of life of our growing community

In what ways is Broward becoming a more recognized economic power?

We have three new headquarters in Broward County that represent the high-paying skilled jobs that are part of Broward's tourism and leisure industry. Virgin Voyages, Richard Branson's new cruise line, is building three ships at $1 billion each and has decided that its new headquarters will be in Plantation. Then we have Sixt rent a car, which established its North American headquarters here in Broward in Fort Lauderdale. Lastly, JetBlue Travel Services announced that it will be based in Broward County. These are examples of the skilled tourism jobs we're excited to be attracting.

How is Broward handling the need for affordable housing?

Broward County, to its credit, is putting an item on the ballot in November 2018 that will create an affordable housing trust fund. A lot of developers will build affordable housing if provided with the land and not slowed down by bureaucracy. If we streamline regulation and permitting, those opportunities will be more attractive. ■



Many Broward County businesses are monitoring tariffs, as rising prices of steel and other materials could have a signifcant impact.

Dreamers

The Obama-era Deferred Action for Childhood Arrivals (DACA) program was set to expire in March 2018, but a Supreme Court ruling deferred that date by possibly as much as a year. However, there is still no plan for granting Dreamers permanent protection. With the nation's focus on the Trump administration's "zero tolerance" policy, which led to thousands of families being separated along the southern border with Mexico this summer, DACA seemed to be relegated to the backburner. However, in July the Center for Immigration Studies filed a lawsuit that would require the government to turn over data — much of it focused on criminal history — on those enrolled in DACA. With about 11,000 of the state's 27,000 Dreamers living in South Florida, an end to DACA could mean a substantial economic hit to the region. According to a study by the Center for American Progress, Florida would suffer a GDP loss of $1.4 billion per year if DACA recipients were deported.

Trade games

On a brighter note, Latin America is entering a phase of economic recovery as recessions in countries like Brazil, Argentina and Ecuador come to an end. Higher commodity prices are spurring growth, and investment is no longer dragging, particularly among wealthy Brazilians. With Brazil remaining Broward's fourth-largest trading partner as of August 2018, with trade totaling $767.79 million, this recovery is positive news.

Though the U.S. economy is strong right now, businesses and investors are growing increasingly concerned about the Trump administration's trade crackdown. The first round of tariffs levied on China — 25 percent on $34 billion in goods — took effect in July 2018, and a second round took effect on another $16 billion in late August. These followed tariffs imposed on U.S. allies Canada, Mexico and the European Union — to which the allies swiftly responded in kind. Tariffs on most consumer products have yet to take effect, but U.S.-based retail container ports — including Port Everglades — are seeing a marked uptick in activity in anticipation of rising prices. According to a 2018 Port Tracker report by the National Retail Federation, in June U.S. ports handled 1.85 million 20-foot equivalent units (TEU), a 1.6 percent gain over May and a 7.8 percent gain over June 2017. With a full-blown global trade war looming, some fear an economic slowdown could be just over the horizon.

"Tariffs are a big issue," Matthew Rocco, president of the South Florida Manufacturers Association (SFMA), told Invest:. "They affect a lot of companies down here. Steel prices are rising, and indirectly or directly our manufacturers are impacted. We are constantly monitoring this issue."

Cyber threats

In the wake of a number of devastating cyberattacks launched in 2017 — mostly by Russia, North Korea, Iran and China — more than 30 high-tech companies, including Microsoft and Facebook, announced in April 2018 that they would not aid any government in mounting cyberattacks. In addition, they pledged to come to the aid of any nation on the receiving end of such attacks. While many business leaders, like Microsoft's president Brad Smith, have been pushing for a "Digital Geneva Convention" to create rules for behavior in cyberspace, without the support of other tech giants like Apple, Amazon and Google, the movement has so far not gained momentum.

Research company Gartner predicts that by 2020, more than 25 percent of identified cyberattacks on (...)

Vibrant economy

How businesses in Broward are capitalizing on technology, diverse industries and a favorable tax environment while combatting issues like traffic and homelessness

Keith **Koenig**

President – City Furniture
Chairman – Broward Workshop

What are the biggest priorities for Broward Workshop?
On the education side, the Broward Workshop is very strongly behind Superintendent Runcie, who has made great progress. Keeping that momentum going is something the Workshop is united on. On the other hand, a less unanimous initiative is the transportation sales tax. There are a number of members who support the plan and some who do not. Another big initiative is affordable housing. While we all recognize that it's an issue, solving it will not be easy. A fourth issue is homelessness across Broward County, but particularly in downtown Fort Lauderdale. We all have compassion for homeless people who have run into challenges, and many individuals are chronically homeless. We want to be part of the solution.

What are Broward's greatest economic strengths?
Most people don't know that Broward County is really the technology hub of South Florida. We have some of the best tech companies in the world. That tech spills over to companies like ours. We have become a technology company that sells furniture. We have to be on the cutting edge of customer service, logistics, supply chain and all points of sale technologies. Broward County has the tech to supply the other industries within it.

Of course, the marine industry is our treasure. It employs thousands of people and has a huge impact on our economy. The marine industry put Broward County on the map for a unique subset of the world's population: people with big boats. They come here and spend money, which creates high-paying jobs. They struggle with getting Broward's high level of service elsewhere.

We have a large number of aviation companies in Broward County and across South Florida. We're growing our financial services and healthcare sectors. We're seeing more and more concierge medicine. Tourism is a given, and that continues to employ the largest number of people across South Florida and is continuing to grow. We are the beneficiaries of the synergy of this vibrant economy.

How has the tax reform affected Broward?
It has already had a dramatic effect. I'm part of the CEO Council, which comprises about 20 businesses that offer $50,000 a year in incentives to encourage major companies to locate their headquarters in Broward County. We've had a lot of success over the years, and it's only going to get better because suddenly we've attracted more interest. A favorable tax environment has to reflect fiscally conservative management at the state level, and Florida reflects that. Entrepreneurs with financial service firms based in the Northeast are quickly realizing that their computers can be anywhere. The cost of doing business here is much lower, so we're going to be more and more successful at attracting those firms.

David **Henshall**

CEO – Citrix Systems

“Security is a high priority for us and all of our customers. The amount of digital content being created these days is increasing exponentially. Experts predict there will be more digital content — that's everything from tweets and sensor data to movies — created in 2018 than in the entire history of the human race combined. That is a lot of data to organize, protect and turn into valuable information.”

(...) businesses will involve the Internet of Things (IoT) but that IoT will account for less than 10 percent of IT security budgets. This gives businesses — both in Broward and across the globe — something to think about. With so many connected devices and protocols on the market, many from competing manufacturers, finding a way to secure the IoT network is a major and imminent challenge. For Broward — which is home to virtual reality startup Magic Leap, e-commerce pet supply company Chewy.com and tech heavyweights Citrix and Microsoft Latin America, among others — cybersecurity is a critical block in supporting this important industry.

“In July 2018, Florida reached a $1 trillion economy, making it the world's 17th largest economy.”

Nine-to-five

As of July 2018, Broward County had added 14,100 non-farm jobs year-over-year, a 1.7 percent increase from July 2017. The area's unemployment rate dropped to 3.7 percent in June, down 0.3 percentage points from the same time in 2017 and lower than the national rate of 4 percent. In early July 2018, Florida reached a $1 trillion economy, making it the world's 17th-largest economy (outpacing countries like Saudi Arabia, Switzerland and Argentina). While job growth is currently the highest it has been since 2007, it was expected to slow a bit in 2018; however, as of August, the state had already added 180,200 new jobs.

In Broward, the industries with the highest job growth through July 2018 were construction (4,100 new jobs) and professional and business services (3,300 new jobs). The area experienced the highest annual job growth among Florida metro areas in “other services” (2,900 new jobs) and government (800 new jobs). In Broward, other services also experienced the fastest annual job growth among Florida metro areas, at 7.5 percent. The only industries that didn't experience job growth in the county were education and health services, which lost 100 jobs, and the information industry, which experienced no change.

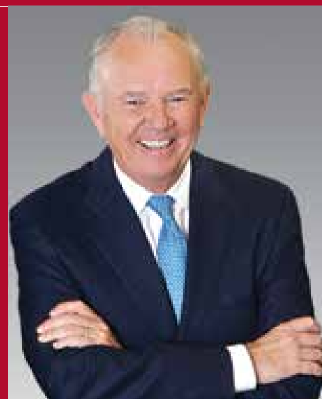
The Fort Lauderdale area remains one of the top five Florida metro areas for private sector job growth. In the past year, the region added 13,300 new private sector jobs. It also offered the fourth-highest number of high-skill, high-wage STEM jobs, with 5,313 openings. Wages in the South Florida area grew by 2.7 percent for the year ending in March 2018.

Life sciences — in particular pharmaceuticals and medical devices — remains a major economic driver in the region, with more than 1,500 bioscience institutions employing more than 26,000 workers and generating $4 billion in annual revenue. The marine sector, which supports 110,000 jobs, and the multibillion-dollar aviation and aerospace industry continue to grow as well.

Arts and culture have also become an increasingly important pillar of Broward's economy. According to a 2017 study conducted by Americans for the Arts, the arts and culture sector is a $414.2 million industry in Broward County. The combined $148 million of nonprofit arts and culture spending and $265.7 million in event-related audience spending supports 11,078 full-time jobs and generates $40.1 million in revenue for local and state government. There's no

Q&A

Mike **Jackson**
CEO
AutoNation



Why is Fort Lauderdale a great place to call home?
The talent that exists here in South Florida is exceptional, and the university system is producing good employees. Culturally, we have the art museum, the Broward Performing Arts Center and the Museum of Discovery and Science. Most important is the sense of community that exists here in Broward County. It's very diverse and accepting of diversity, but at the same time there is a genuine sense of community. There's a cliché that people come to Florida to retire, but it's not true at all. It's a very entrepreneurial community that is open to new technology. We have everything we could want for a headquarters. Our founder loved Fort Lauderdale more than anyone. I like that we can drive around and see inspiration from him everywhere.

What challenges face AutoNation today?
Everybody is facing the exciting prospect of being disrupted by technology. AutoNation specifically needs to keep an eye on autonomous or self-driving cars, car-sharing technology, digital experiences, new ways to acquire products and caring for and servicing our data. We're investing tremendously in technology because we need to. There's more change coming in the next 10 years than we had in the last 50. Now we're taking our scale and brand and launching new business activities through brand extension, which covers everything from customer care products to AutoNation accessories.

How are you honoring Wayne Huizenga's legacy?
AutoNation will have, over the decades, many CEOs but only one founder. We have a portrait of Wayne on the wall in one of our major conference rooms. When we get stuck, we just stop and look at the portrait and say, "What would Wayne do?" We are also continuing the company's mission to find a cure for cancer. We've donated about $15 million to top research centers throughout the nation, and we want to keep that trend moving upwards. ■

question that Broward has truly evolved into a global arts mecca. In fact, according to the study, 63 percent of nonresident survey respondents indicated that their primary reason for visiting Broward County was "specifically to attend an arts/cultural event."

■ Building business

Broward County continues to promote itself as an attractive place to do business. Since the beginning of the 2018 fiscal year, the Greater Fort Lauderdale Alliance — Broward County's official public-private partnership for economic development — has helped to foster $28 million in capital investment and to create 462 new jobs countywide.

The Greater Fort Lauderdale Chamber of Commerce, Broward's largest and oldest business organization, is also helping to promote future economic growth and development in South Florida. "The chamber is doing a good job of getting businesses involved in the Greater Fort Lauderdale community," Joseph Eppy, president and chief visionary officer for the Eppy Group, told Invest:. "I think that many international companies are going to move to this area, especially due to the the trade zone, where we're starting to do business with Italy and the U.K. We're getting involved with the county to help put together a more comprehensive package to facilitate international trade."

In April 2018, a major technology company announced that it would seek taxpayer incentives to add 100 jobs in Plantation and make a $250,000

Broward County has 23 miles of sandy beaches and 246 sunny days a year, making it an attractive place to live, work and play.

capital investment to build out 8,000 square feet of office space. If successful in meeting these goals, the company would be eligible for $700,000 in tax rebates ($140,000 from Plantation and the rest from the state) over seven years through the Qualified Target Industry (QTI) program.

Additionally, in January 2018 Amazon announced that South Florida made the shortlist of its top 20 locations for its new headquarters. While the company is already planning to open an 850,000-square-foot mega warehouse next to the Opa-locka airport in northwest Miami-Dade County (the project broke ground in 2018), its 8-million-square-foot headquarters on about 100 acres — which would create 50,000 jobs as part of a $5 billion investment — would be a tremendous boon to the region. Since the announcement, South Florida leaders have had more discussions with Amazon, and the company is expected to make its final decision by the end of the year.

Shrinking middle class

South Florida, like many other areas in the U.S., continues to struggle with the issue of economic inequality. According to a 2016 study by researchers at the Stanford Center for Education Policy Analysis, Florida metro areas were among the top in the country with the biggest increase in income segregation during the study period (from 2007 to 2012). Broward County ranked number nine, just behind Palm Beach County at number seven. According to an Economic Policy Institute report, in 2015 the top 1 percent of families in South Florida earned, on average, 55.4 times as much income as the bottom 99 percent.

Fortunately, area businesses are taking note and working toward closing the income gap and providing support to struggling communities. In April 2018, Citi Foundation named the Urban League of Broward County (ULBC) as a recipient of a $500,000 grant. The grant was part of the 2018 Community Progress Makers Fund, which supports high-impact community organizations that drive economic opportunities in their communities. ULBC plans to use the funds to further its efforts to prepare minority- and women-owned businesses for untapped procurement opportunities throughout the state, providing an economic boost to help sustain underserved communities long term.

On the state level, in April 2018 Governor Scott announced the recommended designation of 30 census tracts in Broward County as Low Tax Opportunity Zones (LTOZs). These zones were established under the 2017 federal Tax Cuts and Jobs Act in order to encourage long-term investment and job creation in targeted communities by lowering taxes for job creators. “Entities that invest in these opportunity zones can defer capital gains taxes,” Joe Berkovits, partner at EisnerAmper LLP, told Invest:, “making them especially attractive for development. The proposed zones in Broward County include areas of Fort Lauderdale, Pompano Beach and Miramar, among other areas that need an economic boost."

Climate change

Despite the impact of Hurricane Irma in September 2017 and the ongoing threat of climate change, Moody's Investors Service reported in early February 2018 that Florida's bond rating would remain strong due to the state's "strong economy, growing tax base and the federal government's ongoing resources through FEMA to help cover the costs of storm damages." Later that month, Moody's reported it would be introducing new standards in order to integrate climate risks into its bond ratings. The agency warns that without significant efforts to reduce greenhouse gas pollution and build climate resilience, coastal cities could face such financial risks as default, loss of insurance and credit downgrades.

> "Hurricane Irma imposed a $7.5 billion economic loss on the region, including losses of $2.6 billion in household income."

South Florida has $30 billion in vulnerable coastal real estate and $46 billion in annual economic exposure. Hurricane Irma imposed a $7.5 billion economic loss on the region, including losses of $2.6 billion in household income, $4.1 billion in regional GDP and almost $900 million in forgone federal, state and local revenues. In preparation for the inevitable future storms and effects of climate change, Broward County is currently working on updating a Regional Climate Action plan, as part of the Southeast Florida Regional Climate Change Compact, that will help policymakers incorporate resilience into their planning activities. A major focus of this plan will be including social equity and racial justice recommendations, as communities of color and low-income neighborhoods are particularly vulnerable to extreme weather events.

Broward has long been on the frontlines of environmental resiliency efforts. In 2008, county leaders passed a resolution that established a community-wide greenhouse gas (GHG) reduction target of 80 percent below 2007 emissions, to be reached by 2050. It was also the first local government to adopt a stand-alone climate change element as part of its Comprehensive Plan. This element comprises 82 environmental policies for helping the community adapt and for mitigating the economic, environmental and social effects of climate change. The county remains committed to taking action in order to build safer, healthier and more prosperous communities within its bounds.

Looking ahead

Broward County is buzzing with innovative energy and economic growth as it looks toward 2019. Despite challenges, the global economy is on the rise, and Broward's world-class port and airport are uniquely poised to capitalize on increased traffic, both passenger and cargo.

Broward continues to be a tourism mecca, attracting both national and international visitors to its unique blend of sunshine, sand, culture, food and much, much more. With its thriving real estate and marine industries, bustling retail centers, innovative startup community, favorable tax climate attracting droves of new residents and businesses and leaders focused on sustainability, the future looks bright, indeed, for Broward County.

Kathleen **Cannon**

CEO – United Way of Broward County

> "It is really important to the community that the businesses and nonprofit organizations in Broward work well together without egos and with open discussions on how to solve important social issues. The business community continues to step up because it understands the relationship between helping people and a thriving Broward."

Bread and butter:

Small businesses are the backbone of the nation's economy, and Broward County is heavily investing in their future

Small businesses — or those with 500 employees or fewer, according to federal parameters — are major drivers of the U.S. economy, numbering about 28 million nationwide and producing 50 percent of the country's non-agricultural GDP. According to the Small Business Administration (SBA), these businesses employ 57 percent of private sector workers, or more than 56 million people, and pay out 44 percent of the U.S. payroll. They are also responsible for creating more jobs than larger companies.

According to an August 2018 study by Value Penguin, Florida is the third-strongest state in the U.S. for small business enterprises (SBEs). The Sunshine State's birth rate for SBEs is 118 percent, meaning that 18 percent more SBEs are opening than closing throughout the state. Florida also ranked second highest in the country for small business exports (69 percent of total exports), trailing only Montana (71 percent).

South Florida ranks as the number one most entrepreneurial metro area in the country, according to a recent study conducted by FitSmallBusiness.com, which analyzed data from the U.S. Census Bureau, the Kauffman Foundation and National Venture Capital Association. The region also ranks number one for new entrepreneurs, with 560 out of 100,000 adults starting new enterprises each month. For every 1,000 businesses in the region, 107.8 are small startup firms with less than one year of doing business under their belts. In Broward, specifically, 89 percent of the businesses are small, mostly mom-and-pop enterprises numbering fewer than 20 employees.

"Every month across the United States, over 500,000 new businesses open," K. Michael Chen, economic and business development manager for the City of Fort Lauderdale, told Invest:. "As you might guess, most are small businesses. Those 500,000 businesses a month represent over 65 percent of all the job growth in the United States. Over 80 percent of all the businesses in Broward County are small businesses with fewer than 10 employees."

Broward County's Office of Economic and Small Business Development works to promote job growth,

Peggy Nordeen
Owner & CEO – Starmark International

"Broward County is a very welcoming community, and so is Florida as a whole. It is important to get involved with the local chambers at the Greater Fort Lauderdale Alliance to make a connection that can help people learn about your business. Smart small companies need to take advantage of what CareerSource Broward and CareerSource Florida offer in terms of training grants and incentives. When you are a small company, it is difficult to find the money to do the continuous training that is required in this business climate. CareerSource Florida has a program, and the county government here can help."

diversify the county's industrial mix and expand the local tax base. Recognizing the importance of small business to the local economy, its programs provide training and development to aspiring entrepreneurs, equal access to procurement opportunities for small businesses within the county and access to technical assistance and resources, among other services, in order to promote small business growth beyond Broward.

Many local municipalities are also committing to supporting budding entrepreneurs. "We're looking to broaden the employment base of the city," Robert Massarelli, development services director for the City of Margate, told Invest:. "We want to bring in

FLORIDA SMALL BUSINESS PROFILE 2018

2.5 million
small businesses

3.3 million
employees

926,002
minority-owned businesses

Source: U.S. Small Business Administration

more businesses and job opportunities. We have a high percentage of immigrants, which creates a really interesting dynamic. There are many entrepreneurs who want to live that American dream. We want to provide opportunities for them to flourish here. We contribute to improvements to help start and grow businesses."

It seems these efforts are paying off, as the 2018 Biz2Credit National Small Business Week study ranked the Miami-Fort Lauderdale metro area number three on its list of Top 10 Cities for Small Business Growth. However, growth and survival are two different things. The aforementioned Value Penguin study ranked Florida number 34 in the nation for small firms' ability to survive. At present, only 66 percent of Florida's SBEs remain open after two years.

On a federal level, December 2017's sweeping tax reform, which included a 20 percent deduction for qualified business income for pass-through corporations, has helped to spur confidence among small businesses nationwide. In May 2018, the National Federation of Independent Business' Small Business Optimism Index reached the "second-highest level in the survey's 45-year history." In addition, this spring's rollbacks to Dodd-Frank have lightened the regulatory load on the majority of the nation's banks and freed them up to focus more on small business lending. Combined with an increase in alternative-lending sources like credit unions and online lenders, small businesses are experiencing a boost in access to capital.

Q&A:

Sandy-Michael
McDonald
Director
The Broward County Office of Economic and Small Business Development

How important is small business to Broward?
The U.S. Small Business Administration (SBA) looks at businesses of up to 500 employees and calls them small, but in Broward County, 89 percent of the businesses have 20 employees or fewer. We have our big boys — the county government, the school district, the Broward Sheriff's Office, American Express, Citrix and others — but we're mostly mom and pops. That means when folks say the county is built on small business, it truly means that Broward survives, sustains and grows off small business. That's why we have a small business program.

How does the small business program support these business as they grow?
We start by requiring businesses to operate in Broward for at least one year. We used to require that a business owner's personal net-worth was $750,000 or less, but we recently expanded the program to create even more opportunities for small businesses. Now the net-worth matches the SBA's $1.3 million or less requirement. We also wanted to make sure that even the smallest businesses have a chance to grow. Our Shelter Market Program for contracts under $250,000 allows for this. Bids are put out as SBE Reserves; both SBEs and non-SBEs may bid, but the intent is to allow SBEs to bid against businesses their size. If one of the small businesses presents a responsive and responsible bid, they get the bid before any non-SBE. Even in competition with larger firms, the little firms are given the edge.

What challenges face Broward's SBEs today?
Scaling is really a challenge. As an owner, you can't continue to work in your business. You have to work on your business. You have to grow your business. Access to capital is part of the challenge, but the other part is about businesses growing beyond their comfort levels. A lot of small businesses have some fear, but we see this as an opportunity and are willing to work with them to address it. ■

Q&A

Andrew **Taubman**
Principal
Kaufman Rossin

How would you rate Broward County's friendliness towards small businesses?
Broward County has an extremely friendly business environment. The growth in this area, as demonstrated by the number of single-family homes and mixed-use properties being built, is indicative of what's going on here. More and more people are going to move into this area because the cost of housing is 20 to 30 percent less on average than in Miami and Palm Beach County. Kaufman and Rossin partnered with the Greater Fort Lauderdale Alliance and sent out over 5,000 surveys to CEOs, decision-makers and owners of businesses. We analyzed the results, which indicate further growth in jobs and workforce. We learned from the survey that the majority of the respondents' businesses are headquartered in Broward County, and 65 percent have been doing business here for more than 10 years, which indicates an environment where businesses can thrive. Also noteworthy is that over 70 percent of the businesses that replied said they expect to hire more employees in the next year.

What do small businesses need to do in order to be successful in Broward County?
My best advice is to get involved. Be a leader in the community and have your company involved in as many organizations as possible where you can have an effect. The business community is important, but make sure you support the charitable community organizations as well, like the United Way or LifeNet4Families. People who are donors like to do business with those who donate.

Hiring the right talent is essential to being successful, and depending on the nature of the business, recruiting top talent is pivotal and can be a big issue. Finding the right talent doesn't get easier. We're dealing with millennials, which is another adjustment for business owners of a certain age. We think and problem solve differently, so it's an adjustment you have to make. Get their opinions, and see if they would approach an issue differently than your first instinct. ■

Broward County recognizes the importance of its small businesses beyond simply their financial contribution to the local economy.

However, even with a sunny outlook there are a few clouds in the sky. Some current and potential federal regulatory changes could have a negative impact on small businesses, including the recent South Dakota v. Wayfair case, which marked the end of zero sales tax for e-commerce businesses and could mean extra financial and compliance burdens for small online retailers. Additionally, the current administration's international trade policy has sparked a tariff war with U.S. trading partners and has the potential to increase prices significantly on many goods and services small business depend on.

Despite these challenges, small businesses are lauded as the "backbone of the American economy," and Broward County residents and leaders recognize their importance beyond simply their financial contribution to the local economy. They are incubators of innovation, centers for community engagement and important opportunities for diversification of both product and staff. The future of South Florida is #shopsmall. ■