LEADERSHIP
FOR THE
21ST CENTURY —
DIVERSIFYING
FLORIDA’S
ECONOMY

To read the complete plan visit eflorida.com/roadmap
Florida’s economy is in transition.

For the past few decades, Florida enjoyed rapid economic expansion fueled by population-driven growth in construction and real estate. Florida was a job creation engine, consistently ranking among the fastest growing states across numerous measures, from growth in economic output to employment growth.

Now, as Florida emerges from the 2008-09 global recession, it is clear that the trajectory of future growth will, and must, be different.

In this changing reality, what is Florida’s path to future prosperity?

The undeniable answer is growing Florida’s knowledge and innovation based economy.

National thought leaders from the private and public sectors, economists, and Florida’s economic development stakeholders agree that innovation is the means to improved competitiveness and sustainable, high quality growth.

<table>
<thead>
<tr>
<th>NATIONAL</th>
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<tr>
<td>In a global economy, U.S. regions can no longer primarily compete based on their natural resource endowment, low cost labor, or tax incentives. Instead, regional prosperity depends upon a region’s capacity to support innovative firms, institutions, and people.</td>
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<tr>
<td>Council on Competitiveness, Measuring Regional Innovation</td>
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<td>... a state’s knowledge stocks—the innovativeness of its firms and the education and training of its workforce — are key determinants of its per capita personal income.</td>
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<td>Federal Reserve Bank of Cleveland, Paths to Prosperity</td>
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<td>96% of online survey respondents indicated that investing in Florida's innovation economy is a leading priority and critical to Florida's future.</td>
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<tr>
<td>Roadmap to Florida's Future, 2009 on-line survey at <a href="http://www.eflorida.com/roadmap">www.eflorida.com/roadmap</a></td>
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Is Florida competitive?

As the 4th largest state in the U.S., and the 20th largest economy in the world, Florida should strive to be a global innovation leader commensurate with its ranking. That is a long term vision that will require sound public policy, business success, and effective partnerships.

While Florida has made gains over the last decade in several important measures such as per capita income, productivity, education, and start-up business formation, these gains belie the true challenge of catching up to major innovation competitors such as California, Massachusetts, New York, North Carolina, Texas and Virginia.

Florida’s Competitiveness: 2010 (provided as an appendix to this report) documents the magnitude of the challenge Florida faces in reaching its goal.

Shared vision. Shared sense of urgency.

Establishing Florida as a global innovation leader is a vision shared by the state’s economic development, education, workforce, and business communities. This consensus has never been stronger, or the call to action more urgent.

- Enterprise Florida, the Florida Council of 100, and the Florida Chamber of Commerce have joined forces for a united business voice.
- There is alignment with the Florida Chamber’s six pillar framework of talent, innovation, infrastructure, business climate, governance, and quality of life.
- The Innovation Caucus, a partnership of multiple organizations with the Florida Chamber Foundation, has created a long term 2030 vision built on cluster growth and talent.
- There is alignment and strong partnership among diverse strategic planning efforts, such as between the Roadmap and Workforce Florida’s strategic planning process.
- The 2009 Roadmap regional forums strongly support the view that knowledge and innovation must be the goal and that legacy industries and all of Florida—metro to rural—need to participate in this new economy.

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<th>FLORIDA'S CURRENT NATIONAL RANKING</th>
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<tr>
<td>Select Measures of Prosperity</td>
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<td>Productivity</td>
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<td>Average Annual Wage</td>
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<td>High-Tech Employment</td>
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<td>Select Measures of Innovation Capacity</td>
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<td>R&amp;D</td>
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<td>U.S. Patents</td>
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<td>Venture Capital Investment</td>
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<td>University Start-ups</td>
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<td>Select Measures of Florida’s Global Leadership</td>
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<td>Foreign Direct Investment</td>
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<td>State Origin Exports</td>
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<td>High-Tech Exports</td>
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Source: Florida’s Competitiveness 2010
The Roadmap Process

The Roadmap to Florida's Future is the official five-year statewide strategic plan for economic development. It identifies key priorities and specific action recommendations to diversify Florida's economy for global competitiveness.

Every three years, it is developed through broad stakeholder input provided through a series of grassroots regional forums held throughout the state. Progress reports are developed annually.

In 2009, stakeholder input was gathered for the 2010-2015 Roadmap:

- The Enterprise Florida Board is mandated by the Legislature to develop the Roadmap and submit it to the Governor and Legislative leaders by January 1st of each year.
- Long-term vision
- 5 year plan
- Refreshed every 3 years
- Updated annually

STAKEHOLDER INPUT
- 10 Regional Forums — over 1,500 attendees
- On-line discussion boards
- State and EFI Board Roundtables
- On-line survey
- Stakeholder submissions

REGIONAL & STATE FORUMS

NORTH CENTRAL
June 3
Gainesville

NORTHEAST
June 10
St. Augustine

SOUTHWEST
June 17
Fort Myers

EAST CENTRAL
June 23
Orlando

TAMPA BAY
June 25
Tampa

GLOBAL COMMERCE FORUM
July 14
Miami Gardens

SOUTH CENTRAL
July 15
Sebring

SOUTHEAST
July 23
West Palm Beach

NORTHWEST
Regional Forums
July 29
Pensacola

GLOBAL COMMERCE FORUM
July 30
Tallahassee

STATE ROUNDTABLE
July 30
Tallahassee

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Key Findings

Regional forums and broad-based stakeholder input highlighted strategic priorities critical for Florida’s future and its economic development strategic plan, and converged around the shared vision of establishing Florida as a leader in the global innovation economy (4th –ranked as an innovation state commensurate with its size).

1. **Florida must continue to diversify its economy by focusing on higher value-added, innovation-driven growth.** There is a strong sense of urgency that Florida must reduce its reliance on population-based growth and increase its economic diversification—and widespread agreement that the state’s clusters must be the means through which this is achieved.
   - Florida cannot leave any of its industries behind. Rather, new technologies and market opportunities must be leveraged to help foundational clusters expand and transform.
   - Florida must stay the course in expanding leadership in its industry clusters.
   - Immediate opportunities to develop new clusters—such as global logistics and creative industries—should be explored.
   - Horizon scanning is needed to anticipate the growth opportunities and breakthrough technologies of the future.

2. **Education and world-class talent is economic development.** Florida needs a world class K-20 education system and seamless talent supply chain to meet workforce demands at all skill levels. STEM—science, technology, engineering and math—is of the utmost priority if Florida is to achieve its long term goal.

3. **Florida must establish the foundation for innovation-based economic development with an innovation value chain.** Innovation will be the key to improved competitiveness and growth across all clusters. Florida must work to strengthen its “innovation value chain”, putting all of the pieces in place to support not only strong research, but also its transition into the economy via new products and adoption by companies. This will take strong commercialization support systems, capital, and outreach.

4. **Florida must shift from “growth management” to “growth leadership”** —using a systems approach to address inter-related issues such as transportation and land use, as well as emerging issues like broadband, water, and energy.

5. **A competitive business climate is fundamental.** To jump-start economic growth and job creation in the short-term and improve long-term competitiveness, Florida should re-tool its incentive toolkit to meet new needs. Business costs, regulatory systems, and small business friendliness remain important.

6. **Florida is an international state.** International exports have helped buffer the effects of the downturn and international commerce will be an important opportunity in Florida’s recovery. We cannot and should not minimize the importance of a global orientation though trade, tourism and commerce, and must be positioned to take advantage of the shifting global landscape.

7. **Quality of life is one of Florida’s biggest assets.** Florida must protect its unique quality of life and enhance sense of place to support the attraction on businesses, workers, and tourists.
Leadership in the Global Innovation Economy

EXPANSION / TRANSFORMATION of Florida’s foundational clusters

EXPANSION of Florida’s industry clusters

EMERGENCE of new industry clusters

DIVERSIFYING FLORIDA’S ECONOMY: CLUSTER STRATEGIES

TALENT
- Raise the Bar for K-12
- Meet “Middle Skill” Demand
- Higher Education Excellence
- Demand-Driven Workforce System
- STEM Across the Talent Supply Chain

INNOVATION
- Expand R&D
- Accelerate Commercialization
- Increase Venture Capital
- Expand Outreach and Support Structure

GROWTH LEADERSHIP/INFRASTRUCTURE
- Multimodal Transportation
- Balanced Land Use
- Broadband Deployment
- Sustainable Energy Needs
- Sustainable Water Supply

BUSINESS CLIMATE
- Incentive Toolkit for the 21st Century
- Small Business and Entrepreneurship
- State and Local Regulatory Environment
- Predictable, Competitive Business Costs

GLOBAL HUB
- Leadership in Trade, Tourism, and FDI
- Enhance “Hard” and “Soft” Global Commerce Infrastructure

QUALITY OF LIFE
- Creative Class Amenities

STRATEGIC PRIORITIES

ROADMAP TO FLORIDA’S FUTURE

2010-2015 Strategic Plan for Economic Development

To read the complete plan visit eflorida.com/roadmap
**RECOMMENDATION HIGHLIGHTS**

**DIVERSIFYING FLORIDA’S ECONOMY: CLUSTER STRATEGIES**

**Expand and Transform Foundational Clusters**
Advanced Manufacturing | Agriculture | Construction | Marine | Space | Tourism

**Expand Industry Clusters**

**New Clusters**
Pursue Immediate Opportunities - Logistics | Creative Industries
Anticipate Emerging Technology Opportunities - Nanotechnology Strategy | Multi-disciplinary Research | Science and Technology Advisory Committee

**TALENT**

**K-12 Excellence**
Raise the Ceiling for Excellence – Start Early | Teacher Quality | Accountability and Standards | Achievement Gaps | Arts Education | Languages

**“Middle Skill” Demand**
Expand Career/Professional Academies | Leverage Florida College System and Career Colleges

**Higher Education**
Develop Florida Universities as Best-in-Class | Align with Industry Clusters for Economic Growth | Role for Private Institutions

**Workforce**
Workforce and Economic Development Partnership | Statewide Supply/Demand Analysis | Banner Centers to Next Level | Workforce Training Incentives

**Science, Technology, Engineering, and Math (STEM)**
Florida STEM Council | Regional and Industry Initiatives | STEM Pipeline
RECOMMENDATION HIGHLIGHTS

INNOVATION

R&D
- Expand Academic R&D - World Class Scholars Program | Centers of Excellence | Federal R&D and Facilities
- Expand Corporate R&D - R&D Tax Credit | Innovation Fund
- Expand Military R&D – Develop Strategy to Leverage Defense/Military R&D

Commercialization
- Provide Gap Funding - SURCAG | SBIR | Small Business Technology Investment Pilot Program
- Strengthen Commercialization Infrastructure - Institute for the Commercialization | Incubators and Accelerators | Culture of Commercialization

Venture Capital
- Seed/Early Stage Capital - Florida Opportunity Fund | Florida Growth Fund | Angel Networks
- Management Talent - “Entrepreneur in Residence” programs | Professional Science Masters & Entrepreneurship Degree Programs | Regional Entrepreneur “Boot Camps”

Outreach & Support Structure
- Technical Assistance - MEP | SBDC
- Regional “Innovation Networks”
- University Partnerships

GROWTH LEADERSHIP / INFRASTRUCTURE

Multi-modal Transportation
- SIS | New Funding Models

Land Use
- Link to Transportation | Regional Strategies with Regional Visioning | Flexibility | Military Base Encroachment

Broadband
- Jump Start through Stimulus Funding | Develop Longer-Term Strategy

Energy
- Renewable Energy Policies | Energy Efficiency

Water
- Link Regional Water Planning | Emerging Business Development Opportunity
RECOMMENDATION HIGHLIGHTS

BUSINESS CLIMATE

Retool the Incentive Toolkit
  Accelerate Job Creation - Adjust QTI & HIPI | Invest in Quick Action Closing Fund
  Promote Productivity Through Capital Investment - Adjust MME & CITC
  Expand Corporate R&D - R&D Tax Credit | Expand Innovation Incentive Fund | Expand University Match
  Increase Corporate Headquarters - Adjust CITC & QTI

Small Business / Entrepreneurship
  Low Interest Loan Fund | Technical Assistance | Transferable Tax Credits | Regulatory Issues

Regulatory Environment
  Expedited Permitting | Industry-specific Issues

Business Costs
  Support Manufacturers’ Sales and Use Tax Exemptions | Property Insurance

GLOBAL HUB

International Commerce
  Trade | FDI | Tourism

International Infrastructure
  Multi-Modal Transportation Infrastructure - Ports | Rail | Roads
  Language Skills
  Regulatory Issues - Ports | Banking | Visas

QUALITY OF LIFE

Quality of Life and Creative Class Amenities
  Regional Creative Class Initiatives | Planning Tools | Integration with Economic Development