

I. ECONOMIC DEVELOPMENT DATA INVENTORY AND ANALYSIS

Chapter 9J-5.018, Optional Elements, which included the requirements for the Economic Element, was repealed by the Florida legislature. The Lake County Board of County Commissioners and the Local Planning Agency, however, believe that the economic engine of the county, as defined by an element that sets forth principles and guidelines for commercial and industrial development and addresses the present and projected employment needs of the citizens of the county, needs to be a part of the county's long range plans in order to aid and guide our future growth.

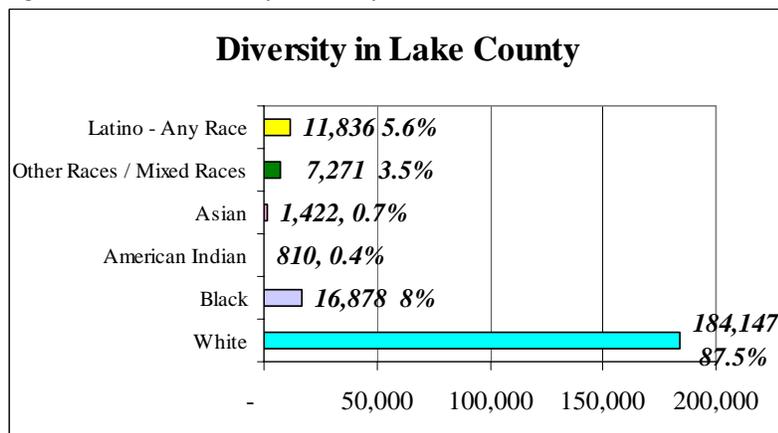
The Economic Element consists of two sections: a Data Inventory and Analysis (DIA) section; and a Goals, Objectives and Policies (GOPs) section. Below is the DIA section while the GOPs (found under separate cover) will be developed from the data presented here and will provide the methods to implement the strategies to achieve the economic development goals of Lake County.

II. OVERVIEW OF LAKE COUNTY

Diversity & Population

Census 2000 showed that of the 67 counties within the state of Florida, Lake County was now ranked 21st in total population with a total of 210,528 full time residents. Figure ED-1 provides a detailed breakdown by Race and Hispanic ethnicity of the population of the County.

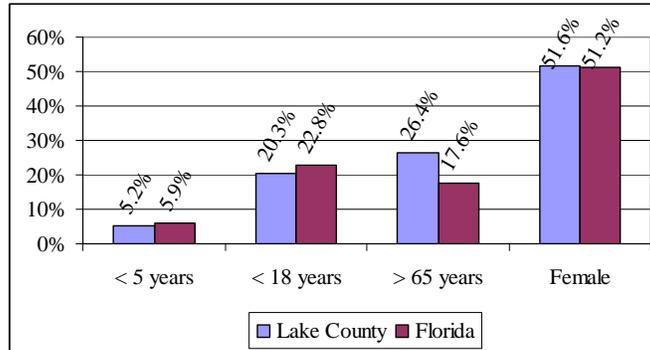
Figure ED-1 Lake County Diversity 2000



(Note: Latino/Hispanics can be of any race.)

Of the 210,528 residents in the County, approximately 20% are under the age of 18 years, 26% are over the age of 65, and women comprise 51.6% of the population at 108,632 (see Figure ED-2).

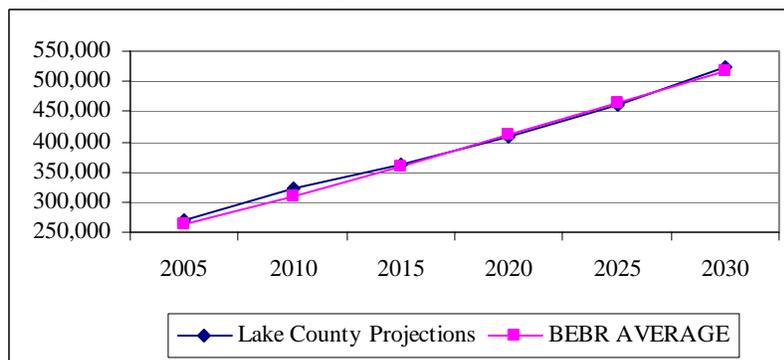
Figure ED-2 Population age cohorts, Census 2000.



The balance of the population, 112,211 (53.3%), is the primary workforce pool for Lake County encompassing those aged 18 through 64. In the year 2000, 81,463 persons were employed within the county (census.gov) either in a full-time or part-time capacity and more than 3,000 of those employed within the county were over the age of 65. When the total employed is subtracted from the workforce pool there is a resultant deficit of 33,748 persons unaccounted for in the workforce (3,000 was added to total to account for over 65 workers). We can account for 10,626 of that remainder as that is 41.5% of the disabled residents in the county (total of 25,604) that are not employed and there were 3,359 persons officially classified as *unemployed* by the Census. The balance is 19,763 individuals whose workforce status cannot be accounted for at this time.

In the summer of 2004, a County Demographics Team was created with representatives from all departments and divisions of the county. The Demographics Team predicted that by July 2005 the Lake County population would be 269,932 and an astounding 460,103 by the year 2025. As shown in Figure ED-3, the County projections are nearly identical to the average of the BEBR (Bureau of Economic and Business Research) Medium and High projections over the same time period.

Figure ED-3 Lake County Population Trends, 2005-2025



The biggest change as a result of the current population growth is the shift in focus for the population centers within the County. Historically, the Northwest portions of the County (Leesburg, Lady Lake, and Fruitland Park) along with the Golden Triangle area (Eustis, Tavares, and Mount Dora) were the population centers and economic engines of the County. In the first part of the 21st century we anticipate huge population growth to be the driving factor that will make South Lake (Clermont, Minneola, Groveland, and Four Corners/Citrus Ridge) the population centers of the county. Even though Table ED-1 appears to show the unincorporated areas of the county as dominating the population growth, we anticipate that a large portion of the population assigned to those areas will be transferred to the municipalities through both annexations and actual development within those communities. Staff is confident that as we continue to work with the various municipalities of the county, ever more accurate population assignments will be made.

Table ED-1 Lake County Population Projections 2005-2025

Place	1990 Census	2000 Census	County 2005	County 2010	County 2015	County 2020	County 2025	% Increase 2000-2025
Astatula	981	1,298	1,688	2,049	2,269	2,511	2,780	114%
Clermont	6,910	9,333	18,106	22,696	28,448	35,658	44,696	379%
Eustis	12,856	15,106	17,239	18,604	19,341	20,108	20,904	38%
Fruitland Park	2,715	3,186	3,564	3,832	3,977	4,127	4,283	34%
Groveland	2,300	2,360	4,820	8,898	12,660	18,015	25,633	986%
Howey-In-The-Hills	724	956	1,182	1,394	1,518	1,655	1,803	89%
Lady Lake	8,071	11,828	13,790	15,246	16,051	16,899	17,791	50%
Leesburg	14,783	15,956	17,812	19,064	19,734	20,427	21,145	33%
Mascotte	1,761	2,687	4,214	6,221	7,701	9,535	11,804	339%
Minneola	1,515	5,435	8,252	10,746	12,370	14,239	16,390	202%
Montverde	890	882	1,169	1,355	1,463	1,579	1,705	93%
Mount Dora	7,316	9,418	11,028	12,357	13,101	13,890	14,727	56%
Tavares	7,383	9,700	11,634	13,356	14,343	15,404	16,544	71%
Umatilla	2,350	2,214	2,540	2,814	2,965	3,125	3,293	49%
Unincorporated	81,549	120,169	151,181	186,317	207,969	232,136	259,112	116%
Totals:	152,104	210,528	268,220	323,885	362,460	407,381	460,103	119%
BEBR Med/High Avg:	-	210,528	263,150	310,550	359,750	411,150	463,500	120%

If we use 53.3% (see previous page) as our county workforce availability rate and extrapolate that the make-up of the population will not dramatically change we can estimate the county workforce:

Table ED-2 Estimate Lake County Workforce

Year	2010	2015	2020	2025
Workforce	172,631	193,191	217,134	245,235

Income Distributions

Figure ED-5 shows that in 1990 over 60% of Lake County residents earned less than \$30,000 per year, while in the year 2000, Figure ED-4, 60% of the resident earned more than \$30,000 per year. In 1990, over 22% of residents were earning above the \$37,500 AMI (Area Median Income, Orlando MSA, for a family of four) and in 2000 that percentage had increased to over 33% of area residents earning above the AMI of \$49,600. Clearly, the economic outlook of Lake County residents increased considerably in the 10 year period of 1990 to 2000 even when one takes into consideration the 30.93% costs of living increases needed to maintain pace (see figure ED-4).

Figure ED-4 Consumer Price Index for Urban Wage Earners and Clerical Workers 1990-2005, Bureau of Labor Statistics.

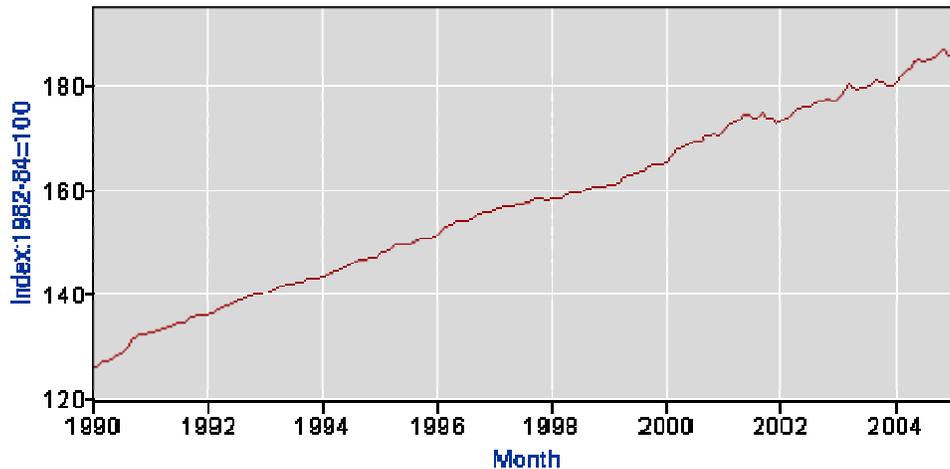
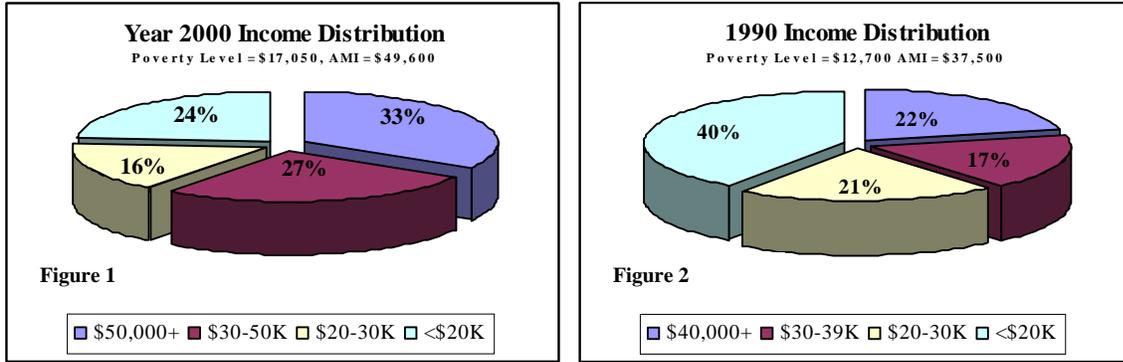
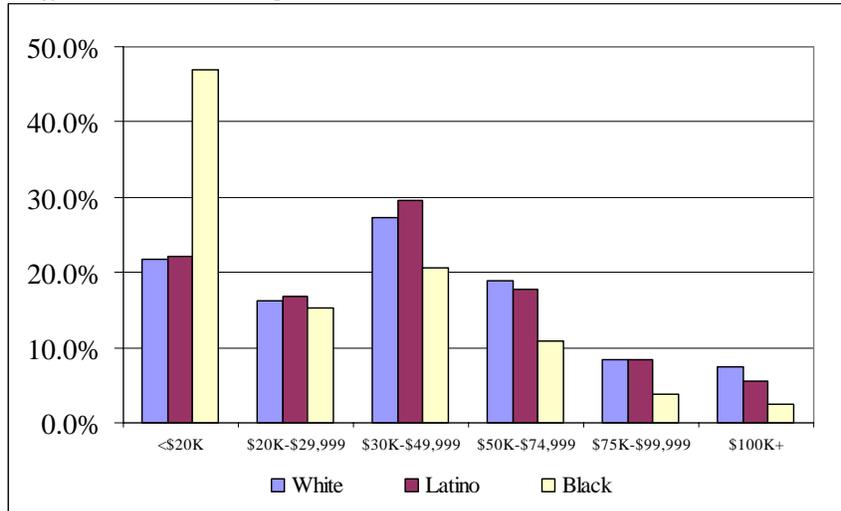


Figure ED-5 & ED-6, Lake County Cumulative Income Distribution Percentages, 2000 vs. 1990.



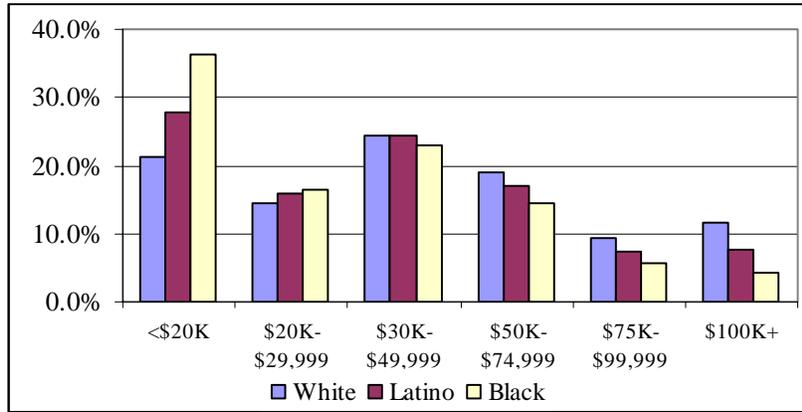
Although the data presented in Figures ED-5 and ED-6 are optimistic from an overall County perspective, as shown in Figure ED-7 below, the African American community is still lagging behind considerably when it comes to income distribution. As of the Census 2000, 47% of the income earned by African American families was at or below \$20,000 per year which is below the Very Low Income levels used by HUD and just \$3,000 from the poverty line. At every income level reported, the African American community lags behind the Latino and White populations of Lake County. The Latino community within Lake County, overall, is performing comparably to the income figures reported for the White community of Lake County.

Figure ED-7: Income by Race in 1999.



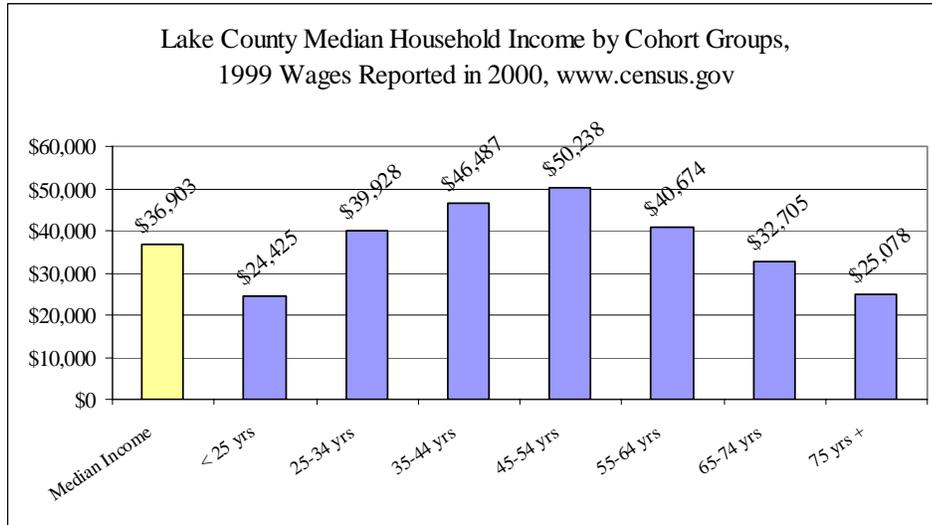
At the State level, disparities in income distribution for the African American community were noticeably less than at the County level. Only 36% of the African American population had incomes below the \$20,000 mark and African Americans were the dominant group in the income range of \$20,000 - \$29,999 with 16.4%. At all income levels above \$30,000 the African American community, however, once again fell to third place behind the Latino and White communities as noted in Figure ED-7. A positive point shown in Figure ED-7 is that the differences between the groups were considerably reduced at the income levels of \$30,000 and above.

Figure ED-8: State of Florida Income by Race in 1999.



When the median household income (middle-most figure) by cohorts groups is graphed, as shown below, you see nearly a perfect bell curve distribution for Lake County validating the hypothesis that income generally increases into and through the prime earning years (typically 45-55) and then decreases as people move into their retirement years.

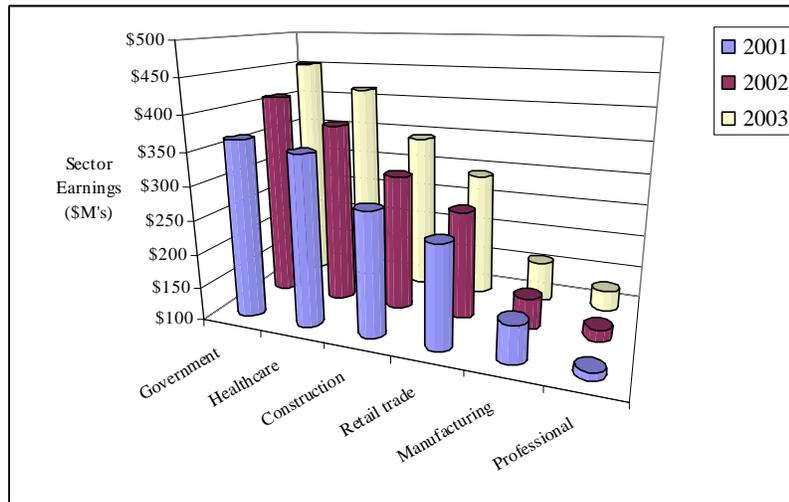
Figure ED-9, 1999 Median Household Income



Employment in the County

The most recent data available from the Department of Commerce's Bureau of Economic Analysis (BEA) has six business sectors leading the economic engine of the county from 2001 through 2003. The government sector (inclusive of all government enterprises from federal to state and local agencies) led the county with total employee wages in excess of \$452 million in 2003. The second leading sector was the healthcare industry, and in particular ambulatory care service providers and hospitals, who in 2003 had employees earnings in excess of \$415 million. The third leading sector in the county was the construction industry that paid over \$342 million in 2003. The retail trade, manufacturing sector and the professional group rounded out the top six business sectors for the county (see Figure ED-10) with \$290.4M, \$160.7M, and \$129.7M, respectively for 2003.

Figure ED-10 Top Six Business sectors in Lake County 2001-2003, BEA.



An interesting point that is indicative of the wage structures for the top four business sectors within the county is that there is an inverse relationship between earnings and number of employees. As noted in the Table ED-3 the Retail Trade led the county in the number of employees during the three year period studied (2001-2003) followed by the construction industry, the healthcare industry, and then in fourth government enterprises.

Table ED-3 Number of Employees for Top 15 Business Sectors in Lake County 2001-2003, BEA.

NAICS Code	Business Sector	2001	2002	2003
700	Retail trade	13,276	13,379	14,023
400	Construction	10,526	10,940	12,176
1600	Healthcare and social assistance <i>services</i>	10,359	10,554	11,352
2000	Government and government enterprises	9,805	10,706	11,218
1800	Accommodation and food <i>services</i>	5,496	6,051	6,332
1900	Other <i>services</i> , except public administration	5,353	5,876	6,216
1400	Administrative and waste <i>services</i>	5,286	4,783	5,085
500	Manufacturing	4,465	4,019	3,906
1200	Professional and technical <i>services</i>	4,321	4,496	4,748
1100	Real estate and rental and leasing	4,199	4,552	4,804
1000	Finance and insurance	2,721	2,835	3,083
600	Wholesale trade	2,643	2,500	2,399
800	Transportation and warehousing	2,565	2,966	3,177
1700	Arts, entertainment, and recreation <i>services</i>	1,617	1,744	1,654
900	Information <i>services</i>	1,544	1,544	1,548

Staff will need to consider innovative ways to help drive increases in employment within the higher wage sectors but a barrier to this effort, as noted in a recent White Paper on the *Viability of Developing a Class A Office Park in the Current Market* prepared by Commerce Park Investments, stated that,

" With the exception of medical, there is currently minimal demand in Lake County for Class A office space based on interviews with real estate professionals and economic development professionals. The immeasurable demand is represented by that portion of the business owners in surrounding counties that either reside in Lake County or would prefer to locate their business in Lake County who would chose to do so if a Class A facility existed in the County."

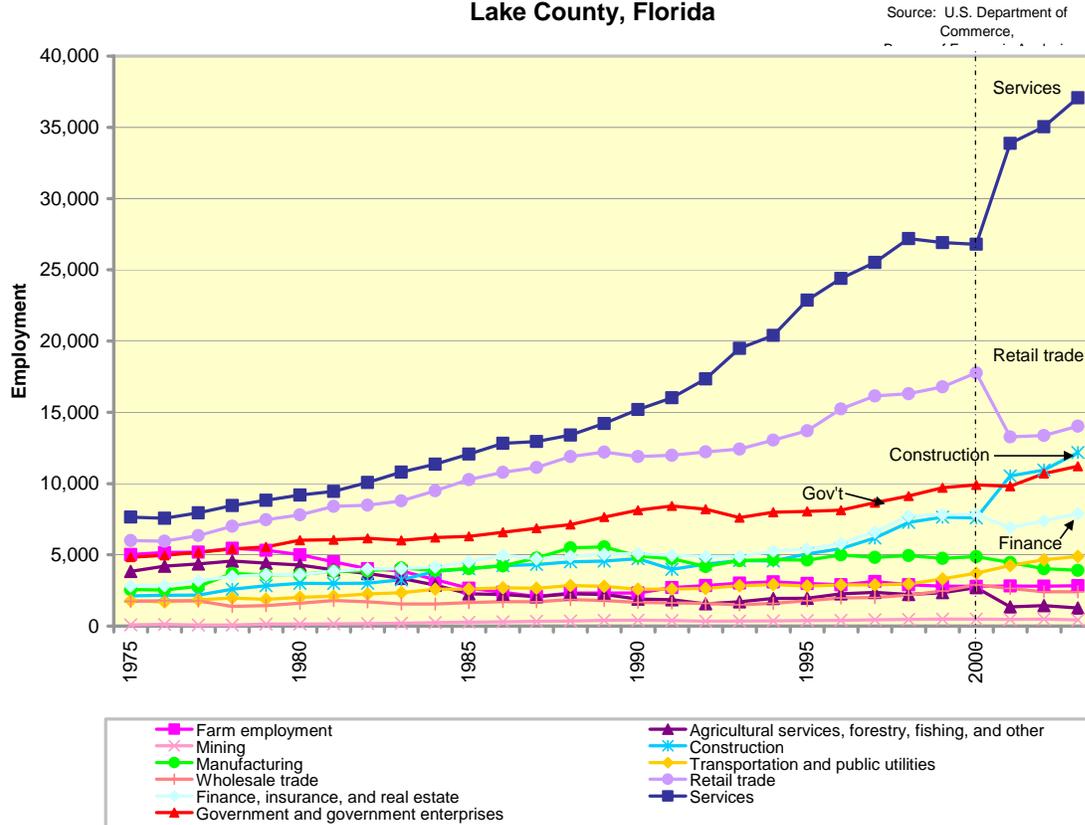
The immeasurable demand noted above only accounts for 7% of the regional workforce which Lake County supplies. The authors go on to say that, *"(w)e believe that the primary reason there is not a greater demand for Class A facilities in Lake County is due to the fact that 96% of the businesses in Lake County have fewer than 50 employees. There is not the need currently to have large office buildings to support the close management of large numbers of employees. Therefore, the only market for Class A office buildings in Lake County would primarily be healthcare, government and education which represent the largest employers in the County."*

Table ED-4 Top 10 Employers in Lake County, source Metro Orlando EDC.

Largest Employers	# of Employees
Lake County Public Schools	4,353
Leesburg Regional Medical Center	1,870
Florida Hospital/Waterman Inc.	1,400
Sprint	811
Lake County Government	690
Lake County Sheriff's Department	585
G&T Conveyor	550
Bailey Industries	509
Accent	500
Lake Port Square	400

Figure ED-11, below, shows that the *service* industries in Lake County, as is also the case nationally, have been steadily outpacing all other industries in the county and now account for nearly 38% of all employment with 37,073 full and/or part time employees as of 2003.

Figure ED-11 Full- and Part-Time Employment by Industry - 1975-2003
Lake County, Florida

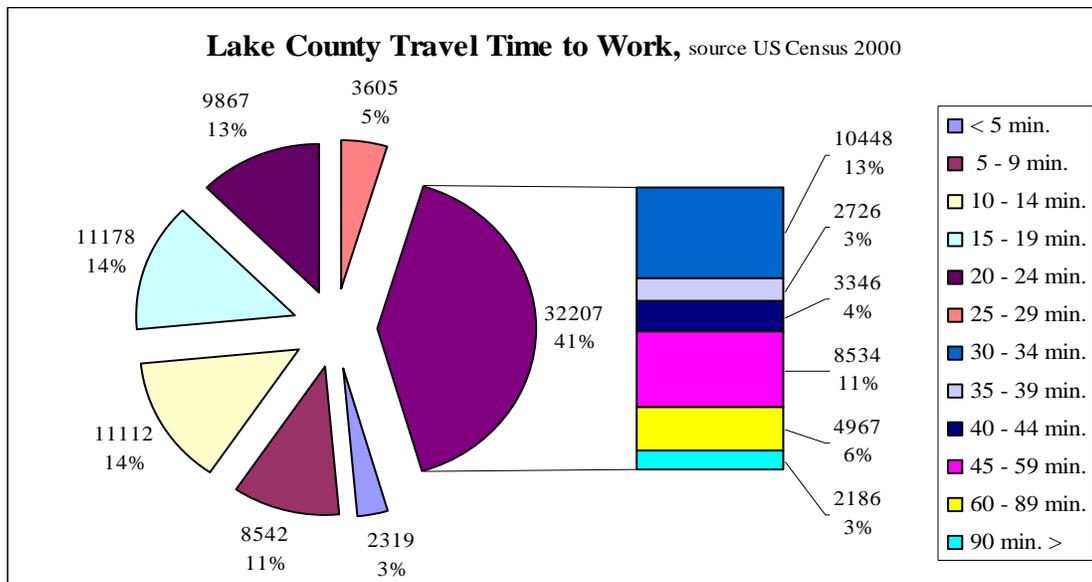


Emerging Industries

Three of the nation's agro-technology powerhouses have Lake County headquarters. With growth of nearly 10 percent a year, these companies are generating combined annual revenue of \$25 million. The equestrian industry, a major market in our neighboring county to the north, Marion County, is also making in-roads within Lake County with ten registered ranches with sales in excess of \$10 million annually.

Travel Time to Work

According to the 2000 Census, 51,842 (64%) residents of the county worked within the county and the remaining 29,621 worked outside of the county (with 659 actually working outside of the state of Florida). The mean travel time to work was 27.6 minutes but more than 41% of all workers traveled in excess of the mean as shown in Figure ED-12. Three percent (2,633) of the workforce worked from home (source Metro Orlando EDC).

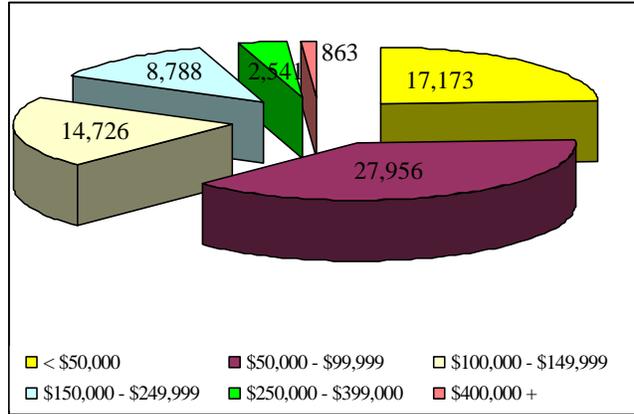


Workforce Housing

As previously stated, there is tremendous growth occurring in Lake County which, if current trends and demands continue, will nearly double the population by 2030 (522,519). One of the biggest challenges going forward for the County will be its ability to provide adequate housing for all of its residents and especially for those struggling to maintain their families intact while earning wages which are considerably lower than the Orlando MSA Area Median Income (AMI) of \$49,600 for a family of four.

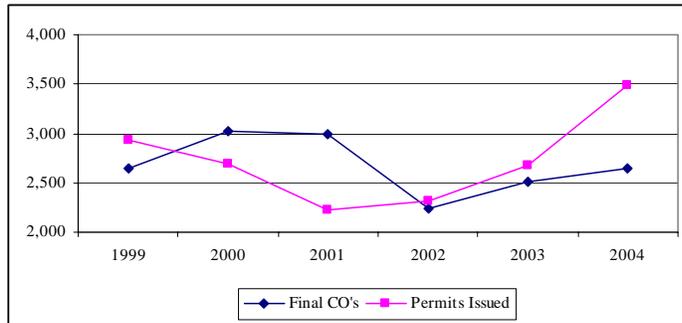
The Census 2000 provided us with a breakout of the 72,047 homes located within the county. As shown in Figure ED-8, homes valued at under \$100,000 accounted for 63% of all homes at 45,129.

Figure ED-8 Count of Dwelling units by Value, 2000.



The count of building permits (dwelling units that can be built), along with final Certificates of Occupancy (completed dwelling units ready for habitation), issued by the Lake County Building Department, were used by the aforementioned Demographics Team in calculating and estimating future populations. The data is provided here to demonstrate the steady supply of housing which continues to be built within the Lake County borders.

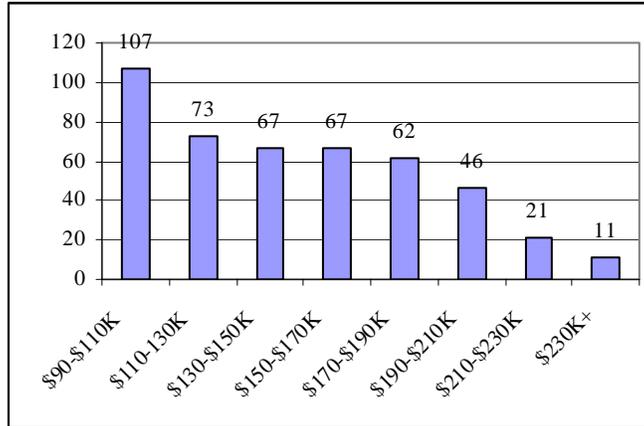
Figure ED-9 Count of Building Permits and Final COs, 1999-2004



Additionally, there is a backlog of approximately 28,357 outstanding building permits (just within the County jurisdiction which does not account for those pending within individual municipalities) that have been paid for and are eligible for construction throughout the entire County. As there are an average of 2,800 COs issued annually, the county alone has enough of a backlog to maintain current construction trends over the next 10 years without issuing another permit which is unlikely to happen given that January 2005 set the record for the largest amount of building permits issued in any previously recorded January with 317.

A recent query of the Property Appraisers database for a selective sampling of new homes built between 1/1/2002 and 12/31/2004 that were located within a planned unit development returned 454 properties which are detailed in figure ED-10. None of the homes

Figure ED-10 Selling Price of a sample of homes built between 1/1/2002 and 12/31/2004.

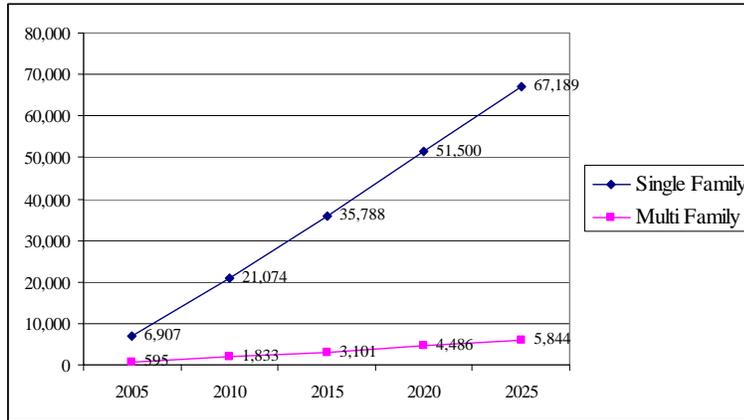


returned were valued less than \$90,000 and the median value (middle most figure) was \$145,350 with a mean value (average) of \$150,687. If we discard two outliers in the sample of \$789,457 and \$433,017 we get a mean value of \$148,640 .

Using the example of a household earning \$46,000 per year, and the recommended 30% of gross monthly income which should be used to pay for a mortgage, would allow this family to take on a debt payment of approximately \$1,150/month. Depending on the interest rate at the time (7% was used in this example), this mortgage payment would be in keeping with the mean and median values noted above. The problem with this scenario is that it would disqualify about half of the residents of Lake County who according to the 2000 Census (Figure 4 above) earn less than \$46,000 per year. Although as previously noted, there is a pipeline of homes which appear to be ready to meet the projected population growth, the question the County and its residents will face in the immediate and long term future is, *"Will the residents of Lake County be able to afford these homes?"*

According to the Shimberg Center for Affordable Housing, by 2025 the County will need an additional 67,189 "affordable" single family homes and an additional 5,844 "affordable" multi-family units to meet the projected demands based on our current population growth trends (see Figure ED-11). Of the additional 73,033 "affordable" units identified by the researchers at the Shimberg Center that the County will need by 2025, and based on current County projections, nearly 68.5% of all future homes built in the County should meet the definition for affordable housing .

Figure ED-11 Affordable Housing Projected Construction Need (source: Shimberg Center)

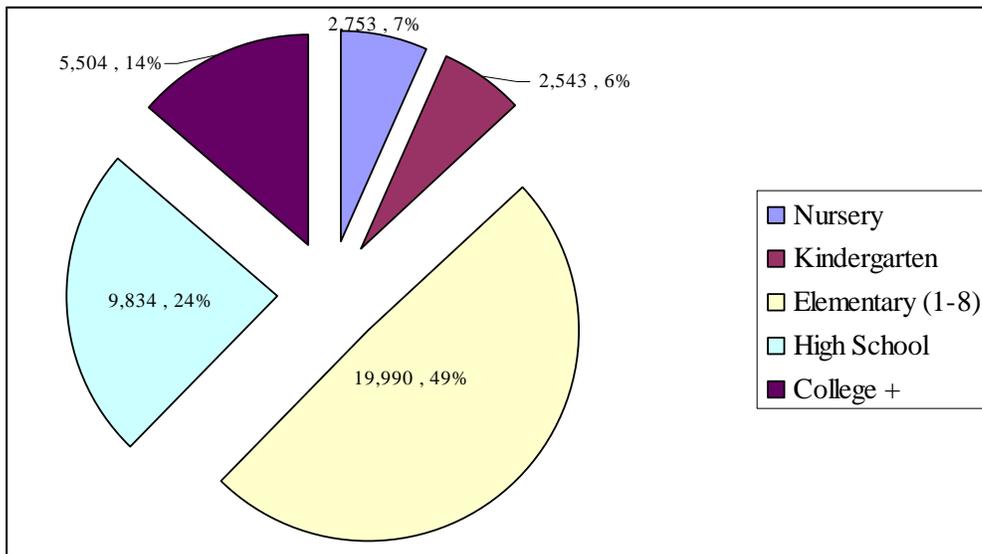


Educational Achievements

One of the factors that weighs heavily into the decision making process of the relocation patterns of residents *and* also drives businesses to (or from) a location is the quality of the education available to present and future workers and their children. In support of this theorem, we detail the educational achievements and short-falls of the county.

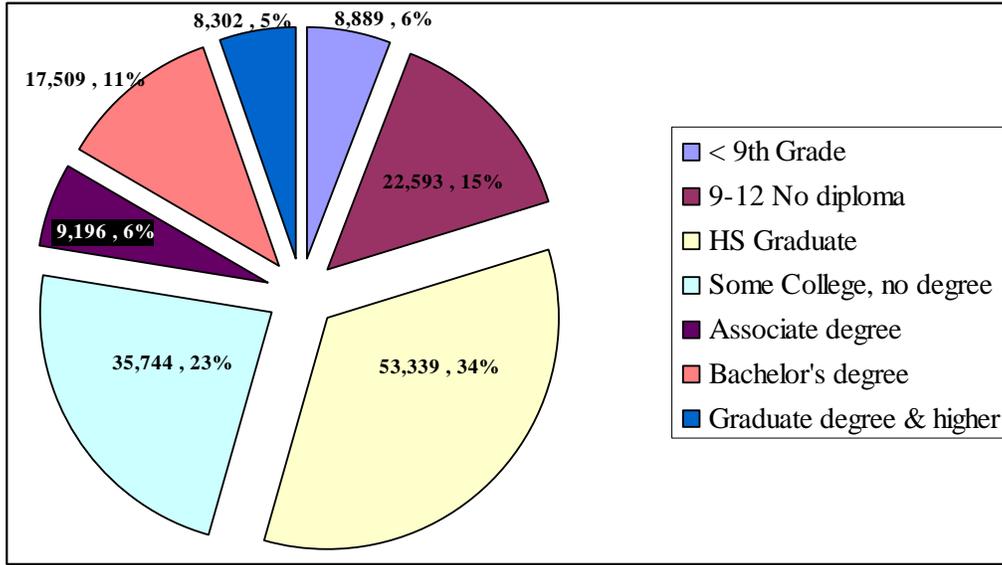
School enrollments (public and private) totaled 40,624 in the year 2000 and were distributed as follows in Figure ED-12:

Figure ED-12 Public & Private School Enrollment in Lake County, Census 2000.



Of the over-25 population, specific educational achievements are noted below in Figure ED-13. Nearly 80% of the 25+ population has obtained at least a high school diploma but only 16.6% of this same cohort group has achieved a Bachelor's degree or higher. Given the current and anticipated need for professional and service oriented employees a greater focus

Figure ED-13, Lake County Educational Achievements, Census 2000



needs to be brought to bear on the educational achievements of the county. It should also be noted that the county only has two (2) community colleges within its borders and no four-year college or university* whatsoever as of 2005 (* the University of Central Florida—whose main campus is situated on the eastern edge of Orange County—does, however, run courses out of the Clermont branch of the Lake-Sumter Community College).

Table ED-4 demonstrates that even though Lake County students appear to be performing better than the Florida state average (when SAT scores are compared), the county is still lagging behind national averages.

Table ED-4 Lake County High School Metrics, Source Lake County School Board and Florida Department of Education.

Region	1998-99	1999-2000	2000-01	2001-02	2002-03	2003-04
Lake County Graduation Rates	65.0%	66.3%	67.5%	68.7%	73.0%	72.1%
Lake County Dropout Rates	3.6%	4.3%	4.5%	4.9%	4.0%	4.5%
Lake County SAT Scores	1004	1002	1023	1001	1008	995
Florida SAT Scores	997	998	997	995	996	998
National SAT Scores	1016	1019	1020	1020	1026	1026