

MINUTES OF THE ECONOMIC DEVELOPMENT COUNCIL
Meeting of July 21, 2020

The Indian River County (IRC) Economic Development Council (EDC) met on Tuesday, July 21, 2020 at 3:30 pm both as a Virtual Meeting and with limited attendance in Conference Room B1-501 of the County Administration Building B, 1800 27th Street, Vero Beach, Florida.

EDC Members Present

Chairman Joe Idlette III, Gifford Community
Peter D. O'Bryan, IRC Commissioner, District 4 (Non-Voting Commission Liaison)
Charles M. Mauti, City of Sebastian
Sam Carroll, Town of Indian River Shores
Bruce Redus, BCC Appointee
Dori Stone, IRC Chamber of Commerce
Bob Morgan, Sebastian Chamber of Commerce
Brian Bauer, CareerSource Research Coast
John Dyer, Local Industry
Chad Olson, Local Tourist Industry
Jerry Renick, Local Agriculture Industry
Peter Robinson, Local Developer
Casey Lunceford, Indian River State College (IRSC)
Jim Funk, Local Manufacturing Industry
Dr. Ralph Turner, Local Healthcare Administrator
Anna Kirkland, Member-At-Large
Todd Howder, Member-At-Large
Karl Zimmermann, Member-At-Large

EDC Members Absent

Robert Brackett, City of Vero Beach (COVB)
Jessica Salgado, City of Fellsmere
Simms Browning, Town of Orchid
Laura Zorc, School Board of Indian River County
Tim Borden, Real Estate Appointee
William Penney, Banking Industry

Others Present

Helene Caseltine, Economic Development Director, IRC Chamber of Commerce
John Corapi, Business Retention Manager, IRC Chamber of Commerce

IRC Staff

Bill Schutt, Chief, Long Range Planning
Matt Kalap, Planner, Long Range Planning
Phil Matson, Community Development Director
Meighan Alexander, Commissioner Assistant, Recording Secretary

Note: You may hear an audio of the meeting and review the agenda and meeting notes on the IRC website at <https://www.ircgov.com/Boards/EDC/2020.htm>

Call to Order

(3:30 pm) Vice Chairman Joe Idlette called the meeting to order. Mr. Schutt explained to members how the meeting would operate using Zoom. Roll was taken and it was determined there was a quorum present.

Approval of the EDC Minutes of May 19, 2020

(3:36 pm) A motion to approve the May 2020 minutes was made by Karl Zimmerman; second by Bruce Redus. The minutes were approved unanimously.

Discussion re: CARES Act Proposed Spending Plan and Funding Agreement

(3:38 pm) – Mr. Schutt began a presentation concerning the CARES Act. He advised that the Board of County Commissioners approved the CARES Act Spending Plan and Funding Agreement on July 14, 2020. He explained that \$2,000,000 had been allocated for community assistance activities and that all funds had to be expended by December 30, 2020. He stated that expenses not in compliance with the CARES Act would be the County's responsibility; therefore, the County will be closely tracking the distribution of these funds.

Mr. Schutt explained the funding to be distributed closely relates to Economic Development. He explained the programs, as follows:

- Small Business COVID-19 Recovery Grant funding amount of \$250,000, managed by the Small Business Development Center at IRSC; and
- On the Job Training and Layoff Aversion funding in the amount of \$250,000, managed by Career Source Research Coast

Other funding is also to be distributed under the category of Community Assistance, which is not specifically economic development, and includes:

- Mental health, broadband and technology support for distance learning and other unmet needs in the amount of \$975,000, through the United Way
- Food support programs, such as food banks, food pantries and food for homeless/insecure populations in the amount of \$400,000, through the Treasure Coast Food Bank; and
- Assistance for seniors/vulnerable population with Meals on Wheels and grocery shopping assistance in the amount of \$125,000, through the Senior Resource Association.

Ms. Caseltine provided information concerning the IRC Small Business COVID-19 Recovery Grant program. She explained that these one-time grants of up to \$5,000 each would be offered to qualified, for-profit small business with less than 25 employees. She stated that as the hospitality industry has experienced significant losses, this grant program focuses on assistance for these types of small businesses.

Ms. Caseltine explained that she and the County Attorney are preparing the grant application; and, funds would be provided to businesses under the following eligibility criteria: operating in Indian River County; locally or independently owned for-profit; working within the hospitality industry; less than 25 full-time employees (or the full-time equivalent), including the owner; and, the business has to have been in operation since 10/1/19 and remain in operation, with the expectation that the business would return to full operations after all emergency guidelines are rescinded. Additionally, all businesses that apply must be current in their business taxes and the business owners must be in good standing - free of judgments and liens. She noted that

businesses that do not fall within these criteria or businesses that have applied for or received funding from the City of Sebastian's program would be ineligible.

With regard to the process, Ms. Caseltine advised that the funds will be distributed on a first come-first served basis and all eligible businesses should register with the Florida Small Business Development Center (SBDC) at IRSC. She noted that the SBDC will submit a list of approved applications to the Office of Management and Budget of Indian River County that would send the applicant a check. She added that it is possible that when the first round of funds are expended, more funds may come in from the federal government; and, if so, the County may expand the program.

(3:49 pm) Commissioner O'Bryan stated that the County had received a total of approximately \$7,000,000, which is approximately 25% of the total allocation of \$28,000,000; therefore, there remaining funds may become available. He advised; however, that the State has not informed the County as to how and when the additional funds will be made available nor the criteria information. He asked Ms. Caseltine to explain the criteria as to what business expenses would be considered acceptable.

Ms. Caseltine replied that copies of receipts are not required; however, documentation must be provided that proves the need (such as rent payments, utility payments, salaries, etc.), such as a Profit & Loss statement from 2018, 2019 and 2020 (if applicable.)

(3:52 pm) Mr. Brian Bauer of Career Source Research Coast provided information regarding the Covid-19 Workforce Development Program. He thanked Commissioner O'Bryan and his fellow members of the County Commission along with County Administrator Jason Brown for allowing Career Source to assist the residents and businesses. He explained that the program will be administered under three categories. He stated that funding is available for on the job training for displaced or dislocated workers resulting from Covid-19. Mr. Bauer noted the funding would allow an employer to provide paid-subsidies for on the job skill training, designed for affected workers to achieve the job skills needed for employment. He stated that employers will be reimbursed 100% of the employee's salary during this training period and in order to qualify, the individual will need to show that they had an economic hardship because of COVID. He advised that three levels of funding can be available for employers. If a business has between 3 to 10 full-time employees, the employer can be eligible for up to \$5,000; businesses with between 11 to 25 employees can be eligible for up to \$7,500; and employers of between 26 to 50 employees can receive up to \$10,000.

Mr. Bauer provided information concerning the Lay-off Aversion Program. He explained that these types of grants are intended to retain employees by preventing lay-offs and business closures. He provided the following funding levels available to employers, based on number of full-time employees: between 3 to 10 full-time employees, funding up to \$5,000; between 11 to 25, funding up to 7,500; and between 26 to 50 employees, an employer may receive funding up to \$10,000. He explained that the last phase of grant funding is for Layoff Aversion/Incumbent Worker Training Programs. Mr. Bauer stated that this phase of grant funding is intended to retain or upskill employees to avoid layoffs and increase competitiveness of Covid-19 affected workers and business. He explained that the funding levels for this phase is the same as the Lay-off Aversion program.

(3:57 pm) Mr. Schutt read the question submitted by Ms. Caseltine who asked if there a specific application for each of the three programs.

Mr. Bauer replied affirmatively, the employer and/or the potential job seeker would need to complete the electronic application depending upon the funding being requested.

Economic Report Card Review-Matt Kalap, Planner, Community Development-Long Range Planning Division

(3:58 pm) – Mr. Matt Kalap began presenting the 2020 Economic Report Card. He provided answers to seven frequently asked questions, as follows:

1. What is QCEW? This acronym stands for Quarterly Census of Employment and Wages, which provides information, administered by the US Bureau of Labor Statistics, on a quarterly basis of employment and wages that is reported by employers and covers about 97% of all the jobs in the United States.
2. Does the QCEW publish or release the number of employees in a particular company? The information is treated as sensitive information and is not released, as the data was collected confidentiality.
3. Can I get QCEW data below the county-industry level? The information is considered confidential; therefore, the finest level of detail is at the county-industry level.
4. Can I find data on employment and wages for a specific occupation or job? The QCEW does not publish data based on occupations; it contains information on employment and wages for an entire establishment.
5. Why is some data unavailable? Some industries or areas have not reported or have zero economic activity. Further, some data is suppressed in order to maintain confidentiality. The higher-level aggregations, such as the data at the State level, contains the suppressed lower level data.
6. What is included in employment? The employment count is derived from quarterly contribution reports, which include only filled jobs, whether full or part-time, temporary or permanent, by place of work.
7. What is included in total wages? Wages include bonuses, stock options, severance pay, profit distributions, cash value of meals and lodging, tips and gratuities, and 401K plans.

Mr. Kalap reviewed the North American Industry Classification Systems (NAICS). He explained that 21 industries are tracked at the County level. He advised that the County, in coordination with the Indian River Chamber of Commerce, had established a list of targeted industries to reflect the current economic needs of the County, as indicated in Policy 2.5 of the 2030 Comprehensive Plan (Chapter 5 – Economic Development Element.) Mr. Kalap explained the industries include the following: Clean Energy, Life Sciences, Information Technology, Aviation/Aerospace, Financial/Professional Services, Manufacturing/Warehouse/Distribution, Emerging Technologies, Arts, Entertainment and Recreation, Post-Secondary Public and Private Institutions, and other clean light industries.

Mr. Kalap advised that the County has experienced a significant drop in unemployment within the last ten years – from a high of 14% unemployed to a low of 3.8% currently; however, the pandemic's negative impact on the economy may cause the unemployment rate to rise.

Mr. Kalap reviewed the comparison of wages among the various NAICS sectors. While the average County wage of \$43,923 was noted for the year 2019, the top five average annual wages were as follows: Management of Companies: \$104K; Finance and Insurance - \$103K; Wholesale Trade - \$102K; Utilities - \$92K; and Professional, Scientific and Technology Sector - \$62K. The top sectors do not employ very many people – only 324 individuals are employed in the top sector.

Mr. Kalap provided data for the largest employers by sector: Health Care-9,728 employees; Retail Trade-8,621; Accommodations and Food Services-5,686; Construction-4,363; and Administrative & Support and Waste Management-3,297.

Mr. Kalap concluded his analyses of wages by advising that the top five sectors (based on total wages) were Health Care; Retail Trade; Construction; Professional, Scientific and Technology; and Finance and Insurance. He explained that the Utility Sector has experienced the largest growth in wages (131.5%) possibly due to the rise of new solar energy farms in the western part of the County. He also noted that the most significant decrease in wages was experienced in the Wholesale Trade sector (35% decrease). To provide further explanation of the wage growth in the top sectors, Mr. Kalap provided the NAICS Manual's definition of those sectors.

Data concerning the average annual employment was provided. Mr. Kalap noted that the greatest number of employees entered the following sectors: Utilities (190% increase); Management of Companies (151% increase); Unclassified (126% increase); Construction (34% increase); and Administrative & Support and Waste Management (33% increase). He noted that top decreases were in Agriculture (37%) and Information Technology (4%). He explained that the Unclassified Sector definition is used to classify a business that did not report a NAICS code or their proper code has not yet been established.

Mr. Kalap next provided information regarding total wages per sector, with the Health Care sector reporting the largest total wages. He noted that the Utilities Sector reported the highest increase of over 579% and the Agricultural sector decreased by 22%.

Mr. Kalap concluded his presentation by providing a list of the largest employers in Indian River County with the top three being: Indian River School District (2,121 employees), Cleveland Clinic (2,027 employees) and Indian River County (1,521 employees), followed by Publix, Piper Aircraft and Walmart.

Mr. Schutt added that while the Economic Development Report Card focuses on all sectors, he noted that, considering the earlier presentation that explained the CARES Act funding, it is clear that Indian River County has significant employment within the trade and food services – the hospitality industry. He stated that it is fortunate that the County is able to address the immediate need; however, he remains concerned for the future of those industries.

Other Matters

(4:20 pm) Commissioner O'Bryan introduced his new Administrative Assistant, Meighan Alexander, and described her experience. He advised that Mrs. Alexander is available to respond to concerns or questions, if anyone is unable to contact him. Mrs. Alexander expressed her appreciation at serving Commissioner O'Bryan and Indian River County.

Adjournment

(4:24 PM) There being no further business, the meeting was adjourned.