



ECONOMIC DEVELOPMENT RESOURCE PROFILE



Prepared for:
OCALA-MARION COUNTY, FL



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This profile was prepared by Moran, Stahl & Boyer, a leading economic development and site selection consultant, as an objective overview on the Ocala/Marion County area as a potential destination for business.

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■ **SUMMARY OF AREA POTENTIAL FOR SUPPORTING BUSINESSES**

The Ocala/Marion County area is located in north central Florida (see map on next page) just south of Gainesville and north of Tampa and Orlando. Based on a review of multiple factors including geographic location and access to key resources, the area is well positioned to support the following operations:

- Regional distribution centers for food, parts and equipment to serve the Florida and Caribbean markets.
- Manufacturing of home construction components; modification and fixtures for solar panels and other renewable energy-related products; medical device components; food, nutraceuticals and pharmaceuticals (human/equine); specialty vehicles; and metal, plastic and composite parts.

Unique Features and Opportunities of the Area

- Strategic Location: the area is located in north central Florida with direct access to Florida and Caribbean markets as well as the Southeast U.S. region. (see page 2)
- Workforce: readily available and trained workforce to support each of the industries and types of operations noted above. (see pages 5-8)
- Education and Training: access to four major universities as well as local two/four year colleges and a career training center. (see page 9)
- Transportation Access: direct access to I-75, the main CSX rail line as well as a local airport and major regional airports. (see pages 10-13)
- Ocala 489 Commerce Park: major industrial park with direct access to I-75 and rail access to CSX S-line. (see pages 14-16)

STRATEGIC LOCATION

Ocala/Marion County is located in north central Florida with favorable access to the State of Florida, the Southeast U.S. and the Caribbean for both production and distribution logistics. The inland location of the County decreases the potential impacts from coastal storms while lowering property insurance rates and the cost of real estate.

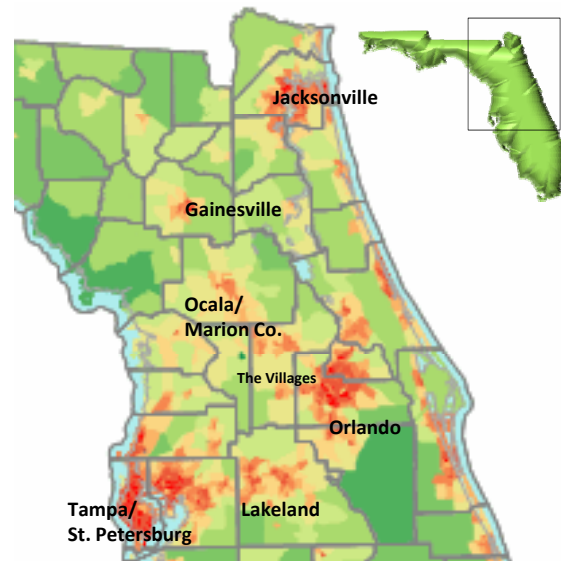


PERSPECTIVE ON THE LOCAL ECONOMY

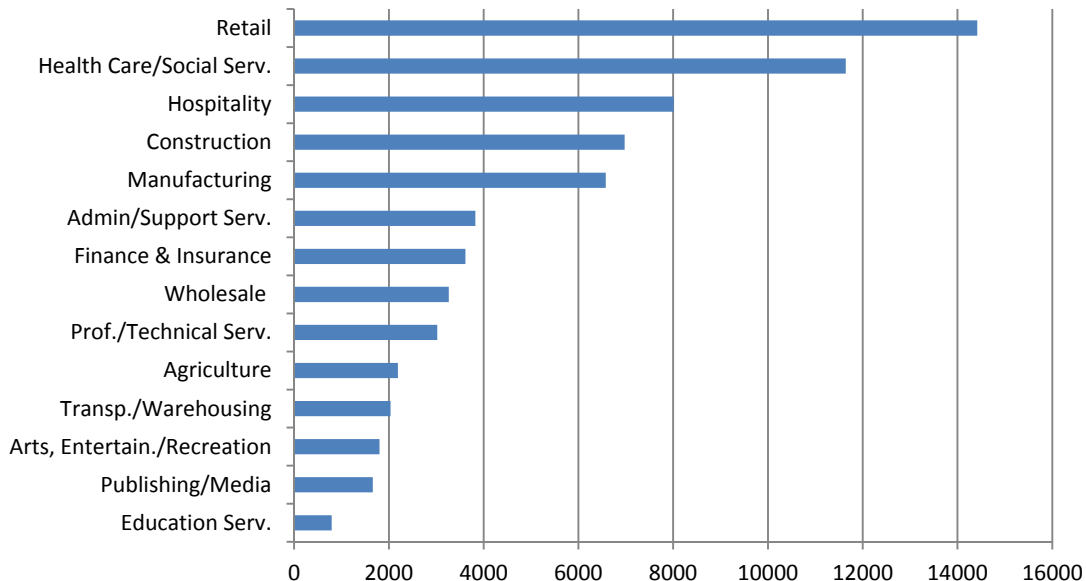
Ocala/Marion County has a diverse economic base derived from manufacturing, distribution, construction, agriculture and hospitality, as well as being a regional center for healthcare and retail.

- **Manufacturing** - Top segments include metal fabrication, electronics, transportation equipment, machinery, furniture, and food products that serve national, regional and state-wide markets.
- **Distribution** – Ocala/Marion County is a strategic distribution location for serving the State of Florida and the Caribbean.
- **Construction** - Prior to the economic slowdown, the high growth within the County stimulated significant residential and commercial construction activity.
- **Agriculture** - Marion County is considered the “horse capital of the world” due to the large presence of multiple horse breeds and is one of the largest U.S. centers for Thoroughbred horse breeding and training.
- **Hospitality** - The County is bisected by I-75 and is a very popular stopping point for meals and lodging for tourists traveling in and out of the state.
- **Healthcare** – Top rated Munroe Regional Medical Center and Ocala Regional Medical Center provide services to residents within and adjacent to Marion County.
- **Retail** - The Ocala area is also the regional retail destination for residents within the County and adjacent communities to the east and west of the County.

POPULATION DENSITY IN NORTHERN FLORIDA AREA



NON-GOVERNMENT EMPLOYMENT BY INDUSTRY/ECONOMIC SECTOR FOR OCALA/MARION COUNTY (2009)



Employment Range and Listing of Major Companies Within Selected Industry Sectors

Manufacturing Employers

Sector	Total Employment	Major Companies in Sector
Food Products	425-475	Silver Springs Bottled Water Signature Brands, LLC Golden Flake Snack Foods Culligan Water
Wood Products	375-425	Custom Window Systems Franklin Crates (produce containers) Manning Building Supplies Florida Roof Truss Company Duley Truss Company Chariot Eagle (structures) Phoenix Wood Products (pallets and crates) Nobility Homes (manufactured housing) Skyline Corporation (manufactured housing)
Paper Products	100-125	Pratt Industries (corrugated products) Conimar Corporation
Printing	75-100	Star-Banner Corporation Graphics Plus Strategic Business Forms First Impressions Printing
Chemical Products	125-150	Frank's Pharmacy (pharmaceuticals) Delta Laboratories
Plastic/Rubber Products	350-375	JR Plastics AVL Systems (acoustical wall/ceiling panels) Fluid Routing Systems (automotive hoses) United Plastic Fabricating (water/foam tanks) Clairson Plastics
Nonmetallic Mineral Products	300-325	Cardinal LG (glass windows) Franklin Industrial Minerals (calcium carbonate) CEMEX (cement products) MFM Industries (kitty litter) Del Zotto Products of Florida (precast products)
Fabricated Metal Products	1,100-1,150	Townley Manufacturing Company Fair and Sons (HVAC ductwork and equipment) Unico Metal Products (metal siding and roofing) OFAB (parts for tools and machinery) A&N Corporation (vacuum components) Dixie Metal Products
Machinery Manufacturing	525-550	Elster AMCO Water (metering equipment) SPX Dehydration and Air Filtration American Panel (chiller/cooling equipment) Watts Flowmatic Systems (water filtration equip.) ESD Waste2Water (remediation equip.)

Employment Range and Listing of Major Companies Within Selected Industry Sectors

Manufacturing Employment (cont'd)

Sector	Total Employment	Major Companies in Sector
Computers and Electronics	1,125-1,150	Lockheed Martin Atheros Communications Antennas for Communication
Transportation Equipment	950-1,000	E-ONE, Inc. (emergency vehicles) Class I (emergency vehicle components)
Furniture/Related Products	450-475	Capris Furniture Closet Maid Winco (medical furniture) Progressive Cabinets

Distribution Employment

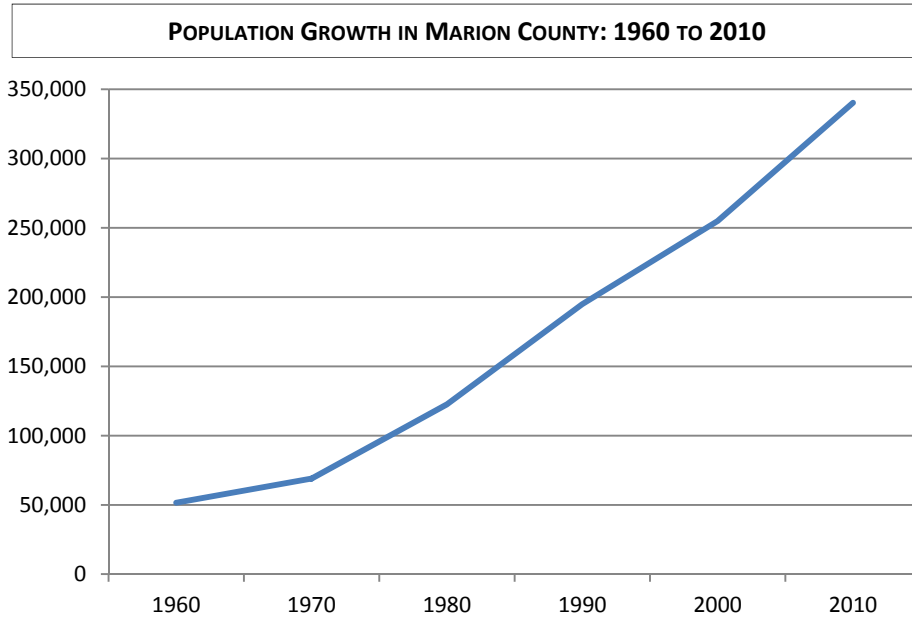
Sector	Total Employment	Major Companies in Sector
Food Products	825-850	Cheney Brothers, Inc. Cone Distributing Southeast Milk, Inc Bernie Little Distributing DeConna Ice Cream Company New Cremflora T.G. Lee Dairy Lextron Animal Health (animal health products) Butler Animal Supply (veterinary products) Ocala Coca-Cola Bottling Company Pepsi Bottling Group
Household Goods	275-325	K-Mart Corporation
Industrial/Construction Parts	100-125	Ring Power, Inc. Ferguson Enterprises (plumbing supplies/equipment)
Vehicles/Parts	100-125	National Parts Depot Ocala Freightliner Hall-Mark Fire Apparatus Carquest Distribution Center

Service Employment

Sector	Total Employment	Major Companies in Sector
Health Care	10,000 -10,500	Munroe Regional Medical Center Ocala Regional Medical Center and West Marion Community Hospital
Telecommunications	1,000-1,100	AT&T Atheros Communications
Professional, Scientific & Technical	3,000 - 3,050	Florida Institute for Human and Machine Cognition

■ AREA DEMOGRAPHICS AND WORKFORCE PROFILE

Marion County currently has a population of approximately 340,000 that is a result of a sustained average growth of over 10% since 1970. The growth is attributed to several factors, including, construction of the I-75 that enhanced access to the area, the mild weather, a relatively low cost of living and the construction of large-scale developments including On Top of the World Communities, Inc. in the County and The Villages located partially in the County. The weather, cost of living and potential job opportunities have also attracted a significant number of workers from the Midwest and Mid-Atlantic regions to the area.

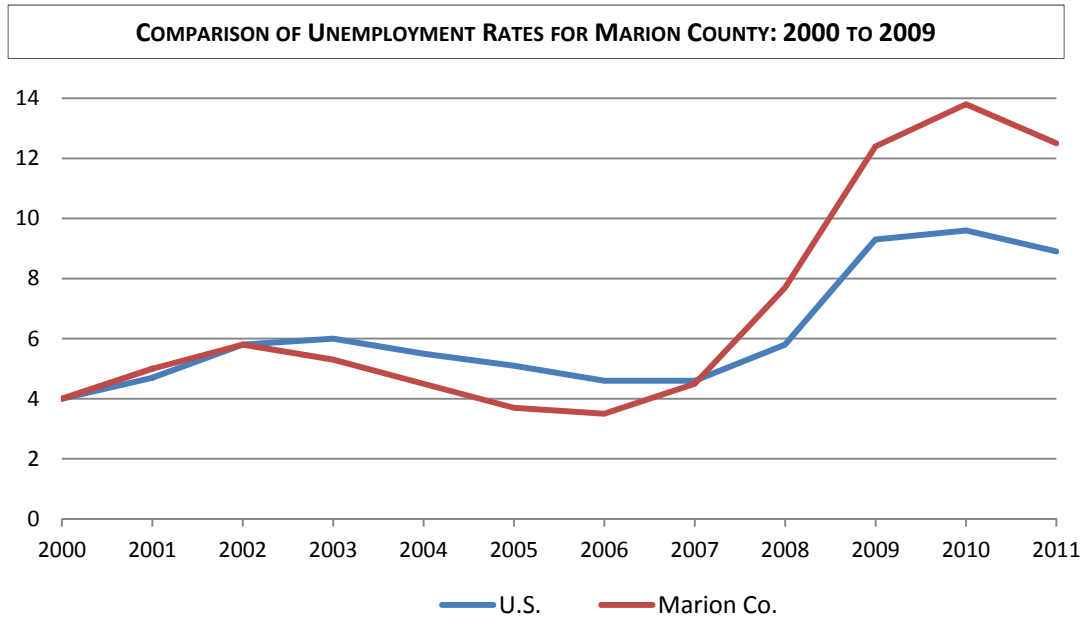


General statistics on the County are noted below and reflect a high growth area that not only has a significant retirement segment but also some working age segments. Two age groups that are of value to area businesses are the 20-34 year olds as well as the highly experienced 55-64 year olds. The latter group comes for “early retirement” but many seek some level of employment to keep active and supplement their income. There is more discussion on this topic on the next page.

COMPARISON OF SELECTED COUNTY DEMOGRAPHICS			
Parameter	Marion County	Florida	U.S. Average
Average Annual Growth Rate (1970-2010)	9.8%	7.0%	1.6%
Median Age	43.3	40.1	36.7
Population: 20-34 Years Old	18%	18.7%	20.2%
Population: 35-54 Years Old	24.5%	28.1%	28.9%
Population: 55-64 Years Old	11.0%	11.5%	10.8%
Population: 65+ Years Old	24.2%	17.1%	12.6%

Unemployment Rate Trend

Marion County's unemployment has been escalating during this current recession due to the significant drop in construction and retail jobs while some manufacturing employers have contracted. One cabinet manufacturer had to shut down due to the collapse of the new home construction industry throughout Florida.



Labor Cost Comparison

Local labor costs are in-line with other smaller metro areas and competitive with major Florida markets.

COMPARISON OF LABOR COSTS							
Location	Mechanical Engineer	Accountant	Customer Serv. Rep.	Machinist	Machine Operator	Assembler	Warehouse Laborer
U.S. Average	\$80,580	\$67,430	\$32,410	\$38,940	\$32,320	\$28,840	\$25,290
Ocala, FL	\$65,090	\$55,300	\$27,460	\$34,810	\$28,190	\$25,460	\$24,480
Gainesville, FL	\$70,070	\$55,480	\$26,100	\$34,360	-	\$28,880	\$26,730
Tampa, FL	\$68,810	\$59,010	\$31,830	\$32,550	\$30,600	\$26,390	\$22,770
Lakeland, FL	\$70,460	\$60,770	\$28,420	\$38,730	\$27,180	\$23,870	\$25,940
Daytona, FL	\$61,380	\$56,600	\$26,100	\$32,580	-	\$25,890	\$22,460
Jacksonville, FL	\$70,700	\$58,490	\$31,370	\$38,920	\$23,710	\$27,730	\$24,960
Atlanta, GA	\$77,260	\$72,150	\$34,240	\$36,310	\$30,570	\$25,500	\$25,200
Charlotte, NC	\$77,510	\$67,180	\$33,600	\$36,500	\$31,950	\$28,440	\$25,230
Chattanooga, TN	\$68,390	\$54,310	\$29,120	\$38,860	\$29,010	\$28,840	\$23,640

10% under National Average
 10% over National Average

Feedback From Local Employers

Interviews were conducted with a cross-section of local employers to gain an understanding of the local labor situation. A summary of the interview results is provided below:



	Opportunities	Challenges
Labor Availability	<ul style="list-style-type: none"> • There is access to both local talent and those that migrate to the area from the Midwest and mid-Atlantic regions for weather, low cost of living and job opportunities. • There are also “retired” military staff that are seeking a second career in security, management and other skill areas. • The early retirees in the area represent a substantial talent pool if the company hires on a part-time, job share and flexible work place basis. • Local residents commute from about 30 miles around Ocala. For particular jobs, workers will commute down from Gainesville (35 miles to the north). • Typical skills hired are welding, material handling, machine operators, assemblers, machinists, and general labor. Most industrial skills are available locally due to the cross-section of local industries. 	<ul style="list-style-type: none"> • Locally, one of the most challenging skills to hire is IT staff. • Recruiting singles and strong urbanites is a challenge. Those seeking a smaller city with access to outdoor activities and horses will be highly attracted to the area.
Labor Quality	<ul style="list-style-type: none"> • Overall, the labor quality is considered very good. • Turnover is relatively low and a good level of company loyalty is prevalent in the current economy. • There is a good mix of local and migrated labor from other regions of the country with high work ethic. • There is a low incidence of unionization in the area. 	<ul style="list-style-type: none"> • There were no significant quality issues. Solid work ethic spans both age and ethnic lines.
Education Resources	<ul style="list-style-type: none"> • The local community college (now part of the College of Central Florida) and the local career development center (Community Technical and Adult Education (CTAE), part of the County school system) play an active role in preparing workers for local jobs. • CTAE provides a job skills analysis that helps employers to better match candidates with specific jobs. • Training offered in welding, maintenance and electrical service is highly valued. 	<ul style="list-style-type: none"> • The challenges of having access to IT and other knowledge-based jobs will begin to be addressed as the program offerings at the College of Central Florida are expanded.

EDUCATION AND TRAINING RESOURCES

Ocala/Marion County has access to both four major universities within central and northern Florida as well as a local college that provides traditional two-year degrees while under state charter to expand into selected four-year programs.

Major Universities

The four major universities represent a total full-time enrollment of more than 180,000 students representing a full spectrum of academic programs and over \$1 billion in R&D activities. The schools are an excellent source for attracting interns that ultimately become full-time employees. Summarized below are profiles of each school and annual graduates within selected program areas.



PROFILES OF MAJOR UNIVERSITIES IN THE CENTRAL /NORTHERN FLORIDA AREA

College/University	Location	Full-Time Students	Engineering BS / MS / PhD	Business BS / MBA	Computer Sc./IT BS / MS / PhD
Florida State University	Tallahassee	39,800	253 / 52 / 18	1,452 / 266	151 / 27
University of Florida	Gainesville	50,700	982 / 782 /179	1,338 / 991	31 / 9
University of Central Florida	Orlando	53,400	457 / 222 / 69	2,447 / 449	143 / 39 / 8
University of South Florida	Tampa	40,000	343 / 210 / 37	1,214 / 340 / 11	51

Local College and Training Resources

- College of Central Florida offers the traditional two-year programs in areas such as:
 - Accounting technology
 - Computer technology
 - Business administration
 - Engineering technology
 - Drafting and design

It is also offering four-year programs in business and organizational management focused on agri-business, management information systems and healthcare management.

- Community Technical and Adult Education offers career guidance and training in areas related to business and industry, including:
 - Welding
 - Electrician certification
 - Software utilization
 - Customized training for companies



College of Central Florida Campus in Ocala



Welding Training at the Community Technical and Adult Education Center

TRANSPORTATION ACCESS

Ocala/Marion County has direct interstate and rail access and maintains its own airport. It is also in close proximity to major airports in Orlando and Tampa as well as accessible to multiple port facilities. Details on each transportation mode are provided below.



Rail Lines



There are two primary rail services in the State of Florida, the CSX Corporation (www.csx.com), which traverses Marion County, and the Florida East Coast railway (www.fecrwy.com/home.aspx) which has a rail line from Jacksonville to Miami.

Port Facilities



Within the State of Florida, there are a number of large-scale port operations that handle containers; bulk shipments of agricultural, chemical, petroleum or other products; vehicles and project cargo; and general cargo. Many of the ports have drafts of 40' and with direct access to both rail and interstate highways. A listing of the ports that would serve the Ocala/Marion County area are provided below.

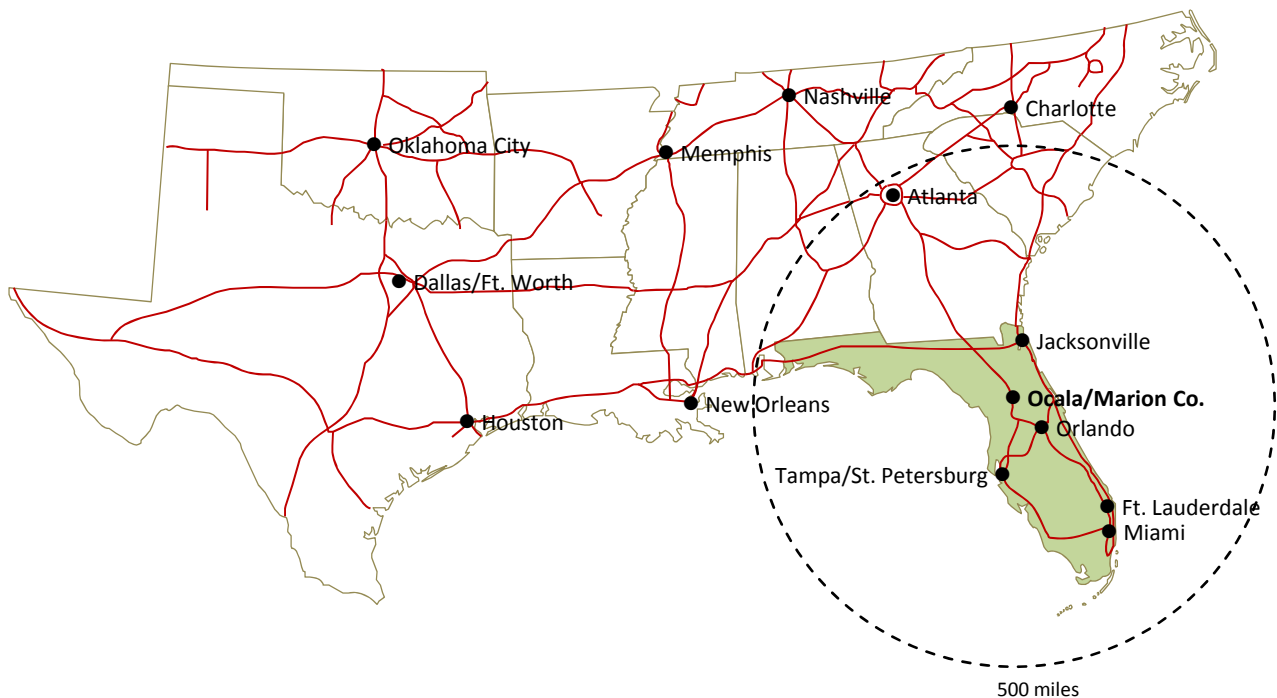
Port Designation	Location	Web Site for More Details
JAXPORT	Multiple locations within Jacksonville area	www.jaxport.com
Port of Tampa	Within Tampa Bay	www.tampaport.com
Port Manatee	South side of Tampa Bay	www.portmanatee.com
Port Everglades	Fort Lauderdale	www.porteverglades.net/cargo
Port of Miami	Miami-Dade	www.miamidade.gov/portofmiami

Interstate Access



Ocala/Marion County has direct access to I-75 as well as I-10 located to the north and the Florida Turnpike to the south. Distances and approximate travel times to major Florida and south-east/south central destinations are noted in the table to the right. The area is served by local, regional and national trucking services.

INTERSTATE DRIVE TIME FROM OCALA			
Destination	Distance (miles)	Travel Time	
Within Florida	Jacksonville	100	2 hrs.
	Orlando	80	1 hr. - 30 min.
	Tampa/St. Pete.	100	1 hr. - 45 min.
	Ft. Lauderdale	280	4 hrs. - 40 min.
	Miami	300	5 hrs.
Within Region	Atlanta	365	5 hrs. - 50 min.
	Charlotte	475	8 hrs.
	Nashville	615	10 hrs.
	Memphis	700	12 hrs.
	New Orleans	565	8 hrs. - 50 min.
	Oklahoma City	1,750	19 hrs. - 30 min.
	Dallas/Ft. Worth	1,060	16 hrs. - 50 min.
	Houston	890	14 hrs.



Commercial Air Access

Ocala/Marion County has access to air service at the regional airport in Gainesville as well as the major airports in Tampa and Orlando. Local shuttle services to Orlando and Tampa airports are available. Details on Ocala’s municipal airport are described on the next page.



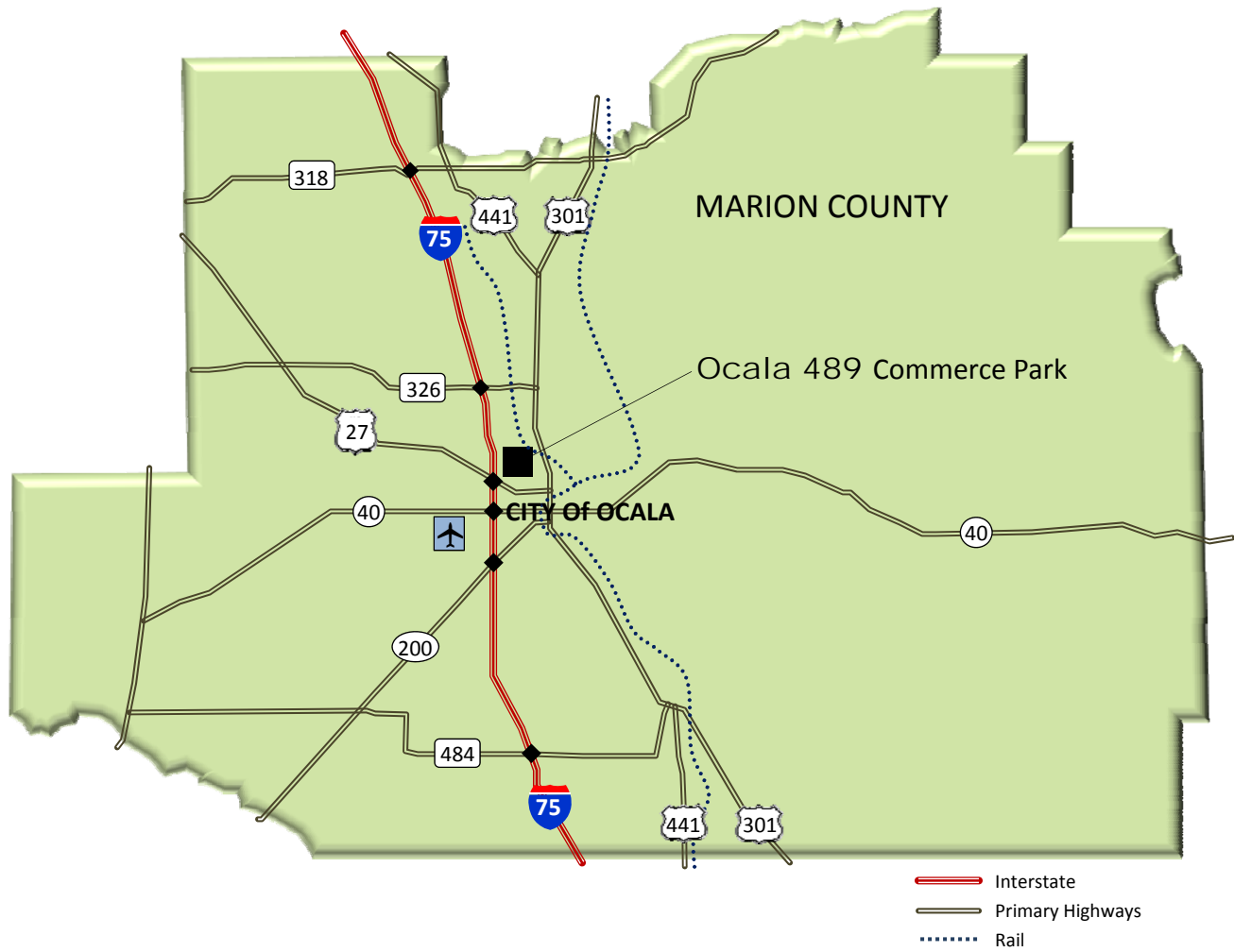
	Orlando	Tampa	Gainesville
Airport Symbol	MCO	TPA	GNV
From Ocala	80 miles	100 miles	35 miles

NON-STOP AIR ACCESS DESTINATIONS FROM AREA COMMERCIAL AIRPORTS

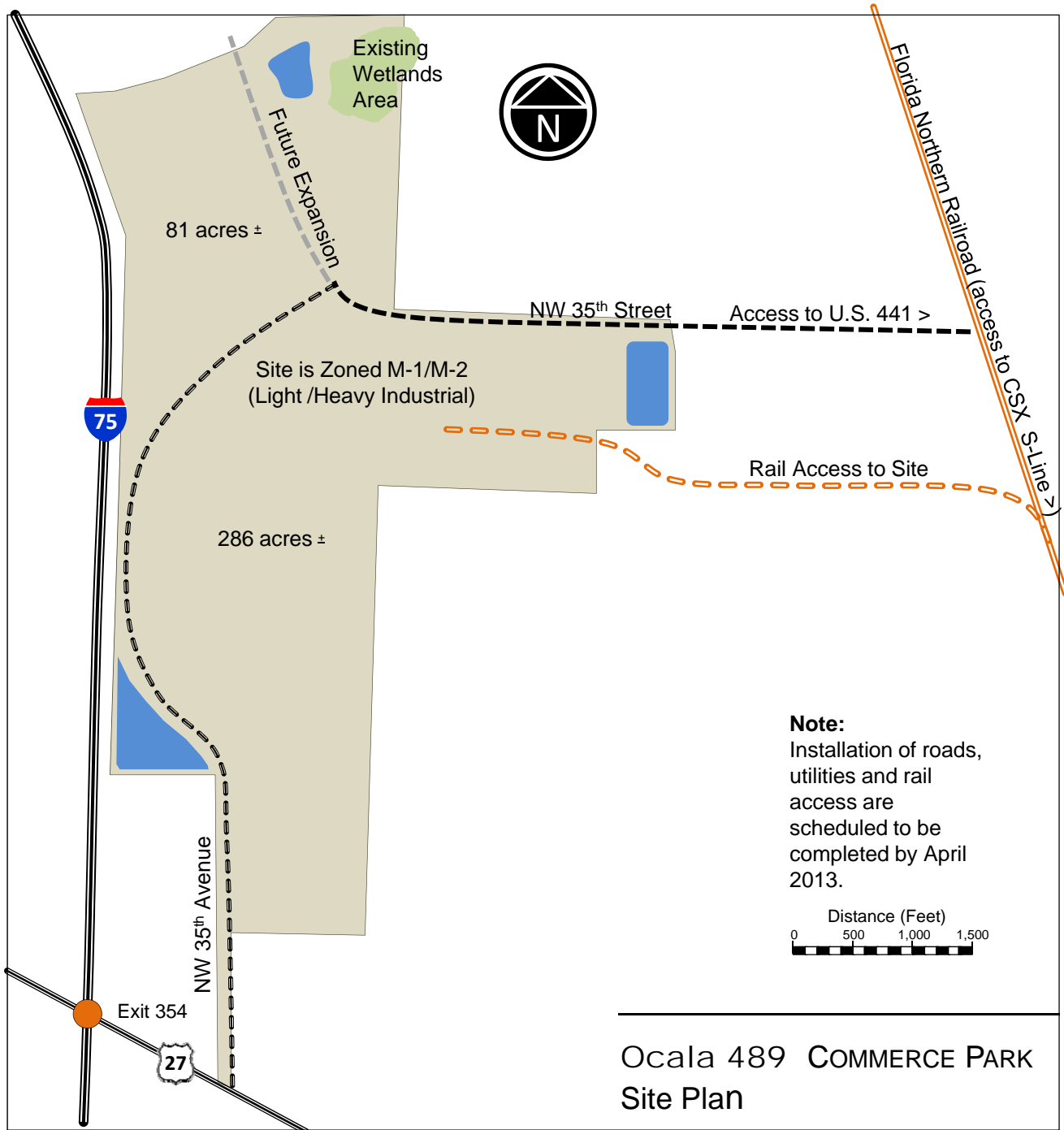
Destination	Orlando	Tampa	Gainesville	Destination	Orlando	Tampa	Gainesville
Albany, NY	■	■		Manchester, NH	■	■	
Albuquerque, NM	■	■		Memphis, TN	■	■	
Atlanta, GA	■	■	■	Miami, FL	■	■	
Austin, TX	■	■		Milwaukee, WI	■	■	
Baltimore, MD	■	■		Minneapolis, MN	■	■	
Birmingham, AL	■	■		Nashville, TN	■	■	
Boston, MA	■	■		New Orleans, LA	■	■	
Buffalo, NY	■	■		New York, NY	■	■	
Charlotte, NC	■	■	■	Norfolk, VA	■	■	
Chicago, IL	■	■		Philadelphia, PA	■	■	
Cincinnati, OH	■	■		Phoenix, AZ	■	■	
Cleveland, OH	■	■		Pittsburgh, PA	■	■	
Columbus, OH	■	■		Portland, ME	■		
Dallas-Ft. Worth, TX	■	■		Providence, RI	■	■	
Denver, CO	■	■		Raleigh/Durham, NC	■	■	
Detroit, MI	■	■		Richmond, VA	■		
Ft. Lauderdale, FL	■	■		Rochester, NY	■	■	
Hartford, CT	■	■		Salt Lake City, UT	■	■	
Houston, TX	■	■		San Antonio, TX	■	■	
Indianapolis, IN	■	■		San Francisco, CA	■		
Kansas City, MO	■	■		Seattle, WA	■		
Las Vegas, NV	■	■		Saint Louis, MO	■	■	
Los Angeles, CA	■	■		Syracuse, NY	■		
Louisville, KY	■	■		Washington, DC	■	■	

OCALA 489 COMMERCE PARK

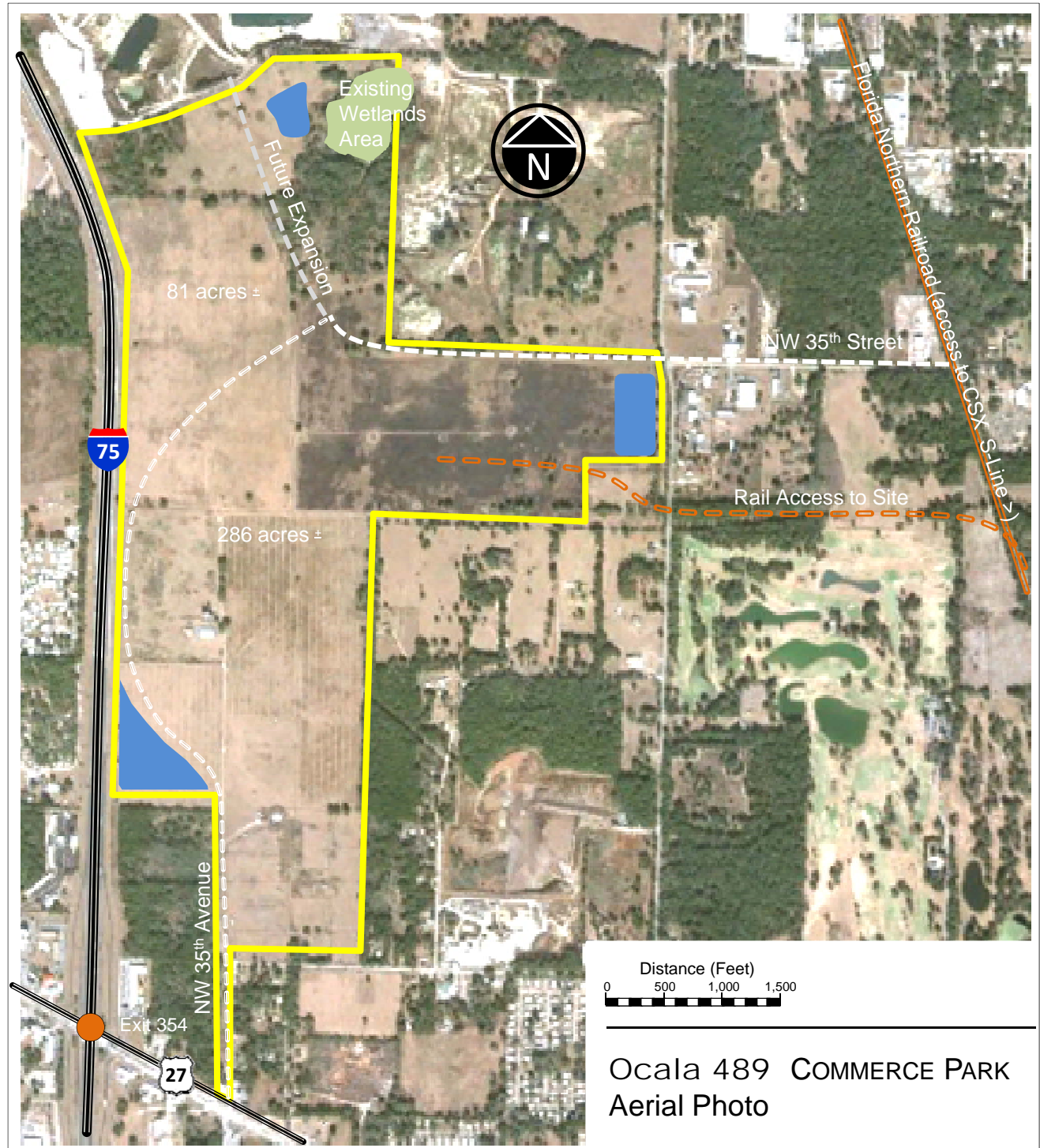
Lot sizes available	10 to 100+ acres (largest contiguous site is 286 acres)
Zoning	M-1/M-2 (light industrial/heavy industrial)
Access to Interstate	Frontage on I-75 and direct access to Exit 354 at U.S. 27
Access to Rail	Direct access to Florida Northern short line that feeds to CSX S-line
Utilities Available	Electric, Gas, Water, Sewer, Telecom



Ocala 489 Commerce Park Site Plan



Ocala 489 Commerce Park Aerial Photo



■ AREA INCENTIVES FOR QUALIFIED EMPLOYERS

CITY OF OCALA

Enterprise Zone: This program focuses on a five-square-mile area generally located in the western and northern section of the city. It allows businesses and residents within its borders to take advantage of various financial incentives in order to spur development in the targeted area. Contact the EDC for more detailed information.

Economic Improvement Program (EIP): The purpose of the EIP is to create economic growth within the Ocala city limits and utility service areas through both the attraction of new business and encouragement of existing business to grow and expand. Funding may include, but is not limited to; the waiving, crediting, or payment of fees, reduced rent on city owned property, grants, land donation or exchange, capital improvements, required infrastructure improvements, grant matching funds, gap financing, and loan guarantees among others. The program is administered by the City of Ocala Office of Long-Term Planning and Sustainability. *NOTE: Applicants MUST locate within the City's utility service area and each application is approved by Ocala City Council.*

MARION COUNTY:

Economic Development Financial Incentive Grant (EDFIG): A grant program that authorizes direct cash grants to qualified companies that invest a minimum of \$300,000 and create a minimum of 10 new jobs at 115% of the Average Earnings Per Worker in the County. Grant amounts are equal to a percentage of the increased Ad Valorem taxes generated by the project. Grant amounts vary according to location.

Industrial Development Bonds (IDBs): A Marion County supported financing program designed to utilize assets and future income of the applicant to guarantee payment of low interest loans. Interest paid to bond purchasers is exempt from federal income tax allowing the buyer to pass along savings to the company in the form of lower rates. Funds may be used for land, building and equipment purchase as well as some "soft costs" such as architectural fees, etc. Users must be manufacturers, health care related or certain non-profits. The maximum amount allowed is \$20 million and the practical minimum is \$1.5 million. Interest rates are negotiable and are usually tied to a percentage of the current prime rate. A federally mandated per capita amount of bonds are allowed annually.

EDC Support Services:

Business & Economic Demographics: The EDC provides valuable research to help companies evaluate the feasibility of their expansions in this market.

Business Solutions Partnership: The Enterprise Center at the College of Central Florida (CF) houses three agencies connecting resources to benefit the business community. The EDC, Workforce Connection, and CF - Corporate Training have received national recognition for their collaborative efforts to assist companies. This partnership also works in concert with local Chambers of Commerce on their business initiatives.

Commercial Real Estate Listings: Whether it is properly zoned land or an existing building, the EDC can help businesses find the right location to grow in Marion County.

Florida Virtual Entrepreneur Center (FLVEC): The EDC has partnered with FLVEC to provide local businesses with a complete library of entrepreneurial resources at www.flvec.com today.

Permitting Assistance: The EDC can help coordinate and streamline the permitting process to save time.

Workforce Development: EDC partners, Workforce Florida and Workforce Connection, have several programs to help companies identify, recruit and train employees.

STATE OF FLORIDA:

Qualified Target Industry program (QTI): A tax refund program that is provided by the State of Florida and Enterprise Florida (EFI) based on the number of jobs created and the quality of those jobs. The program allows for refunds of up to \$3,000 per job created within certain industrial sectors. Refunds may be taken against corporate income tax, sales tax, intangible personal property tax, insurance premiums and certain other taxes. Requirements are that a minimum of 10 new jobs be created and that those jobs pay a minimum of 115% of the County's average wage. (Salary requirement may be waived in a Brownfield site or enterprise zone.) Local governments must agree to a matching fund of 20% of the total requested. Program may be used in conjunction with other programs such as "Brownfields" to increase the total per job funding amounts. *NOTE: The QTI refund program MUST be used as an inducement.*

Quick Response Training program (QRT): A training program administered through Workforce Florida (WFI) which is designed to help companies identify, recruit and train employees during initial phases of locating or expanding in a Florida community. The program requires at least 10 new full-time jobs be created and allows for training in educational or company facility. Company salaries must be at least 115% of the County's average wage. (Salary requirement may be waived in a Brownfield site or enterprise zone.) Training programs can be established locally through the College of Central Florida, the Marion County School System or other approved facilities.

Economic Development Transportation Fund (EDTF): An infrastructure program provided by the State of Florida and EFI which is designed to remove any transportation impediments to a company choosing a specific site within a community. Application is made in name of the company by the local municipality having jurisdiction over impacted roads. Grant amounts are directly tied to jobs created. Grants of \$1 million or more require 200 new jobs, \$200,000 to \$1 million require 100 or more new jobs and less than \$200,000 must produce up to 100 new jobs. Maximum grant amount is \$2 million.

Waiver of Sales Tax on Power Consumption by Manufacturers: A State program that allows communities (if they choose) to eliminate the State's portion of the sales tax normally charged on power consumption in the manufacturing process. The applicant must commit at least 75% of its physical structure to a manufacturing process and must request the elimination from their power supplier.

Capital Improvement Tax Credit (CITC): A program of annual credits against the Florida Corporate Income Tax based on a percentage of capital investment. Program applicable to specific sectors including: life sciences, financial services, corporate headquarters, information technology, transportation equipment manufacturing and semiconductors. Minimum investment needed to qualify for this program is \$25 million.

Incumbent Worker Training: A training program funded by the Federal Workforce Investment Act and administered by Workforce Florida, Inc. Provides training to existing workers to maintain workforce competitiveness. Training can occur at colleges, vocational centers or a company's facility. Business must provide matching contribution and training must be completed by end of State's fiscal year (June 30th).

Machinery and Equipment Sales Tax Exemption: Machinery and equipment used in the manufacturing process may be exempt from Florida Sales Tax through a process of pre-applying for an exempt status. Existing industries must demonstrate an increase in production of a minimum of 10%. Program is administered through the Florida Department of Revenue.

Urban Job Tax Credit Program: A program of tax credits against Florida's Corporate Income Tax or Sales and Use Tax for companies locating within specific urban areas and employing a specific number of employees. Communities are identified by size which dictates number of employees necessary. Tax credits vary from \$500 per job created to \$1,500. *NOTE: The State of Florida maintains additional incentives specific to certain industrial sectors.*