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GROWING STRONG

Southwest Florida's economic engine driven by diverse industries

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AERONAUTIC ENGINEERS, WORLD-leading software application designers, national defense contractors and advanced manufacturers – a mere sampling of the diverse industries and companies doing business in Southwest Florida. Although the largest employers in Lee, Charlotte and Collier counties typically fall into hospitality, retail, health care and education categories, 90 percent of the area's companies are small business employing 20 people or fewer. Small businesses in Collier alone are fulfilling 106 defense contracts worth \$43 million, said Jace Kentner, director of the county's Business and

Economic Development Office.

Economic development offices throughout the region have an eye toward attracting more businesses with high-paying jobs and growing their existing economic base – the majority of them companies not in the public spotlight. In Collier County, manufacturing positions factor heavily in its future job growth. The arrival of Western Michigan University's aviation science program and developable land near the Punta Gorda Airport is expected to drive economic development in Charlotte County as is the proposed development of the first 160 acres in the beleaguered Murdock Village.

“The five-county region has good economic diversity. Each county has a different flavor,” said Eric Berglund, executive director of the Southwest Florida Economic Development Alliance, which also includes Glades and Hendry counties. “We have a ton of tech going on in the Bonita-Estero corridor between Lee and Collier. We’re popular with foreign firms because of our climate and lifestyle. Tech meets health care is one of the strongest growing industries.”

Attracting new business is good business, and economic development directors dream about landing the next Hertz — a coup for Lee County when Hertz Global Holdings announced in 2013 it was moving its headquarters to Estero.

Keeping businesses happy

John Boland, Lee County’s economic development director, said he’s more focused on growing existing companies — large and small — which added 1,500 jobs during the past 18 months. They include more well-known companies such as Gartner and ACE Hardware’s customer care contact center in Fort Myers as well as eMaint, a Bonita Springs software platform for maintenance professionals acquired last fall by Fluke Corp., a global leader in electronic tool tests and software.

“Our goal is retaining existing companies and encouraging entrepreneurship,” said Mr. Boland. “We have 20,000 businesses and those are who we want to keep.”

Lee County has “done little” to attract new companies, said Mr. Boland. While there are no big announcements like Hertz lingering on the horizon, the county provided 1,484 incentives in the past two years, compared to 1,559 during the previous five.

“It’s an attractive area to do business,” he said. “We have the best airport, great air quality and a creative workforce and the age keeps dropping.”

Mr. Boland’s office is also devoted to connecting existing businesses with potential clients. In late July, it offered its second annual government contract symposium to help local business owners learn how to land local, county and state contracts.

In July moneyrate.com ranked Cape Coral/Fort Myers as the fifth best place for young entrepreneurs followed by Punta Gorda at seven. The results were based on fast-growing populations, a favorable business climate, education levels and the locality’s receptiveness to creating opportunities.

Collier County and Naples have been singled out by Wallet Hub and Forbes among the top three and four places, respectively, to start a business in Florida and the best city for future job growth. Mr. Kentner strategizes with Mr. Berglund as well as the Greater Naples Chamber of Commerce’s economic development director to develop synergisms among existing

business clusters. Growing current businesses and attracting new ones is fostered by the Naples Accelerator which provides support, funding and networking opportunities and workspace for companies – “everything but retail and hospitality,” he said.

Advanced manufacturing is one of the nine core industries Mr. Kentner calls “our bread and butter.” Arthrex, Structured Medical and other medical device manufacturers have created a need for skilled employees and technical colleges have responded by adding programs to train qualified candidates in as little as nine months.

“These jobs are in high demand and it’s a great opportunity for high school graduates,” he said. “We believe there are many Arthrexes out there getting ready to happen.”

The international influence

Since the county started targeting overseas businesses in 2013, there’s been a lot of interest from several European and Japanese companies, the latter considering Collier and Naples for advanced manufacturing, nanotechnology and 3D printing.

“These are technologies we want to capture,” Mr. Kentner said. “The Naples Accelerator allows companies that want to do business in the U.S. to make a soft landing, set up here, make connections to local businesses, create joint ventures and opens a world of opportunity to them.”

To that end, Mr. Kentner actively courts European prospects, chief among them companies headquartered in France, Germany and England. He often entertains visiting foreign executives, introducing them to local business owners, mom and pop stores and other services in the community.

“It creates trust,” he said. “If they’re dealing with Silicone Valley or New York City, they don’t get that. We offer a sense of community; they don’t feel like a little fish in a big pond.”

In December, representatives from 25 European companies will journey to Collier County to explore potential business opportunities. All of them are paying their own way.

“We have at least four projects and very good commitments,” Mr. Kentner said. “The world is one big market and bringing folks here brings capital and jobs. We have some very healthy projects in the pipeline that will be announced with budget talks coming up.”

Collier County also has a plethora of software and mobile application developers – among the best in the global market.

“We have the privilege to have companies that are leaders in connectivity,” Mr. Kentner said. “Our software and app cluster is robust. It’s going to grow like gangbusters.”

Food as business

The planned fall opening of the Culinary Accelerator in a renovated warehouse at the Immokalee Airport will propel the food production industry by providing a facility for the region's small farms, food scientists and entrepreneurs to prepare, package and distribute products. Its success will eventually lead to expansion at the airport.

"We will be able to advance 250 existing products to the shelves in stores," said Mr. Kentner. "Not only is there a lot of produce grown in Immokalee but there truly some unique and interesting food items the accelerator will give people the opportunity to market and sell."

The \$1.2 million accelerator will also offer 18-month culinary programs in a full kitchen with commercial-grade equipment and guidance in marketing, licensing and acquiring funding. Three-star Michelin French Chef Christian Le Squer will help with fundraising and taste testing.

"He's brilliant at being a chef but he's also a great humanitarian," Mr. Kentner said. "If you have a product tasted by the No. 1 chef in France, and arguably the world, and he likes your food, that man is going to do anything to help people be successful. This is going to be a big deal for Immokalee and Collier County. It's going to burst forward with all kinds of unique opportunities and create a subeconomy."

Mr. Kentner also predicts significant growth in untapped segments of tourism, saying the county has only scratched the surface on its ecotourism possibilities. He also sees gains in ag-tourism prompted by new craft breweries and distillers and the advent of local businesses like Oakes Market offering ready-to-eat foods. Medical tourism will continue to attract surgery candidates who'd rather "recover in Naples than Minneapolis."

"I see very steady growth during the next two years," Mr. Kentner said.

Aviation takes off in Charlotte

In Charlotte County, the start of Western Michigan University's bachelor's program in aviation flight science this fall in partnership with Florida SouthWestern State College will launch an aggressive campaign targeting aviation and aerospace manufacturers, said Lucienne Pears, director of the economic development office. WMU will also bring its healthcare classes to FSW.

"It's great to have WMU as a partner offering courses for jobs that are in demand locally," she said. "We're fortunate in the community to have business and political leadership thinking how to do what it takes to provide everything a business is looking for. We have an appropriate lifestyle, great educational partners and are planning for future infrastructure demands. We're

removing barriers to development and eliminating risk to save time for really good business opportunities.”

Ms. Pears said the county will continue to attract distribution and logistics industries and back office support.

“Light and advanced manufacturing is always a target,” she said. “We know we’re not going to be strong in financial services like Manhattan, Jacksonville or Tampa but we have been wise in planning to reserve an industrial type environment.”

The recent announcement of the potential \$6.8 million sale of 160 acres in Murdock Village, pending county approval, could be the catalyst for getting the much-delayed village off the ground. The \$132 million entertainment district project will offer hotels, spas, a convention center, nightclubs, golf, a destination water park and a downtown retail environment. It’s expected to create 1,000 jobs during the next six years and generate a \$60 million economic impact.

“We’re very happy with this,” said Ms. Pears. “It’s a decent proposal and project and it creates jobs. It’s super exciting and we love to make big announcements like this.”

While no one can predict the future, county economic development officials remain optimistic about the coming years.

Lee County’s Mr. Boland believes the stock market will drive the economic engine.

“Every so often it makes a correction,” he said. “We just don’t know. But we do know there are 6,000 job ads in Lee County right now and our employment rate is 3.8. Florida’s is 4.3.”

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