

# Outlook

ORANGE COUNTY  
GROWTH MANAGEMENT DEPARTMENT

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## Orange County Economic Recovery Strategies

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### Introduction

After experiencing a significant economic downturn, local governments are now focusing on implementing better economic recovery strategies to empower their citizens and provide them with a strong and stable economic atmosphere. It was not long ago when Orange County, Florida was perceived as a desirable place to live across the country. The County had always attracted newcomers, residents from other states, which generated steady growth and a dependable property tax base. By 2006, the housing boom appeared to have reached its peak, and Orange County began its descent into a tough economic downturn. Since then Orange County has actually experienced some negative growth over the last couple of years in the majority of its various economic sectors. Now the need for economic recovery strategies for wealth and employment creation is recognized by the various governing bodies. Recognizing the growing crisis, it is important for local government to focus on both short-term and long-term solutions that provide real economic benefits and improve regulatory processes. The purpose of this article is to discuss the economic recovery strategies developed by

Orange County to face the current economic crisis.

According to Workforce Central Florida employer news the table one below indicates overall jobs loss in March 2009. No area in the state gained jobs over the 12-month. Economic growth has not only stagnated, but some of the economic gains made through the last few years have also been lost. On March 2009, the Florida Agency for Workforce Innovation released the Labor Market Statistics report. It showed an unemployment rate of 9.7 percent in Orlando-Kissimmee (MSA) for February 2009, up by 4.5 percent the prior year. The February 2009 job loss rate continues the trend of over-the-year declines that began in August 2007, primarily due to declines in construction jobs. Table two shows that unemployment claims for the Orlando MSA (Orange, Osceola, Lake and Sumter Counties) have increased significantly over the past month and year:

Unemployment Claims in Orlando MSA Area		
March 2009	February 2009	March 2008
11,119	11,066	5,991

Table 2: Source: (www.workforcecentralflorida.com, Retrieved 04/17/2009)

As described in the January Outlook article, the population growth rate has also declined,

### The Orlando-Kissimmee Metropolitan Statistical Area (MSA) Jobs Loss

Administrative & Waste Services Jobs loss	15,200	14.2%
Construction Industry & Housing Market Jobs loss	14,800	19.2%
Total Employment loss over the year	62,500	5.7%

Table 1: Source: (www.workforcecentralflorida.com, Retrieved 04/17/2009)



which could hinder the economic recovery process even further.

## Welcome to 1976!

According to the Agency for Workforce Innovation, Florida's current unemployment rate is similar to what it was in 1976. The Florida state's seasonally adjusted unemployment rate was 9.4 percent in February 2009. This represents 874,000 jobless out of a labor force of 9,252,000 throughout the state. As of February 2009 Orange County unemployment rate is 9.6 percent, 33rd of Florida's 67 counties.

	Mar '09	Feb '09	Mar '08
County	Preliminary	Revised	Final
Brevard	10.1%	10.1%	5.3%
Flagler	14.3%	14.4%	8.2%
Lake	10.6%	10.4%	5.1%
Marion	12.2%	12.3%	6.2%
Orange	9.9%	9.8%	4.5%
Osceola	10.7%	10.8%	5.0%
Seminole	9.2%	9.0%	4.5%
Sumter	8.3%	8.4%	4.5%
Volusia	10.4%	10.4%	5.3%
MSA	9.9%	9.9%	4.7%
Florida	9.5%	9.5%	5.0%
US	9.0%	8.9%	5.2%

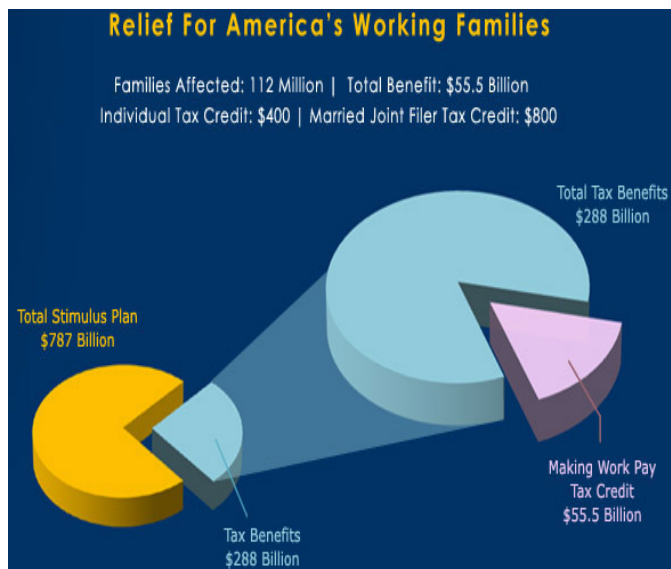
Table 3: Source:(www.workforcecentralflorida.com,Retrieved 04/17/2009) \*Unemployment rates not seasonally adjusted

Orange County labor force is 599,901 and employment of 542,124 and unemployment level of 57,777 (Source: 2009 AWI Report). The table three shows Central Florida unemployment rate and compares with previous year's data.

## Stimulus Package to Florida & Counties

The primary purpose of the federal stimulus package is to create or save approximately 3.5 million jobs. Furthermore, this piece of legislation intends to jump start the nation's economic and global competitiveness by promoting energy independence and build the foundation for long-term economic growth. The table four and graphs at the bottom, Relief for America's Working Families, details the total stimulus package for the nation and Florida's fair share.

The Office of the Governor estimates that the State of Florida will receive approximately \$12.2 billion in stimulus package funds over the next three years. The majority of these funds will primarily go to school, Medicaid, and transportation projects. The proposed FY 2010 budget includes \$4.7 billion from the stimulus relief package. Nearly \$600 million in funding is anticipated for cities and counties through competitive grants. More details on spending will be available once the money is



Tax Relief	\$ 288 B
State and Local Relief	\$ 144 B
Infrastructure and Science	\$ 111 B
Protecting the Vulnerable	\$ 081 B
Health Care	\$ 059 B
Education and Training	\$ 053 B
Energy	\$ 043 B
Other	\$ 008 B
<b>Total</b>	<b>\$ 787 B</b>

FLORIDA FAIR SHARE	
Workforce Fund, FL	\$165 M
Education Fund, FL	\$1.35 B
Fiscal Stabilization Fund, FL	\$2.8 B
Federal Medical Asst Percentage Fund	>\$4 B

Table 4: Source: <http://www.recovery.gov> / The Florida Office of Economic Recovery

disbursed. Florida estimates 206,000 jobs will be created/saved in the next two years as a result.

## Recovery Strategies in Orange County

In the coming two or three years, nothing will be more important than leading local and regional economic recovery. While not everything can be controlled from the local level, there's much local governments can do to spark immediate relief and recovery. Orange County has discussed a variety of initiatives to promote economic recovery and help businesses withstand the current recession. These initiatives include extending special exception permits, reducing transportation impact fees by 25%, extending building permits from 6 months to 12 months, deferring impact fee payments until the certificate of occupancy, suspending impact fee indexing and delaying scheduled updates, extending concurrency reservations for roads from 3 to 5 years, and waiving increased impact fee charges for a change of use in an existing building. (Source: FL-counties.com)

Strategically, the first priority should be to concentrate on working and middle class residents who are the most affected by job loss and homelessness. Our majority of economic turnaround will be renewed with financial stability and confidence among the working, middle class families. Orange County has also strategically implemented different fund programs as below:

- Crisis and Long Term Family Assistance (Welfare Revolving Fund): Under the Crisis Assistance Program (Short Term), the county will be able to provide one time rental/ mortgage payment and utilities to prevent homelessness. Under the Family Resource Program (Long Term), the County will be able to help families through long
- term disability and medical related problems. Community Health Centers will be receiving \$2.1 billion from competitive grant funding.
- The Low Income Home Energy Assistance Program (LIHEAP): This program provides financial assistance to low-income households to meet the costs of home heating and cooling.
- Weatherization Assistance Program (WAP): This program from the Department of Energy helps to reduce energy costs for low-income households by increasing home energy efficiency by repairing or replacing inefficient heating and cooling units and providing reflective coating, solar screens, ventilation and insulation materials. Current funding for this program is \$100,000 and it could potentially receive \$500,000 to \$1 million in stimulus funding.
- Community Development Block Grant (CDBG): The purpose of the CDBG program is to revitalize low to moderate income communities by providing decent housing options, provide community services, and extend economic opportunities. Orange County could increase current CDBG program by \$2 million with potential stimulus funds.
- Neighborhood Stabilization Program (NSP): Nationwide, this program will provide \$2 billion from competitive grants. The NSP was created to respond to the rise of home foreclosures and property abandonment. Orange County was allocated \$27.9 million for NSP funds.
- Social Service Funding: The state of Florida estimates that it will receive \$5.2 billion over three years. This money is allocated now for the income eligibility ceiling to 200% of federal poverty and thus Orange County would be able to serve more people.

- **Transportation Funding:** Forty eight billion dollars have been granted for Transportation projects nationwide, including aviation, transit, highways, maritime, and railroad projects. The State of Florida expects to receive approximately \$1.7 billion from this fund with approximately \$25 million available for Orange County and its municipalities. The Metro Plan Orlando Board already approved a list of 225 potential projects in Orange, Osceola, and Seminole Counties worth nearly \$3.5 billion during its regularly scheduled board meeting. (Source: <http://www.metroplanorlando.com>)

According to the Orange County Administrator, Orange County has budgeted over \$100 million from various grants that do not include any stimulus money at this point. If the County were to receive \$20-30 million from federal stimulus money, it will be able to handle more infrastructure projects. Currently, the County has a Staff Work Group that is tracking the federal stimulus package constantly. Orange County is also working with various agencies and associations to bring the County its fair share of the stimulus money.

## Conclusion

The County needs to improve its competitiveness to attract more investment to help cope with the effects of the global economic slowdown. In response to financial crisis, the discussed strategies should and will help to stimulate the local economy. However, this analysis should not be read as a definite answer of what would happen in the next couple of years. The estimate numbers and examples provided here are only meant to highlight Orange County's ongoing efforts to stimulate its economy and should be read for reference only. The latest forecast from the Florida Estimating Conference anticipates that normal economic growth will not return to

Florida until the latter half of Fiscal Year 2009-10, including returning to normal unemployment levels in 2010. Orange County Government is working on the strategy to implement jobs; tapping the future opportunities and making sure to build the confidence in its citizens by every possible opportunity that comes along the way. Moreover, the effects of these programs will be monitored rigorously to show what is working, and what is not. The objective is to assure that we remain competitive and prepared when the national economy begins to turn around.

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