THE OPPORTUNITY ORLANDO CALL TO ACTION

This overview has been developed by the Entrepreneurs Alliance of Orlando (EAO) With a mission of “leveraging the magic of the region to help entrepreneurs thrive,” the EAO exists to facilitate national and international recognition of Orlando as a thriving investment-grade region.

Executive Summary

The Entrepreneurs Alliance of Orlando represents Central Florida thought leaders who have outlined within this document their significant concerns for the fiscal sustainability of our area. Central Florida, with a strong base of lower-wage jobs, has a shortage of high-wage positions that create a critical economic and tax base imbalance and a pervasive instability.

Any downturn in consumer spending has the potential to leave the Central Florida economy reeling. Whether the event is the terrorist attacks of September 11, 2001, the Great Recession of 2007-2009, the global pandemic of 2020-2021, or the economic downcycles triggered by elections, supply chain disruption, global tensions, catastrophic weather, fuel shortages, or other unavoidable events, the question is not will Central Florida’s economy take a hit but how bad will it be and how much slower than other metropolitan areas will we be in recovering.

Despite the strength and contributions of the tourism and the hospitality industries, Central Florida remains a region at risk. As outlined in the following, other cities have reduced their economic exposure when business leaders, entrepreneurs, and government agencies work together with accountability to attract higher-paying industry sectors. Such an effort in Central Florida would in no way diminish hospitality and entertainment jobs. Instead, it would reduce strain on the most economically vulnerable within the community.

The ideas presented here are easy to get behind in theory, but endorsement in theory will never lead to a solution. Only when a commitment is made through both effort and funding and deliberate, strategic initiatives are launched will Central Florida finally become the economically stable, investment-grade, and growth-attracting region we all envision and desire.
Jobs and the Economy

- **Fact:** According to the Bureau of Labor Statistics, among America’s largest metropolitan areas, Orlando ranks 50th out of 50 in wages with half of all jobs in Orlando paying less than $36,588 per year.
- **Fact:** Orlando has more people employed in food-prep jobs (133,000) than it does in the computer, architecture, engineering, nursing, manufacturing, and legal professions combined.
- **Fact:** In 1992, 18.7 percent of all jobs in Metro Orlando were in tourism and hospitality. By 2013, the numbers had grown to 20.5 percent. By 2020, according to the Florida Restaurant and Lodging Association, 35 percent of all workers in the Orlando area work in and around the hospitality or tourism sector.
- **Fact:** Only 7 percent of all jobs in Orlando are in the tech industry. Markets in which tech degree graduates outnumber tech jobs are described as “brain drain” communities. In 2020, Orlando saw a brain drain of -2,560 more tech grads than available tech jobs. In comparison, Nashville and Charlotte saw “brain gains” of +5,007 and +7,519 more jobs than grads, respectively.
- **Reality:** To achieve a balanced, healthy, and sustainable economic future and a robust workforce that includes well-educated talent, Central Florida will need to competitively pursue, attract, and support high-growth, high-wage industry sectors to complement its valued, but lower wage-dominated, tourism industry.

Regaining Lost Ground by Welcoming Tech Company Scaleups

In 1990, the Kaufman Foundation, a private, nonpartisan group that works with communities to enhance education and entrepreneurship, ranked the Orlando metro area number 13 in the nation and number 1 in the state of Florida in attracting new business. Since 2010, the Orlando area no longer ranks among the top twenty cities nationally and has seen Miami, Tampa, and other Florida cities surpass it on the state level.

However, Central Florida has elements in place that are already ripe for fostering the growth of businesses, especially businesses within the multi-trillion-dollar technology vertical. Tech industries could thrive in Central Florida. NASA and the space industry have paved the way, and a ready and waiting market for technology applications from defense to training simulators to theme park fantasy to healthcare and more already exists. In addition, one of the largest universities in the U.S., the University of Central Florida, and other area higher education facilities are equipping today’s students to be tomorrow’s talented workforce.

The Competition in Our Own Backyard

The tech space is on the move, both figuratively and literally. Technology startups, scaleups, mergers, and relocations predominate across the fast-growth industry. Relocations have been so prevalent in this vertical that the term “great migration” is often used to describe the hundreds of tech companies that have or will be relocating in search of welcoming, tech-embracing, and incentivizing new cities to call home.

The industry’s great migration to new venues was already underway pre-pandemic as companies sought locations with no/low state tax and where cost of living and home prices are manageable, the quality of life is appealing, a talented and well-educated workforce is available, and local governments are eager
to roll out the welcome mat. Also arising out of the pandemic has come greater expectations by workforce talent for employers to provide better options for work-life balance.

Companies across the U.S. took advantage of pandemic-related downtime to relocate their businesses. The Orlando-based Innovation Economy Group identified twelve investment firms and venture capital-backed startups that relocated to Miami following the onset of the pandemic and three that used this period to relocate to Tampa. The group could identify no companies spurred to relocate to Orlando during this same timevii.

Miami Mayor Francis Suarez has been an initiative-taking leader in positioning Miami as an attractive destination for business relocation or scaleup. In early 2021, the city of Miami announced the creation of a top advisory position to act as concierge to high tech and cryptocurrency companies relocating to Miami. The news came in conjunction with announcements of Spotify, Goldman Sachs, and Blackstone as among the high-profile financial and tech firms moving to the area. CitiesToday.com wrote, “Miami startups raised close to US $1 billion in venture funding last year, according to preliminary Crunchbase data, and SoftBank has now announced plans to invest US $100 million... into startups in the cityviii.”

The article also noted Mayor Suarez’s successes in boosting Miami’s position as an innovation hub, stating, “Attracting tech companies to Miami has been a long-term drive to create high-paying jobs and prepare the city for the future.”

As of October 2021, Miami is projected to gain more than 1,000 new technology industry jobs by 2024. Seventeen businesses will bring 1,858 jobs to Miami, with 1,069 of the jobs being in the tech sector. The new jobs will average $128,000 in annual salary or 96 percent higher than Miami’s average annual salary of $65,000. Additionally, the businesses will lease 250,000 square feet of office space.

Along with relocation plan assistance, connecting businesses with local universities, and fostering collaborative relationships with existing Miami firms, the “Follow the Sun” campaign of the Miami Downtown Development Authority offers cash incentives to businesses that employ at least ten employees who are paid a minimum of $80,000 annually.

Businesses relocating to downtown Miami can receive up to $50,000 in cash and support, including incentives for hiring Miami residents, hiring degree recipients from a university or technical school based in Miami-Dade County, or hiring someone who was previously unemployed or earning less than a living wage.

However, Miami is not the only Florida city aggressively pursuing business growth. The Tampa Bay and St. Petersburg communities are working cohesively to attract and support new businesses through a campaign known as “Hi Tampa Bay.” Launched in the private sector by Florida Funders, Strategic Property Partners, and two recently relocated tech entrepreneurs, the venture has gained support and involvement from the public sector, including City of Tampa, Tampa Bay Economic Development Council, St. Petersburg Economic Development Corp., Enterprise Florida, which is a business and government partnership, and Synapse Florida, a nonprofit organization that connects entrepreneurs, investors, and other stakeholders to accelerate business success.

Data from the Tampa Bay Economic Development Councilix shows that key tech occupations in Tampa grew by 23 percent between 2015 and 2020, and in 2021 Forbes Technology Council named Tampa the No. 1 “Emerging Tech City” in the U.S.
One of Tampa - St. Pete’s most compelling tech successes is the ARK Investment Management commitment to relocate its corporate headquarters to St. Petersburg. This move includes the planned creation of a massive business incubator, the ARK Innovation Center, which will have an estimated impact of $28 million in the region thanks to the 1,265 direct and indirect jobs.

**The Austin, Texas Success Story**

According to a 2021 report by CompTIA®, a nonprofit agency representing the IT industry, only San Francisco ranked higher than Austin, Texas, in the net number of technology jobs added in 2021. With 24 percent of its local economy attributable to tech employment (compared to the long-recognized tech-hub of San Francisco at 27 percent), the average median tech salary in 2020 in Austin was $88,372, which was 91 percent higher than the city’s overall median wage.

Between May 2020 and April 2021, Austin led the nation in its inflow of tech-related job migration and has earned recognition as No. 1 on the Tech Town index two years in a row. But Austin has not always been the red-hot magnet for tech companies it is today.

Some twenty-five years ago, Austin was home to legislators at the state capitol and University of Texas students who put Austin on the map with hook ’em horns football and an eclectic music scene. Area business professionals recognized, however, that their beloved south Texas city was stagnating.

Motivated by the declining future they could see ahead, members of the Austin business community raised $11.5 million to effect positive change. They started by hiring a company that could assess the challenge and map a strategy for their future. Five years later, the steps implemented had brought so much growth to the city that funding a new growth plan was a no-brainer. The difference the second time around was that elected officials were now wholeheartedly on board. As each five-year plan was realized, the next one has been rolled out with even greater enthusiasm.

Today the population of the Austin metro area is estimated at 2.11 million. During the pandemic alone, more than 150 companies relocated to Austin after recognizing the resources, venture capital, and well-educated workforce the area offers. With the second highest nationwide growth rate in working age population, plenty of sunshine, and no state taxes, Austin offers Texas-sized reasons to attract business growth.

**Impact of Austin’s Regional Economic Development Plan 2004-2021**

- 465,000 New Local Jobs
- $30 Billion of Added Payroll
- 610 Corporate Announcements
- 2020 – 138 VC Funded Deals for $1.78B
- 2020 – Best Year for Number of Relocations & Expansion
- June 2021 – Regained 96% of Pandemic Related Job Losses
Only Positive Outcomes

Increasing the number of higher paying jobs in the Central Florida area would not eliminate or reduce the number of lower paying positions. The job market for hotel, attraction, restaurant workers, and similar entry-level or low wage positions will be solid and sustainable for as long as Central Florida remains the magical destination that it is, delighting vacationers and convention attendees from around the globe.

Attracting and retaining employers who offer higher paying jobs increases the tax base and creates better economic balance within the workforce and within the community. A strong and stable tax base makes public transit, infrastructure, community services, and public works projects easier to fund, maintain, and expand. Municipally supported services achieve optimal performance outputs, and quality of life is enhanced for residents at all income levels.

Growth attracts growth and vibrancy is both attention-getting and compelling. Businesses thrive, the theme parks and attractions benefit, and good jobs turn into better jobs in a robust, competitive environment.

The more the Central Florida area flourishes, reaping the benefits of a well-established tax base, the more it will continue to draw high-paying employers. Success breeds success. Establishing a healthy, investment-grade, business climate communicates to entrepreneurs and organizations that the community, its elected officials, and its civic and nonprofit organizations embrace growth, job sector diversity, innovation, and new businesses ready to claim seats at the table.

With a core of stable, high paying jobs, the area would no longer live on the economic edge, consistently being first in and last out of recessionary periods. Orlando Business Journal, (September 2021) identified the thirty Florida metros that have bounced back with the strongest post-pandemic job growth. Orlando again did not make the list.

Anchored to the tourism industry as the area’s largest employment sector and further complicated by the preponderance of low paying jobs within this sector, 2020 packed an economic wallop that hit Orlando and Central Florida squarely in the face. But the first in, last out scenario does not require a global pandemic to trigger it. Recreational outings and vacationing, along with corporate spending on business and convention travel, will always be in the crosshairs of any downturn in the U.S. or global economies.

In 2015, University of Central Florida Institute for Economic Forecasting Director, Sean Snaith, reflected on the recessionary years from 2007 to 2009 and identified Florida as experiencing the Greater Recession, while the rest of America experienced only the Great Recession.

When discretionary spending declines, low wage earners inevitably are first to feel the effects and are always hit the hardest. When any segment of wage earners is threatened, the snowball begins to roll, expanding as it impacts retailers, housing, tax revenues, and other critical aspects of an area’s economy. For Central Florida, the pain is twofold. Orange County relies on tourism for roughly $280 million annually collected in hotel room taxes, much of which it pours back into the Orange County Convention Center and Visit Florida to encourage and sustain tourism.

As Dennis R. Pape, member of Entrepreneurs Alliance of Orlando, cofounder and CEO of SeedFundersOrlando, and cofounder and former managing director of Catalyst Spaces, stated, "The
pandemic recession exposed, as did the Great Recession of 2008 and 9/11 before it, the economic consequences of our low-wage tourism-dominated economy.

“We failed to diversify our economy during those past recessions; we cannot afford to do so again. With our significant tech assets, we have a unique opportunity not available to other regional economies dominated by tourism.”

Summary

Fifty years ago, the Walt Disney Company opened the doors of the Magic Kingdom and changed Orlando in beneficial and positive ways forever. Since then, many hospitality-focused businesses, including SeaWorld (1973), Universal (1990), and ICON Park (2015) have made Orlando their home. Although the region is now one of the world’s top tourism and convention destinations, other aspects of business development have failed to keep pace with our city’s vibrant tourism sector.

Orlando has fallen from its leadership position in entrepreneurship and innovation driven initiatives. Where once much of the US envied Orlando’s vitality and growth, now Orlando struggles to be known as anything beyond a vacation destination.

Miami and Tampa are not competition. We’re all in the same boat, vying to be recognized as more than great places to retire. As we point to their recent successes in attracting energizing new business verticals, we are celebrating their triumphs and should even look to partner with them whenever our combined voices could produce the loudest and most compelling roar.

The question is not if Central Florida needs to take action or even when because the answer is obviously “Yes!” and the clock is already ticking. We must get serious about diversifying the economy, not through isolated efforts launched sporadically by disparate entities, but on a scale that boldly moves the needle forward.

Community business leaders need to join forces in unified ways that until now have been talked about but never set in motion. The EAO includes skilled and successful business leaders and serial entrepreneurs who are ready to help, which makes the real question become, “Will you, as a vital part of our business community, also step up to join the initiative and effect change?”

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About the Entrepreneurs Alliance of Orlando (EAO)

Established as an invitation-only alliance, the Alliance members represent Orlando’s most successful entrepreneurs, business, and community leaders, each of whom is committed to serving as a catalyst to elevate entrepreneurship and the overall Orlando business community ecosystem. The EAO carries out its mission to build Investment Grade Companies (IGCs) by partnering with promising companies in search of a means to increase their reach and scale. Our team of business professionals provides guidance and mentorship to aspiring CEOs through inspiring events, educational tools and resources, and sharing keys to local success stories.

tenrepreneursallianceorlando.com
Additional Insights: Orlando Business Journal “Orlando leaders discuss strategies to ‘swing the bat harder’ and lure more tech biz here,” 2021. 

THE OPPORTUNITY ORLANDO CALL TO ACTION ADDENDUM follows (pages 8-11)
THE OPPORTUNITY ORLANDO CALL TO ACTION
ADDENDUM

If you have read The Opportunity Orlando Call to Action report, you may wish to skip directly to the section below titled: Keys to Success.

Expanding on The Opportunity Orlando Call to Action Report

The Entrepreneurs Alliance of Orlando (EAO) drafted “The Opportunity Orlando Call to Action” (see pages 1-6) to draw attention to the decline in Central Florida’s appeal as an investment-grade region. But recognizing the problem is barely a first step to resolving it.

This Addendum is intended to further encourage support for The Opportunity Orlando Call to Action while also outlining key second steps. Input is included in the Addendum from many entrepreneurial thought leaders who have contributed to The Opportunity Orlando Call to Action report and who are motivated to see the region remain a flagship tourism destination while also becoming a dynamic hotbed of business and technology growth.

Included here are big-picture recommendations/observations, ways the EAO can specifically contribute, and an entreaty for others to join in supporting a comprehensive, forward-looking solution.

Keys to Success

1.) Isolated efforts to attract new business sectors to Central Florida currently exist. These limited endeavors are undermarketed and fragmented across public and private sectors, businesses, and membership organizations. Resolving deficits in the Central Florida industrial landscape calls for an overarching Plan that transcends economic cycles, business trends, and terms of office for elected or appointed officials.

2.) A comprehensive Business Development Plan, developed by an outside agency, will identify and map critical strategies, timelines, and costs.

3.) Neither Rome nor Austin was built in a day. While the Austin business community quickly saw benefits after defining and launching a 5-year growth plan, the real story of Austin’s tech sector growth and economic betterment has played out over the past two decades and continues to unfold. The Opportunity Orlando Call to Action will require a long-haul commitment.

Recommendations for Actions and Checkpoints to be Included in The Opportunity Orlando Call to Action Plan

1.) Attracting new industry verticals is exciting and heady. But it is self-defeating if in the process existing businesses aren’t nurtured. Scaleups are as critical as startups. Inclusion within the Plan of growth strategies for businesses and entrepreneurs already in this region is important.

2.) An effective Plan creates bonds between agencies, organizations, and individuals, and is made stronger by what each can contribute. The Plan will require ownership, and to be actionable, measurable, supported, and subject to examination and accountability.
3.) Unique to Central Florida are incredible theme parks and attractions that can be leveraged in positioning the region to become a global entertainment technology hub. Buy-in and support from the tourism industry strengthens The Opportunity Orlando Call to Action, unifies efforts, and raises the amplitude for innovation, entrepreneurship, funding, and growth.

4.) Critical to a growth-attracting business and tech industry ecosystem is the inclusion of collaborative workspaces, mentoring programs, industry-targeted learning and networking events, business accelerators, and professionals willing to serve as growth advisers. Where these types of services already exist, The Opportunity Orlando Call to Action advocates could promote, support, and help expand or come alongside them as needed.

5.) The development of robust and viable innovation districts creates a magnet for attracting more industry. Agglomeration provides evidence of Plan success and an ongoing invitation to more growth.

6.) Both big steps and baby steps move economic development forward. Each will need to be supported and celebrated.

7.) Accessible sources and avenues of venture capital, angel funding, bridge loans, and other types of investor support is necessary for startup, scaleup, and relocation business growth.

8.) Growth and expansion happen when the red carpet replaces red tape. Business owners need opportunities to skip the line and catch a break in an environment where business launch and expansion are intentionally made quick and easy. Entrepreneurs and businesses at all levels need to know that in Central Florida, government agencies and the business community have “got their backs.”

The Role of the EAO

1.) In developing The Opportunity Orlando Call to Action report and pushing it onto the radar of city and county government officials, the Orlando Economic Partnership (OEP), and business and entrepreneurial thought leaders throughout the community, the EAO has, in all the most positive ways, become a catalyst. The EAO is a champion of entrepreneurial and tech growth and those who will advance it in Central Florida.

2.) Founded on a pledge to help entrepreneurs thrive, the EAO is positioned to host, sponsor, mentor, inspire, and encourage entrepreneurs looking to scale in Central Florida.

3.) The entrepreneurial success of EAO membership provides a network for expanding the Central Florida entrepreneurial ecosystem.

4.) The EAO can help Central Florida tell a better story. EAO Fireside Chats document and showcase the strength of the region’s existing and historic entrepreneurial community and provide a way to further engage businesses interested in starting, scaling, or relocating here. Hosting business professionals on the Fireside Chat communicates the existence of community respect and strong entrepreneur-to-entrepreneur relationships.
5.) The EAO offers an authoritative voice and platform for entrepreneurial growth advocacy and will continue to use and expand that voice to the community, the media, other business professionals, and government officials at all levels.

6.) As the EAO asks provocative and forward-looking questions, it will also stand ready to help answer those questions and drive Central Florida’s business and technology growth. The EAO is not the appropriate entity to implement The Opportunity Orlando Call to Action Plan, however we are entrepreneurial thought leaders who have launched and scaled successful businesses in this region. We have walked the path, we recognize what is required for success, and we know both the opportunities and the shortfalls of developing investment-grade companies in the Central Florida business ecosystem.

Future-Proofing the Central Florida Economy through The Opportunity Orlando Call to Action Plan

If Central Florida is to remain a robust and vibrant region in the future, then the current approach to economic development must be expanded. The Entrepreneurs Alliance of Orlando asks you to make known your support for a defined and dedicated Business Development Plan.

If you have questions or suggestions about what this growth Plan means, feel free to contact us. Reach out to Richard Milam, Executive Chairman, EAO, at richard@entrepreneursallianceorlando.com

“There is no power for change greater than a community discovering what it cares about.”

--Margaret Wheatley

The EAO Business Development Plan Recommendation Is Supported by Orlando Entrepreneurial Thought Leaders

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SIGNIFICANT RECENT DEVELOPMENT

During the research and writing of the Opportunity Orlando Call to Action, conversations began between the EAO and the Orlando Economic Partnership (OEP). We are pleased to have played a supporting role in the recently announced OEP effort to create a 5-year plan to move the Central Florida region forward. We are excited to see our region take steps toward becoming an investment grade region. The OEP’s plan is important, but it will take the entire community coming together to truly make a difference. The EAO will continue to be a voice for the entrepreneurial community, striving to be a catalyst for positive change and action to help entrepreneurs thrive.

11 “Austin, Texas, ranks top for tech worker migration, LinkedIn data shows,” Research compiled by LinkedIn and reported by Fox Business News. www.foxbusiness.com/economy/austin-texas-ranked-top-spot-for-tech-worker-migration-linkedin-data-shows