Meeting will begin at 9:30 A.M.

TAMPA BAY ECONOMIC DEVELOPMENT COUNCIL

Board of Directors Meeting

January 26, 2021

TAMPA BAY ECONOMIC DEVELOPMENT COUNCIL

WELCOME

FIFTH THIRD BANK

Jim Weiss
Fifth Third Bank/
Tampa Bay EDC Chairman

Guest Speaker

CONWAY

Ron Starner
Executive Vice President

What Site Selectors Gave Us for Christmas

By Ron Starner, EVP, Site Selection Magazine
January 26, 2021

KEY TAKEAWAYS

Main findings of our annual Site Selectors Survey:

- **Distribution/logistics** is the most active industry sector for projects.
- Other sectors in the top 5 are: **Advanced Manufacturing**; **Food Processing**; **Biomedical/Healthcare**; and **HQ/Back Office**.
- Site Consultants say these states have done the most to improve their business climates: Texas, North Carolina, **Florida** and Virginia.
- **36.5%** say clients will **expand** this year; **36.5%** say they will stay the same; **28%** say they will contract.
- **41%** say clients are considering more **reshoring** projects; **51%** say they are staying the same; **8%** say they are considering more international deals.
- **54%** say the trend toward more **remote work** is having some effect on clients' site selection decisions; **29%** say it is having a significant effect; **17%** say it is having no effect.
- **68%** say the shift to remote work will continue even ***after*** the pandemic subsides.

Source: Site Selectors Survey by Site Selection Magazine, November 2020

Jobs Are Now Chasing People

83% say the remote work trend is impacting site selection.

Bye-Bye-Bye, City Centers

"The **suburbs** are making a strong comeback."

Hot Spots Got Even Hotter

66% of votes for best business climates went to **Sun Belt** states.

The Art of Killing the Deal

A whole new range of deal-killers entered the site selection lexicon.

QUOTES OF NOTE

"Clients will be redeploying to **Tier 2** and **Tier 3** metros."

"There will be a consolidated office strategy because of **satellite offices** being used instead of large corporate locations."

"Companies will grow existing facilities and new facilities in key markets **closer to supply-chain elements**."

HOT TOPICS

HOT REGIONS

41% say **Southeast** has done the most to improves it business climate; **36%** pick **Midwest.**

HOME BODIES

"Regionalization of supply chains will call for **more regional manufacturing plants**."

HOT STATES

After TX, NC, FL and VA, these are the other hot spots: MO, OH, SC, TN.

DEAL-KILLERS

High taxes, **labor shortages**, public opposition to incentives, and failure to meet deadlines.

OTHER SECTORS TO WATCH

FINANCE, INSURANCE AND REAL ESTATE

DATA CENTERS

OTHER COMMENTS OF NOTE

DEAL-BREAKER

"**Lack of regional approach** in economic development is a deal-killer."

REMOTE WORK

"Our clients have learned that they can function in **lower-cost rural areas** and maintain client service levels."

BROADBAND

"**Lack of infrastructure**, particularly in telecommunications, is a deal-killer."

ADVICE TO COMMUNITIES

01

"Continue to **focus on place** and amenities."

02

"**Diversify** and broaden your business portfolio."

03

"Make the **permitting** process quick and easy."

04

"Communicate more directly with **site selectors**."

QUESTIONS

THANKS!

How to Contact Me:

Ron.starner@conway.com
678-232-6670
www.siteselection.com

CREDITS: This presentation template was created by , including icons by , and infographics & images by .

Call to Order

FIFTH THIRD BANK

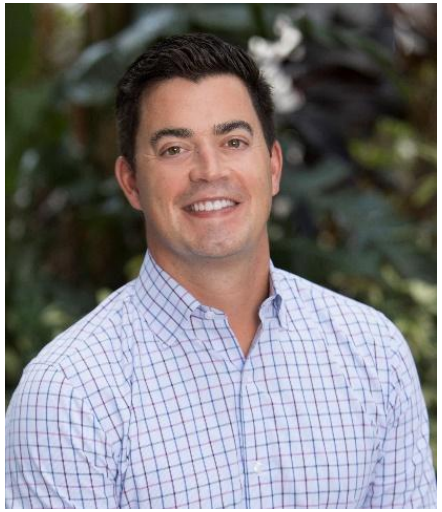
Jim Weiss
Fifth Third Bank/
Tampa Bay EDC Chairman

Consent Agenda

- Meeting Minutes – November 17, 2020
- Departmental Reports

Finance & Audit

STRATEGIC PROPERTY
PARTNERS



James Nozar
SPP/Vice-Chair and
Finance & Audit Committee Chair

TAMPA BAY EDC

TAMPA BAY ECONOMIC DEVELOPMENT COUNCIL

2020 AUDIT RESULTS

Warren Averett
CPAs AND ADVISORS

Table of Contents

I. Summary of Audit Results

II. Internal Control Over Financial Reporting

III. Financial Highlights

IV. Selected Financial Ratios

V. Other Matters

- Accounting for Leases

Summary of Audit Results

Opinion on Consolidated Financial Statements	• The audit of the consolidated financial statements for the year ended September 30, 2020 resulted in an unmodified or "clean" opinion.
Other Information Included in the Consolidated Financial Statements	• The supplementary consolidating schedules are not a required part of the consolidated financial statements. The schedules are fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.
Report on Internal Control Over Financial Reporting and Compliance	• No material weaknesses in internal control over financial reporting or compliance were identified as a result of our audit.
Accounting Policies and Practices	• Management is responsible for the selection and use of appropriate accounting policies. • Effective October 1, 2019, the Company adopted FASB ASU No. 2018-08, *Non-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The ASU provides a more robust framework for determining whether a transaction should be accounted for as a contribution or as an exchange transaction. The guidance also helps determine whether a contribution is conditional and better distinguishes a donor-imposed restriction. There was no material effect on the Company's financial statements as the adoption of ASU No. 2018-08 did not result in a change to how it accounts for revenue from contributions. • Effective October 1, 2019, the Company adopted FASB Accounting Standards Update (ASU) No.2014-09, *Revenue from Contracts with Customers (Topic 606),* using the modified retrospective method of application. There was no material effect on the Company's financial statements as the adoption of ASU No. 2014-09 did not result in a significant change to timing of the Company's revenue recognition.

Summary of Audit Results

Accounting Policies and Practices (continued)	• All significant transactions were recorded in the proper period. • We noted no transactions during 2020 for which there is a lack of authoritative guidance.
Accounting Estimates	• The most sensitive estimates to the financial statements are: ✓ Depreciable lives of property and equipment range from 2 to 10 years. Depreciation is calculated using the straight-line method. The lives and methods are appropriate based on the types of assets capitalized. ✓ An allowance for doubtful accounts was not considered necessary at September 30, 2020 as all amounts are related to county funding and are deemed fully collectible. ✓ The Company allocates revenue to event tickets and mission trips based on the standalone selling prices of the respective items. The revenue is then recognized at the point in time when the event or mission trip takes place, or upon the expiration of such benefit, which is generally one year after the contribution was made. There are no variable consideration amounts and no significant financing components associated with event tickets and mission trips.
Audit Adjustments / Uncorrected Misstatements	• There were no corrected adjustments as a result of our audit. In addition, there were no passed adjustments as a result of our audit.
Disagreements with Management	• None regarding financial accounting, reporting, or auditing matters.

Summary of Audit Results

Management Consultations with Other Independent Accountants	• None to our knowledge.
Difficulties Encountered in Performing the Audit	• None. • Management and staff did a commendable job in preparing and responding to questions for the audit, especially considering a 100% remote audit.
Management Representations	• We have requested that management sign a representation letter related to the consolidated financial statements prior to issuance of the final report.
Independence	• We are not aware of any relationships between Warren Averett, LLC and the Tampa Bay Economic Development Council that may be reasonably thought to bear on our independence.

International Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the Company's internal control over financial reporting (internal control) as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control.

Our consideration of internal control was for the limited purpose described above and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The definitions of a significant deficiency and a material weakness are as follows:

Category	Definition
Significant Deficiency	A deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.
Material Weakness	A deficiency or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the Company's consolidated financial statements will not be prevented or detected and corrected on a timely basis.

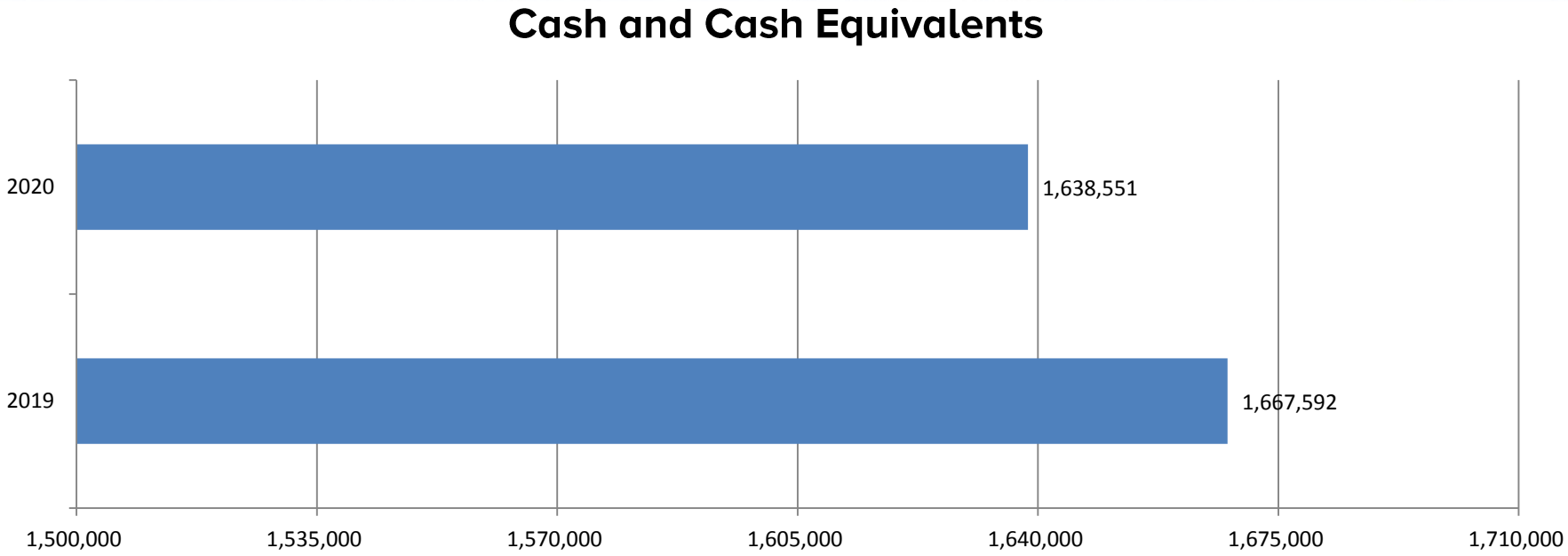
Tampa Bay Economic Development Council
Statement of Financial Position
September 30, 2020 and 2019

	2020	2019
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 1,638,551	$ 1,667,592
Accounts receivable	128,855	173,500
Prepaid expenses	117,150	111,588
Total current assets	1,884,556	1,952,680
PROPERTY AND EQUIPMENT, NET OF ACCUMULATED DEPRECIATION	180,453	219,628
	$ 2,065,009	$ 2,172,308
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	$ 27,441	$ 81,791
Accrued expenses	169,341	217,396
Accrued rent, current portion	29,358	24,943
Capital leases payable, current portion	7,513	6,594
Deferred revenue	99,317	124,800
Total current liabilities	332,970	455,524
OTHER LIABILITIES		
Capital leases payable, less current portion	11,352	18,783
Accrued rent, less current portion	132,107	161,465
Total other liabilities	143,459	180,248
NET ASSETS		
Without donor restrictions	1,588,580	1,483,799
With donor restrictions	-	52,737
Total net assets	1,588,580	1,536,536
	$ 2,065,009	$ 2,172,308

Tampa Bay Economic Development Council
Statement of Financial Position
September 30, 2020 and 2019

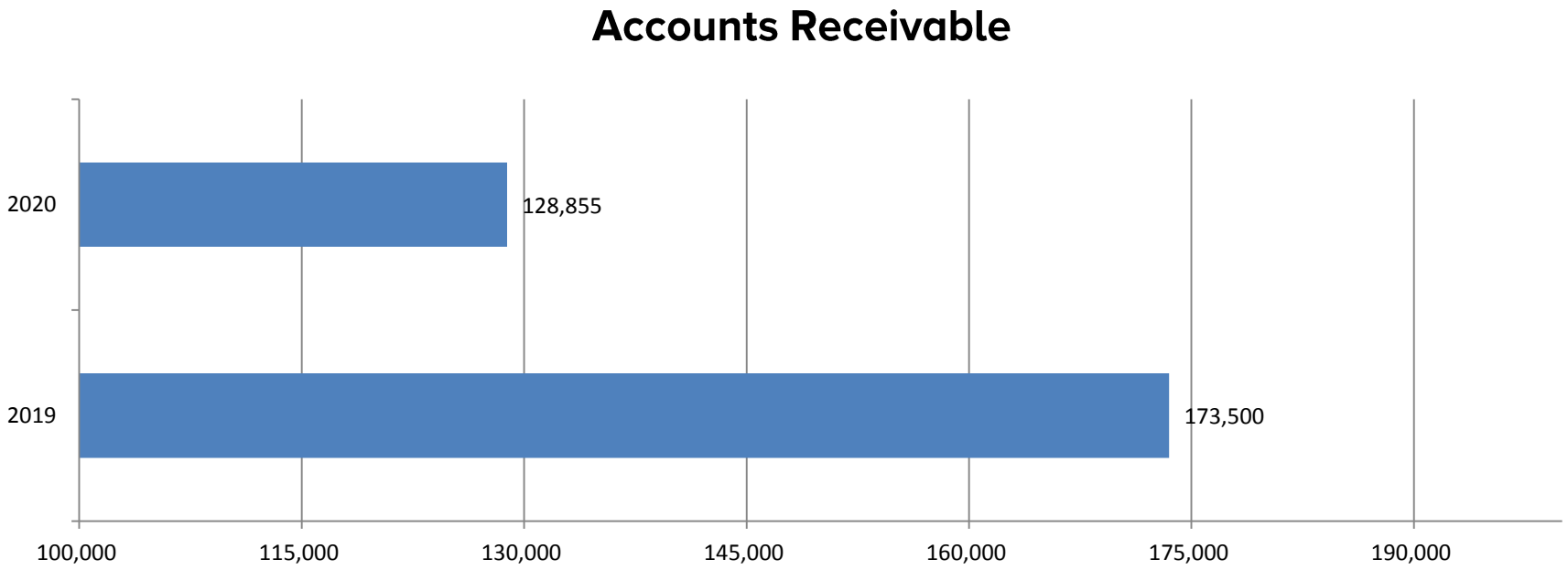
	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES						
City and county funding	$ 1,008,000	$ -	$ 1,008,000	$ 1,038,000	$ -	$ 1,038,000
Grant revenue	-	-	-	164,046	-	164,046
Investor and in-kind contributions	2,134,582	-	2,134,582	2,409,728	-	2,409,728
Other income	291,041	-	291,041	311,280	-	311,280
Total revenues	3,433,623	-	3,433,623	3,923,054	-	3,923,054
NET ASSETS RELEASED FROM RESTRICTIONS						
Satisfaction of donor use restrictions	52,737	(52,737)	-	145,157	(145,157)	-
TOTAL REVENUES	3,486,360	(52,737)	3,433,623	4,068,211	(145,157)	3,923,054
EXPENSES						
Program services	2,068,601	-	2,068,601	2,489,405	-	2,489,405
Administration	1,153,699	-	1,153,699	1,158,835	-	1,158,835
Fundraising	159,279	-	159,279	168,074	-	168,074
Total expenses	3,381,579	-	3,381,579	3,816,314	-	3,816,314
CHANGE IN NET ASSETS	104,781	(52,737)	52,044	251,897	(145,157)	106,740
NET ASSETS, BEGINNING OF YEAR	1,483,799	52,737	1,536,536	1,231,902	197,894	1,429,796
NET ASSETS, END OF YEAR	$ 1,588,580	$ -	$ 1,588,580	$ 1,483,799	$ 52,737	$ 1,536,536

Financial Highlights



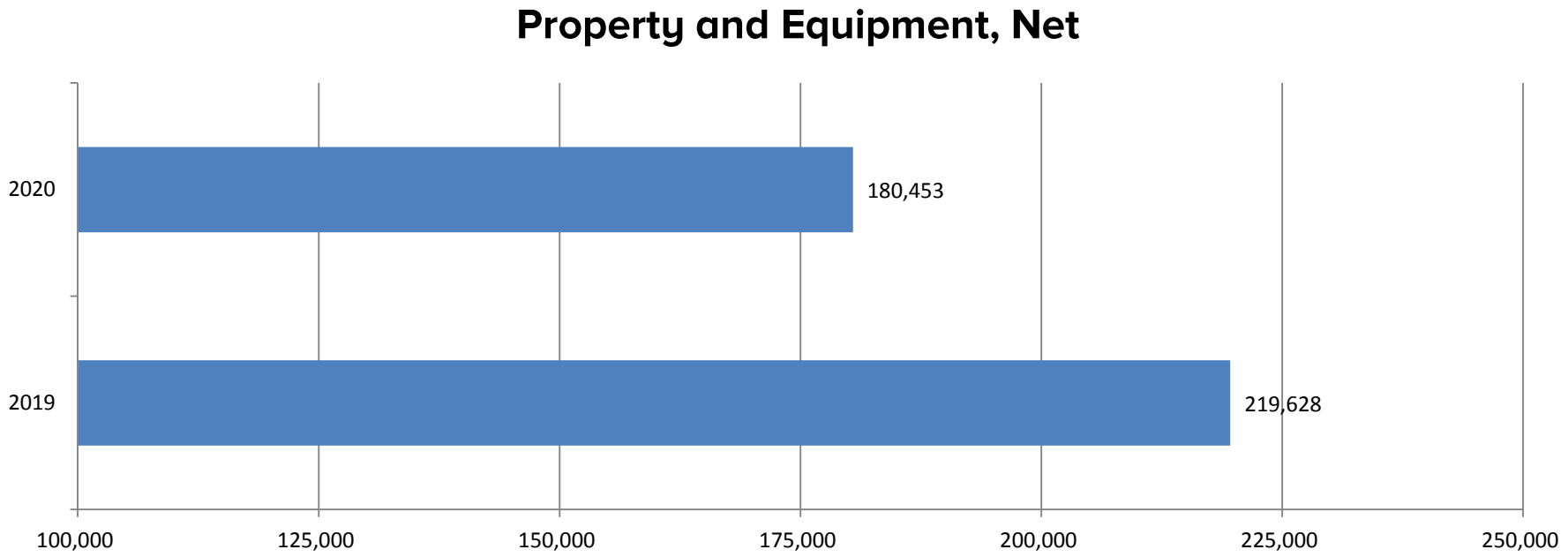
Cash and cash equivalents decreased in 2020 as compared to 2019 by approximately $29,000, primarily due to decreased activities related to COVID-19.

Financial Highlights



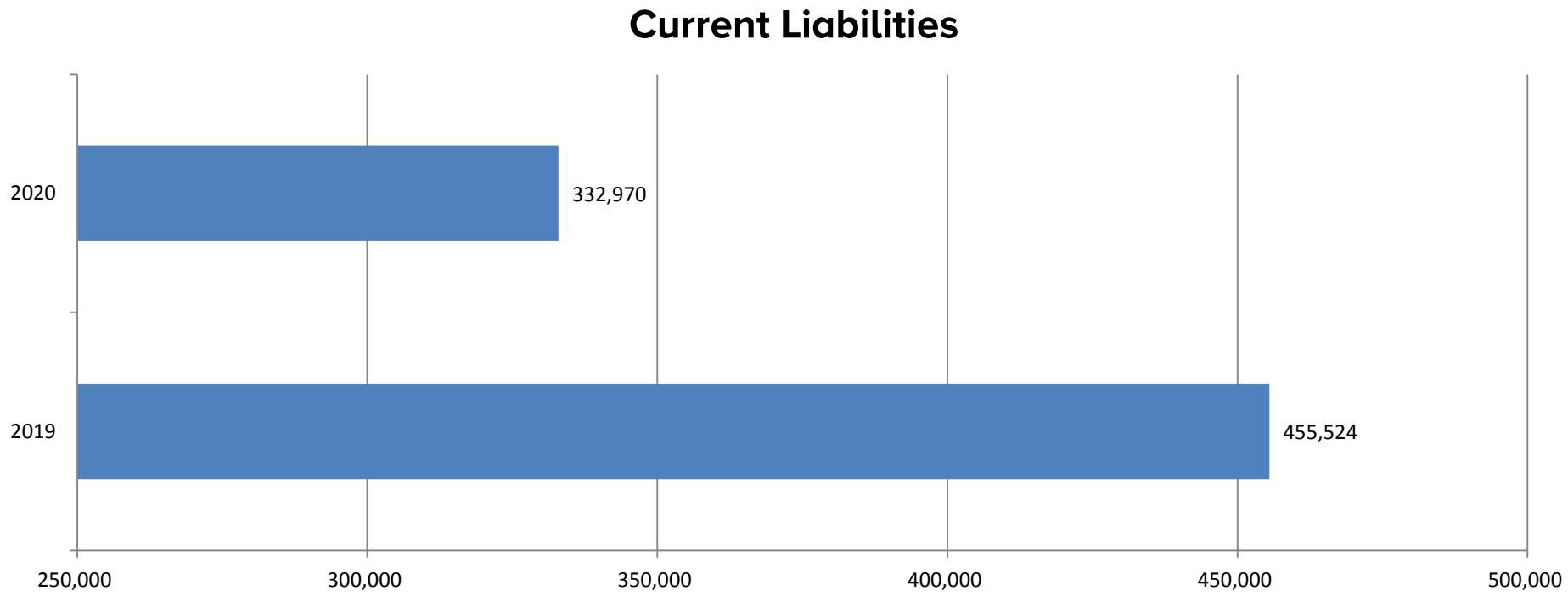
Accounts receivable at September 30, 2020 decreased by approximately $45,000 as compared to 2019 primarily due to a one-time additional funding opportunity from Hillsborough County in 2019 which supported the creation of the three-year strategic action plan.

Financial Highlights



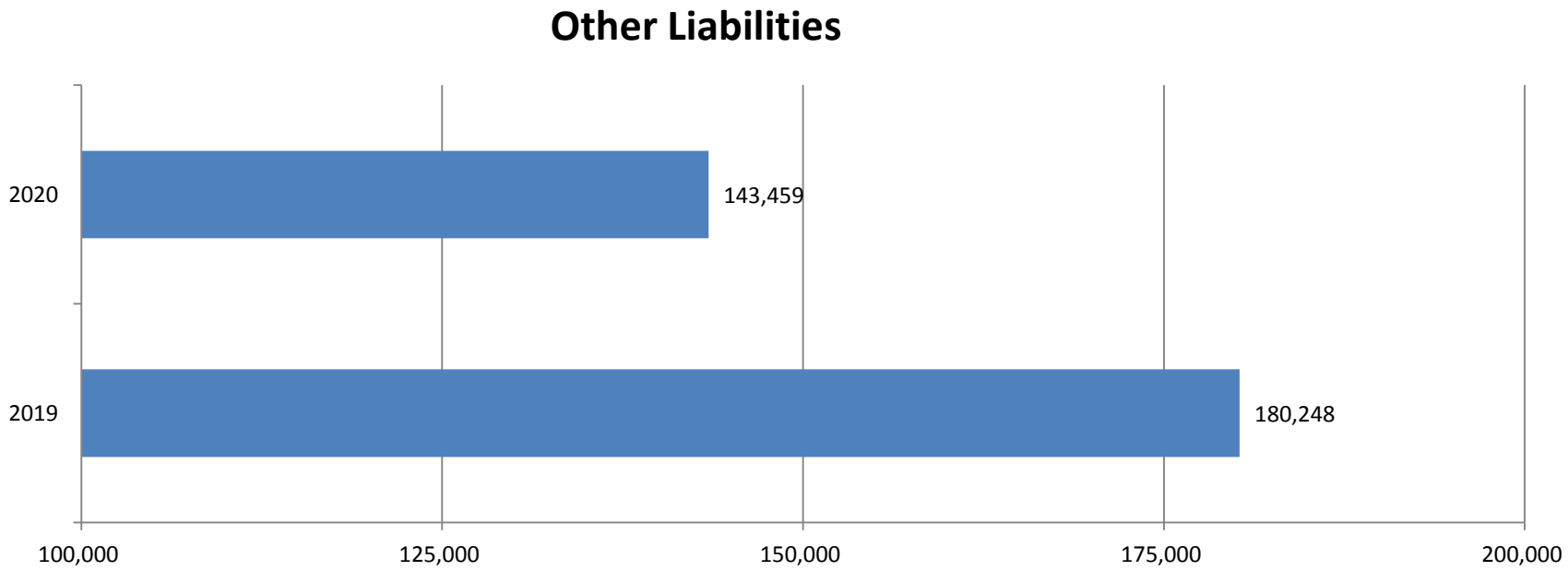
Property and equipment reflects property additions of approximately $21,000 for 2020. These additions were offset by depreciation and amortization of approximately $60,000.

Financial Highlights



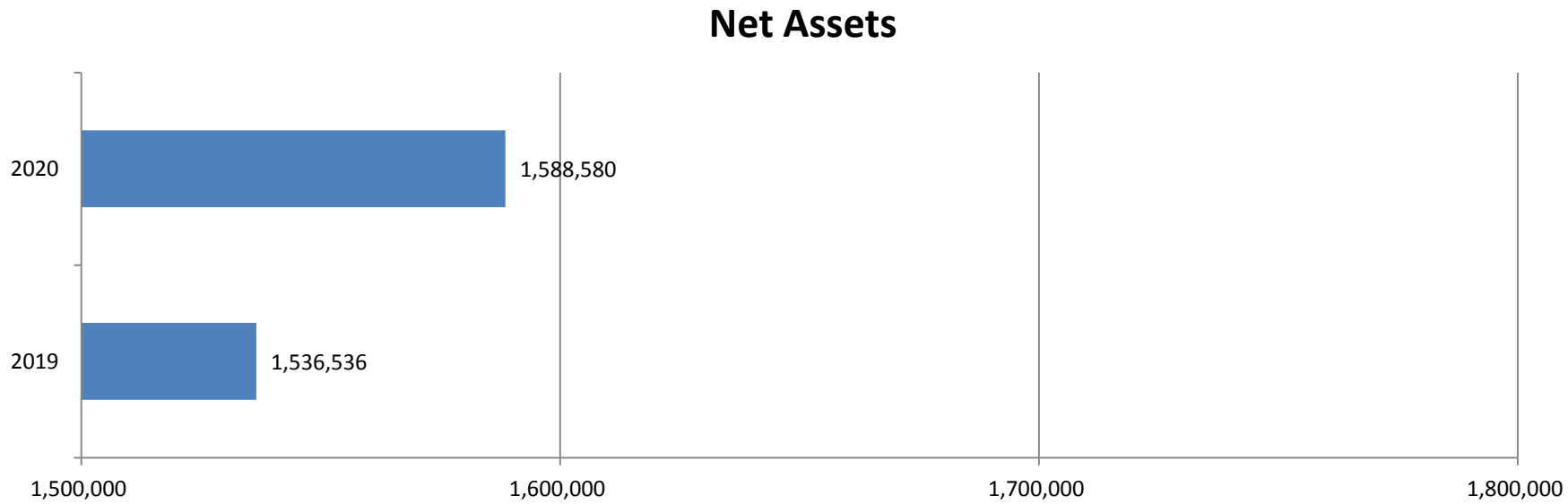
The decrease in current liabilities of approximately $123,000 in 2020 as compared to 2019 is primarily due to lower sponsorships/ticket sales received for the annual meeting which occurred in October 2020. The event was virtual and, therefore, revenues were less than the prior year.

Financial Highlights



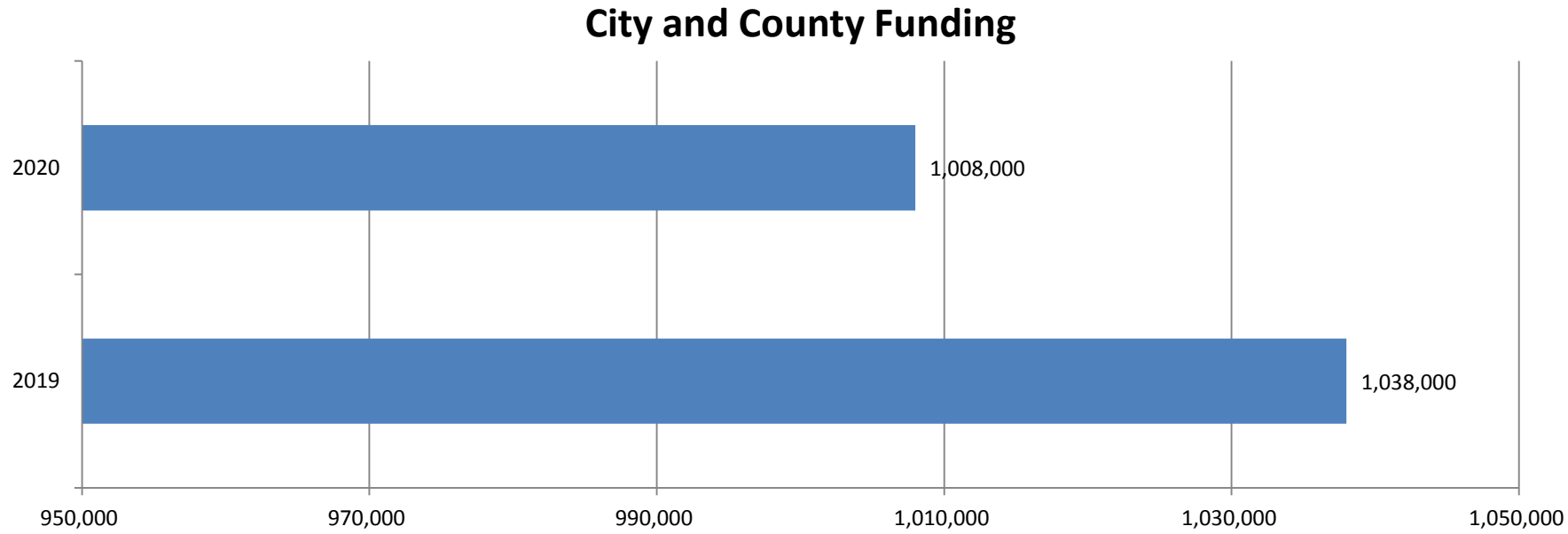
Other liabilities decreased by approximately $37,000 at September 30, 2020 as compared to 2019. The decrease is primarily due to a decrease in the deferred rent liability due to the passage of time.

Financial Highlights



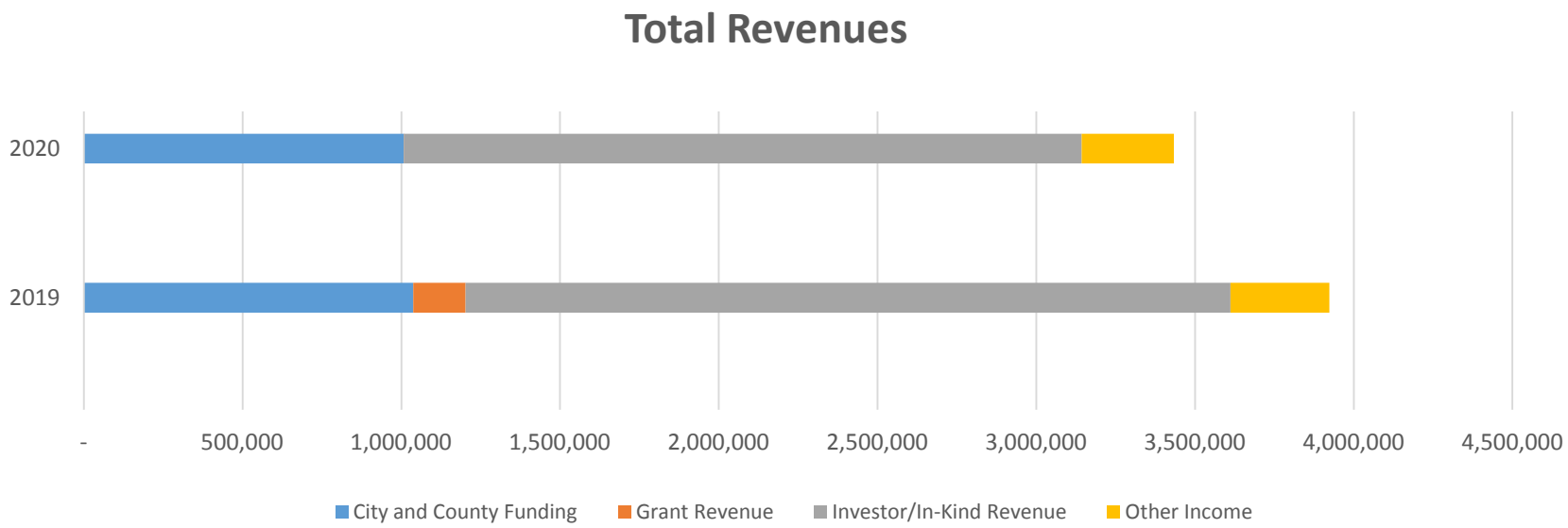
Net assets increased by approximately $52,000 during the year ended September 30, 2020. The increase is due to 2020 net income.

Financial Highlights



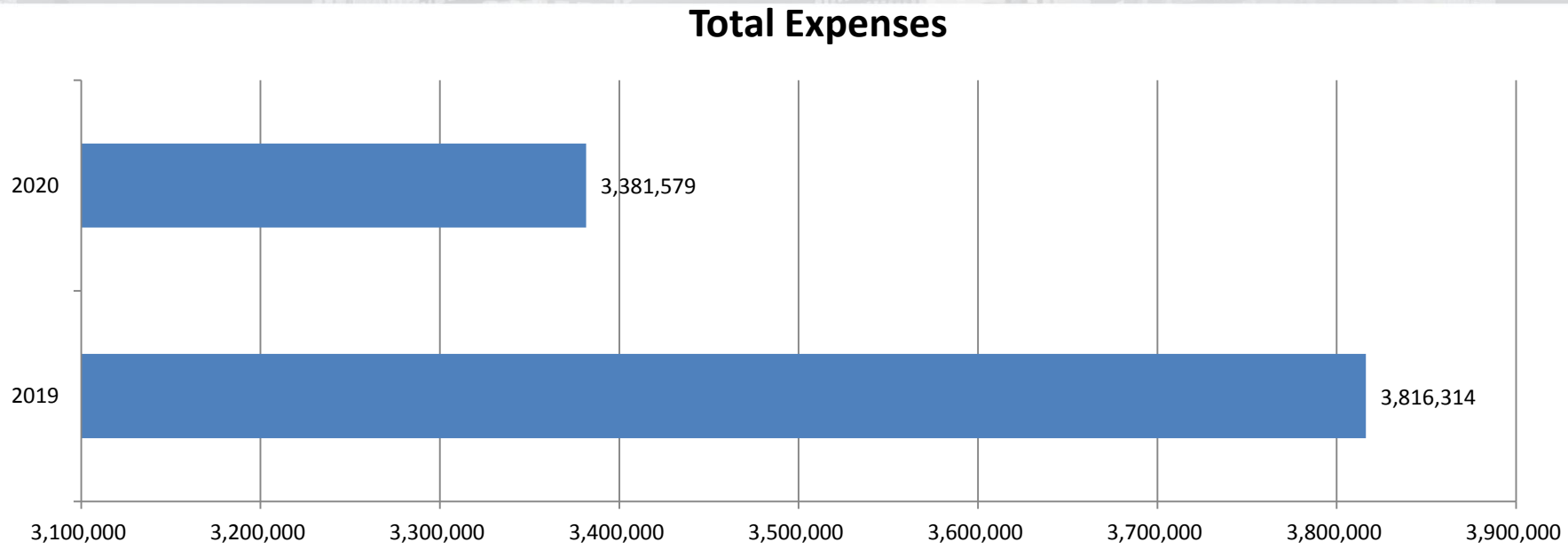
City and County funding decreased by approximately $30,000 from 2019 to 2020. Funding from Hillsborough County was higher in 2019 due to support of the creation of the three-year strategic action plan.

Financial Highlights



Total revenues of approximately $3,434,000 in 2020 decreased approximately $489,000 from 2019 total revenues of approximately $3,923,000. The decrease is primarily due to decrease in grant revenue of $164,000, and decreased investor and in-kind contributions of approximately $275,000 driven by COVID-19.

Financial Highlights



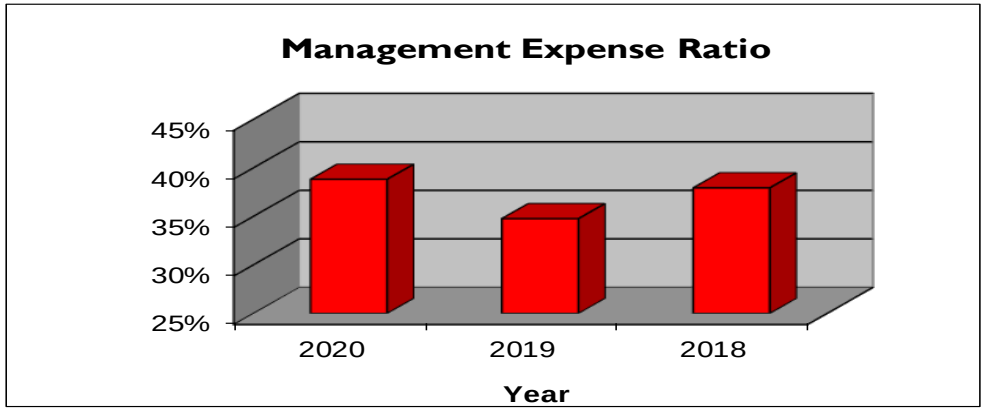
Total expenses in 2020 decreased by approximately $435,000 as compared to 2019. The main factor for the decrease in expenses in 2020 was reduction of costs related to COVID-19 impact and the strategic plan development in 2019.

Selected Financial Ratios

Management Expense Ratio	2020	2019	2018
ADMIN./FUNDRAISING EXPENSES / TOTAL EXPENSES	39%	35%	38%

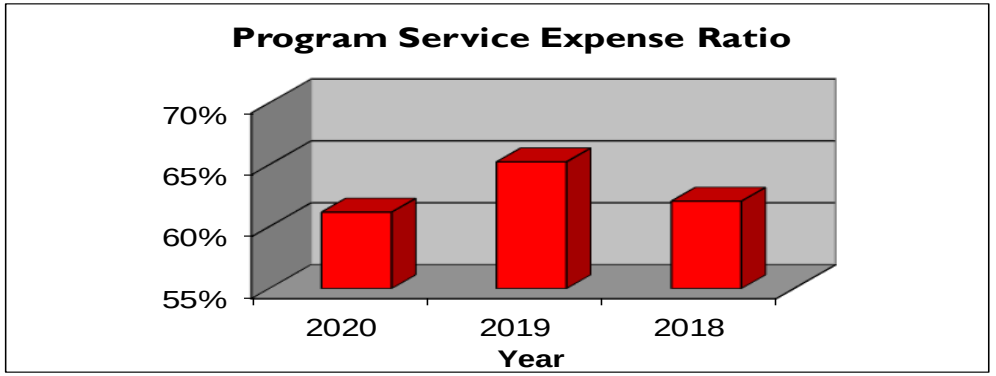
This ratio measures efficiency of the nonprofit organization in using the general support raised from the unrestricted contributions in relation to the overall activities of the organization.

Although administration and fundraising expenses decreased slightly, overall expenses declined at a greater rate due to COVID-19, which caused this ratio to increase in 2020.



Program Service Expense Ratio	2020	2019	2018
PROGRAM SERVICE EXPENSES / TOTAL EXPENSES	61%	65%	62%

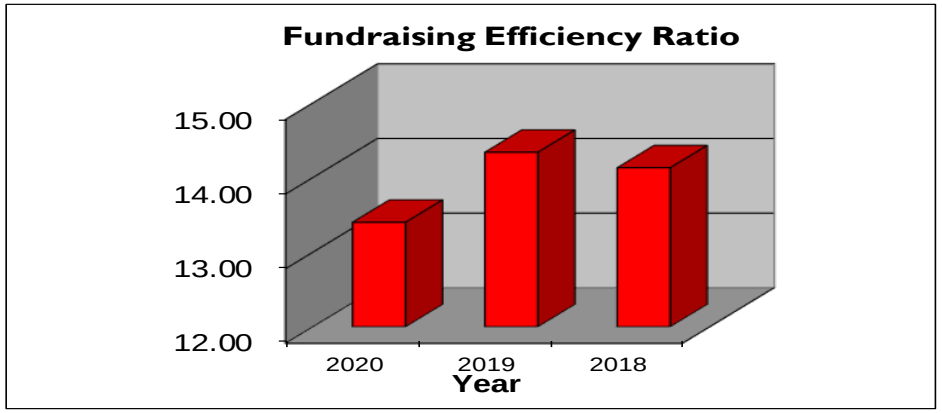
This ratio measures the efficiency in the funds spent on the organization's mission and the total expenses. The BBB wise giving alliance standards indicate that organizations should spend at least 65% on program expenses.



Selected Financial Ratios

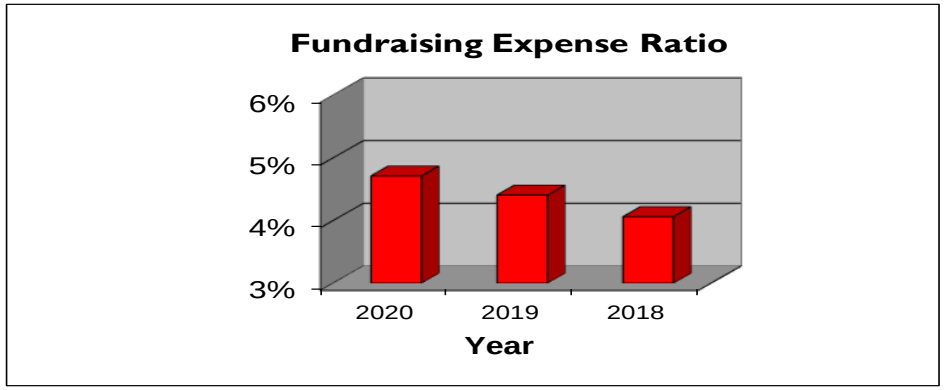
Fundraising Efficiency Ratio	2020	2019	2018
INVESTOR AND IN-KIND CONTRIBUTIONS / FUNDRAISING EXPENSE	13.40	14.34	14.13

This ratio measures the relative cost to produce voluntary contributions from the general public.



Fundraising (Development) Expense Ratio	2020	2019	2018
FUNDRAISING EXPENSES / TOTAL EXPENSES	5%	4%	4%

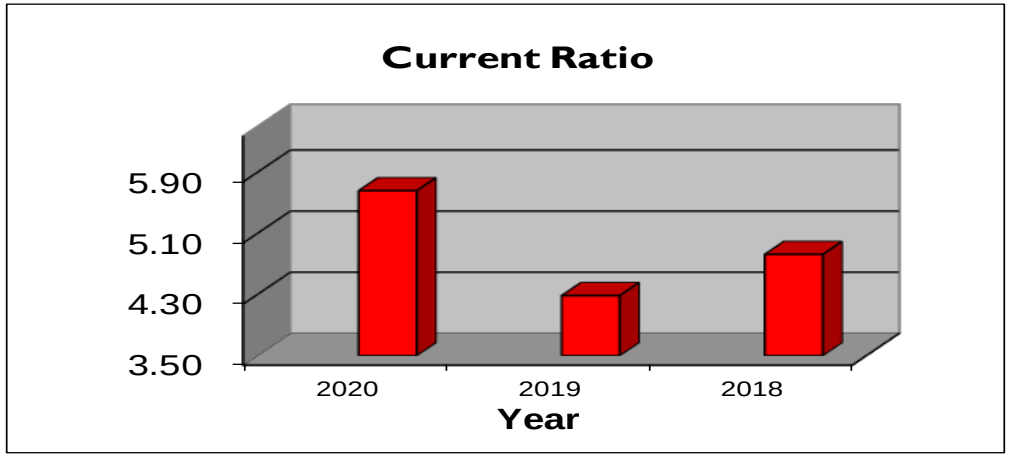
This ratio measures the efficiency of fundraising activities to the total activities of the nonprofit organization.



SELECTED FINANCIAL RATIOS

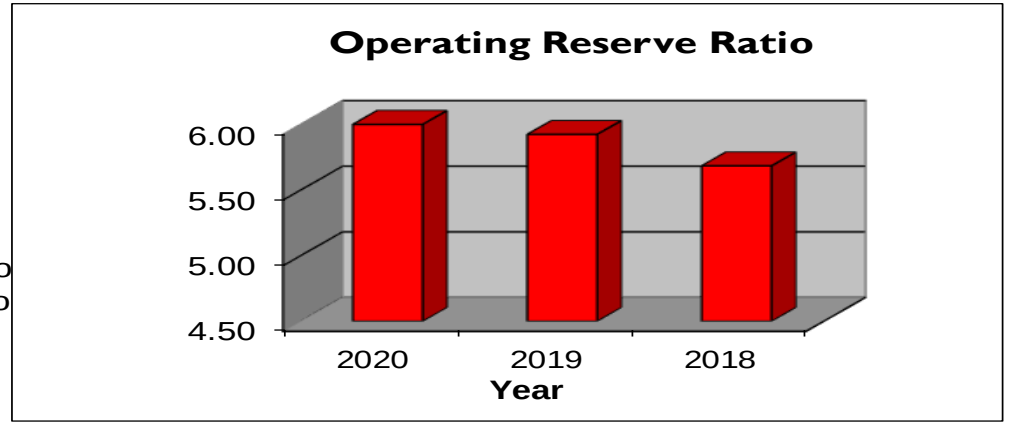
Current Ratio	2020	2019	2018
CURRENT ASSETS / CURRENT LIABILITIES	5.66	4.29	4.83

This ratio measures the overall liquidity of the organization. The higher the ratio, the more liquid the organization is. Ideally, this ratio should be at least 1.0, but preferably greater.



Operating Reserve Ratio	2020	2019	2018
CASH, RECEIVABLES, SECURITIES / AVERAGE MONTHLY EXPENSES	6.39	5.92	5.68

This ratio measures the adequacy of the resources of the nonprofit organizatio to support its mission. Organizations should aim to have greater than three mo of operating reserves.



OTHER MATTERS

Accounting for Leases

Summary: In 2016, the FASB issued its highly-anticipated leasing standard in ASU 2016-02, *Leases* (ASC Topic 842), for both lessees and lessors. Under its core principle, a lessee will recognize right-of-use ("ROU") assets and related lease liabilities on the balance sheet/statement of financial position for all arrangements with terms longer than 12 months. The pattern of expense recognition in the income statement/statement of activities will depend on a lease's classification.

Effective Date: This pronouncement was recently delayed for one year; therefore, for the Company, the standard is effective for the fiscal year ending September 30, 2022. Based on the current level of operating leases, we do not expect the adoption of Topic 842 to have a material effect on the Company's consolidated financial statements.

360
Warren Averett 360
Solutions Beyond Traditional Accounting
Traditional Accounting
Corporate Advisory Services
Technology & Risk Solutions
HR Solutions
Finance Team Support
Personal Services
Tampa Bay Economic Development Council
• M&A Services
• Transaction Advisory
• Restructuring & Turnaround
• Business Valuations
• Fraud & Forensics
• Speciality Tax
• Cyber Security
• Data Center Services
• Technology Consulting
• Managed Services
• Risk & Controls
• Business Software & Processes
• Executive/Professional Search
• Career Transition
• 401k Plans
• Executive Coaching
• Employee Benefit Plan Audits
• Cash Forecasting
• Financial Statement Prep
• Cloud-Based Accounting
• Accounting Department Oversight
• Wealth Management
• Estate Planning
• Daily Money Management

Committee Reports

- Investor Relations – ***Julio Esquivel, Shumaker, Loop & Kendrick, LLP***
- Business Development/International – ***Ben Dachepali, Hill Ward Henderson***
- Marketing – ***Robin DeLaVergne, Tampa General Hospital***

Investor Relations

SHUMAKER®

Shumaker, Loop & Kendrick, LLP

Julio C. Esquivel

Investor Relations

New Investors

CDW

LLW LEWIS LONGMAN WALKER

TAMPA BAY EDC

Business Development/International

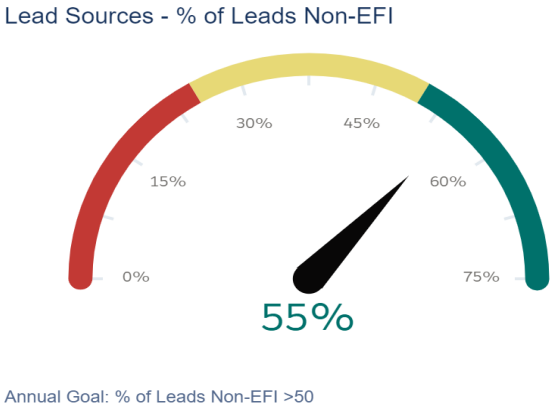
HILL WARD HENDERSON
ATTORNEYS AT LAW

Ben Dachepalli

Business Development

Q1 FY ‘ 21 In Review

- 22 New Prospects
- 19 of the 22 prospects are recruitment leads
- Industries with the most leads are manufacturing (9) and Information Technology (5)



Business Development

Project Announcement

- **Headquarters relocation of a cyber-security firm from San Francisco, CA**
- **100 Jobs, at least $4Million in Capital Investment, and average wages of $120,000 per year**

OPSWAT.®

INTERNATIONAL

Upcoming International Events:

- **Enterprise Florida Virtual Trade Show (March 16-18)**
- **SelectUSA Trade Show & Conference, virtual (June 6-9)**

Business Development (Recruitment)

Strategic Growth Area Recruitment

- Cybersecurity, Cancer Solutions, Fin Tech, Health Tech, Cancer Solutions, Supply Chain Management Solutions

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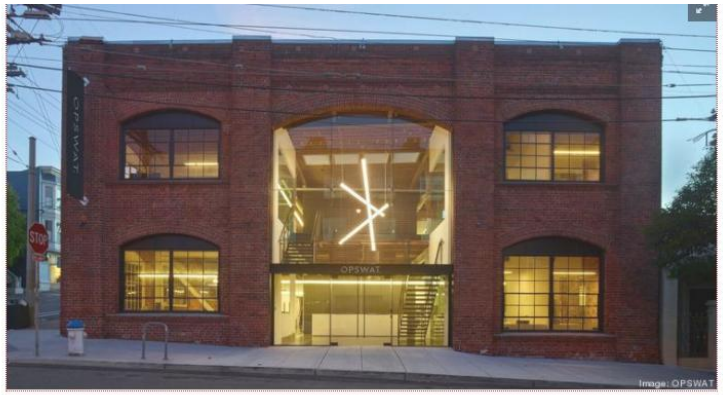
Media Relations

TAMPA BAY BUSINESS JOURNAL

San Francisco cybersecurity company establishes Tampa HQ



OPSWAT's San Francisco office. The company will be moving its headquarters to Tampa Bay.
OPSWAT

AREA DEVELOPMENT

OPSWAT Relocates Corporate Headquarters to Tampa, Florida

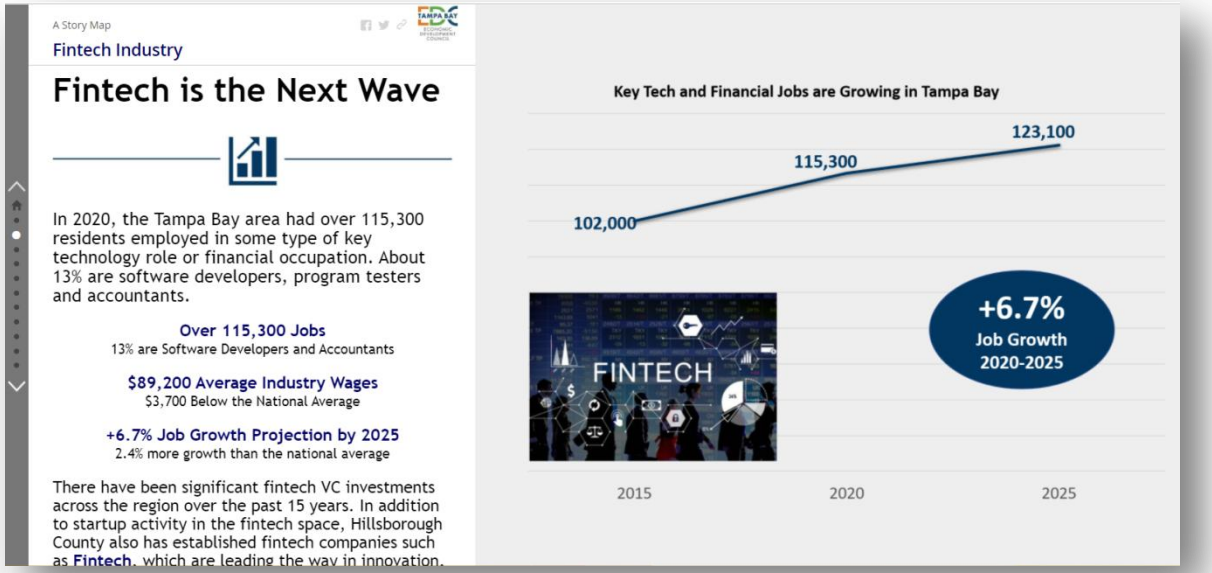
Tampa Bay Times

Cybersecurity firm OPSWAT moving headquarters to Tampa

The San Francisco company is one of several cybersecurity companies to locate to the region.

Web Site Updates

- Making progress on strategic growth area web pages.
  - Launched Fintech page to accompany cybersecurity, which launched in November.



Collateral Materials

- **Currently updating and redesigning our target industry overviews, which are shared with prospective companies and site selectors.**

President's Report

TAMPA BAY EDC
ECONOMIC DEVELOPMENT COUNCIL

Craig J. Richard, CEcD, FM
President & CEO

Legislative Boot Camp 2021

- January 7
- 16 elected officials, 31 total attendees
- Introduction to the EDC
- Role and Importance of Incentives
- Impact of Economic Development

Foundation Update

TAMPA BAY
ECONOMIC PROSPERITY
FOUNDATION

- **Capital Campaign Preparation in Process**
- **Purpose:**
  - ***Facilitate inclusive economic growth by creating jobs and investment in economically disadvantaged areas through the promotion of investment and career opportunities.***
- **Goal: $2M over 3 years**
- **Campaign Chair: Former Mayor Bob Buckhorn**

New Director of Community Development

- Tony Brown
  - Experienced and accomplished real state and finance professional
  - Redevelopment experience in Jacksonville, Cincinnati and Washington DC
  - Utilized redevelopment tools such as
    - Opportunity Zones
    - New Market Tax Credits
    - Tax Increment Financing
    - Public-private partnerships
  - Xavier University – BA, MBA

ED Talks!

- February 10 @ 8:30am
- Via Zoom
- Topic: Transformative Placemaking
- Speaker: Jennifer Vey, Brookings Institute

Operational Updates

- Continue working in a virtual office environment through first quarter 2021
- Annual Report is in the mail

Go Bucs!

Investor Announcements

- Christaldi named managing partner at Shumaker, Loop & Kendrick
- Port Tampa Bay welcomes new cross-Gulf container shipping service
- United Way Suncoast receives record-breaking $20 million donation from MacKenzie Scott

Investor Announcements

- Edwin Narain, Esq., recipient of the 2020 H.L. Culbreath Jr. Profile in Leadership Award from the Tampa Bay Chamber

- Yvette Segura takes reigns as 2021 chair of Tampa Bay Chamber

- USF and University of Tampa land among Princeton Review's Best Business Schools in nation

Investor Announcements

- **Diamond View Builds One of the World's Largest LED Volumes at New Virtual Studio in Tampa**

- **USF Health and Tampa General Hospital join forces to create powerhouse research hub**

THANK YOU!