

## SIGNS OF GROWTH

*Local leaders discuss South Florida's important economic issues*

**Q:** Regarding the commercial and residential real estate bust, what lessons have we learned regarding diversification of our job base, or are we still too reliant on real estate?



■ **Eddy Arriola, chairman, Apollo Bank:** We were reminded that “trees do not grow to the sky.” No asset class or sector can continue to grow at a rapid pace indefinitely. We all knew better. Let’s

hope that we don’t forget this. We will continue to be a real estate-driven economy so long as people want to visit and live here. But, along with that, we need to invest in schools and education to have the workforce that will attract different industries.



■ **Bowman Brown, chairman of the Executive Committee, Shutts & Bowen:** Yes, the South Florida economy is still too reliant on real estate, but is successfully attempting to diversify to include greater reliance on international finance and trade, biotech, aviation, etc.



■ **Edward A. Easton, chairman, The Easton Group:** Real estate will always be a main driver of our local economy. Even as Miami-Dade and Broward counties are built out, real estate taxes and the revenue generated from local businesses

that occupy commercial real estate will contribute to economic growth.



■ **George Hanbury II, president, Nova Southeastern University:** The state of Florida in general – and South Florida, in particular – has always been too reliant on the service industry and construction.

The growth of knowledge-based industries is, in my opinion, essential if we want to cultivate and re-establish a middle-income society. Education, training and research will attract biotech and high-tech industries to South Florida and employ individuals with higher-wage jobs – necessary if we are going to compete with offshore companies.

■ **Ezra Katz, chairman and CEO, Aztec Group:** South Florida is very much dependent upon the real estate market, in addition to tourism and the service industry. The sig-



nificant fluctuations in the real estate markets are a reflection of national and international issues as much as local. South Florida has been very successful, diversifying its job base in terms of international trade, specifically with Latin America

and the Caribbean, as well as creating investment opportunities from the international investment community. Unfortunately, the lessons of the past have not been used as a model for deterrents or fiscal policies which instill discipline within the lending community. The real estate and construction industry should continue to flourish, and it is a very important economic driver for our community.

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■ **Frank Nero, president, The Beacon Council:** That's a key issue, and it's why we are looking at a new targeted industry study to diversify the economy. We need to increase diversity. We cannot continue to rely on the three-

legged stool of agriculture, real estate and tourism. We must attract knowledge-based industry, and find funding for education for jobs of the future.



■ **Alyce Robertson, executive director, Miami Downtown Development Authority:** While real estate will always play a significant role in the region's economic fabric, we are seeing the beginning steps toward diversification. The public

and private sectors are investing in emerging industries such as technology and biotech that will help diversify our economic base, attract more capital investment, and create more high-paying jobs. Downtown Miami, in particular, is uniquely positioned to emerge as a global center for innovation, thanks to its growing residential base, thriving business district and international appeal.



■ **Donna E. Shalala, president, University of Miami:** South Florida will always be a place where people want to live, work, visit, study and do business with – and this underscores the need for a highly diversified and skilled job base to meet all their

needs. As an industry, real estate will need to adapt to our evolving demographics and

lifestyles because the “build it and they will come” mentality is no longer viable or profitable. The South Florida real estate market is finally coming to terms with the galloping development sprawl of the last two decades. The reality is that future expansion is limited by Biscayne Bay, the Atlantic and the Everglades, and we will need to focus more on urban infill that serves both commercial and residential needs, and limits the impact of widespread development throughout the region.



■ **Ron Shuffield, president, Esslinger Wooten Maxwell Realtors:** As a whole, over these past four years, our region has been adjusting to the fact that we do not have the level of construction that we enjoyed in years prior. Busi-

nesses that have adapted to the sudden changes of the economic downturn, are, as a result, performing more efficiently today, which is resulting in marked net income improvements over these past 24 to 36 months. Even while real estate continues to be a hot commodity in South Florida, due to our attractive pricing and international buyers, other industries have also seen gradual and lucrative expansions. International trade continues to be a huge part of our state's economy. Additionally, a growing and significant percentage of our population is working directly, or indirectly, with activities connected with Miami International Airport and the Port of Miami. Our health care and biotech sectors have also continued to experience strong growth, attracting full-time professional service providers and creating new employment opportunities for others to support these industries.

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■ **Kelly Smallridge, president/CEO, Business Development Board of Palm Beach County:** Our economic development strategies have been realigned to focus on industry clusters such as aviation/aerospace; business/financial services;

communications/technology; life science; alternative energy and corporate headquarters. The focus is on recruiting and expanding companies that are in these industries and pay higher-than-average salaries.



■ **Shane Soefker, senior managing director, Cushman & Wakefield of Florida:** Real estate will continue to be a strong component of South Florida's economy. The increased interest from international investors and multinational

companies, viewing Miami as a gateway to South America, will help stabilize the market. South Florida is a safe haven for capital investment, and it has been quite apparent in recent months that development opportunities are strong, with new projects slated such as Resorts World Miami, Miami Worldcenter and Brickell CitiCentre. Growth in the real estate market, whether it is a hotel property or mixed-use project, will fuel new jobs in many sectors, and many of these proposed projects will be catalysts for the next wave of employment.

■ **Bob Swindell, president/CEO, Greater Fort Lauderdale Alliance:** The length and depth of Florida's current economic downturn has certainly reinforced the importance of diversification and of growing alternative



industries to reduce our significant reliance on our state's legacy industries – construction, agriculture and tourism. Tourism in Broward has remained relatively strong, thanks to one of the nation's most capable CVBs, teamed-up with

some of the world's most talented hoteliers. Southeast Florida has seen significant improvement and success in a tourism recovery that has outpaced other areas of the U.S. Clearly, construction has experienced significant declines, compounded by a tradition of having some of the nation's highest construction growth, which has made it more difficult for our economy to recover. We are, and continue to be, a fantastic place to live, work and play. People will continue to want to move to Southeast Florida, and that will fuel the recovery of the construction industry. Our first step is to absorb the significant available inventory of existing residential and commercial product. Our international reputation and desirability will also be a key driver in our recovery and long-term economic health, as global capital continues to seek out quality investments.

**Q: Should we have gambling, and what would not having it (or having it) mean to our economy?**

- **Arriola:** Billions of dollars of new inbound investment in South Florida can have a positive long-term impact on our regional economy and our standing as an international tourism hub, but we don't need another Las Vegas. Florida's existing tourism and business base is diverse enough that we should not have to rely on gaming. That said, highly regulated casinos that are brought to market as part of a larger resort model have the potential to draw millions of new tourists to South Florida, and should be studied carefully. The job growth and tax revenue would be a big economic boost.
- **Brown:** We have it now. The proposed legislation would simply provide for gambling in an upscale setting, requiring a monumental investment, which would have a very positive economic impact on the South Florida economy.
- **Easton:** I personally am not a proponent of gambling. If you are going to have it, though, the Singapore process is the way to do it. Gambling will have a short-term economic benefit for South Florida, but in the long term, we would be better off without it.
- **Hanbury:** I think a major cultural issue such as gambling has to be re-vetted, with all social and economic costs and benefits thoroughly weighed against each other.
- **Katz:** I am of the opinion that gambling is already here, in that we have had various forms of gambling via the pari-mutuels and Indian casino venues such as the Seminole Hard Rock in Hollywood. The challenge we face with regard to any gambling venue has to do with impact on our quality of life, as well as the infrastructure required to facilitate and accommodate the explosion of employment and visitors. Our highway and road systems are inadequate to facilitate major or mega casino destinations. More importantly, Florida has not enacted appropriate legislation to monitor gaming and assess the impact on the immediate community. Our community must get definitive answers to fundamental questions, such as traffic and impact assessments, including the burden on our police and our governmental agencies. If we are able to tackle these issues with responsible actions, I am inclined to support gaming in South Florida.
- **Nero:** This is a game-changer industry. This community needs to understand the implications from an economic and social cost perspective. We need to slow this freight train down and take an honest look at the potential impact. We need to ask real questions about whether we should have these mega destination resorts here. It will change the face of South Florida, and the entire state, forever. I've called for slowing down this legislation and having an independent, objective, non-casino-funded evaluation of the impact of having casinos in Florida.
- **Robertson:** Emerging plans for master-planned destination resort casino development in downtown Miami speaks to our urban core's attractiveness as a global investment target. The multinational developers behind these projects could build their projects anywhere, presumably in locations with less-expensive land costs, but they have set their sights on downtown Miami. That very fact is a big win for our city, and a sign that we are quickly coming of age as an international destination and a 24/7 community. There are logistical and planning matters that need to be resolved before any of these projects are built – and the entities involved

are working to address these – but billions of dollars in new investment is a good thing for our downtown, and the projects merit serious public discourse.

- **Shalala:** Regardless of whether we have gambling, South Florida's anchor industries have diversified substantially beyond tourism over the last decade, raising both our national and international profile as a business-friendly, globally connected region. Our current local economy has sufficient critical mass to expand and to grow good-paying jobs. What is vitally important is strategic investments in industries with high yields and high salaries, such as health care and biotechnology, as well as fully funding complementary educational tracks that can prepare workers to step into these new jobs.
- **Soefker:** Florida is the fourth-largest state with gaming, and the expansion of gaming will undoubtedly have an immense impact on the state and local economies, generating thousands of jobs and millions in revenue. Although it is too soon to determine the exact effects of gaming, we can expect it to significantly influence real estate prices and create new demand in the residential and commercial sectors that would surround the sites, especially in the downtown Miami market, if approved.
- **Swindell:** We are still looking into this area and have not decided on the best approach. What we do feel strongly about is having the most accurate and comprehensive data on how expanded gaming will impact existing and new jobs. Our residents and policy makers need to have the best possible information to allow for well-informed decisions because this issue will have a lasting impact on Southeast Florida's reputation and our economic vitality.

**Q: Are the new transportation projects under way enough to materially help gridlock in the region?**

- **Arriola:** Transportation and education are the two biggest issues holding our economy back over the next decade. We are not doing enough on either front. Our political and business leaders need to place these two items at the top of the agenda, and the tri-county area needs to come up with a geographic strategy to resolve both issues, instead of operating in dysfunctional silos.
- **Brown:** No. Transportation has badly lagged South Florida's growth.
- **Easton:** The new projects will substantially reduce the gridlock. I don't think they will eliminate it, so we need new ways to increase capacity, possibly by double-decking I-95 or U.S. 1.
- **Hanbury:** New projects under way on major interstate highways and Florida's Turnpike will help to relieve some of the existing gridlock; however, South Florida will continue to grow. A dedicated source of funding needs to be identified in order to leverage federal funds, not only for job creation in the construction trades, but as the only method to solve transportation problems in the future. Highways may become more efficient, but there is no room to build more highways. Mass transit needs to be used as the viable alternative to the individual vehicle, not only for transportation purposes, but also in order to reduce our dependence on fossil fuels and to foster a cleaner environment.
- **Katz:** Our state and local governments need to do a significantly better job in monitoring our transportation systems and the efficiency with which they initiate capital improvements to our

freeway and road systems. Much of the gridlock we see today in Dade County is caused by inadequate planning by the Florida Department of Transportation, as well as coordination with the local community.

- **Nero:** I don't think they are. Clearly, the upgrade of the FEC tracks connecting South Florida would be a game-changer. We need to continue to seriously look at our options. We're not going to build our way out of this. Connecting the airport to downtown and the multimodal center is a step in the right direction. But the future of this area will be in creating some form of mass transit. I was disappointed when high-speed rail was killed. Our transit woes are going to be with us for a while.
- **Shalala:** Transportation is a hard nut to crack. It's not only about enhancing infrastructure; we need to change our mind set about mobility in general. The rise in telecommuting is an excellent example of adapting our work patterns to curb dependence on transportation. But, if we're truly serious about easing gridlock, we must invest in dependable and convenient mass transit options, and offer commuters incentives to use it. The University of Miami's Coral Gables campus is a microcosm of the greater community's transportation issues: We have to deal with traffic congestion and limited parking, while at the same time committing to reducing consumption of non-sustainable resources and mitigating adverse environmental impacts. Some of the steps we've taken include a restriction on freshmen bringing cars to campus; increased shuttle service around campus and to local business areas frequented by students; expanded housing on and near campus; discounted mass transit passes for both students and employees; enhanced bike-friendly campus; and a car sharing program for both students and employees. It's a start, and there's a measurable improvement in traffic and parking.
- **Shuffield:** What major world cities don't have traffic congestion? The new quality growth that we have witnessed in the urban core over this past decade is providing tremendous new opportunities for thousands of our newest residents to use our existing public transportation network. Making our sidewalks more pedestrian friendly, coupled with programs like the bike share initiative on Miami Beach, are helping to alleviate street traffic. Projects, which, for the most part, are being developed through traffic studies and community involvement, will aim to further alleviate or prevent congestion in their respective areas. Additional programs, such as the I-95 express lane, have also helped overcrowding. However, we must realize that our growing population and tourism sector will continue to require that we keep a strong focus on our area's transportation needs. With only 18 miles of dry land stretching between the ocean and the Everglades, we will always have to be on the lookout for new alternatives to individual automobiles.
- **Smallridge:** The widening of I-95 has helped with some gridlock, especially in the south Palm Beach County/north Broward County area. Compared to most sophisticated regions, we don't have as much gridlock, and it certainly is not as bad as it was 10 years ago. This is not a complaint that we hear at all anymore.
- **Soefker:** The new projects will definitely need to address traffic concerns in South Florida. They will be required to undergo extensive traffic studies to mitigate any potential issues, so I am confident that the various parties involved will focus on the long-term vision for the region, particularly the urban core. The Port of Miami tunnel will also alleviate congestion in downtown Miami, as we anticipate growth in cargo upon the completion of the Panama Canal widening. The initial steps are being taken to ensure traffic is on South Florida's agenda. We cannot reach full

potential as a region until we create long-term solutions for traffic, including improving public transportation plans.

- **Swindell:** Two projects under way in Broward County will be a big help regarding transportation. The I-595 expansion and accelerated efforts to improve the signalization of main transportation corridors has greatly improved the efficiency and traffic flow. The county first concentrated on north and south roadways, and now the east-west arteries are being calibrated to provide much better traffic flow. For the region, the possibility of Tri-Rail operating on the FEC line is a huge opportunity. In addition to the significant improvement for rail commuters, the development potential of transit-oriented projects will have a dramatic capital investment impact on our tax base. This is one of those game-changers as Southeast Florida matures into one of the nation's most desirable places to live work and play. When Tri-Rail operates on the east side FEC line, more riders will find it increasingly beneficial to take cars off our major highways and feeder streets. This, in turn, will drive retail, commercial and residential development along the FEC corridor.

## Q: How and when will healthy levels of bank financing return?

- **Arriola:** The best-kept secret is that banks are indeed lending. Financing is available – for good deals. Cash flow is king. Apollo Bank and many other banks are very active on the lending front, but the deals have to have real equity and real cash flow. Interest rates are at an all-time low, and healthy banks like ours are looking to build our balance sheet and develop new relationships.
- **Brown:** Not for several years.
- **Easton:** The people they want to lend to don't want to borrow, and those who want to borrow the banks don't want to lend to. Repealing the Dodd-Frank Act would help South Florida businesses get financing by taking harmful restrictions off lending.
- **Hanbury:** Healthier levels of financing will return when the fiscal and monetary policies of the U.S. attract both short-term and long-term responses to controlling debt, and a plan is implemented for balancing the economy.
- **Katz:** Banks are in relatively healthy shape as compared to four years ago, and I fully expect the level of lending to continue to grow. However, I also believe the underwriting standards for making loans will be much more conservative, and therefore borrowers will have to provide more equity in each transaction, as well as support the loans being requested by a strong balance sheet.
- **Nero:** They are starting to come back. Banks are doing more financing and are appropriately being more critical, particularly on the residential side. Part of the bust was easy money with no verification and no money down. Companies have a lot of cash on hand. Hopefully, they'll begin to invest it.
- **Shalala:** Hard to say. Banks have been facing a perfect storm for several years, and the challenges are not yet fully in the rearview mirror. Some banks are still working through domestic home mortgage issues. Global investment banks have varying degrees of exposure to the European debt crisis, which seems to be moving from country to country on a daily basis. The overall economy – which is influenced by consumer attitudes and spending and, most of all, jobs – remains uncertain, with U.S. GDP projected to grow only modestly. Banks are also struggling with the impact of low

long-term interest rates. The low yield environment is likely to continue to compress bank margins for some time. In South Florida, there was some good news in the second quarter, with an uptick in multifamily, residential and construction loans. The University of Miami will do its part to stimulate the economy. Our board recently approved construction of a new student activities center and an expansion of the Hecht Athletic Center. Several other projects are well into the planning stages. We will likely access the credit markets sometime next year.

- **Smallridge:** Until some banks put aside their fear of future loan and mortgage problems, they will not start important lending again.
- **Soefker:** The good news is that fewer banks failed this year than last. There were 157 failures in 2010, and there have been 88 to date in 2011. However, commercial mortgage-backed securities that provide liquidity have all but dried up. The bright spot for commercial real estate continues to be hedge funds and opportunistic real estate funds like CIM Group out of California, which recently partnered with the developers of Miami Worldcenter to recapitalize a stalled mixed-use project in downtown Miami. These funds are filling a void, as are international investors who are cash-rich. For banks to be profitable, they must open the lending spigot. We anticipate a turnaround in 2012 as they put money to work for high-quality projects that are in demand, but substantial equity will be necessary in order to access the capital.
- **Swindell:** We have started to see positive trends in access to capital over the past several months, and believe this improvement will continue. Actions that banks took – and, frequently, were forced to take – initially restricted working capital, but have ultimately resulted in the banks having stronger capital positions and liquidity. The “new” lending risk profile has created opportunities for proactive and creative banks to service small and medium-size companies as an underserved, but lucrative market. The long-term view of a return to quality lending has set the banks up for more favorable lending policies going forward. We also believe financing will continue to become more favorable as the foreclosure crisis works itself out over the next couple of years and balance sheets continue to improve.

## **Q: How will the region’s population cope if a jobless recovery becomes the reality?**

- **Arriola:** A healthy and vibrant society requires that its people are working and productive. The economy is moving toward a more stable position, but if the unemployment issue is not addressed, our society and region will deteriorate – we can’t have an economy of the “haves” and “have nots.” I believe the single biggest issue is addressing education – from the elementary level to the high school, technical training and university level. Education needs to be a priority, it needs to be made available at an affordable level, and it needs an overhaul to address the new century’s realities.
- **Brown:** I wish I knew.
- **Easton:** Once lending to small business resumes, you’ll see employment pick up. We won’t have a recovery in South Florida without that.
- **Hanbury:** I feel that education and retooling jobs through education will create and stimulate knowledge-based industries, and universities are the economic engine to stimulate such growth. Toward that effort, universities and business development boards, as well as the general

population, should collaborate to attract those businesses and firms that engage in technology, health professions and biotech.

- **Katz:** A jobless recovery is not an option. State and local governments must combine their resources and creativity to initiate and support job programs. Such programs must include the private sector as the purveyor of such programs, rather than to continue to create more governmental bureaucracies.
- **Nero:** The numbers show that's not going to be the case. This MSA has been No. 1 in the state in creating jobs. We are seeing jobs being created. The problem is they're not being created at a fast-enough rate. We're at about 95 percent of the total number of jobs before the recession. The issue is the labor pool has increased dramatically. It's not that we're not creating jobs. We're not creating them fast enough.
- **Shalala:** Our focus shouldn't be on a jobless recovery. Rather, we should be asking: Are our citizens ready to step into the new and diverse jobs being created? Is our education producing workers that can adapt to our evolving global economy? What skills must students have to succeed right out of high school? How do our two- and four-year higher-ed institutions partner with secondary schools; businesses; and local, state and federal government to prepare a well-educated and trained workforce? Are we supporting entrepreneurial efforts that can spark new industries that will generate jobs we can't even imagine today? An educated workforce is our greatest asset and where we will get the greatest return on investment.
- **Smallridge:** This region will not experience a jobless recovery. However, it will take years to get close to the job employment numbers we experienced years ago. Our population will cope by participating in training programs to learn the skill sets required to obtain a job in the companies relocating to our region in today's economy.
- **Soefker:** Efficiency has been key in this economic downturn. Businesses are operating lean, having been forced to cut staff while still producing the same, if not more, amount of work. However, while a jobless recovery for some businesses has, in fact, become the reality, other industries in the region – such as health care, hospitality and technology – are starting to show signs of growth. These developments are resulting in new opportunities for those hardest-hit members of the population.
- **Swindell:** This is something that keeps Southeast Florida's economic development professionals awake at night. However, we strongly believe a recovery with new jobs is more likely than a jobless recovery, and a look at Southeast Florida's current employment numbers, compared to where it was a year ago, reinforces that position. The harsh reality is that the Southeast Florida we knew five years ago has changed and is not coming back. Our residents will need to invest in their skills improvement and embrace continuous learning, as our expanding and innovative companies will require a talented workforce. The results of a recent survey of Broward businesses indicated more than 59 percent were planning to add jobs in 2012. This reinforces our expectation that employment numbers will continue to improve, resulting in more jobs for our residents.

**Q: How and when will technology and biotechnology bring about true change to our economy and justify some of the huge investments the region and state have made in it?**

- **Arriola:** South Florida is caught up in a false paradigm. Tax incentives won't create the next Silicon Valley or Silicon Alley. The Bay Area and New York City are the two most expensive places in the country to run a business. Creating the next hub of innovation involves investing in higher education, the arts and culture in order to create a great place to live. South Florida universities need to produce more engineers, year over year; that's how the biotech and technology boom will materialize.
- **Brown:** University of Miami's School of Medicine is a major world-class biotech incubator. Research is cutting edge in a variety of important medical fields. National Institutes of Health grants to the school have skyrocketed over the past few years, putting it at the top end of recipients. To date, Florida and South Florida have benefitted greatly from developments in this area, and will benefit tremendously in the future from a biotech industry spawned by UM, the Max Planck Institute, the Scripps Research Institute, the Torrey Pines Institute for Molecular Studies and the Sanford-Burnham Medical Research Institute, among others.
- **Easton:** The return on investment will take time. We have good infrastructure for biotech companies through our universities and research institutes such as Scripps. A couple of industry successes would go a long way to making South Florida competitive with more established areas such as Boston.
- **Hanbury:** Nova Southeastern University is constructing an Oceanographic Center for Excellence in Coral Reef Ecosystems Science to preserve, research and develop coral. Over 75 percent of the nation's coral is in Florida, and NSU is proud to be the nation's Center of Excellence to study coral and marine biology. Under construction by the university, and shortly to be addressed by its trustees, is the development of Broward County's only private incubator biotech wet lab and high-tech lab, as well as our own researcher to apply for externally funded grants in the biotech and technology areas. Like other universities in South Florida, we have signed an agreement with Scripps to work collaboratively in the biotech area, and we look forward to building this 218,000-square-foot research facility that will include wet labs, high-tech demonstration labs, teleperformance and the U.S. Geological Survey to coordinate the Everglades restoration project, working collaboratively with our biotech scientists in cancer research and the marine biologists at the Center of Excellence for Coral Reef Study.
- **Nero:** Bio/life science is a critical area. We're been working on a regional approach to the life tech corridor stretching up the east coast of Florida and over to Lee County. The kinds of things the University of Miami is doing with its life science facility, the research Florida International University is doing, and the efforts in Palm Beach and Broward will pay off. We have to differentiate the kinds of long-term investment with Scripps, Torrey Pines and Max Planck with the commercialization of some of the other efforts. That's going to be important, not just with life science, but with the whole life science/tech connection.
- **Robertson:** Miami is home to one of the only urban medical research centers in the country, located within 2 miles of our city center. There is no doubt that we will benefit from the investments made to diversify our economy and support innovation in our region. Additionally, downtown's growing residential infrastructure and

**population will be an asset in supporting the viability of the biotech and technology hub, once it is in place.**

- **Shalala:** Biotech requires a multifaceted infrastructure that includes investment capital, government buy-in, industry know-how, access to top national research universities and world-class medical complexes, as well as a highly trained workforce. This is precisely the resources we're pulling together at the University of Miami Life Science & Technology Park, which opened this summer near Overtown. We're already seeing a return on investment, with new out-of-market tenant companies coming on board, and we're moving forward with a new work training program with Miami Dade College and South Florida Workforce to make sure local residents have the skills needed for jobs throughout our community.
- **Smallridge:** We already are. Just take a look at the Scripps Florida Funding Corp. annual report. Our life science luncheon on Nov. 8 focused on 10 new/expanding life science companies that have grown their operations since the arrival of Scripps and Max Planck. On top of companies sprouting up throughout the region, Palm Beach State College constructed a 90,000-square-foot bioscience academy, and Jupiter is the home of a 45,000-square-foot wet laboratory facility. These are just a few success stories.
- **Soefker:** According to statistics, our state ranks among the top five for employment in multiple high-tech sectors, including Internet and telecommunications services and defense systems manufacturing. A solid foundation has been established, paving the way for leading technology companies to migrate to Florida. Among many developments this year within our technology sector, we saw Verizon Communications purchase Terremark Worldwide – one of Miami's largest technology companies – and Sarasota's xG Technology establish a research and development facility in Sunrise. As our state's reputation in the industry continues to grow, so does our potential for job growth and business development.
- **Swindell:** We have already seen many benefits in this area. For example, we are the only location in the world where four (soon to be five) of the major cloud technology/mobile communications R&D facilities operate within 5 miles of each other: Motorola Mobility (soon to be acquired by Google), Research in Motion, Motorola Solutions, Foxconn International Holdings and General Dynamics C4 Systems. They are part of a \$1 trillion industry, and we believe this sector, as well as the biotech and medical devices industries that have been growing in our region, will continue to grow. Southeast Florida's economic development organizations, combined with our major public and private universities, are working together in unprecedented ways to support, grow and market the strength of life sciences in our region. The results of our initial collaboration will be forthcoming, but what I can say is that the power of our region working together will rival any other place in the world, especially in key areas like the life sciences.

**Q: Will the new trade agreements and projects at area ports make a positive difference to our economy?**

- **Arriola:** The new trade agreements and the investment in our ports are very positive moves for the South Florida economy. Miami-Dade needs to embrace its role as the "capital" of Latin America – and view it as our strength. Broward and Palm Beach can take advantage of this by strategically viewing the tri-county area as one economic region that competes with, not only other parts of Florida, but other states and nations.

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- **Brown:** Yes. The new trade agreements and logistics improvements will have a very positive impact on South Florida's economy.
- **Easton:** Absolutely. When an expanded Panama Canal opens in 2014, many more ships will be coming into Miami. The trade agreements with Colombia and Panama will strengthen South Florida's ties to those countries. We will see a multiplier effect that will boost all segments of the local economy.
- **Hanbury:** We support the expansion and deepening of the port, and, in particular, the intermodal system, which will bring the CSX and FEC railroads directly to the coastal cargo areas. As the expansion of the Panama Canal to accommodate larger ships nears completion in 2014, expansion of our infrastructure will put South Florida in a very competitive position for trade with Central and South America, and the Caribbean islands.
- **Katz:** International trade and logistics are the key to South Florida's continued economic health. Our ports must be modernized and secured so as to facilitate the significant business we generate via the Caribbean and Latin America. Hopefully, we will also see a significant trade with Cuba as it becomes more of a democratic state than it has been for the past 50 years. Our international trade is not only important from the standpoint of materials being shipped to and from our ports, but South Florida must continue to expand its base of international financing.
- **Nero:** We sure hope so. We're starting to see a lot of interest from logistics and sourcing companies, betting that the deep dredge, the port tunnel and the inland port, coupled with widening the Panama Canal, will pay direct dividends with international trade and jobs here. We're supporters of improvements in Dade, Broward and Palm Beach, and expansion and upgrade at Miami International Airport. A lot of cargo comes here in the belly of planes. The connectivity of South Florida will have to be both actual and virtual. The NAP of the Americas and data center will well position South Florida going into the future.
- **Robertson:** Miami only stands to benefit from legislation that will further support the flow of commerce. Our region has already enjoyed a reputation as a gateway city for companies doing business between the U.S. and Latin America, and we need to continue finding ways to eliminate any barriers for investment that may still exist. For example, the Miami DDA has passed a resolution in support of visa waivers for Brazilians looking to visit and do business here in Miami. Brazil already pumps more than \$1 billion into our region each year, and easing restrictions would bring an additional and much-needed boost.
- **Shalala:** Free trade with Latin American and Caribbean partner countries is critical to Florida and the U.S. Promoting regional trade helps to expand economic development and job creation, and improve our ability to effectively compete with our Asian competitors. Free trade enhances labor and environmental standards, and helps advance positive changes in the private sector and civil society, both here and abroad. South Florida is in the best position to take advantage of the new free trade agreements, as we have a large and diverse population from Latin America and the Caribbean that gives our workforce significant cultural and bilingual skills. We are investing in our overall infrastructure, which supports trade, including current enhancement projects taking place at our seaports as, well as air transportation services, telecommunication networks, financial services and international academic institutions.

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- **Shuffield:** The expansion of the Panama Canal and the redevelopment of both the Port of Miami and Port Everglades will impact our area's ability to increase international trade. This will, of course, have a positive impact on our economic growth. Our ties to Latin America (and the world) continue to strengthen, making the state of Florida a hub of important activity and a gateway to key trade opportunities.
- **Smallridge:** Of course. The Port of Palm Beach and Florida Crystals Corp. have signed a partnership agreement to construct a very large intermodal facility in the western portion of our county.
- **Soefker:** International trade and logistics is big business in the region and will be a pillar for economic growth, especially with the Panama Canal completion and the redevelopment at the Port of Miami and Everglades. Our location and amenities give us the competitive advantage for commerce and logistics companies looking to expand their footprint in the region, Latin America and globally. The industrial sector has remained quite strong during the recession because it was not overdeveloped, so we anticipate there will be high demand for the next four or five years.
- **Swindell:** Our region has already benefitted from its close trading ties to South America, Central America and the Caribbean, where economies have been very successful and GDPs are growing. The fact that Southeast Florida is the only customs district in the nation to consistently have a trade surplus speaks volumes about our unique place in international trade. We believe the new trade agreements with Panama and Colombia, along with South Korea, will accelerate the growth of our trading relationships and the global economic importance of Central America, South America and the Caribbean to the U.S. Southeast Florida has some of the best-run ports and airports in the nation. Port Everglades, in particular, has an impressive 20-year capital improvement plan, approved by the Broward County Commission. Our county commissioners are reinvesting the port's earnings for sustained success well into the future as we create a rail network and intermodal facility that will insure the efficient and nationally competitive movement of containers and freight to the mid-Atlantic, Midwest and Northeast markets. We also believe the expansion of the Panama Canal will have a positive influence on our ports. That is why we have made it a priority to do what we can to help position Port Everglades for the increased trade opportunities we see forthcoming.