INDUSTRY PROSPECTUS

Competitive Advantages for the Community Services Cluster in the City of Cape Coral

City of Cape Coral
Office of Economic & Business Development

This cluster illustrates the regional growth of public support services that will stimulate new development and provide location opportunities for businesses seeking lower cost operating environments with good market access to multiple urban centers.

December 2024

TABLE OF CONTENTS

TABLE OF EXHIBITS

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Key Findings

- As part of an Economic Development Strategic Plan for the City of Cape Coral, a Target Industries analysis was conducted. An outcome of this work was the identification of the Community Services Cluster.

- The Community Services Cluster consists of **3** industry components:
  - Individual and family services
  - Community food and housing, and emergency and other relief services
  - Vocational rehabilitation services

- Revenue (in current dollars) for the Community Services Cluster is **$1,536.5 billion**. Growth expectations in the next five years will raise this figure to **$2,005.5 billion**, which is a **5.50%** compound annual growth rate (CAGR), or an overall **3.5%** revenue gain.

- The **3** individual industries that comprise the cluster have projected revenue gains ranging from **31.9%** (Vocational rehabilitation services) to **30.4%** (Individual and family services). In aggregate, the cluster demonstrates solid revenue growth for the next several years.

- Florida ranks in **8th** place for Community Services Cluster employment among the **10** leading US states.

- The Cluster has a projected **582** new jobs in Cape Coral supportable by the labor market.

- There are **6** Florida cities identified as direct competitors to Cape Coral:
  - Fort Lauderdale
  - Orlando
  - Palm Bay
  - Pompano Beach
  - Port St. Lucie
  - West Palm Beach

- As an example of typical Cluster business, a Vocational Rehabilitation Services facility of **19** persons in Cape Coral will generate **$2.349 million** in annual revenue.

- Profitability for a Vocational Rehabilitation Services Facility in Cape Coral is **5.8%** which leads all competition with the exception of Orlando.

- Cape Coral's employed civilian labor force of **102,700** is estimated to have an estimated **56%** of workers commuting to locations outside of the City. This out-commuting labor force presents an opportunity for development of new "intercept" facilities that can capture some of this worker flow.

- With the projected office census of **582** new jobs, it can be expected that at least **135,900 sf** of office space will be required to meet the Cluster's employment needs.

Introduction

As part of the development of an Economic Development Strategic Plan for the City of Cape Coral, a Target Industries analysis was conducted. An outcome of this work was the identification of the Community Services Cluster.

As defined by Harvard University, "a cluster is a regional concentration of related industries in a particular location. Clusters are a striking feature of economies, making regions uniquely competitive for jobs and private investment. They consist of companies, suppliers, and service providers, as well as government agencies and other institutions that provide specialized training and education, information, research, and technical support.

This cluster illustrates regional growth of public support services that will stimulate new development and provide location opportunities for businesses seeking lower cost operating environments with good market access to multiple urban centers.

The Community Services Cluster consists of **3** industry components:

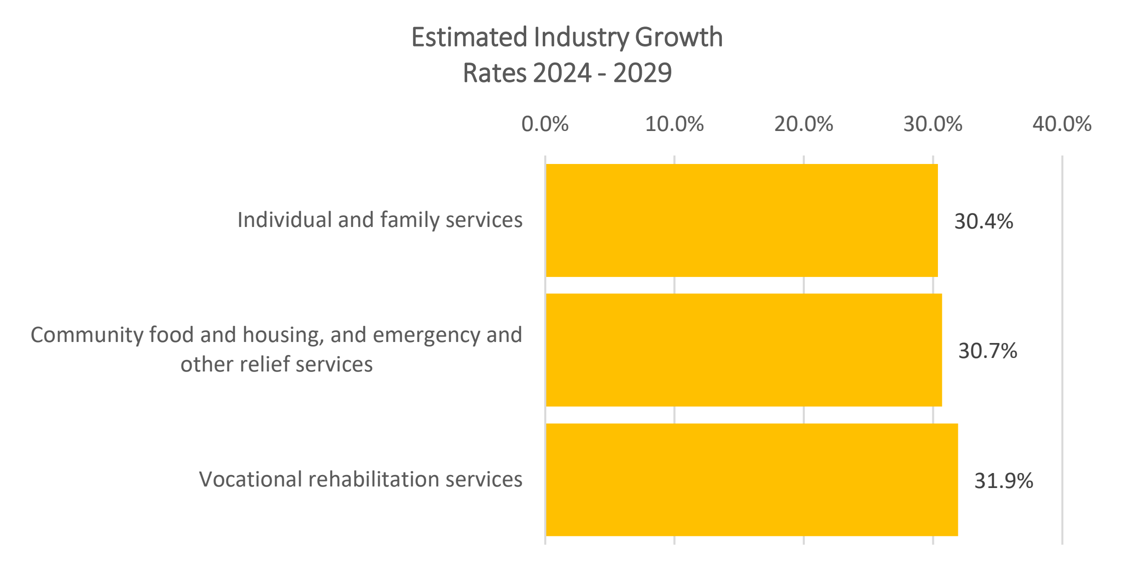
- Individual and family services
- Community food and housing, and emergency and other relief services
- Vocational rehabilitation services

Industries Performances

Revenue (in current dollars) for the Community Services Cluster is **$1,536.5 billion**. Growth expectations in the next five years will raise this figure to **$2,005.5 billion**, which is a **5.50%** compound annual growth rate (CAGR), or an overall **30.5%** revenue gain.

The **3** individual industries that comprise the cluster have projected revenue gains ranging from **31.9%** (Vocational rehabilitation services) to **30.4%** (Individual and family services). In aggregate, the cluster demonstrates solid revenue growth for the next several years. Refer to Exhibit 1 (below).

Exhibit 1 – Industry Performance Projections 2024-2029

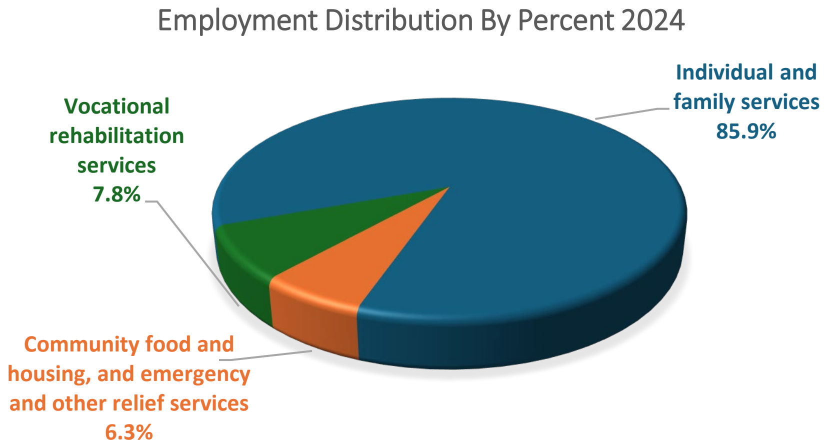


In the following Exhibit 2, each of the component industries are presented with their individual revenue growth expectations, employee productivity evaluation and typical establishment size.

Exhibit 2 – Component Industries Data Aggregation					
Individual and family services			Community food and housing, and emergency and other relief services		
	2024	2029		2024	2029
Revenue ($ billion)	$976.54	$1,273.28	Revenue ($ billion)	$525.16	$686.36
CAGR	5.45%		CAGR	5.50%	
Revenue Gain ($ billion)	$296.74		Revenue Gain ($ billion)	$161.20	
Revenue Gain (percent)	30.4%		Revenue Gain (percent)	30.7%	
Revenue per employee	$314,500		Revenue per employee	$2,303,500	
Typ. Estb. Size (US)	3		Typ. Estb. Size (US)	16	
Vocational rehabilitation services					
	2024	2029			
Revenue ($ billion)	$34.75	$45.85			
CAGR	5.70%				
Revenue Gain ($ billion)	$11.10				
Revenue Gain (percent)	31.9%				
Revenue per employee	$123,400				
Typ. Estb. Size (US)	29				

The distribution of employment in the Community Services Cluster is illustrated in Exhibit 3 (below):

Exhibit 3 – US Employment Distribution in the Community Services Cluster



For a Florida location, the **8th** place ranking for the Community Services Cluster employment among the **10** leading states is a favorable condition as shown in Exhibit 4 (below):

Exhibit 4 – Ten Leading States for the Community Services Cluster Employment

State	2024 Employment	Rank
California	915,845	1
New York	356,400	2
Pennsylvania	222,080	3
Texas	159,212	4
Illinois	121,650	5
Massachusetts	117,546	6
Washington	115,094	7
Florida	95,723	8
Minnesota	94,652	9
Ohio	90,651	10

The Fit for Cape Coral

As part of an Economic Development Strategic Plan for Cape Coral, a Target Industries analysis was conducted. An outcome of this work was the identification of the Community Services Cluster. The Cluster contains the **3** component business areas that have a projected **582** new jobs supportable by the Cape Coral labor market, as shown in Exhibit 5 (below):

Exhibit 5 - Vocational Rehabilitation Services Cluster Employment	
Industry	# of New Jobs
Individual and family services	340
Community food and housing, and emergency and other relief services	100
Vocational rehabilitation services	142
Total	**582**

For exploratory purposes, the Vocational Rehabilitation Services industry has been selected for deeper examination. For this industry category, there is a projected the growth of **142** new jobs.

Vocational Rehabilitation Services

This industry comprises (1) establishments primarily engaged in providing vocational rehabilitation or habilitation services, such as job counseling, job training, and work experience, to unemployed and underemployed persons, persons with disabilities, and persons who have a job market disadvantage because of lack of education, job skill, or experience and (2) establishments primarily engaged in providing training and employment to persons with disabilities. Vocational rehabilitation job training facilities (except schools) and sheltered workshops (i.e., work experience centers) are included in this industry.

Model Operations

The national average size for a Vocational Rehabilitation Services facility is **22** persons, and the State of Florida's is **16** persons. A nominal facility size of **19** persons is selected as a Cape Coral model for this industry. Average productivity output for Vocational Rehabilitation Services is **$123,400** per employee, resulting in an annual sales figure of **$2.349 million**. Total investment per employee is estimated at **$53,400**, as shown in Exhibit 6 (below):

Exhibit 6 – Vocational Rehabilitation Services -- Typical Operations	
Annual Net sales	$2,349,300
Total Employment	19

Avg. hourly Wage	$31.86
Fringe benefits Percentage	35%
Total Payroll	$1,699,900
Facility Footprint sq. ft.	6,700
Employee Occupancy/sf	350
Floor-Area-Ratio	0.39
Facility Construction Cost/sq. ft.	$119
Facility Construction Cost	$800,000
Estimated Equipment Cost (annual carry)	$100,000
Site Acreage	0.4
Land Cost	$116,000
Total Investment	**$1,016,000**

Staffing

Employment distribution among the relevant major occupational groups for the industry is shown in Exhibit 7 (below):

Exhibit 7 – Vocational Rehabilitation Services Facility – Employee Census			
Occupation	# of Jobs	Florida Avg. Hrly Wage	Cape Coral Avg. Hrly Wage
General and Operations Managers	1	$62.84	$56.48
Business Operations Specialists, All Other	3	$41.40	$36.78
Computer User Support Specialists	1	$28.02	$28.50
Educational, Guidance, and Career Counselors and Advisors	8	$27.37	$30.38
Physician Assistants	1	$58.55	$61.74
Exercise Trainers and Group Fitness Instructors	1	$21.50	$22.28
Bookkeeping, Accounting, and Auditing Clerks	1	$22.98	$22.47
Receptionists and Information Clerks	1	$16.74	$16.98
Office and Administrative Support Workers, All Other	2	$21.17	$21.77
Total	**19**		
Average Hourly Wage		**$31.38**	**$31.86**

Labor Capability

Available labor is calculated by using both the current unemployment rate (U3) for the Cape Coral-Fort Myers MSA and the factored under-employment rate[1] (U6) from the Bureau of Labor Statistics. For the target of **142** new jobs for the industry sector, the Employee Census table from above is revisited with the overall new job requirements shown in Exhibit 8 (below).

Exhibit 8 - Vocational Rehabilitation Services – Occupations Needed	
Occupation	# of new jobs
General and Operations Managers	2
Business Operations Specialists, All Other	19
Computer User Support Specialists	3
Educational, Guidance, and Career Counselors and Advisors	76
Physician Assistants	4
Exercise Trainers and Group Fitness Instructors	11
Bookkeeping, Accounting, and Auditing Clerks	5
Receptionists and Information Clerks	9
Office and Administrative Support Workers, All Other	11
Total Occupations Required	**142**

In the following, the **9** categories of staffing for a Vocational Rehabilitation Services Facility are evaluated for direct hiring capabilities:

General and Operations Managers

In the Cape Coral-Fort Myers MSA, there are currently **6,110** persons employed in this position. Using the U6 factor, it is estimated that there are approximately **425** applicants that are likely to be available to support this industry in Cape Coral. Direct hiring outcome is **Positive** for this position.

Business Operations Specialists, All Other

In the MSA, there are currently **1,310** persons employed in this position. Using the U6 factor, it is estimated that there are approximately **91** applicants that are likely to be available to support this industry in Cape Coral. Direct hiring outcome is **Positive** for this position.

Computer User Support Specialists

In the MSA, there are currently **980** persons employed in this position. Using the U6 factor,

[1] U6: Total unemployed, plus all persons marginally attached to the labor force, plus total employed part time for economic reasons, as a percent of the civilian labor force plus all persons marginally attached to the labor force.

it is estimated that there are approximately **68** applicants that are likely to be available to support this industry in Cape Coral. Direct hiring outcome is **Positive** for this position.

Educational, Guidance, and Career Counselors and Advisors
In the MSA, there are currently **450** persons employed in this position. Using the U6 factor, it is estimated that there are approximately **31** applicants that are likely to be available to support this industry in Cape Coral. Direct hiring outcome is **Problematic** for this position, requiring some external recruitment of applicants or retraining of others in the market area.

Physician Assistants

In the MSA, there are currently **210** persons employed in this position. Using the U6 factor, it is estimated that there are approximately **15** applicants that are likely to be available to support this industry in Cape Coral. Direct hiring outcome is **Positive** for this position.

Exercise Trainers and Group Fitness Instructors
In the MSA, there are currently **380** persons employed in this position. Using the U6 factor, it is estimated that there are approximately **26** applicants that are likely to be available to support this industry in Cape Coral. Direct hiring outcome is **Positive** for this position.

Bookkeeping, Accounting, and Auditing Clerks
In the MSA, there are currently **3,370** persons employed in this position. Using the U6 factor, it is estimated that there are approximately **234** applicants that are likely to be available to support this industry in Cape Coral. Direct hiring outcome is **Positive** for this position.

Receptionists and Information Clerks
In the MSA, there are currently **2,290** persons employed in this position. Using the U6 factor, it is estimated that there are approximately **159** applicants that are likely to be available to support this industry in Cape Coral. Direct hiring outcome is **Positive** for this position.

Office and Administrative Support Workers, All Other

In the MSA, there are currently **530** persons employed in this position. Using the U6 factor, it is estimated that there are approximately **37** applicants that are likely to be available to support this industry in Cape Coral. Direct hiring outcome is **Positive** for this position.

Conclusion

In summary, staffing for a Vocational Rehabilitation Services Facility in Cape Coral is projected to be quite achievable. However, the position that exhibits a shortfall is:

- Educational, Guidance, and Career Counselors and Advisors

The economic development and workforce officials in Cape Coral have been alerted to this employment shortfall issue. New initiatives are in development that will increase labor availability in this area.

Comparison Analyses

The objective of this section is the determination of which Florida cities are Cape Coral's true competition, not just Fort Myers or another Southwest Florida community. To accomplish this evaluation, a review of **22** municipalities in Florida with a population of **100,000** or more was conducted. Through analysis of population growth for each of the as compared to annual rate for the State of Florida, **6** cities emerged as true competitors to Cape Coral:

- Fort Lauderdale
- Orlando
- Palm Bay
- Pompano Beach
- Port St. Lucie
- West Palm Beach

Profitability Determination

Base financial information is shown in Exhibit 9 (below):

Exhibit 9 - Vocational Rehabilitation Services – Competitive Evaluation – Base Financial Data							
Market	Cost/Acre	Land Cost	Facility Cost/SF	Facility Cost	Total Investment	Financing	Debt Service
Cape Coral	**$295,000**	**$116,000**	**$91**	**$707,000**	**$823,000**	**$658,400**	**$54,700**
Fort Lauderdale	$1,437,000	$566,000	$95	$734,000	$1,300,000	$1,040,000	$81,700
Orlando	$201,000	$79,000	$93	$725,000	$804,000	$643,200	$50,500
Palm Bay	$494,000	$195,000	$99	$762,000	$957,000	$765,600	$60,200
Pompano Beach	$2,057,000	$810,000	$95	$734,000	$1,544,000	$1,235,200	$90,100
Port St. Lucie	$146,000	$58,000	$95	$740,000	$798,000	$638,400	$50,200
West Palm Beach	$975,000	$384,000	$92	$718,000	$1,102,000	$881,600	$69,300

Profitability for a Vocational Rehabilitation Services Facility in Cape Coral is **5.8%** which leads all competition with the exception of Orlando, as shown in Exhibit 10 (below):

Exhibit 10 - Vocational Rehabilitation Services – Competitive Evaluation – Annual Operating Profits

Market	**Cape Coral**	Fort Lauderdale	Orlando	Palm Bay	Pompano Beach	Port St. Lucie	West Palm Beach
Annual Net sales	**100.0%**	100.0%	100.0%	100.0 %	100.0%	100.0%	100.0%
Payroll (incl. benefits)	**72.4%**	73.9%	70.9%	70.9%	73.9%	71.1%	73.9%
Utilities & Fuels	**7.0%**	8.8%	7.6%	8.8%	8.8%	8.8%	8.8%
Debt Service	**2.3%**	3.5%	2.1%	2.6%	3.8%	2.1%	2.9%
Materials	**2.5%**	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Cost of goods sold	**84.2%**	88.7%	83.2%	84.7%	89.1%	84.5%	88.2%
Annual Gross profit	**15.8%**	11.3%	16.8%	15.3%	10.9%	15.5%	11.8%
Less: Sales exp.	**1.5%**	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
General & Administrative. Overhead	**8.5%**	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%
Total Operating expenses	**10.0%**	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
Annual Net Profit before taxes	**5.8%**	1.3%	6.8%	5.3%	0.9%	5.5%	1.8%

Summary

The Community Services Cluster illustrates the regional growth of public support services that will stimulate new development and provide location opportunities for businesses seeking lower cost operating environments with good market access to multiple urban centers.

Metrics for the Cluster and its component industries all indicate positive revenue growth for the next five years. The Cluster is essentially office space users with varying occupancy characteristics. The Community Services industry is flourishing in Florida, partially due to the following advantages:

Business-friendly policies

Florida offers a favorable tax and business climate, including no state income tax.

Strong workforce

Florida's diverse economy and strong workforce support the labor force.

Proximity to markets

Florida's location near buyers, suppliers, labor, and transportation allows companies to cut costs and develop close relationships with the community.

For Cape Coral, operations such as a Vocational Rehabilitation Services will be profitable endeavors. The City and the MSA have a dynamic labor supply that is well suited to meet the needs of the Community Services Cluster.

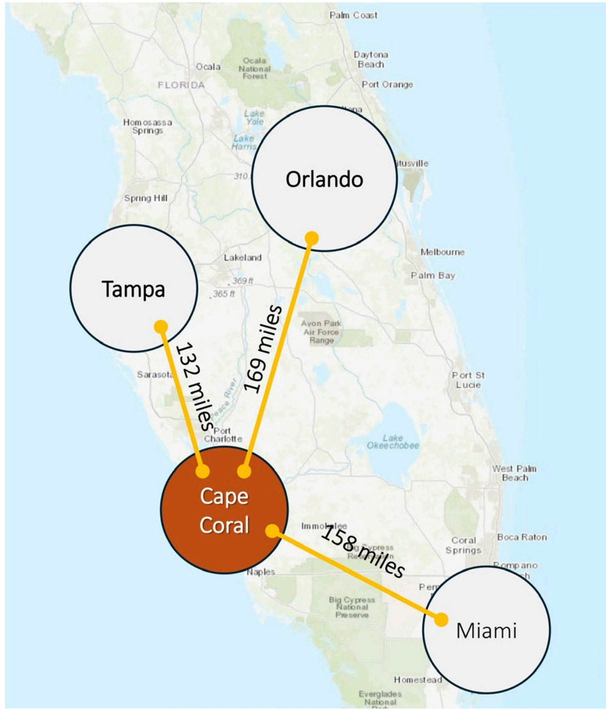
Cape Coral's employed civilian labor force of **102,700** is estimated to have an estimated **56%** of workers commuting to locations outside of the City. This out-commuting labor force presents an opportunity for development of new "intercept" office facilities that can capture some of this worker flow.

With the projected office census of **582** new jobs, it can be expected that at least **135,900 sf** of office space will be required to meet the Cluster's employment needs.

Photo credit: Depositphotos

Competitive Advantages of the City of Cape Coral Location

Cape Coral is in Lee County in Southwest Florida and is the largest population component of the Cape Coral-Fort Myers Metropolitan Statistical Area. The City's location is about an equidistance from the major urban centers of Tampa, Miami, and Orlando.



Originally developed in the late 1950's as a "Waterfront Wonderland", Cape Coral was designed to bring the waterfront dream of home ownership to middle-income Americans. With its over 400 miles of salt and freshwater canals, Cape Coral is a unique community that is redefining its identity beyond being just a suburb of Fort Myers. The City was incorporated in 1970 and maintains a brisk growth pattern despite economic downturns, a pandemic, and severe weather disturbances.

Demographic Advantages

With a current population of approximately **217,000** people, Cape Coral is forecasted to grow to over **375,000** by 2050, representing a nearly **73%** increase. Cape Coral's explosive growth places it among the five fastest growing communities in the nation, measuring more than twice that of the State of Florida.

While more retirees are expected, the City is experiencing a dynamic growth in the working age groups of **25-44 yrs**. By 2029, an overall population gain of about **20,000** new residents will result in **34%** increase in working aged people.

Demographic and market advantages include:

- Growth rate exceeding the State's
- Dynamic growth rate among 25-44 yr. old residents
- Above average number of executive-age workers

- Exemplary rate of English language proficiency
- Above average household size
- Above average median household income
- Above average home ownership rate
- Below average cost of living rate
- Above average good/services industries employment
- Below average services industries hourly wages
- Above average worker mobility patterns
- Below average commercial and industrial electric rates

Higher Education Resources

There are **9** four-year colleges and universities within **50** miles of Cape Coral. In 2022, **9,933** degrees were conferred by the following institutions:

- Florida Gulf Coast University (Fort Myers)
- Florida SouthWestern State College (Fort Myers)
- Southern Technical College (Fort Myers)
- Hodges University (Fort Myers)
- Keiser University-Ft Myers (Fort Myers)
- Rasmussen University-Fort Myers (Fort Myers)
- Ave Maria School of Law (Naples)
- Ave Maria University (Ave Maria)

The five most sought after fields of study are:

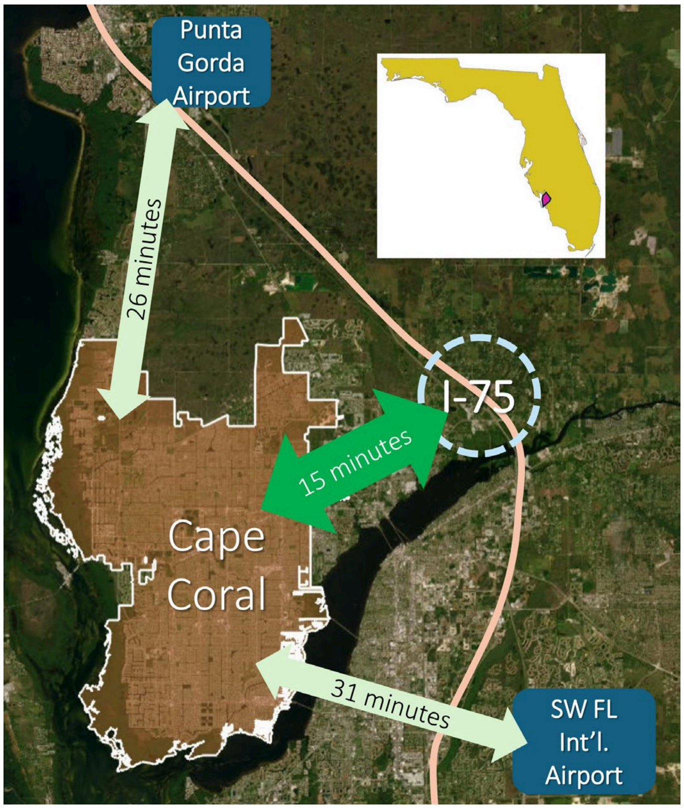
1. Business, Management, Marketing, and Related Support Services
2. Health Professions and Related Programs
3. Education
4. Multi/Interdisciplinary Studies
5. Psychology

Market Potential

Cape Coral's southwest Florida location can not only cover the total Florida market but a significant portion of the US. Within a 300-mile travel distance (one day truck routing), about **6.1%** of the nation can be reached.

Highway Travel

Interstate 75 (I-75) is within **15 minutes**' drive from Cape Coral. Access to the interstate can be achieved to the eastern direction in North Fort Myers or via one of the bridges through downtown Fort Myers. To the north, access is available in Punta Gorda at a slightly longer travel time.



Air Travel

There are two airports that serve Cape Coral. Southwest Florida International Airport (RSW) is a major facility providing domestic and international flights daily. Travel to RSW is within **31 minutes** from downtown Cape Coral. RSW serves **10.1 million** passengers annually. In 2023, RSW had **87,685** aircraft operations.

Punta Gorda Airport (PGD) in Charlotte County just north of Cape Coral is a regional facility providing domestic flights mainly to the Midwest (Allegiant Air). PGD serves about **1.9 million** passengers per year and had **103,252** aircraft operations in 2023.

Rail Service

Passenger rail service via Amtrak is available in Fort Myers. The system operates **77** daily scheduled trips. Travel from downtown to Fort Myers Station Cape Coral is about **31 minutes**.

Freight rail services are provided by the Seminole Gulf Railway (SGLR). SGLR is a short line freight and passenger excursion railroad headquartered in Fort Myers that operates two former CSX Transportation railroad lines in Southwest Florida.

Bus Service

LeeTran operates bus services in Cape Coral. Currently there are **5** fixed bus routes but expanded services are under development. Looped routes provide transit to and from Fort Myers. The new Ultra On Demand micro-mobility fleet will enhance bus transit capabilities throughout the City.

Lifestyle & Recreational

Cape Coral's riverfront location and unique canal system offer a recreation-oriented lifestyle that has broad-range appeal. Some of the area's tourism advantages are as follows:

- Growing residential population, which can further encourage already existing strong category of visiting friends & family travelers
- Major home rental market for vacationers – over **4,000** homes and **350** private rooms available
- Numerous opportunities to rent a house and boat together, canals enhance rental properties
- Major hotel - Westin Resort at Marina Village – significant anchor for tourism activity
- Favorable location
- Proximity to airports, major highways, and neighboring tourist communities.
- One of safest cities in Florida
- Sports tourism – an already existing, active, and effective government involvement
- Increasingly strong restaurant and food scene
- Water activities – boating, dolphin tours, fishing, kayaking
- Winter warm weather destination
- Major League Baseball Spring Training nearby
- Active events schedule including festivals, parades, and concerts

Contact Information

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