

Volusia-Flagler economy is nation's most improved

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Ranking of 'Best Performing Cities' shows big jump

By **Clayton Park**



DAYTONA BEACH - On the heels of Manpower's forecast earlier this week that Volusia County will lead the country in percentage of employers adding jobs next quarter comes another glowing national report.

The Deltona-Daytona Beach-Ormond Beach area, which includes Flagler County, has the most improved local economy in the nation, at least among large metro areas, according to the latest annual Best Performing Cities ranking by the Milken Institute.

The Volusia-Flagler area this past year was the 69th best-performing out of 200 large metro areas in the country, up from No. 137 a year ago, according to the rankings issued Thursday by the Santa Monica, California-based economic think tank.

The ranking is based on job creation and wage and high-technology growth.

"Job growth is the strongest in a decade for your area," said Ross DeVol, chief research officer for the Milken Institute, in a telephone interview. "A lot of it relates to a renewal of retiree migration from the Northeast that's leading to increased demand for healthcare services and other services and a pickup in new home construction."

DeVol also noted the increase in large mixed-use developments, including the One Daytona complex under construction across the street from Daytona International Speedway and Oasis Daytona, the planned 6,900-home age-restricted 55-and-older community just west of Interstate 95 that will include commercial centers.

The Volusia-Flagler area's big jump in the rankings was largely driven by job growth between August 2015 and August 2016, which was fourth highest in the nation, according to the report.

While annual wages locally remain well below both statewide and national averages, the Volusia-Flagler area's ranking for wage growth among large metro areas nationally improved to 54th best, up from 136th a year ago.

The Volusia-Flagler area's ranking for high-tech gross domestic product growth, on the other hand, fell to No. 160, down from No. 143 a year ago.

Local economy watchers said they were encouraged by the area's latest ranking, but also noted it shows that there is still plenty of room for further improvement.

"When you see a variety of (national) reporting agencies talking about the growth in the area, it validates that what's happening here is real," said Nancy Keefer, president and CEO of the Volusia Regional Chamber of Commerce. "The growth in our rankings is pretty incredible."

Lou Paris, innovation and communications manager for CareerSource Flagler Volusia, said job growth in Flagler County is a big reason for the jump in rankings for the two-county area.

During the Great Recession, Flagler County had one of the nation's highest unemployment rates, peaking at 15.2 percent in 2009, largely because of the collapse of the housing market, which had been the primary driver of its local economy.

The jobless rate for Flagler has steadily improved since then, and was down to 5.6 percent as of October, Paris noted.

"Our CareerSource (career center) operations in Flagler County have seen a day-and-night improvement," he said. "During the recession, we had tons of people coming through our door. Today, we only have a low number of job seekers coming through our door, but they are requiring more in-depth services because their skills are so low."

Helga Van Eckert, director of Flagler County's Department of Economic Opportunity, said not only is the county's jobless rate improving, but efforts to make the local economy less dependent on the housing market are starting to pay off.

Coastal Cloud, a high-tech company in Palm Coast, has been steadily growing and a number of startups, including Procrave.com, a maker of nutritional products, are springing up.

"We are seeing the local economy in Flagler starting to diversify," she said.

Rob Ehrhardt, Volusia County economic development director, said the jump in the Volusia-Flagler area's ranking "is validation of our improving economy."

Ehrhardt noted that the number of non-agricultural workers employed in Volusia County in the third quarter of this year was up 8,600 over the number the same quarter last year.

"Investment drives growth and it seems clear that the decision by private-sector companies to invest in our area has generated significant momentum and should create opportunities for future consideration." Ehrhardt said.

DeVol of the Milken Institute agreed.

"If you look at the recent job momentum, it seems the Deltona-Daytona Beach-Ormond Beach metro area is poised to rise higher in the rankings next year," DeVol said.

Top 5

The five large metro areas with the biggest improvement in the "Best-Performing Cities" rankings:

1. Deltona-Daytona Beach-Ormond Beach: 2016 rank: 69; 2015 rank: 137;

Change: +68

2. Richmond, VA: 2016 rank: 83; 2015 rank: 147; Change: +64

3. Toledo, OH: 2016 rank: 99; 2015 rank: 162; Change: +63

4. Chattanooga, TN-GA: 2016 rank: 101; 2015 rank: 154; Change: +53

5. Rockford, IL: 2016 rank: 125; 2015 rank: 176; Change: +51

SOURCE: Milken Institute

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