

**The Florida Senate**  
**COMMITTEE MEETING EXPANDED AGENDA**

**COMMERCE AND TOURISM**  
**Senator Detert, Chair**  
**Senator Abruzzo, Vice Chair**

**MEETING DATE:** Tuesday, January 22, 2013  
**TIME:** 3:30 —6:00 p.m.  
**PLACE:** *Toni Jennings Committee Room*, 110 Senate Office Building

**MEMBERS:** Senator Detert, Chair; Senator Abruzzo, Vice Chair; Senators Bean, Hays, Hukill, Margolis, Richter, Ring, Simpson, Stargel, and Thompson

TAB	BILL NO. and INTRODUCER	BILL DESCRIPTION and SENATE COMMITTEE ACTIONS	COMMITTEE ACTION
1	<b>SB 122</b> Montford	Sales Tax Exemptions; Exempting from the sales tax certain separately stated charges imposed on a lessee or licensee of leased or licensed premises, etc.  CM     01/22/2013 Favorable AFT AP	Favorable Yeas 10 Nays 0
2	<b>SB 222</b> Detert	Reemployment Assistance; Transferring the functions of the Reemployment Assistance Appeals Commission to the Department of Economic Opportunity; requiring the Department of Economic Opportunity to create a regional appeal office at each regional workforce board; requiring the tax collection service provider to calculate a certain additional rate; requiring assessments to be available to pay interest on federal advances; requiring certain excess funds to be transferred to the Unemployment Compensation Trust Fund after a certain time period, etc.  CM     01/22/2013 Favorable ATD AP	Favorable Yeas 11 Nays 0
3	<b>SB 224</b> Detert	Florida Small Business Development Center Network; Providing that the Florida Small Business Development Center Network's statewide director is subject to the approval of the Board of Governors of the State University System; providing that the Board of Governors, the Department of Economic Opportunity, and the network's statewide advisory board are jointly responsible for establishing certain policies and goals; requiring the statewide director to work with regional small business development centers to establish and approve budgets; requiring the statewide director to coordinate with the Board of Governors to establish an innovative incentive program, etc.  CM     01/22/2013 Favorable ATD AP	Favorable Yeas 10 Nays 0

**COMMITTEE MEETING EXPANDED AGENDA**

Commerce and Tourism

Tuesday, January 22, 2013, 3:30 —6:00 p.m.

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TAB	BILL NO. and INTRODUCER	BILL DESCRIPTION and SENATE COMMITTEE ACTIONS	COMMITTEE ACTION
4	Presentation by Gray Swoope, President and CEO of Enterprise Florida, Inc., on the amount of economic development incentives, the recipients of incentives, and what the state receives in return		Presented
5	Start-up Business Environment in Florida: Florida Research Consortium Institute for the Commercialization of Public Research Florida Innovation Hub at the University of Florida Florida Business Incubation Association Florida High Tech Corridor Enterprise Florida, Inc., on the State Small Business Credit Initiative		Presented

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Other Related Meeting Documents

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An electronic copy of the Appearance Request form is available to download from any Senate committee page on the Senate's website, [www.flsenate.gov](http://www.flsenate.gov).

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**The Florida Senate**  
**BILL ANALYSIS AND FISCAL IMPACT STATEMENT**

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Committee on Commerce and Tourism

BILL: SB 122

INTRODUCER: Senator Montford

SUBJECT: Sales Tax Exemptions

DATE: January 18, 2013      REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Smith	Hrdlicka	CM	<b>Favorable</b>
2.	_____	_____	AFT	_____
3.	_____	_____	AP	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

**I. Summary:**

SB 122 reenacts s. 212.031(10), F.S., exempting from sales tax separately stated charges imposed by a convention hall, exhibition hall, auditorium, stadium, theater, arena, civic center, performing arts center, or publicly owned recreational facility upon a lessee or licensee for food, drink, or services required or available in connection with a lease or license to use real property, including charges for laborers, stagehands, ticket takers, event staff, security personnel, cleaning staff, and other event-related personnel, advertising, and credit card processing.

Section 212.031(10), F.S. (2009), providing the above exemptions was repealed by operation of law effective July 1, 2009.

This bill reenacts s. 212.031(10), F.S.

**II. Present Situation:**

**Sales and Use Tax**

Chapter 212, F.S., contains the state's statutory provisions authorizing the levy and collection of Florida's sales and use tax, as well as the exemptions and credits applicable to certain items or uses under specified circumstances. A 6 percent sales and use tax is levied on tangible personal property and a limited number of services. The statutes currently provide for more than 200 different exemptions.

Sections 212.054 and 212.055, F.S., authorize Florida counties to charge a discretionary sales surtax; only those surtaxes specifically designated in s. 212.055, F.S., may be levied.<sup>1</sup> The maximum discretionary sales surtax that any county may levy depends upon the county's eligibility for the taxes listed in s. 212.055, F.S., and ranges between 1.5 percent and 3.5 percent. The maximum any county currently levies is 1.5 percent. As of January 2013, 55 counties levied at least one discretionary sales surtax and 14 counties levied at least two.<sup>2</sup>

The discretionary sales surtax is based on the rate in the county where the taxable goods or services are sold and is levied in addition to the state taxes. The surtax applies to all transactions occurring in a county that are "subject to the state tax imposed on sales, use, services, rentals, admissions, and other transactions" and on communications services, defined in ch. 202, F.S. The surtax does not apply to a sales amount above \$5,000 on any item of tangible personal property. This \$5,000 cap does not apply to the sale of any service. The Florida Department of Revenue (DOR) is responsible for administering, collecting, and enforcing all sales taxes. Collections received by DOR are returned monthly to the county imposing the tax.<sup>3</sup>

### **Tax on Rental or License Fee for Use of Real Property**

Section 212.031, F.S., establishes a taxable privilege for engaging in the business of renting, leasing, letting, or granting a license for the use of any real property. The tax imposed by s. 212.031, F.S., is in addition to the total amount of the rental or license fee.

There are several exemptions to the imposition of this taxable privilege cited in s. 212.031, F.S. Some of these exemptions include:

- Property used as an integral part of the performance of qualified production services.
- Property leased, subleased, licensed, or rented to a person providing food and drink concessionaire services within the premises of a convention hall, exhibition hall, auditorium, stadium, theater, arena, civic center, performing arts center, or a publicly owned recreational facility.
- Property used or occupied predominantly for space flight business purposes.
- Property rented, leased, subleased, or licensed to a person providing telecommunications, data systems management, or Internet services at a publicly or privately owned convention hall, civic center, or meeting space at a public lodging establishment.

### **Chapter 2000-345, L.O.F.; Section 212.031(10), F.S. (2009)**

Chapter 2000-345, L.O.F., created subsection (10) of s. 212.031, F.S., providing a sales tax exemption for rental or license fees on separately stated charges imposed by a convention hall, exhibition hall, auditorium, stadium, theater, arena, civic center, performing arts center, or publicly owned recreational facility upon a lessee or licensee for food, drink, or services required

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<sup>1</sup> These include: charter county and regional transportation system surtax, local government infrastructure surtax, small county surtax, county public hospital surtax, school capital outlay surtax, indigent care and trauma center surtax, voter-approved indigent care surtax, and emergency fire rescue services and facilities surtax.

<sup>2</sup> Florida Department of Revenue, *Discretionary Sales Surtax Information for Calendar Year 2013*, available at: <http://dor.myflorida.com/dor/forms/2013/dr15dss.pdf>, (Last visited on January 11, 2013).

<sup>3</sup> Section 212.054, F.S.

in connection with a lease or license to use real property.<sup>4</sup> This exemption included charges for laborers, stagehands, ticket takers, event staff, security personnel, cleaning staff, and other event-related personnel, advertising, and credit card processing.

Section 212.031(10), F.S., was scheduled for repeal on July 1, 2003. Chapter 2002-218, L.O.F., extended these sales tax exemptions until July 1, 2006. Chapter 2006-101, L.O.F, once again extended the tax exemptions of subsection (10), this time, until July 1, 2009. The exemptions were repealed by operation of law on July 1, 2009.

### III. Effect of Proposed Changes:

**Section 1** adds subsection (10) to s. 212.031, F.S., to provide that separately stated charges imposed by a convention hall, exhibition hall, auditorium, stadiums, theater, arena, civic center, performing arts center, or publicly owned recreational facility upon a lessee or licensee for food, drink, or services required or available in connection with a lease or license to use real property, including charges for laborers, stagehands, ticket takers, event staff, security personnel, cleaning staff, and other event-related personnel, advertising, and credit card processing, are exempt from the tax imposed on rental or license fees for the use of real property.

**Section 2** provides an effective date upon the bill becoming law.

### IV. Constitutional Issues:

#### A. Municipality/County Mandates Restrictions:

Subsection (b) of s. 18, Art. VII, State Constitution, provides that except upon approval of each house of the Legislature by a two-thirds vote of the membership, the Legislature may not enact, amend, or repeal any general law if the anticipated effect of doing so would be to reduce the authority that municipalities or counties have to raise revenue.

Subsection (d) provides an additional applicable exemption. Laws determined to have an “insignificant fiscal impact,” which means an amount not greater than the average statewide population for the applicable fiscal year times \$0.10 (\$1.9 million for FY 2012-2013<sup>5</sup>), are exempt.<sup>6</sup>

This bill reduces the authority that counties have to raise revenues with local option sales taxes. A February 2, 2012, analysis of a similar bill filed during the 2012 Regular Session by the Revenue Estimating Conference estimated the total recurring local fiscal impact to

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<sup>4</sup> Sections 1 and 3, ch. 200-345, L.O.F.

<sup>5</sup> Based on the Demographic Estimating Conference’s final population estimate for April 1, 2012, which was adopted on November 7, 2012. The Executive Summary can be found at: <http://edr.state.fl.us/Content/conferences/population/demographicsummary.pdf> (Last visited on January 11, 2013).

<sup>6</sup> See Florida Senate Committee on Community Affairs, *Interim Report 2012-115: Insignificant Fiscal Impact*, (September 2011), available at: <http://www.flsenate.gov/PublishedContent/Session/2012/InterimReports/2012-115ca.pdf> (last visited on January 11, 2013).

be negative \$0.5 million.<sup>7</sup> A determination of a similar fiscal impact for this bill of less than \$1.9 million would be considered insignificant and therefore the bill would be exempt from the mandates restriction.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

This bill has not been evaluated by the Revenue Estimating Conference (REC). However, a similar bill filed during the 2012 Regular Session (SB 1226) was evaluated by the REC. The table below summarizes the REC impact for the 2012 bill.<sup>8</sup>

	FY 2012-2013	FY 2013-2014	FY 2014-2015	FY 2015-2016
<b>General Revenue</b>	(1.5)	(1.7)	(1.8)	(1.9)
<b>State Trust</b>	(Insignificant)	(Insignificant)	(Insignificant)	(Insignificant)
<b>Total State Impact</b>	(1.5)	(1.7)	(1.8)	(1.9)

	FY 2012-2013	FY 2013-2014	FY 2014-2015	FY 2015-2016
<b>Revenue Sharing</b>	(Insignificant)	(.1)	(.1)	(.1)
<b>Local Gov't Half Cent</b>	(.1)	(.2)	(.2)	(.2)
<b>Local Option</b>	(.1)	(.2)	(.2)	(.2)
<b>Total Local Impact</b>	(.2)	(.5)	(.5)	(.5)

	FY 2012-2013	FY 2013-2014	FY 2014-2015	FY 2015-2016
<b>Total Impact</b>	(1.7)	(2.2)	(2.3)	(2.4)

B. Private Sector Impact:

Those persons eligible for the exemptions will benefit as certain charges for rentals, leases, services and fees will be exempt from sales tax.

<sup>7</sup> Office of Economic and Demographic Research, The Florida Legislature, *Analysis of HB 1497 and SB 1226: Sales and Use Tax*, available at: <http://www.edr.state.fl.us/Content/conferences/revenueimpact/archives/2012/pdf/page359-360.pdf> (last visited on January 11, 2013).

<sup>8</sup> *Id.*

C. Government Sector Impact:

According to DOR, the bill would have insignificant operational impacts on the agency.<sup>9</sup>

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

**VIII. Additional Information:**

A. Committee Substitute – Statement of Substantial Changes:

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

B. Amendments:

None.

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This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.

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<sup>9</sup> Department of Revenue, *Agency Bill Analysis: SB 122* (January 4, 2013) (on file with the Senate Commerce and Tourism Committee).



## THE FLORIDA SENATE

Tallahassee, Florida 32399-1100

### COMMITTEES:

Agriculture, *Chair*  
Appropriations Subcommittee on Education, *Vice Chair*  
Education, *Vice Chair*  
Appropriations  
Appropriations Subcommittee on Health  
Tourism, and Economic Development  
Banking and Insurance  
Gaming  
Governmental Oversight and Accountability  
Rules

### SENATOR BILL MONTFORD

*Democratic Policy Chair*  
3rd District

January 7, 2013

The Honorable Nancy C. Detert, Chair  
Senate Commerce and Tourism Committee  
416 Senate Office Building  
404 South Monroe Street  
Tallahassee, FL 32399-1100

Dear Chair Detert:

I respectfully request that you place SB 122, relating to tax exemptions on your next Commerce and Tourism Committee meeting agenda. The bill would reinstate tax exemptions to civic centers, stadiums, arenas, performing arts centers, theaters and similar venues imposed for the cost of hiring ticket takers, ushers, cleanup crew and various other people who provide services before, during and after an event.

I look forward to presenting this bill before your committee.

Thank you for your consideration and please let me know if you have any questions.

Sincerely,

A handwritten signature in blue ink that reads "Bill Montford".

William J. Montford, III  
State Senator, District 6

BJM/mam

cc: Jennifer Hrdlicka, Staff Director

#### REPLY TO:

- 214 Senate Office Building, 404 South Monroe Street, Tallahassee, Florida 32399-1100 (850) 487-5003
- 58 Market Street, Apalachicola, Florida 32320 (850) 653-2656
- 2866 Madison Street, Marianna, Florida 32448 (850) 718-0101

Senate's Website: [www.flsenate.gov](http://www.flsenate.gov)

**DON GAETZ**  
President of the Senate

**GARRETT RICHTER**  
President Pro Tempore

THE FLORIDA SENATE  
**APPEARANCE RECORD**

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

1.22.13

Meeting Date

Topic JAY EXEMPTION

Bill Number 122  
(if applicable)

Name WAYNE MAZANEY

Amendment Barcode \_\_\_\_\_  
(if applicable)

Job Title \_\_\_\_\_

Address 2610 S. HANNOON HILL DR  
Street

Phone 850-933-7001

TALLAHASSEE FL 32309  
City State Zip

E-mail FLLOBBYIST@AOL.COM

Speaking:  For  Against  Information

Representing FLORIDA FACILITY MANAGERS ASSOCIATION

Appearing at request of Chair:  Yes  No

Lobbyist registered with Legislature:  Yes  No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

THE FLORIDA SENATE  
**APPEARANCE RECORD**

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

1/22/13  
Meeting Date

Topic \_\_\_\_\_

Bill Number SB 122  
*(if applicable)*

Name Frank Meiners

Amendment Barcode \_\_\_\_\_  
*(if applicable)*

Job Title \_\_\_\_\_

Address PO Box 1433

Phone 850 591-0177

*Street*

TALL  
*City*

FL 52302  
*State* *Zip*

E-mail frank@chymail.com

Speaking:  For  Against  Information

Representing FL Cultural Alliance

Appearing at request of Chair:  Yes  No

Lobbyist registered with Legislature:  Yes  No

*While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.*

**This form is part of the public record for this meeting.**

S-001 (10/20/11)

**The Florida Senate**  
**BILL ANALYSIS AND FISCAL IMPACT STATEMENT**

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Committee on Commerce and Tourism

BILL: SB 222

INTRODUCER: Senator Detert

SUBJECT: Reemployment Assistance

DATE: January 23, 2013      REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Hrdlicka	Hrdlicka	CM	<b>Favorable</b>
2.	_____	_____	ATD	_____
3.	_____	_____	AP	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

**I. Summary:**

SB 222 makes several changes to the reemployment assistance program.

The bill reforms the current appeals process for determinations on claims for benefits by localizing the appeals process through the creation of 24 regional appeal offices and review panels. The bill repeals the Reemployment Assistance Appeals Commission and transfers its powers, duties, functions, records, and personnel by a type two transfer to the Department of Economic Opportunity (DEO). The bill provides for a transition period until October 1, 2013. The review panels at the regional appeal offices take the place of the commission and each regional workforce board is required to appoint 3 members from the board to serve as the review panel for that area. The review panels will review the decisions of the local appeals referees. For coordination and recordkeeping, DEO is directed to establish a central appeal office.

Related to work search efforts, the bill creates a limitation and an exception. The bill provides that the claimant may not count the same prospective employer at the same location more than once during his or her claim as proof of work search efforts, unless the employer indicates that it is hiring after the initial contact by the claimant. The bill creates an exception to proof of work search requirements for claimants that are participating in Reemployment and Eligibility Assessments.

The bill creates specific examples of misconduct for which an individual may be disqualified for benefits. Examples include theft of employer property, failure to maintain a license necessary for work, and criminal assault or battery of another employee.

Related to the federal interest on advances and the employer assessment, the bill provides that no additional assessment on employers will be made if the amount of assessments on deposit from previous years, plus any earned interest, is at least 80 percent of the estimated amount of interest. Further, the bill provides that 4 months after all advances and associated interest are repaid, any excess assessed funds remaining on deposit, including any associated interest, will be transferred to the Unemployment Compensation Trust Fund.

The bill substantially amends ss. 20.60, 110.205, 120.80, 443.012, 443.0315, 443.036, 443.041, 443.091, 443.101, 443.131, 443.151, 443.1317, 443.141, and 443.171 F.S.

## II. Present Situation:

### Reemployment Assistance Overview

According to the U.S. Department of Labor (USDOL), the Federal-State Unemployment Insurance Program provides unemployment benefits to eligible workers who are unemployed through no fault of their own (as determined under state law) and who meet the requirements of state law.<sup>1</sup> The program is administered as a partnership of the federal government and the states.<sup>2</sup> The individual states collect payroll taxes on a quarterly basis, which are used to pay benefits, while the Internal Revenue Service collects an annual federal payroll tax under the Federal Unemployment Tax Act (FUTA).<sup>3</sup> FUTA collections go to the states for costs of administering state unemployment insurance and job service programs. In addition, FUTA pays one-half of the cost of extended unemployment benefits (during periods of high unemployment) and provides for a fund from which states may borrow, if necessary, to pay benefits.<sup>4</sup>

States are permitted to set benefit eligibility requirements, the amount and duration of benefits, and the state tax structure, as long as state law does not conflict with FUTA or Social Security Act requirements. Florida's unemployment insurance program was created by the Legislature in 1937.<sup>5</sup> The program was rebranded as the "reemployment assistance program" in 2012.<sup>6</sup> The Department of Economic Opportunity (DEO) is the current agency responsible for administering Florida's reemployment assistance (RA) laws, primarily through its Division of Workforce Services. DEO contracts with the Florida Department of Revenue (DOR) to provide unemployment tax collections services.<sup>7</sup>

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<sup>1</sup>USDOL, Employment and Training Administration (ETA), State Unemployment Insurance Benefits, available at <http://workforcesecurity.doleta.gov/unemploy/uifactsheet.asp> (last visited 1/13/2013).

<sup>2</sup> There are 53 state programs, including the 50 states, Puerto Rico, the Virgin Islands, and the District of Columbia.

<sup>3</sup> FUTA is codified at 26 U.S.C. ss. 3301-3311.

<sup>4</sup> USDOL, ETA, Unemployment Insurance Tax Topic, available at <http://workforcesecurity.doleta.gov/unemploy/uitaxtopic.asp> (last visited 1/13/2013).

<sup>5</sup>Chapter 18402, L.O.F.

<sup>6</sup> Chapter 2012-30, L.O.F.

<sup>7</sup> Section 443.1316, F.S.

### State Reemployment Assistance Benefits

A qualified claimant may receive RA benefits equal to 25 percent of wages, not to exceed \$6,325 in a benefit year.<sup>8</sup> Benefits range from a minimum of \$32 per week to a maximum weekly benefit amount of \$275 for up to 23 weeks, depending on the claimant's length of prior employment, wages earned, and the unemployment rate.<sup>9</sup>

To receive RA benefits, a claimant must meet certain monetary and non-monetary eligibility requirements. Key eligibility requirements involve a claimant's earnings during a certain period of time, the manner in which the claimant became unemployed, and the claimant's efforts to find new employment.

A claimant must meet certain requirements in order to be eligible for benefits for each week of unemployment. For example, each week an individual is required to contact at least 5 prospective employers (3 prospective employers if the individual resides in a small county) or report to the One-Stop Career Center for reemployment services.<sup>10</sup>

#### Disqualification for Reemployment Assistance

Section 443.101, F.S., specifies the circumstances under which an individual would be disqualified from receiving unemployment compensation benefits. For example, an individual is disqualified for voluntarily leaving work without good cause, or being discharged by his or her employing unit for misconduct connected with the work.<sup>11</sup>

Currently, "misconduct" is defined as:<sup>12</sup>

- Conduct demonstrating conscious disregard of an employer's interests that is outside of reasonable standards of behavior;<sup>13</sup>
- Careless or negligent behavior that manifests culpability or wrongful intent, or shows an intentional and substantial disregard of the employer's interests;
- Chronic absenteeism or tardiness that violates a known policy of the employer or follows a written reprimand or warning due to the absenteeism;
- Willful or deliberate conduct that causes or would cause an employer to be sanctioned or the employer's license or certification to be suspended; or

<sup>8</sup> Section 443.111(5), F.S. The maximum amount of benefits available is calculated by multiplying an individual's weekly benefit amount by the number of available benefit weeks.

<sup>9</sup> Section 443.111(3), F.S. A benefit week begins on Sunday and ends on Saturday. If the average unemployment rate for the 3 months in the most recent third calendar year quarter is at or below 5 percent, then the maximum weeks of benefits available is 12; for each 0.5 percent that the unemployment rate is above 5 percent, an additional week of benefits becomes available up to 23 weeks at an unemployment rate of 10.5 percent.

<sup>10</sup> See s. 443.091(1), F.S., for the entire list of requirements and exceptions. A "small county" is defined in s. 120.52(19), F.S., as any county that has an unincarcerated population of 75,000 or less according to the most recent decennial census.

<sup>11</sup> An individual is not disqualified for voluntarily leaving temporary work to return to fulltime work or to relocate with his or her military spouse due to relocation orders. An individual who voluntarily quits work for a good *personal* cause not related to any of the conditions specified in the statute will be disqualified from receiving benefits.

<sup>12</sup> Section 443.036(30), F.S.

<sup>13</sup> "Conscious disregard" is not defined. One court characterized the term "conscious disregard of consequences" in a negligence context as being a middle ground between careless disregard of consequences (as in simple negligence) and "the more extreme 'willful or wanton' disregard thereof (as in culpable or criminal negligence)." *Courtney v. Fla. Transformer, Inc.*, 549 So. 2d 1061, 1064 (Fla. 1st DCA 1989).

- Conduct that violates an employer's rule, unless the claimant can show that he or she did not know of the rule, that the rule is unlawful or not related to the job, or that the rule is not fairly or consistently enforced.

It does not matter if the misconduct occurs at the workplace or during working hours for purposes of the disqualification for reemployment assistance benefits.

The statute specifies the duration of the disqualification and the requirements for requalification for an individual's next benefit claim, depending on the reason for the disqualification.

#### Determinations and Redeterminations

DEO issues determinations and redeterminations on the monetary and non-monetary eligibility requirements.<sup>14</sup> Determinations and redeterminations are statements by the department regarding the application of law to an individual's eligibility for benefits or the effect of the benefits on an employer's tax account. A party who believes a determination is inaccurate may request reconsideration within 20 days from the mailing date of the determination. DEO must review the information on which the request is based and issue a redetermination.

#### Appeals of DEO Determinations – Office of Appeals

If a party disagrees with either the determination or redetermination, the applicant or employer may request an administrative hearing before an appeals referee. Appeals referees in DEO's Office of Appeals hold hearings and issue decisions to resolve disputes related to eligibility for unemployment compensation and the payment and collection of unemployment compensation taxes.<sup>15</sup> Special deputies within the Office of Appeals handle appeals related to matters on tax, reimbursement, and liability protests. Generally, an appeal must be filed within 20 days of the date of the determination.

Upon receiving an appeal, the Office of Appeals will schedule a hearing involving all interested parties to address the issues. The parties will be mailed a *Notice of Hearing* telling them when the hearing will be held and whether they are expected to participate in-person or by telephone... The parties are expected to present all of their evidence and testimony to the appeals referee, who will then make a decision based only upon the evidence and testimony presented during the hearing. An audio recording of the hearing will be made by the referee. When the hearing is completed, the referee will issue a written decision.<sup>16</sup>

In the 2012 calendar year, there were a total of 116,534 appeals filed, and the Office of Appeals issued 128,968 decisions. Most appeals were filed by applicants (about 74 percent of the filed

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<sup>14</sup> Section 443.151(3), F.S.

<sup>15</sup> Appeals are governed by s. 443.151(4), F.S., and the Administrative Procedures Act, ch. 120, F.S. Information about the Office of Appeals and the appeals process may be found on the DEO website at <http://www.floridajobs.org/job-seekers-community-services/reemployment-assistance-center/file-an-appeal> (last visited 1/13/2013).

<sup>16</sup> DEO, "Reemployment Assistance Appeals Process, Reemployment Assistance Appeals Commission," available at <http://www.floridajobs.org/job-seekers-community-services/reemployment-assistance-center/reemployment-assistance-appeals-commission/reemployment-assistance-appeals-process> (last visited 1/13/2013).

appeals), but the outcomes of the decisions were evenly split between decisions to pay or deny benefits to the applicants.<sup>17</sup>

Appeals of Appeals Referee Decisions – Reemployment Assistance Appeals Commission

A decision by an appeals referee can be appealed to the Reemployment Assistance Appeals Commission. An appeal must be filed within 20 days of the date of the appeals referee's decision.

The Reemployment Assistance Appeals Commission (commission) is administratively housed in DEO, but is a quasi-judicial administrative appellate body independent of DEO.<sup>18</sup> The commission is 100 percent federally funded and consists of a three member panel that is appointed by the Governor, and confirmed by the Senate. It is the highest level for administrative review of contested cases decided by the Office of Appeals referees.

“A party requesting review by the Commission should specify any and all allegations of error with respect to the referee's decision, and provide factual and/or legal support for these challenges. Allegations of error not specifically set forth in the request for review may be considered waived.”<sup>19</sup> The commission does not hold a hearing when it reviews the appeal to determine whether the appeals referee's decision was properly supported by the testimony and other evidence presented at the hearing. The commission cannot consider evidence that was not presented to the appeals referee during the previous hearing, unless there is some extraordinary circumstance.

The Reemployment Assistance Appeals Commission can affirm, reverse, or remand the referee's decision for further proceedings.<sup>20</sup> In the 2012 calendar year, there were a total of 14,120 appeals filed with the commission, and the commission issued 14,725 orders – 11,061 final orders and 3,664 orders remanding cases back to the Office of Appeals. Approximately 60 percent of the appeals were filed by claimants. Related to outcomes of the final orders, 38 percent resulted in a decision to pay benefits to a claimant and 62 percent denied benefits.

Appeals of Commission Decisions – Florida District Courts of Appeal

A party to an appeal who disagrees with the commission's order may seek review of the decision in the Florida district courts of appeal.<sup>21</sup> The notice of appeal should be filed either in the district

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<sup>17</sup> Data from DEO, “Reemployment Assistance Data, 1<sup>st</sup> Quarter 2007 through 4<sup>th</sup> Quarter 2012,” January 7, 2013, on file with the Senate Commerce and Tourism Committee. Note, that not all outcomes that award benefits impact an employer's taxes, as some cases find that the former employee separated from work due to reasons not attributable to the employer.

<sup>18</sup> Section 20.60(8), F.S. “The Reemployment Assistance Appeals Commission, authorized by s. 443.012, F.S., is not subject to control, supervision, or direction by the department in the performance of its powers and duties but shall receive any and all support and assistance from the department which is required for the performance of its duties.” Information about the commission and the appeals process may be found on the DEO website at <http://www.floridajobs.org/job-seekers-community-services/reemployment-assistance-center/reemployment-assistance-appeals-commission> (last visited 1/13/2013).

<sup>19</sup> See footnote 17.

<sup>20</sup> Appeals remanded back to the appeals referee occur when the commission finds procedural issues that require further hearing; when a party fails to appear for the hearing and requests that the case be reopened (the referee must hold a hearing to determine if the individual had good cause for not appearing); and when a party files a late appeal and requests the commission to direct the appeals referee to accept the late appeal (the commission determines that the appeal was timely filed and a hearing should be held or that additional fact finding is necessary to determine if the appeal was timely filed).

<sup>21</sup> Section 443.151(4)(c), (d), and (e), F.S.

court of appeal in the appellate district in which a claimant resides or the job separation arose or in the appellate district where the order was issued. If the notice of appeal is filed with the commission, then the appeal will be filed in the district court of appeal in the appellate district where the order was issued.

### **Financing Reemployment Assistance**

In Florida, RA benefits are financed solely through contributions by employers – employers pay taxes on the first \$8,000 of each employee’s wages.<sup>22</sup> The calculation for determining each employer’s tax rate is statutorily set, and takes into consideration an employer’s “experience” (as former employees collect RA benefits, these benefits are charged to the employer), the balance of the Unemployment Compensation Trust Fund, and other factors.

The Internal Revenue Service charges each liable employer a federal unemployment tax of 6.0 percent on employees’ annual wages.<sup>23</sup> If, however, a state program meets the federal requirements and has no delinquent federal loans, employers are eligible for up to a 5.4 percent tax credit, making the net federal tax rate 0.6 percent. Employers file an annual return with the Internal Revenue Service each January for taxes on the first \$7,000 of each employee’s annual wages during the previous year.

The USDOL provides DEO with administrative resource grants from the taxes collected from employers pursuant to FUTA. These grants are used to fund the operations of the state’s program, including the processing of claims for benefits by DEO, state unemployment tax collections performed by DOR, appeals conducted by DEO and the Reemployment Assistance Appeals Commission, and related administrative functions.

Unfortunately, due to the past few years of high unemployment in Florida, more funds have been paid out of the Unemployment Compensation Trust Fund than have been collected. The trust fund fell into deficit in August 2009, and since that time the state has requested over \$2 billion in federal advances in order to continue to fund unemployment compensation claims. Through voluntary repayment and partial loss of the federal tax credit, Florida has substantially paid down its debt.<sup>24</sup> It is anticipated that all federal advances should be repaid in early 2013.<sup>25</sup>

Federal advances accrue interest on a federal fiscal year basis (October to September), and such interest is due no later than September 30 each year. The interest rate for 2013 is 2.5765

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<sup>22</sup> Nonprofit employers may choose to finance compensation through either the contributory method or the reimbursement method. A reimbursing employer is one who must pay the Unemployment Compensation Trust Fund on a dollar-for-dollar basis for the benefits paid to its former employees. The employer is otherwise not required to make payments to the trust fund. See s. 443.1312, F.S. The state and local governments are reimbursing employers. Most employers are contributory employers. The “wage base” is expected to go down to \$7,000 in 2015. s. 443.1217(2)(a), F.S.

<sup>23</sup> 26 U.S.C. s. 3301.

<sup>24</sup> As of January 10, 2013, Florida owed about \$647 million. See U.S. Department of Treasury, Bureau of Public Debt, Treasury Direct’s [Title XII Advance Activities Schedule](http://www.treasurydirect.gov/govt/reports/tfmp/tfmp_advactivitiesched.htm) at [http://www.treasurydirect.gov/govt/reports/tfmp/tfmp\\_advactivitiesched.htm](http://www.treasurydirect.gov/govt/reports/tfmp/tfmp_advactivitiesched.htm) (last visited 1/13/2013).

<sup>25</sup> The most recent forecast by the Revenue Estimating Conference shows repayment of all federal advances by June 2013. On file with the Senate Commerce and Tourism Committee.

percent.<sup>26</sup> The Revenue Estimating Conference estimated on January 15, 2013, that the interest due for 2013 would be \$9.6 million.<sup>27</sup>

The interest due on advances cannot be paid from funds from the Unemployment Compensation Trust Fund. In order to repay the interest, a state may make an appropriation from general revenue, issue bonds, or impose an assessment on employers.<sup>28</sup> In 2010, the Legislature imposed an additional assessment on employers to pay interest on federal advances.<sup>29</sup>

Section 443.131(5)(b), F.S., sets forth the calculation for the assessment. To determine the additional rate for the assessment, the formula divides the estimated amount of interest owed by 95 percent of total wages paid by employers for the previous year ending June 30. To determine an employer's payment, the formula multiplies an employer's taxable wages by the additional rate. DOR is required to calculate and bill the assessment prior to February 1 of the year, based upon the interest estimated by the Revenue Estimating Conference. An employer has 5 months to pay the assessment, by June 30. The assessments are paid into the Audit and Warrant Clearing Trust Fund and may earn interest; any interest earned is part of the balance available to pay the interest to the federal government.

Florida paid about \$56 million in September 2011 and about \$43 million in September 2012. Currently assessments on deposit total about \$8.9 million, not including earned interest.

### III. Effect of Proposed Changes:

SB 222 makes several changes to the reemployment assistance program.

#### Reemployment Assistance Appeals Process

This bill reforms the current appeals process by localizing the appeals process through the creation of 24 regional appeal offices and review panels.

The Reemployment Assistance Appeals Commission is repealed and its powers, duties, functions, records, and personnel are transferred by a type two transfer to the Department of Economic Opportunity (DEO). **(Section 1)** The bill provides a transition period and requires the transfer to be complete by October 1, 2013. DEO is required to develop and implement a transition plan to implement the bill, and the Governor may transfer funds and positions between the entities upon approval by the Legislative Budget Commission. Additionally, the Governor and DEO are directed to work with any federal agencies necessary to implement the bill. **(Section 2)**

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<sup>26</sup> The interest rate charged is equal to the fourth calendar quarter yield on the Unemployment Trust Fund for the previous year, capped at 10 percent. See U.S. Department of Treasury, Bureau of Public Debt, Treasury Direct's Unemployment Trust Fund Quarterly Yields at [http://www.treasurydirect.gov/govt/rates/rates\\_tfr.htm](http://www.treasurydirect.gov/govt/rates/rates_tfr.htm) (last visited 1/13/2013).

<sup>27</sup> Revenue Estimating Conference forecast, available at <http://edr.state.fl.us/Content/revenues/reports/unemployment-compensation-trust-fund/index.cfm> (last visited 1/17/2013).

<sup>28</sup> The option of issuing bonds to repay the interest may be unavailable to Florida. See Art. VII, s. 11, Fla. Const.

<sup>29</sup> Section 443.131(5), F.S. Section 4, ch. 2010-1, L.O.F.

In place of the commission, regional appeal offices are created at each of the state's 24 regional workforce boards. **(Section 3, amends s. 443.012, F.S.)** Regional appeal offices shall house appeals referees and review panels. DEO is responsible for providing proper facilities and assistance for the regional appeal offices. Employees of the offices shall be employees of DEO, but shall be appointed by the regional workforce board.

Similar to current law, appeals referees will hear and decide appeals of determinations by DEO on applicants for benefits. The bill provides that alternates should be appointed in cases where an appeals referee has a conflict of interest. **(Section 3)**

Each regional workforce board is required to appoint 3 members from the board to serve as the review panel for that area.<sup>30</sup> The review panels will review the decisions of the local appeals referees. Members of the review panels serve staggered terms of 2 years. The regional workforce board must also appoint a general counsel to assist the review panel in carrying out the appeals process. The general counsel must be admitted to practice law in Florida and must have a minimum of 1 year of experience in conducting judicial or administrative hearings or 5 years of experience in the practice of law. **(Section 3)**

DEO is directed to establish a central appeal office for the purposes of maintaining records and filing the final orders of the review panels or district courts of appeal online. **(Sections 3 and 4)** The central appeal office may also be used to coordinate the filing of appeals through a central system. **(Section 4, amends s. 443.151, F.S.)**

Appeals are to be filed with the regional appeal office located at the regional workforce board serving the area of the claimant's last principal place of business. Appeals filed incorrectly may be forwarded to the appropriate office upon a timely request. Further, appeals of review panel decisions may be filed at the district court of appeal located where the order was issued. **(Section 4)**

Sections 20.60 **(Section 5)**, 110.205 **(Section 6)**, 120.80 **(Section 7)**, 443.0315 **(Section 8)**, 443.036 **(Section 9)**, 443.041 **(Section 10)**, 443.101 **(Section 12)**, 443.151 **(Section 4)**, 443.1317 **(Section 14)**, 443.141 **(Section 15)**, and 443.171 **(Section 16)**, F.S., are amended to correct references to the commission and make conforming changes.

### **Work Search Eligibility Requirements**

The bill amends the requirements related to work search by claimants in s. 443.091(1)(d), F.S., by creating a limitation and an exception. **(Section 11)**

Under the current law a claimant must engage in a systematic and sustained effort to find work, including contacting at least 5 prospective employers each week, or 3 employers if the claimant resides in a small county.<sup>31</sup> The claimant must provide proof of his or her work search efforts to DEO for each week of benefits claimed. The bill provides that the claimant may not count the same prospective employer at the same location more than once during his or her claim as proof

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<sup>30</sup> Section 445.007, F.S., sets forth the requirements for regional workforce board membership.

<sup>31</sup> An alternative to contacting prospective employers, claimants may also report to the One-Stop Career Center for reemployment services.

of work search efforts. However, if the employer indicates that it is hiring after the initial contact by the claimant, then the claimant may count an additional contact with that employer as part his or her proof of work search efforts.

Additionally, the bill creates an additional exception to proof of work search requirements for claimants that are participating in Reemployment and Eligibility Assessments.<sup>32</sup>

### **Disqualification for Misconduct**

Under current law an individual may be disqualified from receiving RA benefits for any week in which DEO finds that he or she was discharged by his or her employer for misconduct.

The bill adds specific examples of “misconduct” to be included in the definition, but the examples are not intended to limit the definition. (**Section 9, amends s. 443.036(30), F.S.**) The examples include:

- Related to conduct demonstrating conscious disregard of an employer’s interests:
  - Willful damage to an employer’s property that results in damage of more than \$50; or
  - Theft of employer property or property of a customer or invitee of the employer.
- Related to conduct that causes sanctions or an employer’s license or certification to be suspended:
  - Failure to maintain a license, registration, or certification required by law for the employee to perform his or her duties.
- Related to conduct that violates an employer’s rule:
  - Criminal assault or battery on another employee, or on a customer or invitee of the employer; or
  - Abuse or neglect of a patient, resident, disabled person, elderly person, or child in the individual’s professional care.

### **Interest Assessment and Federal Interest Payments**

The Revenue Estimating Conference is required to estimate the amount of interest due to the federal government for advances, and the Department of Revenue (DOR) is required to use that estimate to calculate an assessment on employers in order to pay the interest.

The bill amends s. 443.131(5), F.S., to provide that no additional assessment on employers may be made by DOR if the amount of assessments on deposit from previous years, plus any earned interest, is at least 80 percent of the estimated amount of interest. The bill clarifies that all assessments on deposit and earned interest is available to pay the interest to the federal government. (**Section 13**)

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<sup>32</sup> REAs are in-person interviews with selected RA claimants to review the claimants’ adherence to state eligibility criteria, determine if reemployment services are needed for the claimant to secure future employment, refer individuals to reemployment services, as appropriate, and provide labor market information which addresses the claimant’s specific needs. Research has shown that interviewing claimants for the above purposes reduces RA duration and saves RA trust fund resources by helping claimants find jobs faster and eliminating payments to ineligible individuals. Florida administers the REA Initiative through local One-Stop Career Centers. Rule 60BB-3.028, F.A.C., further sets forth information on reemployment services and requirements for participation.

Under current law, any remaining assessments on deposit are to be credited to employer accounts after all federal advances and associated interest due has been paid. The amount to be credited to employers is based upon a calculation that takes into consideration how much the employer paid in assessments that year. It is expected that all federal advances will be repaid this year and the last interest payment will be made in September this year; however, the amount of assessments on deposit is expected to be very minimal, if any at all remains after the federal interest has been paid.

The bill provides that 4 months after all advances and associated interest are repaid, any excess assessed funds remaining in the Audit and Warrant Clearing Trust Fund, including any associated interest, will be transferred to the Unemployment Compensation Trust Fund.

The bill provides that s. 443.131(5), F.S., expires on July 1, 2014.

### **Effective Date**

**Section 17** provides an effective date of July 1, 2013.

### **Other Potential Implications:**

The U.S. Department of Labor (USDOL) has broad oversight for the reemployment assistance program, including determining whether a state law conforms to federal unemployment insurance law and whether a state's administration of the program substantially complies with processes and procedures approved by USDOL. States are permitted to set benefit eligibility requirements, the amount and duration of benefits, and the state tax structure, as long as state law does not conflict with FUTA or Social Security Act requirements. When a state's law conforms to the requirements of the Social Security Act, the state is eligible to receive federal administrative grants to operate the state's program. When a state's law conforms to the requirements of the FUTA, employers in the state may receive a credit of up to 5.4 percent against the federal unemployment insurance tax rate of 6.0 percent.

The Secretary of USDOL is responsible for determining if a state's unemployment insurance law meets the requirements of federal law. Under FUTA, the secretary annually certifies the state's compliance with federal requirements and this certification ensures that employers in the state are eligible for the full credit against the federal unemployment insurance tax.

The USDOL may find various provisions of this bill to be out of conformity with federal law. If USDOL made such a finding, then it would not certify the state's reemployment assistance program and could withhold all administrative funding or cause the employer federal tax rates to increase to the total 6.0 percent because of loss of the entire FUTA tax credit. USDOL has been requested to issue a written opinion on the effects of this bill.

**IV. Constitutional Issues:**

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

**V. Fiscal Impact Statement:**

A. Tax/Fee Issues:

The changes in eligibility and disqualification may have some impact on employer contribution rates, as some individuals may not be able to receive benefits under the provisions of the bill. Additionally, the transfer of any remaining funds after the final federal interest payment is made to the Unemployment Compensation Trust Fund may have a positive minimal impact on employer contribution rates.

B. Private Sector Impact:

See Tax/Fee Issues.

C. Government Sector Impact:

The changes made by the bill are expected to have a significant fiscal impact on the resource needs of the Department of Economic Opportunity (DEO). DEO provided the following estimated costs, segregated by regional workforce board, for the review panels to replace the Reemployment Assistance Appeals Commission:<sup>33</sup>

	<b>Closed Commission Appeals FY 2011- 2012</b>	<b>Total Estimated FTE</b>	<b>Estimated Total First Year Cost</b>	<b>Estimated Total Recurring Cost</b>
Central Appeals	N/A	2	\$97,810	\$87,092
RWB 1	59	3	\$259,559	\$241,070
RWB 2	430	3	\$259,559	\$241,070
RWB 3	351	3	\$259,559	\$241,070

<sup>33</sup> DEO Bill Analysis of SB 222, dated January 16, 2013, received by committee staff on January 18, 2013, on file with the Senate Commerce and Tourism Committee.

RWB 4	84	3	\$259,559	\$241,070
RWB 5	334	3	\$259,559	\$241,070
RWB 6	419	3	\$259,559	\$241,070
RWB 7	520	3	\$259,559	\$241,070
RWB 8	642	3	\$259,559	\$241,070
RWB 9	59	3	\$259,559	\$241,070
RWB 10	774	3	\$259,559	\$241,070
RWB 11	566	3	\$259,559	\$241,070
RWB 12	1,176	5	\$403,791	\$373,378
RWB 13	713	3	\$259,559	\$241,070
RWB 14	1,590	5	\$403,791	\$373,378
RWB 15	688	3	\$259,559	\$241,070
RWB 16	557	3	\$259,559	\$241,070
RWB 17	336	3	\$259,559	\$241,070
RWB 18	392	3	\$259,559	\$241,070
RWB 19	74	3	\$259,559	\$241,070
RWB 20	1,284	5	\$403,791	\$373,378
RWB 21	358	3	\$259,559	\$241,070
RWB 22	219	3	\$259,559	\$241,070
RWB 23	3,906	10	\$741,160	\$681,540
RWB 24	603	3	\$259,559	\$241,070
<b>Total</b>	<b>16,134</b>	<b>87</b>	<b>\$7,241,523</b>	<b>\$6,710,166</b>

DEO estimated the FTEs to include at least one general counsel, one staff attorney, and one administrative support staff.

Administration of the reemployment assistance program is funded through an annual administrative grant by USDOL. DEO stated in its analysis that the federal grant will provide only \$3.5 million in funding for administration of higher authority appeals. Thus, DEO estimates that it will have a need of an additional \$3.7 million in state funds to administer the review panels. Further, DEO estimated that it could incur an estimated \$450,000 to \$650,000 to make changes to its new Reemployment Assistance computer system.

## VI. Technical Deficiencies:

None.

**VII. Related Issues:**

The bill does not provide for alternates to be appointed in the case where a review panel member has a conflict of interest.

**VIII. Additional Information:****A. Committee Substitute – Statement of Substantial Changes:**  
(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

**B. Amendments:**

None.

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This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.

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460538

LEGISLATIVE ACTION

Senate	.	House
Comm: WD	.	
01/22/2013	.	
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The Committee on Commerce and Tourism (Bean) recommended the following:

**Senate Amendment (with directory and title amendments)**

Between lines 556 and 557  
insert:

(33) "Non-seasonal work" means employment in non-seasonal industries or employment in seasonal industries outside a seasonal period.

(34) "Non-seasonal unemployment" means:

(a) An individual's entire period of unemployment if the individual has no base period wages in employment by a seasonal employer; or

(b) An individual's unemployment occurring outside the



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13 seasonal period or periods in which the individual earned her or  
14 his base period wages.

15 (41) "Seasonal industry" means an industry which  
16 customarily experiences one or more seasonal periods and is  
17 within the North American Industry Classification System code  
18 311411.

19 (42) "Seasonal period" means the regularly recurring period  
20 or periods of less than 32 weeks in a calendar year during which  
21 an employer in a seasonal industry requires elevated staffing  
22 levels.

23 (43) "Seasonal work" means employment in a seasonal  
24 industry during a seasonal period.

25 (44) "Seasonal unemployment" means unemployment occurring  
26 during a seasonal period corresponding to the seasonal period  
27 during which the individual earned her or his base period wages.

28 Between lines 1025 and 1026  
29 insert:

30 Section 17. Subsection (6) is added to section 443.111,  
31 Florida Statutes, to read:

32 443.111 Payment of benefits.—

33 (6) SEASONAL AND NON-SEASONAL EMPLOYMENT.—For any  
34 individual who earned base period wages subject to this chapter  
35 for seasonal work, the following conditions shall apply:

36 1. For any weeks of unemployment claimed during a seasonal  
37 period, all base period wages will be counted in determining the  
38 individual's weekly benefit amount.

39 2. For any weeks of unemployment claimed outside the  
40 seasonal period, only wages earned for non-seasonal work will be  
41 counted in determining the individual's weekly benefit amount.



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42           3. All wages, whether seasonal or non-seasonal, will be  
43 counted for the purpose of establishing a benefit year under  
44 subsection (2).

45  
46 ===== D I R E C T O R Y   C L A U S E   A M E N D M E N T =====

47 And the directory clause is amended as follows:

48           Delete lines 509 - 512

49 and insert:

50           Section 9. Subsections (12) and (30) of section 443.036,  
51 Florida Statutes, are amended, subsections (33), (34), (41),  
52 (42), (43), and (44), are added, present subsections (13)  
53 through (32) are renumbered as (12) through (31), respectively,  
54 present subsections (33) through (40) are renumbered as (35)  
55 through (42), respectively, and present subsections (41) through  
56 (47) are renumbered as (46) through (52), respectively, to read:

57  
58 ===== T I T L E   A M E N D M E N T =====

59 And the title is amended as follows:

60           Between lines 52 and 53

61 insert:

62           creating definitions for "non-seasonal work," "non-  
63           seasonal unemployment," "seasonal industry," "seasonal  
64           period," "seasonal work," and "seasonal unemployment";

65           Delete line 69

66 and insert:

67           Reemployment Assistance Program; specifying the wages  
68           to be used in the base period for benefits claimed  
69           during a seasonal period; specifying the wages to be  
70           used in the base period for benefits claimed outside



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71  
72

the seasonal period; specifying that all wages will be  
counted to establish a benefit year; providing an



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LEGISLATIVE ACTION

Senate	.	House
Comm: WD	.	
01/22/2013	.	
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The Committee on Commerce and Tourism (Bean) recommended the following:

**Senate Amendment to Amendment (460538)**

Delete line 18  
and insert:  
713990.

THE FLORIDA SENATE  
**APPEARANCE RECORD**

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

1/22/13  
Meeting Date

Topic Re Employment Assistance

Bill Number 222  
*(if applicable)*

Name Arthur Rosenberg

Amendment Barcode \_\_\_\_\_  
*(if applicable)*

Job Title Attorney

Address 3000 Biscayne Blvd, #102  
*Street*  
Miami FL 33137  
*City State Zip*

Phone 850-509-2085

E-mail arthur@floridalegal.org

Speaking:  For  Against  Information

Representing Florida Legal Services

Appearing at request of Chair:  Yes  No

Lobbyist registered with Legislature:  Yes  No

*While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.*

**This form is part of the public record for this meeting.**

✓

**THE FLORIDA SENATE**  
**APPEARANCE RECORD**

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

1-22

*Meeting Date*

Topic \_\_\_\_\_

Bill Number 222  
*(if applicable)*

Name Richard Reeves

Amendment Barcode \_\_\_\_\_  
*(if applicable)*

Job Title \_\_\_\_\_

Address 201 S. Monroe St.  
*Street*  
Tallahassee 32301  
*City State Zip*

Phone 513-0004

E-mail \_\_\_\_\_

Speaking:  For  Against  Information

Representing Florida Workforce Development Assn

Appearing at request of Chair:  Yes  No

Lobbyist registered with Legislature:  Yes  No

*While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.*

**This form is part of the public record for this meeting.**

S-001 (10/20/11)

**The Florida Senate**  
**BILL ANALYSIS AND FISCAL IMPACT STATEMENT**

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Committee on Commerce and Tourism

BILL: SB 224

INTRODUCER: Senator Detert

SUBJECT: Florida Small Business Development Center Network

DATE: January 18, 2013      REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Smith	Hrdlicka	CM	<b>Favorable</b>
2.			ATD	
3.			AP	
4.				
5.				
6.				

**I. Summary:**

SB 224 makes several changes to the Florida Small Business Development Center Network (network).

The bill links state economic development efforts with those of higher education by requiring the network’s policies and goals be jointly developed by the network’s statewide advisory board, the Department of Economic Opportunity (DEO), and the Board of Governors (BOG). Policies and goals must align with the statewide strategic economic development plan and the goals of the State University System.

The bill:

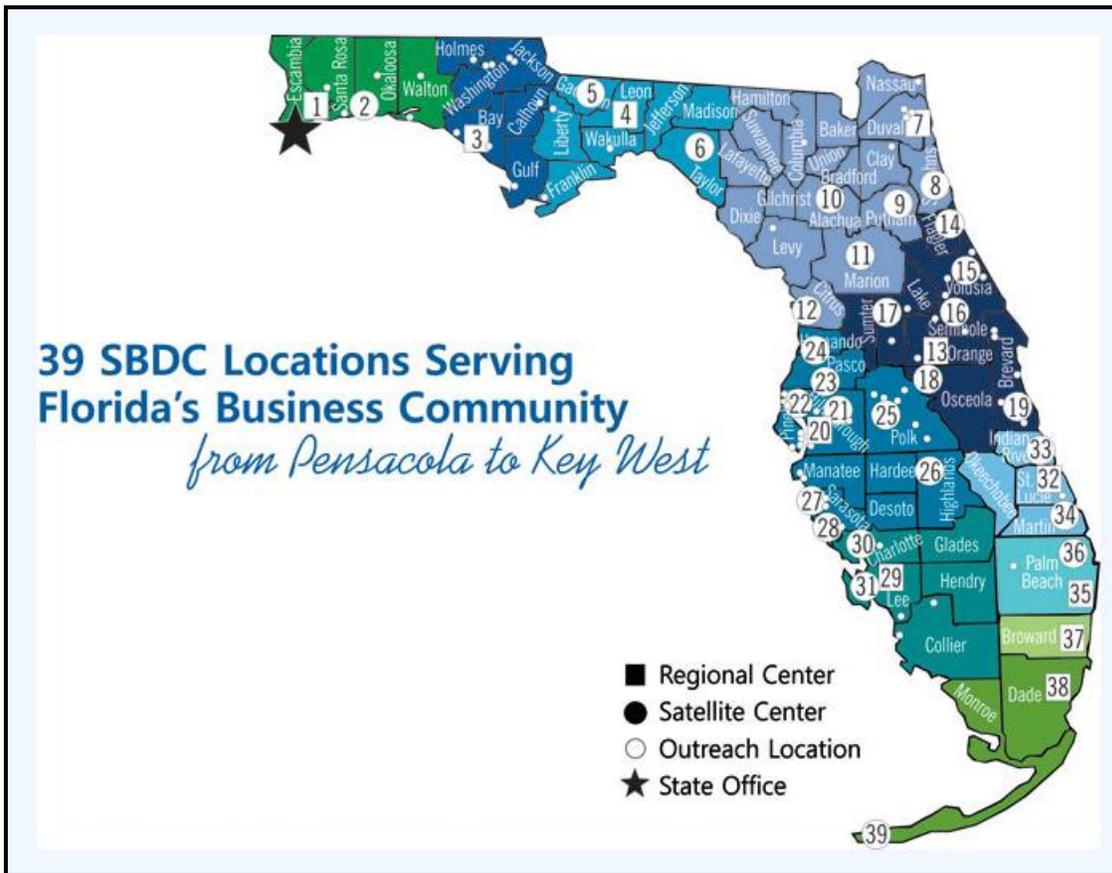
- Makes the network’s statewide director subject to approval of and removal by the BOG.
- Requires regular updates on the network’s progress to the BOG and DEO.
- Specifies the composition of the network’s statewide advisory board.
- Requires the use of performance-based funding of and budgeting by regional small business development centers with coordination from the network’s statewide director.
- Establishes an innovative incentive program in order to encourage the adoption of small business assistance best practices among regional small business development centers. The innovative incentive program is to be developed jointly by the network’s statewide director and the BOG.
- Requires the network’s compliance with all Federal requirements, including those relating to the removal or suspension of a regional director or other employee.
- Amends the powers and duties of the BOG to implement the network.

This bill substantially amends ss. 288.001 and 1001.706, F.S.

**II. Present Situation:**

In 2008, the Legislature recognized the Florida Small Business Development Center Network (network) as the principal business assistance organization for small businesses in the state.<sup>1</sup>

The network is a consortium of regional small business development centers throughout the state that offer current and prospective small businesses consulting services, training opportunities, and access to other resources and information. Regional centers are based at several of Florida’s colleges and universities, with 39 total locations. The map below illustrates the network’s total geographic range.<sup>2</sup>



**History and Structure**

The network originated in 1976 as part of a federal pilot program at the University of West Florida (UWF) for the purposes of providing counseling and advising services for small businesses. UWF was among the 8 original universities selected by the U.S. Small Business

<sup>1</sup> Ch. 2008-149, L.O.F., codified as s. 288.001, F.S.

<sup>2</sup> Map and detailed location information available at: <http://floridasbdc.org/locations.php>. (Last visited on January 8, 2013).

Administration (SBA) in part because it was already actively providing business services to the local community.<sup>3</sup>

Today, the national Small Business Development Center program is administered by the Office of Small Business Development Centers within the SBA.<sup>4</sup> The national program is made up of 63 networks throughout the U.S., the District of Columbia, and four territories. Federal laws<sup>5</sup> and regulations<sup>6</sup> require that the various state-level programs be located at institutions of higher education.

The network's state headquarters are located at UWF. As the host institution of the statewide network, UWF's president is responsible for appointing and hiring the statewide director,<sup>7</sup> who serves as the statewide program's single point of contact for management and operations. The statewide director is an employee of UWF.

Federal requirements stipulate that the network must have a state advisory board that includes small business owners from across the state program's area of service.<sup>8</sup> Advisory board members serve to advise the statewide director on areas including strategic direction and advocacy. The current statewide advisory board is selected through a nomination process, whereby nominations are forwarded to the statewide director, who considers each candidate.<sup>9</sup> Network policies require nominees to be "sympathetic and familiar with small business needs and problems."<sup>10</sup> Once the statewide director has reviewed nominees, the state advisory board's chair along with several other board members review the nominee's credentials further to make a final determination as to whether to approve or deny the nominee. If approved, the statewide director and UWF's provost send a letter of approval and congratulations to the nominee. Member terms last for 3 years, and there is no requirement limiting the number of times a member may be reappointed.

Program funds are overseen by the network's statewide director's office. Total program funds are approximately \$11-12 million annually, consisting of federal grant funds, cash match, indirect, and in-kind donations.<sup>11</sup> Federal requirements stipulate that the network provide an equal match to any federal grant, of which at least 50 percent must be cash, with the remaining amount constituted of indirect costs and in-kind contributions. At least 80 percent of all federally-supplied funds must be used for direct costs of program delivery.<sup>12</sup>

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<sup>3</sup> Association of Small Business Development Centers, *A Brief History of America's Small Business Development Center Network*, available at: [http://www.asbdc-us.org/About\\_Us/aboutus\\_history.html](http://www.asbdc-us.org/About_Us/aboutus_history.html). (Last visited on January 8, 2013.)

<sup>4</sup> OSBDC website, available at: <http://www.sba.gov/about-offices-content/1/700>, (Last visited on January 9, 2013).

<sup>5</sup> 15 U.S.C s. 648.

<sup>6</sup> 13 CFR ss. 130.100-130.830.

<sup>7</sup> Florida Small Business Development Center Network, *Application to establish the Florida Small Business Development Center Network as a State of Florida Center*, (July, 2009), available at: [http://uwf.edu/trustees/Dec12\\_08/SBDC\\_Application.pdf](http://uwf.edu/trustees/Dec12_08/SBDC_Application.pdf), (Last visited on: January 10, 2013).

<sup>8</sup> *Supra* note 5 and 13 CFR s. 130.360.

<sup>9</sup> FSBDCN website, "State Advisory Board," available at: <http://floridasbdc.org/advisory.php>, (Last visited on: January 10, 2013).

<sup>10</sup> *Supra* note 7 at page 14.

<sup>11</sup> *Supra* note 7 at page 15.

<sup>12</sup> *Supra* note 5 and 13 CFR s. 130.110.

All federal grant funds are transferred directly to the network's statewide director's office. In order to meet the program's cash match and indirect requirements, participating host colleges and universities are required to, at a minimum, pay the costs of hiring a regional director and support staff, as well as supplying additional expense funds for program operation. The network does not currently receive a direct state appropriation, however state funding is indirectly applied to the program through each participating college or university's budget.<sup>13</sup> Additional cash and indirect support for member regional centers may be provided by local economic development organizations, regional workforce boards, local chambers of commerce, private companies, and others.<sup>14</sup>

Member regional centers receive federal funds by responding to an annual Request for Proposal that is managed by the statewide director's office. Each response must contain a detailed budget, program narrative, and deliverable goals. Any funds awarded to regional centers are allocated based on a funding formula. The formula is as follows:<sup>15</sup>

- 60 percent based on population;
- 10 percent based on business population; and
- 30 percent based on the geographic service area of the regional center.

The National Association of Small Business Development Centers (ASBDC) operates under a contract with the U.S. SBA to conduct a Congressionally-required review of the network every 5 years.<sup>16</sup> The SBA also conducts bi-annual financial examinations of the network, and each regional center within the network is reviewed annually by a designated SBA project officer. Additionally, each regional center is subject to internal review by its host institution as well as a review every 10 years by the Southern Association of Colleges and Schools.<sup>17</sup>

### **Services and Results**

Regional centers provide prospective and current small business owners with a variety of consulting services. Many of the state's 39 regional centers allow those interested in services to receive in-person and online consulting services. Each regional center is staffed by Certified Business Analysts (CBAs) who are paid employees. Many regional centers also receive assistance from unpaid volunteers who are experts in certain areas of business. Typical consulting services offered at regional centers include:<sup>18</sup>

- Business plans and start-up assistance;
- Marketing and revenue strategies;
- Accounting, budgeting, and tax assistance;
- Human resources and management consulting;
- International trade assistance and advice;
- Strategic planning;
- Government contracting assistance; and

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<sup>13</sup>Conversation with Jerry Cartwright, FSBDCN State Director, on December 10, 2012.

<sup>14</sup>*Supra* note 7 at page 16.

<sup>15</sup>*Supra* note 7 at page 16.

<sup>16</sup>Discussion with Jerry Cartwright, FSBDCN State Director, on December 11, 2012.

<sup>17</sup>*Supra* note 7 at page 18.

<sup>18</sup>Survey of regional small business development center websites. Visit <http://floridasbdc.org/locations.php> for links to each location's website. (Last visited on January 11, 2013.)

- Assistance with locating financing, including SBA loans.

In addition to walk-ins, appointments, and on-line consulting services, regional centers frequently offer seminars, workshops and other training opportunities.<sup>19</sup> Such opportunities are taught by CBAs, host institution faculty, as well as government and private-sector professionals. Nominal fees may be charged for attending training opportunities.

According to the network's 2011 Annual Report,<sup>20</sup> a 2011 economic and statistical analysis of the network conducted by the Haas Center for Business Research at UWF determined that for every dollar invested by Florida taxpayers, \$6.60 in local and state tax revenue was returned. A survey of other statewide program results is below:

Service	2011	1980-2011
<b>New Businesses Started</b>	1,026	9,089
<b>Entrepreneurs &amp; Small Businesses Served</b>	38,444	1,143,578
<b>Consulting Hours Delivered</b>	57,688	1,778,404
<b>Training Events Delivered</b>	1,464	35,989

### State of Florida Center Designation

On August 6, 2009, the State University System's Board of Governors (BOG) designated the network as a State of Florida Center.<sup>21</sup> BOG regulations<sup>22</sup> state that in order for an entity to be designated as a State of Florida Center, it must have a statewide mission, may include two or more state universities, and be established to coordinate inter-institutional research, service, and teaching across the State University System. The designation as a State of Florida Center by the BOG allows the network to submit a legislative budget request for recurring or non-recurring state funding. The network has not received state funding as a result of the State of Florida Center designation to date.

### III. Effect of Proposed Changes:

SB 224 establishes several requirements for the Florida Small Business Development Center Network.

**Section 1** amends s. 288.001, F.S., relating to the Florida Small Business Development Center Network.

<sup>19</sup> See <http://floridasbdc.org/training.php>, (last visited on January 11, 2013).

<sup>20</sup> FSBDCN Annual Report available at: <http://floridasbdc.org/Docs/2012/2011-Annual-Report/index.html>, (last visited on January 11, 2013).

<sup>21</sup> FSBDCN Press Release, (August 14, 2009), available at: [http://floridasbdc.org/News/Press/Archive/Press\\_Aug\\_14\\_2009.pdf](http://floridasbdc.org/News/Press/Archive/Press_Aug_14_2009.pdf), (last visited on January 11, 2013).

<sup>22</sup> Board of Governors Regulation 10.015 – Institutes and Centers, available at: [http://www.flbog.edu/documents\\_regulations/regulations/10\\_015\\_Institutes\\_and\\_Centers.pdf](http://www.flbog.edu/documents_regulations/regulations/10_015_Institutes_and_Centers.pdf), (last visited on January 11, 2013).

Statewide policies and goals of the network are required to be jointly developed by the network's statewide advisory board, the Department of Economic Opportunity (DEO), and the BOG in order to align the network's policies and programs with the goals of the State University System and the statewide strategic economic development plan.

#### Statewide director

The bill directs that the statewide director shall be subject to final approval of, and removal by, the BOG. This leaves UWF principally involved in the selection and hiring of the statewide director as is current practice, but requires the BOG to approve any final hiring decision.

The bill requires the statewide director to:

- Regularly update the BOG and DEO on the network's progress and outcomes.
- Work with regional centers to establish and approve budgets in order to ensure they align with the network's statewide policy and goals as developed by the network's statewide advisory board, DEO, and the BOG.
- Establish accountability measures to ensure proper expenditure of funds and alignment with the network's statewide policy and goals.
  - Accountability measures must include performance-based metrics for contractual agreements. This moves the network's current budgeting policy away from formula-based funding to performance-based funding.
- Coordinate with the BOG to establish an innovative incentive program to be awarded to regional centers in order to encourage adoption of small business assistance best practices.
  - Regional centers are prohibited from reducing matching funds dedicated to the small business development center program should they receive any additional funds as a result of the innovative incentive program.
- Develop performance-based metrics for the innovative incentive program.

#### Statewide advisory board

Federal requirements do not specify how the network's statewide advisory board is to be selected or its size, but do require the board to have members who are small business owners and to be representative of the program's entire Service Area. In the case of the network, the Service Area is the entire state. The bill provides direction as to the composition of the network's statewide advisory board. The bill requires the statewide advisory board to consist of 17 members from across the state, with at least ten members being representatives of the private sector who are knowledgeable of and sympathetic to the needs and challenges of small businesses. The bill sets a member's term on the board at 4 years, except for five members who initially serve terms of 2 years. Statewide advisory board members may be reappointed to a subsequent term, and may not receive compensation for membership on the statewide advisory board, but may receive reimbursement for per diem and travel expenses. Per diem expenses are authorized by federal requirements. The statewide advisory board is required to be composed of the following:

- Three members from the private sector appointed by the Governor. (Two of whom initially serve 2 year terms.)
- Three members from the private sector appointed by the President of the Senate. (One of whom initially serves a 2 year term.)
- Three members from the private sector appointed by the Speaker of the House of Representatives. (One of whom initially serves a 2 year term.)

- One member appointed by the statewide director. (This member shall initially serve a 2 year term.)
- One member appointed by the host institution. (UWF)
- The President of Enterprise Florida, Inc. or his or her designee.
- The Chief Financial Officer or his or her designee.
- The President of the Florida Chamber of Commerce or his or her designee.
- The Small Business Development Center Project Officer from the U.S. Small Business Administration at the South Florida District Office or his or her designee.
- The President of the National Federation of Independent Businesses, Florida or his or her designee.
- The Executive Director of the Florida United Business Association or his or her designee.

Requirements relating to regional center directors and employees

The bill requires the network and the statewide director to operate the program in compliance with all federal laws and regulations, including those relating to the termination or suspension of a regional center's director or other employees for actions that cause harm to the program or that cause the public to question the integrity of the program.

**Section 2** amends s. 1001.706, F.S., relating to the powers and duties of the Board of Governors. The bill specifies that the Board of Governors has the powers and duties to implement the network and the requirements of Section 1 of the bill.

**Section 3** provides an effective date of July 1, 2013.

**IV. Constitutional Issues:**

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

**V. Fiscal Impact Statement:**

A. Tax/Fee Issues:

None.

**B. Private Sector Impact:**

To the extent that more small businesses are assisted through increased performance by the network and regional centers, the bill may have a positive impact on the private sector.

**C. Government Sector Impact:**

The bill is expected to have minimal impacts on the resource needs of the Department of Economic Opportunity and the Board of Governors.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

**VIII. Additional Information:****A. Committee Substitute – Statement of Substantial Changes:**

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

**B. Amendments:**

None.

THE FLORIDA SENATE  
**APPEARANCE RECORD**

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

1-22-13

Meeting Date

Topic SB 224- FL Small Business Dev. Center Bill Number SB 224  
*(if applicable)*

Name Janice Gilley Amendment Barcode \_\_\_\_\_  
*(if applicable)*

Job Title Assoc. VP Gov't & Community Relations

Address 11000 University Parkway Phone 850.474.2200  
*Street*

Pensacola FL 32514  
*City State Zip*

E-mail JGilley@uwf.edu

Speaking:  For  Against  Information

Representing Univ. of West Florida

Appearing at request of Chair:  Yes  No

Lobbyist registered with Legislature:  Yes  No

*While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.*

**This form is part of the public record for this meeting.**



# Economic Development Update

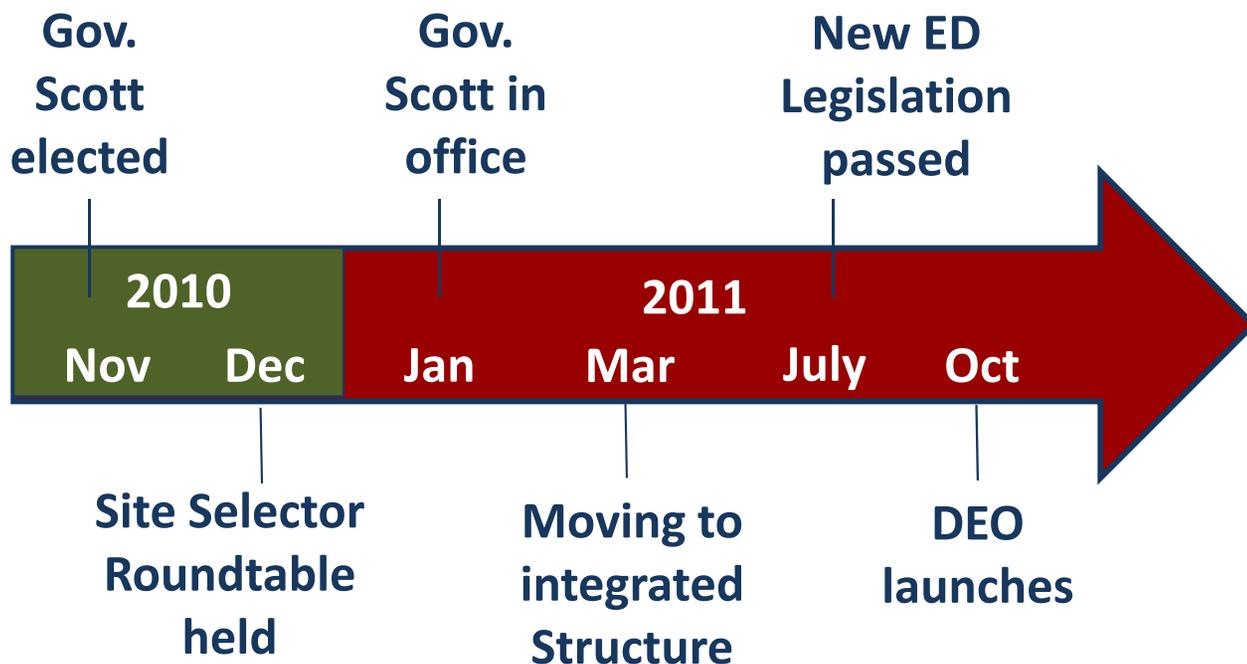
Gray Swoope, Secretary of Commerce  
President & CEO, Enterprise Florida

Senate Commerce Committee  
January 22, 2013



# *New Economic Development Structure = Culture Change*

*In 2 years, look how far Florida has come!*



## NOW

- Seamless
- Customer focused
- Core mission
- Efficient and effective allocation of resources

# Outcomes

- The legislature asked that we demonstrate incentives are wise investments of taxpayer dollars – we showed the types of businesses receiving these funds and the benefits.
- Legislators wanted more transparency– the report names each business receiving State funds.
- Statute required that we re-evaluate the economic impacts of previous projects using actual performance data – we did and the results were positive.

# Evaluation of Economic Benefits

- For projects with completed incentive contracts in the last 3 years, the estimated 4-year economic benefit was **86% higher** than originally projected
- Why? Because these companies...
  - Created **52% more jobs** than required;
  - Paid an average **wage 59% higher** than required; and
  - Received **13% less in incentive payments** than projected.

# Verified Performance

- Every incentive requires a performance-based contract.
- Compliance and accountability are built-in.
- The State verifies performance annually before making payments.
- Funds are occasionally placed into escrow until performance conditions are met to protect taxpayer funds.

# Economic development is a team sport!



*Thank You*



# 2012 ANNUAL INCENTIVES REPORT





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## Executive Summary

The economic development process is dynamic, involving many different groups and complex decisions. It often takes a business several months or even years to select a location for a new facility or decide which existing locations should be expanded. With fewer corporate expansions, the economic development landscape has become more and more competitive in recent years due to aggressive efforts by all states, as well as other countries, to attract new jobs. Incentives are often needed to sway a company's decision toward one location versus another when other critical factors such as adequate workforce, good education system, transportation infrastructure, and business-friendly climate are all in place.

Economic development incentives come in various forms, including tax credits, tax refunds, tax exemptions, infrastructure funding, and occasionally cash directly to a business. All of Florida's incentives require some degree of performance before the incentive value is realized by the company and most are governed by contracts between the state and applicant. For incentives requiring additional performance after the payment or value has been realized by the company, the State includes clawbacks and sanctions in the contract in order to protect the taxpayer's investment.

The most widely used approach to protecting the taxpayer's investment is the use of "performance-based" incentives. This means the company has to perform, wholly or partly, with performance verified by the state, before all or a pro-rata portion of the incentive value is realized. Of the primary incentives administered by the Department of Economic Opportunity's Division of Strategic Business Development (DEO-DSBD), during fiscal year 2012, 77 percent of the contracts executed fall within this category of completely performance-based. These businesses will only receive the incentive after performance has been verified.

There has been much discussion about "failed" economic development projects involving incentives. However, it is important to understand what drives the corporate decision-making process. With this understanding, it is clear that what some call a failure may in fact be a success.

The Department of Economic Opportunity, the State agency responsible for managing the majority of Florida's economic development incentives, classifies the status of each incentive into one of six categories (Table 1), based upon the incentive lifecycle. Companies within each category may still be creating jobs in Florida, even if they do not pursue the incentive or fulfill the full terms of their contracts. These should not be considered failures and often produce a return on the State's investment that is higher than originally anticipated. This is because if they do not meet the terms of their agreements, the amount of the incentive is reduced or eliminated entirely; however, there may still be positive economic impacts from the jobs that are created.

The State's most widely accessed economic development incentive is the Qualified Target Industry (QTI) Tax Refund. In fiscal year 2012, 185 applications were received for this program. The State approved 121 applications and entered into 93 QTI agreements with businesses. Currently there are 335 active QTI agreements. The State has confirmed these companies have already created 18,496 jobs, which is 16 percent more than their contractual obligations. For complete QTI contracts, the story is even more positive. The State confirmed the 97 businesses with complete QTI agreements created 29,694 new jobs—56 percent more than required.

For each economic development incentive project involving payments to a business, the State estimates the economic benefit. This is expressed as the amount of State tax dollars expected to be generated as a result of a \$1 State investment in a project's economic development incentive package. For incentive agreements completed within the last three years, at the beginning of these projects Enterprise Florida estimated the average economic benefit to be \$6.52 in new State taxes for each \$1 of incentives awarded. Looking back and taking into consideration the confirmed jobs created, verified wages paid and the State incentive dollars paid to these businesses, the economic benefits were \$12.12 for each dollar invested by the State. While these are based on estimates of taxes collected and overall economic impacts, this represents a solid approach to evaluating program performance.

<b>Table 1</b>		
<b>QTI TAX REFUND CONTRACT PERFORMANCE</b>		
	Projected Jobs	Confirmed Jobs Created
<p><b>Active:</b></p> <ul style="list-style-type: none"> <li>• Currently performing and in good standing</li> <li>• Most are ramping-up their job creation</li> <li>• These companies are required to have 15,970 new jobs in place and have exceeded these expectations by 16%</li> </ul>	45,157	18,496
<p><b>Inactive:</b></p> <ul style="list-style-type: none"> <li>• Business has received one or more incentive payment after meeting a portion of its contract commitments, but is ineligible for future payments</li> <li>• Companies may have fallen short of their hiring projections, but still created jobs</li> <li>• No additional incentive dollars will be paid; however, the State still benefits from more than 23,000 jobs in place, based on the last reported data</li> </ul>	38,499	23,079
<p><b>Terminated:</b></p> <ul style="list-style-type: none"> <li>• An incentive contract was executed but business has not received any payments and is ineligible for future payments</li> <li>• Companies may have created a small portion of the jobs, but not enough to receive their first refund or may have decided not to locate in Florida, even though the incentive agreement was executed</li> <li>• Although no incentive payments were made to these companies, the State still confirmed they created 7,510 new jobs at no cost to the taxpayer</li> </ul>	60,916	7,510
<p><b>Vacated:</b></p> <ul style="list-style-type: none"> <li>• Incentive contract never signed by the business and therefore no incentive payments made</li> <li>• Since these are all competitive projects whereby the businesses are considering multiple locations, Florida does not always "win"; some companies are approved for incentives but choose not to locate in Florida</li> </ul>	16,948	0
<p><b>Withdrawn:</b></p> <ul style="list-style-type: none"> <li>• Incentive application was withdrawn by the business or Enterprise Florida prior to approval or just after approval but before contract was drafted</li> <li>• These are similar to the Vacated projects</li> </ul>	380	0
<p><b>Complete:</b></p> <ul style="list-style-type: none"> <li>• Business has met the terms of its contract and received all eligible incentive payments</li> </ul>	19,094	29,694

# Introduction

## OVERVIEW OF ECONOMIC DEVELOPMENT INCENTIVES

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Florida's economic development toolkit includes programs designed to address specific needs of businesses as they look to expand or locate in Florida. While the toolkit is critical to successful economic development, those involved in the process understand these are valuable taxpayer dollars and therefore we have a fiduciary responsibility to ensure they are spent wisely. In some cases, business needs can be met by making introductions to other companies within the industry cluster, assisting with a permitting issue, or helping to identify a suitable site. These situations are a win-win for the business and State, since limited taxpayer resources were required to facilitate new job creation. However, incentives are often required to "close the deal" on competitive projects, otherwise these high quality jobs will be placed in another state or country.

As part of the early project development process, Enterprise Florida sells the value of doing business in the State while evaluating the needs of each business in order to determine if incentives are needed and the appropriate program and investment for the particular project. A good understanding of the company's plans, goals, and the competitive nature of the project help to shape Florida's incentive package. A strong commitment by the local community can also help to define the level of commitment on behalf of the State.

Many factors make up a site location decision, including cost and availability of labor, transportation infrastructure, and tax climate. Economic development incentives are also frequently part of the discussion. There may be multiple locations across several states that can serve the company's needs from an operational perspective. In those cases, incentives may be offered to sway the company in the direction of one site versus another by reducing a tax burden, putting in infrastructure to help lower the company's construction costs, or assisting with business relocation costs.

In order to effectively compete for economic development projects, a strong, well-funded toolkit of incentives is needed. This will ensure Florida is able to address specific needs as they arise for projects considering new job creation and investment opportunities.

### **Changes in Florida's Economic Development Incentives Process**

Policy and statutory changes to Florida's economic development process were implemented in 2011. The primary goal of these changes was to migrate toward a seamless approach and single point-of-contact for businesses and eliminate confusion over the roles of different groups in the process.

In summary, Enterprise Florida continues to be the primary point of contact for businesses with relocation, expansion, or retention opportunities. Business Development Managers will work with companies to align business needs with Florida resources, including structuring incentive packages required to ensure a Florida location decision. Enterprise Florida also continues to sell the State as a place to do business and develop incentives necessary to close the deal.

The Department of Economic Opportunity (DEO) evaluates incentive applications, ensures statutory compliance, makes incentive policy decisions, and manages incentive contracts and compliance. DEO also coordinates with other State agencies as needed on issues such as permitting and regulatory compliance.

## Statutory Requirements

The annual incentives report has been produced by Enterprise Florida for nine years, as required under §288.095, F.S. Previous reports addressed the economic development incentives paid from the State's Economic Development Trust Fund (Qualified Target Industry Tax Refund, Qualified Defense and Space Contractor Tax Refund, and the Brownfield Redevelopment Bonus Refund) and summarized the performance of other incentives considered to be key components of Florida's economic development toolkit.

During the 2011 Legislative session, §288.907, F.S. was created, which expanded the scope of data to be included in the annual incentives report. In summary, the information presented will provide taxpayers, Legislators, and other stakeholders with a detailed understanding of the performance of various incentive programs. This performance is demonstrated by verified job creation and wage figures, calculation of economic benefits utilizing actual company performance and actual incentive payments made, and other analyses to help verify the outcomes and appropriateness of State incentives.

The Florida Legislature and Florida's taxpayers have indicated a desire for more transparency into State incentive awards. This report includes listings of businesses with incentive contracts executed during fiscal year 2012 and those receiving incentive award payments. Some of the specific project information remains confidential per §288.075, F.S. as of the time this report was written. However, all reasonable attempts have been made to include project details where applicable.

The data presented in this report should be evaluated in context with the program goals of the applicable incentives, the highly competitive nature of economic development, as well as the current economic climate.

## SUMMARY OF INCENTIVES REPORT CONTENTS

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### Programs Included

Various programs comprise Florida's economic development incentive toolkit. There are incentives paid directly to businesses, grants to local governments for infrastructure and other community development improvements, capital programs, and other intangible resources. These programs are housed in several different agencies within the State. This report focuses on the 11 programs managed by the Department of Economic Opportunity's Division of Strategic Business Development.

- Qualified Target Industry (QTI) Tax Refund
- Brownfield Redevelopment Bonus Tax Refund (available as a bonus in addition to QTI or stand-alone)
- Qualified Defense and Space Contractor (QDSC) Tax Refund
- Quick Action Closing Fund (QACF)
- Manufacturing and Spaceport Investment Incentive (MSII)
- Economic Development Transportation Fund (EDTF)
- High Impact Performance Incentive (HIPI)
- Capital Investment Tax Credit (CITC)
- Innovation Incentive Program (IIP or IIF)
- Local Government Distressed Area Matching Grant (LGDAMG)
- Jobs for the Unemployed Tax Credit (JUTC)

Descriptions and data for other programs—including Florida’s Quick Response Training program—have been included whenever possible, in order to show the diverse range of business assistance available in Florida. In compiling this Annual Incentives Report, Enterprise Florida collected information from the Department of Economic Opportunity’s Divisions of Strategic Business Development and Community Development, Workforce Florida, Inc., the Florida Department of Revenue, the Florida Export Finance Corporation, and the Florida Development Finance Corporation.

### **Program and Project Approach**

There are several ways to evaluate the performance and effectiveness of economic development incentives. One approach is based on specific economic development incentive programs (program approach), which includes data for each individual program, irrespective of whether multiple incentive programs were required to land the project. Another approach being based on individual projects (project approach) and evaluating the various incentives required to land a specific project and then a summary of the project’s performance compared to the incentives actually paid. In order to give a comprehensive summary, both approaches are presented in this report.

The program approach information includes the amount of incentives approved and amounts paid by the State, a summary status of all economic development incentive projects approved (since July 1, 1995, or other date as noted), a summary of the economic benefits as a result of money spent on economic development incentives, and summaries of incentive performance within specific industry sectors and geographically distressed areas. The challenge with this approach is that while it is good at comparing programs, it may lead to double counting of jobs if the new job creation for each program was simply added together.

The project approach analysis includes information on approvals for the previous fiscal year for each incentive program and the number of individual projects this represents. Further details are provided regarding these executed agreements, including the names of businesses, their performance commitments, and the incentive agreements executed. Additional information is provided for businesses receiving incentive payments during fiscal year 2011. These two data sets are generally different, since Florida’s incentives are performance based and therefore most businesses do not receive actual payments from the State until several years into the project.

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# Incentive Program Information

## TYPES OF INCENTIVES

Economic development incentives come in various forms, including tax refunds, tax credits, tax exemptions, and cash grants. Other tools, such as financing, can help facilitate an economic development project. A thorough evaluation of the project's needs as compared to the eligibility requirements of various incentive programs help dictate which programs may be a good—or not so good—fit for each project.

The majority of Florida's competitive economic development projects utilize tax refunds. With these incentives, the business first enters into a contract with the State, which includes a new job creation goal, a schedule by which these new jobs are to be created, and an average wage to be paid for the new jobs. After the business has commenced the project and begun hiring, it submits an annual claim form and documentation of taxes paid. The State verifies the claim data with the company's quarterly unemployment compensation and payroll reports and verifies the tax documentation. If the State confirms the contractual obligations have been met and the local financial support has been received (if required) from the community, a refund check is sent to the business. If a QTI business partially performs but does not meet its full contracted job or wage requirements, it may be entitled to a pro-rated refund, less a penalty, or it will be invited to apply for an Economic Recovery Extension (ERE). Businesses not filing claims or not meeting performance obligations are terminated from the program. Table 2 summarizes several different types of incentives.

	TAX REFUNDS	TAX CREDITS	TAX EXEMPTIONS	CASH GRANTS TO COMPANY	CASH GRANTS TO THIRD PARTY
<b>Florida Incentive Programs</b>	<ul style="list-style-type: none"> <li>• Qualified Target Industry (QTI)</li> <li>• Qualified Defense and Space Contractor (QDSC)</li> <li>• Brownfield Bonus</li> <li>• Manufacturing and Spaceport Investment Incentive (MSII)</li> </ul>	<ul style="list-style-type: none"> <li>• Capital Investment Tax Credit (CITC)</li> <li>• Jobs for the Unemployed Tax Credit (JUTC)</li> <li>• Other Job Tax Credits</li> </ul>	<ul style="list-style-type: none"> <li>• Various</li> </ul>	<ul style="list-style-type: none"> <li>• High Impact Performance Incentive (HIPI)</li> <li>• Quick Action Closing Fund (QACF)</li> <li>• Innovation Incentive Program / Fund (IIF)</li> </ul>	<ul style="list-style-type: none"> <li>• Economic Development Transportation Fund (EDTF or Road Fund)</li> <li>• Quick Response Training (QRT)</li> <li>• Local Government Distressed Area Matching Grant (LGDAMG)</li> </ul>
<b>Type of Incentive</b>	Refund of taxes paid, outlined in a performance based contract	Credit against tax owed	Exemption from tax owed	Grant with performance based contract	Grant with performance based contract
<b>Overview of Claim Process</b>	<ul style="list-style-type: none"> <li>• Company pays taxes</li> <li>• State confirms tax payments and validates performance</li> <li>• State issues refund check</li> </ul>	<ul style="list-style-type: none"> <li>• Company claims credits on State corporate income tax return after meeting program requirements</li> <li>• State confirms jobs and investment (if applicable)</li> </ul>	<ul style="list-style-type: none"> <li>• Company is issued tax exemption permit from Florida Department of Revenue</li> <li>• Permit presented to seller</li> <li>• Seller exempts sales tax on transaction</li> </ul>	<ul style="list-style-type: none"> <li>• Company achieves pre-set milestones</li> <li>• State validates performance</li> <li>• State issues check</li> </ul>	<ul style="list-style-type: none"> <li>• Company achieves pre-set milestones</li> <li>• State validates performance</li> <li>• State issues check</li> </ul>
<b>Revenue Source</b>	Annual appropriation	Foregone revenue (no appropriation)	Foregone revenue (no appropriation)	Annual appropriation	Annual appropriation

## FLORIDA'S KEY ECONOMIC DEVELOPMENT INCENTIVES

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### Tax Refunds

#### ***Qualified Target Industry Tax Refund (§288.106, F.S.)***

**Objective:** Spur Job Creation in Florida's Target Industries

**Description:** The Qualified Target Industry Tax Refund, established in 1995, serves to attract new high quality, high wage jobs for Floridians. Tax refunds are made to qualifying, pre-approved businesses creating new jobs within Florida's target industries. All QTI projects include a performance-based contract with the State of Florida, which outlines specific milestones that must be achieved and verified by the State prior to payment of refunds. This incentive is a partnership between the State and local community—20 percent of the award comes from the local city or county government.

#### ***Qualified Defense and Space Contractor Tax Refund (§288.1045, F.S.)***

**Objective:** Spur Job Creation in Florida's Defense and Space Industries

**Description:** The Qualified Defense and Space Contractor Tax Refund, established in 1996, serves to attract new high quality, high wage jobs for Floridians in the defense and space industries. Tax refunds are made to qualifying, pre-approved businesses bidding on new competitive contracts or consolidating existing defense or space contracts. This incentive is a partnership between the State and local community—20 percent of the award comes from the local city or county government. All QDSC projects include a performance-based contract with the State of Florida, which outlines specific milestones that must be achieved and verified by the State prior to payment of refunds.

#### ***Brownfield Redevelopment Bonus Refunds (§288.107, F.S.)***

**Objective:** Spur Job Creation and Capital Investment in Florida's Brownfield Areas

**Description:** The Brownfield Redevelopment Bonus Tax Refund, established in 1997, serves to improve economic opportunities within Florida's Brownfield areas. These areas have been designated as Brownfields by each community for the presence or perceived presence of environmental contamination or blight. This incentive is a partnership between the State and local community—20 percent of the award comes from the local city or county government, unless a waiver of the match is requested. All Brownfield Bonus projects include a performance-based contract with the State of Florida, which outlines specific milestones that must be achieved and verified by the State prior to payment of refunds.

#### ***Manufacturing and Spaceport Investment Incentive (§288.1083, F.S.)***

**Objective:** Spur Capital Investment in the Manufacturing and Space Industries

**Description:** The Manufacturing and Spaceport Investment Incentive was created in 2010 to serve as a means of relieving some of the sales tax burden on existing manufacturers that were not increasing their productive output enough to be eligible for the standard manufacturing machinery and equipment sales tax exemption. This is a temporary program, with refunds available through FY 2012.

### Tax Credits

#### ***Capital Investment Tax Credit (§220.191, F.S.)***

**Objective:** Spur Capital Investment in Florida's High Impact Sectors

**Description:** The Capital Investment Tax Credit became effective July 1, 1998. CITC is used to attract and grow capital-intensive industries in Florida. It is an annual credit, provided for up to twenty years, against the corporate income tax. Eligible projects are those in designated high-impact portions of the following sectors: clean energy, biomedical technology, financial services, information technology, silicon technology, transportation equipment manufacturing, or a corporate headquarters facility.

**Jobs for the Unemployed Tax Credit (§220.1896, F.S.)**

Objective: Encourage Hiring of Unemployed Floridians

Description: Created in 2010, the Jobs for the Unemployed Tax Credit encourage target industry businesses to hire Florida residents who were unemployed for at least 30 days. This tax credit is claimed by the business after each employee has been retained for 12 months. This is a temporary program, with credits available through FY 2012.

**Cash Grants****High Impact Performance Incentive (§288.108, F.S.)**

Objective: Spur Capital Investment and Job Creation in Florida's High Impact Sectors

Description: Enacted in July 1997, the High Impact Performance Incentive (HIPI) is a grant reserved for major facilities operating in designated portions of high-impact sectors, including clean energy, biomedical technology, financial services, information technology, silicon technology, transportation equipment manufacturing, or a corporate headquarters facility. This performance based cash grant is paid in two equal installments, one upon commencement of operations and the other upon commencement of full operations.

**Quick Action Closing Fund (§288.1088, F.S.)**

Objective: Deal Closing Tool Used for Highly Competitive Projects to Attract New and Retain Existing Florida Jobs

Description: The Quick Action Closing Fund was created by the 1999 Legislature as a discretionary "deal closing" tool in highly competitive negotiations where Florida's traditional incentives are not enough to win the deal. This tool is critical to the state's ability to attract projects where Florida is at a significant competitive disadvantage. All Closing Fund projects include a performance-based contract with the State of Florida, which outlines specific milestones that must be achieved for grant payment, sanctions and penalties for non-performance, as well as annual compliance requirements. Closing Fund awards are generally paid out after the business has made a substantial capital investment toward tangible personal property tied to the project.

**Innovation Incentive Program (§288.1089, F.S.)**

Objective: Attract Major Innovation Businesses to Spur Development of Key Clusters

Description: The Innovation Incentive Program was created during the 2006 Legislative Session as a tool to allow the state to compete effectively for high-value research and development, innovation business, and alternative and renewable energy projects. These are long-term investments made by the State in industry clusters that are critical to Florida's future of economic diversification. All Innovation projects include a performance-based contract with the State of Florida, which outlines specific milestones that must be achieved for grant payment as well as compliance requirements. Innovation contracts also include a reinvestment requirement, by which recipients must remit a portion of their royalty revenues back to the State for reinvestment in existing State Trust Funds.

**Economic Development Transportation Fund (§288.063, F.S.)**

Objective: Transportation Infrastructure Improvements to Spur Job Creation / Retention and Capital Investment

Description: The Economic Development Transportation Fund is a grant to a local government used to alleviate transportation impediments as an inducement for a specific business to remain, expand or locate in Florida. The infrastructure funded through this grant serves as permanent community improvements for the benefit of Floridians. Effective July 1, 2012, administration of the EDTF was transferred to the Florida Department of Transportation (FDOT). As this report covers incentives through June 30, 2012, the EDTF data was provided by DEO.

***Local Government Distressed Area Matching Grant (\$288.0659, F.S.)***

Objective: Stimulate Economic Activity by Matching Local Business Assistance

Description: The Local Government Distressed Area Matching Grant program was created in 2010 to stimulate economic activity and enhance the ability of distressed communities to attract new job creation opportunities. The grant is administered through a contract between the State of Florida and the local government, with the State's funds (\$50,000 maximum) passed through to the business.

***Quick Response Training (\$288.047, F.S.)<sup>1</sup>***

Objective: Ensure Florida has a well-trained workforce with in-demand skill sets

Description: The Quick Response Training grant is an employer-driven training program designed to assist new value-added businesses and provide existing Florida businesses the necessary training for expansion. This reimbursement program is customized, flexible, and responsive to individual company needs. The Quick Response Training program is managed by Workforce Florida, Inc.; however, detailed information has been included in this report since it is a foundation of Florida's economic development toolkit.

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<sup>1</sup> Quick Response Training is managed by Workforce Florida. However, it is a critical incentive for businesses and therefore select program information has been included in this report. The Incumbent Worker Training (IWT) program is also an important part of the toolkit; however, it has not been included in this report since these are Federal workforce dollars rather than a specific State appropriation.

## HISTORICAL INCENTIVE PROGRAM FUNDING AND AWARDS

As noted in Table 2, incentives take different forms, some of which require annual appropriations and others involve foregone tax revenue. Tables 3 and 4 detail incentives approved by year for all programs requiring an annual appropriation.

<b>Table 3</b> INCENTIVE APPROVALS <sup>2</sup> - TAX REFUNDS					
FISCAL YEAR ENDED	QTI	QDSC	BROWNFIELD BONUS (WITH QTI)	BROWNFIELD BONUS (STAND-ALONE)	MSII
2012 Maximum Awards	\$58,063,500	\$2,180,000	\$7,697,500	\$5,982,500	\$150,000
<i>State Portion</i>	\$46,450,800	\$1,744,000	\$6,158,000	\$4,786,000	NA
2011 Maximum Awards	\$37,940,810	\$2,037,000	\$4,552,500	\$3,437,500	\$1,300,000
<i>State Portion</i>	\$30,352,648	\$1,629,600	\$3,642,000	\$2,750,000	NA
2010 Maximum Awards	\$33,863,300	\$0	\$4,790,000	\$1,112,500	Created in 2010
<i>State Portion</i>	\$27,090,640	\$0	\$3,832,000	\$890,000	
2009 Maximum Awards	\$34,125,000	\$2,136,000	\$5,070,000	\$230,000	
<i>State Portion</i>	\$27,300,000	\$1,708,800	\$4,056,000	\$184,000	
2008 Maximum Awards	\$23,710,000	\$0	\$472,500	\$812,500	
<i>State Portion</i>	\$18,968,000	\$0	\$378,000	\$650,000	
2007 Maximum Awards	\$36,611,000	\$2,966,888	\$1,545,000	\$3,072,500	
<i>State Portion</i>	\$29,288,800	\$2,373,510	\$1,236,000	\$2,458,000	
2006 Maximum Awards	\$55,670,867	\$3,921,000	\$2,942,500	\$1,567,500	
<i>State Portion</i>	\$44,536,694	\$3,136,800	\$2,354,000	\$1,254,000	
2005 Maximum Awards	\$56,954,000	\$475,000	\$2,360,000	\$1,250,000	
<i>State Portion</i>	\$45,563,200	\$380,000	\$1,888,000	\$1,000,000	
2004 Maximum Awards	\$41,964,800	\$0	\$4,322,000	\$312,500	
<i>State Portion</i>	\$33,571,840	\$0	\$3,457,600	\$250,000	
2003 Maximum Awards	\$45,675,100	\$0	\$1,982,500	\$312,500	
<i>State Portion</i>	\$36,540,080	\$0	\$1,586,000	\$250,000	
2002 Maximum Awards	\$37,576,950	\$0	\$125,000	Stand-alone component added in 2002	
<i>State Portion</i>	\$30,061,560	\$0	\$100,000		
2001 Maximum Awards	\$50,546,800	\$288,000	\$100,000		
<i>State Portion</i>	\$40,437,440	\$230,400	\$80,000		
2000 Maximum Awards	\$56,223,500	\$1,350,000	\$300,000		
<i>State Portion</i>	\$44,978,800	\$1,080,000	\$240,000		
1999 Maximum Awards	\$26,607,880	\$112,000	\$845,000		
<i>State Portion</i>	\$21,286,304	\$89,600	\$676,000		
1998 Maximum Awards	\$59,995,152	\$0	\$231,250		
<i>State Portion</i>	\$47,996,122	\$0	\$185,000		
1997 Maximum Awards	\$34,298,000	\$410,000	Created in 1997		
<i>State Portion</i>	\$27,438,400	\$328,000			
1996 Maximum Awards	\$26,557,500	\$0			
<i>State Portion</i>	\$21,246,000	\$0			

<sup>2</sup> "Maximum awards" represents the total amount of tax refunds approved for businesses during the respective fiscal year. These refunds are paid to companies in future years following confirmed performance.

For incentives paid from the same year’s appropriation, particularly QACF, EDTF, and QRT, the awards granted may exceed the appropriation for that year. This is because incentives are sometimes approved for businesses that decide not to locate in Florida, those funds may then be re-allocated to another project. Occasionally the Legislature will authorize line item appropriations for special EDTF projects, which do not follow the same recommendation and approval process as other EDTF awards. These are noted as “member projects” throughout the report rather than “traditional” EDTF projects, which follow the regular recommendation and approval process.

**Table 4**  
INCENTIVE APPROVALS - GRANTS

FY END	HIPI	QACF	IIF	EDTF	LGDAMG	QRT
2012	\$1,500,000	\$28,413,000	\$6,600,000	\$14,830,795	\$150,000	\$5,899,332
2011	\$8,640,000	\$24,337,700	\$0	\$30,342,123	\$0	\$8,545,367
2010	\$0	\$25,401,830	\$0	\$4,280,390	Created in 2010	\$3,391,777
2009	\$13,984,000	\$60,579,000	\$0	\$27,565,525		\$13,270,962
2008	\$0	\$47,000,000	\$249,090,000	\$9,732,860		\$1,606,960
2007	\$0	\$41,857,800	\$200,000,000	\$12,039,178		\$11,410,488
2006	\$3,150,000	\$10,442,200	Created in 2006	\$11,617,198		\$7,083,202
2005	\$0	\$9,272,500		\$14,710,964		\$7,970,541
2004	\$0	\$4,400,000		\$17,212,039		\$7,822,434
2003	\$0	\$0		\$17,012,214		\$7,317,724
2002	\$0	\$1,350,000		\$14,937,348		\$7,585,239
2001	\$2,000,000	\$900,000		\$20,158,571		\$4,772,350
2000	\$15,250,000	\$1,400,000		\$27,866,578		\$5,803,588
1999	\$12,500,000	Created in 1999		\$25,047,952		\$4,166,842
1998	\$0			\$16,230,721		\$3,739,430
1997	Created in 1997			\$8,595,618		\$6,704,625
1996				\$10,023,177		\$4,371,850

In addition to incentives requiring a payment from the State, tax credits are also key components of Florida’s incentive toolkit. Since credits are foregone revenue and therefore do not require an annual appropriation, they are reported differently. Table 5 includes a summary of the amount of tax credits approved for various State tax credit incentives. Capital Investment Tax Credit is provided as an aggregate figure for the amount of credits claimed for years prior to 2010 in order to maintain company confidentiality. The value of credits claimed is often much lower than the value of credits approved because in many cases the credits can only be used to offset a portion of the incremental new tax liability attributable to a project or the company’s tax liability may be lower than the value of the credits. Further, companies occasionally file amended tax returns or request extensions, which is why there may be a change in prior years.

<b>Table 5</b>						
<b>TAX CREDITS, REFUNDS AND EXEMPTIONS CLAIMED BY BUSINESSES</b>						
<b>YEAR</b>	<b>CITC (AMOUNT CLAIMED)</b>	<b>JOB FOR THE UNEMPLOYED TAX CREDIT</b>	<b>RURAL JOB TAX CREDIT</b>	<b>URBAN JOB TAX CREDIT</b>	<b>EZ JOBS TAX CREDIT (SALES TAX)</b>	
2011	\$5,578,022	\$33,000	\$431,000	\$790,500	\$757,739	
2010	\$13,658,884	Created in 2010	\$181,000	\$1,259,500	\$5,683,252	
2009	\$70,970,525		\$204,000	\$855,000	\$5,227,245	
2008			\$66,000	\$517,500	\$5,732,605	
2007			\$204,000	\$654,000	\$6,087,743	
2006			\$647,500	\$1,014,000	\$6,777,250	
2005			\$673,000	\$1,761,000	\$4,729,834	
2004			\$50,000	\$1,053,500	\$2,579,512	
2003			\$1,008,000	\$1,069,000	\$1,444,543	
2002			\$584,000	\$2,673,500	\$970,148	
2001		\$0		\$257,000	\$2,486,500	\$1,287,263
2000		\$0		\$21,000	\$4,999,500	\$1,036,480
1999	\$0		\$0	\$260,500	\$1,179,457	
1998	Created in 1998		\$0	\$0	\$629,694	
1997			Created in 1997	Created in 1997	\$548,988	
1996					\$269,906	
<b>YEAR</b>	<b>EZ JOBS TAX CREDIT (CORP. INCOME TAX)</b>	<b>EZ PROPERTY TAX CREDIT</b>	<b>EZ SALES TAX REFUND FOR BUILDING MATERIALS</b>	<b>EZ SALES TAX REFUND FOR BUSINESS EQUIPMENT</b>	<b>EZ SALES TAX EXEMPTION FOR ELECTRICAL ENERGY</b>	
2011	\$4,956,598	\$1,994,562	\$13,590,376	\$679,440	\$972,185	
2010	\$4,348,031	\$1,384,668	\$54,012,915	\$1,035,562	\$1,138,054	
2009	\$5,072,555	\$1,910,708	\$30,994,860	\$1,139,066	\$1,007,007	
2008	\$5,507,311	\$2,184,036	\$25,665,025	\$1,269,955	\$606	
2007	\$5,919,236	\$2,291,961	\$18,855,129	\$1,771,396	\$793,179	
2006	\$4,253,621	\$1,267,999	\$7,415,711	\$2,940,864	\$778,090	
2005	\$2,080,397	\$1,668,168	\$3,878,421	\$1,618,721	\$84,516	
2004	\$1,086,747	\$507,022	\$1,356,462	\$1,182,582	\$488,937	
2003	\$800,029	\$272,942	\$533,673	\$1,874,145	\$476,251	
2002	\$1,965,920	\$303,542	\$456,551	\$2,813,601	\$229,789	
2001	\$345,669	\$363,502	\$548,668	\$1,911,472	\$289,822	
2000	\$1,022,058	\$545,409	\$334,668	\$2,188,606	\$331,614	
1999	\$626,972	\$1,015,587	\$277,803	\$1,739,695	\$331,695	
1998	\$1,365,761	\$638,833	\$269,242	\$1,288,160	\$303,528	
1997	\$2,812,621	\$204,713	\$102,349	\$521,443	\$223,827	
1996	\$2,463,810	\$145,017	\$72,713	\$242,303	\$243,565	

Table Notes: 1) Enterprise Zone incentives are on an October 1 to September 30 program year, which has been translated to the calendar year in which the program ends. 2) Value of CITC credits claimed is for the companies' fiscal years beginning in the corresponding calendar year. These credits may change due to changes from Federal audits or filing extensions.

## INCENTIVE PROGRAM ACTIVITY AND RESULTS

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Understanding the usage and performance of specific incentive programs is critical to determining whether they are effective job creation tools. Measurement against the incentive contract takes place annually (at a minimum). The following tables quantify key performance metrics for each program.

When a business is contemplating a major expansion, Enterprise Florida works with the company to understand its needs in order to facilitate a Florida location decision. After the project has been vetted, the needs of the project have been evaluated, and an incentive package has been developed, DEO further reviews the deal to ensure it is in the best interest of Florida's taxpayers. Adjustments may be made during the incentive negotiation process to further tailor the structure of the incentive package to ensure alignment with the company's needs. Once the incentive package is finalized, DEO and/or the other appropriate State bodies issue the formal approvals.

Following the approval is an agreement or contract between the business (or local government) and the State. All agreements include performance requirements to be achieved before any incentive funds are paid out. For the few agreements structured for the business to receive incentive payments before the full scope of the project is achieved (primarily Closing Fund and Innovation Fund), each contract includes clawbacks and sanctions for non-performance. These sanctions include requiring the company to repay all or a portion of the incentive award, plus interest. The contracts also may include the right to impose a lien on assets of the business.

In order to further protect the State's investment in economic development incentives, funds are often placed into an escrow account, managed by Enterprise Florida, prior to disbursement to the companies. As of December 21, 2012, Enterprise Florida held \$16,964,200 in escrow funds for 11 different economic development projects. If any of these businesses do not meet the milestones required for the payments to be disbursed, the escrowed funds will be returned to General Revenue. Funds previously held in the EFI escrow account have also been returned to the State for projects not meeting their payment milestones in a timely manner. Funds have been returned for five projects totaling \$31,763,334.

In addition, 18 previous QACF awardees have returned a total of \$14,273,034.10 to the State (plus \$148,798.53 in penalty and interest payments), per the sanctions outlined in the QACF agreements. Some of these companies returned a pro-rated portion of their award, while others returned the entire award. There have been three instances where the State was unable to recoup funds owed due to businesses failing. This represents three percent of the total executed QACF agreements.

### Program Utilization – Tax Refunds

Tables 6 through 9 were compiled using data provided by DEO and show a summary of the current status of incentives approved by the State since July 1, 1995. The status of each incentive falls within one of six categories: active, inactive, terminated, vacated, withdrawn or complete. Explanations for each of these are contained within the tables below. The number of executed incentive agreements is also provided.

Businesses with active incentive agreements are in the midst of ramping up their expansion or new Florida operation. The number of complete incentive agreements may seem low compared to the number approved. Since incentive agreements are multi-year contracts—typically five to seven years for QTI—many businesses are in the midst of contract performance.

Not all businesses approved for incentives decide to commence their projects in Florida, which explains the gap between number of approvals and contracts executed (“vacated”). Some of these businesses even execute the incentive agreement, but still decide not to proceed with the project or decide to forego the incentive (“terminated”). Other factors may also play a role, such as weak economic conditions, failure to get an anticipated contract, or a change in operational plans. In addition, some businesses start their project, create a minimum number of jobs, and therefore receive one or more incentive payments based on this performance. If these businesses do not fulfill the full terms of their agreement, they are no longer eligible for subsequent payments.

<b>Table 6</b>				
<b>PROGRAM ACTIVITY – TAX REFUNDS</b>				
	<b>QTI</b>	<b>QDSC<sup>3</sup></b>	<b>BROWNFIELD BONUS<sup>4</sup> (WITH QTI)</b>	<b>BROWNFIELD BONUS (STAND-ALONE)</b>
Incentive Approvals (7/1/94 to 6/30/12)	1,134	33	98	53
<u>Active</u> : Business currently performing and in good standing	335	6	52	34
<u>Inactive</u> : Business has received one or more incentive payment after meeting a portion of its contract commitments, but is ineligible for future payments	175	3	5	0
<u>Terminated</u> : An incentive contract was executed but business has not received any payments and is ineligible for future payments	397	14	30	6
<u>Vacated</u> : Incentive contract never signed by the business and therefore no incentive payments made	127	5	7	8
<u>Withdrawn</u> : Incentive application was withdrawn by the business or Enterprise Florida prior to approval or before the contract was drafted	3	0	0	0
<u>Complete</u> : Business has met the terms of its contract and received all eligible incentive payments	97	5	4	5
Contracts Executed (through 6/30/12)	967 <sup>5</sup>	15	85	39

### Confirmed Results – Tax Refunds

Depending on the scope of the project, it may take a business several months or several years to reach its full employment projections. Therefore at any given point they may have only created a portion of the total jobs committed over the life of the agreement. Three data points are provided to show the current performance of active incentive agreements. “Contract Job Requirement” represents the full job creation commitments for these projects. “Jobs Due (as of latest FY)” is the total number of new jobs the businesses are contractually obligated to have in place as of their latest claim period. “Confirmed Performance” represents the number of net new to Florida jobs the State has confirmed to have been created by these businesses. The proper comparison here is the “Jobs Due (as of latest FY)” with “Confirmed Performance,” since this represents where the businesses actually are in terms of meeting their goals versus where they should be per their contracts.

<sup>3</sup> QDSC figures are since program inception, 1/1/1994.

<sup>4</sup> These figures contract and job figures are also part of the QTI data set.

<sup>5</sup> In the 2011 IR Table 5, 14 QTI contracts were listed as executed in FY 2011 but instead were approved in FY 2011 but executed in FY 2012. All other data related to 2011 contracts are correct.

Table 7 shows the number of jobs expected to be created by active incentive projects, both over the life of the agreements (“Contract Job Requirement”) and as of the most recent claim period (“Jobs Due”). To provide a more complete view of performance, data is also presented for all of the projects with executed incentive agreements. This includes businesses actively performing and in compliance with their agreements, those who initially made a Florida location decision but are no longer pursuing the incentive, and those who have successfully completed their agreements. The job data included represents the last figures confirmed by the State.

<b>Table 7 PROGRAM RESULTS – TAX REFUNDS<sup>6</sup></b>					
	<b>QTI</b>	<b>QDSC</b>	<b>BROWN-FIELD BONUS (WITH QTI)<sup>7</sup></b>	<b>BROWN-FIELD BONUS (STAND-ALONE)</b>	<b>COMMENTS</b>
<b>Active Agreements</b>					
Contract Job Requirement (Total Project)	45,157	418	9,811	4,640	Number of jobs these businesses have committed to create over the life of the contract
Jobs Due (as of Latest FY)	15,970	168	2,238	979	Number of jobs these businesses are contractually obligated to have in place as of their last reporting period
Confirmed Performance	18,496	186	3,011	866	Number of net new jobs the State has confirmed have been created by these businesses
Difference (Jobs Due vs. Confirmed)	16%	11%	35%	(12%)	Businesses actually created more (or less) jobs than originally committed
<b>Complete Agreements</b>					
Contract Job Requirement	19,094	795	975	555	Number of jobs these businesses committed to create over the life of the contract
Confirmed Performance	29,694	1,521	2,558	516	Number of net new jobs the State has confirmed have been created by these businesses as of their last report
Difference (Expected vs. Contracted)	56%	91%	162%	(7%)	Businesses actually created more (or less) jobs than originally committed
<b>All Executed Agreements</b>					
Contract Job Requirement (Total Project)	158,267	1,238	13,096	4,970	Number of jobs these businesses have committed to create over the life of the contract
Jobs Due (as of Latest FY)	68,778	593	3,435	1,534	Number of jobs these businesses are contractually obligated to have in place as of their last reporting period
Confirmed Performance	78,779	718	5,897	1,382	Number of net new jobs the State has confirmed have been created by these businesses
Difference (Expected vs. Confirmed)	15%	21%	72%	(10%)	Businesses actually created more (or less) jobs than originally committed

<sup>6</sup> Several companies have more than one active or complete QTI as a result of multiple expansions. For these projects, the “confirmed” jobs only include those required under the original contracts so as to not double count the same set of jobs for multiple projects.

<sup>7</sup> These jobs are also included in the “QTI” section.

*Of all QTI contracts executed, companies have created 15% more jobs than required.*

## Program Utilization – Grants

Contracts for incentive grants are similar to contracts for tax refunds. The business enters into a performance based agreement with the State, which outlines specific milestones for performance and payment. For the Economic Development Transportation Fund grants, these funds are paid directly to the city or county on a reimbursement basis as the applicant and not to the company. The transfer of the EDTF program to FDOT occurred on July 1, 2012, therefore the information presented her was provided by DEO.

**Table 8**  
PROGRAM ACTIVITY - GRANTS

	HIPI	QACF	IIF	EDTF (MEMBER)	EDTF (TRADITIONAL)
<b>Incentive Approvals</b> (7/1/95 to 6/30/12)	12	120	9	18	274
<b>Active:</b> Business currently performing and in good standing	5	90	9	6	24
<b>Inactive:</b> Business has received one or more incentive payment after meeting a portion of its contract commitments, but is ineligible for future payments	4	10	0	1	14
<b>Terminated:</b> An incentive contract was executed but business has not received any payments and is ineligible for future payments	0	6	0	2	56
<b>Vacated:</b> Incentive contract never signed by the business and therefore no incentive payments made	0	7	0	0	4
<b>Withdrawn:</b> Incentive application was withdrawn by the business or Enterprise Florida prior to approval or before the contract was drafted	0	4	0	0	0
<b>Complete:</b> Business has met the terms of its contract and received all eligible incentive payments	3	3	0	9	176
<b>Contracts Executed</b> (through 6/30/11)	12	98	8	17	264

## Confirmed Results – Grants

Results for the economic development grants are mixed, with projects both exceeding as well as not quite achieving their targets. All of the State's incentive grant contracts with businesses contain penalties for non-performance or other sanctions in order to protect taxpayer funds. In cases where a business falls short, the State actively pursues the recapture of funds. This is evidenced by the businesses with complete QACF contracts, two of which repaid funds although they still created a significant number of new Florida jobs.

<b>Table 9 PROGRAM RESULTS - GRANTS</b>					
	<b>HIPI</b>	<b>QACF</b>	<b>IIF</b>	<b>EDTF<sup>8</sup> (TRADITIONAL)</b>	<b>COMMENTS</b>
<b>Active Agreements</b>					
Contract Job Requirement (Total Project)	1,930	22,121	1,771	6,391	Number of jobs these businesses have committed to create over the life of the contract
Jobs Due (as of Latest FY)	20	6,967	894	163	Number of jobs these businesses are contractually obligated to have in place as of their last reporting period
Confirmed Performance	21	8,515	819	131	Number of net new jobs the State has confirmed have been created by these businesses
Difference (Jobs Due vs. Confirmed)	5%	22%	NA	(20%)	Businesses actually created more (or less) jobs than originally committed
<b>Complete Agreements</b>					
Contract Job Requirement	630	1,600	NA	4,759	Number of jobs these businesses committed to create over the life of the contract
Confirmed Performance	682	1,052	NA	7,046	Number of net new jobs the State has confirmed have been created by these businesses as of their last report
Difference (Expected vs. Contracted)	8%	(34%) <sup>9</sup>	NA	48%	Businesses actually created more (or less) jobs than originally committed
<b>All Executed Agreements</b>					
Contract Job Requirement (Total Project)	4,460	26,922	1,771	6,705	Number of jobs these businesses have committed to create over the life of the contract
Jobs Due (as of Latest FY)	1,505	9,192	894	5,041	Number of jobs these businesses are contractually obligated to have in place as of their last reporting period
Confirmed Performance	1,904	9,776	819	7,555	Number of net new jobs the State has confirmed have been created by these businesses
Difference (Expected vs. Confirmed)	27%	6%	NA	50%	Businesses actually created more (or less) jobs than originally committed

<sup>8</sup> Since EDTF grants are made to a local government, the State does not confirm job creation in the same manner as QTI. The contracted and confirmed job numbers listed here represent projects for which the businesses also have a QTI or other incentive contract in place and the State has verified the job figures as part of the claim process. The total number of potential new jobs associated with the three active EDTF agreements with verified job numbers is 342. EDTF Member projects have not been included here since these projects may or may not result in new job creation.

<sup>9</sup> Two QACF recipients with completed projects have repaid a portion of their awards since they did not create all of the jobs originally committed. These companies have repaid \$676,666.66, or 45% of their total QACF awards.

## Other Program Results

Several other programs have similar performance data available. Due the nature of each, the relevant metrics to report are different. Information for these programs is presented below.

### ***Capital Investment Tax Credit***

The State has issued 26 approvals or certifications for CITC projects through June 30, 2012. Of these, 21 are considered active and five have been terminated. The Florida Department of Revenue has issued nine technical assistance advisements (TAAs) for CITC projects through fiscal year 2012. The active CITC projects may create as many as 8,760 new jobs. The State has confirmed creation of 2,761 new jobs to date.

### ***Quick Response Training***

The QRT program, managed by Workforce Florida, Inc., had approved 588 applications through June 30, 2012. Of these, 68 are active. While QRT grants are largely based on new job creation, the focus is on number of trainees. For the active agreements, QRT businesses are expected to train 14,928 Floridians, leading to new and improved skill sets. The QRT program has already trained 9,902 citizens through these active contracts.

### ***Manufacturing and Spaceport Investment Incentive***

Eleven applications for the MSII program were approved in fiscal year 2012. The total number of approvals to date is 35.

## ECONOMIC BENEFITS

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An economic and fiscal impact analysis is completed for each incentive application submitted to Enterprise Florida. The analysis is based upon RIMS II multipliers issued by the U.S. Department of Commerce's Bureau of Economic Analysis for each industry. The analysis provides a payback ratio, or "economic benefit", estimating the amount of State taxes and related revenues generated per dollar invested by the State in economic development incentives.

Each company entering into a contract for state incentives must commit to a job creation number and a schedule by which those jobs will be in place. Upon completion of the first-year of job creation, the company submits a claim stating the number of new full-time jobs created in that year, the wages paid to these employees, and the amount of taxes paid. The documentation submitted by the company is reviewed and confirmed by the State.

While companies do their best to project future workforce needs, there is an element of uncertainty involved with estimating a job creation schedule several years in advance. Therefore, the actual number of new jobs created may be higher or lower than the original contractual commitment. In most cases, the end result is a payback higher than originally projected. This is because the initial projections are based on the maximum amount the State will invest in incentives for the project. If the business creates most, but not all, of the committed jobs, the State's incentive payment is reduced as well.

### **Review of Economic Benefits Model**

In 2010, the State's Office of Economic and Demographic Research (EDR) reviewed Enterprise Florida's impact analysis model. Enterprise Florida and EDR worked together to redefine variables within the impact analysis model to optimize the State's return on investment estimate. EDR recommended using statewide RIMS II multipliers instead of regional multipliers to ensure the fiscal impact of increased economic activity is captured on a statewide basis. The new impact analysis model became effective July 1, 2011.

### Methodology for Evaluating Economic Benefits

As previously stated, an economic and fiscal impact analysis is completed for incentive applications submitted to the State. Based on the up-front commitments regarding jobs, wages, capital investment, and other factors, the model calculates the expected payback to the State, given the State incentives offered for the project.

For the purposes of calculating the actual economic benefits to the State for projects completed in the previous three years, the State’s payback was recalculated utilizing the original impact analysis model and replacing the up-front committed values for jobs, wages, and incentive payments with the actual performance data verified by auditors. In the confirmed economic benefits analysis, the committed job number was replaced with the actual jobs created each year; the anticipated tax refund value was replaced the actual tax refund paid, the single committed wage was replaced by the confirmed wage for each year.

Table 10 shows an example of this concept. The company’s original QTI contractual commitment was 50 new jobs per year for three years (150 total, row #1) and an average annual wage of \$42,000 (row #2). The maximum QTI Tax Refund payment will be based on this schedule (row #3), even if performance is higher than required. If the company creates more jobs than its commitment (row #4) and pays a higher average wage (row #5), the benefit to the State is more jobs and higher wages, while the incentive payments remain the same. More jobs means additional tax revenue, leading to a higher return on the State’s investment, in this example 44% higher than anticipated over ten years. The same is generally true if the company created some, but not all, of its required new jobs. This is because if a company does not create all of the required jobs, the amount of the refund is reduced proportionally and a 5 percent penalty is assessed. Therefore, if the jobs are lower, the incentive is the same proportion lower but also reduced by the assessed penalty, the overall economic benefit is higher than originally projected.

**Table 10**  
ECONOMIC BENEFITS – EXAMPLE

QTI @ \$3,000/JOB	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7
1) New Job Creation Commitment (Cumulative)	50	100	150	150	150	150	150
2) Average Annual Wage Commitment	\$42,000	\$42,000	\$42,000	\$42,000	\$42,000	\$42,000	\$42,000
3) Tax Refund Incentive Payment (State's Portion)	\$0	\$30,000	\$60,000	\$90,000	\$90,000	\$60,000	\$30,000
4) Confirmed Job Creation (Cumulative)	60	125	180	172	178	183	175
5) Confirmed Average Annual Wage	\$45,000	\$45,735	\$44,870	\$46,000	\$46,500	\$47,900	\$48,850
			<b>INITIAL PROJECTIONS</b>	<b>CONFIRMED PERFORMANCE</b>	<b>DIFFERENCE</b>		
Jobs created			150	175	16%		
Average wage			\$42,000	\$48,850	16%		
State incentive payments (QTI tax refunds only)			\$360,000	\$360,000	0%		
4 year economic benefit (\$ in state tax revenue per \$ invested in incentives)			9.39	13.32	42%		
10 year economic benefit (\$ in state tax revenue per \$ invested in incentives)			16.54	23.79	44%		

## Economic Benefits – Program Approach Results

### QTI Tax Refunds

In the previous 3 years (July 1, 2009 – June 30, 2012), thirty-four Qualified Target Industry incentive agreements were completed. The State confirmed these projects have created 58% more jobs than required per the incentive contracts and are paying an average wage 61% higher than committed.

QTI tax refunds paid by the State were 11% less than originally committed to these projects. Actual tax refunds paid to companies may be less than the original commitment due to pro-rata tax refunds issued. The pro-rata tax refund is a result of a company's confirmed jobs being less than 100% but more than 80% of its contractual job commitment or the business' lower than anticipated tax liability.

*Compared to the initial analysis, the State has realized 10 year economic benefits 140% greater than originally projected for complete QTI agreements.*

**Table 11**  
ECONOMIC BENEFITS – QTI TAX REFUNDS

	INITIAL PROJECTIONS	CONFIRMED PERFORMANCE	DIFFERENCE
Complete Contracts (3 Years)	34		
Jobs Created	6,987	11,041	58%
Average Wage	\$37,756	\$60,698	61%
State Incentive Payments (QTI Tax Refunds Only)	\$24,934,400	\$22,262,644	(11%)
4 Year Economic Benefit (\$ in State Tax Revenue per \$ Invested in Incentives)	8.12	16.75	106%
10 Year Economic Benefit (\$ in State Tax Revenue per \$ Invested in Incentives)	12.77	30.67	140%

Note: 2 QTI's were not included in the economic benefits calculation due to record retention policy

For those QTI agreements completed in the last three years, the State has seen a significant increase in the original payback. Compared to the initial estimated economic benefit, the state has seen a 106% greater return on its investment over four years and 140% over 10 years. The significant increase in the state's return on its investment is due to the nearly twice as many jobs created versus committed and the confirmed average wage.

### Brownfield Bonus

Completed Brownfield Bonus projects also produced a higher economic benefit than originally projected. Tables 12 and 13 provide the economic benefit information for Brownfield Bonus (with QTI) projects and stand-alone Brownfield Bonus projects.

There were three QTI with Brownfield Bonus projects completed in the last three years, which created 161% more jobs, paying an average wage 108% higher than initially projected. Both the four year and 10 year economic benefit calculations represent the Brownfield bonus portion payments only. Strictly considering the Brownfield Bonus portion of the incentive (not the QTI portion), the economic benefit was 290% higher than originally projected over ten years. The substantial increase is due to the significantly higher jobs created and average wages paid. It should be noted, the job and wage values in Table 12 are also part of Table 11 under the QTI only portion of the incentive. The combined project payback, inclusive of all incentives, is shown in Table 17.

<b>Table 12</b> ECONOMIC BENEFITS – BROWNFIELD (QTI BONUS) TAX REFUNDS			
	INITIAL PROJECTIONS	CONFIRMED PERFORMANCE	DIFFERENCE
Complete Contracts (3 Years)	3		
Jobs Created	955	2,496	161%
Average Wage	\$56,163	\$116,930	108%
State Incentive Payments (Brownfield Portion Only)	\$1,910,000	\$1,879,288	(2%)
4 Year Economic Benefit (\$ in State Tax Revenue per \$ Invested in Incentives)	16.69	48.20	189%
10 Year Economic Benefit (\$ in State Tax Revenue per \$ Invested in Incentives)	26.86	104.71	290%
<b>Note: One project included in this analysis created nearly triple the number of jobs than initially projected.</b>			

Under the Stand Alone Brownfield program, capital investment is a program requirement and therefore confirmed and presented here. Of the four stand-alone Brownfield Bonus projects completed in the last three years, the confirmed capital investment is slightly higher than the initial projections. These projects have generated a 10 year payback to the state that is 45% higher than the initial projections.

<b>Table 13</b> ECONOMIC BENEFITS – BROWNFIELD (STAND ALONE) TAX REFUNDS			
	INITIAL PROJECTIONS	CONFIRMED PERFORMANCE	DIFFERENCE
Complete Contracts (3 Years)	4		
Jobs Created	510	470	(8%)
Average Wage	\$16,620	\$23,874	44%
Capital Investment	\$36,062,803	\$38,512,590	7%
State Incentive Payments (Brownfield Portion Only)	\$1,020,000	\$881,065	(14%)
4 Year Economic Benefit (\$ in State Tax Revenue per \$ Invested in Incentives)	15.21	18.55	22%
10 Year Economic Benefit (\$ in State Tax Revenue per \$ Invested in Incentives)	17.47	25.30	45%
<b>Note: One Stand Alone Brownfield project was not included in the economic benefits calculation due to record retention policy</b>			

**Qualified Defense and Space Contractor Tax Refund**

One QDSC project was completed in the last three years. The project fulfilled all of its requirements and received its full tax refund. Additionally, the company exceeded its projected job number and anticipated average wage, thus the state has seen a 129% greater return on its investment over four years and 140% over 10 years.

**Table 14**  
ECONOMIC BENEFITS – QUALIFIED DEFENSE AND SPACE CONTRACTOR TAX REFUND

	INITIAL PROJECTIONS	CONFIRMED PERFORMANCE	DIFFERENCE
Complete Contracts (3 Years)	1		
Jobs Created	55	62	13%
Average Wage	\$70,939	\$87,009	23%
State Incentive Payments	\$1,452,000	\$1,452,000	0%
4 Year Economic Benefit (\$ in State Tax Revenue per \$ Invested in Incentives)	6.20	14.20	129%
10 Year Economic Benefit (\$ in State Tax Revenue per \$ Invested in Incentives)	11.82	28.34	140%

### **High Impact Performance Incentive**

One HIPI project was completed in the last three years and the project received both installments of its payments. The company's capital investment was 18% higher than initially anticipated and the confirmed wage was 17% higher than originally projected. These increases contributed to an increased payback to the state of 24% over four years and 26% over 10 years.

**Table 15**  
ECONOMIC BENEFITS – HIGH IMPACT PERFORMANCE INCENTIVE

	INITIAL PROJECTIONS	CONFIRMED PERFORMANCE	DIFFERENCE
Complete Contracts (3 Years)	1		
Jobs Created	230	230	0%
Average Wage	\$75,020	\$87,720	17%
Capital Investment	\$177,100,000	\$209,000,000	18%
State Incentive Payments (HIPI Portion Only)	\$3,150,000	\$3,150,000	0%
4 Year Economic Benefit (\$ in State Tax Revenue per \$ Invested in Incentives)	7.53	9.36	24%
10 Year Economic Benefit (\$ in State Tax Revenue per \$ Invested in Incentives)	10.02	12.64	26%

### **Quick Action Closing Fund**

Closing Fund agreements are typically six to 10 years in duration, therefore there are only three complete QACF contracts. There were zero closing fund projects completed in the last three years (all three were completed in years prior).

### **Economic Development Transportation Fund**

Forty-Two EDTF contracts were completed in the last three years, with the State paying out eight percent less in grant funds than originally committed. Since EDTF grants represent permanent community infrastructure improvements that remain in place irrespective of the location of a business, impact analyses for projects involving only an EDTF grant are typically not compiled. Out of the forty-two EDTF contracts completed, one project also had a completed QTI. The total combined analysis is presented in Table 17 for this project.

<b>Table 16</b>			
<b>ECONOMIC BENEFITS – ECONOMIC DEVELOPMENT TRANSPORTATION FUND</b>			
	<b>INITIAL PROJECTIONS</b>	<b>CONFIRMED PERFORMANCE</b>	<b>DIFFERENCE</b>
Complete Contracts (3 Years)	42		
Jobs Created	8,083	NA	NA
Average Wage	\$39,850	NA	NA
State Incentive Payments (EDTF Portion Only)	\$36,146,728	\$33,344,960	(8%)

**Quick Response Training**

The Quick Response Training program, while also focused on new job creation, measures performance based on trainees and wages paid to these trainees. The goal is to see a documented increase in wages paid to employees trained under QRT grants. Workforce Florida measures these wage increases for several years following the training.

Thirty-one QRT contracts were completed in the past three years. These companies identified 4,249 potential trainees, while grants totaling \$3,749,862 were actually paid for 6,667 trainees. Based on the most recent data available from the Florida Education and Training Placement Information Program (FETPIP), for 2009-2010, QRT trainee wages increased more than 47 percent in the 15 months after completion of the program.

The 31 complete contracts spanned three target industries, manufacturing (16), financial and professional services (12), and infotech (3). Nine of the contracts were in distressed areas, including two in Enterprise Zones, two in rural counties, and two Brownfield Area.

**Total Project Economic Benefits – Project Approach**

The economic benefit information presented thus far is based on the investment of a single program. However, multiple State incentives are sometimes necessary to close the deal. Table 16 includes the “total project” economic benefits. This considers multiple State incentives paid for a single project, without double counting jobs or wages. There were a total of 81 projects with 85 completed incentive agreements within the last three years. Twelve projects utilized multiple incentives. Table 17 provides a summary of the economic benefits for the projects with completed incentive agreements in the past three years. The State incentive payments include all funds paid to or for the benefit of each project. Therefore, if a company received a QTI, QRT, and EDTF, all of these incentives are factored into the economic benefit analysis.

The economic benefit to the state for projects with completed contracts between July 1, 2009, and June 30, 2012, indicates a positive return to the state. The State was able to benefit from 52% more jobs than what these businesses originally committed to and made incentive payments 13% percent less than expected.

<b>Table 17</b> ECONOMIC BENEFITS – TOTAL PROJECT			
	INITIAL PROJECTIONS	CONFIRMED PERFORMANCE	DIFFERENCE
Complete Contracts (3 Years)	40		
Jobs Created	7,782	11,803	52%
Average Wage	\$37,707	\$59,896	59%
State Incentive Payments (ALL)	\$38,355,454	\$33,438,427	(13%)
4 Year Economic Benefit (\$ in State Tax Revenue per \$ Invested in Incentives)	6.52	12.12	86%
10 Year Economic Benefit (\$ in State Tax Revenue per \$ Invested in Incentives)	10.12	21.73	115%
Note: 2 projects were not included in the economic benefits calculation due to record retention policy			

### ***Economic Benefits by Industry***

Florida's Targeted Industries are a critical component to economic development throughout the state. A review of projects with completed incentive agreements in the last three years is presented below by target industry in Table 18. The information contained within the table is central to evaluating the quality and effectiveness of the incentives geared toward targeted industries in Florida.

- Manufacturing ranks the highest in terms of number of projects completed with corporate headquarters and financial/professional services placing second and third, respectively.
- The target industry yielding the most significant payback to the State over four years is Corporate Headquarters, with a 155% increase over the projected parameters.
- For all targeted industries, the state incentives actually paid to businesses were lower than projected.
- Corporate headquarters projects yielded a significantly higher economic benefit to the State over a ten year period as compared to the economic benefits based on the committed project parameters. This is due to the increased number of jobs created and the higher wages paid, in addition to the lower incentives payments made by the State.

<b>Table 18</b> ECONOMIC BENEFITS BY INDUSTRY			
<b>MANUFACTURING</b>	INITIAL PROJECTIONS	CONFIRMED PERFORMANCE	DIFFERENCE
Complete Contracts (3 Years)	9		
Jobs Created	583	802	38%
Average Wage	\$41,044	\$53,642	31%
State Incentive Payments (ALL)	\$4,993,794	\$4,563,862	(9%)
4 Year Economic Benefit (\$ in State Tax Revenue per \$ Invested in Incentives)	4.37	6.76	55%
10 Year Economic Benefit (\$ in State Tax Revenue per \$ Invested in Incentives)	6.78	11.64	72%

<b>Table 18</b>			
<b>ECONOMIC BENEFITS BY INDUSTRY (CONTINUED)</b>			
<b>CORPORATE HEADQUARTERS</b>	<b>INITIAL PROJECTIONS</b>	<b>CONFIRMED PERFORMANCE</b>	<b>DIFFERENCE</b>
Complete Contracts (3 Years)	7		
Jobs Created	1,649	3,236	96%
Average Wage	\$53,334	\$110,022	106%
State Incentive Payments (ALL)	\$11,896,319	\$9,711,147	(18%)
4 Year Economic Benefit (\$ in State Tax Revenue per \$ Invested in Incentives)	4.68	11.95	155%
10 Year Economic Benefit (\$ in State Tax Revenue per \$ Invested in Incentives)	7.84	24.46	212%
<b>LIFE SCIENCES</b>	<b>INITIAL PROJECTIONS</b>	<b>CONFIRMED PERFORMANCE</b>	<b>DIFFERENCE</b>
Complete Contracts (3 Years)	2		
Jobs Created	61	71	16%
Average Wage	\$53,224	\$63,971	20%
State Incentive Payments (ALL)	\$208,800	\$180,359	(14%)
4 Year Economic Benefit (\$ in State Tax Revenue per \$ Invested in Incentives)	13.57	20.68	52%
10 Year Economic Benefit (\$ in State Tax Revenue per \$ Invested in Incentives)	22.41	34.52	54%
<b>INFORMATION TECHNOLOGY</b>	<b>INITIAL PROJECTIONS</b>	<b>CONFIRMED PERFORMANCE</b>	<b>DIFFERENCE</b>
Complete Contracts (3 Years)	5		
Jobs Created	2,040	3,225	58%
Average Wage	\$24,492	\$27,194	11%
State Incentive Payments (ALL)	\$6,836,324	\$5,211,129	(24%)
4 Year Economic Benefit (\$ in State Tax Revenue per \$ Invested in Incentives)	9.47	18.54	96%
10 Year Economic Benefit (\$ in State Tax Revenue per \$ Invested in Incentives)	12.82	27.27	113%
<b>AVIATION / AEROSPACE</b>	<b>INITIAL PROJECTIONS</b>	<b>CONFIRMED PERFORMANCE</b>	<b>DIFFERENCE</b>
Complete Contracts (3 Years)	2		
Jobs Created	423	528	25%
Average Wage	\$34,544	\$41,394	20%
State Incentive Payments (ALL)	\$1,202,940	\$901,371	(25%)
4 Year Economic Benefit (\$ in State Tax Revenue per \$ Invested in Incentives)	8.93	18.80	111%
10 Year Economic Benefit (\$ in State Tax Revenue per \$ Invested in Incentives)	15.59	30.57	96%

<b>Table 18</b>			
<b>ECONOMIC BENEFITS BY INDUSTRY (CONTINUED)</b>			
<b>HOMELAND SECURITY / DEFENSE</b>	<b>INITIAL PROJECTIONS</b>	<b>CONFIRMED PERFORMANCE</b>	<b>DIFFERENCE</b>
Complete Contracts (3 Years)	3		
Jobs Created	315	371	18%
Average Wage	\$70,451	\$78,772	12%
State Incentive Payments (ALL)	\$4,807,836	\$4,729,467	(2%)
4 Year Economic Benefit (\$ in State Tax Revenue per \$ Invested in Incentives)	7.20	10.75	49%
10 Year Economic Benefit (\$ in State Tax Revenue per \$ Invested in Incentives)	10.72	17.61	64%
<b>FINANCIAL / PROFESSIONAL SERVICES</b>	<b>INITIAL PROJECTIONS</b>	<b>CONFIRMED PERFORMANCE</b>	<b>DIFFERENCE</b>
Complete Contracts (3 Years)	6		
Jobs Created	1,721	2,356	37%
Average Wage	\$41,118	\$58,470	30%
State Incentive Payments (ALL)	\$5,157,441	\$5,036,184	(2%)
4 Year Economic Benefit (\$ in State Tax Revenue per \$ Invested in Incentives)	10.03	20.63	106%
10 Year Economic Benefit (\$ in State Tax Revenue per \$ Invested in Incentives)	18.26	37.43	105%
<b>EMERGING TECHNOLOGIES</b>	<b>INITIAL PROJECTIONS</b>	<b>CONFIRMED PERFORMANCE</b>	<b>DIFFERENCE</b>
Complete Contracts (3 Years)	3		
Jobs Created	525	782	49%
Average Wage	\$25,707	\$36,798	43%
State Incentive Payments (ALL)	\$2,322,000	\$2,309,216	(1%)
4 Year Economic Benefit (\$ in State Tax Revenue per \$ Invested in Incentives)	6.89	9.55	39%
10 Year Economic Benefit (\$ in State Tax Revenue per \$ Invested in Incentives)	9.58	15.06	57%
<b>NOT IN A TARGET SECTOR</b>	<b>INITIAL PROJECTIONS</b>	<b>CONFIRMED PERFORMANCE</b>	<b>DIFFERENCE</b>
Complete Contracts (3 Years)	3		
Jobs Created	465	432	(7%)
Average Wage	\$15,662	\$22,757	45%
State Incentive Payments (ALL)	\$930,000	\$795,691	(14%)
4 Year Economic Benefit (\$ in State Tax Revenue per \$ Invested in Incentives)	8.74	10.47	20%
10 Year Economic Benefit (\$ in State Tax Revenue per \$ Invested in Incentives)	10.18	16.84	65%

**Economic Benefits in Distressed Areas**

Sixteen projects were completed in distressed areas within the last three years. These represent a significant benefit to the state by increasing the economic vitality to these communities. As previously seen, incentive payments made to these companies were lower and both confirmed jobs created and average wage were significantly higher than originally committed.

Four standalone brownfield bonus projects were completed in the last three years, three were not considered in a dedicated target industry and one was an emerging technology (distribution). The four projects yielded a significant payback to the state over both a four-year and ten-year period. These completed projects provided 470 jobs and infused nearly \$38.5 million in capital investment to these distressed areas. There were also fifteen EDTF projects completed in distressed areas.

The per job incentive paid to companies locating in distressed areas is typically higher, ranging from \$2,000 (stand-alone brownfield project) to \$8,500 (QTI in Enterprise Zone/Rural Community plus Brownfield Bonus) and the analysis demonstrates a positive economic benefit to the state over both four and ten-year periods.

<b>Table 19</b>			
<b>ECONOMIC BENEFITS IN DISTRESSED AREAS</b>			
	<b>INITIAL PROJECTIONS</b>	<b>CONFIRMED PERFORMANCE</b>	<b>DIFFERENCE</b>
Complete Contracts (3 Years)	16		
Jobs Created	3,635	6,243	72%
Average Wage	\$32,152	\$63,411	97%
State Incentive Payments (QTI)	\$21,366,654	\$18,876,773	(12%)
4 Year Economic Benefit (\$ in State Tax Revenue per \$ Invested in Incentives)	4.38	9.64	120%
10 Year Economic Benefit (\$ in State Tax Revenue per \$ Invested in Incentives)	6.87	18.92	176%

## PROGRAM TRENDS AND UTILIZATION

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Several trends are apparent when looking at interest in and usage of economic development incentives. These general trends are listed below. In addition in fiscal year 2012, five applications were approved for businesses identifying themselves as minority or woman-owned (1 QACF and 4 QTI).

### INCREASED PROJECT ACTIVITY

Enterprise Florida has seen an uptick in project activity as the economy starts to rebound. Many companies tightened their belts during the recession and have managed to preserve their cash reserves. As consumer and overall economic confidence increases, some of these companies are now looking to reinvest back into their operations and upgrade facilities, streamline operations, or venture into new product lines.

### FINANCING IS STILL AN ISSUE

For small and medium sized businesses, financing remains a critical need in order to expand. Capital is still tight through many traditional sources; therefore companies are seeking other resources. The State Small Business Credit Initiative program is helping to open up access to much needed capital by way of loan guarantees and other mechanisms.

### FLEXIBILITY IS KEY

Cities, counties and states across the country are being more and more creative in crafting compelling offers to attract economic development projects and meet individual company needs. In order to compete, Florida must continue to enhance the flexibility of its incentive toolkit, while at the same time maintain programs that are fiscally sound and provide a good return on taxpayer investments. The creation of Florida's State Economic Enhancement and Development Trust Fund (SEED) in 2011 is a good example of an effort to increase flexibility. The ability to utilize a single source of funding for multiple incentive programs allows leadership to address the individual needs of a specific project by using existing statutory programs, with flexibility on the funding mechanism.

### CONSIDER TWEAKING EXISTING PROGRAMS TO BE MORE COMPETITIVE

Florida's incentive programs help the State to be more competitive for highly sought after economic development projects. However, other states are often able to put forth more attractive incentive packages in terms of overall dollar value. Most companies recognize it is not just the dollar value of these incentives, but the timeliness of approvals, how the programs are structured, and the compliance process, which make a difference in the attractiveness of a particular location. Additional funding for Florida's incentive programs would make the State a more attractive option for these important projects. Other suggestions to make Florida more competitive include the following:

- *Removal of the \$7 million per business unit cap for QTI and QDSC* – Large companies with locations in many states that can rebate jobs are discouraged from creating those jobs in Florida if they have met their QTI or QDSC caps. Two companies in Florida are at or are about to reach the cap and without removal we risk losing their job growth to other states where these businesses have a presence.
- *Update the Innovation Incentive Fund Approval Process* – Currently all Innovation Incentive Fund awards must receive Legislative Budget Commission (LBC) approval before being approved. In order to speed up the approval process, the IIF could mirror the Quick Action Closing Fund process (awards up to \$2M Governor can approve, awards \$2M-5M requires consultation with the LBC Chair & Vice-Chair, awards greater than \$5M require LBC approval).

With the changing economy the Innovation Incentive Fund is no longer geared towards large projects seeking multi-million dollar deals, they are smaller companies looking for smaller amounts. We run the risk of losing important projects that are unable to wait for the next LBC meeting to occur.

- *Decrease the productivity showing for the manufacturing machinery and equipment sales tax exemption* – Currently manufacturers have to a 5% productivity showing to qualify for the manufacturing machinery and equipment sales tax exemption. Lowering the productivity showing for manufactures from 5% to 2.5% to be eligible for the manufacturing machinery and equipment sales tax exemption would help to increase Florida’s competitiveness for manufacturing projects, which occur in all regions of the State.
- *Incentive programs not utilized* – The three incentive programs (JUTC, MSII, and LGDAMG) created in 2010 designed to help stimulate the economy have been underutilized.
  - ❖ *Jobs for the Unemployed Tax Credit* – In FY 2011-12, \$5 million in credits was statutorily authorized; however, only \$33,000 in credits was actually claimed.
  - ❖ *Manufacturing and Spaceport Investment Incentive* – This incentive was intended to alleviate some of the burden on existing manufacturers who may want to purchase new machinery but would not meet the increase in output required for the general Manufacturing Machinery and Equipment sales tax exemption. Only \$550,000 in refunds have been paid to companies applying for this exemption, compared to the statutory maximum of \$43 million in allowable refunds. Some companies are still in the process of applying for their refunds; however, the maximum amount the State will end up paying based on these applications is \$2 million. A more simplified approach would be to reduce (or eliminate) the productive output requirement for manufacturers.
  - ❖ *Local Government Distressed Area Matching Grant* – The LGDAMG program was designed to attract businesses to distressed areas and allow local governments to leverage their additional resources by offering State matching funds. Through fiscal year 2012, only three awards were made from this program.

# Fiscal Year 2012 Project Information

## PROJECTS WORKED

In fiscal year 2012, 329 applications were received for the 12 primary programs and QRT. Table 20 includes a breakout of applications received, recommendations made by Enterprise Florida, approvals issued by the Office of Tourism, Trade and Economic Development (OTTED) / DEO or other agency, and contracts executed. During fiscal year 2012, the function of processing incentive applications was shifted from Enterprise Florida to DEO. This transition occurred between October 2011 and January 2012. Therefore, during several months of the year, Enterprise Florida continued to “recommend” incentive awards for approval. This transition is the reason for the low number of recommendations made compared to applications received and approvals for the same programs.

Table 20 also includes the number of projects represented by these incentives. For example, 329 applications were received on behalf of 267 different projects, since some projects submit applications for multiple incentives. EDTF projects resulting from a line item appropriation by Legislative members are not included in the project totals since these are not considered traditional economic development projects and may or may not be tied to job creation and capital investment.

	APPLICATIONS RECEIVED	RECOMMENDATIONS MADE	APPROVALS (CERTIFICATIONS)	CONTRACTS EXECUTED
QTI	161	37	101	76
QTI with Brownfield Bonus	24	10	20	17
QACF	39	14	29	18
QRT <sup>11</sup>	27	NA	27	27
Brownfield Bonus (stand-alone)	26	11	19	13
EDTF <sup>12</sup>	15	8	12	9
MSII	11	NA	11	NA
JUTC	9	NA	5	NA
CITC	6	3	5	NA
HIPi	5	1	1	2
IIF	4	1	2	1
LG DAMG	2	NA	3	1
QDSC	0	1	1	1
<b>TOTAL (APPLICATIONS)</b>	<b>329</b>	<b>86</b>	<b>236</b>	<b>165</b>
<b>NUMBER OF UNIQUE PROJECTS</b>	<b>267</b>	<b>70</b>	<b>191</b>	<b>121</b>

<sup>10</sup> NA denotes the corresponding step does not apply for this program.

<sup>11</sup> QRT projects have been included here in summary form but are not included in the subsequent charts.

<sup>12</sup> There was one application for an EDTF “member” project, which was also approved and an agreement executed.

The incentive application, negotiation and approval process can take anywhere from several weeks to several months or occasionally more than a year, depending on the scope of the economic development project. This timing phenomenon is the primary reason for the difference in applications, approvals, recommendations, and contracts. In addition, Enterprise Florida works closely with businesses through the incentives process and if a company is believed to be ineligible for a specific incentive, that information is conveyed as early as possible so as to not waste the time of the company in filling out an application. This approach also leads to efficiencies in incentive processing. Of the incentive applications received by Enterprise Florida during the first half of 2012 (the time when applications were still being recommended to OTTED / DEO), 3 were not recommended (1 QTI, 1 HIPI, and 1 QACF).

## EXECUTED AGREEMENTS

All of the State incentives reported on here require the business to enter into a performance agreement with the State of Florida. Exceptions are sales tax credits and exemptions, which are utilized upon a taxable event after approval by the State. Grants to local governments are overseen by performance agreements with the government applicant.

Table 21 summarizes the job, capital investment and average wage commitments for businesses with incentive agreements executed by DEO in fiscal year 2012 (excludes QRT agreements, which totaled an additional \$5,899,332 for this group of projects). This table also includes the value of State incentives associated with these executed agreements and the required local financial support commitments by Florida cities and counties.

NUMBER OF PROJECTS	CONTRACTED NEW JOBS	EXPECTED CAPITAL INVESTMENT	CONTRACTED AVERAGE ANNUAL WAGE	MAXIMUM STATE INCENTIVE PAYMENTS	LOCAL FINANCIAL SUPPORT COMMITMENTS <sup>13</sup>
122	13,558	\$1,877,024,715	\$49,397	\$71,946,285	\$8,953,140

Some of these projects may take advantage of other incentives not included in the \$71.1 million since this represents the value of those agreements executed during the previous fiscal year. A breakdown by project is included in Appendix C<sup>14</sup>. This list is as complete as possible, given the data available from various State agencies, including DEO and Workforce Florida, and the fact that some incentives are awarded after jobs are created such as the Enterprise Zone Jobs Tax Credit. Enterprise Florida and DEO assume these other incentives are taken advantage of at their maximum potential value. This is the most fiscally conservative approach in order to ensure the statutory payback ratio requirements are met. The local incentives listed are minimum amounts expected to be provided for each project. In some cases the community may offer incentives above and beyond what is required to leverage State funds. These values have been included wherever possible.

<sup>13</sup> The 2011 Incentives Report included estimated incentives offered by local communities. For 2012, this information has been limited to the statutorily required local financial support for the QTI, QDSC, and Brownfield Bonus incentives.

<sup>14</sup> While §288.907, F.S. requires disclosure of the average committed to be paid for these projects, Florida's economic development confidentiality statute, §288.075, F.S., prohibited releasing wage information for active incentive agreements prior to July 1, 2012. Several incentive agreements were executed during the fiscal year, which have since been terminated (therefore are no longer "active"). The wages for these projects have been disclosed as required in Appendix C.

Table 22 provides a breakdown of the maximum State incentive payments by program type for the incentive agreements executed in fiscal year 2012.

<b>Table 22</b> MAXIMUM INCENTIVE AWARDS – CONTRACTS EXECUTED IN FY 2012	
<b>PROGRAM</b>	<b>MAXIMUM INCENTIVE AWARDS</b>
QTI	\$29,356,160
Brownfield Bonus	\$6,592,000
<i>With QTI</i>	<i>\$3,080,000</i>
<i>Stand Alone</i>	<i>\$3,512,000</i>
QACF <sup>15</sup>	\$14,358,000
<i>Escrowed</i>	<i>\$10,215,000</i>
<i>Payable to business</i>	<i>\$4,143,000</i>
HIPI	\$8,140,000
EDTF	\$11,106,125
<i>Traditional</i>	<i>\$7,106,125</i>
<i>Member Projects</i>	<i>\$4,000,000</i>
QDSC	\$1,744,000
IIF	\$600,000
LGDAMG	\$50,000
<b>Total – DEO Managed Programs</b>	<b>\$71,946,285</b>
QRT awards for these 122 projects	\$2,135,477
Value of contracts executed in other fiscal years for these 122 projects	\$14,987,606
<b>Total – incentives under contract for all projects listed in Appendix C</b>	<b>\$89,069,368</b>

### Industry Analysis

The majority of Florida's incentive programs are focused on job growth within specific target industries. In fiscal year 2012, the majority of DEO's executed incentive agreements were with businesses in these target industries. The exception is several stand-alone Brownfield Bonus projects. Table 23 provides additional details on the contracts executed by industry.

<sup>15</sup> QACF payments are often held in an escrow account managed by Enterprise Florida until the business has reached substantial project milestones. The figures here represent funds flowing through the EFI escrow account ("Escrowed") compared to those expected to be paid to the businesses directly ("Payable to Business").

**Table 23**  
INCENTIVE PROJECT COMMITMENTS BY INDUSTRY

INDUSTRY	NUMBER OF PROJECTS	CONTRACTED NEW JOBS	EXPECTED CAPITAL INVESTMENT	CONTRACTED AVERAGE ANNUAL WAGE
Manufacturing	38	2,474	\$425,931,344	\$37,352
Corporate Headquarters	23	2,316	\$244,403,500	\$62,532
Financial / Professional Services	16	4,707	\$221,419,709	\$46,620
Information Technology	12	1,145	\$135,975,713	\$55,024
Not in a Target Industry	7	385	\$41,388,550	\$23,777
Aviation / Aerospace	6	821	\$207,783,000	\$56,194
Emerging Technologies	5	665	\$236,194,008	\$40,655
Life Sciences	5	770	\$43,358,344	\$68,388
Clean Technologies	4	183	\$298,881,547	\$50,900
Research and Development	4	62	\$7,009,000	\$68,717
Homeland Security / Defense	2	30	\$14,680,000	NA <sup>16</sup>
<b>TOTAL</b>	<b>122</b>	<b>13,558</b>	<b>\$1,877,024,715</b>	<b>\$49,397</b>

In fiscal year 2011, Florida’s target industries were reviewed in conjunction with economic development organizations, representatives from the State University System, local governments, and other stakeholders, as required by §288.106(2)(t)6., F.S. The review concluded with no substantive changes to the industries that comprise the list. However, the format was revised to be consistent with how Enterprise Florida markets the State as a business location of choice and also to better reflect current industry nomenclature. The new target industry list is included in Appendix A of this report.

**Distressed Areas**

Of the 122 projects with executed incentive agreements in fiscal year 2012, 46 of these were in distressed areas, including rural communities, Brownfield areas, Enterprise Zones, and distressed urban areas. These projects are committing to create 4,616 new jobs and are expected to invest more than \$886 million into these blighted areas. Table 23 shows the breakdown of these projects by area.

*Businesses locating or expanding in distressed areas represent 34% of the expected new job creation under contract in fiscal year 2012*

**Table 24**  
ACTIVITY IN DISTRESSED AREAS

	RURAL	NON-RURAL	TOTAL
Brownfield Area	3	21	24
Enterprise Zone	6	6	12
Brownfield Area and Enterprise Zone	1	5	6
General Economic Distress	3	1	4
<b>Total</b>	<b>13</b>	<b>33</b>	<b>46</b>

<sup>16</sup> Wage not disclosed due to confidentiality since there are only two projects in this industry.

### Economic Recovery Extension

In 2010, the Florida Legislature extended the Economic Recovery Extension (ERE) for existing QTI businesses. This extension allows businesses affected by an economic downturn in their industry, hurricanes or named tropical storms, or specific terrorist attacks to receive additional time to meet their job creation commitments. In fiscal year 2012, 37 businesses were approved for Economic Recovery Extensions.

### Amending Tax Refund Agreements

In 2002, a statutory change requiring a December 31 job creation date and a subsequent January 31 claim submission deadline were established for QTI and QDSC in order to streamline the claims payment process. In addition, tax refunds for these projects now require that the refund be paid from funds appropriated for the following fiscal year. Economic Recovery Extension recipients operating under the old contracts have been migrated to the new contract timing, which led to a significant increase in the number of contracts requiring December 31 job creation since 2004. As of now, virtually all active QTI contracts are based on December 31 job creation schedules.

## INCENTIVE PAYMENTS

During fiscal year 2012, the State paid a total of \$71,963,169.04 between the QTI, Brownfield Bonus, Closing Fund, QDSC, Innovation Incentive, HIPI, and EDTF programs. One-hundred nineteen payments were made to or on behalf of 103 projects. Table 25 includes the number of net new to Florida jobs the State is confirmed to have been created as well as the confirmed average wage for the businesses receiving incentive payments and the total local incentive contributions made during the year (this is a minimum value). The local incentives consist primarily of cash paid to the State and subsequently refunded to the business. Several projects were recipients of ad valorem tax abatements, which were used as the match for the QTI refunds. These local incentives have been included in the local incentive payments data below. Further information on individual businesses receiving payments is included in Appendix D.

<b>Table 25</b> SUMMARY OF FY 2012 INCENTIVE PAYMENTS			
<b>NUMBER OF PROJECTS</b>	<b>CONFIRMED NEW JOBS</b>	<b>CONFIRMED AVERAGE ANNUAL WAGE</b>	<b>LOCAL INCENTIVE PAYMENTS</b>
103	13,074	\$69,417.52	\$1,362,411.06

Table 26 shows a summary of the total payments (state portion) made by program. Specific information on tax credits claimed is not included here due to the lag of information between a fiscal year and when credits are claimed. In addition, the information for specific businesses claiming credits under the CITC program is considered confidential per §213.053, F.S. Aggregate information for the most recent fiscal years for credits claimed is contained in Table 4.

<b>Table 26</b>	
<b>INCENTIVE PAYMENTS – FISCAL YEAR 2012</b>	
<b>INCENTIVE</b>	<b>TOTAL FY 2012 PAYMENTS</b>
Innovation Incentive	\$37,925,000
QACF	\$19,357,700
<i>Paid into escrow</i>	<i>\$14,814,200</i>
<i>Paid to businesses</i>	<i>\$3,793,500</i>
<i>Returned to the State<sup>17</sup></i>	<i>\$750,000</i>
EDTF	\$7,866,469.28
<i>Traditional</i>	<i>\$6,607,383.53</i>
<i>Member Projects</i>	<i>\$1,259,085.75</i>
QTI	\$4,558,534.26
Brownfield Bonus	\$1,011,865.50
<i>QTI bonus</i>	<i>\$674,410.00</i>
<i>Stand-alone</i>	<i>\$337,455.50</i>
HIPi	\$1,000,000
QDSC	\$243,600.00
Total – incentive payments for all projects listed in Appendix D	\$71,963,169.04

All of Florida’s incentives are performance-based to varying degrees. Each business receiving a payment had to provide documentation to the State demonstrating they met the contractual requirements to receive a payment. As previously discussed, occasionally Enterprise Florida will recommend incentive funds be placed into an escrow account, which protects State funds while allowing a business sufficient time to meet appropriate performance requirements.

<sup>17</sup> Funds were repaid to the State after the company decided not to proceed with the full scale project.

## CASE STUDIES

### ADT Corporation

**Target Sector:** Corporate Headquarters

**Location:** Boca Raton, Palm Beach County

**Overview:**

Headquartered in Boca Raton, ADT is a leader in the electronic security, interactive home and business automation and alarm monitoring services industry in the U.S. and Canada, with 6.4 million customers and nearly 16,000 employees. With 200 locations across the U.S. and Canada, ADT maintains the industry's largest sales, installation and service field force. In November 2012, ADT announced it will expand its headquarters in Boca Raton (second expansion in two years) creating 120 new jobs and investing \$6.4 million.

**Employee Success: Eddie Celestin, IT Media Engineer**

After serving our country as a company commander for the United States Army, which included two deployments to Iraq, and as the creative director at Poweri Technologies, Inc., Eddie Celestin joined ADT IT media engineer in October 2012. His previous experience and supervised high standards of discipline, strength management, maintenance, accountability and readiness prepared him well for success in his new position with ADT. In his role, Eddie develops and maintains web applications on various ADT websites, mobile and micro sites. He coordinates and implements marketing sales campaigns for ADT websites. In addition, he is responsible for debugging and implementing industry standard solutions to sustain site performance.

<b>Incentives:</b>	QTI:	\$840,000	QACF:	\$400,000
	County Grant:	\$200,000	QRT:	\$180,000

### Prime Therapeutics, LLC

**Target Sector:** Life Sciences

**Location:** Orlando, Orange County

**Overview:**

Headquartered in St. Paul, Minn., Prime Therapeutics is a pharmacy benefit management company dedicated to providing innovative, clinically-based, cost-effective pharmacy solutions for clients and customers nationwide. With nearly \$12 billion in annualized drug spend under management, Prime is the fourth largest pharmacy benefit manager in the nation. In October 2012, Prime Therapeutics announced it will create 213 new full time jobs as part of its expansion of its pharmacy fulfillment and back-office administrative functions in Florida. The company will invest approximately \$8.9 million in the renovation of a 55,000 square foot facility in the City of Orlando. In addition to the facility, the company will invest \$9.2 million on manufacturing equipment.

**Employee Success: Tiffany Lebron, Cash Application Specialist**

After being out of work for nearly two years, all Tiffany Lebron was looking for an opportunity to get back into her chosen career field and passion. In her current position as a Cash Application Specialist, Tiffany is responsible for reconciling all batches and payment transactions on a daily basis to ensure that all transactions are properly recorded in the accounts receivable source system and general ledger. After coming on board with Prime Therapeutics, Tiffany soon recognized she was surrounded by a management team that believed in her abilities and what she could provide to the company. She also discovered that being employed at Prime Therapeutics made her realize that there was much more out there with bigger goals to follow.

<b>Incentives:</b>	QTI:	\$639,000	QRT:	\$319,500
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**Green Circle Bio Energy, Inc.**

**Target Sector:** Cleantech  
**Location:** Cottondale, Jackson County

**Overview:**

Green Circle Bio Energy Inc., a subsidiary of Sweden based JCE Group AB, is a Florida based corporation that produces high energy density wood pellets that are used in power plants throughout Europe. In December 2006, Green Circle Bio Energy announced the selection of Jackson County as the site for its new manufacturing facility. The county proved to be the perfect location because it offered a combination of ideal geographical and logistical conditions, as well as an ample supply of locally available raw materials. The new facility would create 51 new jobs and bring a \$100 million investment into the area. At the time of its opening in early 2008, the 225 acre facility was the world's largest operating pellet plant, producing more than 500 tons of pellets per year.

Since beginning full production in 2008, Green Circle Bio Energy has proved to be an excellent example of a project that has exceeded its incentive based goals. When first established and with incentive packages secured, Green Circle Bio Energy was required to create 51 new jobs with an average wage of \$33, 293. **As of 2011, the company has created and confirmed 79 jobs with an average wage of \$55, 381.**

<b>Incentives:</b>	EDTF:	\$1,020,000
	RIF:	\$675,000
	QTI:	\$357,000

\*Actual QTI award was reduced due to the amount of confirmed taxes paid

**Mindtree**

**Target Sector:** Information Technology  
**Location:** Gainesville, Alachua County

**Overview:**

Established in 1999 by ten industry professionals from Cambridge Technology Partners, Lucent Technologies, and Wipro, Mindtree Limited is a global information technology solutions company with revenues of more than \$400 million. Currently co-headquartered in Warren, New Jersey, and Bangalore, India, it has three development centers in India and 15 offices in Asia, Europe, and the United States. After considering site locations in South Carolina and Alabama, Mindtree officials selected Gainesville as the site for its United States expansion, bringing 400 new jobs over the next five years and making a \$2.925 million capital investment into the area. Mindtree ultimately selected Gainesville for the area's innovative workforce talent, community spirit and unparalleled quality of life.

**Employee Success: Tara Parkins, Programmer**

Growing up in Florida, Tara Parkins knew from a young age that she only wanted to study at the University of Florida. Years later and at UF, Tara immersed herself in interdisciplinary studies between the Computer Sciences and Engineering school and the Fine Arts department. As her graduation neared, she hoped to stay in Florida. Tara first learned of Mindtree when the company targeted the perfect venues to reach students: The Career Resource Center and the CISE Bits & Bytes Blog, which was garnering increasing word-of-mouth recognition amongst UF students. Utilizing Florida's excellent job resource, EmployFlorida.com, Tara applied for a programming position with Mindtree. Shortly after graduation, she was "extended an offer to join the Mindtree family" and particularly intrigued by the use of the word "family." It was not a routine automated offer letter to join a big business; it was a thoughtful and sincere welcoming to a company that cares. In just a small amount of time, Tara has already learned and grown from Mindtree's technical training. The company's expert teachers have instructed her on industry best practices and methodologies, new programming techniques, and top problem-solving strategies delivering personalized, quality training that cannot be received anywhere else.

<b>Incentives:</b>	QTI:	\$1,200,000	QACF:	\$950,000
	QRT:	\$800,000	Local Incentives:	\$2,050,000

## Additional Program Reports

Other State incentives and resources are critical components of Florida's economic development toolkit. Each of these programs has its own goals, objectives, and performance measures. Since these programs are vastly different from the traditional economic development incentives already discussed, the information presented here reflects a summary of each program's performance.

### DEO – DIVISION OF COMMUNITY DEVELOPMENT

#### Black Business Loan Program

In 2007, the Legislature enacted the Florida Black Business Investment Act, which established the Black Business Loan Program within OTTED. On October 1, 2011, the program was transferred to DEO. Annually, DEO certifies program administrators, known as Black Business Investment Corporations (BBICs). The BBICs use program funds to make loans, loan guarantees, and investments to black business enterprises that cannot obtain capital through conventional lending institutions.

<b>Table 27</b>					
<b>BLACK BUSINESS LOAN PROGRAM</b>					
<b>FLORIDA STATUTE:</b>		288.7102 – 288.714, F.S.			
<b>INCEPTION DATE:</b>		2007 (Current Version)			
<b>FISCAL YEAR</b>	<b>NUMBER OF CERTIFICATIONS</b>	<b>CONTRACT AMOUNTS</b>	<b>NUMBER OF LOANS/LOAN GUARANTEES</b>	<b>AMOUNT OF LOANS/LOAN GUARANTEES</b>	<b>PROJECTED NUMBER OF JOBS CREATED</b>
2011/2012	7	\$325,000.00	16	\$884,964.25	33
2010/2011	9	\$250,000.00	67	\$2,824,791	59
2009/2010	9	\$261,333.32	91	\$2,732,743	132
2008/2009	9	\$591,133.34	92	\$2,893,667	171
<b>TOTALS</b>	<b>34</b>	<b>\$1,427,466.66</b>	<b>266</b>	<b>\$9,336,165.25</b>	<b>395</b>

#### Community Contribution Tax Credit Program

The Community Contribution Tax Credit Program (CCTCP) provides a financial incentive (tax credit or sales tax refund) to encourage Florida businesses to make donations toward community development and housing projects for low-income persons. Businesses located anywhere in Florida that make donations to approved community development projects may receive a tax credit or sales tax refund equal to 50 percent of the value of the donation.

<b>Table 28</b>					
<b>COMMUNITY CONTRIBUTION TAX CREDIT PROGRAM</b>					
FLORIDA STATUTE:		212.08 (5) (p); 220.183; and 624.5105, F.S.			
INCEPTION DATE:		1982			
FISCAL YEAR	NUMBER OF APPROVALS	NUMBER OF DENIALS	AMOUNT OF TAX CREDITS	COMMUNITY DEVELOPMENT PROJECTS	HOUSING
2011/12	333	1	\$14.0 million	24	41
2010/11	308	3	\$14.0 million	19	41
2009/10	308	2	\$14.0 million	20	38
2008/09	351	1	\$16.5 million	21	39
2007/08	286	3	\$14.0 million	22	33
2006/07	283	6	\$14.0 million	19	27
2005/06	285	0	\$12.0 million	16	29
2004/05	251	0	\$10.0 million	6	23
2003/04	285	5	\$10.0 million	11	22
2002/03	359	7	\$10.0 million	21	30
2001/02	323	1	\$10.0 million	21	23
2000/01	224	0	\$6.1 million	24	15
1999/00	198	2	\$5.1 million	30	10
1998/99	170	1	\$5.0 million	25	7
1997/98	69	0	\$2.0 million	18	2
1996/97	81	4	\$2.0 million	13	3
1995/96	75	1	\$2.0 million	15	3
<b>TOTALS</b>	<b>4,189</b>	<b>37</b>	<b>\$160.6 million</b>	<b>325</b>	<b>386</b>

**Economic Gardening Loan Pilot Program**

The purpose of the Economic Gardening Loan Pilot Program is to stimulate investment into Florida’s economy by providing loans to expanding second stage businesses in the state.

<b>Table 29</b>				
<b>ECONOMIC GARDENING LOAN PILOT PROGRAM</b>				
FLORIDA STATUTE:		288.1082, F.S.		
INCEPTION DATE:		2009 Special Session A		
NUMBER OF LOANS MADE	NUMBER OF APPLICATIONS DENIED	AMOUNT OF LOANS MADE TO DATE	INTEREST EARNED ON LOANS MADE	ECONOMIC BENEFITS
43	57	\$7,875,000.00 <sup>18</sup>	\$248,313.00	161 jobs created 910 jobs retained

**Florida Small Business Credit Initiative**

Florida was awarded \$97.6 million to establish the program that increases access to capital for small businesses. Florida was approved to operate a Capital Access Program (CAP), a Venture Capital Program and a Small Business Loan Support Program.

<sup>18</sup> Corrected figure from the 2011 Incentives Report.

<b>Table 30 FLORIDA SMALL BUSINESS CREDIT INITIATIVE</b>			
<b>FLORIDA STATUTE:</b> The Legislative Budget Commission approved the federal grant and established budget authority to allow the Department of Economic Opportunity to administer the State Small Business Credit Initiative on 9/30/2011.			
<b>INCEPTION DATE:</b> December 2011			
<b>FLORIDA CAPITAL ACCESS PROGRAM BUDGET</b>	<b>VENTURE CAPITAL BUDGET</b>	<b>SMALL BUSINESS LOAN SUPPORT BUDGET</b>	<b>ECONOMIC BENEFITS</b>
\$10.9 million	\$43.5 million	\$43.2 million	In aggregate these programs are required to leverage 10 private dollars for every public dollar spent. Therefore the program anticipates leveraging \$970 million capital for small businesses in Florida.

### Manufacturing Extension Partnership

The Florida Manufacturing Extension Partnership (Florida MEP) supports the economic growth of Florida manufacturing businesses and communities. This program provides technical and business assistance for manufacturers in order to leverage federal and private resources. The focus of MEP is market penetration and creating economic impact for manufacturers.

<b>Table 31 MANUFACTURING EXTENSION PARTNERSHIP</b>		
<b>FLORIDA STATUTE:</b> General Appropriations Act		
<b>INCEPTION DATE:</b> 2008		
<b>FISCAL YEAR</b>	<b>CONTRACT AMOUNT</b>	<b>NEW JOBS CREATED</b>
2011/2012	\$500,000.00	275
2010/2011	\$500,000.00	287
2009/2010	\$500,000.00	47
2008/2009	\$500,000.00	n/a
<b>TOTALS</b>	<b>\$2,000,000.00</b>	<b>609</b>

### New Markets Development Program

The New Markets Development Program was created in 2009 to encourage capital investment in low income communities. Tax payers earn credits against specified taxes by making qualified investments into federally registered Community Development Entities which in turn make investments in qualified low income community businesses. In July 2012, an additional \$66.3 million in tax credits was approved. Information on this allocation of credits will be in next year's incentives report.

<b>Table 32 NEW MARKETS DEVELOPMENT PROGRAM</b>				
<b>FLORIDA STATUTE:</b> 288.9912 - 288.9922, F.S.				
<b>INCEPTION DATE:</b> 2009				
<b>TOTAL AMOUNT OF CAPITAL INVESTMENT</b>	<b>TOTAL TAX CREDITS AWARDED</b>	<b>NUMBER OF INVESTMENTS IN LOW INCOME COMMUNITIES</b>	<b>AMOUNT INVESTED *</b>	<b>ECONOMIC BENEFITS</b>
\$250,000,000	\$97,500,000	23	\$162,652,700	30 jobs created @ \$63,924 avg wage 1,020 jobs retained @ \$48,136 avg wage

### Regional Rural Development Grant Program

The Rural Regional Staffing Initiative was created in 1996 to award matching grants to regional organizations created by rural counties for the purpose of operating economic development activities to benefit their areas. Although these grants were funded as part of the Rural Community Development Revolving Loan Fund in fiscal year 1996-1997, no distributions were made during that fiscal year. The Initiative was reauthorized for fiscal year 1997-1998. Additional funds were provided by the Florida Legislature in the 1998-99 General Appropriations Act.

Enterprise Florida administered the Regional Rural Development Grant Program from July 1, 1996 through September 30, 2011. On October 1, 2011, the program was transferred to DEO.

Table 33 REGIONAL RURAL DEVELOPMENT GRANT PROGRAM			
FLORIDA STATUTE:		288.018, F.S.	
INCEPTION DATE:		1996	
FISCAL YEAR	NUMBER OF APPROVALS	AMOUNT OF AWARDS	ECONOMIC BENEFITS
2011/2012 <sup>19</sup>	2	\$135,000	Enhancements to the staffing abilities of regional economic development organizations serving within the rural areas of Florida.  Staff members have received scholarships to attend training workshops and participate in site visits and familiarization tours.
2010/2011	11	\$587,500	
2009/2010	6	\$458,285	
2008/2009	5	\$250,000	
2007/2008	5	\$242,138	
2006/2007	4	\$235,000	
2005/2006	4	\$197,500	
2004/2005	4	\$284,300	
2003/2004	4	\$279,000	
2002/2003	4	\$259,000	
<b>TOTALS</b>	<b>49</b>	<b>\$2,927,723</b>	

### Rural Community Development Revolving Loan Fund

The Rural Community Development Revolving Loan Fund Program provides financial assistance to units of local governments, or economic development organizations within a rural county or community, in the form of either a loan or loan guarantee. The purpose of the program is to provide financial assistance for a specific project that will lead to the creation of new jobs that maintains or increases the economic vitality of Florida's rural counties.

Table 34 RURAL COMMUNITY DEVELOPMENT REVOLVING LOAN FUND			
FLORIDA STATUTE:		288.065, F.S.	
INCEPTION DATE:		1996	
YEARS	NUMBER OF APPROVALS	AMOUNT OF AWARDS	ECONOMIC BENEFITS
1997 - 2011	17	\$6,056,727	Funding was used to attract businesses retain jobs, and make capital improvements to help attract businesses. Examples include: <ul style="list-style-type: none"> <li>• Family Dollar distribution center in Jackson County</li> <li>• Green Circle Energy in Jackson County</li> </ul>

<sup>19</sup> Corrected figures from the 2011 Incentives Report.

## Rural Infrastructure Fund Program

The Rural Infrastructure Fund (RIF) program was created to facilitate the planning, preparing, and financing of infrastructure projects in rural communities that encourage job creation, capital investment, and the strengthening and diversification of rural economies. Awards are limited to 30% of the total infrastructure project cost, (40% for a “rural catalyst site”) and provide funding for three types of projects:

- Total Participation Grants – used to fill 'gaps' in infrastructure funding from other sources.
- Feasibility Studies – used to develop the base line data and plans needed before applications for significant economic development funding can be submitted.
- Preclearance Review – provides access to the resources of Section 403.973(19), F.S. providing surveys and other materials necessary for preparing sites for significant economic development projects.

**Table 35**  
RURAL INFRASTRUCTURE FUND PROGRAM

FLORIDA STATUTE: 288.0655, F.S.			
INCEPTION DATE: 2001			
FISCAL YEAR	NUMBER OF APPROVALS	AMOUNT OF AWARDS	ECONOMIC BENEFITS
2011/2012	3	\$1,581,244	Feasibility and engineering studies for the NW RACEC and NC RACEC Catalyst Sites and Gadsden County Equestrian Facility.
2010/2011	4	\$1,100,000	Projected capital investment of \$6,350,000 for one total participation grant. Remaining three grants are feasibility studies.
2009/2010	6	\$1,150,000	Feasibility studies -
2008/2009	10	\$4,700,000	Projected capital investment - Two feasibility study grants totaling \$336,000 awarded to two Rural Areas of Critical Economic Concern (RACEC) for broadband studies resulted in a combined award of approximately \$54 million in federal funding to expand broadband access in Florida's three designated RACECs.
2007/2008	5	\$1,834,186	Projected capital investment:
2006/2007	11	\$4,233,548	Projected capital investment:
2005/2006	8	\$3,060,301	Projected capital investment:
2004/2005	7	\$2,416,005	Projected capital investment:
2003/2004	4	\$492,300	Projected capital investment:
2002/2003	6	\$1,366,165	Projected capital investment:
2001/2002	11	\$4,297,355	Projected capital investment:
<b>TOTALS</b>	<b>75</b>	<b>\$26,231,104</b>	

### Enterprise Zone Incentives

The Florida Enterprise Zone Program offers businesses located in enterprise zones corporate and sales tax credits for hiring residents of the zones. Sales tax refunds are offered to businesses located in the zone that purchase building materials and business equipment for use in the zone. Corporate tax credits are available to new and expanding businesses that locate or expand their facilities in a zone. In some zones, a sales tax exemption on electrical energy is available to new businesses locating there. In addition to these state incentives, local governments also provide a number of incentives to attract new businesses, as well as to help existing businesses expand. Table 5 includes the amount of annual credits and refunds approved under the various Enterprise Zone programs. The Enterprise Zone Program reporting period is October 1 to September 30.

Table 36 ENTERPRISE ZONE INCENTIVES					
FLORIDA STATUTE: 212.096, 220.181, 220.182, 212.08(5)(g), 212.08(5)(h), 212.08(15), 212.08(5)(p), 220.183, 624.5105, 196.095					
INCEPTION DATE: 1995 (Current Version)					
FISCAL YEAR	NEW BUSINESSES	NEW JOBS CREATED	BUSINESSES RECEIVING TECHNICAL ASSISTANCE	STATE EZ INCENTIVES APPROVED	LOCAL EZ INCENTIVES APPROVED
2010/11	4,103	11,559	5,618	\$22,950,900	\$33,091,214
2009/10	7,559	6,784	9,056	\$67,602,482	\$19,975,176
2008/09	3,104	9,073	11,708	\$45,351,441	\$11,577,451
<b>TOTALS</b>	<b>14,766</b>	<b>27,416</b>	<b>26,382</b>	<b>\$135,904,823</b>	<b>\$64,643,841</b>

### Rural Job Tax Credit Program

In calendar year 2011, four businesses were approved for Rural Job Tax Credits totaling \$431,000. These four companies created 431 new jobs within Florida's rural areas. The four recipients are listed below.

- Liberty Highlands, LLC
- Pilgrim's Pride Corporation
- Omni Hotels Management Corporation
- Thule, Inc.

### Urban Job Tax Credit Program

In calendar year 2011, 12 businesses were approved for Urban Job Tax Credits totaling \$790,500. These 12 companies created 589 new jobs within Florida's urban areas and are listed below.

- Braman Motors, Inc.
- Riva Motorsports Miami, Inc.
- BVHG 50<sup>th</sup> Street, LLC
- T. T. of Eatonville Inc.
- BVHG 5905 International Management
- T. T. of Orlando, Inc.
- Goodwill Industries of North Florida
- Target Corporation
- LSREF Orange OPS (Orlando), LLC
- Team Fan Shop Fulfillment
- Palace Laundry, Inc., d/b/a Linens of the Week
- Zlos Enterprises, Inc., d/b/a Miss Trendy

## FINANCING PROGRAMS

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### Florida Opportunity Fund

The Florida Opportunity Fund was created because the Florida Legislature found there was a need to increase the availability of seed capital and early stage venture equity capital for emerging companies in Florida, including, without limitation, enterprises in life sciences, information technology, advanced manufacturing processes, aviation and aerospace, homeland security and defense, as well as other strategic technologies.

Legislation passed by the Florida Legislature in 2007, which created Sections 288.9621-288.9625 of the Florida Statutes, collectively referred to as the Florida Capital Formation Act, provided for the creation of the Florida Opportunity Fund, initially as a fund of funds program that invests in venture capital funds. In 2009, The Florida Legislature expanded the Florida Opportunity Fund's mandate under the Florida Capital Formation Act to create direct investment programs that invest in businesses and infrastructure projects.

The Florida Opportunity Fund receives administrative services from Enterprise Florida and investment management services from Florida First Partners (FFP). FFP is a joint venture between Arsenal Venture Partners (AVP) and the Credit Suisse Customized Fund Investment Group (CFIG). Formerly known as MILCOM Venture Partners, AVP is a leading Florida fund manager and venture capital firm that has invested in companies in the power, energy, communications, software and materials science sectors. CFIG is the leading primary private equity fund-of-funds investment group of global banking giant Credit Suisse. CFIG also manages in-state private equity investment programs in Ohio, Michigan, Indiana, New York and Oregon.

As of June 30, 2012, the Florida Opportunity Fund was comprised of three programs – 1) the Fund of Funds Program, 2) the Clean Energy Investment Program and 3) the Florida Venture Capital Program:

### FUND OF FUNDS PROGRAM

Launched in 2008, the Fund of Funds Program was created to realize significant long-term capital appreciation by identifying and investing in a diversified, high-quality portfolio of seed and early stage venture capital funds that target (in whole or in part) investment opportunities within Florida.

The State of Florida provided \$29.5 million to capitalize the Fund of Funds Program. As of June 30, 2012, \$27.0 million out of the \$29.5 million had been committed to six venture capital funds and approximately \$8.4 million had been funded. These six venture funds were:

- Inflexion Fund II, a fund with offices in Orlando, Gainesville, and Tampa that focuses on seed or early-stage medical technology, clean technology and information technology. In September 2009, Florida Opportunity Fund announced its \$4.0 million commitment to this fund.
- New Enterprise Associates, a fund with a long track record of success in financing startup companies in Florida. In November 2009, Florida Opportunity Fund announced its \$4.0 million commitment to this fund.
- Harbert Venture Partners, a fund that focuses on early-stage information technology and biotech opportunities. In January 2010, Florida Opportunity Fund announced its \$4.0 million commitment to this fund.
- 5AM Ventures III, a bioscience venture capital fund whose managing partner is the former chairman of The Scripps Research Institute. In February 2010, Florida Opportunity Fund announced its \$3.0 million commitment to this fund.

- Stonehenge Growth Equity, a fund that includes a team in Tampa that has focused on early-stage ventures in Florida for the past decade, investing in more than 17 Florida companies. In March 2010, Florida Opportunity Fund announced its \$4.0 million commitment to this fund.
- HIG BioVentures, a bioscience venture capital fund based out of Miami. Florida Opportunity Fund committed \$4.0 million to this fund in January 2011.

The participating funds are performing well, providing approximately \$2.2 million in returns since the program's inception. Investments by participating funds have also generated approximately \$226 million in additional co-investment from outside equity partners and 328 Florida-based employees have been positively impacted by this investment.

### **CLEAN ENERGY INVESTMENT PROGRAM**

Launched in 2010, the Clean Energy Investment Program (CEIP) was created to promote the adoption of energy efficient or renewable energy (EE/RE) products and technologies in Florida by providing funding to businesses to increase the use of EE/RE technologies, equipment and materials in the State. The Florida Energy & Climate Commission provided approximately \$36.1 million to capitalize the CEIP.

Examples of possible structures for funding opportunities include project financing, asset-based lending, mezzanine financing and equity investments. The Program's Focus Areas for investment are:

- Facility and Equipment Improvement – Implementing, expanding, upgrading or demonstrating energy efficient products, equipment and materials for use by companies in their existing facilities and buildings in Florida.
- Renewable Energy Products – Acquiring, upgrading or demonstrating small-scale renewable energy products, equipment and materials for use by companies in their operations in Florida.
- Process Improvement – Determining potential energy efficiencies and then executing actions to reduce consumption or increase the efficient use of energy in existing production, manufacturing, assembly or distribution processes, including the purchase of equipment and materials to make processes more energy efficient.

The CEIP may invest alongside additional private capital that will allow funding for activities beyond those permitted by the CEIP. The CEIP targets funding opportunities ranging from \$500,000 to \$5.0 million. As of the fiscal year ended June 30, 2012, eight direct investment commitments had been made which fully committed the program's funding.

### **FLORIDA VENTURE CAPITAL PROGRAM**

In late 2011, the Florida Venture Capital Program was launched utilizing approximately \$41.9 million in State Small Business Credit Initiative (SSBCI) funding. The Florida Venture Capital Program is available to qualifying Florida businesses by providing direct investments to increase the amount of capital available to small businesses. The program's emphasis is placed on investment opportunities within the State of Florida's targeted industries.

Equity investments and convertible debt instruments ranging from \$1,000,000 - \$3,000,000 are targeted, although larger transactions are permitted in exceptional cases. Each equity investment requires at a minimum, a matching concurrent private capital investment or other credit assistance. As of the fiscal year ended June 30, 2012, one \$500,000 direct investment had closed.

### Florida Development Finance Corporation

Florida Development Finance Corporation (FDFC) was specifically formed pursuant to Florida Statutes, Chapter 288 Part IX to facilitate economic development in Florida by working in partnership with the Florida financial services industry and local development organizations to create access to competitive sources of finance for creditworthy small manufacturers and other firms critical to the economic base of Florida. FDFC receives its administrative support entirely from Enterprise Florida.

FDFC offers tax-exempt, low interest bond financing to qualified, financially sound, manufacturers and 501(c)(3) non-profit organizations. Because rules, regulations and historical case law are extensive and can affect eligibility, case by case eligibility for manufacturers is ultimately determined by bond counsel after review of all the factors.

If a transaction does not meet IRS qualifying rules for tax-exempt finance, it can be financed with taxable bonds through FDFC. For taxable transactions, IRS qualifying rules governing tax-exempt financing do not apply. However, the project must still meet project-type parameters as outlined per Florida Statute.

With the continued restoration of market confidence through 2011 and into 2012, the global credit market continued to experience a slow recovery. In this environment, however, FDFC completed the following four conduit bond issuances in the fiscal year ending June 30, 2012:

BORROWER	COUNTY	AMOUNT
Atlantic Pro-Nutrients, LLC	Orange	\$10,800,000
Bay Area Charter School Foundation	Hillsborough	\$37,990,000
Sculptor Charter School	Brevard	\$720,000
Montverde Academy	Lake	\$6,300,000

FDFC recognized \$175,632 in issuance fee revenue from these issuances. Please note that with respect to these bond issuances, FDFC served only as the conduit issuer of bonds issued on behalf of the borrowers. These bonds do not constitute a general debt, liability or obligations of FDFC.

### Florida Export Finance Corporation

Access up to \$500,000 in loan guarantees is available to Florida's small and medium-sized businesses through the Florida Export Finance Corporation (FEFC). The FEFC was created by the State in 1993 as a not for profit corporation with a mandate to expand employment and income opportunities to Florida residents by increased exports of goods and services resulting from assistance given by the FEFC to Florida companies. Information, technical, and consulting assistance is offered. However, financial assistance is the primary service offered by the FEFC. Guarantees are transaction specific but normally issued as a revolving line of credit. This program, operating in partnership with Florida's banking community, is designed to assist the State's smaller exporters by giving them improved access to affordable working capital. As of

December 31, 2011, FEFC reported total assets of \$9,267,275.09 and total liabilities of \$1,685.54. The full copy of the FEFC annual report is included with the Annual Incentives Report, as required by §288.7771, F.S.

### **Florida Small Business Technology Growth Fund**

The Florida Small Business Technology Growth Program (FSTGP) was established in 1998 to provide financial assistance to businesses in this state having high job growth and emerging technology potential and fewer than 100 employees. The program is administered and managed by Enterprise Florida. All moneys in FSTGP (\$922,783 in cash as of June 30, 2011) are continuously appropriated to the FSTGP and may be used for loan guarantees, letter of credit guarantees, cash reserves for loan and letter of credit guarantees, payments of claims pursuant to contracts for guarantees, subordinated loans, loans with warrants, royalty investments, equity investments, and operations. During FY 2011-12, no new activity was reported for the FSTGP.

# Appendix

## APPENDIX A - TARGETED INDUSTRY LIST

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### QUALIFIED TARGETED INDUSTRIES FOR INCENTIVES

CLEANTECH	LIFE SCIENCES	INFOTECH	AVIATION / AEROSPACE	HOMELAND SECURITY / DEFENSE	FINANCIAL / PROFESSIONAL SERVICES
<b>MANUFACTURING CORPORATE HEADQUARTERS RESEARCH &amp; DEVELOPMENT</b>					
<ul style="list-style-type: none"> <li>Biomass &amp; Biofuels Processing</li> <li>Energy Equipment Manufacturing</li> <li>Energy Storage Technologies</li> <li>Photovoltaic</li> <li>Environmental Consulting</li> </ul>	<ul style="list-style-type: none"> <li>Biotechnology</li> <li>Pharmaceuticals</li> <li><b>MEDICAL DEVICES:</b></li> <li>Laboratory and Surgical Instruments</li> <li>Diagnostic Testing</li> </ul>	<ul style="list-style-type: none"> <li>Modeling, Simulation and Training</li> <li>Optics and Photonics</li> <li>Digital Media</li> <li>Software</li> <li>Electronics</li> <li>Telecommunications</li> </ul>	<ul style="list-style-type: none"> <li><b>AVIATION:</b></li> <li>Aircraft and Aircraft Parts Manufacturing</li> <li>Maintenance Repair and Overhaul of Aircrafts</li> <li>Navigation Instrument Manufacturing</li> <li>Flight Simulator Training</li> <li><b>AEROSPACE:</b></li> <li>Space Vehicles and Guided Missile Manufacturing</li> <li>Satellite Communications</li> <li>Space Technologies</li> <li>Launch Operations</li> </ul>	<ul style="list-style-type: none"> <li><b>EQUIPMENT:</b></li> <li>Optical Instruments</li> <li>Navigation Aids</li> <li>Ammunition</li> <li>Electronics</li> <li><b>TRANSPORTATION:</b></li> <li>Military Vehicles</li> <li>Shipbuilding and Repair</li> <li><b>TECHNOLOGY:</b></li> <li>Computer Systems Design</li> <li>Simulation and Training</li> </ul>	<ul style="list-style-type: none"> <li><b>FINANCIAL SERVICES:</b></li> <li>Banking</li> <li>Insurance</li> <li>Securities and Investments</li> <li><b>PROFESSIONAL SERVICES:</b></li> <li>Corporate Headquarters</li> <li>Engineering</li> <li>Legal</li> <li>Accounting</li> <li>Consulting</li> </ul>
<b>EMERGING TECHNOLOGIES</b>			<b>OTHER MANUFACTURING</b>		
<ul style="list-style-type: none"> <li>Global Logistics</li> <li>Marine Sciences</li> <li>Materials Science</li> <li>Nanotechnology</li> </ul>			<ul style="list-style-type: none"> <li>Food and Beverage</li> <li>Automotive and Marine</li> <li>Plastics and Rubber</li> <li>Machine Tooling</li> </ul>		

Businesses able to locate in other states and serving multi-state and/or international markets are targeted. Call Centers and Shared Service Centers may qualify for incentives if certain economic criteria are met. Retail activities, utilities, mining and other extraction or processing businesses, and activities regulated by the Division of Hotels and Restaurants of the Department of Business and Professional Regulation are statutorily excluded from consideration. All projects are evaluated on an individual basis and therefore operating in a target industry does not automatically indicate eligibility.

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## APPENDIX B – KEY ACRONYMS

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The following acronyms are used throughout this report:

- BF – Brownfield
- QACF or Closing Fund – Quick Action Closing Fund
- CITC – Capital Investment Tax Credit
- DEO – Department of Economic Opportunity
- DoD – Department of Defense
- EDO – Economic Development Organization
- EDTF or Road Fund – Economic Development Transportation Fund
- EFI – Enterprise Florida, Inc.
- EZ – Enterprise Zone
- FEFC – Florida Export Finance Corp.
- FTE – Full time equivalent job
- FOF – Florida Opportunity Fund
- LGDAMG – Local Government Distressed Area Matching Grant Program
- HIPI – High Impact Performance Incentive
- IIP or IIF – Innovation Incentive Program / Fund
- IWT – Incumbent Worker Training
- JUTC – Jobs for the Unemployed Tax Credit
- MSA – Metropolitan Statistical Area
- MSII – Manufacturing and Spaceport Investment Incentive
- OTTED – Office of Tourism, Trade, and Economic Development
- QDSC – Qualified Defense and Space Contractor
- QRT – Quick Response Training
- QTI – Qualified Target Industry
- RACEC – Rural Area of Critical Economic Concern
- REDI – Rural Economic Development Initiative
- RIF – Rural Infrastructure Fund
- RJTC – Rural Jobs Tax Credit
- SDST – Semiconductor, Defense, and Space Technology
- SSBCI – State Small Business Credit Initiative
- TGF – Technology Growth Fund
- UJTC – Urban Jobs Tax Credit

## APPENDIX C – INCENTIVE AGREEMENTS EXECUTED

Table 38 lists projects with executed incentive agreements during fiscal year 2012. Incentives noted in italics are for contracts executed as of November 2012, but not executed during fiscal year 2012. Values noted in dark blue are currently held by Enterprise Florida in an escrow account until the business meets pre-determined payment criteria; therefore, these funds have not been paid to the business.

Since most of these are active incentive agreements and in place prior to July 1, 2012, the average wage commitment cannot be disclosed per §288.075(6)(a)2 (2011 statutes and prior). However, several agreements were executed by the business but have since been terminated or completed (therefore are no longer active). The wage commitments for these projects have been footnoted. QACF, QDSC, and EDTF awards may also be partially based upon retained jobs, if there were jobs at jeopardy of leaving the State. All contracts require existing Florida companies to maintain their current employment levels.

Some communities are eligible to request a waiver of the local financial support (LFS) requirements. These are denoted as “WAIVED” in the respective column. In addition, the LFS shown here is what is required in order to access the State incentive. Additional incentives for each project such as property tax abatements, cash grants, etc., have not been included here.

Table 38 INCENTIVE AGREEMENTS EXECUTED – FY 2012							
Company	County	Industry	Contracted New Jobs	Expected Capital Investment	State Program	Maximum State Incentive Payment	Required Local Financial Support
2G Manufacturing Inc.	St. Johns	Manufacturing	125	\$12,170,000	QACF	\$350,000 (escrow)	NA
					QTI	\$500,000	\$125,000
AgileThought, Inc.	Hillsborough	Information Technology	12	\$420,000	QTI	\$67,200	\$16,800
Airdyne Aerospace, Inc.	Hernando	Aviation / Aerospace	17	\$213,000	QTI	\$95,200	\$23,800
ALM Technologies, Inc. dba Definitive Design	Nassau	Manufacturing	30	\$1,520,000	QACF	\$100,000	NA
Altadis USA, Inc.	Broward	Corporate Headquarters	55	\$730,000	QTI	\$264,000	\$66,000
					QACF (2011)	\$236,000	NA
Alto Products Corporation	Escambia	Corporate Headquarters	12	\$500,000	QTI	\$67,200	\$16,800
Amcort Rigid Plastics USA, Inc.	Orange	Emerging Technologies	29	\$19,490,000	EDTF	\$50,600	NA
					QTI	\$69,600	\$17,400
					QRT	\$153,510	NA

Table 38 INCENTIVE AGREEMENTS EXECUTED – FY 2012 (CONTINUED)							
Company	County	Industry	Contracted New Jobs	Expected Capital Investment	State Program	Maximum State Incentive Payment	Required Local Financial Support
American High Tech Homes, Inc. <sup>20</sup>	Palm Beach	Manufacturing	55	\$2,000,000	BF Bonus	\$110,000	WAIVED
American Sugar Refining, Inc.	Palm Beach	Research and Development	10	\$775,000	QTI	\$40,000	\$10,000
Axium Healthcare Pharmacy, Inc.	Seminole	Emerging Technologies	90	\$704,008	QTI	\$216,000	\$54,000
BANAH International Group, Inc.	Miami-Dade	Corporate Headquarters	292	\$9,950,000	QTI	\$344,560	\$86,140
BBA U.S. Holdings, Inc.	Orange	Corporate Headquarters	100	\$1,500,000	QACF	\$175,000	NA
					QTI	\$560,000	\$140,000
					BF Bonus	\$200,000	\$50,000
BioAxone Biosciences, Inc.	Miami-Dade	Research and Development	11	\$1,274,000	QTI	\$66,000	\$16,500
Blue Leader Marketing, LLC	Flagler	Corporate Headquarters	25	\$1,350,000	QTI	\$120,000	\$30,000
					BF Bonus	\$40,000	WAIVED
C2C Solutions, Inc.	Duval	Financial / Professional Services	55	\$2,501,424	QTI	\$132,000	\$33,000
Capital Avionics, Inc.	Okaloosa	Manufacturing	15	\$3,300,000	QTI	\$72,000	\$18,000
CareCentrix, Inc.	Hillsborough	Financial / Professional Services	110	\$720,000	QTI	\$264,000	\$66,000
Caterpillar Work Tools, Inc.	Duval	Manufacturing	39	\$3,895,000	QTI	\$93,600	\$23,400
Cheney Brothers, Inc.	Charlotte	Emerging Technologies	380	\$24,000,000	BF Bonus	\$760,000	\$190,000
					EDTF	\$721,677	NA
Chico's FAS, Inc.	Lee	Corporate Headquarters	150	\$25,000,000	QACF	\$1,000,000	NA
					QTI	\$840,000	\$210,000
					CITC	NA	NA
Chopard Marketing Services, Inc.	Miami-Dade	Corporate Headquarters	30	\$6,700,000	QTI	\$72,000	\$18,000

<sup>20</sup> Incentive agreement is no longer active – average wage commitment was \$24,000.

Table 38

## INCENTIVE AGREEMENTS EXECUTED – FY 2012 (CONTINUED)

Company	County	Industry	Contracted New Jobs	Expected Capital Investment	State Program	Maximum State Incentive Payment	Required Local Financial Support
Clare Controls, Inc.	Manatee	Corporate Headquarters	62	\$982,000	QTI	\$248,000	\$62,000
Client First Settlement Funding, LLC	Palm Beach	Financial / Professional Services	90	\$400,000	QTI	\$216,000	\$54,000
Colonial Construction Concrete Precast, LLC	Charlotte	Manufacturing	65	\$570,000	EDTF	\$230,975	NA
Colt's Manufacturing Company LLC	Osceola	Manufacturing	63	\$2,500,000	QACF	\$250,000	NA
CONFIDENTIAL	Broward	Information Technology	33	\$250,000	QTI	\$105,600	\$26,400
CONFIDENTIAL	Brevard	Corporate Headquarters	127	\$900,000	QTI	\$304,800	WAIVED
					BF Bonus	\$254,000	WAIVED
CONFIDENTIAL	Gilchrist	Manufacturing	40	\$250,000	QTI	\$192,000	WAIVED
CONFIDENTIAL	Manatee	Manufacturing	20	\$4,950,000	QTI	\$48,000	\$12,000
CONFIDENTIAL	Brevard	Information Technology	150	\$530,000	BF Bonus	\$300,000	\$75,000
CONFIDENTIAL	Seminole	Financial / Professional Services	133	\$1,700,000	QTI	\$425,600	\$106,400
CONFIDENTIAL	Pasco	Financial / Professional Services	350	\$50,000,000	QTI	\$1,400,000	\$350,000
					EDTF (MEMBER)	\$4,000,000	NA
					QACF (2011)	\$4,500,000 (escrow)	NA
					CITC	NA	NA
CONFIDENTIAL	Brevard	Aviation / Aerospace	10	\$170,000	QTI	\$24,000	\$6,000
CTG Power Solutions, LLC	Pasco	Manufacturing	20	\$1,525,000	QTI	\$80,000	\$20,000
CTG Power Systems, Inc.	Pasco	Financial / Professional Services	12	\$150,000	QTI	\$48,000	\$12,000
Custom Control Solutions, Inc.	Escambia	Manufacturing	15	\$520,000	QTI	\$36,000	\$9,000
					QRT	\$22,575	NA

Table 38 INCENTIVE AGREEMENTS EXECUTED – FY 2012 (CONTINUED)							
Company	County	Industry	Contracted New Jobs	Expected Capital Investment	State Program	Maximum State Incentive Payment	Required Local Financial Support
Digital Risk, LLC	Palm Beach	Financial / Professional Services	1000	\$3,000,000	QACF	\$2,000,000 (\$1,000,000 in escrow)	NA
					QRT	\$761,040	NA
Electronic Payments, Inc.	Palm Beach	Corporate Headquarters	35	\$1,950,000	QTI	\$84,000	\$21,000
Emerson Process Management, LLLP	Broward	Corporate Headquarters	51	\$2,176,000	QTI	\$285,600	\$71,400
					QACF (2011)	\$250,000	NA
Enzymedica, Inc.	Sarasota	Corporate Headquarters	72	\$1,673,500	QTI	\$172,800	\$43,200
Escent Technologies, LLC	Brevard	Manufacturing	50	\$500,000	QTI	\$120,000	\$30,000
					BF Bonus	\$100,000	\$25,000
EverBank, FSB	Duval	Financial / Professional Services	200	\$10,500,000	QTI	\$1,280,000	\$320,000
					BF Bonus	\$400,000	\$100,000
Evolution Auto Sales-Longwood, Inc.	Seminole	Not in a Target Industry	40	\$3,200,000	BF Bonus	\$80,000	\$20,000
Federated Precision, Inc.	Broward	Manufacturing	66	\$13,875,000	QTI	\$264,000	\$66,000
					QRT	\$102,491	NA
FELD Entertainment, Inc.	Manatee	Corporate Headquarters	235	\$34,000,000	QTI	\$940,000	\$235,000
					QACF (2011)	\$650,000	NA
Florida SE, Inc.	Miami-Dade	Not in a Target Industry	80	\$4,514,000	BF Bonus	\$160,000	WAIVED
Florida SE, Inc.	Miami-Dade	Not in a Target Industry	80	\$6,487,000	BF Bonus	\$160,000	WAIVED
Florida SE, Inc.	Columbia	Not in a Target Industry	80	\$3,885,000	BF Bonus	\$160,000	WAIVED
Fortitude Industries, Inc.	Volusia	Manufacturing	50	\$940,000	QTI	\$120,000	\$30,000
					BF Bonus	\$100,000	\$25,000

Table 38 INCENTIVE AGREEMENTS EXECUTED – FY 2012 (CONTINUED)							
Company	County	Industry	Contracted New Jobs	Expected Capital Investment	State Program	Maximum State Incentive Payment	Required Local Financial Support
Garda USA Inc.	Palm Beach	Corporate Headquarters	100	\$1,150,000	QTI	\$480,000	\$120,000
					QACF (2011)	\$100,000	NA
Genesis Corp.	Seminole	Information Technology	100	\$230,000	QACF	\$165,000	NA
					QTI	\$120,000	\$30,000
Green Technologies, LLC	Osceola	Manufacturing	10	\$12,225,000	QTI	\$24,000	\$6,000
GSE Holdings, Inc.	Manatee	Manufacturing	42	\$1,019,044	QTI	\$168,000	\$42,000
Hamilton Visions Aviation Services, LLC	Bay	Manufacturing	225	\$23,200,000	QTI	\$720,000	\$180,000
Harris Corporation	Brevard	Information Technology	100	\$100,000,000	HIPI	\$1,500,000	NA
					EDTF	\$3,000,000	NA
					CITC	NA	NA
HBO Latin America Production Services, LC	Miami-Dade	Corporate Headquarters	101	\$22,300,000	QACF	\$400,000	NA
					QTI	\$323,200	\$80,800
HControl Holdings, Inc.	Miami-Dade	Information Technology	75	\$25,000,000	QTI	\$360,000	\$90,000
HIHO, LLC.	Volusia	Manufacturing	30	\$16,000,000	BF Bonus	\$60,000	WAIVED
Hixardt Technologies, Inc.	Escambia	Information Technology	60	\$5,100,000	QTI	\$288,000	\$72,000
Home Source International, Inc.	Jackson	Manufacturing	303	\$2,355,000	QACF	\$1,400,000	NA
Hot Brands International Inc., USA	Manatee	Corporate Headquarters	12	\$117,000	QTI	\$48,000	\$12,000
Ice River Springs Marianna, LLC	Jackson	Manufacturing	31	\$20,300,000	QTI	\$148,800	WAIVED
					EDTF (2008)	\$910,925	NA
Integrated Manufacturing Company, Inc.	Marion	Manufacturing	175	\$10,365,500	QTI	\$420,000	\$105,000

Table 38 INCENTIVE AGREEMENTS EXECUTED – FY 2012 (CONTINUED)							
Company	County	Industry	Contracted New Jobs	Expected Capital Investment	State Program	Maximum State Incentive Payment	Required Local Financial Support
Intellifuel Systems, Inc.	Brevard	Information Technology	30	\$760,000	QTI	\$96,000	\$24,000
					BF Bonus	\$60,000	WAIVED
Interplex Sunbelt, Inc.	Broward	Manufacturing	17	\$500,000	QTI	\$40,800	\$10,200
IRX Therapeutics, Inc.	Pinellas	Life Sciences	283	\$9,817,732	IIF	\$600,000	NA
iSirona, LLC	Bay	Information Technology	45	\$200,000	QTI	\$144,000	\$36,000
ITT Mine Defense Systems	Bay	Homeland Security / Defense	30	\$5,675,000	QTI	\$96,000	\$24,000
JRL Ventures, Inc.	Manatee	Manufacturing	80	\$1,060,000	QTI	\$192,000	\$48,000
					BF Bonus	\$160,000	\$40,000
					QRT	\$97,272	NA
Kaman Aerospace Corporation	Duval	Aviation / Aerospace	200	\$28,000,000	QTI	\$1,280,000	\$320,000
					BF Bonus	\$400,000	\$100,000
					QACF (2011)	\$657,500	NA
KCI Enterprises, Inc.	Duval	Aviation / Aerospace	30	\$6,100,000	QTI	\$72,000	\$18,000
					BF Bonus	\$60,000	\$15,000
Klausner Holding USA, Inc.	Suwannee	Manufacturing	350	\$150,000,000	QTI	\$1,680,000	\$420,000
					QACF (2011)	\$3,000,000 (escrow)	NA
					EDTF (2013)	\$3,000,000	NA
Latitude Software	Duval	Information Technology	30	\$1,000,000	QTI	\$144,000	\$36,000
					QRT	\$98,658	NA
Lockheed Martin Maritime Systems and Sensors	Pinellas	Homeland Security / Defense	0 new 545 retained	\$9,005,000	QDC	\$1,744,000	\$436,000
LYF Holdings, Inc.	Palm Beach	Corporate Headquarters	91	\$1,945,000	QTI	\$291,200	\$72,800

Table 38 INCENTIVE AGREEMENTS EXECUTED – FY 2012 (CONTINUED)							
Company	County	Industry	Contracted New Jobs	Expected Capital Investment	State Program	Maximum State Incentive Payment	Required Local Financial Support
Majestic Candies Company, LLC	Escambia	Manufacturing	100	\$6,190,000	QTI	\$480,000	\$120,000
Medtronic Xomed, Inc.	Duval	Corporate Headquarters	175	\$14,020,000	QACF	\$630,000	NA
					QTI	\$840,000	\$210,000
Mindray North America	Miami-Dade	Research and Development	16	\$1,400,000	QTI	\$76,800	\$19,200
Nautical Structures Industries, Inc. <sup>21</sup>	Pinellas	Manufacturing	30	\$6,500,000	QTI	\$72,000	\$18,000
Navy Federal Credit Union	Escambia	Financial / Professional Services	700	\$6,000,000	QACF	\$1,000,000 (escrow)	NA
Nexlube Tampa, LLC	Hillsborough	Clean Technologies	75	\$86,781,547	QTI	\$480,000	\$120,000
					BF Bonus	\$200,000	\$50,000
Paragon Plastics, Inc.	---	Manufacturing	10	\$650,000	QTI	\$48,000	\$12,000
					BF Bonus	\$20,000	WAIVED
PF Inc.	Brevard	Manufacturing	40	\$3,500,000	QTI	\$96,000	\$24,000
					BF Bonus	\$80,000	\$20,000
Pilot Training College Florida, LLC	Brevard	Financial / Professional Services	255	\$47,900,000	QACF	\$575,000	NA
					QTI	\$612,000	\$153,000
					BF Bonus	\$510,000	\$127,500
Planet Hollywood International, Inc.	Orange	Corporate Headquarters	90	\$1,250,000	QACF	\$288,000	NA
					QTI	\$288,000	\$72,000
PRG Packing Corp.	Madison	Manufacturing	70	\$3,500,000	LG DAMG	\$50,000	NA
					QTI (2011)	\$336,000	WAIVED
PricewaterhouseCoopers, LLP	Hillsborough	Financial / Professional Services	200	\$78,000,000	QACF	\$800,000	NA
					QTI	\$480,000	\$120,000

<sup>21</sup> Incentive agreement is no longer active – average wage commitment was \$45,188.

Table 38 INCENTIVE AGREEMENTS EXECUTED – FY 2012 (CONTINUED)							
Company	County	Industry	Contracted New Jobs	Expected Capital Investment	State Program	Maximum State Incentive Payment	Required Local Financial Support
Prime Therapeutics, LLC	Orange	Life Sciences	213	\$18,155,612	QTI	\$511,200	\$127,800
					QRT	\$279,468	NA
Prioria Robotics, Inc.	Alachua	Financial / Professional Services	40	\$2,034,000	QACF	\$225,000	NA
					QTI	\$224,000	\$56,000
Pro Poly of America, Inc.	Marion	Manufacturing	12	\$185,000	EDTF	\$100,000	NA
Publix Super Markets, Inc.	Orange	Emerging Technologies	156	\$188,500,000	BF Bonus	\$312,000	\$78,000
					EDTF	\$1,092,000	NA
Qunomic, Inc.	Hamilton	Manufacturing	53	\$1,014,800	QTI	\$254,400	\$63,600
Raintree Essix Inc.	Manatee	Manufacturing	48	\$6,552,000	QTI	\$192,000	\$48,000
					BF Bonus	\$96,000	\$24,000
Rapid Pathogen Screening, Inc.	Sarasota	Life Sciences	164	\$4,335,000	QTI	\$656,000	\$164,000
RARE Hospitality Management, Inc.	Miami-Dade	Not in a Target Industry	35	\$4,575,000	BF Bonus	\$70,000	WAIVED
RARE Hospitality Management, Inc.	Columbia	Not in a Target Industry	35	\$3,227,550	BF Bonus	\$70,000	WAIVED
Rational Energies MC, Inc.	Manatee	Clean Technologies	21	\$12,100,000	QTI	\$50,400	\$12,600
Redpine Healthcare Technologies, Inc. <sup>22</sup>	Bay	Information Technology	410	\$2,150,000	QTI	\$1,312,000	\$328,000
					QACF (2011)	\$400,000	NA
SABMiller Latin America	Miami-Dade	Corporate Headquarters	70	\$2,160,000	QTI	\$145,600	\$36,400
Sapient Corporation	Miami-Dade	Financial / Professional Services	210	\$6,500,000	QACF	\$500,000	NA
Saveology.com, LLC	Broward	Financial / Professional Services	600	\$2,014,285	BF Bonus	\$1,200,000	\$300,000
					QRT	\$442,330	NA

<sup>22</sup> Incentive agreement is no longer active – average wage commitment was \$49,155.

Table 38 INCENTIVE AGREEMENTS EXECUTED – FY 2012 (CONTINUED)							
Company	County	Industry	Contracted New Jobs	Expected Capital Investment	State Program	Maximum State Incentive Payment	Required Local Financial Support
Saveology.com, LLC	Broward	Information Technology	100	\$335,713	QTI	\$480,000	\$120,000
					BF Bonus	\$200,000	\$50,000
Sikorsky Aircraft Corporation	Palm Beach	Aviation / Aerospace	14	\$10,300,000	QTI	\$78,400	\$19,600
					QACF (2011)	\$600,000	NA
SomahLution, Inc.	Palm Beach	Research and Development	25	\$3,560,000	QTI	\$120,000	\$30,000
South Atlantic, LLC	Polk	Manufacturing	40	\$6,400,000	QTI	\$96,000	\$24,000
Southeast Renewable Fuels, LLC	Hendry	Clean Technologies	47	\$100,000,000	EDTF	\$490,873	NA
SteriPack, Ltd.	Polk	Life Sciences	65	\$7,050,000	QTI	\$156,000	\$39,000
SynGest, Inc.	Columbia	Clean Technologies	40	\$100,000,000	QTI	\$192,000	\$48,000
Teledyne Instruments, Inc.	Volusia	Corporate Headquarters	100	\$4,350,000	QTI	\$480,000	\$120,000
					BF Bonus	\$200,000	\$50,000
Tersus Chemical Group, Inc.	Walton	Manufacturing	25	\$580,000	QTI	\$140,000	\$35,000
The Boeing Company	Brevard	Aviation / Aerospace	550	\$163,000,000	HIPI	\$6,640,000	NA
					CITC	NA	NA
The Coca-Cola Company	Polk	Manufacturing	60	\$99,000,000	QTI	\$144,000	\$36,000
					EDTF	\$420,000	NA
Time Warner Business Services, LLC	Hillsborough	Financial / Professional Services	500	\$5,000,000	QACF	\$900,000 (escrow)	NA
					QTI	\$1,200,000	\$300,000
TraPac, Inc. <sup>23</sup>	Duval	Emerging Technologies	10	\$3,500,000	EDTF	\$1,000,000	NA

<sup>23</sup> Incentive agreement is no longer active – average wage commitment was \$82,950.

<b>Table 38</b>							
<b>INCENTIVE AGREEMENTS EXECUTED – FY 2012 (CONTINUED)</b>							
Company	County	Industry	Contracted New Jobs	Expected Capital Investment	State Program	Maximum State Incentive Payment	Required Local Financial Support
TravelCLICK, Inc.	Orange	Financial / Professional Services	252	\$5,000,000	QTI	\$604,800	\$151,200
					QRT	\$178,133	NA
Trojan Powder Coating Company, Inc.	Manatee	Manufacturing	30	\$3,350,000	QTI	\$72,000	\$18,000
Unlimited Harvest Group	Osceola	Manufacturing	20	\$225,000	QTI	\$96,000	\$24,000
Veethree Electronics & Marine, LLC.	Manatee	Manufacturing	20	\$2,745,000	QTI	\$48,000	\$12,000
Widewaters Bradenton LLC	Manatee	Not in a Target Industry	35	\$15,500,000	BF Bonus	\$70,000	WAIVED
Winn-Dixie Stores, Inc.	Duval	Corporate Headquarters	100	\$81,000,000	QACF	\$3,600,000 (escrow)	NA
Wyndham Vacation Ownership, Inc.	Orange	Corporate Headquarters	231	\$28,700,000	QTI	\$1,108,800	\$277,200
Xcelience, LLC	Hillsborough	Life Sciences	45	\$4,000,000	QTI	\$108,000	\$27,000

## APPENDIX D – INCENTIVE PAYMENTS

Table 39 lists all businesses receiving incentive payments from the QTI, QDSC, Brownfield Bonus, HIPI, Closing Fund, Innovation Incentive, and EDTF programs. The majority of these payments are for QTI and other programs that do not require confirmation of capital investment. For programs with a capital investment requirement, the confirmed investment has been footnoted. The average wage for specific projects remains confidential if there is an active incentive agreement in place, per §288.075(6)(a)(3), F.S.

The State QTI payment represents the amount of the incentive paid during fiscal year 2012. Other payments may have been received in previous years and / or may be payable in the future depending on company performance. The local incentive payment indicates the amount of local financial support provided to leverage the State’s investment for that fiscal year. Additional local incentive payments are made in the years preceding and following fiscal year 2011. Enterprise Florida is not aware of any Federal incentives received by these projects. QACF, QDSC, and EDTF awards may also be partially based upon retained jobs, if there were jobs at jeopardy of leaving the State.

The following is an explanation of the fields within incentive payments table.

Company AB	State’s portion of incentive award for this fiscal year	Maximum incentive award	Total contract job commitment	Job commitment for the scheduled fiscal year
			Other Manufacturing	Orange County
Maximum QTI Award	\$300,000		Contract Job Requirement	100
State QTI Payment	\$15,000.00		Jobs Due	25
Local Financial Support	\$3,750.00		Confirmed Performance	28
Date Paid	8/14/2011		Scheduled Fiscal Year	2011-12

<b>Table 39</b>			
<b>INCENTIVE PAYMENTS - FY 2012</b>			
<b>21st Century Oncology Management Services, Inc.</b>		<b>HQ</b>	<b>Lee County</b>
Maximum QTI Award	\$420,000	Contract Job Requirement	140
State QTI Payment	\$63,000.00	Jobs Due	105
Local Financial Support	\$15,750.00	Confirmed Performance	141
Date Paid	10/4/2011	Scheduled Fiscal Year	2011-12
<b>Aetna Rx Home Delivery, LLC</b>		<b>HQ</b>	<b>Hillsborough County</b>
Maximum QTI Award	\$378,000	Contract Job Requirement	126
State QTI Payment	\$75,600.00	Jobs Due	126
Local Financial Support	\$18,900.00	Confirmed Performance	270
Date Paid	9/6/2011	Scheduled Fiscal Year	2010-11
<b>ALM Technologies, Inc. dba Definitive Design</b>		<b>Manufacturing</b>	<b>Nassau County</b>
Maximum QACF Award	\$100,000	Contract Job Requirement	30
State QACF Payment	\$100,000	Jobs Due	NA
Date Paid	4/26/2012	Confirmed Performance	NA
<b>Altadis USA, Inc.</b>		<b>HQ</b>	<b>Broward County</b>
Maximum QTI Award	\$236,000	Contract Job Requirement	126
State QTI Payment	\$75,600.00	Jobs Due	126
Local Financial Support	\$18,900.00	Confirmed Performance	270
Date Paid	9/6/2011	Scheduled Fiscal Year	2010-11
<b>American Custom Yachts, Inc.</b>		<b>Manufacturing</b>	<b>Martin County</b>
Maximum QACF Award	\$750,000	Contract Job Requirement	600
State QACF Payment	\$750,000.00	Jobs Due	NA
Date Paid	8/24/2011	Confirmed Performance	NA
<i>Company plans changed after contract executed (due to economic conditions, corporate restructuring, or other reasons). Company repaid the entire award amount.</i>			
<b>AppRiver, LLC</b>		<b>Infotech</b>	<b>Santa Rosa County</b>
Maximum QTI Award	\$320,000	Contract Job Requirement	80
State QTI Payment	\$36,000.00	Jobs Due	45
Local Financial Support	\$9,000.00	Confirmed Performance	45
Date Paid	9/6/2011	Scheduled Fiscal Year	2011-12
<b>Ascend Performance Materials, LLC</b>		<b>Manufacturing</b>	<b>Escambia County</b>
Maximum QACF Award	\$400,000	Contract Job Requirement	102
State QACF Payment	\$400,000.00	Jobs Due	NA
Date Paid	9/27/2011	Confirmed Performance	NA
<b>Becton, Dickinson and Company</b>		<b>Life Sciences</b>	<b>Miami-Dade County</b>
Maximum QTI & BF Award	\$712,500	Contract Job Requirement	75
State QTI Payment	\$23,800.00	Jobs Due	17
Local Financial Support (QTI)	\$5,950.00	Confirmed Performance	34
State Brownfield Bonus Payment	\$8,500.00	Date Paid	4/30/2012
Local Financial Support (BF)	WAIVED	Scheduled Fiscal Year	2011-12

<b>Table 39</b>			
<b>INCENTIVE PAYMENTS – FY 2012 (CONTINUED)</b>			
<b>BI-LO, LLC</b>		<b>HQ</b>	<b>Duval County</b>
Maximum QACF Award	\$3,600,000	Contract Job Requirement	100
State QACF Payment into EFI Escrow	\$3,600,000	Jobs Due	NA
Date Paid	6/28/2012	Confirmed Performance	NA
<i>Funds currently held in the EFI escrow account until company achieves certain performance requirements.</i>			
<b>Biotest Pharmaceuticals Corporation</b>		<b>Life Sciences</b>	<b>Palm Beach County</b>
Maximum QTI Award	\$200,000	Contract Job Requirement	50
State QTI Payment	\$20,000.00	Jobs Due	25
Local Financial Support	\$5,000.00	Confirmed Performance	59
Date Paid	9/6/2011	Scheduled Fiscal Year	2011-12
<b>Bren-Tronics, Inc.</b>		<b>Manufacturing</b>	<b>Alachua County</b>
Maximum QTI Award	\$45,000	Contract Job Requirement	15
State QTI Payment	\$211.82	Jobs Due	10
Local Financial Support	\$52.95	Confirmed Performance	9
Date Paid	9/9/2011	Scheduled Fiscal Year	2011-12
<b>Burnham Institute for Medical Research</b>		<b>Life Sciences</b>	<b>Orange County</b>
Maximum IIF Award	\$155,272,000	Contract Job Requirement	303
State IIF Payment	\$18,325,000	Jobs Due	210
Date Paid	11/21/2011	Confirmed Performance	231
<i>To date, Burnham has received \$118,071,000 in IIF payments.</i>			
<b>CAE USA Inc.</b>		<b>InfoTech</b>	<b>Orange County</b>
Maximum QTI Award	\$135,000	Contract Job Requirement	45
State QTI Payment	\$6,000.00	Jobs Due	10
Local Financial Support	\$1,500.00	Confirmed Performance	18
Date Paid	6/28/2012	Scheduled Fiscal Year	2011-12
<b>Cardinal Glass Industries, Inc.</b>		<b>Manufacturing</b>	<b>Marion County</b>
Maximum QTI Award	\$405,000	Contract Job Requirement	135
State QTI Payment	\$51,191.70	Jobs Due	135
Local Financial Support	\$12,797.93	Confirmed Performance	128
Date Paid	3/23/2012	Scheduled Fiscal Year	2011-12
<b>Charles Stark Draper Laboratories</b>		<b>Life Sciences</b>	<b>Pinellas County</b>
Maximum IIF Award	\$15,000,000	Contract Job Requirement	165
State IIF Payment	\$1,000,000	Jobs Due	80
Date Paid	11/29/2011	Confirmed Performance	55
<i>To date, Draper has received \$14,000,000 in IIF payments.</i>			
<b>Chromalloy Gas Turbine LLC</b>		<b>HQ</b>	<b>Palm Beach County</b>
Maximum QACF Award	\$500,000	Contract Job Requirement	52
State QACF Payment	\$500,000	Jobs Due	NA
Date Paid	8/4/2011	Confirmed Performance	NA

<b>Table 39</b>			
<b>INCENTIVE PAYMENTS - FY 2012 (CONTINUED)</b>			
<b>Citrix Systems, Inc.</b>		<b>InfoTech</b>	<b>Broward County</b>
Maximum QTI Award	\$520,000	Contract Job Requirement	130
State QTI Payment	\$104,000.00	Jobs Due	130
Local Financial Support	\$26,000.00	Confirmed Performance	280
Date Paid	8/4/2011	Scheduled Fiscal Year	2010-11
<b>City of Green Cove Springs (Alternate Energy Technologies, LLC)</b>		<b>Manufacturing</b>	<b>Clay County</b>
Maximum EDTF Award	\$549,440	Contract Job Requirement	15
State EDTF Payment	\$549,440	Jobs Due	NA
Date Paid	12/9/2011	Confirmed Performance	NA
<i>EDTF payments are made directly to the community applicant. This project has a corresponding QTI with the first year job implementation requirement in 2012.</i>			
<b>City of Lakeland (GTECH Printing Corporation)</b>		<b>Not in a Target Industry</b>	<b>Polk County</b>
Maximum EDTF Award	\$1,052,700	Contract Job Requirement	221
State EDTF Payment	\$37,982	Jobs Due	96
Date Paid	6/18/2012	Confirmed Performance	55
<i>EDTF payments are made directly to the community applicant. This project has a corresponding QTI, which is the source for the confirmed performance figure.</i>			
<b>City of Melbourne Airport (Embraer Aircraft Holding, Inc.)</b>		<b>Aviation / Aerospace</b>	<b>Brevard County</b>
Maximum EDTF Award	\$1,500,000	Contract Job Requirement	200
State EDTF Payment	\$455,163.35	Jobs Due	NA
Date Paid	12/6/2011	Confirmed Performance	NA
<i>EDTF payments are made directly to the community applicant. This project has a corresponding QTI with the first year job implementation requirement in 2012.</i>			
<b>City of Riviera Beach (Lockheed Martin Corp - Marine Systems &amp; Sensors)</b>		<b>Manufacturing</b>	<b>Palm Beach County</b>
Maximum EDTF Award	\$1,653,538	Contract Job Requirement	55
State EDTF Payment	\$492,199.78	Jobs Due	55
Date Paid	12/7/2011	Confirmed Performance	62
State EDTF Payment	\$790,614.75		
Date Paid	6/27/2012		
<i>EDTF payments are made directly to the community applicant. This project has a corresponding QDSC, which is the source for the confirmed performance figure.</i>			
<b>Conax Florida Corporation</b>		<b>Manufacturing</b>	<b>Pinellas County</b>
Maximum QTI Award	\$111,000	Contract Job Requirement	37
State QTI Payment	\$22,200.00	Jobs Due	37
Local Financial Support	\$5,550.00	Confirmed Performance	62
Date Paid	1/30/2012	Scheduled Fiscal Year	2011-12

<b>Table 39</b>			
<b>INCENTIVE PAYMENTS - FY 2012 (CONTINUED)</b>			
<b>Crane Performance Products</b>		<b>Manufacturing</b>	<b>Volusia County</b>
Maximum QTI & BF Award	\$143,000	Contract Job Requirement	22
State QTI Payment	\$8,000.00	Jobs Due	16
Local Financial Support (QTI)	\$2,000.00	Confirmed Performance	24
State Brownfield Bonus Payment	\$5,000.00	Date Paid	12/8/2011
Local Financial Support (BF)	\$1,250.00	Scheduled Fiscal Year	2011-12
<b>Danfoss Turbocor Compressors, Inc.</b>		<b>Manufacturing</b>	<b>Leon County</b>
Maximum QTI Award	\$1,050,000	Contract Job Requirement	150
State QTI Payment	\$210,000.00	Jobs Due	150
Local Financial Support	\$52,500.00	Confirmed Performance	154
Date Paid	8/5/2011	Scheduled Fiscal Year	2011-12
<b>DEGC Enterprises (U.S.), Inc.</b>		<b>Emerging Technologies</b>	<b>Pinellas County</b>
Maximum QTI Award	\$300,000	Contract Job Requirement	100
State QTI Payment	\$36,000.00	Jobs Due	100
Local Financial Support	\$9,000.00	Confirmed Performance	452
Date Paid	2/22/2012	Scheduled Fiscal Year	2011-12
<b>Digital Risk, LLC</b>		<b>Financial / Professional Services</b>	<b>Orange County</b>
Maximum QTI Award	\$726,000	Contract Job Requirement	242
State QTI Payment	\$90,000.00	Jobs Due	150
Local Financial Support	\$22,500.00	Confirmed Performance	452
Date Paid	2/17/2012	Scheduled Fiscal Year	2011-12
<b>Digital Risk, LLC</b>		<b>Financial / Professional Services</b>	<b>Duval County</b>
Maximum QTI Award	\$525,000	Contract Job Requirement	175
State QTI Payment	\$41,807.48	Jobs Due	100
Local Financial Support	\$10,451.87	Confirmed Performance	91
Date Paid	4/20/2012	Scheduled Fiscal Year	2011-12
<b>Donald J Pliner of Florida, Inc.</b>		<b>Emerging Technologies</b>	<b>Miami-Dade County</b>
Maximum QTI Award	\$90,000	Contract Job Requirement	30
State QTI Payment	\$14,099.40	Jobs Due	30
Local Financial Support	\$3,524.85	Confirmed Performance	25
Date Paid	8/5/2011	Scheduled Fiscal Year	2010-11
<b>EDAK, Inc.</b>		<b>Manufacturing</b>	<b>Brevard County</b>
Maximum QTI Award	\$48,000	Contract Job Requirement	16
State QTI Payment	\$3,600.00	Jobs Due	16
Local Financial Support	\$900.00	Confirmed Performance	20
Date Paid	12/16/2011	Scheduled Fiscal Year	2011-12

<b>Table 39</b>			
<b>INCENTIVE PAYMENTS - FY 2012 (CONTINUED)</b>			
<b>Edison Chouest Offshore - Tampa Ship LLC</b>		<b>Manufacturing</b>	<b>Hillsborough County</b>
Maximum QTI & BF Award	\$3,400,000	Contract Job Requirement	400
State QTI Payment	\$153,000.00	Jobs Due	150
Local Financial Support (QTI)	\$38,250.00	Confirmed Performance	135
State Brownfield Bonus Payment	\$58,410.00	Date Paid	6/29/2012
Local Financial Support (BF)	\$14,602.50	Scheduled Fiscal Year	2011-12
<b>Emerson Process Management, LLLP</b>		<b>HQ</b>	<b>Broward County</b>
Maximum QACF Award	\$250,000	Contract Job Requirement	51
State QACF Payment	\$250,000.00	Jobs Due	18
Date Paid	9/13/2011	Confirmed Performance	24
<i>Funds were paid into the EFI escrow account 9/16/11 and then paid to the company on 9/26/12 following achievement of performance milestones.</i>			
<b>EverBank</b>		<b>HQ</b>	<b>Duval County</b>
Maximum QTI Award	\$360,000	Contract Job Requirement	120
State QTI Payment	\$72,000.00	Jobs Due	120
Local Financial Support	\$18,000.00	Confirmed Performance	399
Date Paid	2/15/2012	Scheduled Fiscal Year	2011-12
<b>Family Dollar Services, Inc.</b>		<b>Emerging Technologies</b>	<b>Jackson County</b>
Maximum QTI Award	\$2,550,000	Contract Job Requirement	425
State QTI Payment	\$155,180.00	Jobs Due	425
Local Financial Support	\$38,795.00	Confirmed Performance	351
Date Paid	9/6/2011	Scheduled Fiscal Year	2011-12
<b>FELD Entertainment, Inc.</b>		<b>HQ</b>	<b>Manatee County</b>
Maximum QACF Award	\$650,000	Contract Job Requirement	235
State QACF Payment	\$650,000.00	Jobs Due	NA
Date Paid	9/26/2011	Confirmed Performance	NA
<i>Funds were paid into the EFI escrow account 9/26/11 and then paid to the company on 5/15/12 following achievement of performance milestones.</i>			
<b>Fidelity National Financial, Inc. &amp; Subsidiaries</b>		<b>HQ</b>	<b>Duval County</b>
Maximum QTI & BF Award	\$7,875,000	Contract Job Requirement	750
State QTI Payment	\$312,000.00	Jobs Due	750
Local Financial Support (QTI)	\$78,000.00	Confirmed Performance	2,259
State Brownfield Bonus Payment	\$97,500.00	Date Paid	8/5/2011
Local Financial Support (BF)	\$24,375.00	Scheduled Fiscal Year	2010-11
<i>Fidelity has had multiple QTI projects. The confirmed performance figures listed are those tied to each individual incentive agreement and are not double counted.</i>			

<b>Table 39</b>			
<b>INCENTIVE PAYMENTS – FY 2012 (CONTINUED)</b>			
<b>Fidelity National Financial, Inc. &amp; Subsidiaries</b>		<b>Financial / Professional Services</b>	<b>Duval County</b>
Maximum QTI & BF Award	\$1,900,000	Contract Job Requirement	200
State QTI Payment	\$280,000.00	Jobs Due	200
Local Financial Support (QTI)	\$70,000.00	Confirmed Performance	123
State Brownfield Bonus Payment	\$100,000.00	Date Paid	8/4/2011
Local Financial Support (BF)	\$25,000.00	Scheduled Fiscal Year	2010-11
<i>Fidelity has had multiple QTI projects. The confirmed performance figures listed are those tied to each individual incentive agreement and are not double counted.</i>			
<b>Fidelity National Financial, Inc. &amp; Subsidiaries</b>		<b>Financial / Professional Services</b>	<b>Duval County</b>
Maximum QTI & BF Award	\$5,700,000	Contract Job Requirement	600
State QTI Payment	\$840,000.00	Jobs Due	600
Local Financial Support (QTI)	\$210,000.00	Confirmed Performance	979
State Brownfield Bonus Payment	\$300,000.00	Date Paid	8/5/2011
Local Financial Support (BF)	\$75,000.00	Scheduled Fiscal Year	2011-12
<i>Fidelity has had multiple QTI projects. The confirmed performance figures listed are those tied to each individual incentive agreement and are not double counted.</i>			
<b>Florida State University (Ringling School of Art and Design)</b>		<b>Not in a Target Industry</b>	<b>Sarasota County</b>
Maximum EDTF Award	\$1,000,000	Contract Job Requirement	NA
State EDTF Payment	\$70,167.19	Jobs Due	NA
Date Paid	6/12/2012	Confirmed Performance	NA
State EDTF Payment	\$188,918.56		
Date Paid	1/23/2012		
<i>EDTF Member project.</i>			
<b>FSV Payment Systems</b>		<b>Infotech</b>	<b>Duval County</b>
Maximum QTI Award	\$150,000	Contract Job Requirement	50
State QTI Payment	\$30,000.00	Jobs Due	50
Local Financial Support	\$7,500.00	Confirmed Performance	169
Date Paid	9/27/2011	Scheduled Fiscal Year	2011-12
<b>Garda USA Inc.</b>		<b>HQ</b>	<b>Palm Beach County</b>
Maximum QACF Award	\$100,000	Contract Job Requirement	100
State QACF Payment	\$100,000.00	Jobs Due	45
Date Paid	9/27/2011	Confirmed Performance	40
<b>Gartner, Inc.</b>		<b>Financial / Professional Services</b>	<b>Lee County</b>
Maximum QACF Award	\$500,000	Contract Job Requirement	200
State QACF Payment	\$500,000.00	Jobs Due	40
Date Paid	8/29/2011	Confirmed Performance	83

<b>Table 39</b>			
<b>INCENTIVE PAYMENTS – FY 2012 (CONTINUED)</b>			
<b>Geographic Solutions, Inc.</b>		<b>Financial / Professional Services</b>	<b>Pinellas County</b>
Maximum QTI Award	\$30,000	Contract Job Requirement	10
State QTI Payment	\$6,000.00	Jobs Due	10
Local Financial Support	\$1,500.00	Confirmed Performance	26
Date Paid	2/28/2012	Scheduled Fiscal Year	2011-12
<b>Green Circle Bio Energy, Inc.</b>		<b>Cleantech</b>	<b>Jackson County</b>
Maximum QTI Award	\$357,000	Contract Job Requirement	51
State QTI Payment	\$71,400.00	Jobs Due	51
Local Financial Support	WAIVED	Confirmed Performance	72
Date Paid	9/13/2011	Scheduled Fiscal Year	2011-12
<b>Guardian Ignition Interlock Manufacturing, Inc</b>		<b>Infotech</b>	<b>Brevard County</b>
Maximum QTI Award	\$40,000	Contract Job Requirement	10
State QTI Payment	\$8,000.00	Jobs Due	10
Local Financial Support	\$2,000.00	Confirmed Performance	18
Date Paid	8/10/2011	Scheduled Fiscal Year	2011-12
<b>H. Lee Moffitt Cancer Center &amp; Research Institute, Inc.</b>		<b>Life Sciences</b>	<b>Hillsborough County</b>
Maximum QTI Award	\$540,000	Contract Job Requirement	108
State QTI Payment	\$69,488.80	Jobs Due	85
Local Financial Support	\$17,372.20	Confirmed Performance	95
Date Paid	5/14/2012	Scheduled Fiscal Year	2010-11
<b>Hillsborough County (Lear Corporation)</b>		<b>Manufacturing</b>	<b>Hillsborough County</b>
Maximum EDTF Award	\$685,000	Contract Job Requirement	137
State EDTF Payment	\$95,720.14	Jobs Due	80
Date Paid	10/4/2011	Confirmed Performance	0
<i>EDTF payments are made directly to the community applicant.</i>			
<b>Hillsborough County (Tropical Sportswear International, Inc.)</b>		<b>Manufacturing</b>	<b>Hillsborough County</b>
Maximum EDTF Award	\$750,000	Contract Job Requirement	150
State EDTF Payment	\$120,108.00	Jobs Due	125
Date Paid	10/14/2011	Confirmed Performance	294
<i>EDTF payments are made directly to the community applicant. This project has a corresponding QTI, which is the source for the confirmed performance figure.</i>			
<b>InEnTec Chemical LLC</b>		<b>HQ</b>	<b>Clay County</b>
Maximum QTI Award	\$50,000	Contract Job Requirement	10
State QTI Payment	\$5,000.00	Jobs Due	5
Local Financial Support	\$1,250.00	Confirmed Performance	5
Date Paid	6/28/2012	Scheduled Fiscal Year	2011-12

<b>Table 39</b>			
<b>INCENTIVE PAYMENTS – FY 2012 (CONTINUED)</b>			
<b>Iowa College Acquisition Corporation dba Kaplan University</b>		<b>HQ</b>	<b>Broward County</b>
Maximum QTI Award	\$1,980,000	Contract Job Requirement	660
State QTI Payment	\$396,000.00	Jobs Due	660
Local Financial Support	\$99,000.00	Confirmed Performance	726
Date Paid	8/5/2011	Scheduled Fiscal Year	2010-11
<b>IRX Therapeutics, Inc.</b>		<b>Life Sciences</b>	<b>Pinellas County</b>
Maximum IIF Award	\$600,000	Contract Job Requirement	283
State IIF Payment	\$475,000	Jobs Due	NA
Date Paid	12/17/2011	Confirmed Performance	NA
State IIF Payment	\$125,000		
Date Paid	1/12/2012		
<b>Jacksonville Port Authority (TraPac, Inc.)</b>		<b>Emerging Technologies</b>	<b>Duval County</b>
Maximum EDTF Award	\$1,000,000	Contract Job Requirement	10
State EDTF Payment	\$1,000,000.00	Jobs Due	NA
Date Paid	6/19/2012	Confirmed Performance	NA
<i>EDTF payments are made directly to the community applicant.</i>			
<b>Jensen USA, Inc.</b>		<b>Manufacturing</b>	<b>Bay County</b>
Maximum QTI Award	\$180,000	Contract Job Requirement	45
State QTI Payment	\$36,000.00	Jobs Due	45
Local Financial Support	\$9,000.00	Confirmed Performance	67
Date Paid	8/28/2011	Scheduled Fiscal Year	2010-11
<b>JetBlue Airways Corporation</b>		<b>Financial / Professional Services</b>	<b>Orange County</b>
Maximum QTI Award	\$616,000	Contract Job Requirement	154
State QTI Payment	\$67,200.00	Jobs Due	154
Local Financial Support	\$16,800.00	Confirmed Performance	377
Date Paid	2/22/2012	Scheduled Fiscal Year	2011-12
<b>John Bean Technologies Corporation</b>		<b>Manufacturing</b>	<b>Polk County</b>
Maximum QACF Award	\$164,200	Contract Job Requirement	23
State QACF Payment	\$164,200.00	Jobs Due	NA
Date Paid	9/26/2011	Confirmed Performance	NA
<i>Funds currently held in the EFI escrow account until company achieves certain performance requirements.</i>			
<b>Kaman Aerospace Corporation</b>		<b>Aviation / Aerospace</b>	<b>Duval County</b>
Maximum QACF Award	\$657,500	Contract Job Requirement	200
State QACF Payment	\$657,500.00	Jobs Due	NA
Date Paid	9/27/2011	Confirmed Performance	NA
<i>Funds were paid into the EFI escrow account 9/28/11 and then paid to the company on 5/1/12 following achievement of performance milestones.</i>			

<b>Table 39</b>			
<b>INCENTIVE PAYMENTS – FY 2012 (CONTINUED)</b>			
<b>Klausner Holding USA, Inc.</b>		<b>Manufacturing</b>	<b>Suwannee County</b>
Maximum QACF Award	\$3,000,000	Contract Job Requirement	350
State QACF Payment	\$3,000,000.00	Jobs Due	NA
Date Paid	9/27/2011	Confirmed Performance	NA
<i>Funds currently held in the EFI escrow account until company achieves certain performance requirements.</i>			
<b>L-3 Communication Integrated Systems LP Crestview Aerospace</b>		<b>Manufacturing</b>	<b>Okaloosa County</b>
Maximum QACF Award	\$1,300,000	Contract Job Requirement	340
State QACF Payment	\$1,300,000.00	Jobs Due	NA
Date Paid	9/30/2011	Confirmed Performance	NA
<i>Funds currently held in the EFI escrow account until company achieves certain performance requirements.</i>			
<b>Lender Processing Services, Inc.</b>		<b>Financial / Professional Services</b>	<b>Duval County</b>
Maximum QTI & BF Award	\$1,150,000	Contract Job Requirement	210
State QTI Payment	\$126,000.00	Jobs Due	210
Local Financial Support (QTI)	\$31,500.00	Confirmed Performance	801
State Brownfield Bonus Payment	\$105,000.00	Date Paid	3/14/2012
Local Financial Support (BF)	\$26,250.00	Scheduled Fiscal Year	2011-12
<b>LiveTV, LLC</b>		<b>Infotech</b>	<b>Brevard County</b>
Maximum QTI Award	\$45,000	Contract Job Requirement	15
State QTI Payment	\$9,000.00	Jobs Due	15
Local Financial Support	\$2,250.00	Confirmed Performance	16
Date Paid	2/13/2012	Scheduled Fiscal Year	2011-12
<b>Lockheed Martin Corporation - FBM</b>		<b>Homeland Security / Defense</b>	<b>Brevard County</b>
Maximum QDSC Award	\$850,000	Contract Job Requirement	30
State QDSC Payment	\$30,000.00	Jobs Due	30
Local Financial Support	\$7,500.00	Confirmed Performance	53
Date Paid	12/20/2011	Scheduled Fiscal Year	2011-12
<i>The QDSC award also involves 140 retained jobs.</i>			
<b>Lockheed Martin Missiles and Fire Control/Ocala</b>		<b>Manufacturing</b>	<b>Marion County</b>
Maximum QTI Award	\$500,000	Contract Job Requirement	125
State QTI Payment	\$79,200.00	Jobs Due	99
Local Financial Support	\$19,800.00	Confirmed Performance	121
Date Paid	2/29/2012	Scheduled Fiscal Year	2011-12
State QTI Payment	\$28,000.00	Jobs Due	35
Local Financial Support	\$7,000.00	Confirmed Performance	79
Date Paid	8/4/2011	Scheduled Fiscal Year	2010-11
<i>Two QTI Refund payments were made for this project during FY 2011-12.</i>			

<b>Table 39</b>			
<b>INCENTIVE PAYMENTS – FY 2012 (CONTINUED)</b>			
<b>MarineMax, Inc.</b>		<b>HQ</b>	<b>Pinellas County</b>
Maximum QTI Award	\$150,000	Contract Job Requirement	30
State QTI Payment	\$10,000.00	Jobs Due	30
Local Financial Support	\$2,500.00	Confirmed Performance	46
Date Paid	8/5/2011	Scheduled Fiscal Year	2010-11
<b>Max Planck Florida Corporation</b>		<b>Life Sciences</b>	<b>Palm Beach County</b>
Maximum IIF Award	\$94,090,000	Contract Job Requirement	135
State IIF Payment	\$10,000,000	Jobs Due	61
Date Paid	12/6/2011	Confirmed Performance	62
<i>To date, Max Planck has received \$94,090,000 in IIF payments.</i>			
<b>McKibbon Hotel Management, Inc</b>		<b>Not in a Target Industry</b>	<b>Hillsborough County</b>
Maximum BF Bonus Award	\$247,500	Contract Job Requirement	99
State BF Bonus Payment	\$46,084.00	Jobs Due	99
Local Financial Support	WAIVED	Confirmed Performance	101
Date Paid	8/10/2011	Scheduled Fiscal Year	2011-12
<b>Morris and Lee, Inc.</b>		<b>HQ</b>	<b>Nassau County</b>
Maximum QTI Award	\$140,000	Contract Job Requirement	20
State QTI Payment	\$14,000.00	Jobs Due	10
Local Financial Support	\$3,500.00	Confirmed Performance	20
Date Paid	9/19/2011	Scheduled Fiscal Year	2011-12
<b>NeoGenomics Laboratories, Inc.</b>		<b>Life Sciences</b>	<b>Lee County</b>
Maximum QTI Award	\$300,000	Contract Job Requirement	75
State QTI Payment	\$32,000.00	Jobs Due	20
Local Financial Support	\$8,000.00	Confirmed Performance	40
Date Paid	9/6/2011	Scheduled Fiscal Year	2011-12
<b>Office Depot, Inc.</b>		<b>HQ</b>	<b>Palm Beach County</b>
Maximum QTI Award	\$2,150,000	Contract Job Requirement	430
State QTI Payment	\$172,000.00	Jobs Due	172
Local Financial Support	\$43,000.00	Confirmed Performance	249
Date Paid	1/5/2012	Scheduled Fiscal Year	2011-12
<b>Okaloosa County (BAE Systems Technology Solutions &amp; Services, Inc.)</b>		<b>Manufacturing</b>	<b>Okaloosa County</b>
Maximum EDTF Award	\$1,884,696	Jobs Projected	135
State EDTF Payment	\$503,539.48	Jobs Due	NA
Date Paid	6/22/2012	Confirmed Performance	NA
State EDTF Payment	\$529,451.72		
Date Paid	6/22/2012		
State EDTF Payment	\$736,458.67		
Date Paid	4/30/2012		
<i>EDTF payments are made directly to the community applicant. This project did not have another incentive with verified performance therefore the job figure provided is projected.</i>			

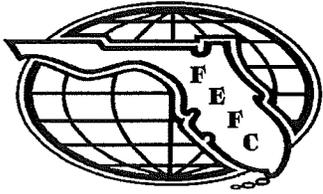
<b>Table 39</b>			
<b>INCENTIVE PAYMENTS – FY 2012 (CONTINUED)</b>			
<b>Okaloosa County (Sunshine Aero Industries, Inc.)</b>		<b>Manufacturing</b>	<b>Okaloosa County</b>
Maximum EDTF Award	\$92,000	Jobs Retained	25
State EDTF Payment	\$39,208.50	Jobs Due	NA
Date Paid	2/21/2012	Confirmed Performance	NA
<i>EDTF payments are made directly to the community applicant. This project involved retention of 25 existing jobs with no new jobs projected.</i>			
<b>Optical Crime Prevention, Inc.</b>		<b>Infotech</b>	<b>Broward County</b>
Maximum QACF Award	\$750,000	Contract Job Requirement	100
State QACF Payment	\$750,000.00	Jobs Due	NA
Date Paid	9/14/2011	Confirmed Performance	NA
<i>Funds currently held in the EFI escrow account until company achieves certain performance requirements.</i>			
<b>Orange County (Darden Restaurants, Inc.)</b>		<b>HQ</b>	<b>Orange County</b>
Maximum EDTF Award	\$2,000,000	Contract Job Requirement	500
State EDTF Payment	\$135,202.82	Jobs Due	191
Date Paid	6/12/2012	Confirmed Performance	195
<i>EDTF payments are made directly to the community applicant. This project has a corresponding QTI, which is the source for the confirmed performance figure.</i>			
<b>Orbeco-Hellige Inc.</b>		<b>Manufacturing</b>	<b>Manatee County</b>
Maximum QTI Award	\$30,000	Contract Job Requirement	10
State QTI Payment	\$6,000.00	Jobs Due	10
Local Financial Support	\$1,500.00	Confirmed Performance	12
Date Paid	12/6/2011	Scheduled Fiscal Year	2011-12
<b>Oregon Health &amp; Science University - VGTI</b>		<b>Life Sciences</b>	<b>St. Lucie County</b>
Maximum IIF Award	\$60,000,000	Contract Job Requirement	200
State IIF Payment	\$5,000,000	Jobs Due	89
Date Paid	3/23/2012	Confirmed Performance	90
<i>To date, VGTI has received \$60,000,000 in IIF payments.</i>			
<b>Oscor, Inc.</b>		<b>Manufacturing</b>	<b>Pinellas County</b>
Maximum QTI Award	\$165,000	Contract Job Requirement	55
State QTI Payment	\$33,000.00	Jobs Due	55
Local Financial Support	\$8,250.00	Confirmed Performance	92
Date Paid	1/30/2012	Scheduled Fiscal Year	2011-12
<b>Pall Corporation</b>		<b>Manufacturing</b>	<b>Escambia County</b>
Maximum QTI Award	\$216,000	Contract Job Requirement	54
State QTI Payment	\$34,646.40	Jobs Due	54
Local Financial Support	\$8,661.60	Confirmed Performance	46
Date Paid	8/5/2011	Scheduled Fiscal Year	2011-12

<b>Table 39</b>			
<b>INCENTIVE PAYMENTS – FY 2012 (CONTINUED)</b>			
<b>Pilot Corporation of America</b>		<b>HQ</b>	<b>Duval County</b>
Maximum QTI Award	\$264,000	Contract Job Requirement	66
State QTI Payment	\$17,600.00	Jobs Due	22
Local Financial Support	\$4,400.00	Confirmed Performance	51
Date Paid	1/4/2012	Scheduled Fiscal Year	2011-12
<b>Plasma-Therm, LLC</b>		<b>Manufacturing</b>	<b>Pinellas County</b>
Maximum QTI Award	\$340,000	Contract Job Requirement	68
State QTI Payment	\$68,000.00	Jobs Due	68
Local Financial Support	\$17,000.00	Confirmed Performance	78
Date Paid	5/8/2012	Scheduled Fiscal Year	2011-12
<b>PricewaterhouseCoopers LLP - Knowledge Service Org</b>		<b>Financial / Professional Services</b>	<b>Hillsborough County</b>
Maximum QTI Award	\$1,280,000	Contract Job Requirement	320
State QTI Payment	\$256,000.00	Jobs Due	320
Local Financial Support	\$64,000.00	Confirmed Performance	337
Date Paid	2/22/2012	Scheduled Fiscal Year	2010-11
<b>Raydon Corporation</b>		<b>Homeland Security / Defense</b>	<b>Volusia County</b>
Maximum QDSC Award	\$1,200,000	Contract Job Requirement	88
State QDSC Payment	\$213,600.00	Jobs Due	55
Local Financial Support	\$53,400.00	Confirmed Performance	55
Date Paid	9/30/2012	Scheduled Fiscal Year	2011-12
<i>The QDSC award also involves 212 retained jobs.</i>			
<b>CONFIDENTIAL</b>		<b>Financial / Professional Services</b>	<b>Pasco County</b>
Maximum QACF Award	\$4,500,000	Contract Job Requirement	750
State QACF Payment	\$4,500,000.00	Jobs Due	NA
Date Paid	9/19/2011	Confirmed Performance	NA
<i>Funds currently held in the EFI escrow account until company achieves certain performance requirements.</i>			
<b>Redpine Healthcare Technologies, Inc.</b>		<b>Infotech</b>	<b>Bay County</b>
Maximum QACF Award	\$400,000	Contract Job Requirement	410
State QACF Payment	\$400,000.00	Jobs Due	NA
Date Paid	8/29/2011	Confirmed Performance	NA
<i>Redpine is no longer in operation and DEO is pursuing legal action to recoup the QACF funds.</i>			
<b>Rulon Company</b>		<b>Manufacturing</b>	<b>St. Johns County</b>
Maximum QTI Award	\$400,000	Contract Job Requirement	120
State QTI Payment	\$56,666.66	Jobs Due	85
Local Financial Support	\$14,166.66	Confirmed Performance	96
Date Paid	9/30/2011	Scheduled Fiscal Year	2010-11

<b>Table 39</b>		
<b>INCENTIVE PAYMENTS – FY 2012 (CONTINUED)</b>		
<b>Saab Training USA LLC</b>		<b>Financial / Professional Services      Orange County</b>
Maximum QTI Award	\$132,000	Contract Job Requirement      33
State QTI Payment	\$8,000.00	Jobs Due      10
Local Financial Support	\$2,000.00	Confirmed Performance      10
Date Paid	5/11/2012	Scheduled Fiscal Year      2011-12
<b>Samsonite Corporation</b>		<b>Emerging Technologies      Duval County</b>
Maximum BF Bonus Award	\$132,500	Contract Job Requirement      53
State BF Bonus Payment	\$26,500.00	Jobs Due      53
Local Financial Support	\$6,625.00	Confirmed Performance      94
Date Paid	1/30/2012	Scheduled Fiscal Year      2010-11
State BF Bonus Payment	\$26,500.00	Jobs Due      53
Local Financial Support	\$6,625.00	Confirmed Performance      53
Date Paid	1/30/2012	Scheduled Fiscal Year      2009-10
<i>Two BF Bonus Refund payments were made for this project during FY 2011-12.</i>		
<b>Sikorsky Aircraft Corporation</b>		<b>Aviation / Aerospace      Palm Beach County</b>
Maximum QACF Award	\$600,000	Contract Job Requirement      14
State QACF Payment	\$600,000.00	Jobs Due      NA
Date Paid	9/22/2011	Confirmed Performance      NA
<i>Funds were paid into the EFI escrow account 9/23/11 and then paid to the company on 12/5/12 following achievement of performance milestones.</i>		
<b>SolarSink, LLC</b>		<b>Financial / Professional Services      Leon County</b>
Maximum HIPI Award	\$1,000,000	Contract Job Requirement      30
State HIPI Payment	\$500,000.00	Jobs Due      10
Date Paid	7/22/2011	Confirmed Performance      11
<i>HIPI grants are paid in two equal installments, the first upon "commencement of operations" and the second upon "commencement of full operations". This is the project's first HIPI payment.</i>		
<b>SunnyLand Solar, LLC</b>		<b>Financial / Professional Services      Leon County</b>
Maximum HIPI Award	\$1,000,000	Contract Job Requirement      35
State HIPI Payment	\$500,000.00	Jobs Due      10
Date Paid	9/9/2011	Confirmed Performance      10
<i>HIPI grants are paid in two equal installments, the first upon "commencement of operations" and the second upon "commencement of full operations". This is the project's first HIPI payment.</i>		
<b>Tampa Housing Authority (Cardno TBE)</b>		<b>Not in a Target Industry      Hillsborough County</b>
Maximum EDTF Award	\$1,000,000	Contract Job Requirement      NA
State EDTF Payment	\$289,665.55	Jobs Due      NA
Date Paid	4/3/2012	Confirmed Performance      NA
State EDTF Payment	\$400,367.25	
Date Paid	11/9/2011	
State EDTF Payment	\$309,967.20	
Date Paid	7/6/2011	
<i>EDTF Member project.</i>		

<b>Table 39</b>			
<b>INCENTIVE PAYMENTS – FY 2012 (CONTINUED)</b>			
<b>Taurus International Manufacturing, Inc.</b>		<b>Manufacturing</b>	<b>Miami-Dade County</b>
Maximum QTI Award	\$369,000	Contract Job Requirement	123
State QTI Payment	\$55,800.00	Jobs Due	93
Local Financial Support	\$13,950.00	Confirmed Performance	107
Date Paid	6/29/2012	Scheduled Fiscal Year	2011-12
<b>TBC Corporation</b>		<b>HQ</b>	<b>Palm Beach County</b>
Maximum QTI Award	\$200,000	Contract Job Requirement	50
State QTI Payment	\$28,800.00	Jobs Due	36
Local Financial Support	\$7,200.00	Confirmed Performance	111
Date Paid	1/30/2012	Scheduled Fiscal Year	2011-12
<b>The Newport Group, Inc.</b>		<b>Financial / Professional Services</b>	<b>Seminole County</b>
Maximum QTI Award	\$300,000	Contract Job Requirement	60
State QTI Payment	\$60,000.00	Jobs Due	60
Local Financial Support	\$15,000.00	Confirmed Performance	85
Date Paid	10/4/2011	Scheduled Fiscal Year	2011-12
<b>Time Warner Business Services, LLC</b>		<b>Financial / Professional Services</b>	<b>Hillsborough County</b>
Maximum QACF Award	\$900,000	Contract Job Requirement	500
State QACF Payment	\$900,000.00	Jobs Due	NA
Date Paid	4/16/2012	Confirmed Performance	NA
<i>Funds currently held in the EFI escrow account until company achieves certain performance requirements.</i>			
<b>Torrey Pines Institute for Molecular Studies</b>		<b>Life Sciences</b>	<b>St. Lucie County</b>
Maximum IIF Award	\$24,728,000	Contract Job Requirement	189
State IIF Payment	\$3,000,000	Jobs Due	120
Date Paid	12/2/2011	Confirmed Performance	120
<i>To date, Torrey Pines has received \$19,000,000 in IIF payments.</i>			
<b>Triad Isotopes, Inc.</b>		<b>HQ</b>	<b>Orange County</b>
Maximum QTI Award	\$240,000	Contract Job Requirement	30
State QTI Payment	\$48,000.00	Jobs Due	30
Local Financial Support	\$12,000.00	Confirmed Performance	40
Date Paid	2/15/2012	Scheduled Fiscal Year	2011-12
<b>Triumph Aerostructures, LLC</b>		<b>Aviation / Aerospace</b>	<b>Martin County</b>
Maximum QTI Award	\$300,000	Contract Job Requirement	100
State QTI Payment	\$27,000.00	Jobs Due	45
Local Financial Support	\$6,750.00	Confirmed Performance	54
Date Paid	9/27/2011	Scheduled Fiscal Year	2011-12

<b>Table 39</b>			
<b>INCENTIVE PAYMENTS - FY 2012 (CONTINUED)</b>			
<b>Ultramatics, Inc.</b>		<b>Financial / Professional Services</b>	<b>Pinellas County</b>
Maximum QTI Award	\$172,000	Contract Job Requirement	43
State QTI Payment	\$18,286.00	Jobs Due	43
Local Financial Support	\$4,571.50	Confirmed Performance	36
Date Paid	2/28/2012	Scheduled Fiscal Year	2011-12
<b>University Clinical Research - Deland, LLC</b>		<b>Financial / Professional Services</b>	<b>Volusia County</b>
Maximum QTI Award	\$66,000	Contract Job Requirement	22
State QTI Payment	\$7,200.00	Jobs Due	22
Local Financial Support	\$1,800.00	Confirmed Performance	28
Date Paid	8/16/2011	Scheduled Fiscal Year	2011-12
<b>VaxDesign Corporation</b>		<b>Financial / Professional Services</b>	<b>Orange County</b>
Maximum QTI Award	\$195,000	Contract Job Requirement	39
State QTI Payment	\$8,000.00	Jobs Due	39
Local Financial Support	\$2,000.00	Confirmed Performance	43
Date Paid	2/16/2012	Scheduled Fiscal Year	2011-12
<b>VISA Global Customer Care Services</b>		<b>Financial / Professional Services</b>	<b>Miami-Dade County</b>
Maximum QTI Award	\$475,800	Contract Job Requirement	366
State QTI Payment	\$36,556.00	Jobs Due	185
Local Financial Support	\$9,139.00	Confirmed Performance	148
Date Paid	6/29/2012	Scheduled Fiscal Year	2011-12
<b>Volusia County (International Speedway Corporation)</b>		<b>HQ</b>	<b>Volusia County</b>
Maximum EDTF Award	\$2,000,000	Contract Job Requirement	103
State EDTF Payment	\$1,122,294.32	Jobs Due	NA
Date Paid	3/8/2012	Confirmed Performance	NA
<i>EDTF payments are made directly to the community applicant.</i>			
<b>Wal-Mart Stores East, LP - Auburndale</b>		<b>Not in a Target Industry</b>	<b>Polk County</b>
Maximum BF Bonus Award	\$592,500	Contract Job Requirement	237
State BF Bonus Payment	\$118,500.00	Jobs Due	237
Local Financial Support	WAIVED	Confirmed Performance	254
Date Paid	9/27/2011	Scheduled Fiscal Year	2010-11
<b>Wal-Mart Stores East, LP - Inverness</b>		<b>Not in a Target Industry</b>	<b>Polk County</b>
Maximum BF Bonus Award	\$712,500	Contract Job Requirement	285
State BF Bonus Payment	\$119,871.00	Jobs Due	285
Local Financial Support	WAIVED	Confirmed Performance	254
Date Paid	1/20/2012	Scheduled Fiscal Year	2010-11
<b>World Duty Free Americas</b>		<b>HQ</b>	<b>Broward County</b>
Maximum QTI Award	\$400,000	Contract Job Requirement	100
State QTI Payment	\$12,000.00	Jobs Due	100
Local Financial Support	\$3,000.00	Confirmed Performance	147
Date Paid	8/5/2011	Scheduled Fiscal Year	2010-11



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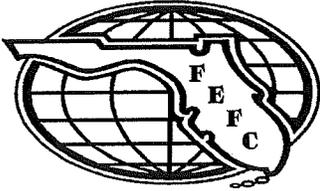


## Annual Report 2011

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# FLORIDA EXPORT FINANCE CORPORATION

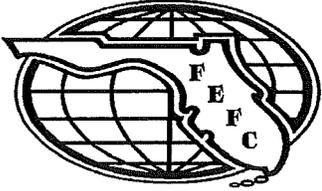
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## ANNUAL REPORT

January 1, 2011 - December 31, 2011

The 1993 Legislature enacted the "Florida Export Finance Corporation Act by S.S. 288.770-288.778, Florida Statutes which required the FEFC annual report to be sent to the Governor, the President of the Florida Senate, the Speaker of the Florida House of Representatives, the Senate Minority Leader, the House Minority Leader, and Enterprise Florida, Inc. The 2010 Legislature amended the act to require the report to be sent only to Enterprise Florida, Inc. to be included in the Enterprise Florida annual report.



# FLORIDA EXPORT FINANCE CORPORATION

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## PRESIDENT'S MESSAGE

Florida depends on international business for the vitality of its economy more than any other state. Many of Florida's business and government leaders are aware that international trade is the largest segment of our economy and has out paced the growth of any other sector by a wide margin. That we are so dependent on international trade should not be surprising given Florida's geographic location and multi ethnic population. One aspect of international trade is exporting, and exports have been increasing for the past several years.

We rely on small business to make those exports far more than any other state. Most of the small business exporters in Florida are trading intermediaries. By a wide margin over any state Florida depends on these intermediaries to make our export business move forward, and almost all trading intermediaries are small businesses. These are the entities that bear the largest burden in the decline of exports and benefit the least in increasing exports. The benefits to small business from increased exports over the past several years has lagged that of our state's larger companies; however, there is evidence that many small exporters are experiencing increased demand.

The expenses and time required to obtain an export order are huge but the largest impediment is the ability, more properly described as the inability, of the small exporter to obtain adequate financing to allow fulfillment of that export order. This impediment is particularly true for an intermediary exporter who generally has a small asset base of inventory or receivables on which traditional financing can be based.

Florida's banking community is large and provides enormous amounts of funding for international trade. Banking is a highly regulated industry with those regulations designed first and foremost to protect the ordinary citizen who deposits money in the bank, and secondly to protect the shareholders of the bank. This is proper, but it automatically forces banks to lend to the highest level of loan repayment expectations. In general, small business does not fall into this expectation category. Nor does the financing of export sales. Nor does the financing of an intermediary. There is no misperception here as history shows this to be true. However, exports produce a benefit to our society far greater than domestic sales and cannot be ignored simply because they have a higher risk. Nor can small business, because it is the backbone of our country and, even more so, our state. The multitude of new regulations that have been implemented since the events of "9-11" have increased the difficulty for all exporting companies but more for small business. The current lending slow down has affected everyone and has created a lack of assistance for small exporters.

Since our inception more than 100 banks have agreed to cooperate with the FEFC in various ways to provide assistance to exporters. Many of these banks had not previously been involved in export trade finance. In the past, bank support for small exporters has grown as they recognize the huge business potential vested in this market. The consolidation taking place among banks does not seem to have either helped or hindered trade finance overall, except in the case of small business where it hurts. It is very clear that the larger a bank the larger it wants its customers to be.

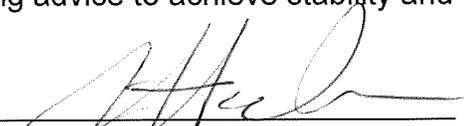
SBA continue to improve their efforts to make their assistance programs available to small exporters but are clearly affected by increasing regulations and the economic slow down.

Florida's government - cities, counties, and state - know this importance and have done many things to help small business and to increase Florida exports. However, it is a never-ending process of improvements and continuing support that will and can enhance Florida's economy through small business and exports. Florida needs more manufacturers. Our ratio of trading intermediaries to manufacturers is very heavily weighted to intermediaries. This ratio in the business of Florida's exports is almost exactly inverse to California's. Our exporting structure and the vast amount of port volume are heavily dependent on manufactured products flowing through from other states and even other countries. Florida is more in the business of exporting other states' products than those from Florida simply because of our lack of manufacturing. Economic development designed to enlarge our existing small business manufacturers, and to bring more manufacturers into Florida, would in years to come benefit the state as much or more than anything Florida is now doing. The Florida Chamber of Commerce, The Florida Manufacturers Association, and The Florida Finance Network all are attempting measures to improve small manufacturers' access to capital. The State Government needs to embrace this need.

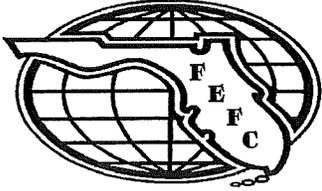
For a number of years the preceding, with appropriate and periodic updates, has been the cornerstone of FEFC's message. During most of that time the business of exporting continually grew and banks continually increased their commitment to trade finance. This trend stopped in 2008 when both actual exports and bank support decreased for the small exporters.

2008 saw a downturn of small business exports and 2009 was much worse and 2010 was even worse for small business. Overall exports increased in 2010 and 2011. Small exporters are the first to feel a slowdown and the last to recover. An increasing number of foreign buyers are defaulting on payments to their Florida suppliers. This has created problems for many Florida banks and many have reduced their level of trade finance, especially to small business. Even with new efforts by all Federal and State entities offering support to exporters, both large and small, the business of almost all small individual entities declined. Our guarantee level rose from the prior year due to a new incentive with additional funding from the State of Florida. 2011 was a recovery year but lending to small business including manufacturers has not improved.

The Florida Export Finance Corporation has dedicated itself to provide all Florida small business with an opportunity of ensuring that no valid export order is lost due to the lack of financing. The key words are all small business - manufacturer, agriculture, service, or intermediary. A further key is that every export sale, no matter what its size, is beneficial to Florida. Small becomes large only step by step with each sale. The goal of the FEFC is to help small business grow, not just to make loans. This goal is achieved by offering consulting services and structuring advice to achieve stability and long term growth in addition to financial assistance.

  
\_\_\_\_\_  
J. Stephen Fancher, President & CEO

  
\_\_\_\_\_  
Date



# FLORIDA EXPORT FINANCE CORPORATION

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## THE FLORIDA EXPORT FINANCE CORPORATION

### STATEMENT OF POLICY

Florida Statute 288.770, effective July 1, 1993, created and funded the Florida Export Finance Corporation (FEFC) as a not for profit corporation with an economic development mandate to expand employment and income opportunities for Florida residents.

Fulfillment of the mandate is to be accomplished by increased exports of goods and services resulting from informational, technical, and financial assistance given by FEFC to small and medium sized Florida domiciled businesses. No specific Florida content is required for the exported items but preference is given to Florida value-added transactions.

Information and technical assistance to business is offered and the FEFC will cooperate and work with other organizations to enhance the ability of Florida exporters to increase their sales and their access to programs designed to assist them. However, financial assistance is the primary service offered by the FEFC. FEFC financial assistance is available to small and medium sized companies registered to do business in the State of Florida; with less than 250 employees and less than a \$6,000,000 net worth; only for direct export transactions; only for goods and services being shipped from Florida; and only when the inability to obtain financing elsewhere is demonstrated.

FEFC financial assistance is in the form of a loan guarantee generally for short term transactions. The FEFC may have guarantees outstanding at any one time not greater than five times the FEFC Fund amount at such time.

In order to make full use of its leveraging authority FEFC financial assistance to exporters is in the form of guarantees given to commercial lenders who make loans to exporters to support a verified foreign order. The exporter may apply directly to the FEFC for a loan guarantee or, a lender may apply on behalf of an exporter. The maximum amount FEFC will consider guaranteeing is \$500,000 and the FEFC guarantee may not exceed 90% of the loan value. The loan is to be secured by the foreign receivable generated by the sale. Ex-Im Bank or other acceptable foreign risk insurance should be obtained where possible.

The FEFC does not make grants nor will it issue loan guarantees unless they can be secured in a manner which assures a high probability of repayment. The FEFC paperwork will be the minimum necessary and its fees and rates will be as low as possible. FEFC loan guarantees will require the lender to follow all customary and prudent lending practices.

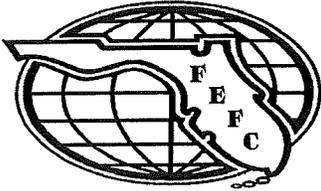
creditworthy, when a transaction is too small or too short term to produce a profit for the lender. If the need of the exporter is post-shipment related, i.e., offering payment terms to the foreign buyer, FEFC will assist the exporter in applying for coverage under a foreign risk insurance policy which mitigates the risk of an exporter loan default due to non payment by a foreign buyer. Many exporters will also need pre-shipment loans, i.e., purchasing the materials required to fill the order of a foreign buyer.

The agreement of lenders to accept the FEFC guarantee is dependent on many factors. The question of safety is paramount and is reflected by FEFC's credit policy, the risk mitigation arrangements which the FEFC might have, and the size of the FEFC Fund. Where possible FEFC will use the risk mitigation programs of Ex-Im Bank or other acceptable means. FEFC's credit policy and procedures have been formulated by FEFC's Board of Directors to evolve based on FEFC's delineated market and acting as an economic development entity. These individuals all have extensive experience in commercial lending, export sales, and trade finance representing and blending the expertise of banks and exporters, both large and small.

FEFC's Board of Directors recognizes the wide gap between the financing needs of small and medium sized exporters and the conservative approach required of conventional lenders, especially when it concerns trading companies who by many lending definitions are viewed as being undercapitalized with insufficient collateral. The bridging of this financial "gap" and the mandate to assist and nurture the growth of qualified Florida exporters is the guiding principle of FEFC's Board of Directors. Application of FEFC's credit policy and procedures will always consider this factor.

The FEFC accounts and records are maintained by the Corporation with audits by independent auditors and regular reviews by the State of Florida. The FEFC Fund is under the full control of FEFC's Board of Directors and is separate from any other funds. Additional funding may be appropriated each year by the State of Florida or from other sources, both public and private. The Corporation's administrative expenses are allocated from the FEFC Fund in accordance with an operating budget approved by the Board of Directors. All fees, interest income, investment income, or any other income is deposited directly to the FEFC Fund. Investments are made under rules established in Florida Statutes and in accordance with policy established by FEFC's Board of Directors.

The policy of the Board of Directors is to operate the FEFC in a sound and prudent manner which will accomplish the purposes and requirements of the Corporation as set forth in Florida Statutes while safeguarding and increasing its assets. The Board has established a credit committee, an audit and examination committee, an asset and liability committee, a management review committee, and an executive committee. Each committee has specific responsibilities concerning establishing and overseeing policies and procedures of the Corporation.



# FLORIDA EXPORT FINANCE CORPORATION

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## YEAR 2011 FACT SHEET

- \*July 5, 1992 - Business Plan presented to and approved by Governor's Office
- \*July 1, 1993 - Enabling Statute FS 288.770/8
- \*August 16, 1993 - First employee
- \*November 5, 1993 - Programs/Policies approved by Board and Governor's Office
- \*February 2, 1994 - Began accepting Loan and Loan Guarantee applications
- \*November 1, 1994 - Became member of Ex-Im Bank City/State Program
- \*May 1, 1995 - Signed Co-Guarantee Agreement with SBA
- \*December 1, 1995 - Ex-Im Bank Umbrella Insurance Policy activated
- \*July 1, 1996 - Increased Capital Grant by State
- \*September 18, 1996 - Ex-Im Bank Delegated Authority received
- \*July 1, 1997 - State Grants Self-Sufficiency Capital
- \*December 31, 1998 - Achieved Self-Sufficiency
- \*July 1, 2010 - Additional capital of \$4.9 million appropriated by the State

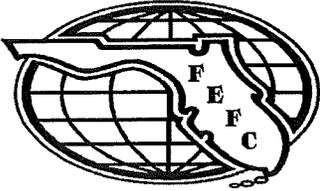
Note: figures are cumulative from inception except where noted

12/31/11

Medium term (over 1yr.) loans commitments arranged on behalf of small Florida exporters	\$1,797,665,000
Export value of Political and Credit Risk Insurance arranged to support sales of small Florida exporters	\$ 240,000,000
Export value covered by FEFC loan guarantee commitments for small Florida exporters	\$ 353,561,000
Total value assisted (100% small business/ approx. 72% minority and women owned)	\$2,391,226,000
Total for 2011 activities	\$ 418,251,000
Total State Grants received (1993/2011) \$10,500,000 Capital - \$1,000,000 Operating Expenses	\$ 11,500,000
Net Worth of FEFC - 12/31/11	\$ 9,265,316
Total number of seminars -	375
FEFC seminar attendance - Exporters	12,549
- Bankers	2,450

FEFC Status - Non stock not for profit corporation with IRS 501(c)3 status  
 13 Member Board of Directors (3 Government/10 Private Sector)  
 Loan Defaults – 21 (\$2,054,291 Net Loss)

Legislative Mandate - To increase job opportunities and income for residents of Florida by providing financial, technical, and consulting assistance to small and medium sized Florida companies in support of their export sales.



# FLORIDA EXPORT FINANCE CORPORATION

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To Financial Professionals:

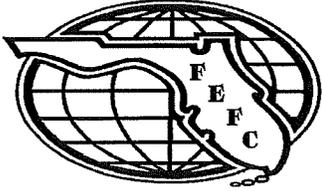
All of us who offer financial services to businesses in the State of Florida know the unique nature of our market. Many of your clients could be defined as small businesses, and many of those export goods and services to foreign markets. Indeed, small businesses are the major engine of employment, economic growth, and exporting in our State.

Despite their importance to our economy, far too often they lack access to the financing they need. This is especially true of small business which need financing for their export transactions. The Florida Export Finance Corporation (FEFC) was created by the State of Florida as a not-for-profit corporation, with a mandate to expand employment and income opportunities by supporting the export of goods and services from the State.

The FEFC offers information, technical and consulting assistance to exporters throughout the State of Florida. Financial assistance, though, is our chief service. The FEFC will guarantee a lender's revolving line up to a maximum of \$500,000. Applicants for a loan guarantee must be exporters based in Florida who have been turned down by at least one potential lender.

The FEFC is a member of the City/State program of the Export-Import Bank of the United States and offers Florida exporters access to U.S. Government export assistance programs offered by the Ex-Im Bank and the SBA. Services include packaging for the loan, insurance and guarantee programs offered by these agencies. The FEFC has delegated authority for Ex-Im Bank working capital loan guarantees up to \$1,000,000 and SBA loans for up to \$1,500,000.

This pamphlet reviews our general services. We ask that you bring to your client's attention the many opportunities available to them to enhance their success as exporters. One call or visit to our offices is all that is necessary to learn about these opportunities. Applications are available on the Internet or upon request.



# FLORIDA EXPORT FINANCE CORPORATION

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## EXPORT FINANCE ASSISTANCE FOR FLORIDA COMPANIES

A major hurdle for many businesses seeking to take advantage of the opportunities offered by expanding foreign markets is access to affordable working capital. The State of Florida, working in partnership with the federal government and the State's banking community has lowered this hurdle for small and medium-sized businesses.

### FLORIDA EXPORT FINANCE CORPORATION

Access up to \$500,000 in loan guarantees is available to Florida's small and medium-sized businesses through the Florida Export Finance Corporation (FEFC). The FEFC was created by the State in 1993 as a not for profit corporation with a mandate to expand employment and income opportunities to Florida residents by increased exports of goods and services resulting from assistance given by the FEFC to Florida companies. Information, technical, and consulting assistance is offered. However, financial assistance is the primary service offered by the FEFC. Guarantees are transaction specific but normally issued as a revolving line of credit. This program, operating in partnership with Florida's banking community, is designed to assist the State's smaller exporters by giving them improved access to affordable working capital.

#### FEFC FEATURES:

- Loan guarantees for the lesser of 90% of the loan or \$500,000.
- No minimum size.
- May be used to support loan or standby letter of credit.
- Available for pre-export working capital and/or post-export receivables financing.
- Maximum term for pre or post-export is 180 days, combination is 360 days.
- Reduced turn-around time for approval.
- Flexible collateral requirements.

#### FEFC PROGRAM CRITERIA

- Shipment must be from Florida.
- Products do not have to be made in Florida.
- Must be a small/medium sized Florida company.
- Must have received a turndown from conventional lender or apply jointly with a lender.

#### FEFC PROGRAM FEES:

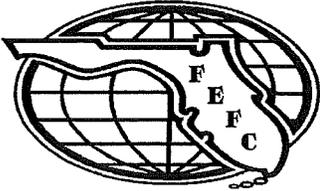
- \$250 application fee.
- A facility fee based on maximum allowable outstanding at any one time.

### EXPORT-IMPORT BANK OF THE UNITED STATES AND SMALL BUSINESS ADMINISTRATION CITY/STATE PROGRAM

The FEFC is a member of the City/State program and offers Florida exporters access to export assistance programs offered by the Ex-Im Bank and the SBA. Services include packaging for Ex-Im Bank and SBA export working capital guarantees, and other loan, insurance and guarantee programs offered by these agencies.

#### FEFC PACKAGING, CREDIT INSURANCE, AND CO-GUARANTEE PROGRAMS

Financing assistance provided by the City/State Program focuses on the packaging and expedited processing of applications. The FEFC will assist exporters and lenders in arranging loans exceeding the FEFC limit in order to complete an export sale of any size including Ex-Im Bank product and project loans and SBA loans. The FEFC will assist exporters and lenders in obtaining credit insurance to mitigate foreign risk. FEFC can combine its guarantee with that of the SBA for a total guarantee value of up to \$1,500,000. FEFC has delegated authority from Ex-Im Bank and can combine its guarantee with that of Ex-Im Bank for a \$1,000,000 guarantee. This delegated authority is primarily designed to work with community banks in support of their customers.



# FLORIDA EXPORT FINANCE CORPORATION

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## REFERRAL SERVICES

FEFC staff maintains up-to-date knowledge of exporter assistance programs offered by these federal agencies, as well as working relationships with their staffs. This combination allows us to recommend the best match between an exporter's financial need and available assistance and provide quick access to that assistance.

Products offered by Ex-Im Bank include:

- working capital guarantees/ medium-term guarantees/direct project guarantees/foreign credit insurance

*SBA also offers working capital guarantees in support of export sales.*

The export working capital guarantee programs of Ex-Im Bank and SBA are organized in a complimentary fashion. These programs are collectively referred to as the Export Working Capital Program. This program offers:

### EWCP FEATURES:

- Guarantees to support specific transactions or a revolving line
- No minimum or maximum amount (though the amount requested will determine which agency will make the guarantee)

### EWCP ELIGIBILITY CRITERIA:

- Exporter must have been in business at least one year
- Exporter must be able to demonstrate financial strength to support loan
- Export transaction must involve a country approved by Ex-Im Bank's Country Limitation Schedule
- Exporting company must have business operations in Florida.

Though the EWCP is operated jointly by the two agencies, certain features of the program are unique to each agency. The financing needs of the exporter, the nature of their business and the products being exported will determine which of the agencies will make the guarantee.

The most important of the defining criteria is the amount of financing being requested:

#### Ex-Im Bank

Guarantee requests exceeding \$1,000,000  
(Up to 90% of loan)

#### SBA

Guarantee requests below \$1,000,000  
(Up to 90% of loan)

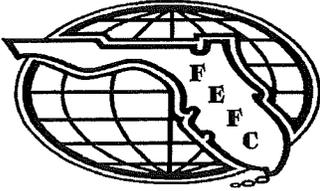
#### UNIQUE EX-IM BANK FEATURES

- Maximum term of financing is 1 year
- Exporter must be profitable
- No military sales
- Export product must exceed 50% U.S. origin
- Preliminary commitment for 6 months
- FEFC delegated authority for up to a \$1,000,000 guarantee
- Master Agreements with community banks thru FEFC

#### UNIQUE SBA FEATURES:

- Exporter must be a small business as defined by SBA
- Maximum term of financing is 3 years
- Military sales are allowed
- No. U.S. content requirement
- Preliminary commitment for 60 days
- Combined SBA/FEFC guarantee for up to \$1,500,000

PLEASE CALL THE FEFC OFFICE FOR FURTHER INFORMATION  
ON PROGRAM LIMITATIONS & CRITERIA



# FLORIDA EXPORT FINANCE CORPORATION

A NOT FOR PROFIT CORPORATION  
CREATED AND FUNDED BY THE STATE OF FLORIDA



President & CEO: J. Stephen Fancher

## BOARD OF DIRECTORS

<u>Represents</u>			
1.	NW Florida: Region 1	Todd G. Kocourek, President & CEO Florida First Capital Finance Corp. P. O. Box 4166 Tallahassee, FL 32315-4166 850/222-5198 FAX 850/222-7284	10/13
2.	NE Florida: Region 2	Cathy Hagan University of North Florida Small Business Development Center 12000 Alumni Drive Jacksonville, FL 32224 904/620-2478 FAX	07/12
3.	Central Florida: Region 3 National Bank	David Matos, Vice President TD Bank 1560 Orange Avenue Suite 300 Winter Park, FL 32789 407/6223513 PH 407/4085816 CELL	07/14
4.	West Central Florida: Region 4	Salvatore M. Pontillo 3521 Autumn Glen Dr. Valrico, FL 33594 813/505-2157	04/12
5.	SW Florida: Region 5	Penny S. Phillippi, Executive Director Collier County Redevelopment Agency 2210 Immokalee Drive Immokalee, FL 34142 Cel: 239/285-7635	06/13
6.	South Florida: Region 6	Adolfo D. Martinez, Managing Partner ADM Financial LLC 9230 S.W. 36 <sup>th</sup> Street Miami, FL 33165 305/798-3392 FAX 305/207-3425	04/12
7.	Insurance:	Art Warner, Vice President ARI Global Insurance 19106 Two River Lane Boca Raton, FL 33498 561/ 353-1170 FAX 561/353-1172	01/12

8. Foreign Bank: Efrain Lopez 03/12  
General Manager  
Caixa Galicia  
1111 Brickell Avenue, Suite 2100  
Miami, FL 33131  
Cell: 954/682-6201
9. State Bank: Ignacio Hernandez, Senior Vice President 06/14  
Ocean Bank  
780 NW 42<sup>nd</sup> Avenue  
Suite 401  
Miami, FL 33126  
305/5695435 PH  
305/9653670 CELL
10. Small/medium exporter: Daniel M. Schwartz, Director 07/14  
Hencorp  
777 Brickell Avenue, Ste 1010  
Miami, FL 33131  
305/4169110
11. Secretary of State: Kurt Browning  
Designee: Jennifer Kennedy, Deputy Secretary  
Florida Department of State  
R. A. Gray Building  
500 S. Bronough  
Tallahassee, FL 32399-0250  
850/245-6525 FAX 850/245-6125
12. Chief Financial Officer: Jeff Atwater, CFO  
Designee: Maria J. Boue, President  
Paris Trading, Inc.  
5313 Collins Avenue, Ste. 1005  
Miami Beach, FL 33140  
786/281-9764 Fax 305/866-3068
13. Enterprise Florida CEO: Gray Swoope  
Designee: Manny Mencia, Vice President  
Enterprise Florida International Trade  
201 Alhambra Circle #610  
Coral Gables, FL 33134  
305/808-3660 FAX 305/808-3586

CHAIR - SAL PONTILLO  
VICE CHAIR - TODD KOCOUREK  
TREASURER - ADOLFO MARTINEZ  
SECRETARY - DANIEL SCHWARTZ

Revised: 1/12

FLORIDA EXPORT FINANCE CORPORATION

Balance Sheet

As of December 31, 2011

	<u>Dec 31, 11</u>
<b>ASSETS</b>	
Current Assets	
Checking/Savings	
DEPOSIT	49,362.43
FEFC/SPIA - see notes	8,337,034.61
OPERATING ACCT	48,648.43
Total Checking/Savings	<u>8,435,045.47</u>
Other Current Assets	
LOANS - see notes	829,516.12
SECURITY DEPOSIT	2,713.50
Total Other Current Assets	<u>832,229.62</u>
Total Current Assets	<u>9,267,275.09</u>
<b>TOTAL ASSETS</b>	<b><u>9,267,275.09</u></b>
<b>LIABILITIES &amp; EQUITY</b>	
Liabilities	
Current Liabilities	
Other Current Liabilities	
CUSTOMER DEPOSIT	1,685.54
Total Other Current Liabilities	<u>1,685.54</u>
Total Current Liabilities	<u>1,685.54</u>
Total Liabilities	1,685.54
Equity	
OPENING CAPITAL	100,000.00
PAID IN CAPITAL	10,400,000.00
RETAINED EARNINGS	-795,028.28
Net Income	-439,382.17
Total Equity	<u>9,265,589.55</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b><u>9,267,275.09</u></b>

FLORIDA EXPORT FINANCE CORPORATION  
Profit & Loss  
January through December 2011

	<u>Jan - Dec 11</u>
<b>Income</b>	
APP FEES	10,000.00
GUAR FEES	165,076.98
INVESTMENT INCOME	150,067.16
RECOVERIES	18,369.86
REIMB EXP	24,170.00
SERVICE FEES	80.00
	<hr/>
<b>Total Income</b>	367,764.00
<b>Expense</b>	
BANK CHARGES	311.84
BOARD	3,380.93
CLAIMS	181,165.55
CREDIT REPORTS	145.00
DUES	4,215.00
EMPLOYEE BENEFITS	112,872.43
EQUIP RENT	4,043.76
INSURANCE	9,328.04
INTEREST PAID	27,024.12
MISC EXPENSES	1,684.63
OFFICE SUPP/PRINTING	7,802.88
PAYROLL	343,900.12
PAYROLL TAXES	25,144.56
POSTAGE	1,716.50
PROFESSIONAL FEES	18,100.38
RENT	49,412.93
REPAIR & MAINT	603.61
TAXES	25.00
TELEPHONE	6,916.49
TRAVEL	7,151.07
UTILITIES	2,201.33
	<hr/>
<b>Total Expense</b>	807,146.17
	<hr/>
<b>Net Income</b>	<b><u><u>-439,382.17</u></u></b>

## FLORIDA EXPORT FINANCE CORPORATION

## Profit &amp; Loss Prev Year Comparison

January through December 2011

	Jan - Dec 11	Jan - Dec 10	\$ Change	% Change
<b>Income</b>				
APP FEES	10,000.00	9,250.00	750.00	8.1%
GUAR FEES	165,076.98	130,391.07	34,685.91	26.6%
INVESTMENT INCOME	150,067.16	97,593.94	52,473.22	53.8%
LOAN INTEREST	0.00	158.33	-158.33	-100.0%
RECOVERIES	18,369.86	96,562.50	-78,192.64	-81.0%
REIMB EXP	24,170.00	25,298.96	-1,128.96	-4.5%
SERVICE FEES	80.00	19,002.00	-18,922.00	-99.6%
<b>Total Income</b>	<b>367,764.00</b>	<b>378,256.80</b>	<b>-10,492.80</b>	<b>-2.8%</b>
<b>Expense</b>				
BANK CHARGES	311.84	1,351.98	-1,040.14	-76.9%
BOARD	3,380.93	2,580.49	800.44	31.0%
CLAIMS	181,165.55	73,862.50	107,303.05	145.3%
CREDIT REPORTS	145.00	0.00	145.00	100.0%
DUES	4,215.00	1,240.00	2,975.00	239.9%
EMPLOYEE BENEFITS	112,872.43	100,810.26	12,062.17	12.0%
EQUIP RENT	4,043.76	4,633.54	-589.78	-12.7%
INSURANCE	9,328.04	10,424.00	-1,095.96	-10.5%
INTEREST PAID	27,024.12	0.00	27,024.12	100.0%
LICENSES	0.00	61.25	-61.25	-100.0%
MISC EXPENSES	1,684.63	2,056.20	-371.57	-18.1%
OFFICE SUPP/PRINTING	7,802.88	8,138.61	-335.73	-4.1%
PAYROLL	343,900.12	315,000.12	28,900.00	9.2%
PAYROLL TAXES	25,144.56	23,379.96	1,764.60	7.6%
POSTAGE	1,716.50	1,708.69	7.81	0.5%
PROFESSIONAL FEES	18,100.38	12,400.00	5,700.38	46.0%
RENT	49,412.93	41,119.82	8,293.11	20.2%
REPAIR & MAINT	603.61	775.00	-171.39	-22.1%
TAXES	25.00	25.00	0.00	0.0%
TELEPHONE	6,916.49	7,258.58	-342.09	-4.7%
TRAVEL	7,151.07	9,941.33	-2,790.26	-28.1%
UTILITIES	2,201.33	2,557.45	-356.12	-13.9%
<b>Total Expense</b>	<b>807,146.17</b>	<b>619,324.78</b>	<b>187,821.39</b>	<b>30.3%</b>
<b>Net Income</b>	<b>-439,382.17</b>	<b>-241,067.98</b>	<b>-198,314.19</b>	<b>-82.3%</b>

**NOTES TO FEFC FINANCIAL STATEMENTS**  
**12/31/11**

1. The FEFC is a 501(c)3 Not For Profit Corporation utilizing modified cash accounting.
2. Florida Statutes establish the FEFC **Guarantee Account** as the net worth of the FEFC. This amount is available to pay any claims against FEFC loan guarantee commitments.
3. Florida Statutes authorize the FEFC to have outstanding loan guarantee commitments (contingent liabilities) of five times the balance of the Guarantee Account, and allow the FEFC Board of Directors to reduce this leveraging ratio at its discretion. The leveraged amount is the FEFC **Guarantee Authority**.
4. The FEFC **Guarantee Fund** was established by the FEFC, within the Guarantee Account, and represents grants by the State specifically directed by the board to support FEFC loan and loan guarantee commitments. The FEFC uses the Guarantee Fund as a conservative base for establishing the Guarantee Authority.

	<u>Guarantee Account</u>	<u>Guarantee Fund</u>	<u>Guarantee Authority</u>
12/31/11	\$9,267,275	\$8,508,688	\$42,529,875
Outstanding		6,120,000	30,600,000
Available		2,388,688	11,943,440

A) Guarantee Account - Net worth of the FEFC at any point in time.

B) Guarantee Fund - Guarantee Account less retained earnings and other capital not specifically designated for loan and loan guarantee commitments.

C) Guarantee Authority - Five times the Guarantee Fund. (See note 5D)

D) Outstanding - Existing FEFC guarantee commitments (contingent liabilities) at full value against the Guarantee Authority and at 20% of such value against the Guarantee Fund. FEFC loans are applied at full value against both the Guarantee Authority and the Guarantee Fund. (See Note 6)

E) Available - Guarantee Authority/Fund less Outstandings.

F) At 12/31/11 loans and loan guarantee commitments outstanding equal 3.30 times the Guarantee Account, 3.60 times the Guarantee Fund, and 71.9% of the Guarantee Authority.

6. All outstanding loans (\$829,516) were originally guarantees, which were converted to loans by FEFC as a result of paying the lender claims. All loans are performing marginally and if all were considered as total losses and eliminated from the Balance Sheet FEFC's resulting net worth would be \$8,438,045.
7. The 2010 Florida Legislature appropriated \$4,900,000 in additional capital for FEFC which has been received .

**INCOME STATEMENT  
TWELVE MONTHS ENDING ON DATE SHOWN**

	12/31/93	12/31/94	12/31/95	12/31/96	12/31/97	12/31/98	12/31/99	12/31/00	12/31/01	12/31/02
<b>Income</b>	\$ 6,389	\$174,950	\$407,997	\$432,654	\$564,150	\$681,845	\$489,603	\$539,123	\$697,994	\$399,537
<b>Expenses</b>	29,566	162,824	232,073	289,522	335,362	497,265	418,072	477,443	570,335	764,003
<b>Profit (Loss)</b>	(23,177)	12,126	175,924	143,132	228,778	184,580	71,531	91,680	127,689	(364,466)
	12/31/03	12/31/04	12/31/05	12/31/06	12/31/07	12/31/08	12/31/09	12/31/10	12/31/11	Cumulative
<b>Income</b>	\$728,196	\$266,870	\$535,702	\$833,310	\$925,082	\$585,981	\$250,037	\$378,257	\$367,764	\$9,265,442
<b>Expenses</b>	502,043	471,708	386,735	463,160	861,906	1,125,819	1,515,546	619,325	807,146	10,499,853
<b>Profit (Loss)</b>	226,153	(204,838)	148,967	370,150	63,176	(539,837)	(1,265,509)	(241,068)	(439,382)	(1,234,411)

**BALANCE SHEET  
As of date shown**

	12/31/93	12/31/94	12/31/95	12/31/96	12/31/97	12/31/98	12/31/99
Capital	\$1,000,000	\$1,000,000	\$1,000,000	\$2,500,000	\$4,800,000	\$5,600,000	\$5,600,000
Retained Earnings	(23,177)	(11,053)	164,841	308,007	536,795	721,375	792,906
<b>Net Worth</b>	<b>975,823</b>	<b>988,949</b>	<b>1,164,874</b>	<b>2,808,007</b>	<b>5,336,795</b>	<b>6,321,375</b>	<b>6,392,906</b>

	12/31/00	12/31/01	12/31/02	12/31/03	12/31/04	12/31/05	12/31/06
Capital	\$5,600,000	\$5,600,000	\$5,600,000	\$5,600,000	\$5,600,000	\$5,600,000	\$5,600,000
Retained Earnings	884,586	1,012,245	647,779	873,931	669,094	818,061	1,188,210
<b>Net Worth</b>	<b>6,484,586</b>	<b>6,612,245</b>	<b>6,247,779</b>	<b>6,473,931</b>	<b>6,269,094</b>	<b>6,418,061</b>	<b>6,788,510</b>

	12/31/07	12/31/08	12/31/09	12/31/10	12/31/11
Capital	\$5,600,000	\$5,600,000	\$5,600,000	\$6,825,000	\$10,500,000
Retained Earnings	1,251,386	711,549	(553,960)	(795,028)	(1,234,410)
<b>Net Worth</b>	<b>6,851,386</b>	<b>6,311,549</b>	<b>5,046,040</b>	<b>6,029,972</b>	<b>9,265,590</b>



**Florida Research**  
**C O N S O R T I U M**

# Senate Commerce Committee

*Startups in Florida – Jan. 22, 2013*



Jack Sullivan

# **INTRODUCTION AND BACKGROUND**

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# FRC Values/Beliefs

The Florida Research Consortium believes that widespread economic development occurs through:

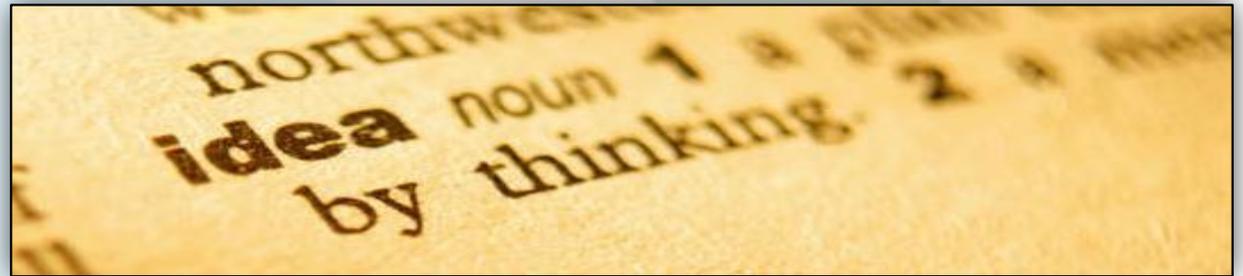
1. Educated and talented people, creating “new recipes” to use raw materials in more valuable & sustainable ways
2. Vibrant ecosystems of capital, entrepreneurs & support systems that get innovation to market the fastest

# The Startup Economy

Capital



Ideas



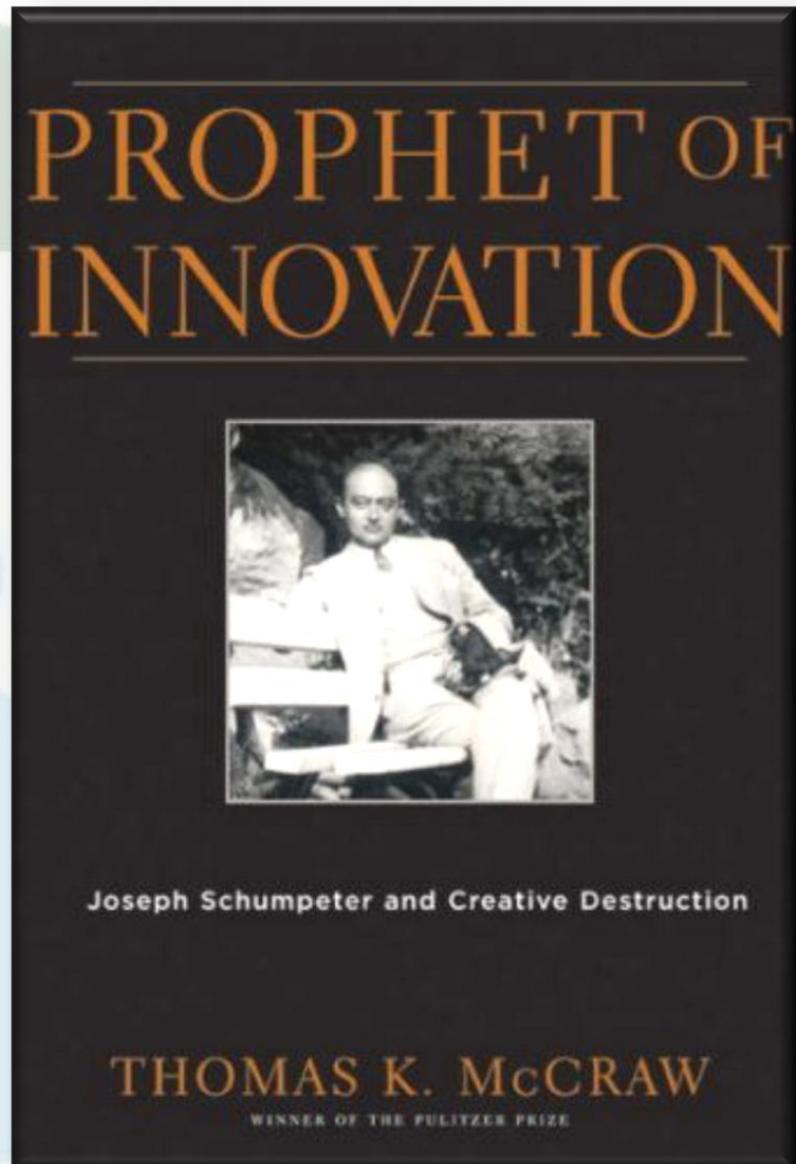
People



# Why it Matters

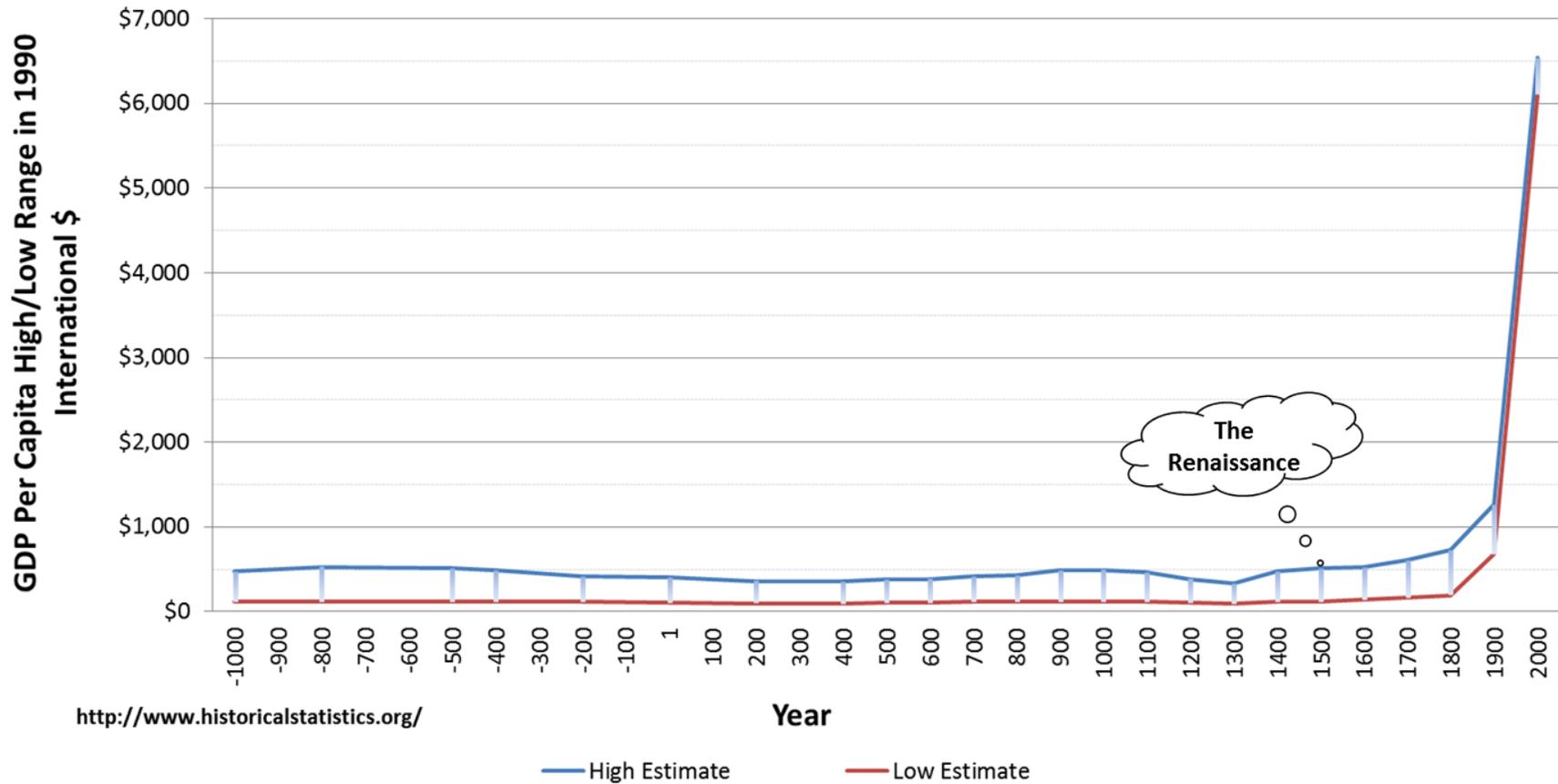
“Creative destruction is the norm and innovation is the main driver of wealth.”

- *Former Treasury Secretary  
Lawrence Summers*



# History and the “Startup”

## World GDP Per Capita for 3000 Years



# The Elements of Change

- **What Changed?**
  - Freedom and Markets
  - The “Science of Small”
- **An Optimistic Future**
  - New Recipes & Growth
  - No Practical Limits

Periodic Table of the Elements

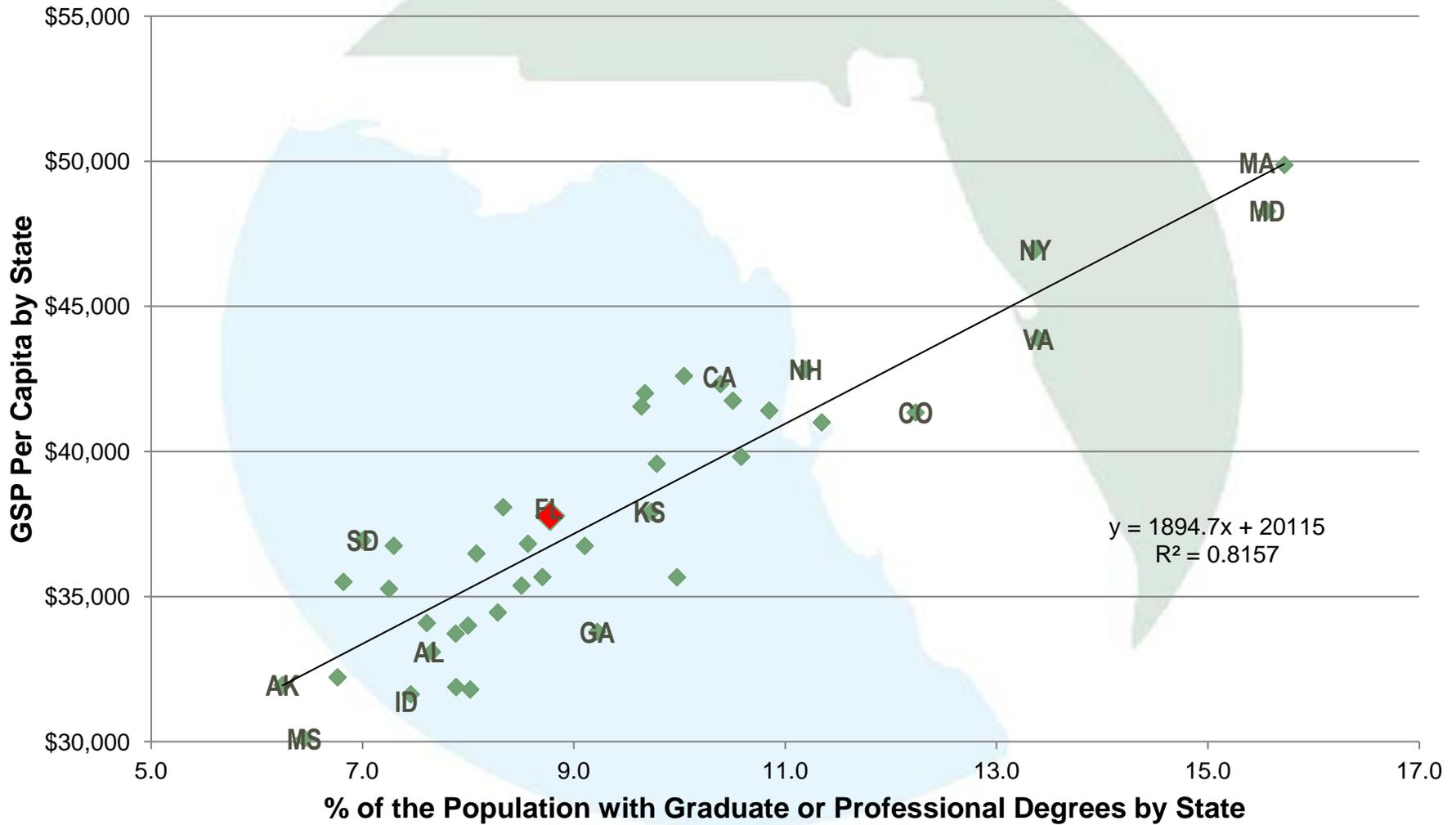
1																	2
H																	He
3	4											5	6	7	8	9	10
Li	Be											B	C	N	O	F	Ne
11	12											13	14	15	16	17	18
Na	Mg											Al	Si	P	S	Cl	Ar
19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36
K	Ca	Sc	Ti	V	Cr	Mn	Fe	Co	Ni	Cu	Zn	Ga	Ge	As	Se	Br	Kr
37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54
Rb	Sr	Y	Zr	Nb	Mo	Tc	Ru	Rh	Pd	Ag	Cd	In	Sn	Sb	Te	I	Xe
55	56	57	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86
Cs	Ba	La	Hf	Ta	W	Re	Os	Ir	Pt	Au	Hg	Tl	Pb	Bi	Po	At	Rn
87	88	89	104	105	106	107	108	109	110								
Fr	Ra	Ac	Unq	Unp	Unh	Uns	Uno	Une	Unn								
58	59	60	61	62	63	64	65	66	67	68	69	70	71				
Ce	Pr	Nd	Pm	Sm	Eu	Gd	Tb	Dy	Ho	Er	Tm	Yb	Lu				
90	91	92	93	94	95	96	97	98	99	100	101	102	103				
Th	Pa	U	Np	Pu	Am	Cm	Bk	Cf	Es	Fm	Md	No	Lr				

*If everyone on the planet had tried one combination a second for the last 20 billion years – the age of the universe – we still would have tested less than one percent of the possible combinations. – Paul Romer, Economist*

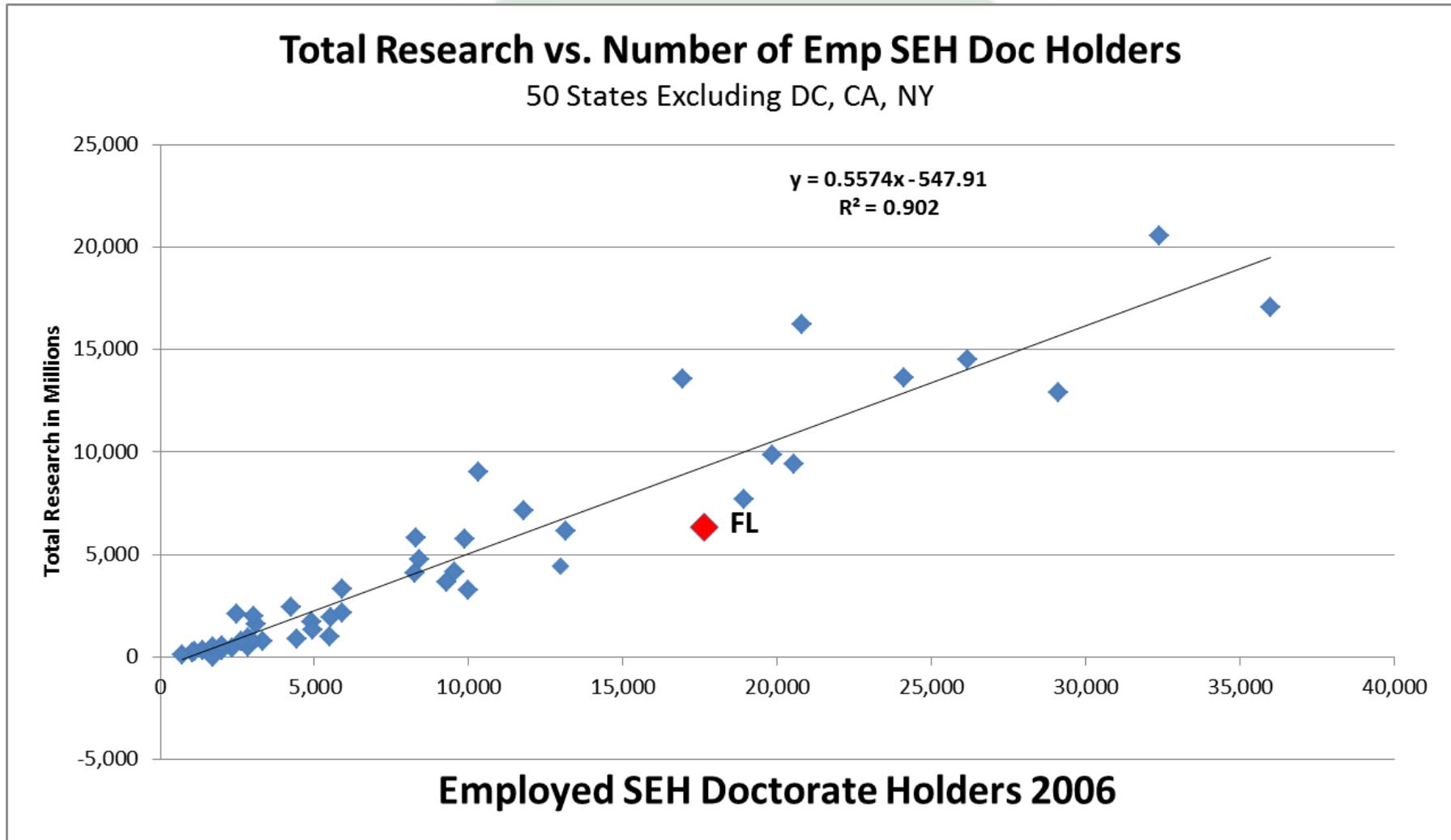
# People

## GSP Per Capita vs. % w/ > Grad or Pro Degree

40 States (w 10 Outlier States and DC Removed)



# Ideas

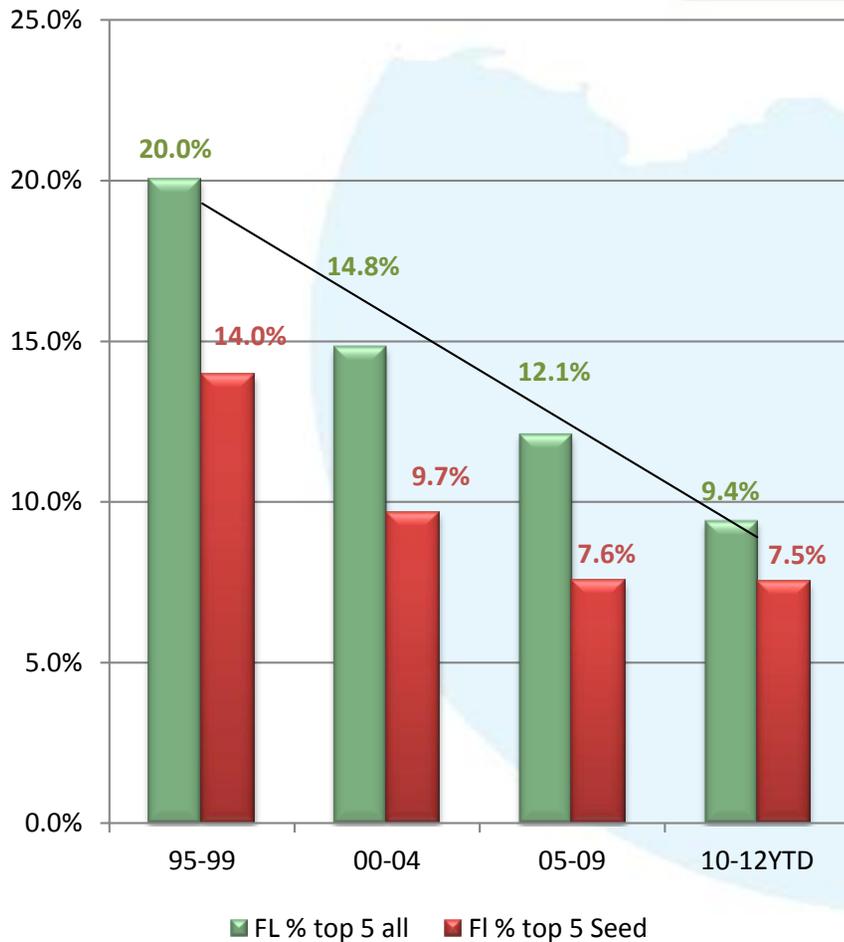


Source: NSF Science and Engineering Indicators

# Capital

## Venture Capital and Seed Funding

FL VC as % of Top 5 Southern States in Period



FL VC as % of Top Southern States in Period



# Where we fit in a startup's funding cycle

**Grants & Sponsored Research**

Basic Research, Discovery

Feasibility Study

Engineering Model

**“Valley of Death”**

Product Development/Design

Regulatory

Manufacturing

Distribution Channels

Market Roll-out

Commercialization

**Venture Capital & Public Equity**



**Florida Growth Fund**





# **Institute for the Commercialization of Public Research**

*Igniting Florida's Innovation Economy*

*January 2013*

*Jamie Grooms, CEO*

*[www.florida-institute.com](http://www.florida-institute.com)*

# Investing in Florida's Future



- Institute leverages statewide \$2B research base to create new companies and jobs
- Supports 20+ universities and research institutions
- Company creation, building and funding programs
- 2011/12 appropriation (\$10M) deployed as loans to startups; requires private investment match; funds expected to be fully committed by Spring 2013
- Competitive states' funds range between \$50M – \$500M (Texas deployed \$370M+ and induced an additional \$1.35B private capital)
- Institute program scalable to meet Florida demand!

# Program Status (12/31/12)



- \$5.7M (66%) committed to 19 companies
- First \$3M deployed to 10 companies induced \$~10M outside private investment
- Job creation underway: avg. annual salary per job: \$74,000
- Year 5 estimated cost per job: under \$3,000
- More than 95 new company opportunities identified; pipeline of hundreds more; demand far exceeds funding supply

# Connectivity to Private Investors



- 25-member Investor Advisory Board
  - Members from Northeast, Southeast, West Coast, Midwest
- Program underway to form regional angel investor networks
- Visibility in local, regional and national conferences
- Active engagement with early-stage funds to promote Florida companies

# Company Spotlight – Prevacus



- Drug development for prevention and treatment of mild traumatic brain injury (mTBI) or concussion
- Uses nasal delivery to ease use and maximize delivery to the brain - reduces edema, inflammation and oxidative stress
- Technology licensed from Florida State University
- Business and strategic planning support
- Approved for funding through the Seed Capital Accelerator Program, company has raised ~\$1.8M

# Company Spotlight – KeriCure



- Natural topical wound care product that decreases healing time and scarring
- Products provide treatment for both humans and animals
- Technology licensed from the University of South Florida, woman-owned business
- Strong mentoring team developed to increase company success
- ~\$1.3M in federal funding, approved for Institute Seed Capital Accelerator Program, more than \$300,000 local private investment raised

# Company Spotlight – GLG Pharma



- Anti-cancer drugs based on molecular target technologies
- Technology licensed from H. Lee Moffitt Cancer Center
- Entrepreneur from St. Johns, funding identified in Jupiter
- Research partnerships with UCF and FAU
- Advanced partnering discussions with 11 companies
- Support from Institute Entrepreneur in Residence
- Funding through Seed Capital Accelerator Program; more than \$500,000 raised in private investment capital

# Company Spotlight – Ocoos



- Internet marketing technology and platform
- Technology licensed from University of Florida
- More than \$1M raised in private investment
- Company located in Ocala, involved in innovative business incubation and angel funding programs
- Product development, testing and launch
- Strategic partnerships and job creation

# Seed Funds – The Missing Link



- More than 38 states with seed and early-stage funds ranging between \$20 million and \$500 million
  - North Carolina – NC IDEA; \$57M
  - Texas – Texas Emerging Technology Fund; \$500M
  - Ohio – Third Frontier Fund; \$200M+
  - Pennsylvania – Ben Franklin Fund; \$200M+
  - Washington State – W Fund; \$20M
- Successful state-sponsored programs leverage 4-5x states' investment

# Self-Sufficiency and Growth



- Plan underway to supplement annual operating budget with private funding
- Additional seed funding required to fuel growth of new startup companies;
- By 2018, funding will seed 165 companies, leverage an additional \$250 million private investment, and create 13,000 jobs

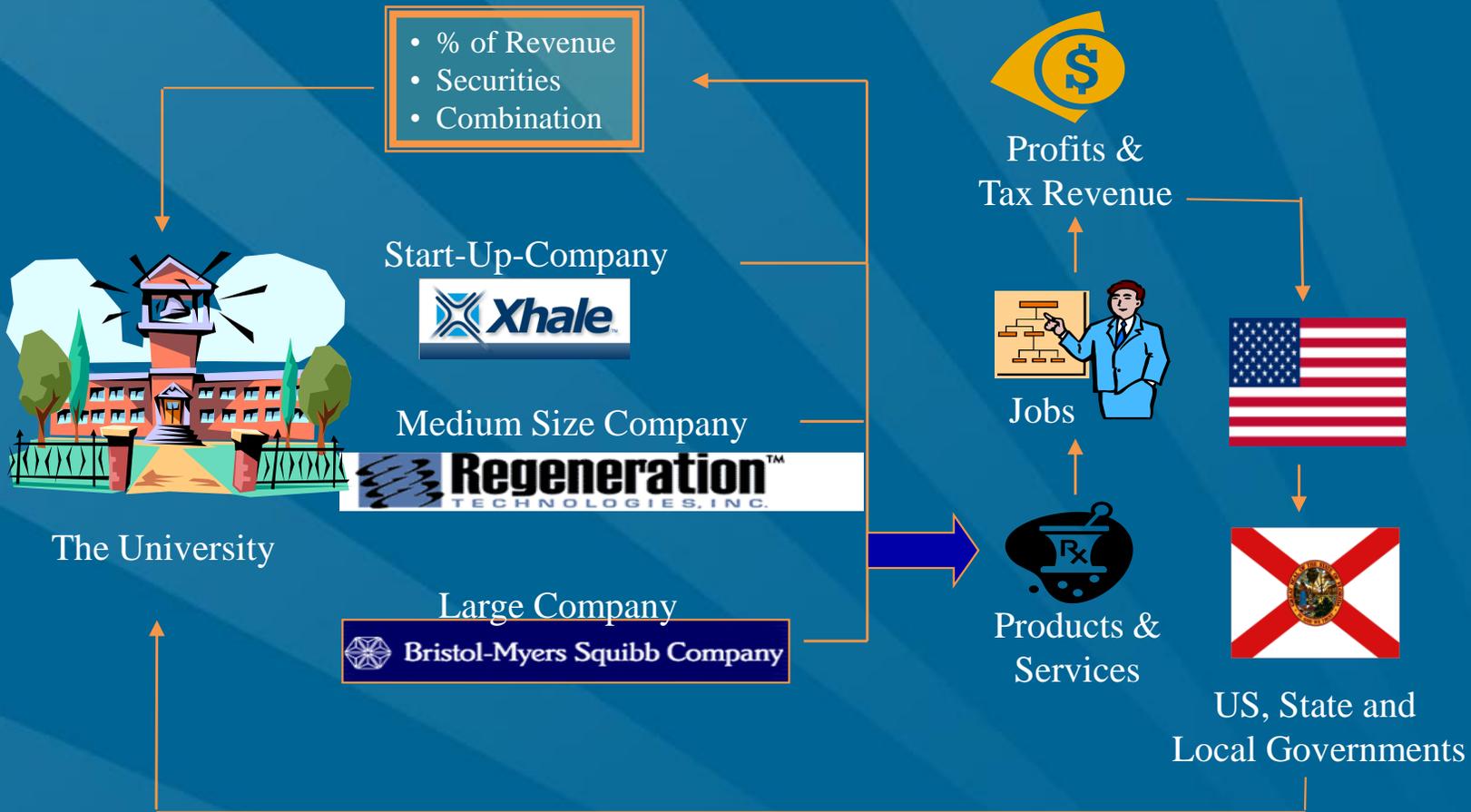
# University of Florida Office of Technology Licensing

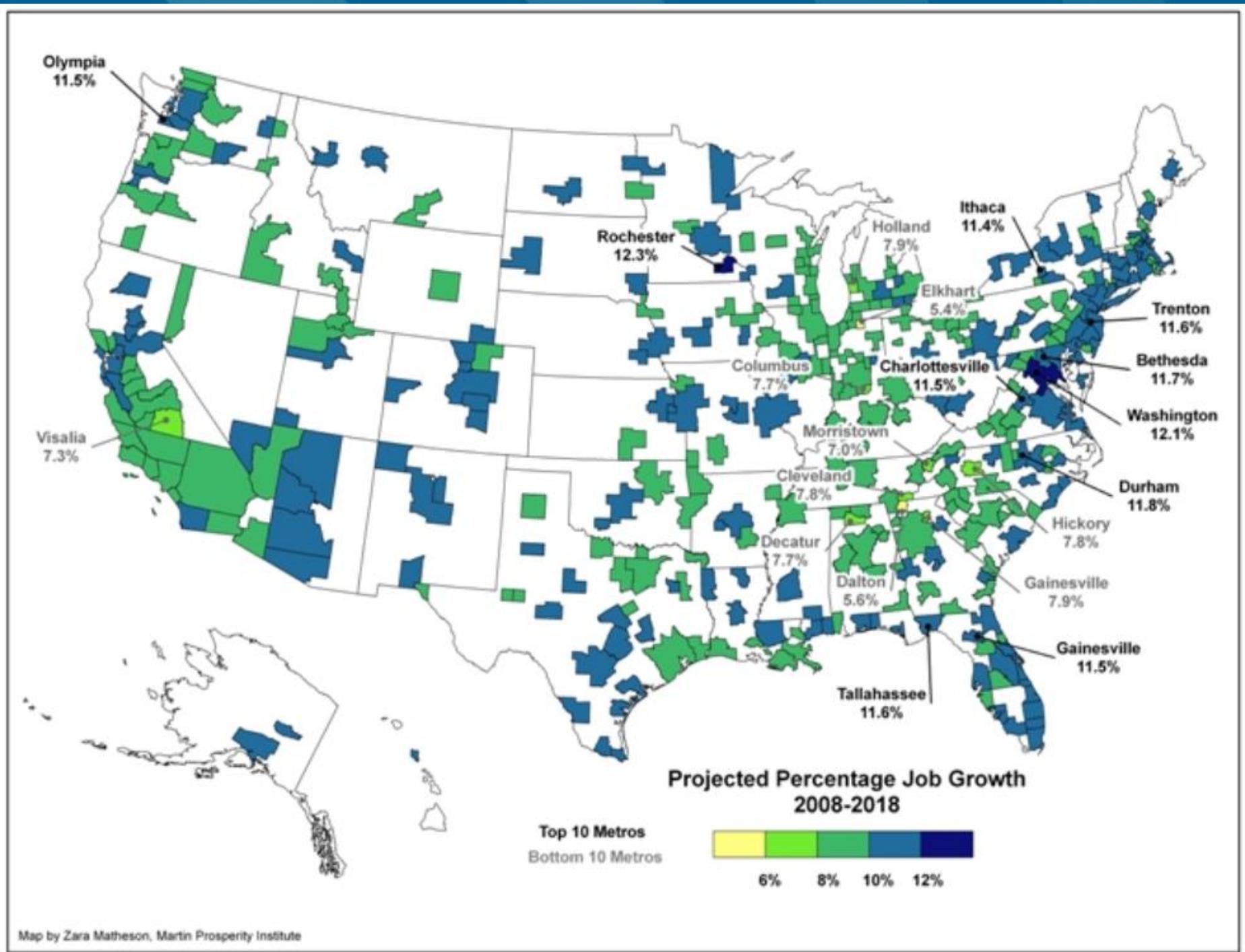
*Where Science Meets Business*

[www.otl.ufl.edu](http://www.otl.ufl.edu)

# Lab to Market – It Works !

## *A Very Virtuous Cycle*





# Office of Technology Licensing

- Averaged 13 new startups per year for the last decade
- Startups responsible for 8,000 Florida jobs
- 5 liquidity events of over \$100 million in last 3 years
- Recent spinoff highlights:
  - AGTC \$37.5 venture round
  - Axogen \$20 million+ investment round
  - Prioria \$5 million investment round

# UF TECH CONNECT®



## Since 2001:

- 118 new technology-based startup companies
- \$833M in private funding
- \$283M in public funding.

# Creating An Innovation Ecosystem



David L. Day  
Director, Office of Technology Licensing

**UF** | UNIVERSITY of  
**FLORIDA**

# The Florida Innovation Hub at UF

- 6 Resident Partners
- 2 Institutional tenants
- 24 Startup Companies
- 3 Affiliate Members
- 3 Hatchery Members
- Jobs Created: 85
- Private Investment: \$7M

# Company Spotlight – Shadow Health

- Interactive, digital training for medical, nursing and allied health programs
- Enables students to engage in standardized, simulated clinical experiences
- More than \$1M private investment raised
- Went from 3 to 30 jobs in first year

# Empowering WOMEN IN TECHNOLOGY STARTUPS (eWITS) – Program description

- Create virtual teams
- Pair teams with patented technology
- Provide entrepreneurial training
- Launch real companies



# Sid Martin Biotechnology Incubator

Opened 1995



- Companies attracted \$860 Million (investments, grants, contracts, M&A)
- \$100 Million annual local economic impact
- 86% have running operations five years after graduation
- 42% receive VC funding within 10 years of admission

# AGTC Impact

- Gene therapy product that will change people's lives around the world
  - Developing cures for 2 retinal diseases that cause blindness – currently no cure
  - Treatments are about 4 years from market

# MPM SunStates Fund Overview

- MPM SunStates Fund will leverage the entire MPM partnership into Florida deals and will have a managing director residing full-time in Florida
- The SunState Fund is looking to achieve the first closing of \$25M with a final fund size of \$50M-\$60M and has current commitments from important state (Florida Growth Fund) and academic (University of Florida) sources

# Sofinnova HealthQuest Ventures

- Sofinnova has a history of best-in-class returns.
- In the past 15 years, Sofinnova has invested over \$500M into more than 40 healthcare startups.
- Last year Sofinnova closed on its largest fund yet, an over-subscribed \$440M fund.



**Working  
Together  
For A  
Better  
Tomorrow**

# FBIA Update - January 2013



**FBIA President, Dr. Thomas O'Neal**

# FBIA's Mission

- **Empowering Incubators  
Statewide to Launch the  
Businesses of Tomorrow**



Empowering Incubators Statewide to Launch the Businesses of Tomorrow

# FBIA Facts and Initiatives:

- Established in October 1998
- 80 members from 35 incubators across Florida
- Bi-annual statewide meetings
- Program development
- Unified voice
- National affiliation
- Peer networking
- Creating 1,000 of jobs



Empowering Incubators Statewide to Launch the Businesses of Tomorrow

# Business Incubation Facts

## Smart Place to Start

- Increase chances of success
  - 87 % of incubator graduates still in business 5 years later

## Home Grown Companies

- 84 % of graduates stay in the community in which they were incubated

## Good Investment

- Low cost per job
- Generates more tax revenue than it costs



# Business Incubation's Goal according to EDA

- *The primary goal of a business incubation program is to support the development of start-up firms that “graduate” as financially viable companies. Incubator graduates have the potential to create jobs, revitalize neighborhoods, commercialize new technologies, and strengthen local and national economies.*

Source: Incubating Success: *Incubation Best Practices that Lead to Successful New Ventures*,  
© 2011 U.S. Department of Commerce and Research Partners: The university of Michigan, the University at Albany,  
State University of New York, National Business Incubation Association(NBIA) and Cybergroup, Inc.



Empowering Incubators Statewide to Launch the Businesses of Tomorrow

# Florida Business Incubation Facts

## Nationally recognized programs

- UCF, UF programs considered best practices in Incubation
- University community partnerships
- Good local integration
- Vice Chair of NBIA
- Internationally known

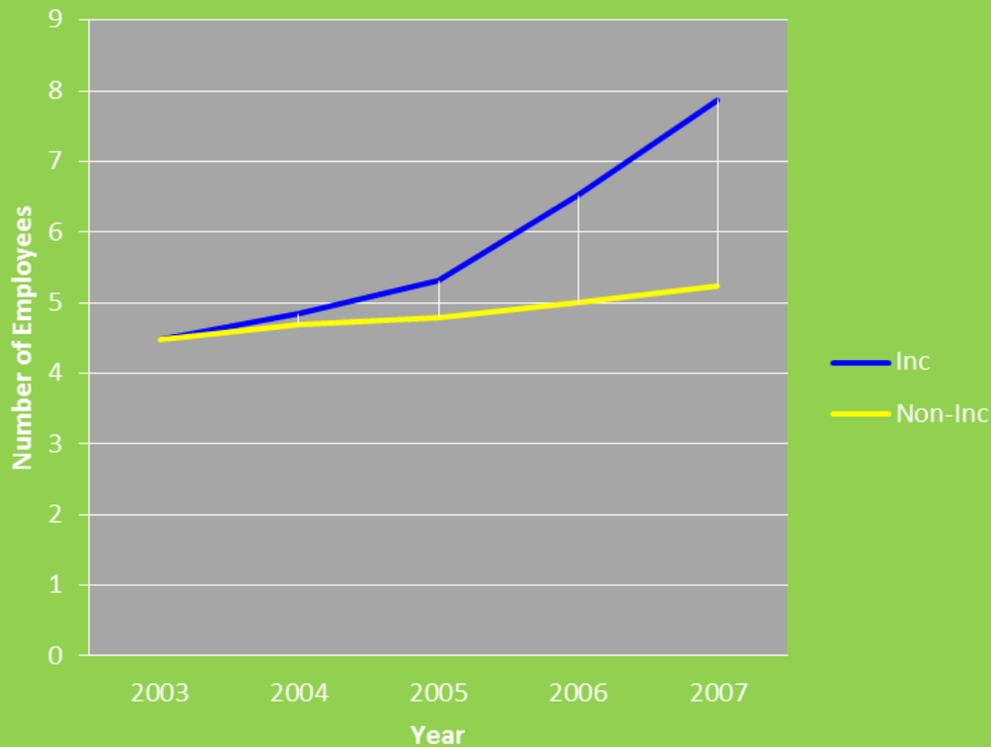
## Pre and post incubation programs

- Venture labs, start up programs
- GrowFL, national model



# Do University Incubators Make a Difference?

## Knowledge-based start-up firms



## Knowledge-based start-up firms



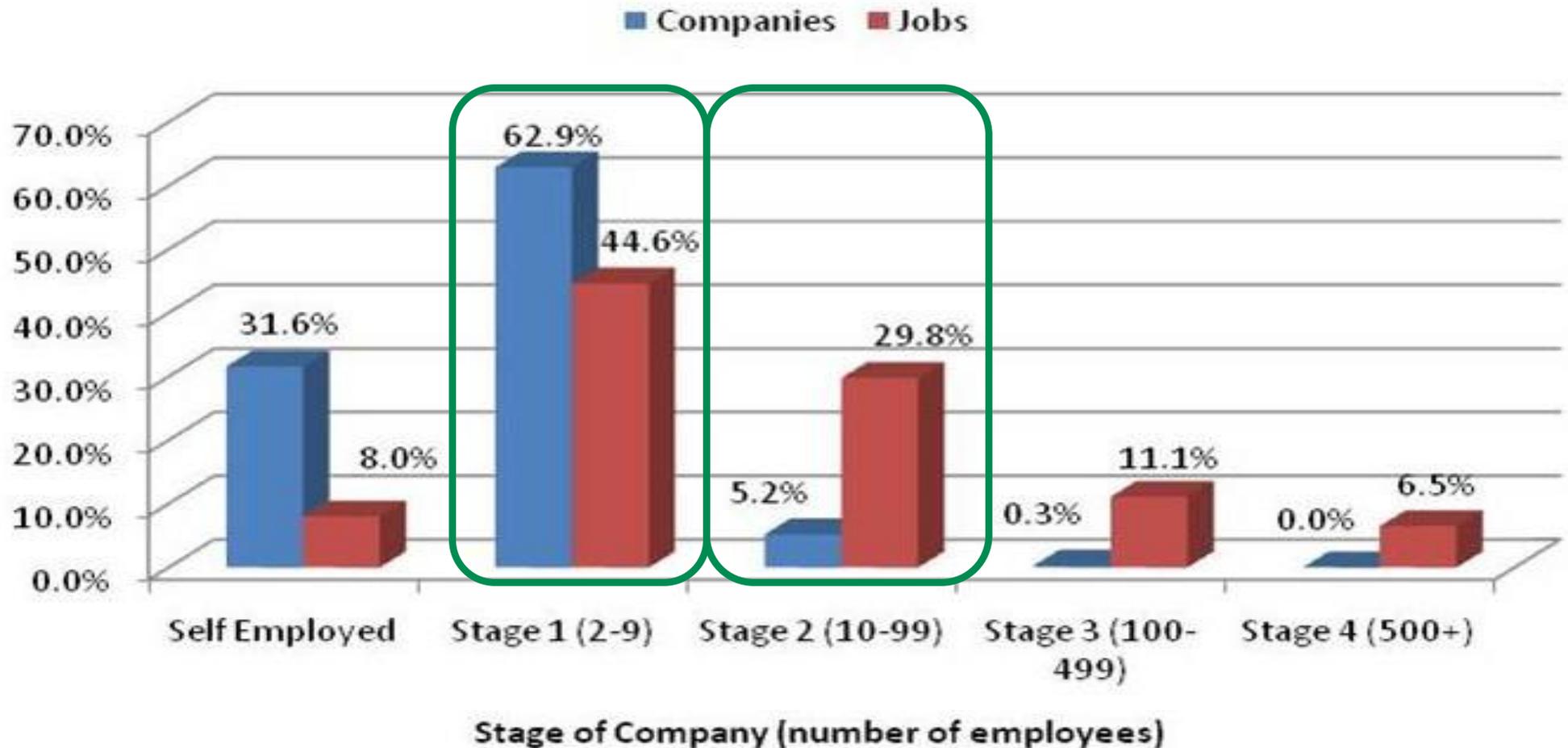
Source: O'Neal, Ford, Sivo, Lasrado



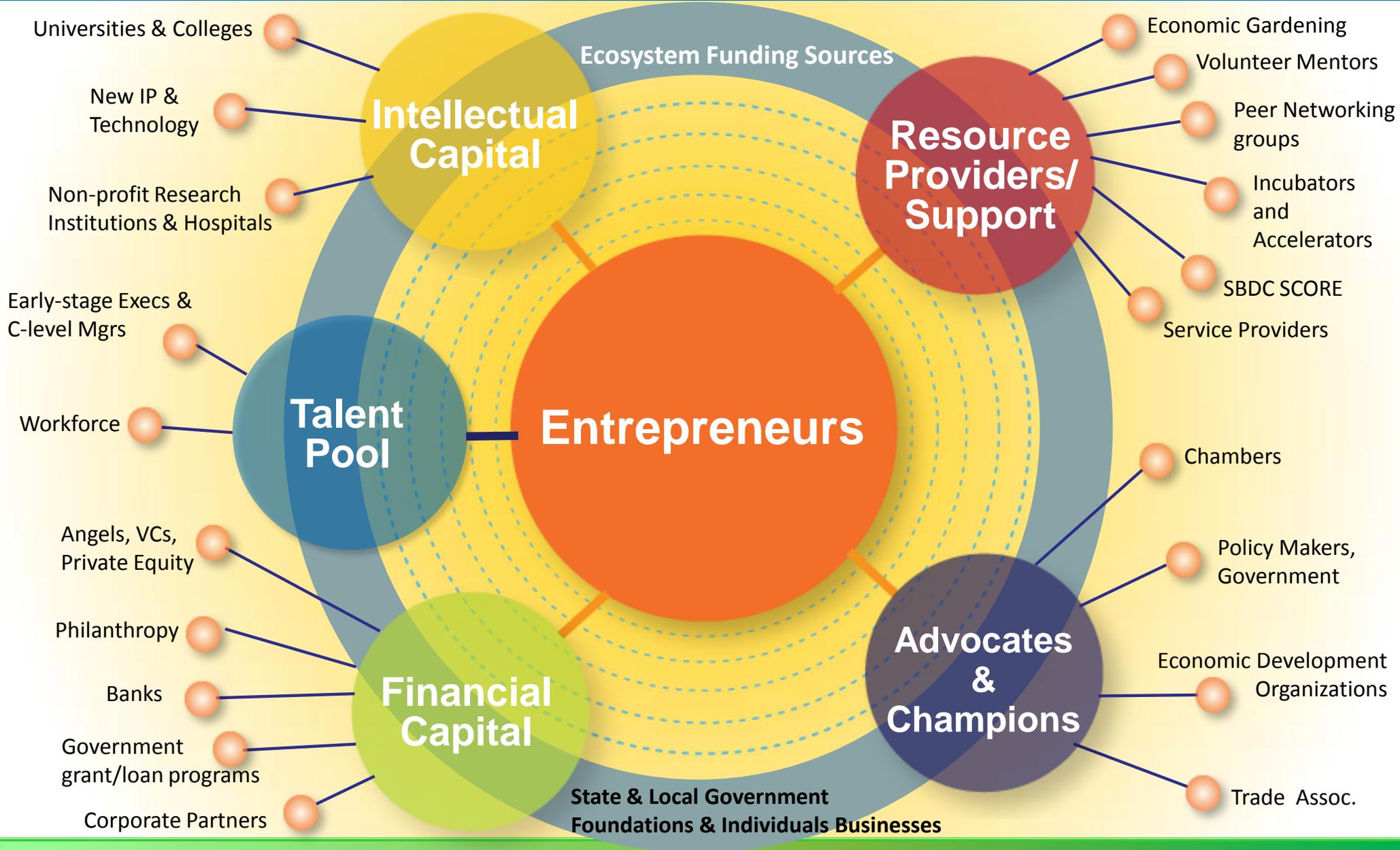
Empowering Incubators Statewide to Launch the Businesses of Tomorrow

# Why focus on small company development?

## Distribution of Companies / Jobs in Florida



# Entrepreneurial Ecosystem



# Economic Gardening - GrowFL

- 2009 & 2010: State-funded \$3.5 million pilot program
- 2011: funding from Corridor and other partner counties
- 2012: \$2 million in funding
- Technical assistance for 500+ second-stage companies
- 3,500 total jobs created (direct, indirect & induced)
- \$18.2 million in state & local taxes (above program's cost)
- [www.GrowFL.com](http://www.GrowFL.com)



# Where can Florida Improve?

- **Eco System Funding**
  - Foundation support almost non-existent
  - Heavy dependence on government funding
  - Few sources, providers competing
  - Loss Leader
- **Convening**
  - Need to get community on same page
  - Start the integration process
- **Financial Capital**
  - Need Seed
  - Need to enhance all sources of capital



# Contact Info

**Dr. Thomas O'Neal**

[oneal@ucf.edu](mailto:oneal@ucf.edu)

(407) 882-1120

[www.fbiaonline.org](http://www.fbiaonline.org)

[www.facebook.com/FLBIA](http://www.facebook.com/FLBIA)



Empowering Incubators Statewide to Launch the Businesses of Tomorrow



*A regional economic development initiative of:*



# **Senate Commerce and Tourism Committee**

## **January 22, 2013**

***Growing high tech industry and innovation through partnerships that support research, marketing, workforce and entrepreneurship***

# Matching Grants Research Program

- Enable Corridor high tech companies to conduct applied research with UCF, USF and UF professors and graduate and doctoral students
- More than 375 companies & institutions – 1,200 projects
- Grants range from \$10,000 to \$100,000
- To date, more than \$55 million in FHTCC funds – matched by more than \$1 billion in company funds and federal grants
- More than 2,400 graduate and doctoral students
- 300 professors and assoc. professors as P.I.

*A regional economic development initiative of:*



[www.FloridaHighTech.com](http://www.FloridaHighTech.com)



# *Rini Technologies*

- 11 MGRP projects
- \$490,000 FHTCC cash
- \$1.3 million company match
- 6 patents
- 9 SBIR grants totaling **\$1.5 million**

# ***SBIR/STTR Stats***

- FHTCC partnered with 29 Companies on 58 MGRP projects
- Resulting in: 96 SBIR/STTR awards totaling \$25.2 million
- Researcher estimates more than 150 SBIR/STTR awards equaling \$32.8 million

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[www.FloridaHighTech.com](http://www.FloridaHighTech.com)

# *Support for Growing & Second-Stage Businesses*

- **University-based Incubators**
  - Partnerships with counties, cities and universities
  - ROI = More than five to one
- **Economic Gardening Institute – GrowFL**
  - 3,500 Total Jobs Created (Direct, Indirect & Induced)

*A regional economic development initiative of:*



[www.FloridaHighTech.com](http://www.FloridaHighTech.com)

# Entrepreneur Support

## Florida Virtual Entrepreneur Center [flvec.com](http://flvec.com)

The screenshot shows the FLVEC homepage with a navigation menu at the top: FLVEC Home, About FLVEC, Promote FLVEC, FAQ, Help, Contact FLVEC. The main header features the FLVEC logo and the text "The Florida High Tech Corridor Council's FLORIDA VIRTUAL ENTREPRENEUR CENTER". Below the header is a four-step process: 1. Select your county, 2. Choose your need, 3. Search resources, 4. Add resources. A large map of Florida is displayed with a "Start here." prompt and a "Select a County" dropdown menu.

FLVEC Home About FLVEC Promote FLVEC FAQ Help Contact FLVEC

**FLVEC** The Florida High Tech Corridor Council's  
**FLORIDA VIRTUAL ENTREPRENEUR CENTER**

1 Select your county 2 Choose your need 3 Search resources 4 Add resources

Start here.

Select a County

FLORIDA High Tech Corridor  
A regional economic development initiative of  
USDA UPWORLD

About FLVEC Promote FLVEC FAQ Help Contact FLVEC Privacy Policy & Disclaimer  
© Copyright 2011 Florida Virtual Entrepreneur Center  
Optimized for the latest Firefox, Internet Explorer, Chrome and Safari browsers.

The screenshot shows the FLVEC website for Sarasota County. The navigation menu includes: FLVEC Home, About FLVEC, Promote FLVEC, FAQ, Help, Contact FLVEC. The header features the FLVEC logo and the text "The Florida High Tech Corridor Council's FLORIDA VIRTUAL ENTREPRENEUR CENTER". Below the header is a "Sarasota County" section with a "Welcome Guest | Login | Register" link. A navigation bar contains: Starting a Business, Expanding a Business, Relocating a Business, Additional Resources. A "Welcome to Sarasota FLVEC" section includes a "Keyword Search" field and a "Powered By" section for the Economic Development Corporation of Sarasota County. A "Top Links" section features a photo of a man in a suit and the text "Sarasota County". A "Hot Links" section lists various resources like "Sarasota County | Commercial Building Permit Application Packet (PDF)" and "City of Sarasota | Business Tax Receipt".

FLVEC Home About FLVEC Promote FLVEC FAQ Help Contact FLVEC

**FLVEC** The Florida High Tech Corridor Council's  
**FLORIDA VIRTUAL ENTREPRENEUR CENTER**

Sarasota County Welcome Guest | Login | Register

Starting a Business Expanding a Business Relocating a Business Additional Resources

Welcome to Sarasota FLVEC Keyword Search

Powered By: Economic Development Corporation of Sarasota County  
Sarasota County Office of Economic Development [Advanced Options](#) [Tas](#)

WITH SUPPORT FROM  
**Enterprise Florida**

**Top Links**

Sarasota County | Office of Economic Development  
[www.scgov.net](http://www.scgov.net)

Sarasota County (Florida) Government | Office of Economic Development. Questions? Contact Sarasota County at 941-861-5000. In partnership with our c (more ...)

**Hot Links**

Sarasota County | Commercial Building Permit Application Packet (PDF)  
[building.scgov.net](http://building.scgov.net)  
Sarasota County (Florida) Government | Commer (more ...)

City of Sarasota | Business Tax Receipt  
[www.sarasotagov.com](http://www.sarasotagov.com)  
City of Sarasota (Florida) | Business Tax Rec (more ...)

Town of Longboat Key | Building Permit Application (PDF)  
[www.longboatkey.org](http://www.longboatkey.org)  
Town of Longboat Key (Florida) | Building Per (more ...)

FLORIDA High Tech Corridor  
A regional economic development initiative of  
USDA UPWORLD

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Optimized for the latest Firefox, Internet Explorer, Chrome and Safari browsers.

# *Florida Virtual Entrepreneur Center*

- All 67 Florida counties
- 1,400 governmental & commercial service providers
- Estimated 18,000 unique visits for Jan. 2013
- No charge to entrepreneur or providers of service to entrepreneurs
- Monthly usage information available for all 67 counties
- 101,400 total visits for 2012
- Accolades from EFI, DEO, FEDC, and all of our EDO and Chamber of Commerce partners

*A regional economic development initiative of:*



[www.FloridaHighTech.com](http://www.FloridaHighTech.com)



**Louis Laubscher**

**State Small Business Credit Initiative**

# About SSBCI

State Small Business Credit Initiative – Federal Sourced \$ managed by US Treasury – \$97+ million allocated to FL

Money transferred to FL based on performance

- First third received & committed
- Requested next third. Final third drawn down by August 2013 or balance unavailable
- \$42 million allocated to Venture Capital (FL Opportunity Fund Direct Investment Program)
- \$50 million allocated to loans, loan participations, guarantees (including export support)
- Partnering with Financial Institutions – Leveraging additional private dollars



Jack Sullivan

# **IN CLOSING**

---

# Policy Options

- ◆ **Support to achieve a robust entrepreneurial ecosystem through recurring investment in:**
  - The Institute (ICPR)
  - GrowFL
  - Start-up Incubation
  - Statewide matching grants research program fashioned after the highly-successful Florida High Tech Corridor Council program
- ◆ **Set the foundation for growth with a seed-stage fund of \$50M**

# Texas – Consistency is Big!

## TEXAS EMERGING TECHNOLOGY FUND

INVESTING IN THE FUTURE OF TEXAS AND THE WORLD SINCE 2005

**\$370+ Million**  
Total Amount of TETF Awards

SINCE 2005

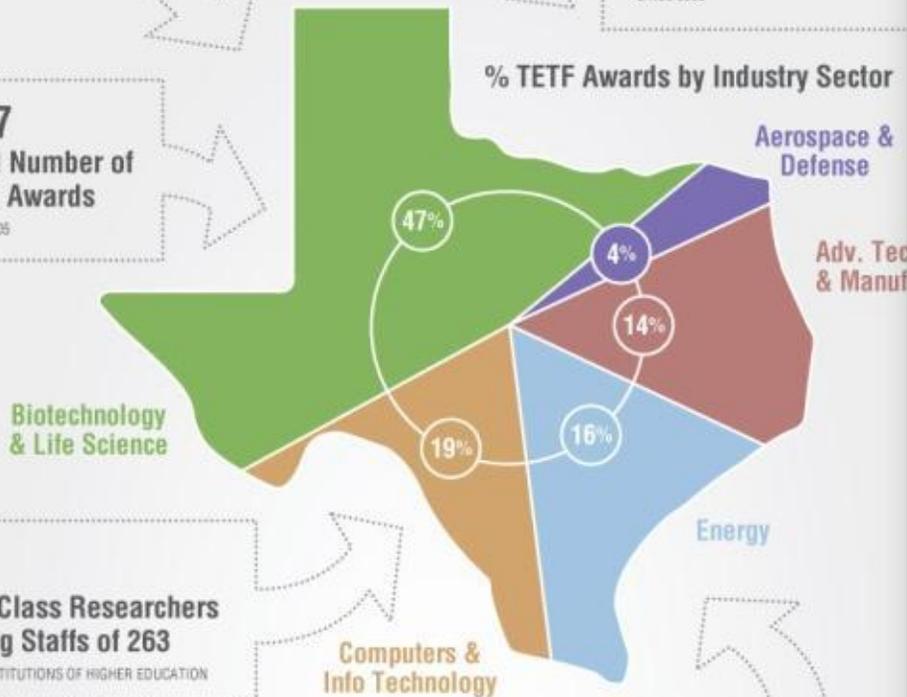
**\$1.35+ Billion**  
Additional Amount of  
Private & Public Funding  
Raised by TETF Awards

SINCE 2005

**167**  
Total Number of  
TETF Awards

SINCE 2005

### % TETF Awards by Industry Sector



**52**  
World Class Researchers  
Leading Staffs of 263

IN TEXAS INSTITUTIONS OF HIGHER EDUCATION

### Institutions of Higher Education in Texas with TETF Research Centers & Collaborations

Baylor University ★★	University of Texas at Brownsville ★
Rice University ★★★	University of Texas at Dallas ★★★★★
Texas A&M University ★★★★★	University of Texas at El Paso ★★★
Texas A&M University Commerce ★	University of Texas at San Antonio ★★
Texas A&M University Health Science Center Temple ★	University of Texas at Tyler ★
Texas State University ★★	University of Texas Health Science Center at Houston ★
Texas Tech University ★★★	University of Texas Health Science Center at San Antonio ★
University of Houston ★★	University of Texas M. D. Anderson Cancer Center ★★
University of North Texas ★★	University of Texas Medical Branch ★
University of North Texas Health Science Center ★	University of Texas Pan American ★★
University of Texas at Arlington ★★★★★	University of Texas Permian Basin ★★
University of Texas at Austin ★★★★★	University of Texas Southwestern Medical Center ★★

### Cutting-Edge Innovations FUNDED BY TETF AWARDS

**InView Technology**  
High Performance Cameras  
for Food & Drug Inspection

**MIRNA Therapeutics**  
Cancer Treatments with  
Synthetic Micro RNA

**FibeRio Technology Corp**  
Nanofiber Production  
Process

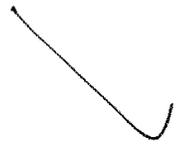
**1st Detect**  
Explosive and Toxic  
Chemical Detection  
Technology

**Terrabon**  
Bio Waste Conversion to  
Renewable Fuel



THE FLORIDA SENATE  
**APPEARANCE RECORD**

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)



1/22/13  
Meeting Date

Topic Startup Economy

Bill Number \_\_\_\_\_  
*(if applicable)*

Name JACK SULLIVAN

Amendment Barcode \_\_\_\_\_  
*(if applicable)*

Job Title President, Florida Research Association

Address 300 W. Pensacola St

Phone 850-591-0819

Tallahassee FL 32312  
City State Zip

E-mail jsullivan@wethall.com

Speaking:  For  Against  Information

Representing Florida Research Association

Appearing at request of Chair:  Yes  No

Lobbyist registered with Legislature:  Yes  No

*While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.*

**This form is part of the public record for this meeting.**

THE FLORIDA SENATE  
**APPEARANCE RECORD**

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

1/22/13  
Meeting Date

Topic Florida Institute for Commercialization Bill Number \_\_\_\_\_  
(if applicable)

Name Jamie M Grooms Amendment Barcode \_\_\_\_\_  
(if applicable)

Job Title CEO

Address 747 SE 2nd Ave Phone 352-

Gainesville, FL 32653 E-mail Jamie.Grooms@  
City State Zip  
Florida-Institute.com

Speaking:  For  Against  Information

Representing FTSCPR

Appearing at request of Chair:  Yes  No Lobbyist registered with Legislature:  Yes  No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting. S-001 (10/20/11)

THE FLORIDA SENATE  
**APPEARANCE RECORD**

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

1/22/2013  
Meeting Date

Topic Startup Economy Bill Number \_\_\_\_\_ (if applicable)  
Name Tom O'Neal Amendment Barcode \_\_\_\_\_ (if applicable)  
Job Title Associate Vice President for Research and Commercialization  
Address 12201 Research Parkway Suite 200 Phone 407 882-1120  
*Street*  
Orlando FL 32826 E-mail O'Neal@UCF.EDU  
*City State Zip*

Speaking:  For  Against  Information

Representing Florida Business Incubator Association, GrowFL, UCF.

Appearing at request of Chair:  Yes  No

Lobbyist registered with Legislature:  Yes  No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

**This form is part of the public record for this meeting.**

S-001 (10/20/11)

THE FLORIDA SENATE  
**APPEARANCE RECORD**

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

1-22-13

Meeting Date

Topic Startup Economy

Bill Number \_\_\_\_\_  
*(if applicable)*

Name RANDY BERRIDGE

Amendment Barcode \_\_\_\_\_  
*(if applicable)*

Job Title President

Address 1055 AAA Drive

Phone 407-708-4630

Street

Heathrow FL 32746

City

State

Zip

E-mail RANDY.berridge@Florida  
HighTech.com

Speaking:  For  Against  Information

Representing FLORIDA High Tech Corridor Council Inc.

Appearing at request of Chair:  Yes  No

Lobbyist registered with Legislature:  Yes  No

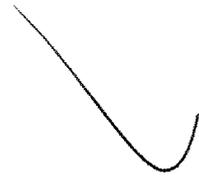
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S-001 (10/20/11)

THE FLORIDA SENATE  
**APPEARANCE RECORD**

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)



1/22/13  
Meeting Date

Topic State Small Business Credit Initiative Bill Number \_\_\_\_\_  
(if applicable)

Name Louis Lawbscher Amendment Barcode \_\_\_\_\_  
(if applicable)

Job Title Senior Vice President - Enterprise FL

Address 800 N Magnolia Ave Suite 1100 Phone 407-956-5631  
Street

Orlando FL 32803  
City State Zip

E-mail llawbscher@eflorida.com

Speaking:  For  Against  Information

Representing Enterprise FL & Florida Opportunity Fund

Appearing at request of Chair:  Yes  No

Lobbyist registered with Legislature:  Yes  No

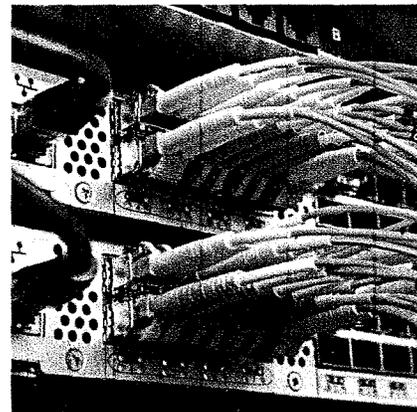
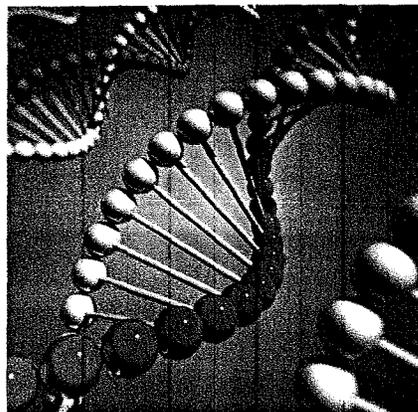
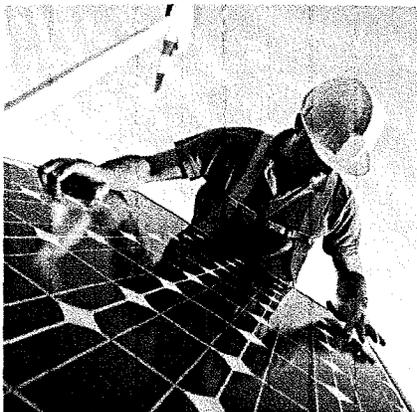
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**This form is part of the public record for this meeting.**

S-001 (10/20/11)

# INVESTING IN BUSINESS, CREATING JOBS

## Florida Opportunity Fund attracts new capital to state



Two years ago, startup LS9, Inc. knew that soon it would be ready to scale up commercial production using its new technology to convert renewable raw materials into low-carbon, low-cost fuels and specialty chemicals.

Scouting for ideal locations and potential investors for a plant, the California company found both in Florida.

In June 2012, the opening of LS9's facility in Okeechobee marked the latest success story for the Florida Opportunity Fund, a model state initiative that is actively investing in a portfolio of venture funds, businesses and projects that have proven to be catalysts for creating jobs and drawing in outside capital to Florida.

With more than \$100 million in funds under management, the Florida

Opportunity Fund is actively deploying capital through its Fund-of-Funds Program, which invests in venture capital funds that target Florida opportunities; and its two direct investment funds – the Clean Energy Investment Program and the Florida Venture Capital Program – that directly invest in businesses that are based in or locating to Florida.

"The State already is benefitting from the Florida Opportunity Fund strategy to leverage FOF dollars with high-performing venture funds and emerging businesses in targeted industries," said Louis Laubscher, president of the Florida Opportunity Fund.

"To date, the three programs have attracted more than \$500 million in private equity to Florida and positively impacted more than 600 jobs," Laub-

scher said. "We project even greater results over the next five years."

### WORLD-CLASS VENTURE FUNDS INVEST IN STATE

The Fund-of-Funds program began investing in Spring 2009 in a mix of local, regional and national firms, resulting in commitments to eight funds whose combined assets exceed \$3.6 billion.

"The Fund-of-Funds, a long-term strategy, is beginning to see strong returns," said Jennifer Dunham, Florida Opportunity Fund managing director. "One element that sets the Florida Opportunity Fund apart from traditional investment programs or one-time grant programs is its ability to make new investments as returns are realized or new sources of capital are made available."

### DIRECT INVESTMENTS SPUR JOB CREATION

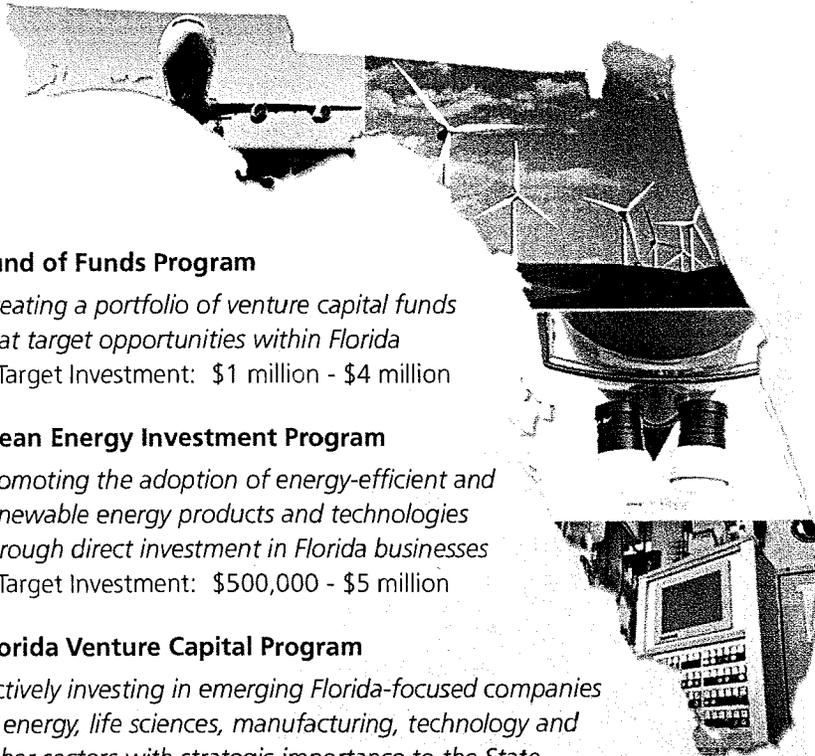
In 2010, the Florida Opportunity Fund was expanded to manage the Clean Energy Investment Program, leveraging federal stimulus dollars

#### Florida Opportunity Fund Mission

The Florida Opportunity Fund was established to provide lasting strategic and economic benefits to Florida by investing in high-quality venture capital funds, businesses and infrastructure projects.



## Florida Opportunity Fund Programs



### Fund of Funds Program

*Creating a portfolio of venture capital funds that target opportunities within Florida*

- Target Investment: \$1 million - \$4 million

### Clean Energy Investment Program

*Promoting the adoption of energy-efficient and renewable energy products and technologies through direct investment in Florida businesses*

- Target Investment: \$500,000 - \$5 million

### Florida Venture Capital Program

*Actively investing in emerging Florida-focused companies in energy, life sciences, manufacturing, technology and other sectors with strategic importance to the State*

- Target Investment: \$1 million - \$5 million

[www.floridaopportunityfund.com](http://www.floridaopportunityfund.com)

to directly invest in companies that would promote the adoption of renewable energy and energy efficient technologies across the state.

The direct investment commitments showcase a diversity of companies – from Mustang Vacuum Systems of Sarasota, manufacturer of solar thin film production systems; to Fracture, a digital printing and photo technology startup in Gainesville.

“The CEIP was an innovative approach to transform one-time grant expenditures into perpetual investment funds,” Dunham said.

### PIPELINE OF OPPORTUNITIES EXPAND

The newest Florida Opportunity Fund program launched in 2011 with a focus on growing high-potential businesses in aerospace and aviation,

alternative and clean energy technology, financial and professional services, homeland security and defense, information technology, life sciences and advanced manufacturing.

The Florida Venture Capital Program targets direct equity investments ranging from \$1 million to \$5 million for Florida-based companies or businesses locating in the State.

“Through outreach with the Florida Opportunity Fund programs we now have hundreds of companies in our pipeline, representing the potential to attract millions in private capital to Florida and create hundreds of more jobs,” said FOF President Laubscher.

“With every FOF program we have seen that the right opportunities entice top-tier funds and co-investors to put their capital to work here,” Laubscher said.

## Investment Snapshots

### TOWER CLOUD

Tower Cloud, Inc., a leading provider of wireless backhaul services based in St. Petersburg, announced in June the close of a \$17 million round of equity led by a \$5 million investment from the Florida Opportunity Fund. This round of funding will be used primarily to finance its expansion efforts throughout Florida.

Tower Cloud's next generation wireless backhaul networks create high-tech Florida jobs while expanding communication infrastructure that allows for enhanced productivity in the State.



Harbert, Venture Partners

Concurrent with a commitment from the Florida Opportunity Fund, **Harbert Venture Partners** opened an office in Gainesville to focus on investment opportunities in Florida. Harbert's portfolio included NovaMin Technologies, a Florida biotech firm that realized \$135 million when the company was sold to a global pharmaceutical giant.

Building on that success, the FOF has committed to Harbert's latest fund, which includes an investment in RegisterPatient, a Florida technology company providing a robust software platform for the healthcare industry.



### JDC Phosphate

Garnering a lead investment from the FOF, **JDC Phosphate, Inc.**, recently closed an equity financing that will facilitate the implementation of a phosphoric acid demonstration facility in Fort Meade. Utilizing JDC's patented process – the Improved Hard Process – the facility has the capacity to process 12,000 tons per year of high quality, high concentration phosphoric acid.

JDC has the potential to transform a \$30 billion industry and significantly impact the Florida economy.

# CourtSmart Tag Report

Room: EL 110

Case:

Type:

Caption: Senate Commerce & Tourism Committee

Judge:

Started: 1/22/2013 3:31:07 PM

Ends: 1/22/2013 5:50:43 PM

Length: 02:19:37

3:33:57 PM Meeting Commenced  
3:35:12 PM Roll Call  
3:35:47 PM SB 222  
3:35:53 PM Senator Detert- Reemployment Assistance  
3:36:20 PM Senator Bean Amendment  
3:37:17 PM Senator Detert-SB 222  
3:39:09 PM Senator Hays Question  
3:39:45 PM Staff Director Response  
3:40:29 PM Senator Detert Response  
3:41:44 PM Senator Hays Question  
3:42:53 PM Senator Detert Response  
3:46:03 PM Senator Thompson Question  
3:47:21 PM Senator Thompson Question  
3:47:34 PM Senator Detert Response  
3:47:48 PM Senator Simpson Question  
3:48:03 PM Senator Detert Response  
3:48:39 PM Senator Simpson Question  
3:49:19 PM Richard Reeves- Florida Workforce Development Assoc.  
3:51:03 PM Senator Detert Question  
3:51:16 PM Senator Simpson Question  
3:51:48 PM Senator Simpson Question  
3:52:20 PM Senator Simpson Question  
3:52:57 PM Senator Hays Question  
3:54:05 PM Arthur Rosenberg- Florida Legal Services  
3:55:05 PM Senator Detert Response  
3:55:24 PM Debate  
3:55:30 PM Senator Detert Close  
3:56:07 PM Roll Call  
3:56:39 PM SB 224  
3:56:45 PM Senator Detert Explanation  
3:59:12 PM Staff Director Explanation  
4:00:08 PM Debate  
4:00:21 PM Senator Detert Close  
4:01:02 PM Roll Call  
4:01:33 PM Senator Hays  
4:02:01 PM Senator Stargel  
4:02:38 PM Gray Swoope-CEO-Enterprise Florida Inc.  
4:17:32 PM Senator Detert Question  
4:18:24 PM Senator Detert Question  
4:20:30 PM Senator Detert Question  
4:21:27 PM Senator Margolis Question  
4:22:55 PM Senator Margolis Question  
4:23:33 PM Senator Thompson Question  
4:25:31 PM Senator Detert Comment  
4:26:08 PM Senator Thompson Question  
4:26:58 PM Senator Simpson Question  
4:28:36 PM Senator Simpson Question  
4:30:59 PM Senator Detert Comment  
4:33:13 PM Senator Hays Comment  
4:33:30 PM Senator Bean Question  
4:35:23 PM Senator Bean Question  
4:36:03 PM Senator Thompson Question

**4:37:56 PM** Senator Montford-SB122  
**4:39:09 PM** Senator Detert Question  
**4:40:16 PM** Senator Bean Question  
**4:40:36 PM** Senator Simpson Question  
**4:41:15 PM** Senator Detert Comment  
**4:42:12 PM** Wayne Malaney- Florida Facility Managers Assoc.  
**4:45:50 PM** Senator Montford- Close  
**4:46:49 PM** Roll Call  
**4:47:32 PM** Jack Sullivan-Pres.-Florida Research Consortium  
**5:00:27 PM** Jamie Grooms-CEO-Institute for the Commercialization of Public Research  
**5:11:13 PM** Tom O'Neal-Executive Director-Florida Business Incubation Assoc.  
**5:18:10 PM** Senator Richter Question  
**5:20:37 PM** Senator Richter Question  
**5:21:57 PM** Senator Margolis Question  
**5:22:35 PM** Senator Thompson Question  
**5:23:27 PM** Randy Berridge-President-Florida High Tech Corridor  
**5:34:13 PM** Louis Laubscher-Enterprise Florida Inc.:State Small Business Credit Initiative  
**5:38:28 PM** Jack Sullivan-Ceo-Florida Research Consortium  
**5:40:59 PM** Senator Detert Comment  
**5:42:28 PM** Senator Thompson Question  
**5:46:05 PM** Senator Thompson Question  
**5:46:56 PM** Closing Statement