

The Florida Senate  
**COMMITTEE MEETING EXPANDED AGENDA**

**BUDGET SUBCOMMITTEE ON TRANSPORTATION,  
TOURISM, AND ECONOMIC DEVELOPMENT  
APPROPRIATIONS**  
**Senator Benacquisto, Chair**  
**Senator Margolis, Vice Chair**

**MEETING DATE:** Wednesday, September 21, 2011

**TIME:** 3:45 —5:45 p.m.

**PLACE:** *Toni Jennings Committee Room, 110 Senate Office Building*

**MEMBERS:** Senator Benacquisto, Chair; Senator Margolis, Vice Chair; Senators Alexander, Bennett, Bogdanoff, Bullard, Dean, Diaz de la Portilla, Evers, Fasano, Gaetz, Hill, Latvala, Norman, Sachs, Smith, and Sobel

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TAB	BILL NO. and INTRODUCER	BILL DESCRIPTION and SENATE COMMITTEE ACTIONS	COMMITTEE ACTION
Presentation by Florida Department Economic Opportunity on the reorganization to occur by October 1st			
Presentation by Florida Department of Economic Opportunity on its Business Plan			
Presentation by Workforce Florida, Inc., on Regional Workforce Boards			

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FLORIDA  
DEPARTMENT *of*  
ECONOMIC  
OPPORTUNITY

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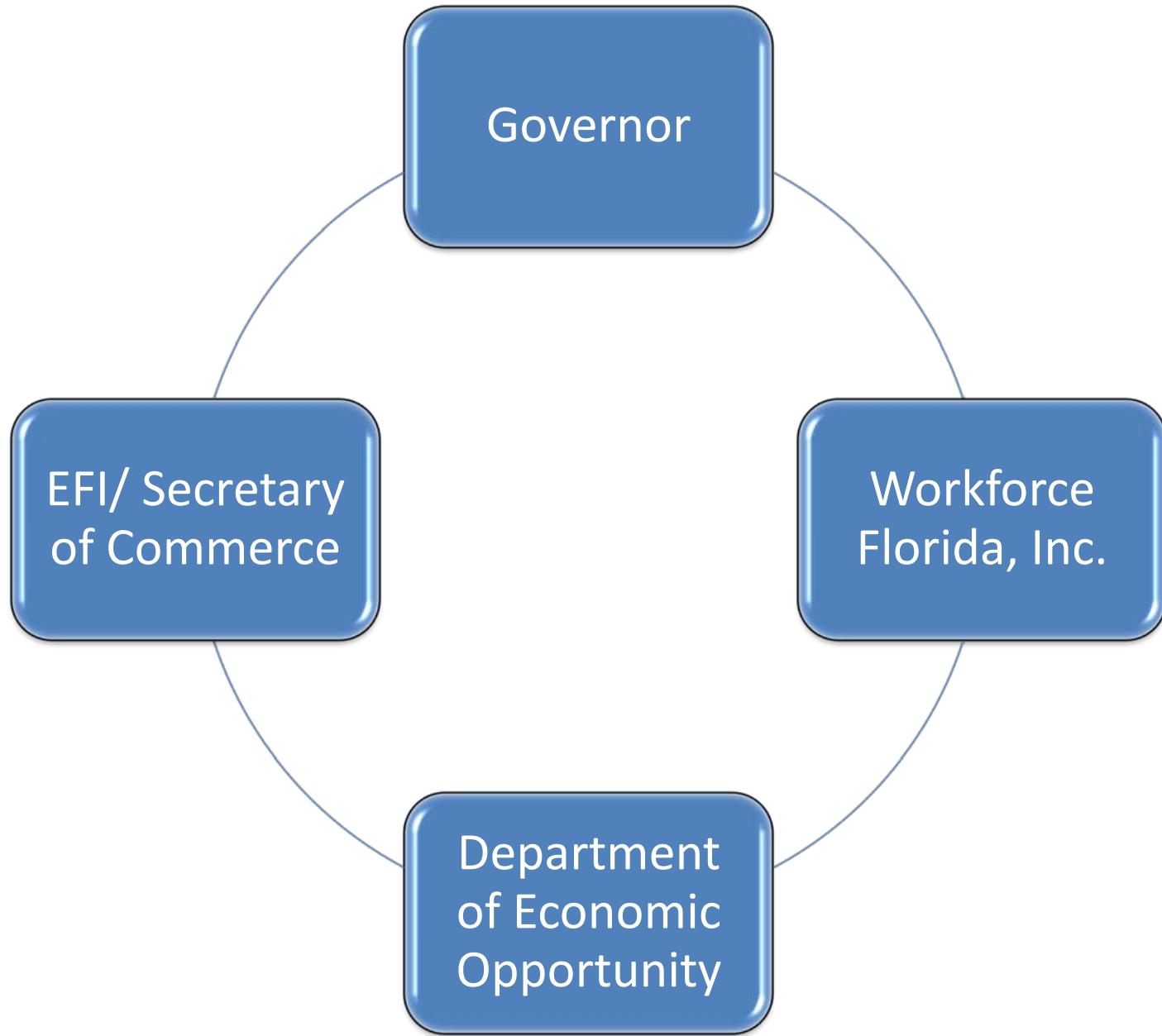
# Senate Budget Subcommittee on Transportation, Tourism, and Economic Development

*Presented by: Doug A. Darling, Executive Director, Department of Economic Opportunity*

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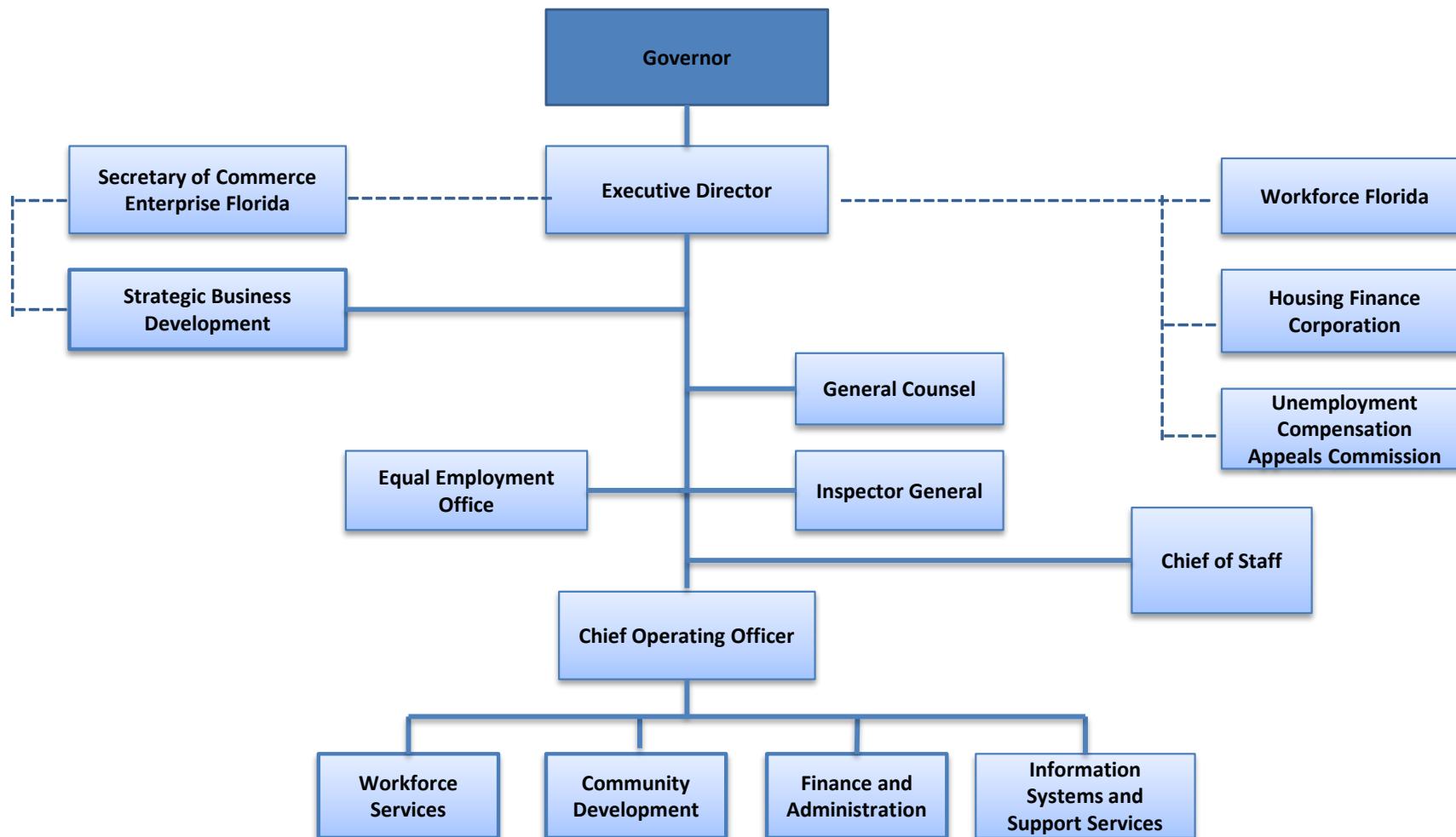
Wednesday, September 21, 2011

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# Organizational Chart



# Division of Strategic Business Development

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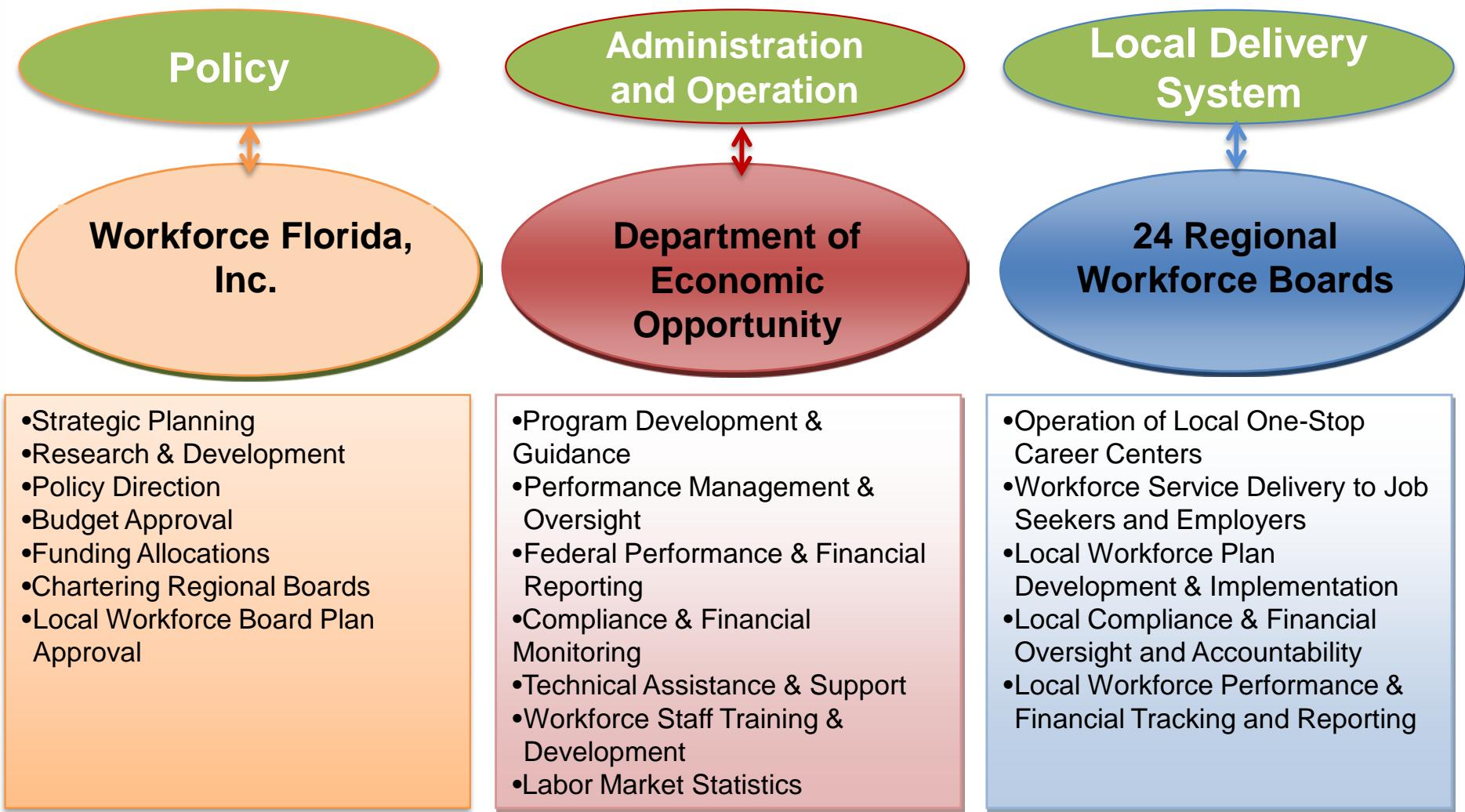
- **Business Plan - submitted Sept. 1, 2011**
- **Coordination of Strategic Planning**
- **Incentive Review Timelines**
- **More Flexible Decision Making**
- **Account Executives in the Division of Strategic Business Development**

# Division of Workforce Services

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- **Workforce program development & guidance, oversight, federal performance & financial reporting, technical assistance**
- **Labor market information**
- **Unemployment compensation services**

# Florida's Workforce System



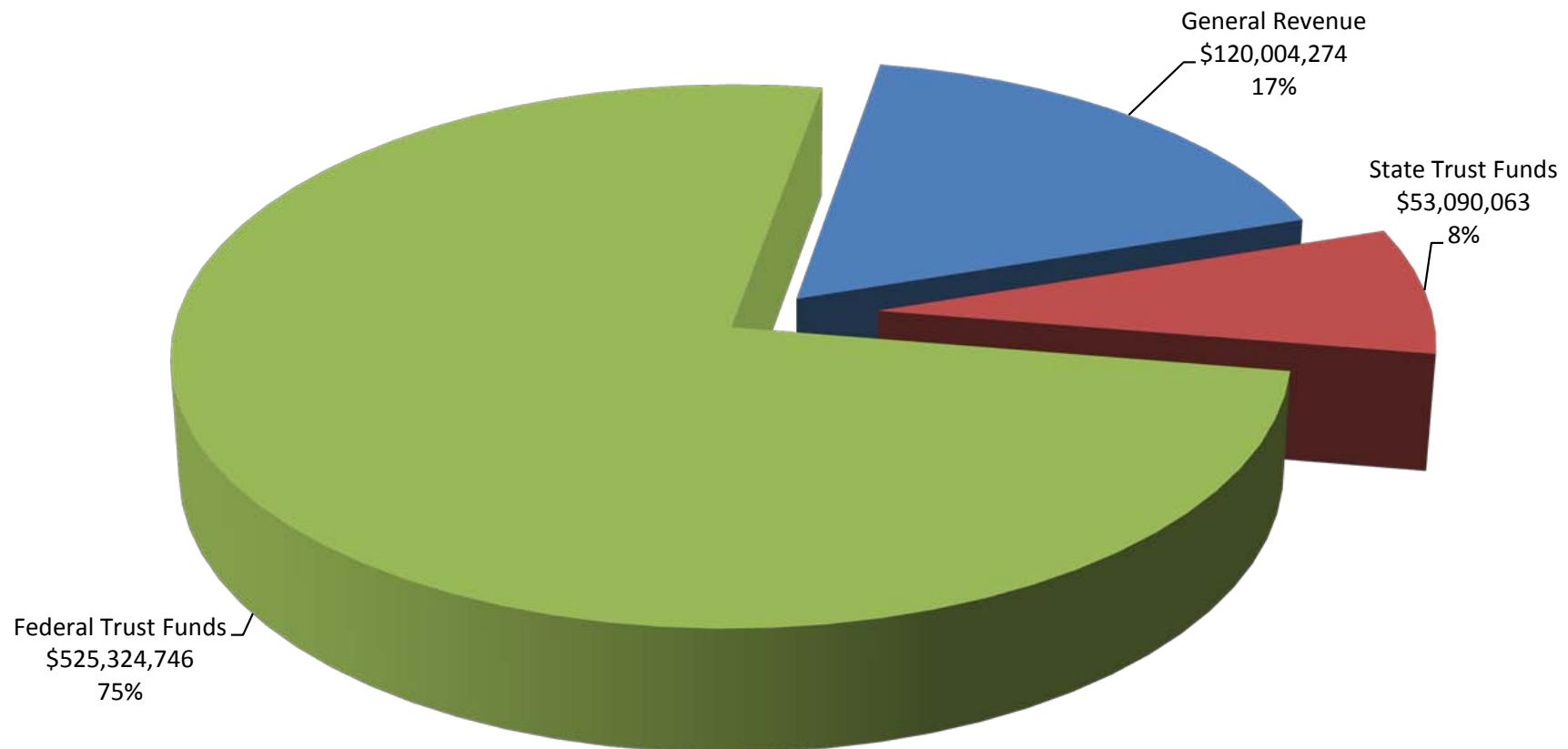
# Division of Community Development

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- **Rural/Urban Small Business/Economic Development**
- **Community planning**
- **Grants:**
  - Infrastructure
  - Economic development
  - Housing rehabilitation
  - Revitalization
- **Assistance programs for low-income Floridians**

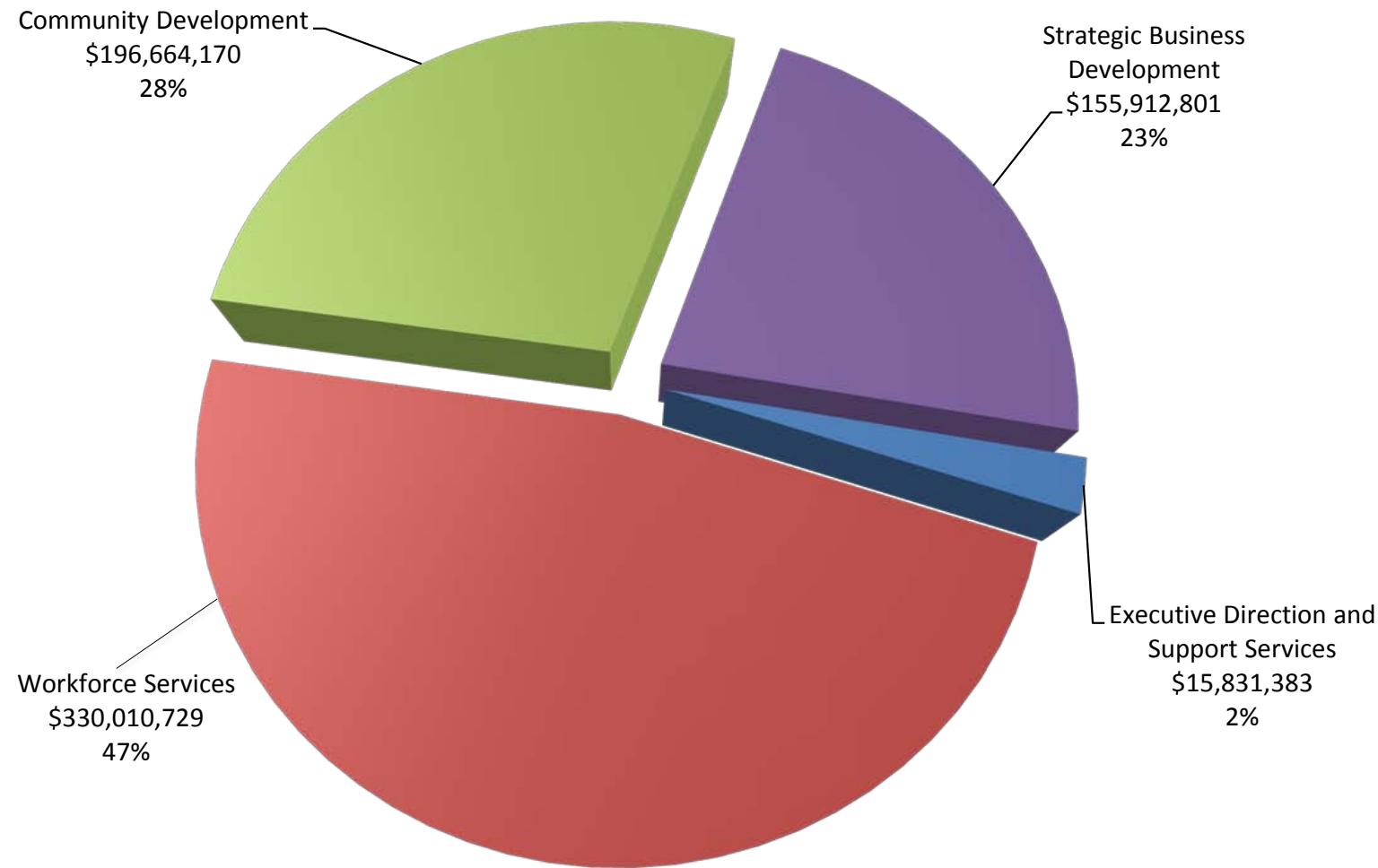
# Initial Funding Sources

Partial Year Funding - \$698.4 million (approved by LBC on 9/7/2011)



# Initial Operating Budget

Partial Year Funding - \$698.4 million (approved by LBC on 9/7/2011)



# Florida Housing Finance Corporation

- Financial institution created by the Legislature to better access federal housing initiatives, stabilize the flow of funds for affordable housing and boost construction; privatized by the 1997 Legislature to better work within the financial markets
- Governed by 9-member Board of Directors appointed by the Governor and subject to Senate confirmation; DEO Executive Director or senior-level designee sits ex officio voting member
- Works through developers, private lenders and investors, rating agencies, local governments, State Board of Administration and Division of Bond Finance
- Programs meet the housing needs of:
  - Extremely low to moderate income families
  - Elders, farmworkers, people with special needs (disabilities, homeless, etc)
- Internal and external oversight measures are used to determine that program resources are properly and efficiently used

# Affordable Housing Programs Provide Economic Benefit for Florida

## Homeownership Programs

- Fixed-rate, low-interest mortgages and down payment assistance address over-supply of for-sale housing on the market today and help stabilize neighborhoods at risk from foreclosures
- 4,283 homes financed by Florida Housing in 2010 (\$430.6 million in first mortgage volume) — 89% were existing homes and 11% were “newly” constructed, but unsold for a longer period of time

## Permanent Financing to Develop Rental Housing

- Key programs: federal Low Income Housing Tax Credit and tax-exempt Mortgage Revenue Bonds **PLUS** state gap financing
- In 2010 alone, rental housing financing created:
  - **An estimated 30,900 jobs**
  - **More than \$3.8 billion in economic benefit to Florida**

# New Opportunities

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- The Institute for the Commercialization of Public Research
  - Continuing core programs of investor matching and commercialization assistance
  - Using new funding to provide seed capital to companies through “Repayable at Liquidity” loans
- Office of Economic Development & Engagement at UWF
  - UWF has already conducted outreach events in disproportionately affected counties
  - Implementing project-based programs building on Florida’s existing incentives
  - Emphasis is on performance-based awards
  - Managing the Commission on Oil Spill Response Coordination

# October 1 - A new chapter begins!

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- Align strategies
- Mandate collaboration
- Remove barriers to job creation
- Advance the Governor's 7-7-7 plan

# Questions?

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**Doug Darling**

Executive Director

Florida Department of Economic Opportunity

107 East Madison Street

Tallahassee, FL 32399-4135

850-245-7298 | [floridajobs.org](http://floridajobs.org)



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# Senate Budget Subcommittee on Transportation, Tourism, and Economic Development

*Presented by: Doug A. Darling, Executive Director, Department of Economic Opportunity*

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Wednesday, September 21, 2011

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# State of Florida Job Creation Plan

## *An Overview*

*September 2011*

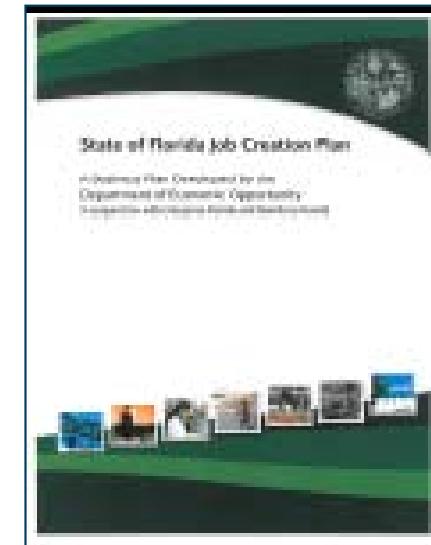


FLORIDA DEPARTMENT *of* ECONOMIC OPPORTUNITY

# Statutory Opportunity, SB 2156

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- The Department of Economic Opportunity – October 2011 Launch
- Business Plan – September 2011 Submission
  - Use of Economic Development Incentive Funds
  - Plans for recruiting, creating and expanding business in Florida
    - Strategies
    - Benchmarks
    - Financial resources and tools



# Planning Partners

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- Agency for Workforce Innovation
- Black Business Investment Board
- Enterprise Florida
- Executive Office of the Governor
- Florida Chamber Foundation
- Florida Council of 100
- Florida Department of Community Affairs
- Florida Department of Transportation
- Florida Film Commission
- Florida Housing Finance Corporation
- Florida Institute for the Commercialization of Public Research
- Florida Ports Council
- Florida Research Consortium
- Florida Sports Foundation
- Space Florida
- STEM Florida
- VISIT FLORIDA
- Workforce Florida

# Vision and Mission

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## ➤ Vision

➤ Florida will have the nation's top performing economy and be recognized as the world's leading business destination.

## ➤ Mission

➤ The Florida Department of Economic Opportunity promotes economic opportunities for all Floridians; formulating and implementing successful workforce, community, and economic development policies and strategies.

# Guiding Principles

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- Be in a state of readiness to support economic development projects, capital investment and infrastructure opportunities that advance Florida in achieving its vision.
- Be effectively and efficiently responsive to the global business climate.
- Make data-driven decisions and set credible benchmarks.
- Deliver successful, strategic, and clearly articulated performance.

# Partnerships – Keys to Successful Performance

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- **Jobs Council** – Provide leadership for economic development policy and practice.
  - Governor
  - Secretary of Commerce (Enterprise Florida)
  - President, Workforce Florida
  - Executive Director, Florida Department of Economic Opportunity
- **Intergovernmental Planning Council** – A standing council (see the planning partners) to create a single, aligned planning table.
- **Ad Hoc Intergovernmental Project Team** – Multi-agency teams convened to facilitate and coordinate efforts to meet specific business needs.

# Three Goals

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1. Increase Florida's global competitiveness as a destination for business, capital, talent, innovation, and entrepreneurship.
2. Promote Florida as the world destination of choice for business and industry.
3. Facilitate business development through delivery of world-class customer service.

# Goal 1 – Increase Florida’s Global Competitiveness

## **Four Strategies**

- Improve Florida’s Business Climate
- Implement Flexible, Targeted, Competitive, Fiscally Responsible Business Incentives
- Strengthen Florida’s Workforce
- Build Resilient Communities

# Goal 2 – Promote Florida as the Global Destination

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## Two Strategies

- Business Marketing – Promote Florida as the best choice for business and industry
- Destination Marketing – Protect and grow Florida's share of destination travel through integrated sales and marketing programs.

# Goal 3 – Deliver World-Class Customer Service

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## Three Strategies

- Strategic Alignment of public and private partners
- Seamless, Customer-Focused Environment for Business Development Support
- Expand International Competitiveness

# Benchmarks

## Fiscal Years 2011-12

Benchmarks/Measures	Benchmarks Funded for 2011-12 with DEO Efficiencies
Recruit out-of-state companies to FL, as measured by:	
a. Number of out-of-state businesses recruited	55
b. Number of direct jobs contracted thru DEO	9,311
Promote existing businesses to expand, as measured by:	
a. Number of in-state businesses expanded and/or retained:	65
b. Number of direct jobs contracted thru DEO added	10,274
c. Number of direct jobs contracted thru DEO retained	2,781
d. Number of new international trade clients	700
e. Amount of new international sales (exports)	\$545M

# Questions?

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## Doug Darling

Executive Director

Department of Economic Opportunity

## Chris Hart

President/CEO

Workforce Florida, Inc.

## Gray Swoope

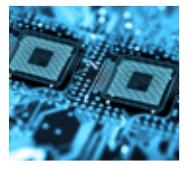
President/CEO, Enterprise Florida

Secretary of Commerce



# State of Florida Job Creation Plan

A Business Plan Developed by the  
Department of Economic Opportunity  
in conjunction with Enterprise Florida and Workforce Florida





September 2011

Dear Citizens of Florida:

Following my victory last November, I started delivering on my promise to make Florida one of the top job generating states in the country and create 700,000 new jobs in seven years. In December 2010, I conducted a roundtable discussion with site-selection consultants and business leaders to gain feedback on how to jump start our economy and create jobs. After taking office, I immediately called for some fundamental changes and improvements to our economic development infrastructure as well as ways to improve the state's business climate.

Essentially, we must adopt better business development practices to move our economy forward, especially amid growing competition both domestically and globally. With the leadership of Senate President Mike Haridopolos and Speaker of the House Dean Cannon we were able to realign state agencies to focus on job creation. The following business plan is a guiding document for Florida, mapping how we must position the state to achieve this vision. I look forward to working with the Legislature to ensure the goals of the business plan are met. This dynamic document sets the course for getting Florida back to work.

Florida **is open** for business! We are working hard to ensure a landscape that will offer the opportunity for Floridians and businesses to prosper. Let's get to work!

Sincerely,

A handwritten signature in black ink, appearing to read "Rick Scott".

The Honorable Rick Scott,  
Governor  
*Chairman, Enterprise Florida Inc.*



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# State of Florida Job Creation Plan

A Business Plan Developed by the Department of Economic Opportunity  
in conjunction with Enterprise Florida and Workforce Florida

## PARTNERS IN FLORIDA'S JOB CREATION EFFORTS

*Representation in the State of Florida Job  
Creation Plan Development Process*

- **Agency for Workforce Innovation**
- **Black Business Investment Board**
- **Enterprise Florida**
- **Executive Office of the Governor**
- **Florida Chamber Foundation**
- **Florida Council of 100**
- **Florida Department of Community Affairs**
- **Florida Department of Economic Opportunity**
- **Florida Department of Transportation**
- **Florida Film Commission**
- **Florida Housing Finance Corporation**
- **Florida Institute for the Commercialization  
of Public Research**
- **Florida Ports Council**
- **Florida Research Consortium**
- **Florida Sports Foundation**
- **Space Florida**
- **STEM Florida**
- **VISIT FLORIDA**
- **Workforce Florida**

During its 2011 session, the Florida Legislature called upon state economic development leaders to re-evaluate long-standing economic development programs and structures, and formulate new strategies to strengthen job creation efforts. The Florida Department of Economic Opportunity was created to streamline community, workforce, and economic development functions and promote economic opportunities for all Floridians. The Department in conjunction with Enterprise Florida and Workforce Florida is specifically tasked with developing a business plan with strategies to attract out-of-state businesses to Florida, promote the expansion of existing businesses, encourage state residents to create new businesses, and establish measures to track the success of these efforts over time.

Recognizing economic development and job creation efforts are impacted by the actions of a broad range of Florida's government agencies and public-private partnerships, the Department of Economic Opportunity conducted—perhaps for the first time—a series of discussions among Florida's job creation partners. Partners from community and workforce development, transportation, tourism promotion, and all supporting disciplines in between gathered to promote strategic alignment at the highest levels. The Department of Economic Opportunity received instrumental assistance from Enterprise Florida and Workforce Florida in transforming the comprehensive body of partner input into a cogent business plan.

The business plan—provided in the following pages—outlines a comprehensive range of strategies and tactics to aggressively pursue job creation in Florida. It represents the best shared thinking of Florida's economic development stakeholders today, but must remain a dynamic plan—that changes over time as the economy and business conditions dictate necessary for Florida to have the strongest, most vibrant economy in the world.



## Vision

**Florida will have the nation's top performing economy and be recognized as the world's leading business destination.**

## Mission

**The Florida Department of Economic Opportunity promotes economic opportunities for all Floridians; formulating and implementing successful workforce, community, and economic development policies and strategies.**

## Guiding Principles

- **Be in a state of readiness to support economic development projects, capital investment and infrastructure opportunities that advance Florida in achieving its vision.**
- **Be effectively and efficiently responsive to the global business climate.**
- **Make data-driven decisions and set credible benchmarks.**
- **Deliver successful, strategic, and clearly articulated performance.**

## Goals

- 1. Increase Florida's global competitiveness as a destination for business, capital, talent, innovation, and entrepreneurship.**
- 2. Promote Florida as the world destination of choice for business and industry.**
- 3. Facilitate business development through delivery of world-class customer service.**

## **Creation and Organization of The Department of Economic Opportunity**

Since his election, Governor Rick Scott has worked tirelessly on his core campaign promise to Florida citizens to create 700,000 jobs over seven years. From the onset of his administration, the Governor has pushed for a reduction in corporate and unemployment taxes; a decrease in business regulations; the reengineering of how the state recruits, attracts and grows businesses; and an increase in the structural support needed to create more high-wage, high-skill jobs.

Based on his 35 years of business experience, Governor Scott believes the state needs to adopt more successful “best business” practices to grow a struggling economy. “Ultimately, my goal is to make Florida the most business friendly state in the nation,” he candidly avows.

To that end, one of his most vigorously sought after legislative objectives was the reorganization of state government’s economic development efforts to create a high-level, one-stop business, marketing and sales effort. The benefits to be gained from the restructuring were significant: a reduction in response times and barriers to business expansion opportunities, better coordination and cooperation among state job creation and job training resources, an expansion in the capabilities of the state’s public and private partnerships, and an organizational infrastructure more focused on developing and achieving shared goals.

Working closely with the House and Senate leadership, Governor Scott signed into law Senate Bill 2156, which allows a more rapid response and unified approach to job creation by consolidating the state’s economic development functions into the Florida Department of Economic Opportunity (DEO).

To ensure the most efficient streamlining of DEO’s tasks, the Governor’s Office contracted with a national governmental organizational/management consulting firm to analyze the implementation of the new Department of Economic Opportunity and recommend an organizational structure for the merger of three departments/agencies that will effectively and efficiently accomplish the Governor’s and the Legislature’s economic and job growth goals.

The organization chart included as Appendix A was developed with input from both public and private stakeholders. It builds upon the efficiencies gained by aligning these organizations. Rural, urban, and small business assistance can maximize efficiency by fully integrating into the Division of Community Development. This will better position current community development tools for economic development.



Coordination across agency lines is essential to seamless economic development service. To ensure comprehensive coordination among all mission critical groups, DEO will assemble three cross-agency teams to focus on statewide economic development solutions. The first is the Jobs Council which will provide the leadership for economic development policy and practices. The second is the Intergovernmental Planning Council which will be a standing council, meeting on a regular basis to bring the major economic development voices from around the state to a single, aligned planning table. The third is an ad hoc intergovernmental team which will be convened as warranted to facilitate more streamlined and coordinated timelines and efforts in response to specific business needs identified during the recruitment, expansion, and retention process.

### **Jobs Council**

A Jobs Council, consisting of the Governor as the lead economic development officer along with the heads of Enterprise Florida, Workforce Florida, and the Department of Economic Opportunity, will be formed. This Jobs Council will both guide the development of the state's economic development plans and policies and ensure that the different organizations are effectively and efficiently working together on a daily basis.

### **Intergovernmental Planning Council**

The Department of Economic Opportunity's Division of Strategic Business Development will organize and lead the Intergovernmental Planning Council, comprised of state agencies, public/private partnerships, and business community stakeholders. This mechanism has already been assembled and has informed the strategic alignment of this business plan. This planning council will provide broad-based input into the strategic and business plans DEO is statutorily required to produce.

### **Ad Hoc Intergovernmental Project Team**

This team will include an economic development representative appointed by each agency as required by section 288.021, Florida Statutes. Immediately responsive to emergent needs, these representatives will act collectively as an advocate and coordinator for economic development issues and projects within their home agencies.

As these team members begin to work together, other efficiencies will emerge. It is anticipated that these teams can be expanded to serve across state government for a variety of functions. In future updates to the business plan and the forthcoming state strategic plan, such best practices can be addressed.

## Public/Private Approach To Economic Development

All of Florida's public/private organizations having an economic development responsibility are linked to reduce duplication and build on their unique strengths. Core to this linkage is the leadership of the Department of Economic Opportunity and Enterprise Florida (EFI) in creating and maintaining mission-driven relationships with VISIT FLORIDA, Space Florida and Workforce Florida. Additionally, the Florida Sports Foundation and Florida Black Business Investment Board are now part of EFI and will be more integrated into the state's economic development network.

Under section 288.901, Florida Statutes, Enterprise Florida is to serve as the economic development organization for the state. Utilizing public and private sector expertise and collaborating with the Department of Economic Opportunity, EFI is to: increase private investment in Florida; advance international and domestic trade opportunities; market the state both as a pro-business location for new investment and as an unparalleled tourist destination; revitalize Florida's space and aerospace industries and promote emerging complementary space and aerospace industries; promote opportunities for minority-owned businesses; assist and market professional and amateur sports and sporting events in Florida; and assist, promote, and enhance economic opportunities in the state's rural and urban communities.

Enterprise Florida has created a unique alliance of Florida businesses, trade organizations, educational institutions, governments, and economic development organizations that help set a course for achieving greater results in attracting, retaining and growing jobs.

As state contracted public/private organizations, Enterprise Florida, VISIT FLORIDA, and Workforce Florida receive financial support from the State of Florida and from Florida businesses. Businesses contribute directly to their missions in very important ways—as providers of industry insights and strategic perspectives, and as financial supporters. Together, these public/private partnerships strengthen Florida's ability to create jobs and grow the state's economy.



## Goals

Three goals are set forth in this business plan.

- **GOAL 1: Increase Florida's global competitiveness as a destination for business, capital, talent, innovation, and entrepreneurship.**
- **GOAL 2: Promote Florida as the global destination of choice for business and industry.**
- **GOAL 3: Facilitate business development through delivery of world-class customer service.**

These three goals provide strategies, tactics and tools necessary to:

- Attract out-of-state industries to Florida.
- Promote the expansion of existing industries in Florida.
- Encourage the creation of businesses in Florida by our residents.

These three goals will be accomplished through the successful completion of 45 tactics within 8 strategies. Success will require a proactive and focused approach to economic development in Florida by knowledgeable and competent teams from the public, private, and academic sectors. A comprehensive and data-driven review of targeted industries and best practices will guide and focus Florida's strategic business development efforts. Community, workforce, and economic development will work united to develop priorities for recruitment, expansion, and creation of Florida business and industry.



**Clockwise from top left:**

Bing Energy announces the relocation of its headquarters to Florida.

One-on-one business meetings during the 2010 Colombia Trade Mission.

Award winners with Chris Hart at the 2010 Governor's Business Diversification Awards.

Ground breaking ceremony for High Performance Magnetics.



**Space X Falcon 9  
Rocket Lifts Off  
From Cape Canaveral**





# GOAL 1

**Increase Florida's global competitiveness as a destination for business, capital, talent, innovation, and entrepreneurship.**

## **STRATEGY Business Climate**

**Improve Florida's business climate.**

### **TACTICS**

- Advise the Governor and the Legislature on policies and initiatives that eliminate bureaucratic red tape, reduce the tax burden, and facilitate business development.
- Increase efficiencies for permitting at the local, regional, and state levels.
- Attract capital to the State and help introduce start-up companies to potential investors through programs aimed at providing access to alternative and non-traditional capital to entrepreneurs.
- Support the development of innovation resources and infrastructure vital to business development and growth.
- Implement an innovative loan program using federal, state, and local public and private funding (e.g., SSBCI).

### **TOOLS AND RESOURCES NECESSARY TO ACHIEVE THE BENCHMARKS**

- Collaboration of leadership to guide economic development policy and practices.
- Integrated data sharing and technology-based support system.
- Cross-agency teams for planning and project assistance.

## **STRATEGY Business Incentives**

**Implement a business incentive policy that is flexible, targeted, competitive, and fiscally responsible.**

### **TACTICS**

- Optimize the use of industry-specific incentives through policy and legislative review and revision.
- Expand flexibility in the incentive funding processes and programs.
- Facilitate commercial use of federal Space-related assets.
- Review incentives for effectiveness and modify to be more competitive.
- Train a "Sales Team" to sell value and use incentives to close deals.

### **TOOLS AND RESOURCES NECESSARY TO ACHIEVE THE BENCHMARKS**

- Flexibility in the application and use of incentives (e.g., funding, tax credits, etc.).
- State Economic Enhancement Development (SEED) Trust Fund.
- Statewide project management and tracking system.
- Facilitated discussions and evaluations of incentive recommendations proposed by economic development practitioners.



**F15 Eagle from the 125th Fighter  
Wing, Florida Air National Guard  
Headquartered in Jacksonville**



## **STRATEGY** Talent Development

**Strengthen and implement programs that support and up-skill Florida's workforce.**

### **TACTICS**

- Support the implementation of the strategic plan developed by Workforce Florida, Inc.
- Facilitate re-employment opportunities for Florida's unemployed and underemployed.
- Refine and implement the talent supply and demand analysis aligned with Florida's cluster strategy.
- Develop a cluster and infrastructure-oriented, comprehensive workforce supply and demand analysis.
- Expand the use of on-the-job training (OJT) and other employer-based training.
- Support the state workforce system as the key means to match labor supply with labor demand.
- Strengthen the state's labor market information resources and expand its tools to help gauge labor supply and labor demand.

### **TOOLS AND RESOURCES NECESSARY TO ACHIEVE THE BENCHMARKS**

- Leveraged federal funding.
- Integrated communications and information sharing.

## **STRATEGY** Community Development

**Build resiliency in Florida's communities.**

### **TACTICS**

- Enhance opportunities for small and minority businesses.
- Protect and support retention of Florida's military bases.
- Develop and support Florida's rural catalyst sites.
- Enhance the utilization of geographic-specific incentives (e.g., urban, rural, brownfields, enterprise zones, etc.).
- Support location-based activities that stimulate local economic development (e.g., sports, film and entertainment production, etc.).
- Administer grant funding programs to maintain viable communities, revitalize existing communities, and expand economic development and employment.
- Match housing with Florida employees and recently reemployed.
- Develop programs to improve local business processes to be quicker and more customer friendly.

### **TOOLS AND RESOURCES NECESSARY TO ACHIEVE THE BENCHMARKS**

- Integrated data system.
- Site selection capacity (e.g., updated Geographic Information System (GIS) capability).
- Flexibility in funding and responding to community and business needs.



USA Network's Television  
Series *Burn Notice* is Filmed  
on Location in South Florida



## GOAL 2

**Promote Florida as the global destination of choice for business and industry.**

### **STRATEGY Business Marketing**

**Promote Florida as the best choice for international and domestic businesses.**

#### **TACTICS**

- Establish Florida's business brand.
- Develop innovative approaches to tell Florida's business story.
- Conduct proactive research to identify businesses ready to expand or relocate.
- Conduct and support marketing missions and participate in key trade and industry events and activities.
- Proactively identify and anticipate client needs.
- Maintain client relationships for follow-up services.
- Increase Florida's presence in emerging markets.

#### **TOOLS AND RESOURCES NECESSARY TO ACHIEVE THE BENCHMARKS**

- Ability to purchase and leverage expanded media and marketing opportunities.
- Coordination with other state, regional, and local marketing initiatives.
- Updated, sales-focused website.

### **STRATEGY Destination Marketing**

**Protect and grow Florida's share of destination travel through integrated sales and marketing programs that drive visitation to and within Florida.**

#### **TACTICS**

- Implement VISIT FLORIDA's 2011-2012 *Integrated Marketing Plan*.
- Engage in cooperative and collaborative branding and marketing opportunities.
- Sponsor and promote participation in national and international events in Florida.
- Utilize existing presence and expertise to develop space adventure tourism opportunities.
- Leverage the earned media value from high-profile Florida-centric entertainment production seen around the world (e.g., *Burn Notice* is viewed in over 200 countries).

#### **TOOLS AND RESOURCES NECESSARY TO ACHIEVE THE BENCHMARKS**

- Leveraged marketing expertise and capabilities of the Department and its partners (e.g., Enterprise Florida, VISIT FLORIDA, the Office of Film and Entertainment).



**Governor Rick Scott Signed SB 2156,  
Leading the Way to Rapid Response  
to Business Opportunities**



## GOAL 3

**Facilitate business development through delivery of world-class customer service.**

### **STRATEGY Strategic Alignment**

**Achieve strategic alignment of public and private partners contributing to Florida's economy.**

#### **TACTICS**

- Establish and use common language for all planning efforts, implementation of programs and practices, and measuring and reporting results.
- Build and implement a strategic plan for Florida that uses this common language, sets the stage for system-wide standards, and provides for program-based as well as system-based accountability.
- Align planning, funding, and reporting requirements and cycles.
- Develop a technology-based infrastructure that supports a single point of contact for consumers, facilitates cross-program data and information sharing, and enables program and system accountability.
- Create an integrated and unified response system for economic development.

#### **TOOLS AND RESOURCES NECESSARY TO ACHIEVE THE BENCHMARKS**

- Collaboration of leadership to guide economic development policies and practices.
- Integrated data sharing and technology-based support system.
- Cross agency teams for planning and project assistance.

### **STRATEGY Customer Support**

**Create a seamless, customer-focused environment for business development support.**

#### **TACTICS**

- Develop a cross-agency resource team that assists the customer with navigation through state and local infrastructures, rules, and processes.
- Work with local, regional, and state officials and economic development professionals to increase efficiencies in the business development process at the local level.
- Practice continuous improvement to refine and streamline customer support processes.

#### **TOOLS AND RESOURCES NECESSARY TO ACHIEVE THE BENCHMARKS**

- Technology/staff-based resource and referral systems to support customers through state and local agency processes.
- Single point of contact for customer-support.



Container Shipments  
at the Port of Miami



## STRATEGY International Competitiveness

Expand Florida's ability to compete in international markets.

### TACTICS

- Mentor and train companies to compete globally.
- Support and participate in international industry trade shows and lead global trade missions.
- Strengthen international and diplomatic relationships.
- Facilitate access to language and culture experts and expertise.

### TOOLS AND RESOURCES NECESSARY TO ACHIEVE THE BENCHMARKS

- International grants program for Florida businesses to assist with access to international markets.
- Ability to increase international presence in emerging markets.
- Continual upgrades and improvement to international access infrastructure (e.g., airports, deep water ports, etc.).



Enterprise Florida led Florida's delegation to the 2011 Paris Air Show

## Benchmarks

The business plan will track seven benchmarks to monitor progress and success in the implementation of the economic development incentives. Two benchmarks focus on the recruitment of out-of-state businesses. Five benchmarks focus on the expansion of in-state businesses and the retention of businesses that were at risk of relocating to another state. It should be noted that the benchmarks reflect only businesses that have contracted to use incentives and do not reflect businesses which locate or expand in Florida without incentives.

<b>Benchmarks and Measures for Fiscal Years 2011-2012 and 2012-2013</b>		
<b>Benchmark/Measure</b>	<b>Benchmarks as Funded for 2011-2012</b>	<b>Anticipated Benchmarks for 2012-2013 with Continuation Funding + Flexible SEED Funding</b>
<b>Recruit out-of-state companies to Florida, as measured by:</b>		
a. Number of out-of-state businesses recruited.	55	70
b. Number of direct jobs contracted through the department to be created.	9,311	12,104
<b>Promote existing businesses to expand, as measured by:</b>		
a. Number of in-state businesses expanded and/or retained.	65	84
b. Number of direct jobs contracted through the department to be added through expansion.	10,274	13,356
c. Number of at-risk* direct jobs contracted through the department to be retained.	2,781	3,615
d. Number of new international trade clients.	700	714
e. Number of new international sales (exports).	\$545M	\$555M

\* At Risk = Demonstrated the potential to relocate outside of Florida.

As discussed in the section on *Florida's Economic Development Incentives*, much has been accomplished in recruiting, expanding and retaining businesses in Florida. The above benchmarks for Fiscal Year 2011-2012 (FY2011-12) were based upon the approved performance measures for the FY2011-12 level of funding combined with that for the economic development partners aligned within DEO and EFI (See Appendix E). The benchmarks anticipated for FY2012-13 were based upon continuation funding (See Appendix D) with the addition of the SEED Trust Fund monies as provided in law.



Job creation has indirect and induced effects associated with capital investment and household earnings. These indirect and induced effects are a challenge to identify as this information is not currently tracked by the Department. It is expected that greater collaboration with agencies now housed within the Department of Economic Opportunity will result in a better methodology for tracking indirect and induced job creation.

## Funding

### Financial Resources to Accomplish the Business Plan Goals

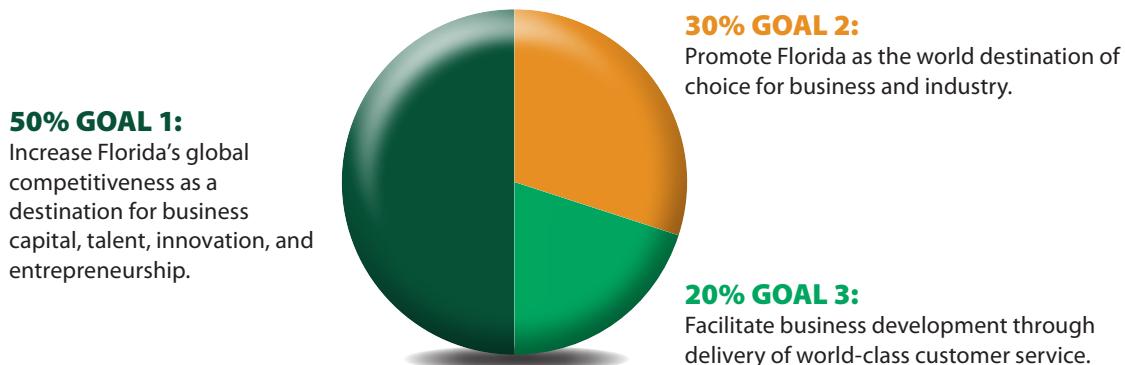
During the 2011 legislative session, the Legislature created the State Economic Enhancement and Development (SEED) Trust Fund to serve as a dedicated recurring funding source to enable Florida to be proactive and better positioned to capitalize on opportunities that will benefit the state from an economic development perspective.

To fully enable economic development programs, it is recommended that the Legislature continue to fund economic development programs at levels commensurate with previous fiscal years (See Appendix D) while using additional SEED funding to provide flexibility to economic development organizations to actively respond to emergent economic development opportunities.

After legislatively-prescribed appropriations are made from the SEED fund, economic development organizations could utilize up to the remaining amount for flexible funding needs that support the goals of the business plan as follows:

### Use of Flexible SEED Funding

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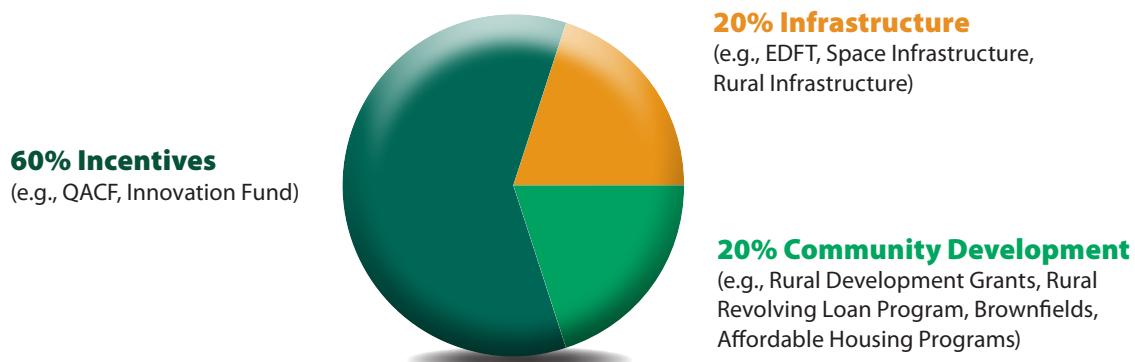


Financial resources will be used to accomplish the strategies and tactics that support each of the business plan goals.

The use of incentives in furtherance of Goal 1 would be guided by the statutory language creating the program. The kind of uses for these incentives would be allocated as follows:

### **Allocation of SEED Funding Support Goal 1**

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Continuation of current levels of economic development funding is estimated to support job creation and retention along with business retention, relocation, and expansion at levels similar to the current fiscal year. With additional flexible funding through the SEED fund, Department of Economic Opportunity would be better poised to assist the Governor in the creation of his planned 700,000 jobs by 2018 with a focus on economic diversification.

### **Timeframes**

Over the next five years, the state will have:

- Increased Florida's global competitiveness as a destination for business, capital, talent, innovation, and entrepreneurship.
- Promoted Florida as the world destination of choice for business and industry.
- Facilitated business development through delivery of world-class customer service.

In order to achieve the overarching goals, initial steps have been established. For example, strategic alignment tactics have begun in advance of the development of the business plan and the completion of the transition plan. Implementation will begin in October 2011 for all other strategies and tactics that do not require additional funding or legislative approval.



By January 2012, those items requiring legislative approval will be identified and drafted. These will be vetted in the 2012 legislative session and implementation will begin as defined in statute.

DEO and its partners will seek to establish an intrastate network for economic development professional public and private organizations to assist business development. Preliminary planning work will begin in October 2011. Should funding and authority be obtained, implementation will be phased in as components of the network are completed.

## Florida's Economic Development Incentives

Location drivers for competitive economic development projects are multifaceted. Business tax climate, real estate options, and workforce talent are just a few of the main decision drivers faced by businesses. ***When all other location decision factors are considered, economic development incentives are a tool used to get businesses to commit to locate and create jobs in Florida.*** All 50 states provide business incentives as deal closing tools and incentives are required to help make Florida competitive. The majority of the incentives programs administered by the Department of Economic Opportunity are performance-based, ensuring that Florida's tax dollars are spent prudently. Incentive promotion and management are collaborative efforts of the Department of Economic Opportunity, Division of Strategic Development (formerly the Governor's Office of Tourism, Trade, and Economic Development) and Enterprise Florida, Inc.

Since January 1, 2000, through December 31, 2010, 1,015 competitive projects (businesses) have utilized state incentives that are administered by Enterprise Florida and the Governor's Office of Tourism, Trade, and Economic Development as provided in Chapter 288, Florida Statutes. Some projects received more than one incentive resulting in more than one contract with the business. Of these 1,015 projects, 662 have been finalized, meaning that these businesses are no longer being monitored by the DEO. The remaining 353 projects are in some phase of the incentive monitoring process, either job creation or job maintenance.

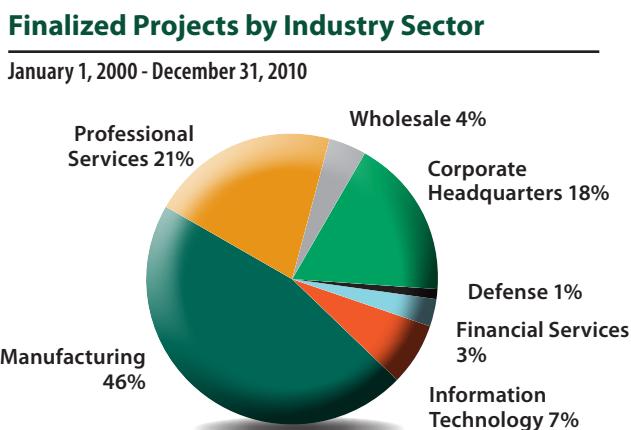
Of the 662 finalized projects, a total of 729 incentive contracts have been issued for the following incentive programs: Qualified Target Industry Tax Refund Program, Brownfield Redevelopment Bonus, Governor's Quick Action Closing Fund, the Economic Development Transportation Fund, High Impact Performance Incentive, and the Qualified Defense and Space Contractor Tax Refund. ***Some projects received more than one incentive resulting in more than one contract with the business.***

Of the 729 incentive contracts, 70.9 percent or 517 have been successfully fulfilled per the contract agreement. These contracts have resulted in the verified creation of 41,096 net new-to-Florida jobs and incentive payments totaling \$146.2 million for an average per job award of \$3,775. On average, the State has disbursed \$14 million per year for economic development incentives over the last 10 years.

Though the actual completion rates for contracts and the number of jobs associated with those contracts may differ from projections, it is important to recognize that businesses must project performance goals at least 3 to 6 years in the future. Businesses are often asked to make commitments at the onset of a project, and those commitments can be adversely affected by economic or industry conditions. Additionally, completion rates of projects and the number of jobs created may be skewed as businesses continue to create jobs outside the timeline of the performance-based contracts. Flexibility in the State's incentive programs will help to strengthen the outcome of performance-based contracts and thus improve the utilization of the programs.

The Florida Legislature has provided for a wide array of incentives that encompass tax refunds and credits, tax exemptions, and cash grants. Most of these incentive programs require businesses to operate within a target industry and are performance-based. The performance-based nature of the incentive programs ensures that the State is not paying for jobs or rewarding capital investments that are never created or received. Appendix B provides information about incentives for targeted industries. Appendix C provides information about how Florida uses a wide array of incentives – those provided in chapter 288 as well as other Florida Statutes.

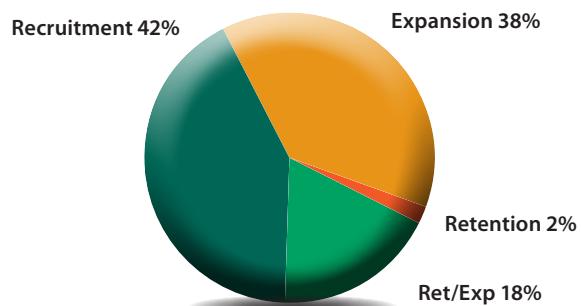
Incentives have been used to solicit the commitment of a variety of industry sectors for the time period of January 1, 2000 through December 31, 2010. Of the 662 finalized projects, the manufacturing industry has represented the largest share of projects at 46 percent. As noted in the Target Industry Update report, this industry sector has been transitioning from a job intensive sector to a high wage, capital intensive sector. In 2009, the manufacturing sector provided jobs to 323,857 Floridians making up 4.92 percent of the workforce paying wages that were 26 percent above the State's average annual wage. Additionally, the manufacturing sector made up 4.9 percent of Florida's Gross Domestic Product in 2009. Incentives that are geared toward helping this sector increase its capital investment in new equipment would be instrumental in helping to retain and grow this industry.





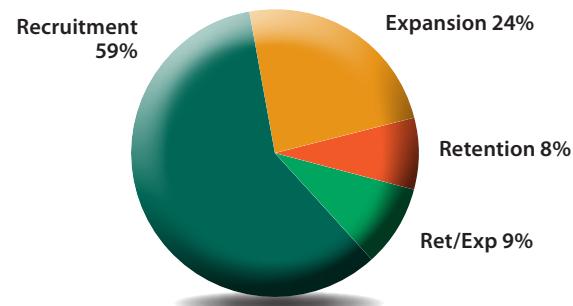
Enterprise Florida utilizes information on projects to determine the number of companies that have been assisted with out-of-state recruitment, in-state business expansion, in-state retention, and in-state retention and expansion. Some of these business projects utilize the state incentives administered by Enterprise Florida and the Department of Economic Opportunity and some of these business projects are helped through other Enterprise Florida assistance efforts. Over the last ten years the bulk of the project-related pipeline has been geared toward out-of-state recruitment efforts, followed closely by in-state expansion. As noted by the chart below, state incentives have not been widely used for the strict retention efforts of existing Florida businesses. This is mainly due to the statutory limitations placed on most incentives for retention use.

#### Projects Won with Incentives by Project Type



\* Total is 1,000 projects for the past 10 years.

#### Projects Won without Incentives by Project Type

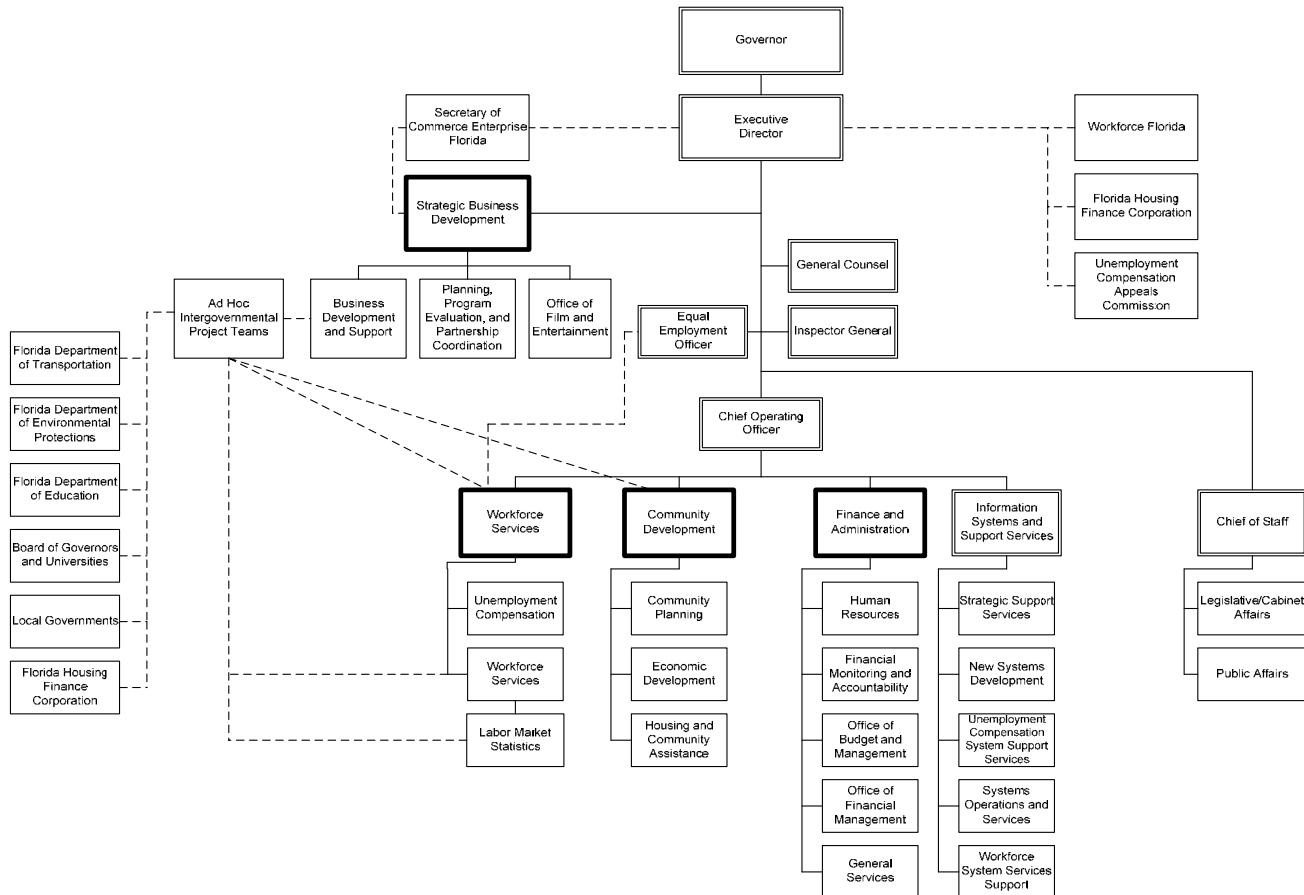


\* Total is 433 projects for the past 10 years.

## APPENDIX A

### DEPARTMENT OF ECONOMIC OPPORTUNITY ORGANIZATION CHART

#### PROPOSED ORGANIZATIONAL STRUCTURE – DEPARTMENT OF ECONOMIC OPPORTUNITY DETAIL



## APPENDIX B

### FLORIDA'S ECONOMIC DEVELOPMENT INCENTIVES – TARGETED INDUSTRIES

The Department of Economic Opportunity, Enterprise Florida, Inc., and Workforce Florida, Inc. facilitate the administration of a host of state level incentives. These incentives are guided by statutory directive with respect to industry and programmatic criteria. Florida Statute 288.106 (2)(t) is the driving guideline for industries for which state incentives can be utilized.

Most state incentive programs require that business operate within a target industry. A Target Industry Business means a corporate headquarters business or any business that is designated as a Target Industry by the Department of Economic Opportunity in consultation with Enterprise Florida, Inc. The following criteria are required for inclusion as a Target Industry:

#### **1. FUTURE GROWTH**

Industry forecasts should indicate strong expectation for future growth in both employment and output, according to the most recent available data. Special consideration should be given to businesses that export goods to, or provide services in, international markets and businesses that replace domestic and international imports of goods or services.

#### **2. STABILITY**

The industry should not be subject to periodic layoffs, whether due to seasonality or sensitivity to volatile economic variables such as weather. The industry should also be relatively resistant to recession, so that the demand for products of this industry is not typically subject to decline during an economic downturn.

#### **3. HIGH WAGE**

The industry should pay relatively high wages compared to statewide or area averages.

#### **4. MARKET AND RESOURCE INDEPENDENT**

The location of industry businesses should not be dependent on Florida markets or resources as indicated by industry analysis, except for businesses in the renewable energy industry.

#### **5. INDUSTRIAL BASE DIVERSIFICATION AND STRENGTHENING**

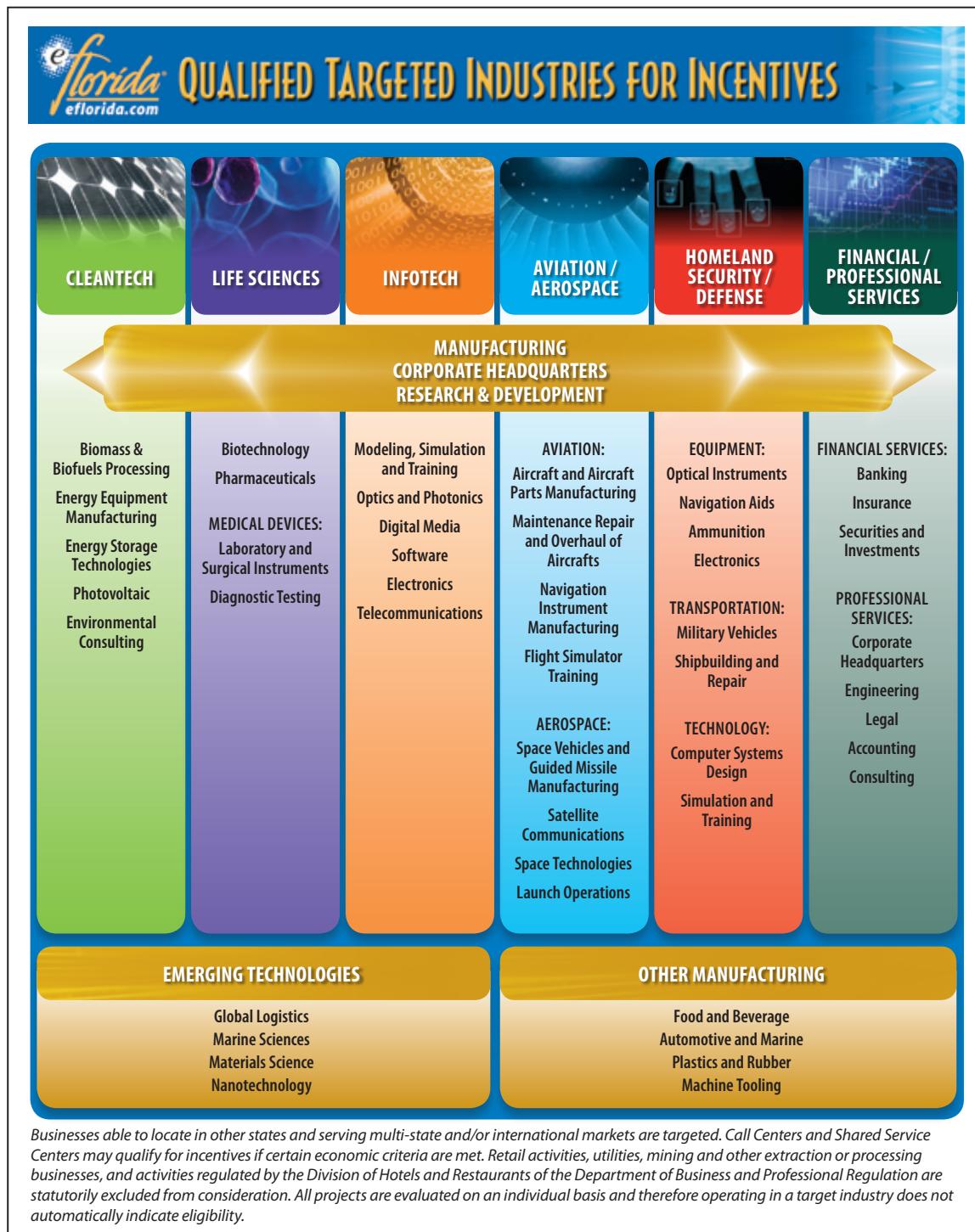
The industry should contribute toward expanding or diversifying the state's or area's economic base, as indicated by analysis of employment and output shares compared to national and regional trends. Special consideration should be given to industries that strengthen regional economies by adding value to basic products or building regional industrial clusters as indicated by industry analysis. Special consideration should also be given to the development of strong industrial clusters that include defense and homeland security businesses.

#### **6. ECONOMIC BENEFITS**

The industry is expected to have strong positive impacts on or benefits to the state or regional economies.

## APPENDIX B

The qualified targeted industries for incentives list was updated and approved in January 2011. The complete report is available at [http://www.eflorida.com/download/Target\\_Industry\\_Update.pdf](http://www.eflorida.com/download/Target_Industry_Update.pdf)



## APPENDIX C

# FLORIDA'S ECONOMIC DEVELOPMENT INCENTIVES – DESCRIPTIONS

## CASH & GRANTS

### QUICK ACTION CLOSING FUND (QACF)

The Quick Action Closing Fund (Closing Fund) is a discretionary grant incentive that can be accessed by Florida's Governor, after consultation with the President of the Senate and the Speaker of the House of Representatives, to respond to unique requirements of wealth-creating projects. When Florida is vying for intensely competitive projects, Closing Funds may be utilized to overcome a distinct, quantifiable disadvantage after other available resources have been exhausted. The Closing Fund award is paid out based on specific project criteria outlined in a performance-based contract between the company and the State of Florida. Sanctions are applied to companies who fail to meet or maintain performance goals.

*Statutory Reference: Section 288.1088, Florida Statutes*

### HIGH IMPACT PERFORMANCE INCENTIVE (HIPI)

The High Impact Performance Incentive (HIPI) is a negotiated performance grant used to attract and grow major, high impact facilities in Florida. Once approved the high impact business is awarded 50 percent of the eligible grant upon commencement of operations and the balance of the awarded grant once full operations have commenced and the full investment and employment goals have been met and verified.

*Statutory Reference: Section 288.108, Florida Statutes*

### LOCAL GOVERNMENT DISTRESSED AREA MATCHING GRANT PROGRAM (LDMG)

The Local Government Distressed Area Matching Grant Program stimulates investment in Florida's economy by assisting Local Governments in attracting and retaining targeted businesses. Applications are accepted from local governments/municipalities that plan on offering qualified business assistance that are not derived from State or Federal funds to a specific business in the area. These targeted businesses are required to create at least 15 full-time jobs and the project must either be a new to Florida business; expanding operations in Florida; or leaving Florida unless it receives local and state government assistance. The amount awarded by the State of Florida will equal \$50,000 or 50% of the local government's qualified business assistance amount (not derived from State or Federal funds), whichever is less, and be provided following the commitment and payment of that assistance.

*Statutory Reference: Section 288.0659, Florida Statutes*

### ECONOMIC DEVELOPMENT TRANSPORTATION FUND (ROAD FUND)

The Economic Development Transportation Fund (EDTF or Road Fund) may be used to alleviate transportation impediments that adversely impact a company's location or expansion decision. Eligible transportation projects may include improvements such as access roads, turn lanes, and signalization. The funds may be used for design and engineering costs and construction costs of the transportation project. The award amount depends on the improvements needed and the number of jobs created. The maximum grant amount is the eligible transportation improvement project cost, up to \$3 million.

*Statutory Reference: Section 288.063, Florida Statutes*

## APPENDIX C

### TAX CREDITS & REFUNDS

#### CAPITAL INVESTMENT TAX CREDIT

The Capital Investment Tax Credit is used to attract and grow capital-intensive industries in Florida. It is an annual credit against Florida state corporate income tax liability for a period of 20 years from the commencement of operations. The amount of the annual credit is equal to 5 percent of the eligible capital costs generated by a qualifying project. Eligible capital costs include all expenses incurred in the acquisition, construction, installation and equipping of a project from the beginning of construction to the commencement of operations. The ultimate value of credit will depend on the project's Florida corporate income tax liability for the 20 years following commencement of operations. Florida's Corporate Income Tax Rate is 5.5% of apportioned taxable income.

*Statutory Reference: Section 220.191, Florida Statutes*

#### QUALIFIED TARGET INDUSTRY (QTI) TAX REFUND

The Qualified Target Industry (QTI) Tax Refund is a tax refund program available to new to Florida companies and existing Florida companies looking to expand by 10 percent. The program is used to encourage quality job growth in targeted, high value-added industries. Pre-approved applicants creating jobs in Florida receive refunds on the taxes they pay including corporate income, sales, ad valorem, insurance and certain other taxes. Refund amounts are dependent upon location, wages paid, and industry of projected jobs.

The program is performance-based and requires the local community to pay 20% of the award for this program.

*Statutory Reference: Section 288.106, Florida Statutes*

#### QUALIFIED DEFENSE AND SPACE CONTRACTOR

The Qualified Defense and Space Contractor Tax Refund is a tool to preserve and grow Florida's high technology, defense related employment base – giving Florida a competitive edge as defense, homeland security, or space business contractors consolidate defense contracts, acquire new contracts, or convert to commercial production. Companies are eligible for awards up to \$8,000 per job depending on location and wages paid. For defense consolidation projects companies must expand by at least 25 percent or create at least 80 new jobs. This program is performance-based and requires the local community to pay 20% of the award for this program.

*Statutory Reference: Section 288.1045, Florida Statutes*

## APPENDIX C

### BROWNFIELD REDEVELOPMENT BONUS

The Brownfield Redevelopment Bonus is available to encourage redevelopment and job creation within designated brownfield areas. Florida brownfield areas are designated by units of local governments and encompass one or more abandoned, idled, or underused industrial and commercial properties where expansion or redevelopment is complicated by real or perceived environmental contamination.

Pre-approved applicants receive tax refunds of up to 20 percent of the average annual wage of the new jobs created, up to \$2,500 per new job in a designated brownfield area. Refunds are based upon taxes paid by the applicant, including corporate income, sales, ad valorem, intangible personal property, insurance premium, and certain other taxes. The Brownfield Development Bonus may be awarded in addition to the Qualified Target Industry (QTI) Tax Refund.

To qualify, an applicant must locate within a brownfield area and be eligible for the Qualified Target Industry (QTI) program; or demonstrate a fixed capital investment of at least \$500,000 in mixed-use business activities in a brownfield area (\$2 million if the site requires clean-up), including multiunit housing, commercial, retail, and industrial; create at least 10 new Florida full-time jobs with benefits, excluding construction and site cleanup jobs; and provide a resolution from the city or county commission recommending the applicant for the incentive and, at the option of the city or county, committing the community to provide a local match equaling 20 percent of the tax refund.

*Statutory Reference: Section 288.107, Florida Statutes*

### JOBs FOR THE UNEMPLOYED TAX CREDIT

The 2010 Florida Legislature created a new state corporate income tax credit incentive designed to encourage the hiring of unemployed Florida residents, known as "qualified employees." A qualified employee is a person who was unemployed at least 30 days immediately prior to being hired by the company (hire date after July 1, 2010) and who is a full time employee (working a minimum of an average 36 hours per week) for at least 12 months before the tax credit can be applied for. Additionally, the qualified employee cannot have worked for the applicant, its subsidiaries, or a parent or affiliated company.

The value of the tax credit is \$1,000 per "qualified employee" hired and retained. Tax credits are available on a first come, first served basis. In order to participate, the company must apply to the Department of Economic Opportunity after the qualified employees have been in place for at least 12 months.

*Statutory Reference: Section 220.1896, Florida Statutes*

## APPENDIX C

### RESEARCH AND DEVELOPMENT TAX CREDIT

A tax credit for qualified research and development expenses, allowed under U.S. Code Title 26 §41. The Florida credit is equal to 10 percent of the excess qualified research expenses over the company's base amount. The base amount is equal to the qualified research expenses for the four prior taxable years. The credits may not exceed 50 percent of the business's Florida Corporate Income Tax liability.

A \$9 million program cap exists, therefore the credits will be granted based on the order in which completed applications are received. Applications may be filed with the Florida Department of Revenue on or after March 20 for qualified research expenses incurred within the preceding calendar year.

*Statutory Reference: Section. 220.196, Florida Statutes*

### MANUFACTURING AND SPACEPORT INVESTMENT INCENTIVE PROGRAM (MSII)

The Manufacturing and Spaceport Investment Incentive Program encourages capital investment and job creation in manufacturing and spaceport activities in Florida. Applications will be accepted by eligible businesses from July 1, 2010 to June 30, 2012. A tax refund up to \$50,000 will be given on the State Sales and Use Tax paid for eligible equipment purchases. Purchase cost must exceed a business' total expenditures on eligible equipment purchased and placed into service in this state during the 2008 tax year.

*Statutory Reference: Section. 288.1083, Florida Statutes*

### TAX EXEMPTIONS

#### MANUFACTURING MACHINERY AND EQUIPMENT SALES TAX EXEMPTION

The Manufacturing Machinery and Equipment Sales Tax Exemption is a 100 percent exemption of the sales and use tax on manufacturing machinery and equipment. In order to qualify for the new business exemption, the machinery and equipment must have been purchased, or a purchase agreement made, prior to the date the business first begins to produce a product for inventory or immediate sale. If a purchase agreement was made prior to the beginning of production, such machinery and equipment must be received within twelve months of the date that production began.

Industrial machinery and equipment is exempt from tax when purchased by an expanding business for the purpose of increasing "productive output" by not less than ten percent.

*Statutory Reference: Section 212.08, Florida Statutes*

#### POLLUTION CONTROL EQUIPMENT EXEMPTION

The sales tax levied on pollution control equipment shall be exempted for any facility, device, fixture, equipment, machinery, specialty chemical, or bioaugmentation product used primarily for the control or abatement of pollution or contaminants in manufacturing, processing, compounding, or producing for sale items of tangible personal property at a fixed location, or any structure, machinery, or equipment installed in the reconstruction or replacement of such facility, device, fixture, equipment, or machinery.

*Statutory Reference: Section 212.051, Florida Statutes*

## APPENDIX C

### ELECTRICITY TAX EXEMPTION

The Electricity Tax Exemption is applied to 100 percent of the electricity purchased if 75 percent or more is used to operate machinery and equipment at a fixed location to manufacture, process, compound, produce, or prepare for shipment items of tangible personal property for sale, or to operate pollution control equipment, recycling equipment, maintenance equipment, or monitoring or control equipment used in such operations. The exemption is applied to 50 percent of the electricity or steam purchased if 50 to 75 percent is used in manufacturing. No separate metering is required.

*Statutory Reference: Section 212.08, Florida Statutes*

### BOILER FUELS TAX EXEMPTION

When purchased for use as a combustible fuel, purchases of natural gas, residual oil, recycled oil, waste oil, solid waste material, coal, sulfur, wood, wood residues or wood bark used in an industrial manufacturing, processing, compounding, or production process at a fixed location in this state are exempt from the taxes imposed by this chapter; however, such exemption shall not be allowed unless the purchaser signs a certificate stating that the fuel to be exempted is for the exclusive use designated herein. This exemption does not apply to use of boiler fuels that are not used in manufacturing, processing, compounding, or producing items of tangible personal property for sale, or to the use of boiler fuels used by any firm subject to regulation by the Division of Hotels and Restaurants or the Department of Business and Professional Regulation. Propane is not a tax exempt boiler fuel..

*Statutory Reference: Section 212.08, Florida Statutes*

### REPAIR AND LABOR CHARGES TAX EXEMPTION

The Repair and Labor Charges Tax Exemption fully exempts sales tax on labor charges for the repair of, and parts and materials used in the repair of and incorporated into, industrial machinery and equipment which is used for the manufacture, processing, compounding, production, or preparation for shipping of items of tangible personal property at a fixed location within Florida.

*Statutory Reference: Section 212.08, Florida Statutes*

### MACHINERY AND EQUIPMENT USED FOR RESEARCH AND DEVELOPMENT

Machinery and equipment, including but not limited to molds, dies, machine tooling, other appurtenances or accessories to machinery and equipment, testing and measuring equipment, test beds, computers and software, whether purchased or self-fabricated, includes materials and labor for design, fabrication and assembly, used predominantly for research and development and used to meet a qualifying research and development goal are exempt from sales and use tax.

*Statutory Reference: Section 212.08, Florida Statutes*

## APPENDIX C

### **SEMICONDUCTOR, DEFENSE, OR SPACE TECHNOLOGY SALES TAX EXEMPTION**

Semiconductor, Defense, or Space Technology Sales Tax Exemption applies to the purchase of machinery and equipment used in semiconductor technology facilities to manufacture, process, compound, or produce semiconductor technology products for sale or for use by these facilities (100% sales tax exemption). Eligible machinery and equipment includes molds, dies, machine tooling, other appurtenances or accessories to machinery and equipment, testing equipment, test beds, computers, and software, whether purchased or self-fabricated, and, if self-fabricated, includes materials and labor for design, fabrication, and assembly. Machinery and equipment are exempt from sales and use tax if used predominately in semiconductor wafer research and development activities in a semiconductor technology research and development facility, under a separate R&D sales tax exemption.

Defense or Space Technology Sales Tax Exemption applies to industrial machinery and equipment used in defense or space technology facilities to manufacture, process, compound, or produce defense technology products or space technology products for sale or for use by these facilities are exempt from 100 percent of the sales and use tax. Machinery and equipment used predominately in defense or space research and development activities in a defense or space technology research and development facility are also exempt from the sales and use tax, under a separate R&D sales tax exemption.

*Statutory Reference: Section 212.08, Florida Statutes*

### **AIRCRAFT REPAIR AND MAINTENANCE LABOR SALES TAX EXEMPTION**

All labor charges for the repair and maintenance of qualified aircraft are exempt from sales and use tax. Qualified aircraft is that of more than 15,000 pounds maximum certified takeoff weight and rotary wing aircraft of more than 10,000 pounds maximum certified takeoff weight.

*Statutory Reference: Section 212.08, Florida Statutes*

### **EQUIPMENT USED IN AIRCRAFT REPAIR OR MAINTENANCE SALES TAX EXEMPTION**

Replacement engines, parts, and equipment are exempt from sales and use tax when used in the repair or maintenance of aircraft of more than 15,000 pounds maximum certified takeoff weight and rotary wing aircraft of more than 10,300 pounds maximum certified takeoff weight, when such parts or equipment are installed on such aircraft that is being repaired or maintained in this state.

*Statutory Reference: Section 212.08, Florida Statutes*

### **FIXED WING AIRCRAFT SALES OR LEASES**

Fixed Wing Aircraft Sales or Leases having a maximum certified takeoff weight of more than 15,000 pounds; and, used by a "common carrier," as defined in Federal Aviation Administration regulations (Title 14, chapter I, part 128 or 129, Code of Federal Regulations).

*Statutory Reference: Section 212.08, Florida Statutes*

## APPENDIX C

### RENEWABLE ENERGY PRODUCTION TAX CREDIT

The Renewable Energy Production Tax Credit is available to encourage the development and expansion of facilities that produce renewable energy in Florida. An annual credit will be awarded, based on the taxpayer's production and sale of electricity from a new or expanded Florida renewable energy facility.

The credit is equal to \$0.01 for each kilowatt-hour of electricity produced and sold by the taxpayer to an unrelated party during a given tax year.

It is capped at \$5 million per state fiscal year per applicant.

It is applicable to solar thermal electric, photovoltaics, wind, biomass, hydroelectric, geothermal electric, CHP/cogeneration, hydrogen, tidal energy, wave energy, and ocean thermal.

*Statutory Reference: Section 220.193, Florida Statutes*

### WORKFORCE INCENTIVES

#### QUICK RESPONSE TRAINING (QRT)

Quick Response Training (QRT) is an employer-driven training program designed to assist new value-added businesses and provide existing Florida businesses the necessary training for expansion. This program is customized, flexible, and responsive to individual company needs. The company may use in-house training, outside vendor training programs or the local educational entity to provide training. Reimbursable training expenses include: instructors' wages, curriculum development, and textbooks.

*Statutory Reference: Section 288.047, Florida Statutes*

#### INCUMBENT WORKER TRAINING (IWT)

Incumbent Worker Training (IWT) provides training to currently employed workers to keep Florida's workforce competitive in a global economy and to retain existing businesses. The program is available to all Florida businesses that have been in operation for at least one year prior to application and require skills upgrade training for existing employees. Priority is given to businesses in targeted industries, Enterprise Zones, HUB Zones, Inner City Distressed areas, Rural Counties and areas, and Brownfield areas.

\*IWT is a federally funded program.

*Statutory Reference: Section 445.003, Florida Statutes*

#### EXPEDITED PERMITTING

Florida fully understands the importance of timely and responsive action and assistance on all regulatory issues, and is committed to meeting the needs and timeframe of companies. Expedited Permitting law, among other benefits, ensures final agency action on permit applications within 90 days from the receipt of complete application(s).

*Statutory Reference: Section 403.973, Florida Statutes*

## APPENDIX C

### ENTERPRISE ZONE, URBAN, AND RURAL OPPORTUNITIES

#### URBAN JOB TAX CREDIT

The Urban Job Tax Credit Program encourages the creation of jobs in urban areas of Florida. The program provides tax credits to eligible businesses that hire a specific number of employees and are located within the 13 Urban Areas designated by the Department of Economic Opportunity. The credit ranges from \$500 to \$2,000 per qualified job and can be taken against either the Florida Corporate Income Tax or the Florida Sales and Use Tax. A total of \$5 million of tax credits may be approved under the Urban Job Tax Credit Program each calendar year. One million dollars of tax credits will be exclusively reserved for businesses located within Tier One designated areas.

*Statutory Reference: Section 212.097, Florida Statutes (sales and use tax) and*

*Statutory Reference: Section 212.1895, Florida Statutes (corporate income tax)*

#### ENTERPRISE ZONE JOBS TAX CREDIT

Enterprise Zone Jobs Tax Credit allows a credit against Corporate Income taxes or Sales and Use taxes collected and remitted to the State by businesses located in an Enterprise Zone and who create new full-time jobs. The amount of the credit is based the amount of wages and the number of employees who are residents of the Enterprise Zone.

If 20 percent or less of the business' employees are residents of the Enterprise Zone, the business is eligible to receive a credit of 20 percent of wages paid to new eligible employees. If 20 percent or more of the permanent, full-time employees are residents of the Enterprise Zone, then the business is eligible to receive a credit of 30 percent of wages. The credit is limited to 24 months if the employee remains employed for 24 months.

*Statutory Reference: Section 220.181, Florida Statutes (corporate income tax) and*

*Statutory Reference: Section 212.096, Florida Statutes (sale tax)*

#### RURAL ENTERPRISE ZONE JOBS TAX CREDIT

The Rural Enterprise Zone Jobs Tax Credit allows a credit against taxes for businesses located in a rural Florida Enterprise Zone, who remit corporate income tax or collect and pay Florida Sales and Use Tax. The credit is based on wages paid to new employees in a new full-time job who have been employed by the business for at least 3 months and are residents of a rural county.

Businesses located within a rural Enterprise Zone will receive a credit of 30 percent of wages paid to new eligible employees who are residents of a rural county. If 20 percent or more of the permanent, full-time employees are residents of a Florida rural enterprise zone, the credit is 45 percent.

*Statutory Reference: Section 212.096, Florida Statutes (sale tax) and*

*Statutory Reference: Section 220.181, Florida Statutes (corporate income tax)*

## APPENDIX C

### ENTERPRISE ZONE PROPERTY TAX CREDIT

Enterprise Zone Property Tax Credit is a tax credit on corporate income tax equal to 96 percent of ad valorem taxes paid on the new or improved property. Any unused portion of the credit may be carried forward for five years. The credit can be claimed for five years, up to a maximum of \$50,000 annually, if 20 percent or more employees are enterprise zone residents. Otherwise the credit is limited to \$25,000 annually. Firms must earn more than \$5,000 to take advantage of the credit. The Federal tax burden may increase, since state tax liability is reduced. The amount of the credit must also be added back to Florida taxable income.

*Statutory Reference: Section 220.182, Florida Statutes*

### BUSINESS MACHINERY AND EQUIPMENT SALES TAX EXEMPTION

The Sales Tax Refund for Business Machinery and Equipment Used in an Enterprise Zone is available for sales taxes paid on the purchase of certain business property, (e.g., tangible personal property such as office equipment, warehouse equipment and some industrial machinery and equipment), which is used exclusively in an enterprise zone for at least three years. Business equipment must have a sales price of at least \$5,000 per unit.

The maximum refund per application will be no more than \$5,000 or 97 percent of the tax paid. If 20 percent or more of the permanent, full-time employees of the business are residents of a Florida enterprise zone, the refund will be no more than the lesser of \$10,000 or 97 percent of the tax paid. Multiple applications may be submitted.

*Statutory Reference: Section 212.0805b, Florida Statutes*

### BUILDING MATERIALS TAX EXEMPTION

The Sales Tax Refund for Building Materials Used in an Enterprise Zone is available for sales taxes paid on the purchase of building materials used to rehabilitate real property located in an enterprise zone.

The total amount of the sales tax refund must be at least \$500, but may be up to \$5,000 of the tax paid per parcel of property. If 20 percent or more of the permanent, full-time employees of the business are residents of a Florida enterprise zone the refund will be no more than \$10,000 per parcel.

*Statutory Reference: Section 212.0805g, Florida Statutes*

### ELECTRICITY TAX EXEMPTION

The Enterprise Zone Sales Tax Exemption for Electrical Energy is a 50% sales tax exemption available to qualified businesses located in an enterprise zone on the purchase of electrical energy. If 20 percent or more of the permanent, full-time employees are residents of a Florida enterprise zone, the exemption is 100 percent of sales tax. This exemption is only available if the municipality in which the business is located has passed an ordinance to exempt enterprise zone businesses from 50 percent of the municipal utility tax.

*Statutory Reference: Section 212.0815, Florida Statutes*

## APPENDIX C

### RURAL JOB TAX CREDIT

The Rural Jobs Tax Credit is an incentive for eligible businesses located in one of Florida's 33 rural counties to create new jobs. These tax credits are provided to encourage meaningful employment opportunities that will improve the quality of life of those employed and to encourage economic expansion of new and existing businesses in rural areas of Florida.

The tax credit provides for \$1,000 per qualified job and can only be taken against either the Florida Corporate Income Tax or the Florida Sales and Use Tax (remitted). Five million dollars of tax credits may be approved in a calendar year.

*Statutory Reference: Section 212.098, Florida Statutes (sales tax) and*

*Statutory Reference: Section 220.1895, Florida Statutes (corporate income tax)*

### RURAL INFRASTRUCTURE FUND

The Rural Infrastructure Fund is a resource available to rural communities to facilitate infrastructure projects in Florida. Eligible projects must result in job creation, capital investment, and the strengthening and diversification of rural economies by promoting tourism, trade and economic development. The grant award is up to 30 percent of the total infrastructure project cost up to a maximum of \$675,000. The project must be related to specific job-creating opportunities and may be awarded to applicants who have applied for the maximum available under other state or federal infrastructure funding programs.

*Statutory Reference: Section 288.065, Florida Statutes*

## FILM AND ENTERTAINMENT PRODUCTION INCENTIVES

### ENTERTAINMENT INDUSTRY FINANCIAL INCENTIVE PROGRAM

The Entertainment Industry Financial Incentive Program is a transferable tax credit that can be taken against corporate income or sales and use tax collected and remitted in Florida. The program is used to encourage the use of Florida as a site for filming, for the digital production of films, and to develop and sustain the workforce and infrastructure for film, digital media, and entertainment production. The tax credits are calculated as a percentage of each pre-certified project's qualified Florida expenditures. The tax credit is awarded to the pre-certified production projects once they have completed their projects and after the Office of Film and Entertainment reviews their CPA audited receipts and final reports.

*Statutory Reference: Section 288.1254, Florida Statutes*

### ENTERTAINMENT INDUSTRY SALES TAX EXEMPTION PROGRAM

Any production company engaged in this state in the production of motion pictures, made-for-TV motion pictures, television series, commercial advertising, music videos, or sound recordings may submit an application to the Department of Revenue to be approved by the Office of Film and Entertainment as a qualified production company for the purpose of receiving a sales and use tax certificate of exemption from the Department of Revenue.

*Statutory Reference: Section 288.1258, Florida Statutes*

## APPENDIX D

<b>Historical Appropriations Funding</b>			
<b>Executive Direction and Support Services (OTTED)</b>	<b>2009-2010</b>	<b>2010-2011</b>	<b>2011-2012</b>
Total Executive Direction and Support Services Funds	\$3,177,515	\$3,345,966	\$3,250,886
<b>Partnerships</b>	<b>2009-2010</b>	<b>2010-2011</b>	<b>2011-2012</b>
Enterprise Florida (GR + TF)	\$11,400,000	\$11,100,000	\$11,100,000
Institute for Commercialization of Research ((GR)	\$0	\$3,000,000	\$10,000,000
Tourism Commission/VISIT FLORIDA (GR + TF)	\$25,000,000	\$26,647,961	\$34,899,209
Black Business Investment Board (GR)	\$350,000	\$450,000	\$200,000
Florida Sports Foundation (GR + TF)	\$2,700,000	\$2,700,000	\$2,700,000
Space Florida (GR)	\$3,839,943	\$20,039,943	\$10,039,943
Film and Entertainment Incentives (GR)	\$10,800,000	\$0	\$0
<b>Programs</b>	<b>2009-2010</b>	<b>2010-2011</b>	<b>2011-2012</b>
Quick Action Closing Fund (GR)	\$13,460,830	\$16,000,000	\$42,000,000
Brownfield Redevelopment Bonus Refunds (GR +TF)	\$1,685,400	\$2,480,000	\$1,250,000
Rural Community Development (GR + TF)	\$1,300,000	\$1,300,000	\$1,170,000
Military Base Protection (GR)	\$1,000,000	\$1,000,000	\$1,000,000
Innovation Incentive (GR)	\$0	\$75,000,000	\$15,000,000
Local Government Distressed Area Matching Grant(GR)	\$0	\$2,940,000	\$3,000,000
Economic Development Tool Kit (QTR, QDSC, HIPI) (GR+TF)	\$27,637,500	\$16,567,473	\$21,750,000
Quick Response Training Program (GR+TF)	\$3,300,000	\$3,300,000	\$6,000,000
Incumbent Worker Training Program (TF)	\$4,800,000	\$4,000,000	\$2,000,000
<b>Infrastructure</b>	<b>2009-2010</b>	<b>2010-2011</b>	<b>2011-2012</b>
Space, Defense and Rural Infrastructure - FCO (GR)	\$1,650,410	\$9,700,000	\$3,162,489
Economic Development Transportation Projects - FCO (TF)	\$20,000,000	\$26,964,554	\$14,083,000

## APPENDIX E

### USE OF CURRENT YEAR INCENTIVE/ECONOMIC DEVELOPMENT PARTNERSHIP FUNDING

Use of funding for FY2011-12 (as shown Appendix D) will be used in accordance with approved performance measures as indicated in the below chart:

Approved Performance Measures	FY 2011-12 Standard (Numbers)
Number of jobs created or retained by regional and statewide Black Business Investment Corporations (BBICs).	1,100
Matching dollars leveraged by the BBICs.	450,000
Number of Memoranda of Understanding between the Florida Black Business Investment Board and government and private economic development entities relating to the development of black business enterprises.	3
Number of capital or business development forums or workshops sponsored by the Florida Black Business Investment Board.	3
Number of liaison and policy development activities conducted by the Florida Office of Film and Entertainment (OFE).	185
Number of productions worked by OFE.	1,102
Number of productions worked by OFE resulting in business in Florida.	289
Number of financial deals facilitated by Space Florida.	3
Number of research projects, partnerships and grants supported.	30
Number of businesses provided technical or financial assistance as related to conducting business in Florida - Revised.	150
Number of students attending Space Florida Educational Programs.	500
Number of Non Disclosure Agreements entered into by Space Florida.	17
Number of Qualified Investment Opportunities.	5
Number of leads generated through business development outreach – New.	200
Percentage increase in the salary average of high-wage jobs facilitated by Enterprise Florida, Inc. (EFI)	127%
Number of direct full-time jobs facilitated as a result of EFI's recruitment, expansion, and retention efforts.	20,000
(I) Rural areas.	1,800
(II) Urban core areas.	1,800
(III) Critical industries.	14,400
Documented export sales attributable to programs and activities.	\$545 million

## APPENDIX E

(Continued)

Approved Performance Measures	FY 2011-12 Standard (Numbers)
Number of qualified marketing leads generated through EFI's comprehensive marketing programs.	1,000
(I) Trade leads (subset).	500
(II) Investment leads (subset).	500
Satisfaction of economic development practitioners and other appropriate entities with efforts of EFI in providing economic development leadership in the full range of services required for state and local economic growth, including critical industries.	80%
Satisfaction of economic development practitioners and other appropriate entities with efforts of EFI in marketing the state, including rural communities and distressed urban communities, as a pro-business location for potential new investment.	80%
Number of companies assisted by EFI in the area of international trade.	5,000
Number of times EFI information services are accessed (unique visitors).	335,000
Economic contributions from Florida Sports Foundation - sponsored regional and major sporting event grants.	\$103.9 million
Economic contributions to communities as a result of hosting Florida's Senior State Games and Sunshine State Games Championships.	\$4.4 million
Number of out-of-state visitors attending events funded through grant programs.	192,814
Satisfaction of the area sports commissions with the efforts of the foundation to promote and develop the sports industry and related industries in the state.	80%
Number/amount of major and regional sports event grants awarded.	40 / \$800,000
Percentage increase/number of athletes competing in Florida's Senior Games and Sunshine State Games.	5% / 14,345
Sustained growth in the number of travelers who come to and go through Florida - (1) Out-of-State.	81.3 million
Sustained growth in the number of travelers who come to and go through Florida - (ii) Residents.	16 million
Sustained growth in the beneficial impacts that travelers in Florida have on the state's overall economy - (I) Rental Car surcharge.	\$115.6 million
Sustained growth in the beneficial impacts that travelers in Florida have on the state's overall economy - (II) Tourism-related employment.	974,650
Sustained growth in the beneficial impacts that travelers in Florida have on the state's overall economy - (III) Taxable sales.	\$60.5 billion
Sustained growth in the beneficial impacts that travelers in Florida have on the state's overall economy - (IV) Local option tax.	\$438.3 million
Growth in private sector contributions to VISIT FLORIDA.	\$35.8 million

## APPENDIX E

(Continued)

Approved Performance Measures	FY 2011-12 Standard (Numbers)
Satisfaction of VISIT FLORIDA's partners and representative members of the tourism industry with the efforts of VISIT FLORIDA to promote Florida.	80%
Percentage increase of persons surveyed who vacationed in Florida during the last 12 months and who reported having participated in nature-based or heritage activities.	67% nature 45% heritage
Number of persons who inquired about nature-based or heritage activities while visiting the consumer web-site.	1,931,979
Quality and effectiveness of paid advertising messages reaching the target audience (subset I impressions).	1,310 million
Number of leads and visitor inquiries generated by VISIT FLORIDA events and media placements.	6,931,025
Quality and effectiveness of paid advertising messages reaching the target audience (subset II leads).	75,000
Value and number of consumer promotions facilitated by VISIT FLORIDA.	\$16.6 million / 77
Number of private sector partners.	3,300
Private sector partner financial contributions through direct financial investment.	\$2.1 million
Private sector partner financial contributions through strategic alliance programs.	969,600

Through operational efficiencies gained from the creation of the Department of Economic Opportunity and the merging of economic development partnerships, it is anticipated that the following targets could be used to measure some of these efficiencies.

Performance	Measurement
Workforce Development	Increase in number of economic development projects using workforce incentives
Minority Business Development	Increase in number of business development activities attended by minority business advocate.
Sports Industry Development	Increase in number of sports-industry related business contacts made.
Space Industry Development	Increase in number of projects worked cooperatively by Enterprise Florida and Space Florida.
Intergovernmental Collaboration	Number of projects assisted by cross-agency teams. Number of collaborative planning sessions attended by cross-agency and private entity team.





**Department of Economic Opportunity**

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# WORKFORCE FLORIDA INC.

## Florida's Workforce System Partners

Chris Hart IV, President/CEO  
Workforce Florida Inc.

FLORIDA SENATE

*Budget Subcommittee on Transportation,  
Tourism and Economic Development Appropriations*

September 21, 2011 • 3:45 p.m. ET



FLORIDA GOVERNOR

WORKFORCE  
FLORIDA INC.

AGENCY FOR WORKFORCE  
INNOVATION/  
DEPARTMENT OF ECONOMIC OPPORTUNITY

*local* service  
delivery

FLORIDA'S 24 REGIONAL WORKFORCE BOARDS

MORE THAN 100 ONE-STOP CENTERS

- Public Law 105-220
- USDOL Employment and Training Administration Final Rule 20 CFR Part 652 et al.
- Office of Management and Budget Circulars A-110, A-122 & A-133

*state*  
laws, rules &  
policies

FL Statutes  
Ch. 445

### **Action Taken by Workforce Florida, Inc.**

- Statewide policy prohibiting the expenditure of public funds for food, beverage, and dining activity adopted 12/16/09.
- Contracting review policy adopted 5/13/10 that established a review process for Regional Workforce Boards (RWBs) for contracts over \$25,000 with board members, relatives of board members, and board employees.
- Contracting prohibition policy adopted 8/18/11 that prohibits workforce board contracting with board members, with certain exceptions permitted at the board's discretion.

### **Action Taken by the Florida Legislature**

- FY 2010-11 and FY 2011-12 GAA proviso language prohibits RWBs, Workforce Florida, and the Agency for Workforce Innovation (AWI) from purchasing meals, food, or beverages for board members, staff, or employees of the RWBs.
- FY 2010-11 and FY 2011-12 GAA proviso language requires approval from AWI and Workforce Florida for contracts exceeding \$25,000 between a RWB and a member of that board that has any relationship with the contracting vendor.
- FY 2011-12 GAA proviso language requires that any expenditures by RWBs for outreach, advertising, or public relations must have a direct program benefit and the cost of promotional items which exceeds \$5,000 must be preapproved by AWI.