

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

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

**MEETING DATE:** Monday, March 4, 2013

**TIME:** 3:30 —5:30 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 446</b> Hukill	Economic Development Incentive Application Process; Requiring an applicant to provide a surety bond to the Department of Economic Opportunity before the applicant receives incentive awards through the Quick Action Closing Fund or the Innovation Incentive Program; requiring the contract or agreement to provide that the bond remain in effect until all conditions have been satisfied; providing that the department may require the bond to cover the entire contracted amount or allow for bonds to be renewed upon completion of certain performance measures, etc.  CM 03/04/2013 Fav/CS ATD AP	Fav/CS Yeas 10 Nays 1
2	<b>SB 572</b> Sobel (Compare CS/H 563, H 641, S 406)	Reporting Requirements for Economic Development Programs; Requiring the Department of Economic Opportunity to publish on a website specified information concerning state investment in economic development programs; requiring the department to publish at specified dates twice per year a timeline demonstrating the progress of Quick Action Closing Fund projects; limiting applicability of an exemption from public records requirements to allow an economic development agency to disclose certain information pertaining to taxes paid by businesses participating in economic incentive programs, etc.  CM 03/04/2013 Fav/CS ATD AP	Fav/CS Yeas 11 Nays 0
3	<b>CS/SB 140</b> Transportation / Braynon (Similar H 647)	Rental Car Sales and Use Tax Surcharges; Defining the term "car-sharing service;" exempting the provision of vehicles by such services from the rental car surcharge, etc.  TR 02/06/2013 Fav/CS CM 03/04/2013 Favorable AFT AP	Favorable Yeas 11 Nays 0

**COMMITTEE MEETING EXPANDED AGENDA**

Commerce and Tourism

Monday, March 4, 2013, 3:30 —5:30 p.m.

TAB	BILL NO. and INTRODUCER	BILL DESCRIPTION and SENATE COMMITTEE ACTIONS	COMMITTEE ACTION
4	<b>SB 558</b> Detert (Identical H 145)	Letters of Credit Issued by a Federal Home Loan Bank; Revising circumstances under which letters of credit issued by a Federal Home Loan Bank are eligible as collateral, etc.  BI 02/21/2013 Favorable CM 03/04/2013 Favorable JU	Favorable Yeas 11 Nays 0

TAB	OFFICE and APPOINTMENT (HOME CITY)	FOR TERM ENDING	COMMITTEE ACTION
<b>Senate Confirmation Hearing:</b> A public hearing will be held for consideration of the below-named executive appointment to the office indicated.			
<b>Board of Directors, Enterprise Florida, Inc.</b>			
5	Dempsey, Hayden R. (Tallahassee)	09/30/2015	Recommend Confirm Yeas 11 Nays 0
	Rodriguez, Henry (Nokomis)	09/30/2014	Recommend Confirm Yeas 11 Nays 0
	Kise, Christopher M. (Tallahassee)	09/30/2015	Recommend Confirm Yeas 11 Nays 0
	Keiser, Belinda (Parkland)	09/30/2015	Recommend Confirm Yeas 11 Nays 0

TAB	BILL NO. and INTRODUCER	BILL DESCRIPTION and SENATE COMMITTEE ACTIONS	COMMITTEE ACTION
6	<b>Workshop</b> - Discussion and testimony only on the following (no vote to be taken): Enterprise Zones with a presentation by the Office of Program and Policy Analysis and Governmental Accountability		
7	<b>Workshop</b> - Discussion and testimony only on the following (no vote to be taken): Economic development incentives related to the entertainment industry.		

Other Related Meeting Documents

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)

**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.)

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

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BILL: CS/SB 446

INTRODUCER: Commerce and Tourism Committee and Senator Hukill

SUBJECT: Economic Development Incentive Application Process

DATE: March 5, 2013

REVISED: \_\_\_\_\_

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

**Please see Section VIII. for Additional Information:**

- |                              |  |   |
|------------------------------|--|---|
| A. COMMITTEE SUBSTITUTE..... | <input checked="checked" type="checkbox"/> | Statement of Substantial Changes        |
| B. AMENDMENTS.....           | <input type="checkbox"/>                   | Technical amendments were recommended   |
|                              | <input type="checkbox"/>                   | Amendments were recommended             |
|                              | <input type="checkbox"/>                   | Significant amendments were recommended |

**I. Summary:**

CS/SB 446 adds the requirement that as a condition to receiving incentives under the Quick Action Closing Fund and the Innovation Incentive Program, an applicant must obtain a surety bond, issued by an eligible or authorized insurer, for the entire amount of the award. The Department of Economic Opportunity (DEO) may grant a waiver of the surety bond requirement by certifying, in writing, to the Governor, President of the Senate, and Speaker of the House of Representatives, an explanation stating its reasons for granting a waiver. If the surety bond requirement is waived, the applicant will then be required to secure the award through an irrevocable letter of credit, cash or securities held in trust by a financial institution and subject to a control agreement, or a secured transaction in collateral under the control or possession of the applicant. A waiver of the surety bond or alternate security may be granted if DEO certifies to the Governor and the Legislative Budget Commission that the applicant has the financial ability to fulfill the requirements of the contract, demonstrates timely compliance with any clawback provisions, if the applicant previously received any incentives, and that the waiver is in the best interest of the state. The Legislative Budget Commission must approve the waiver of the surety bond or other security for any project in excess of \$5 million dollars.

This bill substantially amends s. 288.061, F.S.

## II. Present Situation:

### Quick Action Closing Fund

The Quick Action Closing Fund (QACF) is a discretionary “deal closing” tool to be used by the Department of Economic Opportunity (DEO or department) in highly competitive negotiations where Florida’s traditional incentives are not enough to win the deal.<sup>1</sup> Created by the Legislature in 1999, the QACF is intended to give Florida an opportunity to compete effectively for high-impact business facilities, critical private infrastructure in rural areas, and key businesses in economically distressed urban or rural communities, as well as the retention or creation of high-tech jobs that are directly associated with a more diverse aerospace economy in Florida.<sup>2</sup>

The department and Enterprise Florida, Inc. (EFI), have responsibilities to evaluate projects to determine eligibility for QACF funds.<sup>3</sup> Within 7 days of completion of its evaluation, the department must recommend, to the Governor, approval or disapproval of funds from the QACF for the project. The department must also provide any proposed performance conditions if it recommends approval of the project. Upon approval of the Governor, the department and the applicant shall enter into an agreement that sets forth the conditions for payment of the incentive funds.<sup>4</sup> The agreement must include, among other things, the total amount of funds awarded, performance conditions that must be met in order to obtain the award, demonstration of a baseline of current service and a measure of enhanced capability, the methodology for validating performance, and sanctions for failure to meet performance conditions. Funds awarded under this incentive are generally paid out after the business has made a substantial investment toward tangible personal property tied to the project.<sup>5</sup>

EFI is directed to validate the contractor’s performance and make a report to the Governor and Legislature within 6 months after the completion of the contract.

### Innovation Incentive Program

The Innovation Incentive Program (IIP) was created by the Legislature in 2006.<sup>6</sup> The purpose of the program is to provide financial resources so that the state can “respond expeditiously to extraordinary economic opportunities and to compete effectively for high-value research and development, innovation business, and alternative and renewal energy projects.”<sup>7</sup>

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<sup>1</sup> Enterprise Florida, Inc. (EFI), *2012 Annual Incentives Report*, available at [http://www.floridajobs.org/about%20awi/open\\_government/2012\\_IncentivesReport.pdf](http://www.floridajobs.org/about%20awi/open_government/2012_IncentivesReport.pdf) (last visited February 25, 2013).

<sup>2</sup> Section 288.1088, F.S.

<sup>3</sup> Section 288.1088(3), F.S.

<sup>4</sup> The Governor may approve projects requiring less than \$2 million in funding without consulting the Legislature. For projects requiring funding between \$2 million and \$5 million, the Governor must provide a written description and evaluation of the project to the chair and vice chair of the Legislative Budget Commission at least 10 days prior to approving the project. For projects requiring more than \$5 million in funding, the Legislative Budget Commission must approve the project prior to the release of funds. *See s. 288.1088 (3)(c), F.S.*

<sup>5</sup> EFI, *2012 Annual Incentives Report*.

<sup>6</sup> Chapter 2006-55, L.O.F.

<sup>7</sup> Section 288.1089(1), F.S.



To be eligible for consideration and qualify for a review for an IIP award, a prospective applicant must submit a written application to DEO prior to making a decision to locate new operations or expand an existing operation in this state. The application must include, among other things, existing business information, the location of the prospective project, a description of the type of business activity, product or research development to be undertaken, the total investment from all sources, the net new full-time equivalent jobs and the average wage of such jobs, the anticipated commencement date, and a detailed explanation of why the innovation incentive is needed to induce the applicant to expand or locate in Florida and whether an award would cause the applicant to do so.<sup>8</sup> The criteria used by the department to evaluate and recommend a project are detailed in s. 288.1089(5), F.S. In negotiating the amount of the award, the department must consider the amount of the incentive needed to induce the applicant to locate or expand in this state, as well as the statutorily prescribed criteria. The Governor must approve or deny the award based on the evaluation and recommendation received from the department. The Governor must consult with the President of the Senate and the Speaker of the House of Representatives prior to approving an award. The funds may not be released until the award has been reviewed and approved by the Legislative Budget Commission.

Once the approval process has been completed, the department and the award recipient will enter into an agreement that specifies the amount of the award, the performance conditions and measures, and a schedule of payments and sanctions for failure to comply with performance conditions, including clawbacks. New contracts must also include, among other things, provisions related to job creation, reinvestment of royalty revenues, reporting requirements, and a process for amending the agreement.<sup>9</sup>

### **Program Operations**

For contracts executed under the QACF or the IIP, the department includes clawback provisions and sanctions for non-performance.<sup>10</sup> Sanctions for noncompliance generally include a requirement that the company repays all or a portion of the incentive award, plus interest. The contracts may also include the right to impose a lien on the assets of the business.

Since its inception through June 2012, 120 projects have been approved to receive QACF grants.<sup>11</sup> As of the end of the 2010-2011 fiscal year, the state has executed 98 contracts. Of those, 10 businesses have received one or more incentive payments after meeting a portion of their contract requirements but are now ineligible for future payments and for two of the completed QACF contracts, companies were required to repay funds when projects did not meet expectations. For the IIP, there are nine approved projects and there are no projects for which contractors have become ineligible for payments or had to repay expended funds.

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<sup>8</sup> For a comprehensive list of the criteria the department must consider, see s. 288.1089(3), F.S.

<sup>9</sup> Section 288.1089(8), F.S.

<sup>10</sup> Department of Economic Opportunity, *Senate Bill 446 Bill Analysis*, (Jan. 25, 2013) (on file with the Senate Commerce and Tourism Committee).

<sup>11</sup> DEO, *2012 Annual Incentives Report*.

## Surety Bonds and Letters of Credit

A surety bond represents an agreement to ensure performance between three parties: the principal, the obligee, and the surety.<sup>12</sup> The principal is the entity whose debt or default is in the subject of the bond. The obligee is the entity to which the principal owes a duty of performance. With a performance bond, there is a guarantee that the contractor or principal will perform the contract and if the principal defaults or fails to complete the contract, the surety must pay damages up to the limit of the bond or has to complete the contract.<sup>13</sup> A surety bond usually costs about 0.5 percent to 2 percent of the contract amount.<sup>14</sup> In determining whether to issue a surety bond, a surety company will typically review the contractor's capacity to perform the requirements of the project and the company's financial situation, including a review of financial statements, credit score, and credit references.<sup>15</sup>

An irrevocable letter of credit is an instrument that acts as a guarantee for payment in the event of default in the performance of the contract. The cost of a letter of credit is usually 1 percent of the contract amount covered by the letter of credit.<sup>16</sup>

Florida has also required surety bonds in the construction or repair of public buildings or works. Pursuant to s. 255.05, F.S., a performance bond is required to be posted when an entity contracts with the state or a local government for the construction or repair of a public building or work. For state agencies with any contract for more than \$100,000, a performance bond or some other security in the amount of the contract must be posted prior to commencing work.<sup>17</sup> The threshold amount for local governments is \$200,000. The statute also provides that other forms of securitization, such as an irrevocable letter of credit, cash, or a certified check may be tendered in lieu of a surety bond.

### III. Effect of Proposed Changes:

**Section 1** amends s. 288.061, F.S., by requiring that incentive agreements that award funds through the Quick Action Closing Fund or the Innovation Incentive Program must be guaranteed or secured. The applicant may accomplish this by posting either a surety bond or an alternate securitization. The bill provides for a waiver of any securitization under certain circumstances. These provisions apply to any contract entered into on or after July 1, 2013.

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<sup>12</sup> 72 C.J.S. *Principal and Surety* s. 12 (2013).

<sup>13</sup> 7 FLA. JUR. 2D BONDS s. 17 (2013).

<sup>14</sup> Surety Information Office, *Surety Bonds or Bank Letters of Credit*, available at [http://suretyinfo.org/?wpfb\\_dl=69](http://suretyinfo.org/?wpfb_dl=69) (last visited February 25, 2013).

<sup>15</sup> The Associated General Contractors of America and National Association of Surety Bond Producers, *The Basic Bond Book, Second Edition*, available at <http://nasbp-news.org/basicbondbook/pdf/2011-NASBP-Basic-Bond-Book.pdf> (last visited February 25, 2013).

<sup>16</sup> Surety Information Office, *Surety Bonds or Bank Letters of Credit*.

<sup>17</sup> For contracts between \$100,000 and \$200,000, the Secretary of Management Services may delegate to state agencies the authority to exempt an entity from the performance bond requirement. For contracts in excess of \$250 million, if a bond for the contract amount is not available at a reasonable cost, the state or the local government may set the bond at the largest amount reasonably available, but not less than \$250 million.

## **Surety Bond**

As a condition of receiving funds under ss. 288.1088 or 288.1089, F.S., an applicant must obtain a surety bond, issued by an eligible or authorized insurer. Funds may not be paid to the applicant until the department certifies compliance with this requirement. The contract may provide that up to half of the premium payment may be paid from the award but may not exceed 3 percent of the award. The applicant must notify the department at least 10 days before each premium payment is due. Further, the contract or agreement must provide that the bond remain in effect until all performance conditions are satisfied. If an applicant receives a notice of cancellation or nonrenewal of the bond,<sup>18</sup> the department must be immediately notified. The cancellation or nonrenewal of a surety bond will be a violation of the contract or agreement between the applicant and the department. As such, the department will be released from any obligation to make future scheduled payments unless the applicant is able to obtain a new surety bond or secure the award by the option described below within 90 days before the effective date of the cancellation of the bond.

## **Alternate Securitization**

The department may grant a waiver of the surety bond requirement and require an alternate security if the applicant is unable to acquire a surety bond or can demonstrate that obtaining a bond is unreasonable in cost. If the department grants a waiver, it must certify in writing to the Governor, President of the Senate, and Speaker of the House of Representatives the following information:

- An explanation stating the reasons why the applicant is unable to obtain a bond, to the extent such information is not confidential;
- A description of the economic benefits expected to be generated by the incentive award that indicates that the project warrants waiver of the requirements; and
- An evaluation of the quality and the value of the applicant which supports the selection of alternative securitization, including:
  - A financial analysis of the company, including an evaluation of the company's short-term liquidity ratio measured by its assets to liability, the company's profitability ratio, and company's long-term solvency measured by its debt-to-equity ratio;
  - The historical market performance of the company;
  - Any independent evaluations of the company;
  - The latest audit of the company's financial statement and the related auditor's management letter; and
  - Any other types of reports that are related to the internal controls or management of the company.

If the department grants a waiver under this subsection, the incentives contract or the agreement must contain a provision requiring the applicant to secure the award through:

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<sup>18</sup> An issuer of the surety must provide at least 45 days advance written notice if it plans to not renew the surety bond or for any other reason other than nonrenewal or cancellation. If the issuer cancels the surety bond for nonpayment, the issuer must provide 10 days written notice. If the cancellation or termination occurs within the first 90 days, the issuer must provide at least 20 days written notice. *See* s. 626.9201, F.S.

- An irrevocable letter of credit issued by a financial institution<sup>19</sup>;
- Cash or securities held in trust by a financial institution and subject to a control agreement; or
- A secured transaction in collateral under the control of the applicant for the value of the award amount. The department has authority to negotiate the terms and conditions of the security agreement.

Similar to the surety bond requirement, the contract or agreement must provide that the release of any funds is contingent upon the receipt of documentation by the department evidencing compliance with these provisions. Additionally, the selected security arrangement must remain in effect until all performance conditions specified in the contract or agreement have been satisfied. Any breach will result in violation of the contract or agreement and releases the department from its obligation to make any future scheduled payments.

In the event of a default under either securitization provisions, the department may, in addition to any other remedies under the law, sue to enforce its interest.

### **Waiver of Securitization Requirements**

DEO may waive securitization requirements by certifying to the Governor and the Legislative Budget Commission (LBC) that:

- The applicant has the financial ability to fulfill the requirements of the contract and has provided independently audited financial statements for the previous 5 years;
- If the applicant has previously received any economic development incentives, it has timely complied with any applicable clawback provisions; and
- The department has determined that the waiver of the securitization requirements is in the best interest of the state.

DEO must provide a written description and evaluation of the waiver to the chair and vice chair of the LBC, which may be provided at the same time DEO provides information for project consultation, as required under ss. 288.1088 and 288.1089, F.S. If the LBC timely notifies the department that the proposed waiver exceeds delegated authority or is contrary to legislative intent, the department must void the waiver until the Legislature addresses the issue. The LBC must approve the waiver of the securitization requirements for any project exceeding \$5 million.

This section grants rulemaking authority to the department to adopt rules to implement this section.

**Section 2** provides that this act shall take effect July 1, 2013.

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<sup>19</sup> A “financial institution” is defined as a state or federal savings or thrift association, bank, savings bank, trust company, international bank agency, international banking corporation, international branch, international representative office, international administrative office, international trust company representative office, credit union, or an agreement corporation operating pursuant to s. 25 of the Federal Reserve Act, 12 U.S.C. ss. 601 et seq. or Edge Act corporation organized pursuant to s. 25(a) of the Federal Reserve Act, 12 U.S.C. ss. 611 et seq. *See* s. 655.005, F.S.

**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:**

CS/SB 446 may impose costs on prospective applicants due to the requirement to secure or guarantee the award amount. The costs imposed may be in the form of premiums or other professional fees related to creating the secured transaction.

**C. Government Sector Impact:**

CS/SB 446 may impose some indeterminate recurring cost to DEO to setup and maintain a tracking system for the financial instruments. There may also be administrative costs incurred by DEO to comply with the necessary rule-making authorized by the bill.<sup>20</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.)

**CS by Commerce and Tourism on March 4, 2013:**

The committee substitute does the following:

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<sup>20</sup> Department of Economic Opportunity, *Senate Bill 446 Bill Analysis*, (Jan. 25, 2013) (on file with the Senate Commerce and Tourism Committee).

- Conforms language to more closely reflect terminology used by the financial industry.
- Deletes unnecessary and repetitive language.
- Allows DEO to waive the securitization requirements for an applicant for an incentive under the Quick Action Closing Fund or Innovation Incentive Program. To grant a waiver, DEO must certify to the Governor and the Legislative Budget Commission that:
  - The applicant has the financial ability to fulfill the requirements of the contract and has provided independently audited financial statements for the previous 5 years;
  - If previously a recipient of an economic development incentive, the applicant has timely complied with any clawback provisions; and
  - DEO has determined that the waiver is in the best interest of the state.
- For any waiver of the securitization requirement, the department must provide a written description and evaluation to the chair and vice chair of the LBC. If the LBC timely advises DEO that it has exceeded statutory authority or acted contrary to legislative policy or intent, then DEO must void the waiver until the LBC or Legislature addresses the issue. The LBC must approve the waiver of the securitization requirements for any project exceeding \$5 million.
- The securitization provisions apply to any contract entered into on or after July 1, 2013.

B. Amendments:

None.



229808

LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
03/04/2013	.	
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The Committee on Commerce and Tourism (Hukill) recommended the following:

**Senate Amendment (with title amendment)**

Delete lines 65 - 90  
and insert:

(3) (a) In order to receive an incentive under s. 288.1088 or s. 288.1089, an applicant must provide the department with a surety bond, issued by an insurer authorized to do business in this state, for the amount of the award under the incentive contract or agreement. Funds may not be paid to an applicant until the department certifies compliance with this subsection.

1. The contract or agreement must provide that the bond remain in effect until all performance conditions in the



229808

contract or agreement have been satisfied. The department may  
require the bond to cover the entire amount of the contract or  
agreement or allow for a bond to be renewed upon the completion  
of scheduled performance measurements specified in the contract  
or agreement. The contract or agreement must provide that the  
release of any funds is contingent upon receipt by the  
department of the surety bond.

2. The contract or agreement must provide that up to half  
of the premium payment on the surety bond may be paid from the  
award amount, not to exceed 3 percent of the award.

3. The applicant shall notify the department at least 10  
days before each premium payment is due.

4. Any notice of cancellation or nonrenewal issued by an  
insurer must comply with the notice requirements of s. 626.9201.  
If the applicant receives a notice of cancellation or  
nonrenewal, the applicant must immediately notify the  
department.

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

And the title is amended as follows:

Delete lines 21 - 22

and insert:

upon cancellation or nonrenewal by an insurer;  
providing that the cancellation of





730660

LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
03/04/2013	.	
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The Committee on Commerce and Tourism (Hukill) recommended the following:

**Senate Amendment**

Delete lines 121 - 132  
and insert:

- c. Any independent evaluations of the company;
- d. The latest audit of the company's financial statement  
and the related auditor's management letter; and
- e. Any other types of reports that are related to the  
internal controls or management of the company.
- (c)1. If the department grants a waiver under paragraph  
(b), the incentives contract or agreement must provide for  
securing the award amount in one of the following forms:



730660

13        a. An irrevocable letter of credit issued by a financial  
14 institution, as defined in s. 655.005;



453694

LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
03/04/2013	.	
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The Committee on Commerce and Tourism (Hukill) recommended the following:

**Senate Amendment (with title amendment)**

Between lines 151 and 152  
insert:

(d) The department may waive the requirements of paragraphs (a) through (c) by certifying to the Governor and the chair and vice chair of the Legislative Budget Commission the following information:

1. The applicant demonstrates the financial ability to fulfill the requirements of the contract and has submitted an independently audited financial statement for the previous 5 years;



453694

2. If applicable, the applicant was previously a recipient of an incentive under an economic development program, was subject to clawback requirements, and timely complied with those provisions; and

3. The department has determined that waiver of the requirements of paragraphs (a) through (c) is in the best interest of the state.

(e) For waivers granted under paragraph (d), the department shall provide a written description and evaluation of the waiver to the chair and vice chair of the Legislative Budget Commission. Such information may be provided at the same time that the information for the project consultation is provided to the Legislative Budget Commission under s. 288.1088 or s. 288.1089. If the chair or vice chair of the Legislative Budget Commission timely advises the department that such action or proposed action exceeds delegated authority or is contrary to legislative policy or intent, the department shall void the waiver until the Legislative Budget Commission or the Legislature addresses the issue. Notwithstanding such requirement, any project exceeding \$5 million must be approved by the Legislative Budget Commission.

(f) The provisions of this subsection shall apply to any contract entered into on or after July 1, 2013.

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

And the title is amended as follows:

Between lines 32 and 33  
insert:



453694

42 providing for a waiver of the surety bond or other  
43 security if certain information is provided and the  
44 department determines it to be in the best interest of  
45 the state; providing that the waiver of the surety  
46 bond or other security must for funding in excess of  
47 \$5 million must be approved by the Legislative Budget  
48 Commission;



## THE FLORIDA SENATE

Tallahassee, Florida 32399-1100

### COMMITTEES:

Appropriations Subcommittee on Finance and Tax, *Chair*  
Appropriations  
Appropriations Subcommittee on Education  
Commerce and Tourism  
Communications, Energy, and Public Utilities  
Community Affairs  
Governmental Oversight and Accountability

### JOINT COMMITTEE:

Joint Committee on Public Counsel Oversight

**SENATOR DOROTHY L. HUKILL**

8th District

January 28, 2013

The Honorable Nancy Detert  
310 Knott Building  
404 S. Monroe Street  
Tallahassee, FL 32399

Dear Madam Chair Detert:

Senate Bill 446 relating to Economic Development Incentive Application Process has been referred to the Commerce and Tourism Committee. I am requesting your consideration on placing SB 446 on your next agenda. Should you need any additional information please do not hesitate to contact my office.

Thank you for your consideration.

Sincerely,

A handwritten signature in dark ink, appearing to read "Dorothy L. Hukill".

Dorothy L. Hukill, District 8

cc: Jennifer Hrdlicka, Staff Director of the Commerce and Tourism Committee  
Patty Blackburn, Administrative Assistant of the Commerce and Tourism Committee  
Charlie Anderson, Legislative Assistant for Senator Nancy Detert

### REPLY TO:

- ☐ 209 Dunlawton Avenue, Unit 17, Port Orange, Florida 32127 (386) 304-7630 FAX: (888) 263-3818
- ☐ Ocala City Hall, 110 SE Watula Avenue, 3rd Floor, Ocala, Florida 34471 (352) 694-0160

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

**DON GAETZ**  
President of the Senate

**GARRETT RICHTER**  
President Pro Tempore

**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.)

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

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BILL: CS/SB 572

INTRODUCER: Commerce and Tourism Committee and Senator Sobel

SUBJECT: Reporting Requirements for Economic Development Programs

DATE: March 6, 2013

REVISED: \_\_\_\_\_

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

**Please see Section VIII. for Additional Information:**

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|------------------------------|--|---|
| A. COMMITTEE SUBSTITUTE..... | <input checked="checked" type="checkbox"/> | Statement of Substantial Changes        |
| B. AMENDMENTS.....           | <input type="checkbox"/>                   | Technical amendments were recommended   |
|                              | <input type="checkbox"/>                   | Amendments were recommended             |
|                              | <input type="checkbox"/>                   | Significant amendments were recommended |

**I. Summary:**

CS/SB 572 creates a project-based reporting system to be developed by the Department of Economic Opportunity (DEO) to allow the public to view information relating to economic development projects receiving state incentives. DEO is directed to maintain a website that publishes specific information on each state-incentivized project in a format that is easily accessible to the public. Information must be published within 48 hours of the expiration of the period of confidentiality.

The bill creates s. 288.076, F.S.

**II. Present Situation:**

**Economic Development Incentives Application and Review**

Under Florida's current economic development framework, Enterprise Florida, Inc. (EFI), serves as the state's economic development organization, operating under a contract with the Department of Economic Opportunity (DEO).<sup>1</sup> EFI is a public-private partnership that serves as

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<sup>1</sup> Section 288.901, F.S.

the state's primary contact for businesses interested in pursuing relocation, expansion, or retention possibilities. EFI works with businesses to match business needs with state and local resources, including developing an economic development incentive proposal for the prospective business in order to "sell the State as a place to do business."<sup>2</sup>

After EFI has worked with businesses and offered incentives proposals, incentives applications are sent to DEO, who in turn evaluates incentive applications based on statutorily-defined requirements. DEO makes the final determination of incentive eligibility, executes incentives contracts, and is responsible for contract monitoring and compliance.<sup>3</sup>

EFI performs a prospective impact analysis on each potential project. Presently, the qualified target industry tax refund program,<sup>4</sup> quick action closing fund,<sup>5</sup> qualified defense contractor and space flight business tax refund program,<sup>6</sup> and the brownfield redevelopment bonus refund program<sup>7</sup> have statutory provisions that require any application for the incentive be evaluated prospectively for "economic benefits." EFI currently performs a similar prospective impact analysis for the high-impact sector performance grants<sup>8</sup> and the capital investment tax credit program,<sup>9</sup> but there is no statutory requirement for such an evaluation.<sup>10</sup>

Section 288.005(1), F.S., defines the term "economic benefits" to mean "the direct, indirect, and induced gains in state revenues as a percentage of the state's investment. The state's investment includes state grants, tax exemptions, tax refunds, tax credits, and other state incentives." Direct economic effects are those resulting directly from the economic event, in this case the state's expenditure on the incentive to the applicant business. Indirect effects are the secondary effects of the economic event on suppliers, services, labor, and taxes. Induced effects are one step further and measure the effects on the economy as a result of spending from indirect effects as the money spent continues to cycle through the economy.<sup>11</sup>

According to the Office of Economic and Demographic Research (EDR), EFI prospectively evaluates applications for each of the incentives and programs mentioned above using RIMS II multipliers, a model developed by the U.S. Department of Commerce's Bureau of Economic Analysis.<sup>12</sup> EDR is required to evaluate the model used by EFI for the prospective impact

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<sup>2</sup> Enterprise Florida, Inc., *2012 Annual Incentives Report*, (2012), available at: [http://www.floridajobs.org/about%20awi/open\\_government/2012\\_IncentivesReport.pdf](http://www.floridajobs.org/about%20awi/open_government/2012_IncentivesReport.pdf), (last visited on February 15, 2013).

<sup>3</sup> Section 288.061, F.S.

<sup>4</sup> Section 288.106, F.S.

<sup>5</sup> Section 288.1088, F.S.

<sup>6</sup> Section 288.1045, F.S.

<sup>7</sup> Section 288.107, F.S.

<sup>8</sup> Section 288.108, F.S.

<sup>9</sup> Section 220.191, F.S.

<sup>10</sup> Office of Economic and Demographic Research, *Tax Refund Program for Qualified Target Industry Businesses: A review of the methodology and model used in determining the state's return on investment*, (9/1/2010), available at: <http://edr.state.fl.us/Content/special-research-projects/economic/ROI.pdf>, (last visited on February 15, 2013).

<sup>11</sup> Adapted from "What is IMPLAN?" by MIG. Available at: [http://implan.com/v4/index.php?option=com\\_content&view=article&id=282:what-is-implan&catid=152:implan-appliance-&Itemid=2](http://implan.com/v4/index.php?option=com_content&view=article&id=282:what-is-implan&catid=152:implan-appliance-&Itemid=2), (last visited on February 15, 2013).

<sup>12</sup> For more information on RIMS II multipliers and their application, see U.S. Department of Commerce, *Regional Multipliers: A User Handbook for the Regional Input-Output Modeling System (RIMS II)*, (March, 1997), available at: <http://www.bea.gov/scb/pdf/regional/perinc/meth/rims2.pdf>, (last visited on February 15, 2013).



analysis of all qualified target industry refund projects, and to report such findings every 3 years.<sup>13</sup> The model evaluated by EDR and used by EFI for the qualified target industry tax refund program is also used across the programs previously mentioned except for the Innovation Incentive Program.<sup>14</sup>

In 2010, EDR produced its first report on the model used by EFI to evaluate qualified target industry refund projects. In their report, EDR concluded that the model being utilized by EFI was not fully in compliance with statutory requirements that EFI's model evaluate "return on investment" (ROI), defined as the gain in state revenues as a percentage of the state's investment. EDR determined that the model, which EFI terms a "payback ratio," needed changes to move incrementally closer to a true ROI. EFI and EDR worked to redefine certain variables for the impact analysis in the interim period. In the report, EDR noted that recommendations and changes on the model used by EFI "should be viewed as interim measures, pending completion of the new ROI model that will be ultimately required."<sup>15</sup> The next report is due September 1, 2013.

The Innovation Incentive Program is not required by law to be evaluated for "economic benefits," but any potential project is required to have a break-even "return on investment" within a 20-year period, except for certain exceptions.<sup>16</sup> Return on investment as it relates to the Innovation Incentive Program is not defined under current law. EFI evaluates the Innovation Incentive Program using the REMI model.<sup>17</sup> EFI's modeling evaluation of the Innovation Incentive Program is not currently evaluated by EDR.<sup>18</sup>

### **Incentive and Program Reporting**

In addition to conducting an up-front impact analysis of each potential economic development project, EFI is also required to produce an Annual Incentives Report<sup>19</sup> that requires, among other things, an analysis of the economic benefits that actually occurred based on actual private investment, jobs created, and wages paid over the previous 3 years. The Annual Incentives Report compares the projected impacts of each incentive program over the previous 3 years to the confirmed, realized results. The Division of Strategic Business Development within DEO is required to assist EFI in the preparation of the Annual Incentives Report.<sup>20</sup>

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<sup>13</sup> Section 288.106(4)(c)2., F.S.

<sup>14</sup> *Supra* note 10 at page 20.

<sup>15</sup> *Supra* note 10 at pages 3 and 4.

<sup>16</sup> Section 288.1089, F.S., requires any potential business qualifying for the Innovation Incentive Program be a high-value research and development, innovation business, or an alternative and renewable energy project. Research and development and alternative and renewable energy projects are required to meet the break-even 20-year return on investment requirement, but applicants qualifying as "innovation business projects" are not required to demonstrate the return on investment requirements.

<sup>17</sup> The REMI model is a proprietary model developed by Regional Economic Models, Inc. The model evaluates linkages in an economy and how economic impacts can impact the larger regional economy. For more information see "The REMI Model," available at: <http://www.remi.com/the-remi-model>, (last visited on February 15, 2013).

<sup>18</sup> *Supra* note 10.

<sup>19</sup> Section 288.907, F.S.

<sup>20</sup> Section 288.907(2), F.S.

The Annual Incentives Report also reports certain information such as the amount of awards given, jobs created, amount of capital investment, and wages paid. This information is organized by incentive program and by project. The Annual Incentives Report also includes information on incentive projects that occurred over the previous fiscal year, including the number of incentive applications received, recommendations from EFI to DEO, the number of final decisions issued by DEO for approval or denial, and the projects which incentive agreements were executed.

Other required information in the Annual Incentives Report includes:

- A description of federal or local incentives received, organized by project.
- The number of withdrawn or terminated projects that did not receive incentives due to not fulfilling the terms of their incentives agreement.
- An analysis of the economic benefits of incentives made to projects locating in state enterprise zones, rural communities, brownfield areas, or distressed urban communities.
- Identification of target industry businesses and high-impact businesses.
- Trends relating to business interest in and usage of the state's incentives programs, including the number of minority-owned and woman-owned businesses receiving incentives.
- Identification of incentive programs not utilized.

Section 288.095(3)(c), F.S., requires information similar to the Annual Incentives Report to be reported by DEO related to programs funded through the Economic Development Incentives Account in the Economic Development Trust Fund.

DEO also produces an annual report, which is required to include information on the state's business climate and economic development, as well as an identification of problems and recommendations.<sup>21</sup>

Information on local economic development incentives is collected by EDR. EDR is required to collect information relating to each county or municipality that granted local economic development incentives in excess of \$25,000 during a fiscal year.<sup>22</sup> Counties and municipalities may complete their reporting requirements by completing a survey either online or by hard copy and returning it to EDR, who compiles the information into a single report.<sup>23</sup>

### **DEO Incentives Portal**

On August 2, 2012, DEO launched an online portal for the public to view economic development projects receiving state funds.<sup>24</sup> The portal allows the public to view:

- Completed projects approved from January 1996 through May 2012;

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<sup>21</sup> Section 20.60(10), F.S.

<sup>22</sup> Section 125.045, F.S., requires counties to report economic development incentives of \$25,000 or more that were granted in the fiscal year. Section 166.021, F.S., requires municipalities with revenues and expenditures over \$250,000 to report economic development incentives of \$25,000 or more granted in the fiscal year.

<sup>23</sup> More information on the report and survey can be accessed by visiting <http://edr.state.fl.us/Content/local-government/economic-development-incentives/index.cfm>, (last visited on February 15, 2013).

<sup>24</sup> DEO press release, "DEO Launches Public Economic Development Incentives Portal, (August 02, 2012), available at: <http://www.floridajobs.org/news-center/news-feed/2012/08/02/deo-launches-public-economic-development-incentives-portal>, (last visited on February 15, 2013).

- Inactive or terminated projects that were approved from January 1996 through December 1998; and
- Quick Action Closing Fund projects approved from program inception (1999) through December 2011, which are not confidential.

The portal's website states that DEO expects to have all non-confidential projects available on the portal by March of 2013.<sup>25</sup> The portal website allows users to view projects by incentive program, by the county of the project's location, by the date of the project, and by the recipient business's name. Information provided includes the total state incentive awarded, payments to date, job requirements, and capital investment requirements.

### **Economic Development Confidentiality Requirements**

Section 288.075, F.S., specifies confidentiality of records requirements relating to a business's plans to locate, relocate, or expand business activities in Florida. Currently, certain business records are confidential and exempt<sup>26</sup> from Florida's public records requirements when held by an economic development agency and requested to be exempt by the affected business. Examples of economic development agencies include the Department of Economic Opportunity (DEO), Enterprise Florida, Inc. (EFI), and public economic development agencies of local governments.

The following information is confidential and exempt from public records requirements for the duration specified:

- Upon written request, information relating to a business's plans, intentions, and interests to locate, relocate, or expand its business activities in Florida. This information remains confidential and exempt for 12 months and may be extended an additional 12 months. If a final project order is issued, the information becomes public the earlier of: 180 days after the final project order for a signed economic development incentive award agreement is issued, a date specified in the final project order, or when the information is otherwise disclosed.
- Proprietary confidential business information and trade secrets are always confidential and exempt.
- Information on a business's federal employer identification number, reemployment assistance account number, or Florida sales tax registration number is always confidential and exempt.
- Certain information pertaining to economic development incentive agreements. Specific sales, employee wage, and tax information remains confidential and exempt for the duration of the incentive agreement. Information including a business's name, expected number of jobs created or retained, total jobs, the amount of incentives awarded, and the committed

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<sup>25</sup> DEO Economic Development Incentives Portal website, available at: <http://www.floridajobs.org/office-directory/division-of-strategic-business-development/economic-development-incentives-portal>, (last visited on February 15, 2013).

<sup>26</sup> There is a difference between records the Legislature designates as exempt from public record requirements and those the Legislature deems confidential and exempt. A record classified as exempt from public disclosure may be disclosed under certain circumstances. (See *WFTV, Inc. v. The School Board of Seminole*, 874 So.2d 48, 53 (Fla. 5th DCA 2004), review denied 892 So.2d 1015 (Fla. 2004); *City of Riviera Beach v. Barfield*, 642 So.2d 1135 (Fla. 4th DCA 1994); *Williams v. City of Minneola*, 575 So.2d 687 (Fla. 5th DCA 1991) If the Legislature designates a record as confidential and exempt from public disclosure, such record may not be released, by the custodian of public records, to anyone other than the persons or entities specifically designated in the statutory exemption. (See Attorney General Opinion 85-62, August 1, 1985).

total annual wages remain confidential and exempt until the earlier of: 180 days after a final project order is issued for a signed economic development incentives agreement, a date specified in the final project order, or when the information is otherwise disclosed.

### III. Effect of Proposed Changes:

The bill establishes an economic development incentive review and online publication process to be implemented by DEO.

**Section 1** creates s. 288.076, F.S., relating to reporting for economic development programs.

The bill requires DEO to maintain a website that publishes information on economic development incentive awards to businesses. Information must be made available in an easy to use format that allows users to view and retrieve all required information at once. DEO has 48 hours after the expiration of the period of confidentiality to publish the following information on each project:

#### *Projected Economic Benefits*

DEO must publish the economic benefits *projected* to occur for each project at the time of the initial project award date.

#### *Project Information*

- The program or programs through which state investment is being made. “State investment” is defined by the bill as any state grants, tax exemptions, tax refunds, tax credits, or other state incentives awarded to a business under a program administered by DEO, including the capital investment tax credit.
- The maximum potential cumulative value of the state investment in a project.
- The target industries<sup>27</sup> or high-impact sectors<sup>28</sup> that the project may fall under.
- The county or counties that may be affected by the project.
- The total cumulative value of any local financial commitment and in-kind support for the project.

#### *Participant Business Information*

- The location of the participant business’s headquarters or the headquarters of the parent company if it is a subsidiary. “Participant business” is defined by the bill to mean an employing unit, as defined in s. 443.036, F.S., that has entered into an agreement with DEO to receive a state investment.
- The firm size class of the participant business, or where owned by a parent company, the firm size class of the participant business’s parent company, using firm size classes established by the U.S. Department of Labor’s Bureau of Labor Statistics. This information must also note whether the participant business qualifies as a small business under s. 288.703, F.S.
- The date of the project award.
- The expected duration of the contract.
- The anticipated date when the participant business will claim its last state investment.

<sup>27</sup> Section 288.106(2)(q), F.S.

<sup>28</sup> Section 288.108(6)(a), F.S.

*Project Evaluation Criteria*

- The economic benefits generated by the project.
- The net indirect and induced incremental jobs to be generated by the project. The bill states that “jobs” has the same meaning as in s. 288.106(2)(i), F.S., which means full-time equivalent positions, including positions obtained from a temporary employment agency or employee leasing company, or through a union agreement or coemployment under a professional employer organization agreement. Temporary construction jobs are not included in the definition.
- The net indirect and induced incremental capital investment to be generated by the project.
- The net indirect and induced incremental tax revenue paid to the state to be generated by the project.

*Project Performance Goals*

- The incremental direct jobs attributable to the project, identifying the number of jobs generated and the number of jobs retained.
- The number of jobs generated and the number of jobs retained by the project. For projects that begin after the bill’s effective date, DEO must report the median annual wage of persons holding such jobs.
- The incremental direct capital investment in the state generated by the project.
- The incremental projected tax revenue to the state paid by the participant business for the project.

*Total State Investment to Date*

The total amount of state investment disbursed to the participant business to date, itemized by incentive program.

DEO is required to use the methodology and formulas developed by the Office of Economic and Demographic Research (EDR) to determine each project’s economic benefits. Each project’s economic benefits must be published on the DEO website within 48 hours after the conclusion of an agreement between a participant business and DEO. This ensures a project’s total economic benefits that actually occurred are published, allowing visitors of the website to view and compare the information with projected economic benefits at the time of the project’s award date. DEO is directed to publish a description of the methodology and formulas developed by EDR to calculate economic benefits of a project, and must publish the information on its website within 48 hours after receiving it from EDR.

The bill requires DEO to update information on its website for each project annually from its award date. Verified results must be updated for each project, including information on Project Information, Participant Business Information, Project Evaluation Criteria, Project Performance Goals, and Total State Investment discussed above. DEO must publish the date on which the information was last updated on the website.

Within 48 hours after the expiration of the period of confidentiality, DEO must publish the contract or award agreement with the participant business on its website. The agreement may be

redacted to protect a participant business from disclosure of any information that remains confidential or exempt by law.

The bill requires DEO to publish all information required above for all projects completed prior to the bill's effective date of October 1, 2013. DEO has until October 1, 2014, to compile and publish the information.

The bill clarifies that provisions restricting DEO's publication of any information on DEO's website is limited to that purpose, and is not to be construed as creating a public records exemption.

DEO may adopt rules to administer the provisions of the bill.

#### Qualified Target Industry Tax Refund Reports

DEO must publish on the website any reports of findings and recommendations concerning a business's failure to complete its qualified target industry tax refund program agreement within 48 hours after submitting the report.

#### Quick Action Closing Fund Timeline

The bill requires DEO to publish information on its website relating to Quick Action Closing Fund<sup>29</sup> (QACF) incentive projects, including the average number of days between the date DEO receives a completed QACF application and the date on which the application was approved.

**Section 2** provides an effective date of October 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.

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<sup>29</sup> Section 288.1088, F.S.

**B. Private Sector Impact:**

None.

**C. Government Sector Impact:**

The bill is expected to increase the administrative costs of DEO as it relates to developing and maintaining all information made public by the bill.

EDR may incur administrative costs related to the bill.

**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.)

**CS by Commerce and Tourism on March 4, 2013:**

The CS makes the following changes:

- Requires certain information to be published by DEO on its website 48 hours after the expiration of the period of confidentiality rather than within 48 hours after a project award date.
- Replaces the term “beneficiary business” with “participant business” and provides a definition.
- Adds a definition for the term “jobs.” Updates definitions for the terms “project” and “project award date.”
- Removes requirements that DEO assign a unique code to each project that has certain identifying information withheld.
- Adds a requirement that DEO publish projected economic benefits at the time of the initial project award date, as well as the economic benefits for the entire project within 48 hours after the conclusion of an agreement between a participant business and DEO.
- Requires EDR to provide information on the methodology and model used to calculate economic benefits to DEO, rather than Return on Investment, and requires DEO to publish the information within 48 hours after receiving it from EDR.
- Removes requirement that DEO publish the number of full-time employees of the business or parent company and replaces it with a requirement that DEO publish the business’s firm size class or the firm size class of the parent company. Directs that firm sized classes are those defined by the U.S. Department of Labor’s Bureau of Labor Statistics.
- Adds a new section of required information entitled “Project Evaluation Criteria.”

- Removes requirements that DEO publish a business's North American Industry Classification System.
- Removes requirement that DEO publish the lowest, highest, and median wages associated with incremental direct jobs attributable to each project.
- Adds requirement that DEO publish median wage information for the jobs generated or retained by projects beginning after October 1, 2013.
- Changes requirement that DEO publish incremental direct tax revenue paid to the state by the beneficiary business to incremental projected tax revenue to the state paid by the participant business.
- Requires DEO to publish the total amount of state investment disbursed to a participant business to date, itemized by incentive program.
- Changes requirement that information on projects be updated on June 30 and December 31 of each year to require information on projects be updated at least annually from the project award date.
- Requires DEO to publish the date when information on each project was last updated.
- Removes requirement that DEO publish a timeline of QACF projects and replaces it with a requirement that DEO publish the average time between receipt of a completed QACF application and approval of the application by DEO.
- Changes due dates for DEO to gather and publish information on projects completed prior to the bill's effective date. DEO still has 1 year to gather and publish the information, but dates are changed from July 1, 2013, and July 1, 2014, to October 1, 2013, and October 1, 2014.
- Removes language allowing businesses to request a delay in the release of certain information.
- Removes the misdemeanor penalty for employees of DEO who violate the bill's provisions.
- Deletes Section 2 of the bill. Section 2 amended s. 288.075, F.S., relating to economic development confidentiality provisions.
- Changes the bill's effective date from July 1, 2013, to October 1, 2013.

B. Amendments:

None.





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LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
03/04/2013	.	
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The Committee on Commerce and Tourism (Ring) recommended the following:

**Senate Amendment (with title amendment)**

Delete everything after the enacting clause  
and insert:

Section 1. Section 288.076, Florida Statutes, is created to  
read:

288.076 Return on investment reporting for economic  
development programs.-

(1) As used in this section, the term:

(a) "Jobs" has the same meaning as provided in s.  
288.106(2) (i).

(b) "Participant business" means an employing unit, as



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defined in s. 443.036, that has entered into an agreement with the department to receive a state investment.

(c) "Project" has the same meaning as provided in s. 288.106(2) (m).

(d) "Project award date" means the date a participant business enters into an agreement with the department to receive a state investment.

(e) "State investment" means any state grants, tax exemptions, tax refunds, tax credits, or other state incentives provided to a business under a program administered by the department, including the capital investment tax credit under s. 220.191.

(2) The department shall maintain a website for the purpose of publishing the information described in this section. The information required to be published under this section must be provided in a format accessible to the public which enables users to search for and sort specific data and to easily view and retrieve all data at once.

(3) Within 48 hours after expiration of the period of confidentiality for project information deemed confidential and exempt pursuant to s. 288.075, the department shall publish the following information pertaining to each project:

(a) *Projected economic benefits.*—The projected economic benefits at the time of the initial project award date.

(b) *Project information.*—

1. The program or programs through which state investment is being made.

2. The maximum potential cumulative state investment in the project.



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42       3. The target industry or industries, and any high impact  
43 sectors implicated by the project.

44       4. The county or counties that will be impacted by the  
45 project.

46       5. The total cumulative local financial commitment and in-  
47 kind support for the project.

48       (c) Participant business information.-

49       1. The location of the headquarters of the participant  
50 business or, if a subsidiary, the headquarters of the parent  
51 company.

52       2. The firm size class of the participant business, or  
53 where owned by a parent company the firm size class of the  
54 participant business's parent company, using the firm size  
55 classes established by the United States Department of Labor  
56 Bureau of Labor Statistics, and whether the participant business  
57 qualifies as a small business as defined in s. 288.703.

58       3. The date of the project award.

59       4. The expected duration of the contract.

60       5. The anticipated dates when the participant business will  
61 claim the last state investment.

62       (d) Project evaluation criteria.-

63       1. Economic benefits generated by the project.

64       2. The net indirect and induced incremental jobs to be  
65 generated by the project.

66       3. The net indirect and induced incremental capital  
67 investment to be generated by the project.

68       4. The net indirect and induced incremental tax revenue  
69 paid to the state to be generated by the project.

70       (e) Project performance goals.-



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71       1. The incremental direct jobs attributable to the project,  
72 identifying the number of jobs generated and the number of jobs  
73 retained.

74       2. The number of jobs generated and the number of jobs  
75 retained by the project, and for projects commencing after  
76 October 1, 2013, the median annual wage of persons holding such  
77 jobs.

78       3. The incremental direct capital investment in the state  
79 generated by the project.

80       4. The incremental projected tax revenue to the state paid  
81 by the participant business for the project.

82       (f) Total state investment to date.—The total amount of  
83 state investment disbursed to the participant business to date  
84 under the terms of the contract, itemized by incentive program.

85       (4) The department shall use methodology and formulas  
86 established by the Office of Economic and Demographic Research  
87 to calculate the economic benefits of each project. The  
88 department shall calculate and publish on its website the  
89 economic benefits of each project within 48 hours after the  
90 conclusion of the agreement between each participant business  
91 and the department. The Office of Economic and Demographic  
92 Research shall provide a description of the methodology and  
93 formulas used to calculate the economic benefits of a project to  
94 the department, and the department must publish the information  
95 on its website within 48 hours after receiving such information.

96       (5) At least annually, from the project award date, the  
97 department shall:

98       (a) Publish verified results to update the information  
99 described in paragraphs (3)(b)-(f) to accurately reflect any



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changes in the published information since the project award date.

(b) Publish on its website the date on which the information collected and published for each project was last updated.

(6) Annually, the department shall publish information relating to the progress of Quick Action Closing Fund projects, including the average number of days between the date the department receives a completed application and the date on which the application is approved.

(7) The department shall publish the following documents at the times specified herein:

(a) Within 48 hours after expiration of the period of confidentiality provided under s. 288.075, the department shall publish the contract or agreement described in s. 288.061. The contract or agreement must be redacted to protect the participant business from disclosure of information that remains confidential or exempt by law.

(b) Within 48 hours after submitting any report of findings and recommendations made pursuant to s. 288.106(7)(d) concerning a business's failure to complete a tax refund agreement pursuant to the tax refund program for qualified target industry businesses, the department shall publish such report.

(8) For projects completed before October 1, 2013, the department shall compile and, by October 1, 2014, shall publish the information described in subsections (3), (4), and (5), to the extent such information is available and applicable.

(9) The provisions of this section that restrict the department's publication of information are intended only to



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limit the information that the department may publish on its  
website and shall not be construed to create an exemption from  
public records requirements under s. 119.07(1) or s. 24(a), Art.  
I of the State Constitution.

(10) The department may adopt rules to administer this  
section.

Section 2. This act shall take effect October 1, 2013.

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

And the title is amended as follows:

Delete everything before the enacting clause  
and insert:

A bill to be entitled

An act relating to reporting requirements for economic  
development programs; creating s. 288.076, F.S.;  
providing definitions; requiring the Department of  
Economic Opportunity to publish on a website specified  
information concerning state investment in economic  
development programs; requiring the department to use  
methodology and formulas established by the Office of  
Economic and Demographic Research for specified  
calculations; requiring the Office of Economic and  
Demographic Research to provide a description of  
specified methodology and formulas to the department  
and the department to publish the description on its  
website within a specified period; providing  
procedures and requirements for reviewing, updating,  
and supplementing specified published information;  
requiring the department to annually publish



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information relating to the progress of Quick Action  
Closing Fund projects; requiring the department to  
publish certain confidential information pertaining to  
participant businesses upon expiration of a specified  
confidentiality period; requiring the department to  
publish certain reports concerning businesses that  
fail to complete tax refund agreements under the tax  
refund program for qualified target industry  
businesses; providing for construction and legislative  
intent; authorizing the department to adopt rules;  
providing an effective date.



The Florida Senate

**Committee Agenda Request**

**RECEIVED**

FEB 12 2013

COMMERCE

**To:** Senator Nancy Detert, Chair  
Committee on Commerce and Tourism

**Subject:** Committee Agenda Request

**Date:** February 8, 2013

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I respectfully request that **Senate Bill # 572**, relating to reporting requirements for economic development programs, be placed on the:

- ☐ committee agenda at your earliest possible convenience.
- ☒ next committee agenda.

A handwritten signature in cursive script, reading "Eleanor Sobel".

Senator Eleanor Sobel  
Florida Senate, District 33



**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.)

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

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BILL: CS/SB 140

INTRODUCER: Transportation Committee and Senator Braynon

SUBJECT: Rental Car Sales and Use Tax Surcharge

DATE: March 1, 2013

REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Price	Eichin	TR	<b>Fav/CS</b>
2.	Smith	Hrdlicka	CM	<b>Favorable</b>
3.			AFT	
4.			AP	
5.				
6.				

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**Please see Section VIII. for Additional Information:**

A. COMMITTEE SUBSTITUTE.....	<input checked="" type="checkbox"/>	Statement of Substantial Changes
B. AMENDMENTS.....	<input type="checkbox"/>	Technical amendments were recommended
	<input type="checkbox"/>	Amendments were recommended
	<input type="checkbox"/>	Significant amendments were recommended

**I. Summary:**

CS/SB 140 defines the term “car-sharing service” and exempts the provision of vehicles to individuals by entities meeting the definition from the rental car surcharge.

This bill amends section 212.0606(4), F.S.

**II. Present Situation:**

**Rental Car Surcharge**

Section 212.0606(1), F.S., imposes a surcharge of \$2.00 per day or any part of a day upon the lease or rental of a motor vehicle licensed for hire and designed to carry less than nine passengers, regardless of whether such vehicle is licensed in Florida. The surcharge is included in the lease or rental price on which sales tax is computed and must be listed separately on the invoice. Businesses that collect the rental car surcharge are required to report surcharge collections by county, attributing the surcharge to the county where the rental agreement was made.

The surcharge applies to only the first 30 days of the term of any lease or rental, whether or not the vehicle is licensed in Florida. If the rental or lease of a vehicle is for longer than 30 days, only the first 30 days are subject to the surcharge. If the lease is renewed, the first 30 days of the renewed lease is subject to the surcharge. If payment for the lease or rental of a motor vehicle is made in Florida, the surcharge applies. The surcharge is not imposed on leases or rentals to tax-exempt entities holding a valid Consumer's Certificate of Exemption.<sup>1</sup> Section 212.0606(4), F.S., exempts from payment of the surcharge a motor vehicle provided at no charge to a person whose motor vehicle is being repaired, adjusted, or serviced by the entity providing the replacement motor vehicle.

After deduction for administrative fees, the rental car surcharge is distributed as follows:

- 80 percent of the surcharge to the State Transportation Trust Fund (STTF);
- 15.75 percent of the surcharge to the Tourism Promotional Trust Fund; and
- 4.25 percent of the surcharge to the Florida International Trade and Promotion Trust Fund.

The proceeds of the rental car surcharge deposited into the STTF are allocated to each Florida Department of Transportation (FDOT) district for transportation projects, based on the amount of proceeds collected in the counties within each respective district. Rental car surcharge revenues reported by the Department of Revenue (DOR) for each of the seven FDOT districts for fiscal year 2011-2012 are as follows:<sup>2</sup>

District	FY 2011-2012	Share
1	\$14,445,868	9.64%
2	\$8,108,404	5.41%
3	\$7,731,925	5.16%
4	\$32,726,540	21.84%
5	\$41,397,895	27.63%
6	\$27,931,163	18.64%
7	\$17,473,633	11.66%
Total	\$149,815,428	

### **For-Hire Vehicles**

With limited exception, offering for lease or rent any motor vehicle in the State of Florida qualifies the vehicle as a "for-hire vehicle" under s. 320.01(15)(a), F.S.:

<sup>1</sup> Section 212.08, F.S., Fla. Admin. Code 12A-1.-038.

<sup>2</sup> Bob McKee (Department of Revenue) letter to Jesse Atkinson (Department of Transportation), letter detailing rental car surcharge revenue distribution, (August 14, 2012), (on file with the Senate Commerce and Tourism Committee).

“For-hire vehicle” means any motor vehicle, when used for transporting persons or goods for compensation; let or rented to another for consideration; offered for rent or hire as a means of transportation for compensation; advertised in a newspaper or generally held out as being for rent or hire; used in connection with a travel bureau; or offered or used to provide transportation for persons solicited through personal contact or advertised on a “share-expense” basis. When goods or passengers are transported for compensation in a motor vehicle outside a municipal corporation of this state, or when goods are transported in a motor vehicle not owned by the person owning the goods, such transportation is “for hire.” The carriage of goods and other personal property in a motor vehicle by a corporation or association for its stockholders, shareholders, and members, cooperative or otherwise, is transportation “for hire.”

### **Car-Sharing Services**

Car-sharing is generally marketed as an alternative to conventional car rental and car ownership and now exists in a number of forms.

Traditional carsharing provides members access to a vehicle for short-term daily use. Automobiles owned or leased by a carsharing operator are distributed throughout a network; members access the vehicles with a reservation and are charged per time and often per mile....

Traditional carsharing is intended for short trips and as a supplement to public transit. Initial market entry in North America focused on the neighborhood carsharing model, characterized by a fleet of shared-use vehicles parked in designated areas throughout a neighborhood or municipality. In recent years, business models have advanced and diversified. Variations on the neighborhood model developed in North America include: business; college/university; government/institutional fleet; and public transit (carsharing provided at public transit stations or multi-modal nodes). Despite differences in target markets, these models share a similar organizational structure, capital ownership, and revenue stream.

The next generation of shared-use vehicle services, which provide access to a fleet of shared-use vehicles, incorporates new concepts, technologies, and operational methods. These models represent innovative solutions and notable advances. They include one-way carsharing and personal vehicle sharing. One-way carsharing, also known as “free-floating” carsharing, frees users from the restriction of having to return a vehicle to the same location from which it was accessed. Instead, users leave vehicles parked at any spot within the organization’s operating area, allowing for the possibility of one-way trips. The one-way model resembles more traditional forms of carsharing—except for the logistics of vehicle redistribution and the need for expanded vehicle parking.

Personal vehicle sharing ... represents a more distinct model due to differences in organizational structure, capital stock, and liability. Personal vehicle sharing

involves short-term access to privately-owned vehicles, enabling a lower operating cost and a wider vehicle distribution. ...<sup>3</sup>

While car sharing began at the local, grassroots level, car-sharing services are now also provided by conventional rental car companies, such as Avis, Enterprise, and Hertz.<sup>4</sup> A primary distinguishing characteristic between existing conventional rental car companies and car-sharing services is disbursement of vehicles throughout a service area and access to a vehicle through automated means.

Car-sharing provides a number of benefits. Aside from the renter's convenience (lower operating costs, ease of access, ability to obtain one-way sharing, etc.), use of shared vehicles can reduce overall vehicle ownership numbers, reducing damage to the roadways. Carsharing also facilitates use of other transportation modes, such as walking, biking, or public transit, leading to reductions in traffic, congestion, and parking demand in urban areas. Vehicle miles traveled and greenhouse gas emissions are reduced, thereby improving air quality.<sup>5</sup>

### **Rental Car Surcharge and Car-Sharing Services**

On September 17, 2012, the DOR issued Technical Assistance Advisement 12A-022 in which the question presented to DOR was whether a member based car-sharing service is subject to the Florida rental car surcharge. The facts presented to DOR were as follows:

Taxpayer [the car-sharing service] offers a member based car-sharing service with a fleet of vehicles available for use by registered members at any time of the day, seven days a week. A member can reserve a vehicle before use, or simply locate one and access it. Each use is labeled as a "trip" and can last up to four consecutive days. A unique feature of Taxpayer's car-sharing service is members may, and often do, use a car for a much shorter period of time than typical car rentals. According to Taxpayer, the typical trip lasts twenty-five to forty minutes, costing between \$7 and \$10 before taxes. Members are invoiced daily for all trips that occur and Taxpayer adds the rental car surcharge and sales tax to this invoice.<sup>6</sup>

Despite the taxpayer's assertion that it is not engaged in the "traditional" rental of cars, DOR concluded that the taxpayer is clearly renting cars, is engaged in the rental of motor vehicles and, therefore, the rental car surcharge does apply. However, DOR further concluded that because the taxpayer's members may make multiple trips in one day without executing any additional agreement and without any action required of the taxpayer, and because members are charged for every trip within the same twenty-four hour period on a single daily invoice, the rental car

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<sup>3</sup> Shaheen, Susan, Mark Mallery, and Karly Kingsley (2012). "Personal Vehicle Sharing Services in North America," *Research in Transportation Business & Management*, Vol. 3, pp.71-81.

<sup>4</sup> John Kell, *Avis to buy car-sharing service zipcar*, The Wall Street Journal, (January 2, 2013), available at: <http://online.wsj.com/article/SB10001424127887324374004578217121433322386.html>, (last visited February 26, 2013).

<sup>5</sup> *Supra* note 3 at pages 72-73.

<sup>6</sup> DOR Technical Assistance Advisement 12A-022.

“surcharge is due from Taxpayer’s members once a day, regardless of the number of trips taken by a member in a twenty-four hour period.”<sup>7</sup>

### **III. Effect of Proposed Changes:**

This bill amends s. 212.0606(4), F.S., to provide that the rental car surcharge does not apply to a motor vehicle provided to a person who is a registered member of a car-sharing service and who uses the motor vehicle for a single trip of a duration of 6 hours or less for a fee. The bill also defines “car-sharing service” to mean a business with pre-approved membership criteria requirements that provides the use of a motor vehicle through decentralized automated access for a limited time to registered members for a fee. As a result, a car-sharing service as defined in the bill will no longer collect the \$2.00 surcharge from a member, unless the member’s use of the vehicle exceeds 6-hours in duration.

### **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 Revenue Estimating Conference has not yet evaluated the fiscal impact of this bill.

The fiscal impact is indeterminate. The bill provides that surcharge will not be collected by entities that qualify as “car-sharing services” if a member uses a vehicle for 6 hours or less. As DOR currently collects \$2 within any 24-hour period, the result would likely be a negative fiscal impact.

#### **B. Private Sector Impact:**

Entities that qualify under the bill’s definition as a “car-sharing service” will not collect the rental car surcharge from its members, unless the member uses the vehicle for more than 6 hours. Consumers participating in a car-sharing service who use the vehicle for less than 6 hours would no longer pay the \$2 surcharge.

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<sup>7</sup> To support its finding, DOR cited Fla. Admin. Code 12A-16.002(3)(b): “When the terms of a lease or rental agreement authorize the lessee to extend the lease or rental beyond the initial lease term without executing an additional lease or agreement and without any action on the part of the lessor, the extension period will not be considered a new lease or rental.”

C. **Government Sector Impact:**

The bill will have an indeterminate impact on the amount of distributions of rental car surcharge proceeds to the previously identified Trust Funds for their intended purposes.

The bill will have an insignificant impact on the operational resources of the Department of Revenue.<sup>8</sup>

VI. **Technical Deficiencies:**

None.

VII. **Related Issues:**

DOR indicated in its analysis of CS/SB 140 that the phrase “single trip” could be further clarified. DOR recommended it be clarified that a “single trip” begins when the member unlocks the motor vehicle and drives away, and ends when the member returns the motor vehicle to an agreed upon car sharing location and terminates the rental period pursuant to the membership plan.<sup>9</sup>

VIII. **Additional Information:**

A. **Committee Substitute – Statement of Substantial Changes:**

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

**CS by Transportation on February 6, 2013:**

The CS exempts from payment of the \$2 rental car surcharge provision of a motor vehicle to a person who is a registered member of a car-sharing service *who uses the motor vehicle for a single trip of a duration of 6 hours or less* for a fee and defines “car-sharing service” to mean a business with pre-approved membership criteria requirements that provides the use of a motor vehicle *through decentralized automated access* for a limited time to registered members for a fee.

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>8</sup> Department of Revenue, *Agency Bill Analysis: CS/SB 140*, (February 18, 2013), (on file with the Senate Commerce and Tourism Committee.)

<sup>9</sup> *Id.*



## THE FLORIDA SENATE

Tallahassee, Florida 32399-1100

### COMMITTEES:

Regulated Industries, Vice Chair  
Appropriations Subcommittee on Criminal and  
Civil Justice  
Appropriations Subcommittee on General  
Government  
Children, Families, and Elder Affairs  
Ethics and Elections  
Gaming  
Health Policy

### SENATOR OSCAR BRAYNON II

Democratic Whip  
36th District

February 20, 2013

Senator Nancy Detert, Chair  
Commerce and Tourism,  
416 Senate Office Building  
404 South Monroe Street  
Tallahassee, FL 32399-1100

RECEIVED

FEB 22 2013

COMMERCE

Dear Chair Detert:

This letter is to request that **Senate Bill # 140**, relating to ***Rental Car Sales and Use Tax Surcharges*** be placed on the agenda of the next scheduled meeting of the committee.

*CS/SB 140 Defining the term "car-sharing service;" exempting the provision of vehicles by such services from the rental car surcharge, etc*

Thank you for consideration of this request.

Sincerely,

Senator Braynon  
District 36

cc. *Jennifer Hrdlicka, Staff Director, Committee Commerce and Tourism*  
*Patty Blackburn, Committee Administrative Assistant, Room 310K*

#### REPLY TO:

- ☐ 606 NW 183rd Street, Miami Gardens, Florida 33169 (305) 654-7150 FAX: (305) 654-7152
- ☐ 213 Senate Office Building, 404 South Monroe Street, Tallahassee, Florida 32399-1100 (850) 487-5036

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)

3/4/13

Meeting Date

Topic RENTAL CAR SURCHARGE

Bill Number JB 140  
(if applicable)

Name DAVID ROBERTS

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

Job Title PUBLIC POLICY ADVISOR

Address 106 E. COLLEGE AVE  
Street

Phone 850-443-4820

TALLAHASSEE FL 32312  
City State Zip

E-mail DAVID.ROBERTS@AKERMAN.COM

Speaking: ☒ For ☐ Against ☐ Information

Representing car2go

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.)

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

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BILL: SB 558

INTRODUCER: Senator Detert

SUBJECT: Letters of Credit Issued by a Federal Home Loan Bank

DATE: March 1, 2013

REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Johnson	Burgess	BI	<b>Favorable</b>
2.	Siples	Hrdlicka	CM	<b>Favorable</b>
3.			JU	
4.				
5.				
6.				

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## I. Summary:

SB 558 amends the Florida Security for Public Deposits Act (the act)<sup>1</sup> which authorizes local and state governments to place public deposits in qualified public depositories (QPD). The state Chief Financial Officer (CFO) is responsible for establishing criteria for financial institutions to be designated QPDs. A QPD is required to secure or collateralize public deposits in accordance with the act. Various types of securities are eligible to be pledged as collateral, including letters of credit issued by a Federal Home Loan Bank (FHLBank) that are triple A-rated (AAA), which is the highest rating, by a national source.

Due to uncertainties regarding the fiscal condition of the United States (U.S.), consumer confidence, high unemployment, and the global economy, one of the nationally recognized credit rating agencies, Standard and Poor's Ratings Services (Standard & Poor's), downgraded the U.S. long-term sovereign credit rating one level from "AAA" to "AA+."<sup>2</sup> While Moody's Investor Service, Inc., (Moody's) and Fitch, Inc., (Fitch) have not downgraded the U.S. sovereign rating, they have both issued short-term negative outlooks for the U.S. and have indicated that they may downgrade the U.S. from its top credit rating if Congress fails to address the fiscal issues. Although obligations of the FHLBank, a government-sponsored entity, are not guaranteed by the U.S. government, credit rating agencies state that there is financial dependence between the U.S. government and the FHLBank. Thus, a lower U.S. sovereign rating would likely impact the rating of the FHLBank. In the event the two other rating agencies also downgrade their credit

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<sup>1</sup> Chapter 280, F.S.

<sup>2</sup> Press Release, Standard & Poor's, *United States of America Long-Term Rating Lowered to 'AA+' Due to Political Risks, Rising Debt Burden,; Outlook Negative* (Aug. 5, 2011). Available at <http://www.standardandpoors.com/ratings/articles/en/us/?assetID=1245316529563> (last visited February 27, 2013).

ratings for FHLBank obligations, QPDs could no longer use FHLBank letters of credit as eligible collateral under current law. This would require QPDs to use other assets as replacement collateral, which in turn could affect their liquidity and lending ability.

The bill would allow QPDs to continue using letters of credit of a FHLBank as eligible collateral in the event the other major credit agencies downgrade their ratings of FHLBank obligations below AAA. The bill would permit QPDs to use letters of credit of an FHLBank, if obligations of the FHLBank are rated by a nationally recognized source at not lower than its rating of the long-term sovereign credit of the U.S.

This bill substantially amends s. 280.13, F.S.

## **II. Present Situation:**

The Security for Public Deposits Act provides the framework for the protection of public deposits.<sup>3</sup> Under the act, the Chief Financial Officer (CFO) of the State of Florida is responsible for designating financial institutions as qualified public depositories (QPD).<sup>4</sup> To secure the public deposits, a QPD must pledge collateral in accordance with the statute and the CFO's collateral requirements and collateral pledging levels, as established by rule.<sup>5</sup> Eligible collateral that may be pledged includes securities, Federal Home Loan Bank letters of credit, and cash.<sup>6</sup> The CFO may demand payment under a letter of credit or direct a custodian to deposit or transfer collateral and proceeds of securities not previously credited upon the occurrence of one or more triggering events, such as a QPD's insolvency or a determination by the CFO that an immediate danger to public health, safety, or welfare exists.<sup>7</sup> When the CFO has determined that a default or insolvency has occurred the CFO must notify all public depositors and provide instructions on the filing of claims.<sup>8</sup> The losses are to be satisfied, first, through any applicable deposit insurance and then through demanding payment under letters of credit or the sale of collateral pledged or deposited by the defaulting QPD. The CFO is to cover any remaining losses by assessment against other QPDs.

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<sup>3</sup> A public deposit refers to moneys of the state, any state university, county, school district, community college district, special district, metropolitan government, or municipality, including agencies, boards, bureaus, commissions, and institutions of any of the foregoing, or of any court, and includes the moneys of all county officers, including constitutional officers, that are placed on deposit in a bank, savings bank, or savings association and for which the bank, savings bank, or savings association is required to maintain reserves. s. 280.02(23), F.S.

<sup>4</sup> A qualified public depository is a bank, savings bank, or savings association that is organized under the laws of the United States or any state or territory of the United States, has a principal place of business or branch office in this state authorized to receive deposits, has federally-insured deposits, has procedures and practices that accurately report and collateralize public deposits, meets the requirements of the Florida Security for Public Deposits Act, and has been designated as a qualified public depository by the CFO. s. 280.02(26), F.S.

<sup>5</sup> Chapter 69C-2, F.A.C., sets forth the collateral requirements.

<sup>6</sup> Sections 280.02(12) and 280.13, F.S. Other eligible collateral includes obligations of the United States Government, federal agencies, any state, Puerto Rico, political subdivision, or municipality; tax anticipation certificates; public housing obligations; revenue bonds of any state of the United States or of a political subdivision or municipality thereof; corporate bonds; and other securities designated allowable by law.

<sup>7</sup> For a complete list of events that may trigger a demand of payment, see s. 280.041(6), F.S.

<sup>8</sup> Sections 280.08 and 280.085, F.S.

## Federal Home Loan Bank Letters of Credit

Congress created the Federal Home Loan Bank (FHLBank) System in 1932. Its mission is to support residential mortgage lending and community investment at a local level.<sup>9</sup> The FHLBank is composed of 12 regional cooperative banks that are entirely owned by their members.<sup>10</sup> Obligations of the FHLBanks are not obligations of the U.S. and are not guaranteed by the federal government or any government agency.<sup>11</sup>

Section 280.13, F.S., provides that an FHLBank letter of credit may be pledged as eligible collateral by a QPD, if, among other things, the obligations of an FHLBank issuing the letter of credit maintain a AAA rating by a nationally recognized source.<sup>12</sup> The long-term debt of the FHLBank is rated by both Standard & Poor's Rating (Standard & Poor's) and Moody's Investor Service (Moody's). On August 15, 2012, Standard & Poor's gave FHLBank's long-term senior debt a credit rating of AA+. The rating is a reflection of the negative outlook on the U.S. government.<sup>13</sup> Moody's has maintained a AAA credit rating of the FHLBank's long-term senior debt. According to the Department of Financial Services, there are currently 17 QPDs that have pledged a total of \$1.88 billion in FHLBank letters of credit.<sup>14</sup>

## U.S. Credit Ratings

On August 5, 2011, Standard & Poor's lowered the long-term sovereign credit rating for the United States from "AAA" to "AA+."<sup>15</sup> The lowered rating was based on the uncertainty of the political and economic climate. While Moody's and Fitch have not downgraded the U.S. sovereign rating, they have both announced that their short-term outlook for the U.S. is negative and they may downgrade the U.S. if Congress fails to address the fiscal issues and growing deficit.<sup>16</sup> There is a distinct possibility that all three nationally recognized rating agencies could downgrade the U.S. sovereign rating if concerns about the ongoing issues with U.S. fiscal policy

<sup>9</sup> Federal Home Loan Bank, Office of Finance, *History of Service*, available at [http://www.fhlb-of.com/ofweb\\_userWeb/pageBuilder/mission--history-29](http://www.fhlb-of.com/ofweb_userWeb/pageBuilder/mission--history-29) (last visited February 27, 2013).

<sup>10</sup> Federal Home Loan Bank, *The Federal Home Loan Banks: The Basics*, available at [http://www.fhlbanks.com/assets/pdfs/sidebar/FHLBanks\\_TheBasics\\_4\\_2012.pdf](http://www.fhlbanks.com/assets/pdfs/sidebar/FHLBanks_TheBasics_4_2012.pdf) (last visited February 27, 2013).

<sup>11</sup> Federal Home Loan Bank, Office of Finance, *Credit Ratings*, available at [http://www.fhlb-of.com/ofweb\\_userWeb/pageBuilder/credit-ratings-31](http://www.fhlb-of.com/ofweb_userWeb/pageBuilder/credit-ratings-31) (last visited February 27, 2013).

<sup>12</sup> A nationally recognized statistical rating organization (NRSRO) is a credit rating organization, registered with the Securities and Exchange Commission, which provides its opinion on the creditworthiness of an entity and the financial obligations issued by an entity. There are currently ten firms registered as NRSROs: A.M. Best Company, Inc.; DBRS, LTD.; Egan-Jones Rating Company; Fitch, Inc.; Japan Credit Rating, Ltd.; Kroll Bond Rating Agency, Inc.; Moody's Investors Service, Inc.; Rating and Investment Information, Inc.; Realpoint LLC; and Standard & Poor's Rating Services. U.S. Securities and Exchange Commission, *Credit Rating Agencies – NRSROs*, available at <http://www.sec.gov/answers/nrsro.htm> (last visited February 27, 2013).

<sup>13</sup> FHLBank, Office of Finance, *Credit Ratings*.

<sup>14</sup> Policy and Research Memorandum from the Department of Financial Services, (October 29, 2012) (on file with the Senate Commerce and Tourism Committee).

<sup>15</sup> Press Release, Standard & Poor's, *United States of America Long-Term Rating Lowered to 'AA+' Due to Political Risks, Rising Debt Burden; Outlook Negative* (Aug. 5, 2011), available at <http://www.standardandpoors.com/ratings/articles/en/us/?assetID=1245316529563> (last visited February 27, 2013).

<sup>16</sup> Newman, Rick, *What Will Cause the Next U.S. Credit Downgrade*, U.S. News and World Report, (Jan. 3, 2013), available at <http://www.usnews.com/news/blogs/rick-newman/2013/01/03/what-will-cause-the-next-us-credit-downgrade> (last visited February 27, 2013).

are not adequately addressed.<sup>17</sup> The credit rating of the FHLBank is integrally tied to those of the U.S.'s sovereign debt. This is evident by Standard & Poor's downgrade of the FHLBank's credit rating on the heels of the downgrade of the U.S. sovereign debt in August 2011. Standard & Poor's noted "...if we lowered the rating on the U.S., we would likely lower the ratings on [the FHLBank] System debt and the individual FHLBs according to our GRE [government-related entity] criteria, since we do not believe an institution that receives support should be rated above the institution that supports it, except in very unique situations."<sup>18</sup> If the other nationally recognized rating agencies were to downgrade the U.S. sovereign debt, this would eliminate the ability of QPDs to use letters of credit from the FHLBank to meet the requirements of s. 280.13, F.S.

Currently, all FHLBanks, except Seattle, hold an "AA+" credit rating on long-term obligations from Standard and Poor's, which is the same rating as the U.S. sovereign rating.<sup>19</sup> All of the FHLBanks currently hold Moody's top credit rating for both short and long-term obligations, which reflects the ratings Moody's holds for the U.S. generally.<sup>20</sup> In 2011, Fitch affirmed the "AAA" rating of the FHLBank System and the U.S. sovereign debt; however, Fitch issued a negative rating outlook on both entities.<sup>21</sup>

### III. Effect of Proposed Changes:

**Section 1** amends s. 280.13, F.S., to allow QPDs to continue using letters of credit issued by a Federal Home Loan Bank as collateral in the event other major credit rating agencies downgrade their ratings of the FHLBank obligations below AAA. The bill would permit the use of the FHLBank letters of credit if the FHLBank obligations are rated by a nationally recognized source at a rating at least the rating of U.S. sovereign debt.

**Section 2** provides this act will take effect July 1, 2013.

### IV. Constitutional Issues:

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

None.

#### B. Public Records/Open Meetings Issues:

None.

<sup>17</sup> Lopez, Luciana, *Fitch Backs Away from Downgrade of U.S. Credit Rating*, (Jan. 28, 2013), available at <http://www.reuters.com/article/2013/01/28/us-usa-rating-fitch-idUSBRE90R0WS20130128> (last visited February 27, 2013).

<sup>18</sup> Standard and Poor's Rating Services, *Ratings Direct Federal Home Loan Banks*, (Aug. 15, 2012), available at [http://www.fhlb-of.com/ofweb\\_userWeb/resources/SandPCreditAnalysis081512.pdf](http://www.fhlb-of.com/ofweb_userWeb/resources/SandPCreditAnalysis081512.pdf) (last visited February 27, 2013).

<sup>19</sup> *Ibid.*

<sup>20</sup> FHLBank, Office of Finance, *Credit Ratings*.

<sup>21</sup> Press Release, Fitch, Inc., *Fitch Revises the Rating Outlook on the Federal Home Loan Banks to Negative* (Nov. 28, 2011), available at <http://www.reuters.com/article/2011/11/28/idUS226613+28-Nov-2011+BW20111128> (last visited February 27, 2013).

C. Trust Funds Restrictions:

None.

**V. Fiscal Impact Statement:**

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

SB 558 will assure that QPDs will continue to be able to use FHLBank letters of credit as eligible collateral.

This change in letters of credit as eligible collateral would eliminate any potential disruption to banks and savings associations that use FHLBank letters of credit as collateral should the long-term sovereign credit rating of the United States drop below triple-A.

C. Government Sector Impact:

The letters of credit issued by the FHLBank provide operational and cost efficiencies to the CFO who can directly make a demand on the FHLBank letters of credit in the event of a QPD's default, without having to sell and transfer pledged securities. The Department of Financial Services does not anticipate that the bill will have a fiscal impact.

**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)

3.4.2013

Meeting Date

Topic FHLB Letters of Credit

Bill Number 558  
(if applicable)

Name Kim Siomkos

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

Job Title Asst. Vice President of Gov. Relations

Address 1001 Thomasville Road Suite 201  
Street  
Tallahassee FL 32303  
City State Zip

Phone 561 317 4704

E-mail ksiomkos@floridabankers.com

Speaking: ☒ For ☐ Against ☐ Information

Representing Florida Bankers 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.**

S-001 (10/20/11)

720

**STATE OF FLORIDA  
DEPARTMENT OF STATE  
Division of Elections**

I, Ken Detzner, Secretary of State,  
do hereby certify that

***Hayden Dempsey***

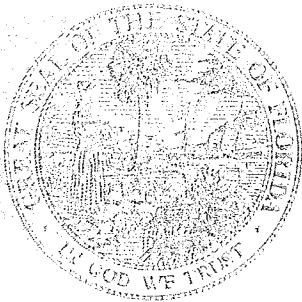
is duly appointed a member of the  
**Board of Directors,  
Enterprise Florida, Inc.**

for a term beginning on the  
Twenty-Third day of April, A.D., 2012,  
until the Thirtieth day of September, A.D., 2015  
and is subject to be confirmed by the Senate  
during the next regular session of the Legislature.

*Given under my hand and the Great Seal of the  
State of Florida, at Tallahassee, the Capital, this  
the Fifth day of July, A.D., 2012.*

*Ken Detzner*

Secretary of State





**RICK SCOTT**  
GOVERNOR

RECEIVED  
DEPARTMENT OF STATE

2012 APR 23 PM 2:42

DIVISION OF ELECTIONS  
TALLAHASSEE, FL

April 23, 2012

The Honorable Kenneth W. Detzner  
Secretary of State  
State of Florida  
R. A. Gray Building, Room 316  
500 South Bronough Street  
Tallahassee, Florida 32399-0250

Dear Secretary Detzner:

Please be advised I have made the following reappointment under the provisions of Section 288.901, Florida Statutes:

Mr. Hayden Dempsey  
3239 Appleton Drive  
Tallahassee, Florida 32311

as a member of the Board of Directors, Enterprise Florida, Inc., subject to confirmation by the Senate. This appointment is effective April 23, 2012 for a term ending September 30, 2015.

Sincerely,

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

Rick Scott  
Governor

RS/nj



100894

## QUESTIONNAIRE FOR SENATE CONFIRMATION

The information from this questionnaire will be used by the the Florida Senate in considering action on your confirmation. The questionnaire MUST BE COMPLETED IN FULL. Answer "none" or "not applicable" where appropriate.

Please type or print in blue or black ink.

Date Completed \_\_\_\_\_

1. Name: Hayden Dempsey

<small>MR./MRS./MS.</small>	<small>LAST</small>	<small>FIRST</small>	<small>MIDDLE/MAIDEN</small>

2. Business Address: 101 E. College Ave. Tallahassee

<small>STREET</small>	<small>OFFICE #</small>	<small>CITY</small>
	<u>32301</u>	<u>850-222-6891</u>
<small>POST OFFICE BOX</small>	<small>STATE</small>	<small>ZIP CODE</small>
	<u>FL</u>	<u>850-556-1985</u>
<small>POST OFFICE BOX</small>	<small>STATE</small>	<small>ZIP CODE</small>
	<u>FL</u>	<u>32311</u>

3. Residence Address: 3239 Appleton Dr. Tallahassee Leon

<small>STREET</small>	<small>CITY</small>	<small>COUNTY</small>
	<u>FL</u>	<u>850-556-1985</u>
<small>POST OFFICE BOX</small>	<small>STATE</small>	<small>ZIP CODE</small>
	<u>FL</u>	<u>32311</u>
<small>POST OFFICE BOX</small>	<small>STATE</small>	<small>ZIP CODE</small>
	<u>FL</u>	<u>32311</u>

Specify the preferred mailing address:      Business ☒      Residence ☐      Fax # 850-681-0207

4. A. List all your places of residence for the last five (5) years.

<small>ADDRESS</small>	<small>CITY &amp; STATE</small>	<small>FROM</small>	<small>TO</small>
<u>2020 Golf Terrace Dr., Tallahassee, FL</u>	<u>FL</u>	<u>1997</u>	<u>2003</u>
<u>1310 Magnolia Drive, Winter Park, FL</u>	<u>FL</u>	<u>1996</u>	<u>1997</u>
<u>1015 Greentree Drive, Winter Park, FL</u>	<u>FL</u>	<u>1984</u>	<u>1987</u>

- B. List all your former and current residences outside of Florida that you have maintained at any time during adulthood.

<small>ADDRESS</small>	<small>CITY &amp; STATE</small>	<small>FROM</small>	<small>TO</small>

5. Date of Birth: 12/13/67      Place of Birth: Tampa, FL
6. Social Security Number: \_\_\_\_\_
7. Driver License Number: \_\_\_\_\_      Issuing State: Florida
8. Have you ever used or been known by any other legal name?    Yes ☒    No ☐    If "Yes" Explain
- Bernard Hayden Dempsey - changed name on adoption

RECEIVED  
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SECRETARY OF STATE  
12 JUN 26 AM 10:08

9. Are you a United States citizen? Yes ☒ No ☐ If "No" explain:

If you are a naturalized citizen, date of naturalization: \_\_\_\_\_

10. Since what year have you been a continuous resident of Florida? Lifetime

11. Are you a registered Florida voter? Yes ☒ No ☐ If "Yes" list:

A. County of Registration: Leon B. Current Party Affiliation: Republican

12. Education

A. High School: Georgetown Preparatory School Year Graduated: 1986

(NAME AND LOCATION)  
Bethesda, MD

- B. List all postsecondary educational institutions attended:

NAME & LOCATION

DATES ATTENDED

CERTIFICATES/DEGREES RECEIVED

Wake Forest University 1986-1990 BA Political Science

Nova Southeastern University Law School 1991-1994 JD

13. Are you or have you ever been a member of the armed forces of the United States? Yes ☐ No ☒ If "Yes" list:

A. Dates of Service: \_\_\_\_\_

B. Branch or Component: \_\_\_\_\_

C. Date & type of discharge: \_\_\_\_\_

14. Have you ever been arrested, charged, or indicted for violation of any federal, state, county, or municipal law, regulation, or ordinance? (Exclude traffic violations for which a fine or civil penalty of \$150 or less was paid.) Yes ☐ No ☐ If "Yes" give details:

DATE

PLACE

NATURE

DISPOSITION

1987 Wintson-Salem, NC Possession of alcohol \$10 fine

15. Concerning your current employer and for all of your employment during the last five years, list your employer's name, business address, type of business, occupation or job title, and period(s) of employment.

EMPLOYER'S NAME & ADDRESS

TYPE OF BUSINESS

OCCUPATION/JOB TITLE

PERIOD OF EMPLOYMENT

Greenberg Traurig, Law Firm, Shareholder, Dec 2003-Present

Executive Office of the Governor, Special Counsel,

Jan 2011-August 2011

16. Have you ever been employed by any state, district, or local governmental agency in Florida? Yes ☐ No ☐ If "Yes", identify the position(s), the name(s) of the employing agency, and the period(s) of employment:

POSITION

EMPLOYING AGENCY

PERIOD OF EMPLOYMENT

Special Counsel, Exec. Office of Governor, Jan. 2011-Aug. 2011

Legislative Affairs Director, Deputy General Counsel, Counsel

for Legislative Affairs, EOG, Sept. 1999- July 2002

Administrative Assistant II, EOG, Sept 1990-August 1991

17. A. State your experiences and interests or elements of your personal history that qualify you for this appointment.

As Special Counsel to Governor Scott, I worked with the Legislature and the executive branch agencies to restructure Florida government to help attract business and jobs to Florida. My governmental experience will hopefully provide the EFI Board perspective and insights into how EFI can best leverage Florida's resources to

- B. Have you received any degree(s), professional certification(s), or designations(s) related to the subject matter of this appointment? Yes ☐ No ☒ If "Yes", list:

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- C. Have you received any awards or recognitions relating to the subject matter of this appointment? Yes ☐ No ☐ If "Yes", list:

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- D. Identify all association memberships and association offices held by you that relate to this appointment:

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18. Do you currently hold an office or position (appointive, civil service, or other) with the federal or any foreign government? Yes ☐ No ☒ If "Yes", list:

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19. A. Have you ever been elected or appointed to any public office in this state? Yes ☐ No ☐ If "Yes", state the office title, date of election or appointment, term of office, and level of government (city, county, district, state, federal):

OFFICE TITLE	DATE OF ELECTION OR APPOINTMENT	TERM OF OFFICE	LEVEL OF GOVERNMENT
Board Memeber,			
Gulf States Marine Fisheries Commission			

June 2004-2009

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Continuation of answer to #17 on previous page:

accomplish its mission. I have also represented numerous small and large businesses and understand many of the factors they consider when deciding where to locate their operations.

B. If your service was on an appointed board(s), committee(s), or council(s):

(1) How frequently were meetings scheduled: Bi-annual

(2) If you missed any of the regularly scheduled meetings, state the number of meetings you attended, the number you missed, and the reasons(s) for your absence(s).

MEETINGS ATTENDED MEETINGS MISSED REASON FOR ABSENCE  
Attended Spring 2004, Spring 2005, Spring/Fall 2006,  
Spring 2008. Missed Fall 2005, business conflict, Spring  
2007 business conflict, Fall 2007, term expired, Fall 2008  
business conflict.

20. Has probable cause ever been found that you were in violation of Part III, Chapter 112, F.S., the Code of Ethics for Public Officers and Employees? Yes ☐ No ☒ If "Yes", give details:

DATE

NATURE OF VIOLATION

DISPOSITION

21. Have you ever been suspended from any office by the Governor of the State of Florida? Yes ☐ No ☒ If "Yes", list:

A. Title of office: \_\_\_\_\_ C. Reason for suspension: \_\_\_\_\_

B. Date of suspension: \_\_\_\_\_ D. Result: Reinstated ☐ Removed ☐ Resigned ☐

22. Have you previously been appointed to any office that required confirmation by the Florida Senate? Yes ☒ No ☐  
If "Yes", list:

A. Title of Office: Board Member, Gulf States Marine Fisheries Commission

B. Term of Appointment: 2004-2007

C. Confirmation results: Confirmed

23. Have you ever been refused a fidelity, surety, performance, or other bond? Yes ☐ No ☒ If "Yes", explain:

24. Have you held or do you hold an occupational or professional license or certificate in the State of Florida? Yes ☒ No ☐  
If "Yes", provide the title and number, original issue date, and issuing authority. If any disciplinary action (fine, probation, suspension, revocation, disbarment) has ever been taken against you by the issuing authority, state the type and date of the action taken:

LICENSE/CERTIFICATE

ORIGINAL

TITLE & NUMBER

ISSUE DATE

ISSUING AUTHORITY

DISCIPLINARY ACTION/DATE

Florida Bar 14435, The Florida Bar, No disciplinary action

25. A. Have you, or businesses of which you have been and owner, officer, or employee, held any contractual or other direct dealings during the last four (4) years with any state or local governmental agency in Florida, including the office or agency to which you have been appointed or are seeking appointment? Yes ☐ No ☐ If "Yes", explain:

NAME OF BUSINESS

YOUR RELATIONSHIP TO BUSINESS

BUSINESS' RELATIONSHIP TO AGENCY

Greenberg Traurig Law Firm, Shareholder. Greenberg Traurig  
provided legal representation to numerous state agencies  
and local governments.

- B. Have members of your immediate family (spouse, child, parents(s), siblings(s)), or businesses of which members of your immediate family have been owners, officers, or employees, held any contractual or other direct dealings during the last four (4) years with any state or local governmental agency in Florida, including the office or agency to which you have been appointed or are seeking appointment? Yes ☒ No ☐ If "Yes", explain:

<u>NAME OF BUSINESS</u>	<u>FAMILY MEMBER'S RELATIONSHIP TO YOU</u>	<u>FAMILY MEMBER'S RELATIONSHIP TO BUSINESS</u>	<u>BUSINESS' RELATIONSHIP TO AGENCY</u>
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26. Have you ever been a registered lobbyist or have you lobbied at any level of government at any time during the past five (5) years? Yes ☒ No ☐

A. Did you receive any compensation other than reimbursement for expenses? Yes ☒ No ☐

B. Name of agency or entity you lobbied and the principal(s) you represented:

<u>AGENCY LOBBIED</u>	<u>PRINCIPAL REPRESENTED</u>
<u>Florida Legislature, Executive Office of the Governor 2011</u>	
<u>See attached 2010 lobbyist registration list and 2012</u>	
<u>lobbyist registration.</u>	

27. List three persons who have known you well within the past five (5) years. Include a current, complete address and telephone number. Exclude your relatives and members of the Florida Senate.

NAME  
Fred Baggett,  
Pete Antonacci,  
Gus Corbella, !!!

28. Name any business, professional, occupational, civic, or fraternal organizations(s) of which you are now a member, or of which you have been a member during the past five (5) years, the organization address(es), and date(s) of your membership(s).

<u>NAME</u>	<u>MAILING ADDRESS</u>	<u>OFFICE(S) HELD &amp; TERM</u>	<u>DATE(S) OF MEMBERSHIP</u>
<u>Republican Lawyers Association PO Box 18965, Washington, DC</u>			
<u>Board member, 2004-2010</u>			
<u>Big Bend YMCA, 2001 Appalachee PWY, Tallahassee FL, Board</u>			
<u>member 2010-2011</u>			
<u>The Florida Bar</u>			

29. Do you know of any reason why you will not be able to attend fully to the duties of the office or position to which you have been or will be appointed? Yes ☐ No ☒ If "Yes", explain:


30. If required by law or administrative rule, will you file financial disclosure statements? Yes ☒ No ☐

# CERTIFICATION

STATE OF FLORIDA, COUNTY OF Leon

Before me, the undersigned Notary Public of Florida, personally appeared

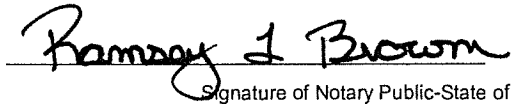
Hayden Dempsey, who, after being duly sworn, say: (1) that he/she has carefully and personally prepared or read the answers to the foregoing questions; (2) that the information contained in said answers is complete and true; and (3) that he/she will, as an appointee, fully support the Constitutions of the United States and of the State of Florida.



Signature of Applicant-Affiant

Sworn to and subscribed before me

this 31st day of May, 2012  
25 June 12



Signature of Notary Public-State of Florida

Ramsey L. Brown

(Print, Type, or Stamp Commissioned Name of Notary Public)

My commission expires: May 21, 2014

Personally Known ☒ OR Produced Identification ☐

Type of Identification Produced \_\_\_\_\_



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SECRETARY OF STATE

(seal)

## MEMORANDUM

**AS A GENERAL MATTER, APPLICATIONS FOR ALL POSITIONS WITHIN STATE GOVERNMENT ARE PUBLIC RECORDS WHICH MAY BE VIEWED BY ANYONE UPON REQUEST. HOWEVER, THERE ARE SOME EXEMPTIONS FROM THE PUBLIC RECORDS LAW FOR IDENTIFYING INFORMATION RELATING TO PAST AND PRESENT LAW ENFORCEMENT OFFICERS AND THEIR FAMILIES, VICTIMS OF CERTAIN CRIMES, ETC. IF YOU BELIEVE AN EXEMPTION FROM THE PUBLIC RECORDS LAW APPLIES TO YOUR SUBMISSION, PLEASE CHECK THIS BOX.**

☐

Yes, I assert that identifying information provided in this application should be excluded from inspection under the Public Records Law.

Because: (please provide cite.) \_\_\_\_\_

**IF YOU NEED ADDITIONAL GUIDANCE AS TO THE APPLICABILITY OF ANY PUBLIC RECORDS LAW EXEMPTION TO YOUR SITUATION, PLEASE CONTACT THE OFFICE OF THE ATTORNEY GENERAL.**

The Office of the Attorney General  
PL-01, The Capitol  
Tallahassee, Florida 32399  
(850) 245-0150



Select Year:

Select Type:

Select View:

## 2010 Legislative Lobbyist

The "Industry Code" listed below each principal address states the North American Industry Classification System (NAICS) code that most accurately describes the principal's main business. You may view the full list of codes and titles on the site: <http://www.census.gov/naics/2007/NAICO607.HTM>.

### Hayden R. Dempsey

**Mailing Address:**

Greenberg Traurig 101 E College Ave  
Tallahassee, FL 32301

**Phone Number:**

850/222-6891

**Principals:**

Alzheimer's Association, Florida Gulf Coast Chapter

9365 US Hwy 19 N Ste B Pinellas Park, FL 33782  
Industry Code: 624120  
Effective: 01/11/2010

~~Amerigroup Corporation~~

~~4425 Corporation Ln Virginia Beach, VA 23462 (Withdrawal Date: 02/08/2010)~~  
~~Industry Code: 524114~~  
~~Effective: 01/11/2010~~

Broward County Sheriff's Office

2601 W Broward Blvd Ft Lauderdale, FL 33312  
Industry Code: 922120  
Effective: 01/11/2010

City of North Port

4970 City Hall Blvd North Port, FL 34286  
Industry Code: 921110  
Effective: 01/11/2010

Enterprise Leasing Company of Florida, LLC

5105 Johnson Rd Coconut Creek, FL 33073  
Industry Code: 532111  
Effective: 01/11/2010

Florida Association of Court Clerks & Comptrollers

3544 Maclay Blvd Tallahassee, FL 32312

Industry Code: 921110

Effective: 01/11/2010

~~Florida Association of Health Plans, Inc~~

~~201 E Park Ave Tallahassee, FL 32301 (Withdrawal Date: 02/08/2010)~~

~~Industry Code: 813910~~

~~Effective: 01/11/2010~~

Keefe Commissary Network

1260 Andes Blvd St. Louis, MO 63132

Industry Code: 454390

Effective: 05/19/2010

Maxim Health Care

600 N Westshore Blvd Ste 600 Tampa, FL 33609

Industry Code: 621610

Effective: 03/11/2010

~~MAXIMUS~~

~~11419 Sunset Hills Rd Reston, VA 20190 (Withdrawal Date: 02/08/2010)~~

~~Industry Code: 921190~~

~~Effective: 01/11/2010~~

Meridian Behavioral Healthcare

4310 SW 13th St Gainesville, FL 32614

Industry Code: 621420

Effective: 01/11/2010

Mylan, Inc

1500 Corporate Dr Canonsburg, PA 15317-8580

Industry Code: 325412

Effective: 01/11/2010

Pediatric Services of America, Inc

310 Technology Pky Norcross, GA 30092

Industry Code: 621610

Effective: 01/11/2010

Public Risk Underwriters

615 Crescent Exec Cir 6th Floor Lake Mary, FL 32746

Industry Code: 524298

Effective: 04/12/2010

Skanska Infrastructure Development

99 Canal Center Plaza Ste 125 Alexandria, VA 22314

Industry Code: 237310

Effective: 01/11/2010

United Healthcare Services, Inc

9900 Bren Rd E Minnetonka, MN 55343

Industry Code: 524114

Effective: 01/07/2010

~~Williams Scotsman, Inc~~

~~801 Jetstream Dr Orlando, FL 32824 (Withdrawal Date: 02/04/2010)~~

~~Industry Code: 053213~~

~~Effective: 01/11/2010~~

Select Year:

Select Type:

Select View:

## 2010 Executive Lobbyist

The "Industry Code" listed below each principal address states the North American Industry Classification System (NAICS) code that most accurately describes the principal's main business. You may view the full list of codes and titles on the site: <http://www.census.gov/epcd/naics02/naico602.htm>.

### Hayden R. Dempsey

**Mailing Address:**

Greenberg Traurig 101 E College Ave  
Tallahassee, FL 32302

**Phone Number:**

850/222-6891

**Principals:**

~~AMERIGROUP Corporation~~

~~4425 Corporation Lane Virginia Beach, VA 23462 (Withdrawal Date: 02/08/2010)~~

~~Industry Code: 524114~~

~~Effective: 01/06/2010~~

Broward County Sheriff's Office

2601 W Broward Blvd Fort Lauderdale, FL 33312

Industry Code: 922120

Effective: 01/06/2010

City of North Port

4970 City Hall Blvd North Port, FL 34286

Industry Code: 446199

Effective: 01/06/2010

Enterprise Leasing Company of Florida, LLC

5105 Johnson Rd Coconut Creek, FL 33073

Industry Code: 532111

Effective: 01/06/2010

Florida Association of Court Clerks & Comptrollers

3544 Maclay Blvd Tallahassee, FL 32312

Industry Code: 921110

Effective: 01/06/2010

~~Florida Association of Health Plans, Inc~~

~~201 East Park Ave Tallahassee, FL 32301 (Withdrawal Date: 02/08/2010)~~  
~~Industry Code: 813910~~  
~~Effective: 01/06/2010~~

Isocorp

2022-2 Raymond Diehl Rd Tallahassee, FL 32308  
Industry Code: 541512  
Effective: 07/09/2010

Keefe Commissary Network

1260 Andes Blvd St Louis, MO 63132  
Industry Code: 454390  
Effective: 05/19/2010

Maxim Health Care

600 N Westshore Blvd Ste 600 Tampa, FL 33609  
Industry Code: 621610  
Effective: 03/11/2010

~~Maximus~~

~~11419 Sunset Hills Rd Reston, VA 20190 (Withdrawal Date: 02/08/2010)~~  
~~Industry Code: 921190~~  
~~Effective: 01/06/2010~~

Meridian Behavioral Healthcare

4310 SW 13th At Gainesville, FL 32614  
Industry Code: 621420  
Effective: 01/06/2010

Mylan, Inc

1500 Corporate Dr Canonsburg, PA 15317-8580  
Industry Code: 325412  
Effective: 01/06/2010

Pediatric Services of America, Inc

310 Technology Pkwy Norcross, GA 30092  
Industry Code: 621610  
Effective: 01/06/2010

Public Risk Underwriters

615 Crescent Executive Circle FL 6 Lake Mary, FL 32746  
Industry Code: 524298  
Effective: 04/13/2010

Skanska Infrastructure Development

99 Canal Center Plaza Ste 125 Alexandria, VA 22314  
Industry Code: 237310

Effective: 01/06/2010

United Healthcare Services, Inc

9900 Bren Road East Minnetonka, MN 55343

Industry Code: 524114

Effective: 01/07/2010

~~Williams Scotsman, Inc~~

~~801 Jetstream Dr Orlando, FL 32824 (Withdrawal Date: 02/04/2010)~~

~~Industry Code: 532310~~

~~Effective: 01/06/2010~~

Select Year:  Select Type:  Select View:

## 2012 Legislative Lobbyist

The "Industry Code" listed below each principal address states the North American Industry Classification System (NAICS) code that most accurately describes the principal's main business. You may view the full list of codes and titles on the site: <http://www.census.gov/naics/2007/NAIC0607.HTM>.

### Hayden R. Dempsey

**Mailing Address:**

101 E College Ave  
Tallahassee, FL 32301

**Phone Number:**

850/222-6891

**Principals:**

Associated Industries of Florida

516 N Adams St Tallahassee, FL 32301  
Industry Code: 541820  
Effective: 01/09/2012

Brain Injury Association of Florida, Inc

1637 Metropolitan Blvd Ste B Tallahassee, FL 32308  
Industry Code: 813319  
Effective: 01/09/2012

City of North Port

4970 City Hall Blvd North Port, FL 34286  
Industry Code: 925110  
Effective: 01/09/2012

Enterprise Leasing Company of Florida, LLC

5105 Johnson Rd Coconut Creek, FL 33073  
Industry Code: 532111  
Effective: 01/09/2012

Florida Association of Court Clerks & Comptrollers

3544 Maclay Blvd Tallahassee, FL 32312  
Industry Code: 921110  
Effective: 01/09/2012

Florida Surety Agents Association

511 W Main St Tavares, FL 32778

Industry Code: 813910

Effective: 01/09/2012

Genomic Health Inc

301 Penobscot Dr Redwood City, CA 94063

Industry Code: 541711

Effective: 01/09/2012

Globalvia USA

1230 Avenue of the Americas Rockefeller Center 7th Floor New York, NY 10020

Industry Code: 525990

Effective: 05/22/2012

McGladrey

4887 Belfort Rd Ste 201 Jacksonville, FL 32256

Industry Code: 541611

Effective: 01/09/2012

Meridian Behavioral Healthcare

4310 SW 13th St Gainesville, FL 32614

Industry Code: 621420

Effective: 01/09/2012

Pediatric Services of America, Inc

310 Technology Pky Norcross, GA 30092

Industry Code: 621610

Effective: 01/09/2012

Skanska Infrastructure Development

99 Canal Center Plaza Ste 125 Alexandria, VA 22314

Industry Code: 237310

Effective: 01/09/2012

United Healthcare Services, Inc

~~9900 Bren Rd E Minnetonka, MN 55343 (Withdrawal Date: 04/30/2012)~~

~~Industry Code: 524114~~

~~Effective: 01/09/2012~~



Select Year:  Select Type:  Select View:

## 2012 Executive Lobbyist

The "Industry Code" listed below each principal address states the North American Industry Classification System (NAICS) code that most accurately describes the principal's main business. You may view the full list of codes and titles on the site: <http://www.census.gov/epcd/naics02/naico602.htm>.

### Hayden R. Dempsey

**Mailing Address:**

Greenberg Traurig 101 E College Ave  
Tallahassee, FL 32302

**Phone Number:**

850/222-6891

**Principals:**

Associated Industries of Florida

516 N Adams St Tallahassee, FL 32301  
Industry Code: 813910  
Effective: 01/09/2012

Brain Injury Association of Florida, Inc

1637 Metropolitan Blvd, Ste B Tallahassee, FL 32308  
Industry Code: 813319  
Effective: 01/09/2012

Brocade Communications

820 Governors Dr Tallahassee, FL 32301  
Industry Code: 541512  
Effective: 01/11/2012

City of North Port

4970 City Hall Blvd North Port, FL 34286  
Industry Code: 921110  
Effective: 01/09/2012

Enterprise Leasing Company of Florida, LLC

5105 Johnson Rd Coconut Creek, FL 33073  
Industry Code: 532111  
Effective: 01/09/2012

Florida Association of Court Clerks & Comptrollers

3544 Maclay Blvd Tallahassee, FL 32312

Industry Code: 921110

Effective: 01/09/2012

Florida Surety Agents Association

511 West Main St Tavares, FL 32778

Industry Code: 813910

Effective: 01/09/2012

Genomic Health, Inc

301 Penobscot Dr Redwood City, CA 94063

Industry Code: 541711

Effective: 01/09/2012

Globalvia USA

1230 Avenue of the Americas 7th Flr, Rockefeller Center New York, NY 10020

Industry Code: 525990

Effective: 05/22/2012

McGladrey

4887 Belfort Rd, Ste 201 Jacksonville, FL 32256

Industry Code: 541611

Effective: 01/09/2012

Meridian Behavioral Healthcare

4310 SW 13th St Gainesville, FL 32614

Industry Code: 621420

Effective: 01/09/2012

Pediatric Services of America, Inc

310 Technology Parkway Norcorss, GA 30092

Industry Code: 621610

Effective: 01/09/2012

Skanska Infrastructure Development

99 Canal Center Plaza, Ste 125 Alexandria, VA 22314

Industry Code: 237310

Effective: 01/09/2012

United Healthcare Services, Inc

9900 Bren Road East Minnetonka, MN 55343 (Withdrawal Date: 04/30/2012)

Industry Code: 524114

Effective: 01/09/2012

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The Florida Senate  
**Committee Notice Of Hearing**

IN THE FLORIDA SENATE  
TALLAHASSEE, FLORIDA

IN RE: Executive Appointment of  
Hayden R. Dempsey  
Board of Directors, Enterprise Florida, Inc.

**NOTICE OF HEARING**

TO: Mr. Hayden R. Dempsey

YOU ARE HEREBY NOTIFIED that the Committee on Commerce and Tourism of the Florida Senate will conduct a hearing on your executive appointment on Monday, March 04, 2013, in the Toni Jennings Committee Room, 110 Senate Office Building, commencing at 3:30 p.m., pursuant to Rule 12.7(1) of the Rules of the Florida Senate.

Please be present at the time of the hearing.  
DATED this the 25th day of February, 2013

Committee on Commerce and Tourism



---

Senator Nancy C. Detert  
As Chair and by authority of the committee

cc: Members, Committee on Commerce and Tourism  
Donald Severance, Sergeant at Arms

720

**STATE OF FLORIDA  
DEPARTMENT OF STATE  
Division of Elections**

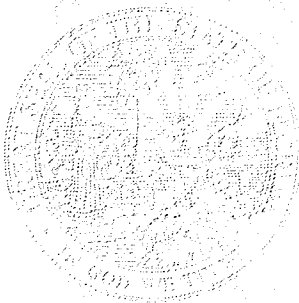
I, Ken Detzner, Secretary of State,  
do hereby certify that

***Henry Rodriguez***

is duly appointed a member of the

**Board of Directors,  
Enterprise Florida, Inc.**

for a term beginning on the  
Twenty-Third day of April, A.D., 2012,  
until the Thirtieth day of September, A.D., 2014  
and is subject to be confirmed by the Senate  
during the next regular session of the Legislature.



*Given under my hand and the Great Seal of the  
State of Florida, at Tallahassee, the Capital, this  
the Twenty-Seventh day of June, A.D., 2012.*

*Ken Detzner*

Secretary of State



**RICK SCOTT**  
GOVERNOR

RECEIVED  
DEPARTMENT OF STATE

2012 APR 23 PM 2:43

DIVISION OF ELECTIONS  
TALLAHASSEE, FL

April 23, 2012

The Honorable Kenneth W. Detzner  
Secretary of State  
State of Florida  
R. A. Gray Building, Room 316  
500 South Bronough Street  
Tallahassee, Florida 32399-0250

Dear Secretary Detzner:

Please be advised I have made the following reappointment under the provisions of Section 288.901, Florida Statutes:

Mr. Henry Rodriguez  
2718 Casey Key Road  
Nokomis, Florida 34275

as a member of the Board of Directors, Enterprise Florida, Inc., subject to confirmation by the Senate. This appointment is effective April 23, 2012 for a term ending September 30, 2014.

Sincerely,

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

Rick Scott  
Governor

RS/nj

100544

## QUESTIONNAIRE FOR SENATE CONFIRMATION

The information from this questionnaire will be used by the Florida Senate in considering action on your confirmation. The questionnaire MUST BE COMPLETED IN FULL. Answer "none" or "not applicable" where appropriate. Please type or print in blue or black ink.

2012 MAY 22 AM 10:36/15/12

Date Completed

1. Name: Mr. Rodriguez DEPARTMENT OF STATE  
Mr./Mrs./Ms. Last First Middle/Maiden DIVISION OF ELECTIONS

2. Business Address: 1515 Ringling Blvd, Suite #890 Sarasota  
Street Office # City  
FL 34236 (941) 312-5996  
Post Office Box State Zip Code Area Code/Phone Number

3. Residence Address: 2718 Casey Key Rd Nokomis Sarasota  
Street City County  
FL 34275 (941) 966-4200  
Post Office Box State Zip Code Area Code/Phone Number

Specify the preferred mailing address: Business ☒ Residence ☐ Fax # (941) 312-5997  
(optional)

4. A. List all your places of residence for the last five (5) years.

Address	City & State	From	To
<u>2718 Casey Key Rd</u>	<u>Nokomis, FL</u>	<u>34275</u>	<u>1/14/03</u>
			<u>Current</u>

B. List all your former and current residences outside of Florida that you have maintained at any time during adulthood.

Address	City & State	From	To
<u>2573 Hy Top Rd</u>	<u>Young Harris, GA</u>	<u>30582</u>	<u>8/4/08</u>
<u>8 Caja Inga</u>	<u>San Pierce, Puerto Rico</u>		<u>Current</u>

5. Date of Birth: 3/30/63 Place of Birth: New York, USA

6. Social Security Number: \_\_\_\_\_

7. Driver License Number: \_\_\_\_\_ Issuing State: FL

8. Have you ever used or been known by any other legal name? Yes ☐ No ☒ If "Yes" Explain

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

9. Are you a United States citizen? Yes ☒ No ☐ If "No" explain:

If you are a naturalized citizen, date of naturalization: \_\_\_\_\_

10. Since what year have you been a continuous resident of Florida? 1994

11. Are you a registered Florida voter? Yes ☒ No ☐ If "Yes" list:

A. County of Registration: Sarasota

B. Current Party Affiliation: Republican

12. Education

A. High School: Plantation High School  
(Name and Location)

Year Graduated: 1979 GED

B. List all postsecondary educational institutions attended:

Name & Location

Dates Attended

Certificates/Degrees Received

Broward Community College 1980's

AA Degree

13. Are you or have you ever been a member of the armed forces of the United States? Yes ☐ No ☒ If "Yes" list:

A. Dates of Service: \_\_\_\_\_

B. Branch or Component: \_\_\_\_\_

C. Date & type of discharge: \_\_\_\_\_

14. Have you ever been arrested, charged, or indicted for violation of any federal, state, county, or municipal law, regulation, or ordinance? (Exclude traffic violations for which a fine or civil penalty of \$150 or less was paid.) Yes ☐ No ☒ If "Yes" give details:

Date

Place

Nature

Disposition

15. Concerning your current employer and for all of your employment during the last five years, list your employer's name, business address, type of business, occupation or job title, and period(s) of employment.

Employer's Name & Address

Type of Business

Occupation/Job Title

Period of Employment

Woodmere Capital Management Investments CEO 2011

Woodmere Investment mgmt. Investments CEO 2006 - Current

16. Have you ever been employed by any state, district, or local governmental agency in Florida? Yes ☐ No ☐  
If "Yes", identify the position(s), the name(s) of the employing agency, and the period(s) of employment:

Position

Employing Agency

Period of Employment

Board of Director

Sarasota Manatee Airport Authority

12/9/10 -



17. A. State your experiences and interests or elements of your personal history that qualify you for this appointment.

Enterprise Florida, Inc. - Board of Director (Reappointment)  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

B. Have you received any degree(s), professional certification(s), or designations(s) related to the subject matter of this appointment? Yes ☐ No ☒ If "Yes", list:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

C. Have you received any awards or recognitions relating to the subject matter of this appointment? Yes ☐ No ☒ If "Yes", list:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

D. Identify all association memberships and association offices held by you that relate to this appointment:

Sarasota Manatee Airport Authority  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

18. Do you currently hold an office or position (appointive, civil service, or other) with the federal or any foreign government? Yes ☐ No ☒ If "Yes", list:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

19. A. Have you ever been elected or appointed to any public office in this state? Yes ☒ No ☐ If "Yes", state the office title, date of election or appointment, term of office, and level of government (city, county, district, state, federal):

Office Title	Date of Election or Appointment	Term of Office	Level of Government
<u>Sarasota Manatee Airport Authority</u>	<u>12/9/10 - 11/1/14</u>		<u>State</u>
<u>Enterprise Florida, Inc.</u>	<u>4/27/07 -</u>		<u>State</u>
<u>Space Florida</u>	<u>2011</u>		<u>State</u>
_____	_____	_____	_____
_____	_____	_____	_____

B. If your service was on an appointed board(s), committee(s), or council(s):

(1) How frequently were meetings scheduled: Quarterly

(2) If you missed any of the regularly scheduled meetings, state the number of meetings you attended, the number you missed, and the reasons(s) for your absence(s).

Meetings Attended

Meetings Missed

Reason for Absence

20. Has probable cause ever been found that you were in violation of Part III, Chapter 112, F.S., the Code of Ethics for Public Officers and Employees? Yes ☐ No ☒ If "Yes", give details:

Date

Nature of Violation

Disposition

21. Have you ever been suspended from any office by the Governor of the State of Florida? Yes ☐ No ☒ If "Yes", list:

A. Title of office: \_\_\_\_\_ C. Reason for suspension: \_\_\_\_\_

B. Date of suspension: \_\_\_\_\_ D. Result: Reinstated ☐ Removed ☐ Resigned ☐

22. Have you previously been appointed to any office that required confirmation by the Florida Senate? Yes ☒ No ☐ If "Yes", list:

A. Title of Office: Enterprise Florida, Inc.

B. Term of Appointment: 9/13/11 - 9/30/14

C. Confirmation results: Confirmed / Appointed

23. Have you ever been refused a fidelity, surety, performance, or other bond? Yes ☐ No ☒ If "Yes", explain:

24. Have you held or do you hold an occupational or professional license or certificate in the State of Florida? Yes ☐ No ☒ If "Yes", provide the title and number, original issue date, and issuing authority. If any disciplinary action (fine, probation, suspension, revocation, disbarment) has ever been taken against you by the issuing authority, state the type and date of the action taken:

License/Certificate  
Title & Number

Original  
Issue Date

Issuing Authority

Disciplinary Action/Date

NONE

25. A. Have you, or businesses of which you have been and owner, officer, or employee, held any contractual or other direct dealings during the last four (4) years with any state or local governmental agency in Florida, including the office or agency to which you have been appointed or are seeking appointment? Yes ☐ No ☒ If "Yes", explain:

Name of Business

Your Relationship to Business

Business' Relationship to Agency

B. Have members of your immediate family (spouse, child, parents(s), siblings(s)), or businesses of which members of your immediate family have been owners, officers, or employees, held any contractual or other direct dealings during the last four (4) years with any state or local governmental agency in Florida, including the office or agency to which you have been appointed or are seeking appointment? Yes ☐ No ☒ If "Yes", explain:

<u>Name of Business</u>	<u>Family Member's Relationship to You</u>	<u>Family Member's Relationship to Business</u>	<u>Business' Relationship to Agency</u>

26. Have you ever been a registered lobbyist or have you lobbied at any level of government at any time during the past five (5) years? Yes ☐ No ☒

A. Did you receive any compensation other than reimbursement for expenses? Yes ☐ No ☐ N/A

B. Name of agency or entity you lobbied and the principal(s) you represented:

<u>Agency Lobbied</u>	<u>Principal Represented</u>

27. List three persons who have known you well within the past five (5) years. Include a current, complete address and telephone number. Exclude your relatives and members of the Florida Senate.

<u>Name</u>	<u>Mailing Address</u>	<u>Zip Code</u>	<u>Area Code/Phone Number</u>
Bob Wachter			
Steve Burton			
Steve Diaco			

28. Name any business, professional, occupational, civic, or fraternal organizations(s) of which you are now a member, or of which you have been a member during the past five (5) years, the organization address(es), and date(s) of your membership(s).

<u>Name</u>	<u>Mailing Address</u>	<u>Office(s) Held &amp; Term</u>	<u>Date(s) of Membership</u>
Enterprise Florida, Inc.		Board of Director	4/27/07 -
Sarasota Chamber of Commerce			
FL Tax Watch			

29. Do you know of any reason why you will not be able to attend fully to the duties of the office or position to which you have been or will be appointed? Yes ☐ No ☒ If "Yes", explain:

30. If required by law or administrative rule, will you file financial disclosure statements? Yes ☒ No ☐

## CERTIFICATION

STATE OF FLORIDA, COUNTY OF Sarasota

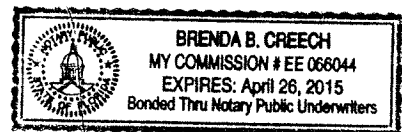
Before me, the undersigned Notary Public of Florida, personally appeared

Henry Rodriguez,  
who, after being duly sworn, say: (1) that he/she has carefully and personally prepared or read the answers to the foregoing questions; (2) that the information contained in said answers is complete and true; and (3) that he/she will, as an appointee, fully support the Constitutions of the United States and of the State of Florida.

  
Signature of Applicant-Affiant

Sworn to and subscribed before me this 15 day of May, 2012.

Brenda B. Creech  
Signature of Notary Public-State of Florida



Brenda B. Creech  
(Print, Type, or Stamp Commissioned Name of Notary Public)

My commission expires: 4/26/2015

Personally Known ☒ OR Produced Identification ☐

Type of Identification Produced \_\_\_\_\_

(seal)

## **MEMORANDUM**

**AS A GENERAL MATTER, APPLICATIONS FOR ALL POSITIONS WITHIN STATE GOVERNMENT ARE PUBLIC RECORDS WHICH MAY BE VIEWED BY ANYONE UPON REQUEST. HOWEVER, THERE ARE SOME EXEMPTIONS FROM THE PUBLIC RECORDS LAW FOR IDENTIFYING INFORMATION RELATING TO PAST AND PRESENT LAW ENFORCEMENT OFFICERS AND THEIR FAMILIES, VICTIMS OF CERTAIN CRIMES, ETC. IF YOU BELIEVE AN EXEMPTION FROM THE PUBLIC RECORDS LAW APPLIES TO YOUR SUBMISSION, PLEASE CHECK THIS BOX.**

☐ Yes, I assert that identifying information provided in this application should be excluded from inspection under the Public Records Law.

Because: (please provide cite.) \_\_\_\_\_

**IF YOU NEED ADDITIONAL GUIDANCE AS TO THE APPLICABILITY OF ANY PUBLIC RECORDS LAW EXEMPTION TO YOUR SITUATION, PLEASE CONTACT THE OFFICE OF THE ATTORNEY GENERAL.**

The Office of the Attorney General  
PL-01, The Capitol  
Tallahassee, Florida 32399  
(850) 245-0150

The Florida Senate  
**Committee Notice Of Hearing**

IN THE FLORIDA SENATE  
TALLAHASSEE, FLORIDA

IN RE: Executive Appointment of  
Henry Rodriguez  
Board of Directors, Enterprise Florida, Inc.

**NOTICE OF HEARING**

TO: Mr. Henry Rodriguez

YOU ARE HEREBY NOTIFIED that the Committee on Commerce and Tourism of the Florida Senate will conduct a hearing on your executive appointment on Monday, March 04, 2013, in the Toni Jennings Committee Room, 110 Senate Office Building, commencing at 3:30 p.m., pursuant to Rule 12.7(1) of the Rules of the Florida Senate.

Please be present at the time of the hearing.  
DATED this the 25th day of February, 2013

Committee on Commerce and Tourism



---

Senator Nancy C. Detert  
As Chair and by authority of the committee

cc: Members, Committee on Commerce and Tourism  
Donald Severance, Sergeant at Arms

March 1, 2013

Senate Commerce & Tourism Committee  
Attn: Chairman Senator, Nancy C. Detert  
Room 310, Knott Building  
Tallahassee, FL 32399-1100

Re: EFI Appointment Confirmation  
Henry Rodriguez

Dear Ms. Detert,

We are in receipt of your fax dated February 27, 2013 notifying us, that the Committee on Commerce and Tourism of the Florida Senate will be conducting a hearing on the EFI executive appointment for Henry Rodriguez on Monday, March 4, 2013.

Unfortunately, due to scheduling conflicts Mr. Rodriguez will be unable to attend. He has requested that I communicate to you that he is extremely grateful for the re-appointment and was able to attend last year's confirmation. However, regrettably he will be unable to attend the hearing on Monday.

He would like to graciously request that his appointment be confirmed by the Senate. He apologizes for any inconvenience this may cause.

If you have any questions please do not hesitate to contact Henry at (941) 735-7061 or me at (941) 312-5996.

Sincerely,

Brenda Creech on behalf of Henry Rodriguez

720

**STATE OF FLORIDA  
DEPARTMENT OF STATE  
Division of Elections**

I, Ken Detzner, Secretary of State,  
do hereby certify that

***Christopher M. Kise***

is duly appointed a member of the  
**Board of Directors,  
Enterprise Florida, Inc.**

for a term beginning on the  
Twenty-Third day of April, A.D., 2012,  
until the Thirtieth day of September, A.D., 2015  
and is subject to be confirmed by the Senate  
during the next regular session of the Legislature.

*Given under my hand and the Great Seal of the  
State of Florida, at Tallahassee, the Capital, this  
the Thirteenth day of June, A.D., 2012.*



*Ken Detzner*

Secretary of State





**RICK SCOTT**  
GOVERNOR

RECEIVED  
DEPARTMENT OF STATE

2012 APR 23 PM 2:43

DIVISION OF ELECTIONS  
TALLAHASSEE, FL

April 23, 2012

The Honorable Kenneth W. Detzner  
Secretary of State  
State of Florida  
R. A. Gray Building, Room 316  
500 South Bronough Street  
Tallahassee, Florida 32399-0250

Dear Secretary Detzner:

Please be advised I have made the following reappointment under the provisions of Section 288.901, Florida Statutes:

Mr. Christopher M. Kise  
106 East College Avenue  
Suite 900  
Tallahassee, Florida 32301

as a member of the Board of Directors, Enterprise Florida, Inc., subject to confirmation by the Senate. This appointment is effective April 23, 2012 for a term ending September 30, 2015.

Sincerely,

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

Rick Scott  
Governor

RS/nj

100639

## QUESTIONNAIRE FOR SENATE CONFIRMATION

The information from this questionnaire will be used by the Florida Senate in considering action on your confirmation. The questionnaire MUST BE COMPLETED IN FULL. Answer "none" or "not applicable" where appropriate. Please type or print in blue or black ink.

5/24/12

Date Completed

1. Name: Mr. Kise Christopher Michael  
Mr./Mrs./Ms. Last First Middle/Maiden

2. Business Address: 106 E. College Avenue, Suite 900, Tallahassee  
Street Office # City  
FL 32301 850-222-6100  
Post Office Box State Zip Code Area Code/Phone Number

3. Residence Address: 3235 Appleton Drive Tallahassee Leon  
Street City County  
FL 32311 850-513-3474  
Post Office Box State Zip Code Area Code/Phone Number

Specify the preferred mailing address: Business ☒ Residence ☐ Fax # 850-561-6475  
(optional)

4. A. List all your places of residence for the last five (5) years.

Address	City & State	From	To
3235 Appleton Drive, Tallahassee, FL	32311	2004	Present

B. List all your former and current residences outside of Florida that you have maintained at any time during adulthood.

Address	City & State	From	To
N/A			

5. Date of Birth: 12/23/1964 Place of Birth: Miami, Florida

6. Social Security Number: \_\_\_\_\_

7. Driver License Number: \_\_\_\_\_ State: Florida

8. Have you ever used or been known by any other legal name? Yes ☐ No ☒ If "Yes" Explain

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

RECEIVED  
12 MAY 30 AM 10:21  
DIVISION OF ELECTIONS  
SECRETARY OF STATE

9. Are you a United States citizen? Yes ☒ No ☐ If "No" explain:

If you are a naturalized citizen, date of naturalization: \_\_\_\_\_

10. Since what year have you been a continuous resident of Florida? 1964

11. Are you a registered Florida voter? Yes ☒ No ☐ If "Yes" list:

A. County of Registration: Leon

B. Current Party Affiliation: Republican

12. Education

A. High School: Westminster Christian School, Miami, FL Year Graduated: 1982  
(Name and Location)

B. List all postsecondary educational institutions attended:

<u>Name &amp; Location</u>	<u>Dates Attended</u>	<u>Certificates/Degrees Received</u>
<u>University of Miami</u>	<u>1983-1986</u>	<u>BBA Accounting 1986</u>
<u>Florida State University</u>		
<u>College of Law</u>	<u>1987-1990</u>	<u>J.D. 1990</u>

13. Are you or have you ever been a member of the armed forces of the United States? Yes ☐ No ☒ If "Yes" list:

A. Dates of Service: \_\_\_\_\_

B. Branch or Component: \_\_\_\_\_

C. Date & type of discharge: \_\_\_\_\_

14. Have you ever been arrested, charged, or indicted for violation of any federal, state, county, or municipal law, regulation, or ordinance? (Exclude traffic violations for which a fine or civil penalty of \$150 or less was paid.) Yes ☐ No ☐ If "Yes" give details:

<u>Date</u>	<u>Place</u>	<u>Nature</u>	<u>Disposition</u>
<u>@1987</u>	<u>Tallahassee, FL</u>	<u>Reckless Driving</u>	<u>Adjudication Withheld/ Community Service</u>
<u>@2004/2005</u>	<u>Tampa, FL</u>	<u>Boating Ticket Life Jackets</u>	<u>Minor Fine</u>

15. Concerning your current employer and for all of your employment during the last five years, list your employer's name, business address, type of business, occupation or job title, and period(s) of employment.

<u>Employer's Name &amp; Address</u>	<u>Type of Business</u>	<u>Occupation/Job Title</u>	<u>Period of Employment</u>
<u>Foley &amp; Lardner</u>	<u>Law Firm</u>	<u>Partner</u>	<u>11/07-Present</u>
<u>Executive Office of Governor</u>		<u>Counsellor</u>	<u>1/07-10/07</u>
<u>Foley &amp; Lardner</u>	<u>Law Firm</u>	<u>Partner</u>	<u>7/06-12/06</u>
<u>Florida Attorney General</u>		<u>Solicitor General</u>	<u>1/03-7/06</u>

16. Have you ever been employed by any state, district, or local governmental agency in Florida? Yes ☒ No ☐  
If "Yes", identify the position(s), the name(s) of the employing agency, and the period(s) of employment:

<u>Position</u>	<u>Employing Agency</u>	<u>Period of Employment</u>
<u>Counsellor</u>	<u>Executive Office of Governor</u>	<u>1/07-10/07</u>
<u>Solicitor General</u>	<u>Attorney General</u>	<u>1/03-7/06</u>

17. A. State your experiences and interests or elements of your personal history that qualify you for this appointment.

Employment with and representation of Florida corporations

Small Business Owner (Law Firm 1992-2000)

B. Have you received any degree(s), professional certification(s), or designations(s) related to the subject matter of this appointment? Yes ☒ No ☐ If "Yes", list:

Accounting Degree - University of Miami - 1986

Law Degree - FSU - 1990

C. Have you received any awards or recognitions relating to the subject matter of this appointment? Yes ☐ No ☒ If "Yes", list:

D. Identify all association memberships and association offices held by you that relate to this appointment:

N/A

18. Do you currently hold an office or position (appointive, civil service, or other) with the federal or any foreign government? Yes ☐ No ☒ If "Yes", list:

19. A. Have you ever been elected or appointed to any public office in this state? Yes ☐ No ☐ If "Yes", state the office title, date of election or appointment, term of office, and level of government (city, county, district, state, federal):

<u>Office Title</u>	<u>Date of Election or Appointment</u>	<u>Term of Office</u>	<u>Level of Government</u>
<u>Solicitor General</u>	<u>January 2003</u>	<u>1/03-7/06</u>	<u>Attorney General/State</u>

B. If your service was on an appointed board(s), committee(s), or council(s):

(1) How frequently were meetings scheduled: N/A

(2) If you missed any of the regularly scheduled meetings, state the number of meetings you attended, the number you missed, and the reasons(s) for your absence(s).

<u>Meetings Attended</u>	<u>Meetings Missed</u>	<u>Reason for Absence</u>
	N/A	

20. Has probable cause ever been found that you were in violation of Part III, Chapter 112, F.S., the Code of Ethics for Public Officers and Employees? Yes ☐ No ☒ If "Yes", give details:

<u>Date</u>	<u>Nature of Violation</u>	<u>Disposition</u>

21. Have you ever been suspended from any office by the Governor of the State of Florida? Yes ☐ No ☒ If "Yes", list:

A. Title of office: \_\_\_\_\_ C. Reason for suspension: \_\_\_\_\_

B. Date of suspension: \_\_\_\_\_ D. Result: Reinstated ☐ Removed ☐ Resigned ☐

22. Have you previously been appointed to any office that required confirmation by the Florida Senate? Yes ☐ No ☒ If "Yes", list:

A. Title of Office: \_\_\_\_\_

B. Term of Appointment: \_\_\_\_\_

C. Confirmation results: \_\_\_\_\_

23. Have you ever been refused a fidelity, surety, performance, or other bond? Yes ☐ No ☒ If "Yes", explain:

\_\_\_\_\_

24. Have you held or do you hold an occupational or professional license or certificate in the State of Florida? Yes ☐ No ☐ If "Yes", provide the title and number, original issue date, and issuing authority. If any disciplinary action (fine, probation, suspension, revocation, disbarment) has ever been taken against you by the issuing authority, state the type and date of the action taken:

<u>License/Certificate Title &amp; Number</u>	<u>Original Issue Date</u>	<u>Issuing Authority</u>	<u>Disciplinary Action/Date</u>
855545	10/1990	Florida Bar	N/A

25. A. Have you, or businesses of which you have been and owner, officer, or employee, held any contractual or other direct dealings during the last four (4) years with any state or local governmental agency in Florida, including the office or agency to which you have been appointed or are seeking appointment? Yes ☐ No ☐ If "Yes", explain:

<u>Name of Business</u>	<u>Your Relationship to Business</u>	<u>Business' Relationship to Agency</u>
Foley & Lardner	Partner	Legal representation of State of Florida (FDEP, FDOT, Bond Counsel)

B. Have members of your immediate family (spouse, child, parents(s), siblings(s)), or businesses of which members of your immediate family have been owners, officers, or employees, held any contractual or other direct dealings during the last four (4) years with any state or local governmental agency in Florida, including the office or agency to which you have been appointed or are seeking appointment? Yes ☐ No ☒ If "Yes", explain:

<u>Name of Business</u>	<u>Family Member's Relationship to You</u>	<u>Family Member's Relationship to Business</u>	<u>Business' Relationship to Agency</u>

26. Have you ever been a registered lobbyist or have you lobbied at any level of government at any time during the past five (5) years? Yes ☒ No ☐

A. Did you receive any compensation other than reimbursement for expenses? Yes ☒ No ☐

B. Name of agency or entity you lobbied and the principal(s) you represented:

<u>Agency Lobbied</u>	<u>Principal Represented</u>
<u>Executive Branch</u>	<u>Florida Power &amp; Light - Xerox - Catalina Marketing</u>
	<u>Progress Energy - FEC Industries - Nicholas Griffin</u>
	<u>WRB Enterprises</u>
<u>Legislative</u>	<u>Xerox - FEC Industries - WRB Enterprises - Executive Office of Governor</u>

27. List three persons who have known you well within the past five (5) years. Include a current, complete address and telephone number. Exclude your relatives and members of the Florida Senate.

<u>Name</u>	<u>Mailing Address</u>	<u>Zip Code</u>	<u>Area Code/Phone Number</u>
<u>John Jaeb</u>			
<u>Vincent Dolan</u>			
<u>Hayden Dempsey</u>			

28. Name any business, professional, occupational, civic, or fraternal organizations(s) of which you are now a member, or of which you have been a member during the past five (5) years, the organization address(es), and date(s) of your membership(s).

<u>Name</u>	<u>Mailing Address</u>	<u>Office(s) Held &amp; Term</u>	<u>Date(s) of Membership</u>
<u>Florida Bar</u>	<u>Tallahassee, FL</u>	<u>N/A</u>	<u>10/1990-Present</u>
<u>City of New York</u>	<u>New York, NY</u>	<u>N/A</u>	<u>1995-Present</u>
<u>Bar Association</u>			
<u>American Bar Association</u>	<u>Chicago, IL</u>	<u>N/A</u>	<u>1990-Present</u>

29. Do you know of any reason why you will not be able to attend fully to the duties of the office or position to which you have been or will be appointed? Yes ☐ No ☒ If "Yes", explain:

30. If required by law or administrative rule, will you file financial disclosure statements? Yes ☒ No ☐

## CERTIFICATION

STATE OF FLORIDA, COUNTY OF Leon

Before me, the undersigned Notary Public of Florida, personally appeared  
Christopher M. Kise

who, after being duly sworn, say: (1) that he/she has carefully and personally prepared or read the answers to the foregoing questions; (2) that the information contained in said answers is complete and true; and (3) that he/she will, as an appointee, fully support the Constitutions of the United States and of the State of Florida.

  
\_\_\_\_\_  
Signature of Applicant-Affiant

Sworn to and subscribed before me this 25<sup>th</sup> day of May, 2012

  
\_\_\_\_\_

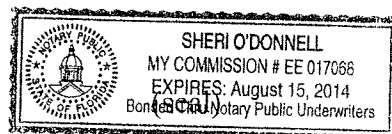
Signature of Notary Public-State of Florida

\_\_\_\_\_  
(Print, Type, or Stamp Commissioned Name of Notary Public)

My commission expires: \_\_\_\_\_

Personally Known ☒ **OR** Produced Identification ☐

Type of Identification Produced \_\_\_\_\_



## MEMORANDUM

**AS A GENERAL MATTER, APPLICATIONS FOR ALL POSITIONS WITHIN STATE GOVERNMENT ARE PUBLIC RECORDS WHICH MAY BE VIEWED BY ANYONE UPON REQUEST. HOWEVER, THERE ARE SOME EXEMPTIONS FROM THE PUBLIC RECORDS LAW FOR IDENTIFYING INFORMATION RELATING TO PAST AND PRESENT LAW ENFORCEMENT OFFICERS AND THEIR FAMILIES, VICTIMS OF CERTAIN CRIMES, ETC. IF YOU BELIEVE AN EXEMPTION FROM THE PUBLIC RECORDS LAW APPLIES TO YOUR SUBMISSION, PLEASE CHECK THIS BOX.**

☐ Yes, I assert that identifying information provided in this application should be excluded from inspection under the Public Records Law.

Because: (please provide cite.) \_\_\_\_\_ *N/A*

**IF YOU NEED ADDITIONAL GUIDANCE AS TO THE APPLICABILITY OF ANY PUBLIC RECORDS LAW EXEMPTION TO YOUR SITUATION, PLEASE CONTACT THE OFFICE OF THE ATTORNEY GENERAL.**

The Office of the Attorney General  
PL-01, The Capitol  
Tallahassee, Florida 32399  
(850) 245-0150



The Florida Senate  
**Committee Notice Of Hearing**

IN THE FLORIDA SENATE  
TALLAHASSEE, FLORIDA

IN RE: Executive Appointment of  
  
Christopher M. Kise  
  
Board of Directors, Enterprise Florida, Inc.

**NOTICE OF HEARING**

TO: Mr. Christopher M. Kise

YOU ARE HEREBY NOTIFIED that the Committee on Commerce and Tourism of the Florida Senate will conduct a hearing on your executive appointment on Monday, March 04, 2013, in the Toni Jennings Committee Room, 110 Senate Office Building, commencing at 3:30 p.m., pursuant to Rule 12.7(1) of the Rules of the Florida Senate.

Please be present at the time of the hearing.  
DATED this the 25th day of February, 2013

Committee on Commerce and Tourism



---

Senator Nancy C. Detert  
As Chair and by authority of the committee

cc: Members, Committee on Commerce and Tourism  
Donald Severance, Sergeant at Arms



FOLEY & LARDNER LLP

ATTORNEYS AT LAW

106 EAST COLLEGE AVENUE, SUITE 900  
TALLAHASSEE, FL 32301-7732  
850.222.6100 TEL  
850.561.6475 FAX  
ckise@foley.com

March 4, 2013

Liefke Cox  
Director, Board Relations  
Enterprise Florida, Inc.  
800 North Magnolia Ave., Suite 1100  
Orlando, FL 32803

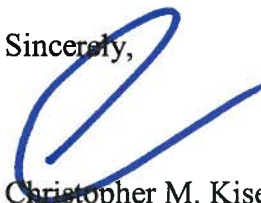
Re: Senate Confirmation Hearing

Dear Liefke:

I am writing regarding the Senate confirmation hearing scheduled for today. Unfortunately, due to commitments in a significant litigation matter, I will be in Washington, D.C. March 4, through March 6, 2013. I apologize for this schedule conflict but have been unable to resolve.

Thank you.

Sincerely,



Christopher M. Kise

CMK:pag

BOSTON  
BRUSSELS  
CHICAGO  
DETROIT

JACKSONVILLE  
LOS ANGELES  
MADISON  
MIAMI

MILWAUKEE  
NEW YORK  
ORLANDO  
SACRAMENTO

SAN DIEGO  
SAN DIEGO/DEL MAR  
SAN FRANCISCO  
SHANGHAI

SILICON VALLEY  
TALLAHASSEE  
TAMPA  
TOKYO  
WASHINGTON, D.C.

4834-9063-9119.1

720

**STATE OF FLORIDA  
DEPARTMENT OF STATE  
Division of Elections**

I, Ken Detzner, Secretary of State,  
do hereby certify that

***Belinda M. Keiser***

is duly appointed a member of the

**Board of Directors,  
Enterprise Florida, Inc.**

for a term beginning on the  
Twenty-Third day of April, A.D., 2012,  
until the Thirtieth day of September, A.D., 2015  
and is subject to be confirmed by the Senate  
during the next regular session of the Legislature.

*Given under my hand and the Great Seal of the  
State of Florida, at Tallahassee, the Capital,  
this the Tenth day of May, A.D., 2012.*



*Ken Detzner*

Secretary of State



**RICK SCOTT**  
GOVERNOR

RECEIVED  
DEPARTMENT OF STATE

2012 APR 23 PM 2:43

DIVISION OF ELECTIONS  
TALLAHASSEE, FL

April 23, 2012

The Honorable Kenneth W. Detzner  
Secretary of State  
State of Florida  
R. A. Gray Building, Room 316  
500 South Bronough Street  
Tallahassee, Florida 32399-0250

Dear Secretary Detzner:

Please be advised I have made the following reappointment under the provisions of Section 288.901, Florida Statutes:

Ms. Belinda M. Keiser  
1900 West Commercial Boulevard  
Suite 100  
Fort Lauderdale, Florida 33309

as a member of the Board of Directors, Enterprise Florida, Inc., subject to confirmation by the Senate. This appointment is effective April 23, 2012 for a term ending September 30, 2015.

Sincerely,

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

Rick Scott  
Governor

RS/nj

# QUESTIONNAIRE FOR SENATE CONFIRMATION

The information from this questionnaire will be used by the Florida Senate in considering action on your confirmation. The questionnaire **MUST BE COMPLETED IN FULL**. Answer "none" or "not applicable" where appropriate.

Please type or print in blue or black ink.

5/8/2012

Date Completed

1. Name: Keiser, Belinda Mills

Mr./Mrs./Ms.

Last

First

Middle/Maiden

2. Business Address: 1900 West Commerical Blvd. Suite 180, Fort Lauderdale, FL 33309

Street

Office #

City

954-240-9362 954-776-4476

Post Office Box

State

Zip Code

Area Code/Phone Number

3. Residence Address: 6069 N.W. 87<sup>th</sup> Ave., Parkland, FL 33067

Street

City

County

Post Office Box

State

Zip Code

Area Code/Phone Number

Specify the preferred mailing address: Business ☒

Residence ☐

Fax # 954-229-1569

(optional)

4. A. List all your places of residence for the last five (5) years.

Address

City & State

From

To

6069 N.W. 87th Ave., Parkland, FL 33067

B. List all your former and current residences outside of Florida that you have maintained at any time during adulthood.

Address

City & State

From

Not Applicable

RECEIVED  
DEPARTMENT OF STATE  
2012 MAY -9 AM 10:21  
DIVISION OF ELECTIONS  
TALLAHASSEE, FL

5. Date of Birth: August 12, 1958

Place of Birth: The Phillippines

6. Social Security Number

7. Driver License Number:

Issuing State: Florida

8. Have you ever used or been known by any other legal name? Yes ☒ No ☐ If "Yes" Explain

Belinda Lee Mills (Maiden Name)

9. Are you a United States citizen? Yes ☒ No ☐ If "No" explain:

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If you are a naturalized citizen, date of naturalization: \_\_\_\_\_

10. Since what year have you been a continuous resident of Florida? \_\_\_\_\_

11. Are you a registered Florida voter? Yes ☒ No ☐ If "Yes" list:

A. County of Registration: Broward B. Current Party Affiliation: Republican

12. Education

A. High School: Godby High School, Tallahassee, FL Year Graduated: 1975

(Name and Location)

B. List all postsecondary educational institutions attended:

<u>Name &amp; Location</u>	<u>Dates Attended</u>	<u>Certificates/Degrees Received</u>
Nova University	1989-1991	Master of Business Administration
Florida State University	1976 -1981	Bachelors of Science -Communication
Keiser College of Technology	1986	Certificate in Paralegal Studies

13. Are you or have you ever been a member of the armed forces of the United States? Yes ☐ No ☒ If "Yes" list:

A. Dates of Service: \_\_\_\_\_  
B. Branch or Component: \_\_\_\_\_  
C. Date & type of discharge: \_\_\_\_\_

14. Have you ever been arrested, charged, or indicted for violation of any federal, state, county, or municipal law, regulation, or ordinance? (Exclude traffic violations for which a fine or civil penalty of \$150 or less was paid.) Yes ☐ No ☒ If "Yes" give details:

<u>Date</u>	<u>Place</u>	<u>Nature</u>	<u>Disposition</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

15. Concerning your current employer and for all of your employment during the last five years, list your employer's name, business address, type of business, occupation or job title, and period(s) of employment.

<u>Employer's Name &amp; Address</u>	<u>Type of Business</u>	<u>Occupation/Job Title</u>	<u>Period of Employment</u>
Keiser University, Ft. Lauderdale	Education	Vice Chancellor for CRSA	More than 20 Years
Southeastern College (Formerly Keiser Career College)	Education	Vice Chancellor for CRSA	

16. Have you ever been employed by any state, district, or local governmental agency in Florida? Yes ☐ No ☒  
If "Yes", identify the position(s), the name(s) of the employing agency, and the period(s) of employment:

<u>Position</u>	<u>Employing Agency</u>	<u>Period of Employment</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____

17. A. State your experiences and interests or elements of your personal history that qualify you for this appointment.

I have more than 25 years of professional managerial experience in private higher education. I have chaired the state workforce development board, Workforce Florida, and have served on many of the statewide organizations that focus on talent development. I currently serve on the Florida Chamber's Board of Directors. I am a past member of the Chamber Foundation Board of Trustees including serving as the chair of the Talent & Education Caucus. Gov. Scott asked me to serve on the Government Efficiency Task Force to bring the management knowledge acquired in the private sector to focus on public issues including enhanced quality systems, creating jobs, and managing efficiencies. In addition, I have substantial media relations experience.

B. Have you received any degree(s), professional certification(s), or designations(s) related to the subject matter of this appointment? Yes ☒ No ☐ If "Yes", list:

Master of Business Administration Degree

Certificate in Paralegal Studies

C. Have you received any awards or recognitions relating to the subject matter of this appointment? Yes ☒ No ☐ If "Yes", list:

2010 Russell E. Carlisle Advocacy Award from Legal Aid of Broward County for Public Service

2008 Rotary Legends of Education; 2008 American Diabetes Assoc. Valor Award for Community Service

2007 Businesswoman of the year finalist, South Florida Business Journal

2006 Greater Ft. Lauderdale Chamber of Commerce Women's Circle of Excellence Award

D. Identify all association memberships and association offices held by you that relate to this appointment:

Florida Chamber of Commerce Board of Directors

Broward Days Board of Directors

Leadership Florida; Leadership America

Legal Aid Services of Broward County Florida

Leadership Broward; Leadership America

18. Do you currently hold an office or position (appointive, civil service, or other) with the federal or any foreign government? Yes ☐ No ☒ If "Yes", list:

19. A. Have you ever been elected or appointed to any public office in this state? Yes ☐ No ☐ If "Yes", state the office title, date of election or appointment, term of office, and level of government (city, county, district, state, federal):

Office Title	Date of Election or Appointment	Term of Office	Level of Government
Government Efficiency Taskforce 2011		1 year	State
Florida Technology, Research & Scholarship 2010		2010-2014	State
17 <sup>th</sup> Circuit Judicial Nominating Commission 2008		2008-2012	State
Chair and Member, Workforce Florida, Inc. 2005		2005-2010	State
Florida Bar Citizen's Forum 2002		2002-2006	State (Most Recent Appts.)

B. If your service was on an appointed board(s), committee(s), or council(s):

(1) How frequently were meetings scheduled: Generally Monthly or Bi-Monthly

(2) If you missed any of the regularly scheduled meetings, state the number of meetings you attended, the number you missed, and the reasons(s) for your absence(s).

Meetings Attended

Meetings Missed

Reason for Absence

Any meetings missed were minute in number and were generally due to conflicts with other state meetings  
or business meetings requiring travel outside the country. My attendance has been strong

20. Has probable cause ever been found that you were in violation of Part III, Chapter 112, F.S., the Code of Ethics for Public Officers and Employees? Yes ☐ No ☒ If "Yes", give details:

Date

Nature of Violation

Disposition

21. Have you ever been suspended from any office by the Governor of the State of Florida? Yes ☐ No ☒ If "Yes", list:

A. Title of office: \_\_\_\_\_ C. Reason for suspension: \_\_\_\_\_

B. Date of suspension: \_\_\_\_\_ D. Result: Reinstated ☐ Removed ☐ Resigned ☐

22. Have you previously been appointed to any office that required confirmation by the Florida Senate? Yes ☐ No ☒ If "Yes", list:

A. Title of Office: \_\_\_\_\_

B. Term of Appointment: \_\_\_\_\_

C. Confirmation results: \_\_\_\_\_

23. Have you ever been refused a fidelity, surety, performance, or other bond? Yes ☐ No ☒ If "Yes", explain:

24. Have you held or do you hold an occupational or professional license or certificate in the State of Florida? Yes ☐ No ☒ If "Yes", provide the title and number, original issue date, and issuing authority. If any disciplinary action (fine, probation, suspension, revocation, disbarment) has ever been taken against you by the issuing authority, state the type and date of the action taken:

License/Certificate  
Title & Number

Original  
Issue Date

Issuing Authority

Disciplinary Action/Date

25. A. Have you, or businesses of which you have been and owner, officer, or employee, held any contractual or other direct dealings during the last four (4) years with any state or local governmental agency in Florida, including the office or agency to which you have been appointed or are seeking appointment? Yes ☐ No ☐ If "Yes", explain:

Name of Business

Your Relationship to Business

Business' Relationship to Agency

Keiser University

Co-Owner until 2011

Office of Student Financial Aid

Kesier University

Co-Owner until 2011

Commission on Independent Education

Keiser University

Co-Owner until 2011

Regional Workforce Boards (ITAs)

Southeastern College (Formerly known Keiser Career University) Co-Owner CIE & Regional Workforce Boards (ITAs)



B. Have members of your immediate family (spouse, child, parents(s), siblings(s)), or businesses of which members of your immediate family have been owners, officers, or employees, held any contractual or other direct dealings during the last four (4) years with any state or local governmental agency in Florida, including the office or agency to which you have been appointed or are seeking appointment? Yes ☒ No ☐ If "Yes", explain:

<u>Name of Business</u>	<u>Family Member's Relationship to You</u>	<u>Family Member's Relationship to Business</u>	<u>Business' Relationship to Agency</u>
Keiser University	Dr. Arthur Keiser, Husband	Co-Owner until 2011	Same as 25A
Southeastern College (Formerly Known as Keiser Career) Dr. Arthur Keiser, Husband, Co-Owner Same as 25A			

26. Have you ever been a registered lobbyist or have you lobbied at any level of government at any time during the past five (5) years? Yes ☐ No ☒

A. Did you receive any compensation other than reimbursement for expenses? Yes ☐ No ☐

B. Name of agency or entity you lobbied and the principal(s) you represented:

<u>Agency Lobbied</u>	<u>Principal Represented</u>

27. List three persons who have known you well within the past five (5) years. Include a current, complete address and telephone number. Exclude your relatives and members of the Florida Senate.

<u>Name</u>	<u>Mailing Address</u>	<u>Zip Code</u>	<u>Area Code/Phone Number</u>
Mac Stipanovich			
Dr. Tony Villamil			
Dr. Zach Zachariah			

28. Name any business, professional, occupational, civic, or fraternal organizations(s) of which you are now a member, or of which you have been a member during the past five (5) years, the organization address(es), and date(s) of your membership(s).

<u>Name</u>	<u>Mailing Address</u>	<u>Office(s) Held &amp; Term</u>	<u>Date(s) of Membership</u>
The Florida Chamber of Commerce, P.O. Box 11309, Tall., FL 32302		BOD 1 Year	2010 to present
The Florida Chamber of Commerce, P.O. Box 11309, Tall., FL 32302		BOD 3 Year	2008 to present
Broward Days	512 NE 3 <sup>rd</sup> Ave., Fort Lauderdale, FL 33301	Chair 2 years	2002 to present

29. Do you know of any reason why you will not be able to attend fully to the duties of the office or position to which you have been or will be appointed? Yes ☐ No ☒ If "Yes", explain:

30. If required by law or administrative rule, will you file financial disclosure statements? Yes ☒ No ☐

# CERTIFICATION

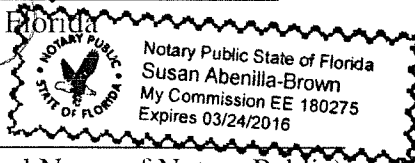
STATE OF FLORIDA, COUNTY OF Broward

Before me, the undersigned Notary Public of Florida, personally appeared Belinda M. Keiser, who, after being duly sworn, say: (1) that he/she has carefully and personally prepared or read the answers to the foregoing questions; (2) that the information contained in said answers is complete and true; and (3) that he/she will, as an appointee, fully support the Constitutions of the United States and of the State of Florida.

Belinda M. Keiser  
Signature of Applicant-Affiant

Sworn to and subscribed before me this 8 day of May, 2012.

Susan A. Benilla-Brown  
Signature of Notary Public-State of Florida



(Print, Type, or Stamp Commissioned Name of Notary Public)

My commission expires: \_\_\_\_\_

Personally Known ☒ OR Produced Identification ☐

Type of Identification Produced \_\_\_\_\_

(seal)

RECEIVED  
DEPARTMENT OF STATE  
2012 MAY -9 AM 10:22  
DIVISION OF ELECTIONS  
TALLAHASSEE, FL

## **MEMORANDUM**

**AS A GENERAL MATTER, APPLICATIONS FOR ALL POSITIONS WITHIN STATE GOVERNMENT ARE PUBLIC RECORDS WHICH MAY BE VIEWED BY ANYONE UPON REQUEST. HOWEVER, THERE ARE SOME EXEMPTIONS FROM THE PUBLIC RECORDS LAW FOR IDENTIFYING INFORMATION RELATING TO PAST AND PRESENT LAW ENFORCEMENT OFFICERS AND THEIR FAMILIES, VICTIMS OF CERTAIN CRIMES, ETC. IF YOU BELIEVE AN EXEMPTION FROM THE PUBLIC RECORDS LAW APPLIES TO YOUR SUBMISSION, PLEASE CHECK THIS BOX.**

☐ Yes, I assert that identifying information provided in this application should be excluded from inspection under the Public Records Law.

Because: (please provide cite.) \_\_\_\_\_

**IF YOU NEED ADDITIONAL GUIDANCE AS TO THE APPLICABILITY OF ANY PUBLIC RECORDS LAW EXEMPTION TO YOUR SITUATION, PLEASE CONTACT THE OFFICE OF THE ATTORNEY GENERAL.**

The Office of the Attorney General  
PL-01, The Capitol  
Tallahassee, Florida 32399  
(850) 245-0150

The Florida Senate  
**Committee Notice Of Hearing**

IN THE FLORIDA SENATE  
TALLAHASSEE, FLORIDA

IN RE: Executive Appointment of  
Belinda Keiser  
Board of Directors, Enterprise Florida, Inc.

**NOTICE OF HEARING**

TO: Ms. Belinda Keiser

YOU ARE HEREBY NOTIFIED that the Committee on Commerce and Tourism of the Florida Senate will conduct a hearing on your executive appointment on Monday, March 04, 2013, in the Toni Jennings Committee Room, 110 Senate Office Building, commencing at 3:30 p.m., pursuant to Rule 12.7(1) of the Rules of the Florida Senate.

Please be present at the time of the hearing.  
DATED this the 25th day of February, 2013

Committee on Commerce and Tourism



---

Senator Nancy C. Detert  
As Chair and by authority of the committee

cc: Members, Committee on Commerce and Tourism  
Donald Severance, Sergeant at Arms



# Florida's Enterprise Zone Program

*Presentation to Senate Committee on  
Commerce and Tourism*

**Larry Novey, Chief Legislative Analyst**

March 4, 2013

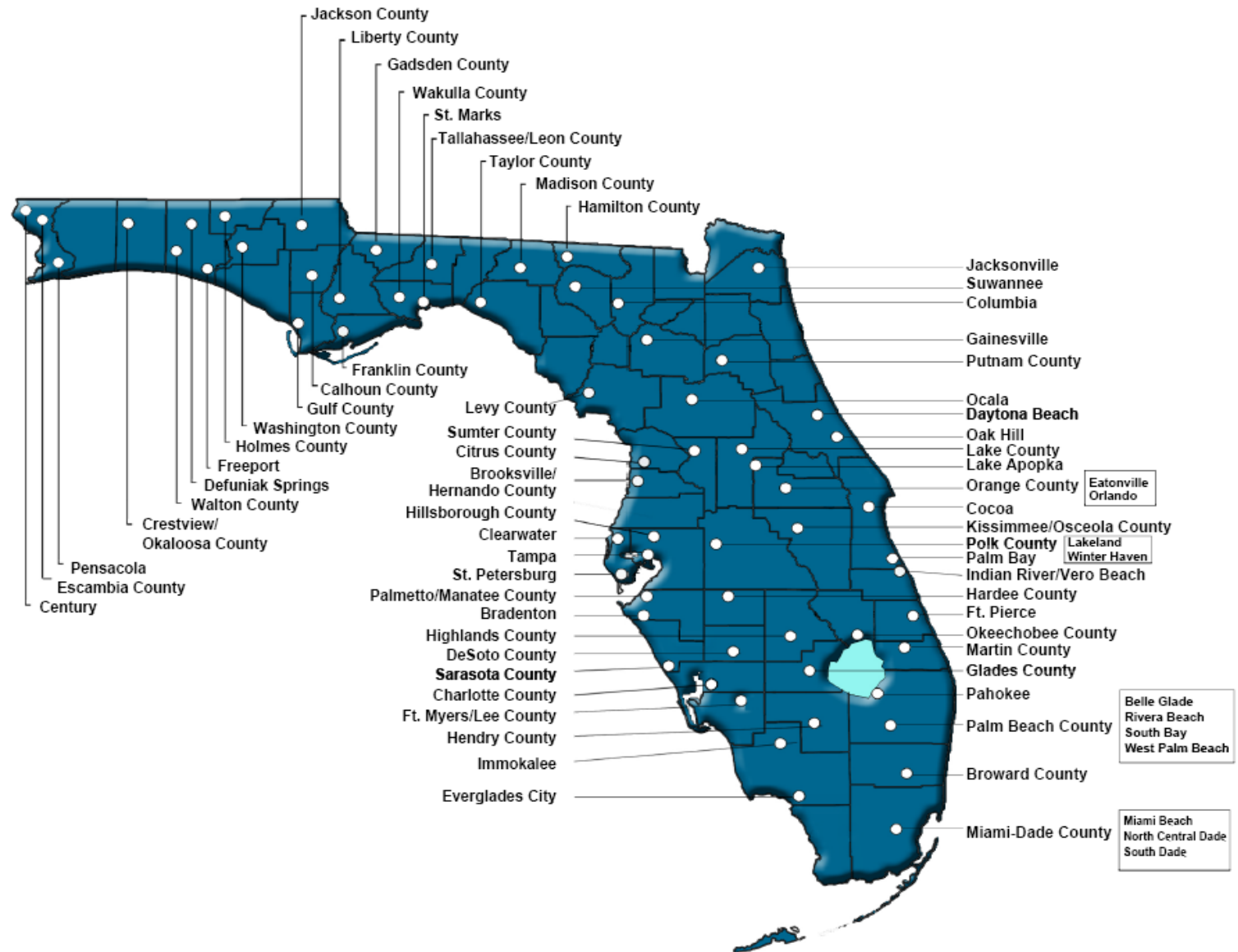
# Presentation Overview

- Enterprise Zone Program Background
- Historical Changes to the Enterprise Zone Program
- Enterprise Zone Incentive Amounts
- Prior OPPAGA Report Findings

# Background

- The program provides tax incentives for private investment in economically distressed areas
- Multiple state and local entities administer the program
  - Department of Economic Opportunity
  - Enterprise Florida
  - Department of Revenue
  - Local Enterprise Zone Coordinators

# 65 Enterprise Zones Are Located Throughout the State





# Florida's Enterprise Zone Program Provides a Variety of Incentives

- **Enterprise Zone Jobs Tax Credits**
  - Sales and Use Tax
  - Corporate Income Tax
- **Enterprise Zone Property Tax Credit**
  - Corporate Income Tax
- **Sales Tax Refunds**
  - Building Materials
  - Business Machinery and Equipment
- **Sales Tax Exemption**
  - Electrical Energy

# The Enterprise Zone Program Has Changed Since its Inception

- Number of zones has increased - from 20 to 65
- Incentive eligibility has changed - 2010 Legislature excluded condominiums from building materials sales tax refunds
- Incentive amounts have fluctuated dramatically - \$40.4 million in 2007-08 compared to \$10.9 million in 2011-12

# Enterprise Zone Incentive Amounts Have Fluctuated Dramatically

Incentives	2007-08	2008-09	2009-10	2010-11	2011-12	Total 2008-2012
Sales Tax Refund for Building Materials Used	\$25,665,025	\$30,994,860	\$54,012,915	\$13,590,376	\$2,462,136	\$126,725,312
Jobs Tax Credit (Corporate Income Tax)	5,507,311	5,072,555	4,348,031	4,956,598	4,455,624	24,340,119
Jobs Tax Credit (Sales and Use Tax)	5,732,605	5,227,245	5,683,252	757,739	865,560	18,226,401
Property Tax Credit (Corporate Income Tax)	2,184,036	1,910,708	1,384,668	1,994,562	1,022,199	8,496,173
Sales Tax Refund for Business Machinery and Equipment	1,269,955	1,139,066	1,035,562	679,440	1,228,479	5,352,502
Sales Tax Exemption on Electricity	606	1,007,007	1,138,054	972,185	900,476	4,018,328
<b>Total</b>	<b>\$40,359,538</b>	<b>\$45,351,441</b>	<b>\$67,602,482</b>	<b>\$22,950,900</b>	<b>\$10,934,474</b>	<b>\$187,198,835</b>

# Prior OPPAGA Findings

*Few Businesses Take Advantage of Enterprise Zone Benefits; the Legislature Could Consider Several Options to Modify the Program*

**Report # 11-01**

- Other states' enterprise zone programs are similar to Florida's
- Research in Florida and other states has found mixed results regarding program effectiveness

# Small Percentages of Businesses in Five Selected Enterprise Zones Received Incentives between 2005 and 2009

Enterprise Zone	Number of Businesses in the Zone	Number of Businesses Receiving Incentives	Percentage Receiving Incentives
Miami-Dade County	18,692	300	1.6%
Jacksonville	3,461	102	3.0%
Tallahassee/ Leon County	2,519	75	3.0%
Gulf County	353	52	14.7%
Okeechobee County	761	46	6.0%

- Low program participation limited progress towards meeting major legislative goals
- EZ coordinators rated program performance and incentives as moderately effective
- EZ coordinators suggested several program improvements

# The Legislature Could Consider Several Options to Modify the Enterprise Zone Program

- Modify program eligibility requirements to encourage participation
- Target program incentives to encourage job creation
- Implement a one-year program moratorium
- Abolish the program
- Allow the program to sunset on December 31, 2015



# Questions?



THE FLORIDA LEGISLATURE'S OFFICE OF PROGRAM POLICY ANALYSIS & GOVERNMENT ACCOUNTABILITY

OPPAGA supports the Florida Legislature by providing data, evaluative research, and objective analyses that assist legislative budget and policy deliberations.



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## Few Businesses Take Advantage of Enterprise Zone Benefits; the Legislature Could Consider Several Options to Modify the Program

### *at a glance*

Over the past five years, Florida's Enterprise Zone Program awarded \$187 million in incentives, most of which went to businesses in Miami-Dade County. Program participation remains relatively low in most enterprise zones, limiting progress toward achieving the legislative goals of revitalizing distressed areas and increasing employment of area residents.

The Legislature could consider several options for modifying the program, including

- encouraging greater participation by lowering incentive eligibility thresholds;
- focusing on job creation by eliminating all incentives except jobs tax credits;
- establishing a one-year program moratorium on awarding incentives to save an estimated \$18 million in Fiscal Year 2011-12;
- abolishing the program to save an estimated \$18 million annually; or
- allowing the program to sunset on December 31, 2015.

### Scope

As required by Ch. 2010-147, *Laws of Florida*, OPPAGA reviewed the Florida Enterprise Zone Program and answered five questions.

1. How has the program changed over time?
2. What are the costs of incentives and program administration?
3. Are the application, review, and approval processes transparent, effective, and efficient?

4. Is the program effectively meeting legislative goals?
5. What options could the Legislature consider to modify the program?

### Background

The 1982 Legislature created the Florida Enterprise Zone Program to provide incentives to induce private investments in economically distressed areas of the state. The program has several goals, including revitalizing and rehabilitating distressed areas, encouraging businesses to locate and expand in these areas, stimulating employment among area residents, and enhancing the areas' general social and economic well-being.<sup>1</sup>

To achieve these goals, the state, county, and municipal governments provide investments, tax incentives, and local government regulatory relief to encourage businesses to invest and locate in designated zones and residents to improve their property. These incentives include job and property tax credits as well as sales tax refunds (see Exhibit 1).

<sup>1</sup> Sections 290.001-290.016, *F.S.*, authorize the creation of enterprise zones in Florida and specify goals and criteria for the program. Chapter 2005-287, *Laws of Florida*, re-designated existing enterprise zones and extended the program until December 31, 2015.

## Exhibit 1

### Florida's Enterprise Zone Program Provides a Variety of Incentives

#### State Program Incentives

**Enterprise Zone Jobs Tax Credit (Sales and Use Tax).** Businesses located in a zone that collect and pay Florida sales and use tax are allowed a monthly sales tax credit for wages paid to new employees who have been employed for at least three months and are zone residents.

**Enterprise Zone Jobs Tax Credit (Corporate Income Tax).** Businesses located in a zone that pay Florida corporate income tax are allowed a corporate income tax credit for wages paid to new employees who have been employed for at least three months and are zone residents.

**Enterprise Zone Property Tax Credit (Corporate Income Tax).** New or expanded businesses located in a zone are allowed a credit on their Florida corporate income tax equal to 96% of ad valorem taxes paid on new or improved property.

**Sales Tax Refund for Building Materials.** A refund is available for sales taxes paid on the purchase of building materials used to rehabilitate real property located in a zone.

**Sales Tax Refund for Business Machinery and Equipment Used in an Enterprise Zone.** A refund is available for sales taxes paid on the purchase of certain business property that is used exclusively in a zone for at least three years.

**Sales Tax Exemption for Electrical Energy Used in an Enterprise Zone.** A 50% sales tax exemption is available to businesses located in a zone on the purchase of electrical energy. The exemption is only available if the municipality in which the business is located passed an ordinance to exempt qualified enterprise zone businesses from 50% of the municipal utility tax.

**Community Contribution Tax Credit Program.** Businesses located anywhere in Florida are allowed a 50% credit on Florida corporate income tax, insurance premium tax, or a sales tax refund for donations made to approved community development projects. This incentive is available only in Front Porch Florida communities or enterprise zones unless the projects include low and very low income housing.

#### Local Program Incentives

- Reduction in occupational license fees
- Reduction in building permit or land development fees
- Utility tax abatement
- Facade/commercial rehabilitation grants
- Local option economic development property tax exemptions
- Ad valorem tax exemptions
- Local funds for capital projects

Source: Office of Tourism, Trade, and Economic Development.

The Legislature requires enterprise zones to meet several criteria. An enterprise zone cannot exceed 20 square miles and must have a poverty rate greater than 20%, high unemployment, and include deteriorating structures.<sup>2</sup> Rural enterprise zones are located in counties with populations

that generally do not exceed 100,000.<sup>3</sup> When the Legislature authorizes a new zone, counties and municipalities may nominate an area that meets the criteria to be designated as a zone. The state currently has 59 enterprise zones—29 urban and 30 rural, as shown in Exhibit 2.<sup>4</sup>

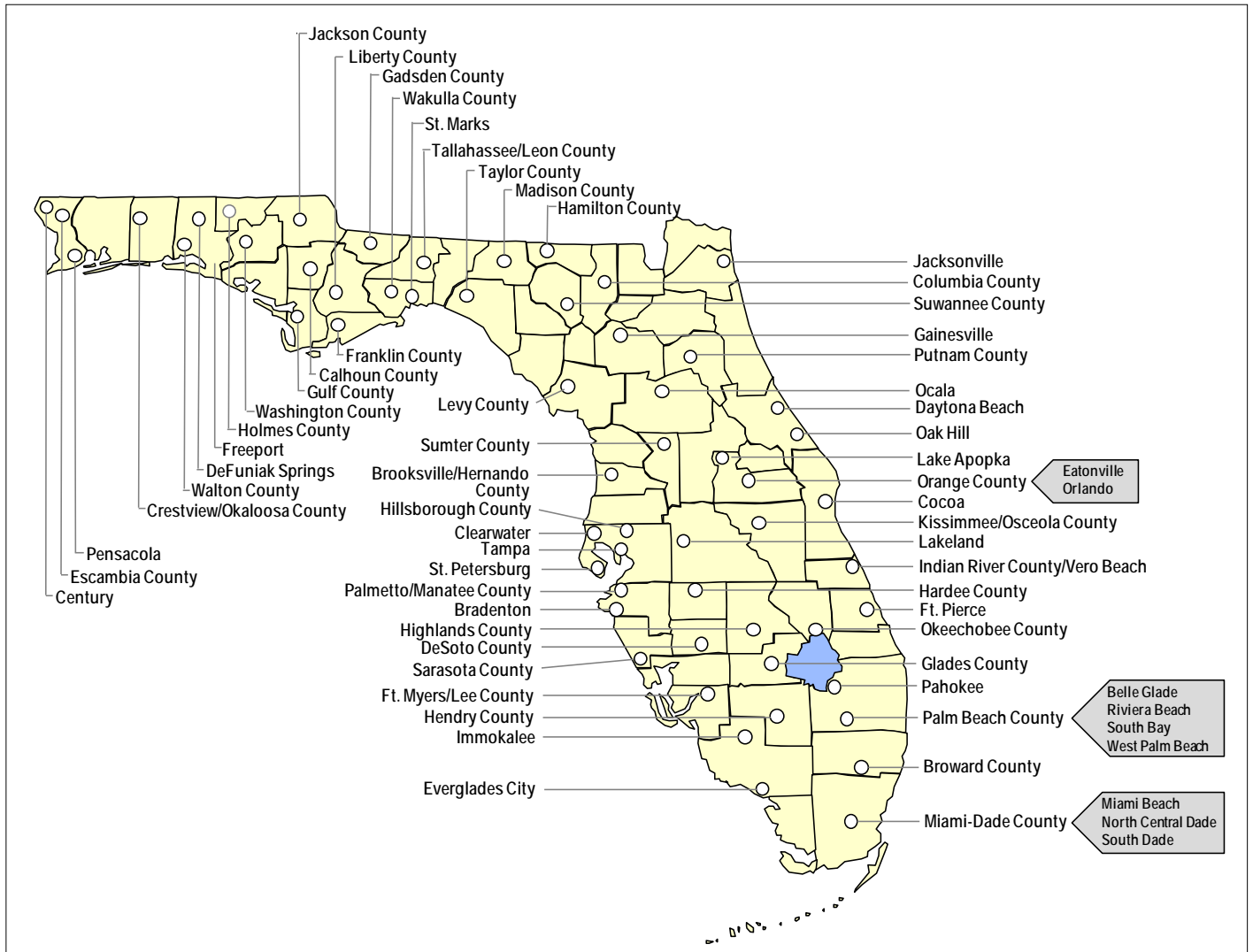
<sup>2</sup> The Legislature authorized federally designated empowerment zones and enterprise communities as state enterprise zones without regard to size.

<sup>3</sup> Zones may be designated rural if the nominating county has a population of 75,000 or less; a county has a population of 100,000 or less and is contiguous to a county with a population of 75,000 or less; a municipality is located in a county with a population of 75,000 or less; or a municipality is located in a county with a population of 100,000 or less and is contiguous to a county with a population of 75,000 or less.

<sup>4</sup> Two additional enterprise zones in Columbia and Suwannee counties, which were created in 2010 following the passage of Ch. 2010-108, *Laws of Florida*, effective July 1, 2010, were not included in our analysis.

## Exhibit 2

### Florida Currently Has 59 Enterprise Zones



Source: Office of Tourism, Trade, and Economic Development.

Local governments may apply to the Governor's Office of Tourism, Trade, and Economic Development (OTTED) for an enterprise zone boundary change once every three years by adopting a resolution that describes the reasons for and extent of the proposed change.

Multiple state and local entities play a role in administering the enterprise zone program. At the state level, three agencies are involved in the enterprise zone program.

- The Governor's Office of Tourism, Trade, and Economic Development oversees the program and approves zone designation applications and changes in enterprise zone boundaries. The

office also provides technical support to local zone coordinators, assists businesses in using program benefits, and submits annual program reports to the Governor and the Legislature.<sup>5</sup>

- The Department of Revenue approves program tax incentive applications and ensures that businesses and individuals receive associated tax credits and refunds.
- The state's economic development agency, Enterprise Florida, Inc., markets the program and maintains a website describing enterprise zone benefits and incentives.

<sup>5</sup> Section 290.014, *F.S.*

Local governments have enterprise zone administrative and monitoring responsibilities. For example, local governments are required to establish enterprise zone development agencies and employ zone coordinators to serve as local contacts. Zone coordinators provide assistance to businesses applying for state tax credits and refunds, certify incentive applications to the Department of Revenue, educate the public about the program, and submit data on zone activities to OTTED for inclusion in its annual program report. The state does not provide funding to local governments for these activities.

The incentive application and approval process includes several steps at the state and local levels. All businesses and individuals applying for the enterprise zone program incentives must complete a Department of Revenue form, which requires information such as business name and address, enterprise zone identification number, and small business designation, if applicable. Additional requirements vary based on the incentive sought.

Businesses applying for community contribution tax credits or refunds must seek approval from OTTED, while those applying for any other type of credit or refund must seek certification from the local enterprise zone coordinator. Applicants must attach required documents to the forms, including receipts if the business is applying for sales tax refunds and employee information if applying for jobs tax credits.

After receiving certification, businesses and individuals must submit an application to the Department of Revenue, which audits each application to verify that applicants meet several criteria. For example, applicants must have owned the property when improvements were made; employees must be full-time and live in an enterprise zone; applicants requesting refunds must pay the pertinent taxes; and application deadlines must be met.

If the department denies an application, it notifies the taxpayer. Taxpayers may respond by amending their applications, filing an informal protest with the department, or filing a written formal protest with the Division of Administrative Hearings (DOAH) or a circuit court. The

department reports that since 2005, it has received 1,516 informal protests related to enterprise zone incentive applications.<sup>6</sup> DOAH held hearings on only three protests involving enterprise zone incentives during this period.

Many enterprise zone program applicants use consultants to assist with the incentive application process. These consultants provide expertise in determining applicants' eligibility for incentives and completing program applications. They typically work on a contingency basis, receiving a percentage of total incentives awarded to program applicants. Seventy-four percent of enterprise zone coordinators who responded to an OPPAGA survey question regarding consultants reported that most or some of the businesses that applied for incentives hired consultants.<sup>7</sup> According to survey respondents, the consultants' role in the application process was generally positive.<sup>8</sup>

Other states' enterprise zone programs are similar to Florida's. Prior OPPAGA reports found that more than three-fourths of the states have established enterprise zone or similar programs.<sup>9</sup> States' programs vary widely in the number of zones established, and three entire states have been designated as enterprise zones.<sup>10</sup> Most states require enterprise zone areas to meet certain criteria, such as having high levels of poverty, unemployment, and population losses. Most states also require businesses to meet certain job creation or capital investment criteria in order to receive incentives.

Some states have implemented other types of geographically targeted incentive programs such

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<sup>6</sup> The number of protests received includes those made by developers filing individual refund claims for multiple condominium units.

<sup>7</sup> We sent a survey to all enterprise zone coordinators regarding program incentives and effectiveness. We received responses from 40 coordinators representing 41 of the 57 enterprise zones, resulting in a response rate of 72%. One coordinator represents two enterprise zones.

<sup>8</sup> Of the 32 enterprise zone coordinators who responded to this question, 27 said the role of paid consultants in the application process was mostly or somewhat positive.

<sup>9</sup> *Florida's Enterprise Zone Program Is Similar to Those of Other States*, OPPAGA [Report No. 04-24](#), March 2004 and *The Legislature Has Several Options Available for Enhancing Rural Enterprise Zones*, OPPAGA [Report No. 05-54](#), November 2005.

<sup>10</sup> These states are Arkansas, Kansas, and South Carolina.

as tax-free zones. These programs differ from typical enterprise zone programs in that they substantially reduce taxes for existing businesses and residents of distressed areas rather than targeting incentives to businesses relocating or expanding operations in a designated area.

Academic research on enterprise zone performance in Florida and other states has found mixed results, with numerous studies demonstrating that state enterprise zone programs had little to no effect. For example, a 2009 study found that enterprise zone designations had statistically significant effects on unemployment rates, poverty rates, and wages in several states but not in Florida.<sup>11</sup> Other research conducted in 2007 and 2009 determined that enterprise zones did not have statistically significant effects on increasing employment in California and Florida.<sup>12, 13</sup> Recent studies of Colorado's enterprise zones yielded similar mixed results, with one finding that the zones had an effect on creating jobs but not on attracting new businesses; the other study found that the zones had no effect on wages and no effect on employment except in rural zones.<sup>14, 15</sup>

These varying results are likely due to differences in research methods. For example, some researchers used census tracts to provide data on zone characteristics, while others used census blocks or ZIP codes for this purpose. Researchers also used different methods to identify areas that served as control groups for determining how the presence or absence of an enterprise zone designation affected program outcomes.

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<sup>11</sup> John C. Ham, Ayse Imrohoroglu, and Charles Swenson, "Government Programs Can Improve Local Labor Markets: Evidence from State Enterprise Zones, Federal Empowerment Zones, and Federal Enterprise Communities," unpublished paper, 2009.

<sup>12</sup> David Neumark and Jed Kolko, "Do Enterprise Zones Create Jobs?," *Public Policy Institute of California*, 2009.

<sup>13</sup> Joel A. Elvery, "The Impact of Enterprise Zones on Resident Employment: An Evaluation of the Enterprise Zone Programs of California and Florida," *Economic Development Quarterly*, Vol. 23 Issue 1, February 2009, 44-59.

<sup>14</sup> Stephen Billings, "Do Enterprise Zones Work? An Analysis at the Borders," *Public Finance Review*, Vol. 37 Issue 1, January 2009, 68-93.

<sup>15</sup> Devon Lynch and Jeffrey S. Zax, "Incidence and Substitution in Enterprise Zone Programs: The Case of Colorado," unpublished paper, June 2010.

## Questions and Answers —

### *How has the program changed over time?*

The Legislature has modified the program several times since its inception in 1982. The Legislature significantly revised the Enterprise Zone Program in 1994 by limiting jobs credits to businesses located in zones, limiting the number of zones to 20, eliminating most existing zones, and requiring local governments to reapply to have areas designated as zones. The Legislature also set a program expiration date of June 30, 2005, and transferred program administration from the Department of Community Affairs to the Department of Commerce. When the Department of Commerce was abolished in 1996, the program was transferred to OTTED.

In 2005, the Legislature reauthorized the program but capped the number of zones as the number in existence on January 1, 2005. In that same year, the Legislature provided four areas the opportunity to apply for enterprise zone designations in addition to the 51 zones in existence at the time.<sup>16</sup> Since 2005, additional enterprise zones have been authorized in Levy County and Ocala. The 2005 Legislature also required re-designation of existing zones, established a procedure for zone boundary changes, expanded the powers and responsibilities of enterprise zone development agencies, and extended the program until December 31, 2015.

Since 2005, seven enterprise zones have undergone boundary changes.<sup>17</sup> Some of these changes removed publicly owned property from the zones and added privately owned property where development would generate additional revenue for local governments.

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<sup>16</sup> The four areas were Apopka/Orange County, Lakeland, Sebastian/Vero Beach/Indian River County, and Sumter County.

<sup>17</sup> The zones are Fort Myers/Lee County, Gadsden County, Glades County, Highlands County, Miami-Dade County, Sarasota/Sarasota County, and Tallahassee/Leon County.



Most recently, the 2010 Legislature made condominium properties ineligible for sales tax refunds for building materials. Specifically, Ch. 2010-147, *Laws of Florida*, changed the definition of “real property” to exclude condominiums. In addition, the 2010 Legislature passed Ch. 2010-108, *Laws of Florida*, which directed OTTED to designate as a rural enterprise zone any rural catalyst sites approved prior to January 2010.<sup>18</sup> OTTED subsequently granted

enterprise zone designations to rural catalyst sites in Columbia and Suwannee counties.

State incentive expenditures have increased significantly in recent years. During calendar year 2009, the Department of Revenue approved \$58.7 million in state incentives for the program (see Exhibit 3). This represents a 225% increase compared to \$18.1 million in state incentives approved in 2005. Total incentives for the five-year period were \$187 million.

<sup>18</sup> The Rural Economic Development Catalyst Project is an economic development program intended to attract high-growth industries

to the state’s rural counties.

### Exhibit 3

#### State Enterprise Zone Incentives Increased 225% from 2005 through 2009

Incentives	2005	2006	2007	2008	2009	Total 2005-2009	Percentage Change 2005-2009
Sales Tax Refund for Building Materials Used	\$5,261,149	\$14,394,159	\$25,643,610	\$30,715,751	\$46,410,878	\$122,425,547	782.14%
Jobs Tax Credit (Sales and Use Tax)	5,018,381	5,793,620	6,578,538	5,946,494	5,997,055	29,334,088	19.50%
Jobs Tax Credit (Corporate Income Tax)	3,237,294	4,816,175	3,152,233	3,341,483	2,392,295	16,939,480	-26.10%
Sales Tax Refund for Business Machinery and Equipment Used	2,856,760	1,866,331	1,604,967	1,012,723	1,072,975	8,413,756	-62.44%
Property Tax Credit (Corporate Income Tax)	1,621,570	1,037,206	1,627,781	1,108,496	1,823,284	7,218,337	12.44%
Sales Tax Exemption on Electricity Use	84,516	778,090	793,179	606	1,007,007	2,663,398	1,091.50%
<b>Total</b>	<b>\$18,079,670</b>	<b>\$28,685,581</b>	<b>\$39,400,308</b>	<b>\$42,125,553</b>	<b>\$58,703,494</b>	<b>\$186,994,606</b>	<b>224.69%</b>

Source: OPPAGA analysis of Department of Revenue data.

Most of this increase in incentives was associated with condominium developers’ extensive use of the sales tax refund for building materials. For example, condominium developers received \$37.2 million, or 96%, of the \$38.6 million in sales tax refunds claimed for building materials during the last six months of calendar year 2009. However, due to the Legislature’s recent decision to change the definition of “real property” to exclude condominiums, use of these incentives should decline significantly in the future.<sup>19</sup>

From 2005 to 2009, the sales tax incentives most frequently awarded to applicants in specific enterprise zones were for building materials, business equipment and machinery, and jobs tax

credits; these incentives totaled approximately \$160 million.<sup>20</sup> Applicants in 10 of the state’s 57 enterprise zones received 84% of these incentives during the five-year period, with applicants in Miami-Dade County’s enterprise zone receiving 55% of the total amount (approximately \$87.6 million).<sup>21</sup> See Appendix A for a list of the 57 enterprise zones and the incentives awarded to applicants in each zone from 2005 to 2009.

<sup>20</sup> This amount does not include credits taken against Florida corporate income taxes because the Department of Revenue does not track these incentives for individual enterprise zones.

<sup>21</sup> The other nine zones were Fort Lauderdale/Broward County, Gulf County, Jacksonville, Okeechobee County, Palm Beach County, Palmetto/Manatee County, St. Petersburg, Tallahassee/Leon County, and Tampa.

<sup>19</sup> See, Ch. 2010-147, s. 9, *Laws of Florida*.

### ***What are the costs of incentives and program administration?***

In 2009, the enterprise zone program's total cost was approximately \$71.5 million (see Exhibit 4). This included state and local program incentives and the administrative costs of state (OTTED, the Department of Revenue, and Enterprise Florida, Inc.) and local entities.<sup>22</sup> Most of the program's costs (82%) were for state incentives.

#### **Exhibit 4**

#### **The Enterprise Zone Program Cost \$71.5 Million in 2009**

Incentive Costs			
	State	Local	Total
Incentive Costs	\$58,703,494	\$11,557,451	\$70,260,945
Administrative Costs			
Office of Tourism, Trade, and Economic Development	40,000	0	40,000
Enterprise Florida, Inc.	35,000	0	35,000
Department of Revenue	162,882	0	162,882
Local Governments <sup>1</sup>	0	1,007,625	1,007,625
<b>Total</b>	<b>\$58,941,376</b>	<b>\$12,565,076</b>	<b>\$71,506,542</b>

<sup>1</sup> Local government data is based on survey responses from 40 coordinators representing 41 of the 57 enterprise zones.

Source: Information provided by administering agencies and local governments.

### ***Are the application, review, and approval processes transparent, effective, and efficient?***

The program's incentive application review process and reporting procedures have several deficiencies and should be modified. Specifically, while the Department of Revenue has written procedures for sales tax refunds, it lacks such procedures for review and approval of tax credits (e.g., jobs tax credits). In addition, the department uses different procedures for refunds, credits, sales and use taxes, and corporate income taxes, which can confuse and frustrate business applicants. Further, stakeholders report that for some incentives, the department's approval process is inconsistent and some department staff

are unresponsive and lack program knowledge. Moreover, tax credit applications cannot be submitted online. Consequently, taxpayers are required to complete time-consuming paper applications.

There are also several deficiencies in program data reporting processes, which makes it difficult to draw valid conclusions about the overall effectiveness of the program. First, the Department of Revenue is not required to notify local enterprise zone coordinators when it approves applications for credits and refunds. Thus, local coordinators do not know which incentives have been approved and cannot report this information to OTTED. Without this information, OTTED is unable to accurately report program data and outcomes to the Legislature. For example, according to OTTED's most recent annual enterprise zone report, between October 1, 2004 and September 30, 2009, 54,000 new jobs were created in zones.<sup>23</sup> However, Department of Revenue data shows that businesses received job tax credits against sales and use taxes for 8,086 employees over the five-year period from calendar year 2005 to 2009.

Second, the department does not record information on corporate income tax credits approved by zone, making it difficult to determine how these credits are distributed. Third, taxpayers completing sales and use tax returns often fail to specify on the application form that they are claiming enterprise zone jobs tax credits, resulting in the underreporting of the use of this incentive.

To address these application review and data reporting issues, we recommend that the Department of Revenue

- develop written application review, validation, and approval procedures;
- develop standard procedures for processing enterprise zone credits and refunds;

<sup>22</sup> Totals are approximate because figures are from different periods. The Department of Revenue approves incentives for a calendar year. The state fiscal year is July 1 through June 30, while the fiscal year for local enterprise zone development agencies is October 1 through September 30.

<sup>23</sup> Job creation data in the annual enterprise zone report is derived from multiple sources. Specifically, the information is self-reported by enterprise zone coordinators who gather it from sources such as county occupational license data, tax credit statistics, and local businesses' press releases.



- develop an online application process for all enterprise zone incentives;<sup>24</sup>
- be granted the authority to notify enterprise zone coordinators when it approves applications for incentives within their zones;<sup>25</sup>
- record zone information related to the corporate income tax jobs tax credits in a database; and
- modify the sales and use tax credit application form to require taxpayers to report total credits from a list that includes the jobs tax credit and reject incomplete forms.

### *Is the program effectively meeting legislative goals?*

Low participation hinders the program's progress toward meeting major legislative goals. Limited business involvement in the enterprise zone program makes it difficult for the program to accomplish its intended goals of revitalizing and rehabilitating distressed areas, encouraging businesses to locate and expand in these areas, and increasing employment among area residents.

To assess the program's progress toward achieving its intended goals, we examined economic outcomes for five zones that received 64% of the total incentives from 2005 to 2009.<sup>26</sup> These urban and rural zones include Gulf County, Jacksonville, Miami-Dade County, Okeechobee County, and Tallahassee/Leon County.<sup>27</sup>

<sup>24</sup> The department would incur some costs in developing and implementing an online application process.

<sup>25</sup> To facilitate this recommendation, the Legislature may have to amend s. 213.053, *F.S.*, regarding the sharing of confidential information.

<sup>26</sup> Our analyses were limited by several factors. For example, confidentiality requirements between the Agency for Workforce Innovation and the Department of Revenue prevented us from gathering information about size, average wage, industry type, age, and other information about businesses that received incentives. In addition, because the department does not track corporate income tax credits received by taxpayers in specific zones, we were unable to determine which zones received these credits. Lastly, enterprise zone GIS maps used in our analysis had some inaccuracies regarding zone boundaries and may have incorrectly included or excluded businesses.

<sup>27</sup> Two of the zones, Miami-Dade County and Tallahassee/Leon County, changed boundaries in 2008. The Miami-Dade County

As shown in Exhibit 5, during the five-year period business, employment, and wage growth varied widely among the five zones. For example, business growth in Jacksonville increased by 8% while it decreased by 19% in Gulf County. Employment dropped in all zones except Tallahassee/Leon County where it grew by less than 1%. Wages increased in all zones, with growth ranging from 9% (Tallahassee/Leon County) to 22% (Jacksonville).

### **Exhibit 5 Economic Outcomes Varied in Five Enterprise Zones from 2005 to 2009**

Enterprise Zone	Business Growth <sup>1</sup>	Employment Growth <sup>2</sup>	Wage Growth <sup>3</sup>
Gulf County	-19.2%	-19.8%	9.4%
Jacksonville	8.0%	-3.4%	22.0%
Miami-Dade County	0.02%	-2.4%	15.6%
Okeechobee County	-2.2%	-9.2%	10.9%
Tallahassee/Leon County	3.0%	0.1%	9.0%

<sup>1</sup> Changes in number of businesses.

<sup>2</sup> Changes in number of employees.

<sup>3</sup> Changes in average wages.

Source: OPPAGA analysis of Agency for Workforce Innovation data.

However, low participation makes it difficult to attribute changes in business, employment, and wage growth to the effects of the program. For example, only 300 (1.6%) of the 18,692 businesses in the Miami-Dade County zone received program incentives from 2005 to 2009. The percentage of businesses participating in the program was higher in other zones but still did not exceed 15% (see Exhibit 6).

boundary change brought several large condominium and mixed use developments into the zone while the Tallahassee/Leon County boundary change brought in a business park and the municipal airport. In both cases, the boundary changes removed public lands and institutions and areas with minimal demand for enterprise zone incentives.

### Exhibit 6 Small Percentages of Businesses in Selected Enterprise Zones Received Incentives between 2005 and 2009<sup>1</sup>

Enterprise Zone	Number of Businesses in the Zone	Number of Businesses Receiving Incentives	Percentage Receiving Incentives
Miami-Dade County	18,692	300	(1.6%)
Jacksonville	3,461	102	(3.0%)
Tallahassee/Leon County	2,519	75	(3.0%)
Gulf County	353	52	(14.7%)
Okeechobee County	761	46	(6.0%)

<sup>1</sup> The figures do not include businesses taking credits against corporate income taxes.

Source: OPPAGA analysis of Agency for Workforce Innovation data.

Enterprise zones also appear to have a limited effect on the legislative goal of creating jobs for zone residents, because few businesses have used the program's job tax credits. While businesses received jobs tax credits for 8,606 employees during the five-year period, over half of these employees and one-third of the businesses receiving job tax credits were in one zone—Miami-Dade County.<sup>28</sup> As shown in Exhibit 7, 136 businesses in Miami-Dade County's enterprise zone received approximately \$12 million in sales and use tax jobs credits for 4,475 employees, while 3 businesses in the Tallahassee-Leon County enterprise zone received a total of \$43,000 in credits for 5 employees.

### Exhibit 7 Few Businesses Received Sales and Use Tax Jobs Credits in Five Enterprise Zones between 2005 and 2009

Enterprise Zone	Businesses	Credits	Tax Credit Jobs
Miami-Dade County	136	\$12,268,358	4,475
Okeechobee County	25	3,758,716	425
Gulf County	25	2,433,818	468
Jacksonville	24	675,123	392
Tallahassee/Leon County	3	43,212	5
<b>Total</b>	<b>213</b>	<b>\$19,179,227</b>	<b>5,765</b>

Source: OPPAGA analysis of Agency for Workforce Innovation and Department of Revenue data.

<sup>28</sup> The number of jobs created in each of the 57 zones can be found in Appendix B.

As shown in Exhibit 8, these jobs represented a small percentage of the total jobs in each of the three urban zones (Jacksonville, Miami-Dade County, and Tallahassee/Leon County). However, they represented approximately 23% of the jobs in the rural zone in Gulf County.

### Exhibit 8 Tax Credit Jobs Represented a Small Percentage of the Total Jobs in Three Urban Enterprise Zones

Enterprise Zone	Total Jobs <sup>1</sup>	Tax Credit Jobs	Tax Credit Jobs as a Percentage of Total Jobs
Miami-Dade County	206,429	4,475	2.2%
Okeechobee County	5,445	425	7.8%
Gulf County	2,055	468	22.8%
Jacksonville	57,950	392	Less than 1%
Tallahassee/Leon County	26,573	5	Less than 1%

<sup>1</sup> These figures represent an average over the period from 2005 to 2009.

Source: OPPAGA analysis of Agency for Workforce Innovation and Department of Revenue data.

Enterprise zone coordinators rated program incentives as being only moderately effective. To further examine program effectiveness, we asked local enterprise zone coordinators to rate the program's performance in achieving its goals in their communities. Using a scale from 1 (low) to 10 (high), zone coordinators rated the program's effectiveness in achieving several legislative goals as moderate to low. For example, the coordinators' average ratings of the program's effectiveness in attracting new businesses and creating new jobs were between 5 and 6. The coordinators' average ratings of the program's effectiveness in achieving other goals are shown in Exhibit 9.

### Exhibit 9 Enterprise Zone Coordinators Rate Program Effectiveness in Meeting Legislative Goals as Moderate to Low

Program Goal	Average Score (1 = Low, 10 = High)
Attracting new businesses	6.00
Creating new jobs	5.76
Creating new businesses	5.42
Creating jobs for zone residents	5.21
Increasing property values	4.53
Attracting new residents	3.49
Reducing crime	3.32

Source: OPPAGA survey of enterprise zone coordinators.

Local enterprise zone coordinators gave slightly higher ratings for the effectiveness of program incentives. Of the eight incentives, coordinators identified two as the most effective – sales tax refunds for building materials and sales tax refunds for business equipment. As shown in Exhibit 10, the coordinators’ average ratings for these incentives were 7.89 and 7.59, respectively. The next most highly rated incentive was the job tax credit for sales tax, with an average rating of 6.83.<sup>29</sup> The average ratings for the other incentives ranged from 5.36 to 3.40. Enterprise zone coordinators also reported that the application processes for the three sales tax incentives were relatively easy to complete and that expanding businesses found such incentives especially useful.

**Exhibit 10**  
**Enterprise Zone Coordinators Rate the Effectiveness of Program Incentives as Moderate to Low**

Incentive	Average Score (1 = Low, 10 = High)
Building Materials Sales Tax Refund	7.89
Business Equipment Sales Tax Refund	7.59
Jobs Tax Credit (Sales Tax)	6.83
Jobs Tax Credit (Corporate Income Tax)	5.36
Sales Tax Exemption for Electrical Energy	4.48
Property Tax Credit (Corporate Income Tax)	4.17
Community Contribution Tax Credit Program	3.40

Source: OPPAGA survey of enterprise zone coordinators.

However, coordinators voiced concerns regarding some program incentives. For example, some coordinators reported that many businesses in their zones are unable to use the corporate tax credits, either because they are not corporations or they are S-type corporations that typically do not have to pay corporate income taxes. Some coordinators also reported that many businesses with part-time employees are unable to take advantage of jobs tax credits because only full-time employees who work at least 36 hours per week may qualify. In addition, they asserted that the thresholds for sales and use tax refunds for business property and building materials

discouraged program participation among small businesses. Finally, they suggested that businesses would benefit if they could apply for incentives online.

The enterprise zone coordinators provided several suggestions for improving the program.

- Modify the jobs tax credits to include part-time employees that small businesses are likely to hire.
- Reduce the business property and equipment threshold of \$5,000 to a lower amount such as \$500 so more small businesses can use the incentive.
- Increase the sales tax refund for building material purchases from the current maximum to an amount such as \$125,000 to encourage higher-value projects.<sup>30</sup>
- Simplify application forms and allow for online completion.

***What options could the Legislature consider to modify the program?***

Given the enterprise zone program’s low participation rate among businesses and the lack of employment growth in five of the most active zones, we identified several options the Legislature may wish to consider to modify the program.

Option 1: Modify program eligibility requirements to expand participation. To encourage increased program participation, especially by small businesses, the Legislature may wish to consider changing eligibility requirements for program incentives. While such changes may encourage more businesses to apply for program incentives, they would also reduce state revenue collections. For example, the Legislature could amend s. 212.08(5)(h), *Florida Statutes*, to lower the \$5,000 threshold for sales tax refunds on business property; some zone coordinators recommended a new threshold could be \$500. The Legislature could also amend ss. 212.096 and 220.181, *Florida Statutes*, to allow businesses to claim part-time

<sup>29</sup> This is consistent with the findings of our 2005 report on rural enterprise zones, in which zone coordinators identified the same two incentives as being the most effective. See *The Legislature Has Several Options Available for Enhancing Rural Enterprise Zones*, OPPAGA [Report No. 05-54](#), November 2005.

<sup>30</sup> The current maximum is \$5,000 or \$10,000, depending on whether 20% or more of the employees of the business receiving the incentive are residents of an enterprise zone.

employees for jobs tax credits. In addition, the Legislature could amend s. 212.08(5)(g), *Florida Statutes*, to increase the maximum sales tax refund for building material purchases, currently \$5,000.

Option 2: Target program incentives to encourage job creation. To focus the program on job creation, the Legislature could eliminate all program incentives except jobs tax credits. This change would reduce program costs by eliminating incentives estimated at \$10 million annually as well as the program administrative costs associated with those incentives. However, this change could reduce program participation and discourage business growth in the enterprise zones. As in Option 1, the Legislature could also allow businesses to claim part-time employees for jobs tax credits, although this would reduce the \$10 million cost savings.

Option 3: Implement a program moratorium to create short-term savings. The Legislature could suspend the program for one year, saving the state at least \$18 million.<sup>31</sup> This option would increase state revenue collections during a time when state resources are limited because of economic conditions. However, eliminating business participation in the program for one year

<sup>31</sup> This figure represents the lowest amount of program incentives awarded in a given year between 2005 and 2009.

could reduce business investment and employment growth in the enterprise zones.

Option 4: Abolish the program to create long-term savings. The Legislature could amend the statutes and abolish the program, saving at least \$18 million. This change would increase state revenue collections, but could reduce business investment and employment growth in the enterprise zones.

Option 5: Allow the program to sunset as the Legislature intended. The Legislature could allow the program to sunset on December 31, 2015, which would delay the effects of abolishing the program. As with Option 4, this option would increase state revenue collections, but could result in reducing business investment and employment growth in the enterprise zones. However, any effects would be delayed until 2016.

## Agency Responses —

In accordance with the provisions of s. 11.51(5), *Florida Statutes*, a draft of our report was provided to the Director of the Office of Tourism, Trade, and Economic Development, the Executive Director of the Department of Revenue, and the President and CEO of Enterprise Florida, Inc., for review. Written responses to the draft report are included in Appendix C.

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OPPAGA supports the Florida Legislature by providing data, evaluative research, and objective analyses that assist legislative budget and policy deliberations. This project was conducted in accordance with applicable evaluation standards. Copies of this report in print or alternate accessible format may be obtained by telephone (850/488-0021 or 800/531-2477), by FAX (850/487-3804), in person, or by mail (OPPAGA Report Production, Claude Pepper Building, Room 312, 111 W. Madison St., Tallahassee, FL 32399-1475). Cover photo by Mark Foley.

**OPPAGA website:** [www.oppaga.state.fl.us](http://www.oppaga.state.fl.us)

Project supervised by Kara Collins-Gomez (850/487-4257)

Project conducted by Darwin Gamble, Elizabeth McAuliffe, Larry Novey, and Alex Regalado  
Kathy McGuire, OPPAGA Interim Director

## Appendix A

# Program Incentives for 2005 through 2009 Totaled \$160 Million

During the period 2005 to 2009, the sales and use tax refund and credit incentives were most frequently used by businesses in all 57 enterprise zones. These incentives totaled approximately \$160 million during the period. Miami-Dade County's enterprise zone received 55% of these incentives, or approximately \$88 million. The figures presented in this appendix do not include credits taken against Florida corporate income taxes because the Department of Revenue does not track these incentives for individual enterprise zones. The figures differ from those reported in Exhibit 3 because of missing data on the enterprise zones in which businesses were located.

Enterprise Zone	Jobs Tax Credit (Sales and Use Tax)		Sales Tax Refund for Building Materials Used		Sales Tax Refund for Business Machinery and Equipment Used		Total
	Businesses	Incentive	Businesses/ Individuals	Incentive	Businesses	Incentive	Incentive
Miami-Dade County	136	\$12,268,358	122	\$72,915,021	104	\$2,389,939	\$87,573,318
Tampa	6	331,656	155	8,945,767	8	125,299	9,402,722
Fort Lauderdale/Broward County	5	32,427	189	8,123,532	15	78,537	8,234,496
St. Petersburg	15	1,648,521	88	5,231,326	21	115,432	6,995,279
Okeechobee County	25	3,758,716	49	191,227	21	65,967	4,015,910
Gulf County	25	2,433,818	121	1,381,168	9	33,381	3,848,367
Palmetto/Manatee County	3	38,083	78	3,681,236	13	108,951	3,828,270
Jacksonville	24	675,123	62	1,301,676	55	1,747,685	3,724,484
Tallahassee/Leon County	3	43,212	100	3,419,037	15	141,140	3,603,389
Palm Beach County	3	85,095	9	2,557,003	19	294,068	2,936,166
Gainesville	6	23,645	38	2,634,011	11	93,519	2,751,174
Jackson County	12	510,302	126	488,916	11	1,035,942	2,035,160
Hendry County	16	924,277	175	878,011	17	45,206	1,847,493
Sarasota County	1	1,736	110	1,680,554	11	19,433	1,701,723
Clearwater	0	0	8	1,675,457	1	2,120	1,677,578
Bradenton	0	0	21	1,345,952	7	114,878	1,460,830
Fort Pierce	1	414,378	5	498,064	6	195,772	1,108,214
Taylor County	6	602,898	81	424,822	8	77,913	1,105,633
Madison County	8	867,119	15	40,625	5	21,279	929,024
Daytona Beach	0	0	7	922,961	0	0	922,961
Freeport	3	395,784	7	451,054	1	5,000	851,838
Pensacola	7	109,729	84	487,384	33	206,331	803,444
Highlands County	12	647,423	9	36,943	17	83,852	768,218
Immokalee/Collier County	0	0	4	732,843	1	2,481	735,325
Washington County	9	534,663	22	90,070	11	38,097	662,830
Putnam County	3	490,579	6	25,930	6	111,411	627,920
Gadsden County	12	436,554	12	54,782	8	38,565	529,901



Enterprise Zone	Jobs Tax Credit (Sales and Use Tax)		Sales Tax Refund for Building Materials Used		Sales Tax Refund for Business Machinery and Equipment Used		Total
	Businesses	Incentive	Businesses/ Individuals	Incentive	Businesses	Incentive	Incentive
Fort Myers/Lee County	1	18,541	12	112,260	19	338,197	468,998
Wakulla County	5	259,195	9	136,897	5	62,277	458,369
Hardee County	7	354,276	12	66,138	5	16,077	436,492
DeSoto County	5	262,970	8	49,386	10	104,400	416,756
Orange County	0	0	22	337,635	9	68,446	406,081
DeFuniak Springs	2	73,747	49	165,991	5	21,307	261,045
Franklin County	8	208,209	8	43,417	1	896	252,522
Liberty County	1	195,029	14	54,507	1	1,151	250,687
Escambia County	3	19,587	15	64,289	12	158,988	242,864
Kissimmee/Osceola County	0	0	6	54,441	7	179,367	233,808
Hillsborough County	4	48,364	15	127,415	4	17,893	193,671
Lakeland	0	0	19	155,395	5	34,479	189,874
St. Marks	2	176,520	3	10,100	0	0	186,620
South Apopka	0	0	8	178,551	1	3,134	181,685
Cocoa	1	7,575	9	146,645	1	26,196	180,416
Everglades City	1	128,743	6	45,680	2	1,243	175,666
Walton County	0	0	4	174,892	0	0	174,892
Calhoun County	4	44,071	25	94,119	2	2,221	140,411
Vero Beach/Indian River County	1	1,134	5	41,307	6	81,039	123,481
Levy County	3	18,415	10	38,199	13	27,168	83,782
Glades County	1	20,989	11	54,003	3	5,302	80,295
Holmes County	4	35,668	5	21,722	1	10,000	67,390
Hamilton County	1	39,859	5	16,906	3	2,999	59,764
Sumter County	1	43,449	0	0	0	0	43,449
Brooksville/Hernando County	1	474	0	0	2	17,532	18,007
Crestview/Okaloosa County	3	12,999	0	0	1	5,000	17,999
Century	1	8,073	0	0	0	0	8,073
Pahokee	1	1,497	0	0	1	1,762	3,258
Oak Hill	0	0	0	0	2	1,526	1,526
<b>Total<sup>1,2</sup></b>	<b>402</b>	<b>\$29,253,481</b>	<b>1,983</b>	<b>\$122,405,267</b>	<b>555</b>	<b>\$8,380,798</b>	<b>\$160,039,547</b>

<sup>1</sup> Businesses took credits and refunds in multiple enterprise zones.

<sup>2</sup> Values were estimated for six companies that claimed job tax credits in multiple enterprise zones.

Source: OPPAGA analysis of Florida Department of Revenue data.

## Appendix B

# Businesses Received Jobs Tax Credits Totaling \$29 Million for More Than 8,000 Employees between 2005 and 2009

Businesses in enterprise zones that collect and pay Florida sales and use tax are allowed a monthly credit against their sales tax for wages paid to new employees who have been employed for at least three months and are zone residents. Sales and use tax jobs tax credits for the period 2005 to 2009 totaled \$29,253,481 for 8,606 employees. The Miami-Dade County enterprise zone accounted for 52% (4,475) of these employees. The figures differ from those reported in Exhibit 3 because of missing data on enterprise zones in which businesses were located.

Enterprise Zone	Businesses	Credits	Employees
Miami/Dade County	136	\$12,268,358	4,475
Okeechobee County	25	3,758,716	425
Gulf County	25	2,433,818	468
St. Petersburg	15	1,648,521	711
Hendry County	16	924,277	178
Madison County	8	867,119	85
Jacksonville	24	675,123	392
Highland County	12	647,423	68
Taylor County	6	602,898	47
Washington	9	534,663	115
Jackson County	12	510,302	84
Putnam County	3	490,579	68
Gadsden County	12	436,554	101
Fort Pierce	1	414,378	55
Freeport	3	395,784	16
Hardee County	7	354,276	34
Tampa	6	331,656	88
Desoto County	5	262,970	140
Wakulla County	5	259,195	94
Franklin County	8	208,209	48
Liberty County	1	195,029	28
St. Marks	2	176,520	13
Everglades City	1	128,743	24
Pensacola	7	109,729	35
Palm Beach County	3	85,095	18
DeFuniak Springs	2	73,747	41
Hillsborough County	4	48,364	9
Calhoun County	4	44,071	7
Sumter County	1	43,449	9

Enterprise Zone	Businesses	Credits	Employees
Tallahassee/Leon County	3	43,212	5
Hamilton County	1	39,859	4
Palmetto/Manatee County	3	38,083	40
Holmes County	4	35,668	10
Fort Lauderdale/Broward County	5	32,427	6
Gainesville	6	23,645	11
Glades County	1	20,989	3
Escambia County	3	19,587	47
Fort Myers/Lee County	1	18,541	6
Levy County	3	18,415	4
Crestview/Okaloosa County	3	12,999	16
Century	1	8,073	19
Cocoa	1	7,575	24
Sarasota County	1	1,736	7
Pahokee	1	1,497	5
Vero Beach/Indian River County	1	1,134	1
Brooksville/Hernando County	1	474	2
<b>Total<sup>1</sup></b>	<b>402</b>	<b>\$29,253,481</b>	<b>8,086</b>

<sup>1</sup> Values were estimated for six companies that claimed job tax credits in multiple enterprise zones.

Source: OPPAGA analysis of Department of Revenue data.



## Appendix C

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CHARLIE CRIST  
GOVERNOR

STATE OF FLORIDA  
**Office of the Governor**

THE CAPITOL  
TALLAHASSEE, FLORIDA 32399-0001

[www.flgov.com](http://www.flgov.com)  
850-488-7146  
850-487-0801 fax

December 30, 2010

Mr. Gary R. VanLandingham, Ph.D.  
Director  
Office of Program Policy Analysis and  
Government Accountability  
111 West Madison Street; Suite 312  
Tallahassee, Florida 32399-1475

Dear Mr. VanLandingham:

In accordance with the provisions of subsection 11.51 (5), Florida Statutes, the Governor's Office of Tourism, Trade and Economic Development (OTTED) acknowledges receipt of OPPAGA's draft report entitled: *"Few Businesses Take Advantage of Enterprise Zone Benefits; the Legislature Could Consider Several Options to Modify the Program"* dated January 2011.

We appreciate the opportunity to review and respond to the draft report. We have no objections or questions in regard to the information presented at this time. We look forward to working with the Legislature as the options are discussed in the future.

We extend our appreciation to your staff for their thoroughness and professionalism in conducting the review of the Florida Enterprise Zone Program.

Sincerely,

Chris Hart, IV  
Director  
Office of Tourism, Trade and Economic Development

cc: Ms. Kim Mills, Director of Auditing, Executive Office of the Governor



**Executive  
Director**  
Lisa Vickers

**Child Support  
Enforcement**  
Ann Coffin  
Director

**General Tax  
Administration**  
Jim Evers  
Director

**Property Tax  
Oversight**  
James McAdams  
Director

**Information  
Services**  
Tony Powell  
Director

January 10, 2010

Ms. Kathy McGuire, Interim Director  
Office of Program Policy Analysis and  
Government Accountability  
The Florida Legislature  
111 West Madison Street, Room 312  
Claude Pepper Building  
Tallahassee, Florida 32399-1475

Dear Ms. McGuire:

We appreciate the opportunity to respond to the recommendations for the Department of Revenue (Revenue) in OPPAGA's January 2011 report, "Few Businesses Take Advantage of Enterprise Zone Benefits; the Legislature Could Consider Several Options to Modify the Program."

The report recommends Revenue:

- Develop written application review, validation, and approval procedures.

Revenue has procedures that are used to verify eligibility for enterprise zone credits taken on tax returns. These procedures will be documented and added as a part of the Review and Math Audit, Sales and Use Tax and Corporate Income Tax Procedures manuals by January 31, 2011.

- Develop standard procedures for processing enterprise zone credits and refunds.

Revenue, in order to take advantage of processing efficiencies, intentionally processes tax credits differently than the tax refunds.

Revenue is taking advantage of an existing business process to promote efficiency in processing. Verification of tax credits is a part of the overall examination of the tax return and allows Revenue to take advantage of existing processes to provide the taxpayer with a single result of the examination of the tax return.

Due to the nature of the enterprise zone refunds, there are several criteria that must be verified prior to issuance of the refund and are documented in the written procedures provided.

- Develop an online application process for all enterprise zone incentives.

Revenue has an online application process for refunds. Many taxpayers applying for enterprise zone refunds have done so via the Internet. The link to Revenue's online refund application is <https://taxapps3.state.fl.us/refunds/>.

For credits, Revenue uses a combination of both electronic and paper processing. Providing a complete electronic solution is desirable, but due to limited resources and the relatively limited participation in the program, other higher priority

Tallahassee,  
Florida  
32399-0100  
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Ms. Kathy McGuire  
January 10, 2011  
Page 2

programming needs have taken precedence. Additional resources would be required to complete an electronic solution for tax credits.

- Be granted the authority to notify enterprise coordinators when it approves applications for incentives within their zones.

Revenue is currently restricted from sharing specific information regarding approval of applications with the enterprise zone coordinators due to confidentiality requirements defined by section 213.053, Florida Statutes.

However, enterprise zone refunds are summarized by zone and provided to the Office of Tourism, Trade, and Economic Development (OTTED) annually. This includes the number and amount of refunds approved, denied, or withdrawn.

- Record zone information related to the corporate income jobs tax credits in a database.

Revenue agrees that recording of the zone information related to the corporate income jobs tax credits would benefit the gathering and analysis of data regarding the effectiveness of the enterprise zone program. However, due to current limited resources and other priority programming requirements, additional resources would be necessary for this enhancement at this time. It will be addressed as resources become available.

- Modify the sales and use tax credit application form to require taxpayers to report total credits from a list that includes the jobs tax credit and reject incomplete forms.

This is a complex issue that can best be addressed by requiring electronic filing of tax returns for taxpayers claiming an enterprise zone credit. Due to the space limitations on the current paper Sales and Use Tax Return, a listing of all available credits from which the taxpayer can select would require a costly redesign of the paper tax return and associated equipment Revenue uses to efficiently process those returns. If electronic filing of the tax return was mandated for credit eligibility, this suggestion could be implemented without the expenses associated with revising the paper form.

We appreciate OPPAGA's interest in the improvement of the application review process and data reporting for enterprise zone jobs tax credits.

Please let me know if we may be of further assistance.

Sincerely,



Lisa Vickers

LV/hm/bso

cc: Kim Mills, Director of Auditing, Office of the Chief Inspector General, Executive Office  
of the Governor  
Kara Collins-Gomez, Staff Director, Government Operations, OPPAGA  
Sharon Doredant, Inspector General, Department of Revenue  
Jim Evers, Director, General Tax Administration

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January 7, 2011

Mr. Gary R. VanLandingham  
 Director  
 Office of Program Policy Analysis and  
 Government Accountability  
 111 West Madison Street, Room 312  
 Tallahassee, Florida 32399-1475

Dear Mr. Van Landingham:

Enterprise Florida is in receipt of the preliminary report; ***Few Businesses Take Advantage of Enterprise Zone Benefits: the Legislature Could Consider Several Options to Modify the Program.*** We appreciate the opportunity to comment on the report.

The Enterprise Zone Program has had a measurable impact on improving economic conditions in some of Florida's most distressed areas. Potential modifications to the existing Programs could serve to strengthen their effectiveness and further improve economic conditions in these areas. In addition to the Programs highlighted in the report, the Enterprise Zone designation also helps to attract other businesses to these areas. For example, businesses receiving the Qualified Target Industry Tax Refund incentive are eligible for a higher award for jobs created within Enterprise Zones, prompting new, high-quality job creation within these Zones.

Enterprise Florida provides many marketing opportunities for the enterprise zone program through its web site, fact sheets, training and value propositions. Each explains the program's incentives and benefits. In addition to narrative explanations the Florida Enterprise Zone website has a map function for preliminary determination of site location within or outside of an enterprise zone.

In the discussion of changes in the program since the Legislature reauthorized the program in 2005 it should be clarified that Levy County applied for a vacant enterprise zone slot not that it was afforded the same opportunity as Sumter or Ocala.

The OPPAGA Report points out a number of program deficiencies that could make the program stronger and more effective. The Jobs Tax Credit, only available against the Corporate Income Tax or Sales and Use Tax, is not highly effective for small to medium sized manufacturers as they neither collect sales and use taxes nor do they have a significant corporate income tax liability. There have been attempts over the past several years to modify this incentive to make it have value such as allowing the credits to be transferred/sold.

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Governor Rick Scott, Chairman • Howell W. Melton Jr., Vice Chairman • John A. Adams Jr., President & CEO

800 North Magnolia Avenue, Suite 1100 • Orlando, Florida 32803 • T 407.956.5600 • F 407.956.5599

January 10, 2011

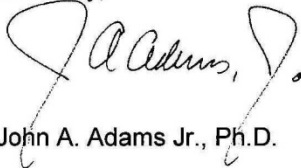
Page 2

Whether highly or moderately effective, the enterprise zone incentives, particularly in the rural areas are the only incentive available. In the Urban area it is hoped to be a tie-breaking resource. It was not designed to be a panacea but to give the most distressed areas of Florida a chance to slow down the downward economic spiral of the area by affording local governments an opportunity to increase economic activity and job creation.

In addition to the audit conducted by the Department of Revenue there has been a change in the Department's eligibility interpretation that could retroactively require refunds for projects. This shift could serve as a detriment for the entire program and could bleed over into other areas causing Florida to lose credibility with those looking to place a facility in the state.

Additionally Florida Statutes give the program a ten year life and each incentive is time certain. Any recommendations should recognize the inherent commitment by the state to those businesses already in the program and allow them the full range of incentive opportunity upon which the location decision was made.

Sincerely,

A handwritten signature in dark ink, appearing to read "J. Adams, Jr.", with a stylized flourish at the end.

John A. Adams Jr., Ph.D.

cc: Chris Hart  
Crystal Sircy



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

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

3-4-2013

*Meeting Date*

Topic Enterprise Zones

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

Name Larry Novey

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

Job Title Chief Legislative Analyst

Address 10 38 Holland Drive  
*Street*  
Tallahassee Florida 32301  
*City State Zip*

Phone 850-717-0500

E-mail novey.larry@oppaga.fl.gov

Speaking: ☐ For ☐ Against ☒ Information

Representing OPPAGA

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**

3/4/13

Meeting Date

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

Topic FLORIDA E. Z. PROGRAM

Bill Number N/A  
(if applicable)

Name BURT C. VON HOFF

Amendment Barcode N/A  
(if applicable)

Job Title BUREAU COORDINATOR

Address 1905 W. Nelson Circle

Street

TALLAHASSEE, FL 32303

City

State

Zip

Phone 850-717-8518

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

Speaking: ☐ For ☐ Against ☒ Information

Representing FLORIDA DEPARTMENT OF ECONOMIC OPPORTUNITY

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)

3-4-2013

Meeting Date

Topic Enterprise Zones Bill Number ~~561~~ (if applicable)  
Name Richard Reade Amendment Barcode \_\_\_\_\_ (if applicable)  
Job Title Sustainability Officer - City of Delray Beach  
Address 100 NW 1st Avenue Phone 561.243.7009  
Street Delray Beach, Florida E-mail reade@cityofdelraybeach.com  
City Delray Beach State Florida Zip 33444  
Speaking: ☐ For ☐ Against ☒ Information  
Representing City of Delray Beach  
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)





**FLORIDA DEPARTMENT *of*  
ECONOMIC OPPORTUNITY**

## **Office of Film and Entertainment**

### **Fiscal Year 2011/2012 Film and Entertainment Industry Financial Incentive Performance Report**

**Contact:**     **Shari Kerrigan**  
                    **Director**  
                    **[Shari.kerrigan@deo.myflorida.com](mailto:Shari.kerrigan@deo.myflorida.com)**  
                    **Florida Office of Film and Entertainment**  
                    **Division of Strategic Business Development**  
                    **Department of Economic Opportunity**

# Florida's Entertainment Industry Financial Incentive Program

## I. Overview

The Florida Office of Film and Entertainment (OFE), within the Department of Economic Opportunity (DEO), administers the six year Florida Entertainment Industry Financial Incentive Program provided for in section 288.1254, Florida Statutes. The program began on July 1, 2010 and sunsets June 30, 2016. The 2010 legislature allocated \$242 million in tax credits initially with an additional \$12 million allocated by the 2011 Legislature. Effective March 2012, the legislature allocated an additional \$42 million in tax credits to the program, totaling \$296 million.

Since the inception of the program on July 1, 2010, the OFE has submitted and processed 481 applications. The OFE has qualified and certified 230 of those productions for tax credits with projected Florida expenditures of approximately \$1.3 billion. Wages to Floridians associated with the 230 productions are currently projected to be close to \$760 million and are associated with 161,000 positions for Florida residents.

Rule 27M-5.003(3), F.A.C. requires the OFE to qualify projects on a first-come, first-served basis within its appropriate queue. Once a project is qualified, it is certified based on its anticipated Florida expenditures. Qualified expenditures include payments to Florida vendors for products and services as well as wages paid to Florida residents working directly on the production. Non-resident wages and purchases from companies without a physical presence in Florida do not qualify for the program.

The OFE awards tax credits to the pre-certified production company upon completion of the project. As a basis for the award, the OFE reviews an audit submitted by the production that has been performed by a Certified Public Accountant. The final tax credit award is calculated as a percentage (20-30 percent) of each pre-certified projects' final qualified Florida expenditures and cannot exceed \$8 million in total tax credits per project.

The production types certified to date include: 58 motion pictures (theatrical, made for TV, direct to video, documentaries, visual effects sequences in conjunction with a motion picture); 42 digital media productions; and, 101 television productions (TV series, including high-impact, drama, comedy, game shows, variety, entertainment shows, reality), TV series pilots, telenovelas, and award shows; and 29 commercials. (Please see Exhibit I: 2010/2016 Entertainment Industry Financial Incentive Program Summary for additional details.)

## II. FY 2011-2012 Annual Incentive Performance Summary

- 169 certified projects either completed production, provided the OFE with their CPA audit or were awarded tax credits in fiscal year 2011-2012; includes 25 projects awarded tax credits, 42 projects pending OFE audit review, and 102 projects that wrapped production in Florida with outstanding final reports.
- Projected outcomes for all projects (verified, pending and those with audits outstanding) are below. (Please refer to Exhibit II: Entertainment Industry Financial Incentive fiscal year 2011-2012 Annual Report for additional details):
  - 68,183 positions for Floridians
  - \$309,286,980 in wages for Floridians
  - \$553,707,406 in Florida qualified expenditures (Florida wages, products or services)
  - 73,861 lodging/hotel room nights
  - 14,036 production days

Statutory language effective July 1, 2011 requires the OFE to report job data as Full Time Equivalent (FTE). Due to the unique characteristics of the entertainment industry, individuals working on productions are not counted in FTE format. In most instances, hourly employment data for individual employees is not assembled by the production, and therefore is not available for reporting to the OFE. The OFE continues to explore best practices in determining a method by which to report this information.

## III. The Economic Impact of the Film and Entertainment Industry in Florida

### A. “Dolphin Tale”

The feature film “Dolphin Tale,” which filmed in Clearwater, is an excellent example of how productions sustain other Florida industries such as tourism, entertainment, attractions, and hospitality. Local hotels generated \$736,355 associated with the 5,875 room nights used for cast and crew (per financial incentive audit data). According to the Clearwater Marine Aquarium, since the movie premiered in theaters September 23, 2011, daily visitors have quadrupled, justifying the construction of a second visitor’s center. This is an example of “film-induced tourism” which is defined as “a tourist visit(ing) a destination or an attraction as a result of the destination being featured on television, video, DVD, or the cinema screen.”<sup>1</sup> Film-induced tourism elements such as authenticity, location and social setting are present in “Dolphin Tale,” making the movie an important determinant of growing tourism in the local area, with the subsequent economic impact in the regional economy.<sup>2</sup> Using spending per visitor from the Clearwater-St. Petersburg tourism statistics, and RIMS II economic multipliers to estimate the total economic impact of movie-induced tourism in the local economy, a study conducted by the University of South Florida,

Saint Petersburg College of Business in 2012 found that “Dolphin Tale” is the driver of approximately 72.7% of visitors to the Clearwater Marine Aquarium.<sup>3</sup> The model forecasts approximately 800,000 visitors in 2013, growing to 2.3 million in 2016.<sup>4</sup> These visitors will provide a total economic impact to the local economy of approximately \$400 million in 2013, which increases to \$2.3 billion in 2016.<sup>5</sup>

According to an August 17, 2012 article in the Tampa Bay Times:

“Kosove, the *Dolphin Tale* producer who is co-CEO of Alcon Entertainment, said the \$42 million movie would never have been made without \$5 million in tax breaks from Florida.”

He also said the “\$60 million marketing campaign for the 2011 movie helped counteract bad publicity that Florida's Gulf Coast unfairly received from the 2010 Deepwater Horizon oil spill in the Gulf of Mexico.”

The Clearwater community also likely got a boost from a message that appears at the end of the movie, which reads: “*Winter is happy and healthy and lives at the Clearwater Marine Aquarium in Clearwater, Florida. You can visit her there or online at seewinter.com*”<sup>6</sup>

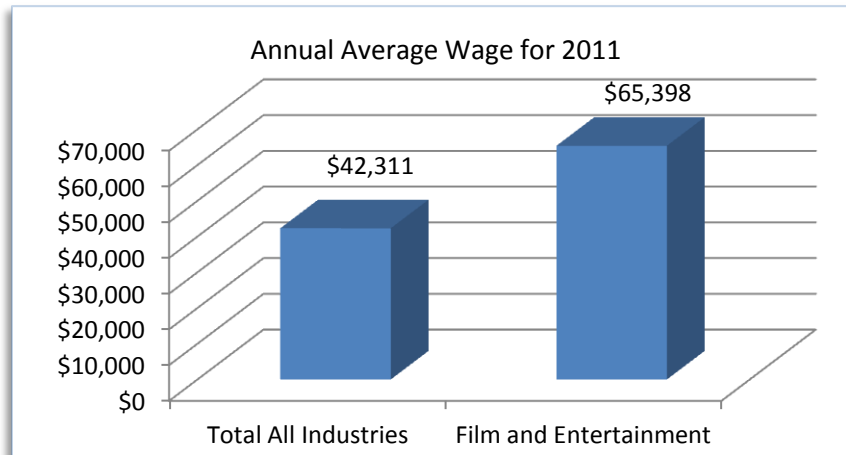
## B. Florida Entertainment Industry Wide Employment Data

The Department of Economic Opportunity Office of Labor Market Statistics provided the following 2011 employment data to the OFE:

Florida Film and Entertainment Industry					
Number of Establishments, Average Annual Employment, and Annual Average Wages					
2011					
Ranked by Employment					
Industry Title	Number of Establishments	Average Annual Employment	Average Annual Wage*	Percent of Total Film Establishments	Percent of Total Film Employment
Total, Film and Entertainment Industry	4,240	21,454	\$65,398		
Television broadcasting	192	7,663	\$72,656	4.5%	35.7%
Motion picture and video production	958	3,584	\$62,078	22.6%	16.7%
Independent artists, writers, and performers	1,507	2,482	\$54,343	35.5%	11.6%
Musical groups and artists	423	2,019	\$47,705	10.0%	9.4%
Cable and other subscription programming	90	2,011	\$83,517	2.1%	9.4%
Agents and managers for public figures	309	1,271	\$64,779	7.3%	5.9%
Satellite telecommunications	100	589	\$86,536	2.4%	2.7%
Commercial photography	228	432	\$35,709	5.4%	2.0%
Teleproduction and postproduction services	118	379	\$54,859	2.8%	1.8%
Sound recording studios	92	372	\$45,009	2.2%	1.7%
Motion picture and video distribution	47	266	\$67,856	1.1%	1.2%
Other sound recording industries	91	241	\$49,835	2.1%	1.1%
Record production	43	78	\$75,121	1.0%	0.4%
Other motion picture and video industries	42	70	\$37,509	1.0%	0.3%

\*Note: The annual wage for all industries in Florida is \$42,311 for 2011

- In 2011, there were 4,240 establishments in the film and entertainment industry with employment of 21,454 and an annual average wage of \$65,398
- In 2011, the average annual wage for workers in the film and entertainment industry was \$65,398 exceeding the state's 2011 annual average wage for all industries of \$42,311 by 54.6 percent.
- No major employment sector in Florida has a higher annual average wage than the film and entertainment industry.



Source: Florida Department of Economic Opportunity, Labor Market Statistics Center.

### Film and Entertainment Industry Wages Compared To Other Industries Florida, 2011

Industry	Average Annual Wages
Total, All Industries	\$42,311
Film and Entertainment	\$65,398
Information	\$64,542
Financial Activities	\$59,482
Manufacturing	\$52,373
Professional and Business Services	\$50,822
Government	\$47,823
Education and Health Services	\$44,454
Construction	\$40,873
Trade, Transportation, and Utilities	\$37,751
Other Services	\$29,807
Natural Resources and Mining	\$25,151
Leisure and Hospitality	\$21,824

Source: Florida Department of Economic Opportunity, Labor Market Statistics Center, Quarterly Census of Employment and Wages Program. Released June 2012.

1

### C. Advertising and Marketing Value

The following data shows the results of research conducted by the Greater Miami Convention & Visitors Bureau (GMCVB) on the impressions and media value (i.e., television advertising) of different television series featuring Miami to demonstrate what it would cost if the GMCVB were to advertise Miami as a tourist destination during these television shows. Using the top three in terms of valuation dollars as examples, to advertise during one episode of “CSI Miami” it would cost \$1,921,106; to advertise during one episode of “Despierta America” it would cost \$255,656 and to advertise during one episode of “Burn Notice” it would cost \$1,325,925.

#### TV Series Featuring Miami

CY 2011 and EST. 2012 YTD Impressions and Media Value Jan. 1 – June 30, 2012

Program	Network	Length (min)	2011-2012 Episodes	Total Imps (Cume)		Total Valuation	
The Glades	A&E	60	39		104,114,400		\$ 19,084,170
Charlie's Angels	ABC	60	4		27,600,000		\$ 9,998,100
Animal Cops: Miami	Animal Planet	60	26		13,930,000		\$ 1,717,891
Real Housewives of Miami	Bravo	60	14		22,890,000		\$ 4,236,939
CSI Miami	CBS	60	36		504,000,000		\$ 162,729,000
Catalina Hotel	CW	60	2		7,280,000		\$ 1,096,760
Austin & Ally	Disney Channel	60	21		18,040,500		\$ 2,688,509.
Dexter	HBO	60	12		42,000,000		\$ 5,974,500.
Magic City	Starz	60	14		10,010,000		\$ 1,508,045.
Descontrol	Telemundo	60	66		32,832,000		\$ 8,256,672
South Beach Tow	TruTV	30	21		10,675,000		\$ 790,738
Quien Tiene La Razon	Telefutura	60	390		198,575,000		\$ 49,852,88
Despierta America	Univision	240	390		397,150,000		\$ 99,705,775
Burn Notice	USA	60	20		149,400,000		\$ 26,518,500
Basketball Wives	VH1	60	28		30,600,000		\$ 10,757,880
				Total:	1,569,096,900	Total:	\$ 404,916,367

#### Valuation Criteria

- Impressions represent Jan. 2011 – June 2012 as reported by networks/Neilsen
- Show values based on Network Cable CPM's ranging \$17.00 - \$25.50 (based on show reach/appeal/demand): Network Broadcast CPM of \$45.00
- Total value of 60-minute show based on 4x value of :60-second spot (1x/quarter hour programming segment)

#### D. Positive Impact on Local Communities

When productions film in a given location, they have a direct impact on the communities that support them, not just in terms of jobs and direct spending with Florida businesses, but also in terms of other unique economic benefits to local communities where production occurs.

- “Burn Notice”

This television series, which is seen in countries all over the world, is filmed in the Coconut Grove Convention Center – a building in Miami which was once scheduled to be demolished. Once “Burn Notice” concludes its use of the Convention Center, rent proceeds will be used to revitalize the area. The show, now in its 6<sup>th</sup> season, currently infuses the local economy with close to \$1.5 million each time it films an episode and maintains 85% of its cast and crew as local wage earners (per financial incentive audit data).

- “The Glades”

The producers of “The Glades” converted an industrial warehouse space at Pembroke Park into a studio for the hit television series. The show films a majority of its scenes outdoors, capitalizing on the authentic Florida landscape. A&E just announced the series was picked up for a fourth season, and they will start filming in Florida in early 2013.

- “Magic City”

This series leases the former Bertram Yacht facility and has converted it into sound stages and production offices. The producers spent \$8 million in four months to convert a vacant facility into the fictional Miramar Playa Hotel where the majority of “Magic City” is shot. The second season of the show is currently filming in Miami.

#### E. Notable Recent Florida Productions:

##### Motion Pictures:

- “Dolphin Tale” Starring Morgan Freeman, Ashley Judd, Kris Kristofferson, and Harry Connick Jr. (Placed 3<sup>rd</sup> highest box office gross on opening weekend; 1<sup>st</sup> on second weekend; \$73 million box office to date; \$24 million in DVD sales.)
- “Rock of Ages” Starring Tom Cruise, Alec Baldwin, Paul Giamatti, and Catherine Zeta-Jones
- “Magic Mike” Starring Matthew McConaughey, Channing Tatum and Alex Pettyfer. (Total box office to date \$114 million)
- “Step Up Revolution” Starring Alyson Stoner, Adam G. Sevani and Stephen Boss - the next installment in the worldwide smash “Step Up” franchise.
- “Springbreakers” Starring James Franco, Selena Gomez and Vanessa Hudgens. (Premiered recently at the Toronto Film Festival. Wide theatrical release date 2013)
- “Parker” Starring Jason Statham, Jennifer Lopez, and Nick Nolte. (In theaters October 2012)
- “Pain and Gain” Starring Mark Wahlberg, Dwayne Johnson and Ed Harris. (Release date 2013)

##### Television:

- “Burn Notice” (USA) Starring Jeffrey Donovan, Gabrielle Anwar, and Bruce Campbell
- “The Glades” (A&E) Starring Matt Passmore, Kiele Sanchez, and Carlos Gomez (The series premiere was the most watched original drama in A&E history)
- “Magic City” (STARZ) Starring Jeffery Dean Morgan, Danny Huston, Kelly Lynch and Olga Kurylenko
- “Caso Cerrado” (Telemundo Studios) Emmy-nominated, court show. Ranked #1 Spanish language program at 4pm across key demographics.
- “Grachi” (MTV Networks Latin America) Children’s show on Nickelodeon Latin America
- “La Casa de al Lado” (Telemundo Studios) The premiere was one of the top five telenovela premieres for Telemundo and averages over 2 million viewers per episode.
- “Billboard Latin Music Awards 2012” (Telemundo Studios)

#### Digital Media & Games:

- “Madden NFL 2013”
- “NCAA Football 2013”
- “Tiger Woods PGA Tour 2013”
- “Super Suite Algebra”
- “Super Suite Chemistry”
- “Augmented Reality Simulation for Medical Students”

#### Commercials:

- Gatorade
- Volkswagen
- Diet Pepsi
- Toyota
- Acura
- Office Depot
- Citibank

## IV. Education and Workforce Development.

Critical to growing and sustaining any industry is a skilled workforce and healthy talent supply chain. Florida is fortunate to be home to many highly experienced industry professionals who work all over the globe. With an eye to the future

workforce, Florida also has many excellent film, television and digital media educational programs and institutions – public and private, post-secondary and secondary. Examples include:



- Florida State University College of Motion Picture Arts - ranked #17<sup>7</sup> in the Hollywood Reporter's Top 25 Film Schools in the World list.
- Ringling College of Art and Design – ranked #23<sup>8</sup> in the Hollywood Reporter (see preceding).
- University of Central Florida's Interactive Entertainment Academy - ranked #2<sup>9</sup> in the Princeton Review's Top 10 Graduate Schools for Video Game Design Study (2011).
- Full Sail University – touted as having one of the five Best Music Programs in the country according to Rolling Stone Magazine; also ranked as the #3 New Media School in the World alongside MIT and NYU by Shift Magazine.
- The G-Star School of the Arts - the only high school in the world with a commercial motion picture studio on its campus, the G-Star Studios, now the largest motion picture studio in the State. Over 50 feature films have been produced at the Studios, plus many commercials including NIKE and Abercrombie & Fitch, as well as music videos and rehearsals by Celine Dion, Rod Stewart, Stevie Nicks and Radiohead.

## V. Types of Productions and Strategic Opportunities

All types of productions are important to growing and retaining Florida's entertainment industry workforce and infrastructure: Commercials; features – both large and small budget, theatrical or direct to DVD; television series including high impact and smaller budget series; video games – entertainment or educational; visual effects sequences and more. The diversity of production in the state collectively supports the overall entertainment industry infrastructure.

Certain productions offer specific strategic value. Key to the long-term sustainability of the industry is production that maintains a long production cycle like high-impact television series and video game franchises. These types of productions not only sustain a talented workforce, they also sustain the vendor supply chain.

With regard to location-based production, high-impact TV series, which can be in production for six to 10 months per season, arguably provide increased stability and thus sustainability. According to the Entertainment Industry Financial Incentive statute, "high-impact television series means a production created to run multiple production seasons and having an estimated order of at least seven episodes per season and qualified expenditures of at least \$625,000 per episode." These projects employ the workforce for a longer period of time, spend money in local communities for a longer period of time across many businesses including small businesses, and generally require more "permanent" facilities. Returning seasons means more continuous work, which in turn, provides more infrastructure sustainability. (Example: Burn Notice just completed season six, The Glades, just completed season three.)

Additional opportunities lie with other long-cycle digital media projects such as video games, animated features, and visual effects sequences. These types of productions are typically created in “bricks and mortar” facilities in the state and provide long-term stable employment. Examples of well-known digital media production facilities in Florida include Electronic Arts Tiburon studios in Maitland, and n-Space in Orlando.

## VI. The Film and Entertainment Industry in Florida

The State of Florida has a long history in the motion picture industry thanks to its year-round sunshine, moderate climate and spectacular scenery. Overall, the Film and Entertainment Industry is important to the Florida economy as a major driver of employment, attracting revenue from other states and countries. According to the Association of Film Commissioners International (AFCI), when a high budget feature film shoots on location, it can inject as much as \$260,000 per day into that location’s economy. A high budget weekly TV series will spend as much as \$300,000 per day on location. (See AFCI’s Production Revenue Tracking Guidelines - Exhibit IV.)

Telemundo, with studios based in Miami, is the fastest growing Spanish-language broadcast network for the third consecutive month among the coveted adults 18-49 demographic as of August 2012.<sup>10</sup> Telemundo delivered its best August on record among total viewers – up 16 percent year-over-year, (TVByTheNumbers).<sup>11</sup> Additionally, Telemundo registered double digit growth over the third quarter of 2010, according to Nielsen Media Research. The Telemundo Network now reaches 94 percent of U.S. Hispanic viewers and has over 1000 cable affiliates.<sup>12</sup>

Florida is also home to Univision, the number one Spanish-language television network in the world. Headquartered in New York City, Univision has its major studios, production facilities, and operations in Doral, Florida.

In addition to Florida’s history with traditional types of entertainment productions, the state has a growing share of the interactive digital media entertainment industry sector. Digital media entertainment products meld together entertainment software development and publishing to provide Florida a further strategic opportunity for diversifying the economy via the entertainment industry sector. As an added bonus, the skill sets associated with this segment of the industry cross-walks to the modeling and simulation industry sectors, also important growth sectors for Florida’s economy.

Florida is home to dozens of digital media developers and publishers including Electronic Arts (EA) Tiburon, 360ed, n-SPACE and Firebrand Games. With Madden NFL, NCAA Football, Tiger Woods PGA TOUR™ and other titles, Tiburon is one of the top developers in the world. Employing several hundred, Tiburon is the second largest studio among Electronic Arts’ world-wide studio facilities.

## VII. Future Direction

As part of DEO's Division of Strategic Business Development, the OFE is fully integrated with Florida's overall economic development strategy, which allows the state to leverage the job creation value of the film and entertainment industry. The tools, talent, and resources available within DEO are invaluable as the OFE, along with its partners and stakeholders, participates in the development of its Five Year Strategic Plan to shape the future of the Florida film and entertainment industry.

## Exhibits

- I. Fiscal Year 2010 - 2016 Entertainment Industry Financial Incentive Program Summary
- II. Entertainment Industry Financial Incentive fiscal year 2011-2012 Annual Report
- III. Fiscal Year 2011 -2012 Entertainment Industry Financial Incentive Verified and Wrapped Projects - Regional Breakout
- IV. AFCI Production Revenue Tracking Guidelines

## Endnotes

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<sup>1</sup> Hudson S., Ritchie B. (2006). "Promoting Destinations via Film Tourism: an Empirical Identification of Supporting Marketing Initiatives." *Journal of Travel Research*, 13(2), 177-190.

<sup>2</sup> University of South Florida, St. Petersburg College of Business (2012). "The Economic Impact of "Dolphin Tale" on Pinellas County, Florida, p. 3

<sup>3</sup> University of South Florida, St. Petersburg College of Business (2012). "The Economic Impact of "Dolphin Tale" on Pinellas County, Florida, p 16

<sup>4</sup> University of South Florida, St. Petersburg College of Business (2012). "The Economic Impact of "Dolphin Tale" on Pinellas County, Florida, p 21

<sup>5</sup> University of South Florida, St. Petersburg College of Business (2012). "The Economic Impact of "Dolphin Tale" on Pinellas County, Florida, p 23

<sup>6</sup> Mike Brassfield (August 17, 2012). " 'Dolphin Tale' gives local tourism a half-billion-dollar boost, study finds." *Tammy Bay Times*.

<sup>7</sup> Staff (July 27, 2011) "The Hollywood Reporter's Top 25 Film Schools List Revealed." *The Hollywood Reporter*

<sup>8</sup> Staff (July 27, 2011) "The Hollywood Reporter's Top 25 Film Schools List Revealed." *The Hollywood Reporter*.

<sup>9</sup> Staff (March 1, 2012). "Top Schools to Study Video Game Design 2012". *The Princeton Review*

<sup>10</sup> (August 2012). "TVbythenumbers.com"

<sup>11</sup> (August 2012). "TVbythenumbers.com"

<sup>12</sup> NBC/Universal, nbcuni.com.

# 2010/2016 ENTERTAINMENT INDUSTRY FINANCIAL INCENTIVE PROGRAM SUMMARY

Regional Summary			Projected Total		Projected # of		Estimated Room		Qualified Florida		Certified Tax	
	# of Projects	%	Florida Wages	%	Florida Jobs Created	%	Nights	%	Expenditures	%	Credit Award	%
<b>CENTRAL EAST REGION</b>	71	30.87%	\$ 256,645,955	33.81%	15,732	9.78%	53,981	24.44%	\$ 388,752,704	30.27%	\$ 87,279,909	30.92%
BREVARD LAKE ORANGE SEMINOLE ST. LUCIE VOLUSIA												
<b>CENTRAL WEST REGION</b>	18	7.83%	\$ 16,185,953	2.13%	4,941	3.07%	13,807	6.25%	\$ 34,594,068	2.69%	\$ 9,579,290	3.39%
HERNANDO HILLSBOROUGH PINELLAS POLK MANATEE SARASOTA												
<b>NORTH REGION</b>	5	2.17%	\$ 1,087,102	0.14%	281	0.17%	319	0.14%	\$ 1,547,739	0.12%	\$ 318,851	0.11%
LEON SUWANNEE ALACHUA DUVAL ST. JOHNS CLAY												
<b>SOUTHEAST REGION</b>	135	58.70%	\$ 478,363,684	63.01%	139,165	86.49%	151,165	68.45%	\$ 843,006,308	65.64%	\$ 180,229,272	63.84%
MIAMI-DADE BROWARD PALM BEACH MONROE												
<b>SOUTHWEST REGION</b>	1	0.43%	\$ 6,886,214	0.91%	779	0.48%	1,566	0.71%	\$ 16,428,187	1.28%	\$ 4,914,400	1.74%
COLLIER												
<b>Totals</b>	<b>230</b>	<b>100.00%</b>	<b>\$ 759,168,908</b>	<b>100.00%</b>	<b>160,898</b>	<b>100.00%</b>	<b>220,838</b>	<b>100.00%</b>	<b>\$ 1,284,329,006</b>	<b>100.00%</b>	<b>\$ 282,321,722</b>	<b>100.00%</b>

## Project Type Summary

THEATRICAL MOTION PICTURE	*	42	18.26%	\$ 164,246,405	21.64%	22,834	14.19%	90,128	40.81%	\$ 275,202,616	21.43%	\$ 56,319,429	19.95%
MADE FOR TV MOTION PICTURE		1	0.49%	\$ 449,888	0.06%	237	0.15%	30	0.01%	\$ 947,636	0.07%	\$ 189,527	0.07%
DIRECT TO VIDEO MOTION PICTURE		4	1.96%	\$ 9,649,416	1.27%	1,246	0.77%	2,449	1.11%	\$ 14,709,883	1.15%	\$ 3,816,868	1.35%
VISUAL EFFECTS FILMS		3	1.47%	\$ 15,639,065	2.06%	364	0.23%	2,325	1.05%	\$ 19,036,436	1.48%	\$ 4,523,104	1.60%
DOCUMENTARIES		8	3.92%	\$ 2,860,290	0.38%	96	0.06%	85	0.04%	\$ 3,692,049	0.29%	\$ 738,412	0.26%
VIDEO GAMES	*	17	8.33%	\$ 107,617,665	14.18%	1,423	0.88%	1,935	0.88%	\$ 178,996,484	13.94%	\$ 48,330,926	17.12%
DIGITAL MEDIA PROJECTS		25	12.25%	\$ 7,656,212	1.01%	429	0.27%	180	0.08%	\$ 9,882,456	0.77%	\$ 2,005,303	0.71%
COMMERCIALS	**	29	14.22%	\$ 11,669,414	1.54%	5,816	3.61%	3,622	1.64%	\$ 24,060,427	1.87%	\$ 4,810,923	1.70%
TV SERIES	***	65	31.86%	\$ 417,236,526	54.96%	116,725	72.55%	110,237	49.92%	\$ 709,528,500	55.25%	\$ 151,904,870	53.81%
TV SERIES - PILOT		7	3.43%	\$ 10,493,188	1.38%	4,785	2.97%	4,002	1.81%	\$ 20,121,411	1.57%	\$ 4,024,280	1.43%
TV PRODUCTION - NON SERIES		29	14.22%	\$ 11,650,839	1.53%	6,943	4.32%	5,845	2.65%	\$ 28,151,108	2.19%	\$ 5,658,080	2.00%
<b>TOTAL PROJECTS</b>		<b>230</b>	<b>110.42%</b>	<b>\$ 759,168,908</b>	<b>100.00%</b>	<b>160,898</b>	<b>100.00%</b>	<b>220,838</b>	<b>100.00%</b>	<b>\$ 1,284,329,006</b>	<b>100.00%</b>	<b>\$ 282,321,722</b>	<b>100.00%</b>

\* 23 FAMILY FRIENDLY PRODUCTIONS  
(9 Theatrical MP; 14 Video Games)

\*\* 29 BUNDLED COMMERCIAL APPLICATIONS  
(83 INDIVIDUAL COMMERCIALS)

\*\*\* 5 HIGH IMPACT TV SERIES  
(One Season = One Project)

PRODUCTION QUEUES	TAX CREDIT BALANCE 7/31/2012	TAX CREDITS AWARDED 7/31/2012
GENERAL PRODUCTION QUEUE	\$ 7,474,536	\$ 27,740,093 (17)
COMMERCIAL & MUSIC VIDEO QUEUE	\$ 3,926,019	\$ 557,156 (4)
INDEPENDENT & EMERGING MEDIA QUEUE	\$ 2,277,723	\$ 598,510 (8)
APPLICATIONS RECEIVED	481	\$ 28,895,759 (29)

PENDING PROJECTS - 7/31/2012	PROJECTED FLORIDA EXPENDITURES	PROJECTED TAX CREDIT CERTIFICATION
GENERAL PRODUCTION QUEUE - 8 PROJECTS	\$ 38,146,489	\$ 9,947,111
COMMERCIAL & MUSIC VIDEO QUEUE - 1 PROJECT	\$ 585,063	\$ 117,012
INDEPENDENT & EMERGING MEDIA QUEUE - 2 PROJECTS	\$ 702,700	\$ 157,283



LOCATIONS	REGIONS	PROJECT TITLE	PROJECT TYPE	TOTAL ELIGIBLE FLORIDA WAGES	TOTAL QUALIFIED NON-WAGE FLORIDA EXPENDITURES	#OF FLORIDA POSITIONS CREATED - CREW	# OF FLORIDA POSITIONS CREATED - TALENT (CAST)	# OF FLORIDA POSITIONS CREATED- EXTRAS/STAND-INS	TOTAL # OF FLORIDA POSITIONS CREATED	ROOM NIGHTS	# OF PRODUCTION DAYS	LOGGING EXPENDITURES	QUALIFIED FLORIDA EXPENDITURES	FINAL TAX CREDIT AWARD		
		OFF REVIEW COMPLETED/ TAX CREDITS AWARDED														
		BREVARD	CE	TRANSFORMERS 3	FEATURE FILM	\$ 741,937.28	\$ 1,745,824.27	130	0	355	485	3,520	8	\$ 472,952	\$ 2,487,762	\$ 621,940
		ORLANDO	CE	TOOTH FAIRY 2 - FF	FEATURE FILM	\$ 2,351,219.90	\$ 885,497.44	163	38	288	489	750	24	\$ 55,151	\$ 3,236,717	\$ 809,179
		ORLANDO	CE	RENESE PROJECT	FEATURE FILM	\$ 1,413,136.74	\$ 893,635.26	149	44	118	311	377	25	\$ 30,079	\$ 2,296,772	\$ 459,354
		ORLANDO	CE	EA TIGER WOODS PGA 12 - FF	VIDEO GAME	\$ 7,738,873.57	\$ 1,628,141.82	261	N/A	N/A	26	271	21	\$ 3,873	\$ 9,367,015	\$ 2,341,753
		ORLANDO	CE	BAD MOM PILOT	TV PILOT	\$ 786,785.62	\$ 512,037.33	95	10	126	231	365	7	\$ 68,492	\$ 1,298,823	\$ 259,764
		ORLANDO	CE	ELLEN DEGENERES SHOW	TV SEGMENT	\$ 164,749.82	\$ 618,089.05	114	0	0	114	44	1	\$ 163,263	\$ 782,839	\$ 156,587
		ORLANDO	CE	EA NCAA FOOTBALL 2012 - FF	VIDEO GAME	\$ 10,088,615.00	\$ 1,983,217.37	324	N/A	N/A	324	49	362	\$ 7,766	\$ 12,071,832	\$ 3,017,958
		ORLANDO	CE	EA Madden NFL 2012 - FF	VIDEO GAME	\$ 12,814,394.95	\$ 2,472,342.45	345	N/A	N/A	345	66	426	\$ 10,603	\$ 15,286,727	\$ 3,821,681
		VOLUSIA	CE	CASSADAGA	FEATURE FILM	\$ 166,558.86	\$ 459,469.42	51	26	141	218	260	18	\$ 13,874	\$ 626,028	\$ 156,507
		BROWARD	SE	TOUGH LOVE	TV SERIES	\$ 297,870.00	\$ 728,080.93	47	105	158	310	60	35	\$ 30,185	\$ 1,025,951	\$ 205,190
		MIAMI- DADE	SE	THE FINDER- PILOT	TV PILOT	\$ 1,617,261.76	\$ 1,154,806.40	200	17	156	373	329	10	\$ 113,767	\$ 2,772,068	\$ 554,413
		MIAMI- DADE	SE	ALQUIEN TE MIRA	TV SERIES	\$ 3,877,628.00	\$ 1,076,313.16	179	11	0	190	0	69	\$ -	\$ 4,953,941	\$ 1,139,429
		BROWARD	SE	THE GLADES - SEASON 2	TV SERIES	\$ 9,405,788.46	\$ 7,459,540.98	453	89	3,766	4,308	1,365	91	\$ 110,120	\$ 16,865,329	\$ 3,373,065
		ORLANDO	CE	GLENCOE BIOLOGY MINI-GAMES	DIGITAL MEDIA	\$ 171,650.00	\$ 26,636.00	13	N/A	N/A	13	0	168	\$ -	\$ 198,286	\$ 39,500
		BROWARD/MIAMI	SE	TAKE THE MONEY AND RUN	TV SERIES	\$ 90,350.00	\$ 197,994.03	42	3	0	45	860	15	\$ 101,742	\$ 288,344	\$ 57,668
		BROWARD/MIAMI	SE	IF YOU ONLY KNEW	FEATURE	\$ 324,009.98	\$ 176,491.17	44	18	55	117	70	18	\$ 2,518	\$ 500,501	\$ 125,000
		DUCK KEY	SE	THE LAST RESORT	TV PILOT	\$ 180,065.73	\$ 192,741.08	37	10	0	47	228	6	\$ 137,720	\$ 372,807	\$ 74,561
		THROUGHOUT FLORIDA	CE	HOW TO DO FLORIDA	TV SERIES	\$ 81,858.51	\$ 88,655.94	27	2	0	29	42	108	\$ 3,030	\$ 170,514	\$ 33,306
		ORLANDO	CE	SUPER SUITE BIOLOGY	DIGITAL MEDIA	\$ 521,437.83	\$ 110,172.71	20	N/A	N/A	20	0	380	\$ -	\$ 631,611	\$ 125,000
		ORLANDO	CE	SUPER SUITE ALGEBRA I	DIGITAL MEDIA	\$ 494,949.93	\$ 93,245.06	23	N/A	N/A	23	0	380	\$ -	\$ 588,195	\$ 117,639
		ORLANDO	CE	MY FAIR LIDY	FEATURE FILM	\$ 10,939.80	\$ 92,406.84	7	25	9	41	30	18	\$ 6,210	\$ 103,347	\$ 25,836
		MIAMI- DADE	SE	PICTURE PARK - JUST FOR MEN	COMMERCIAL	\$ 367,417.08	\$ 337,086.56	106	0	69	175	79	10	\$ 15,800	\$ 704,504	\$ 140,900
		MIAMI- DADE	SE	MEDIA MAX - FREDDY/OPTIC 2000	COMMERCIAL	\$ 254,845.43	\$ 231,861.04	141	5	5	151	161	5	\$ 33,284	\$ 486,706	\$ 91,000

**ENTERTAINMENT INDUSTRY FINANCIAL INCENTIVE FY 2011/2012 ANNUAL REPORT**

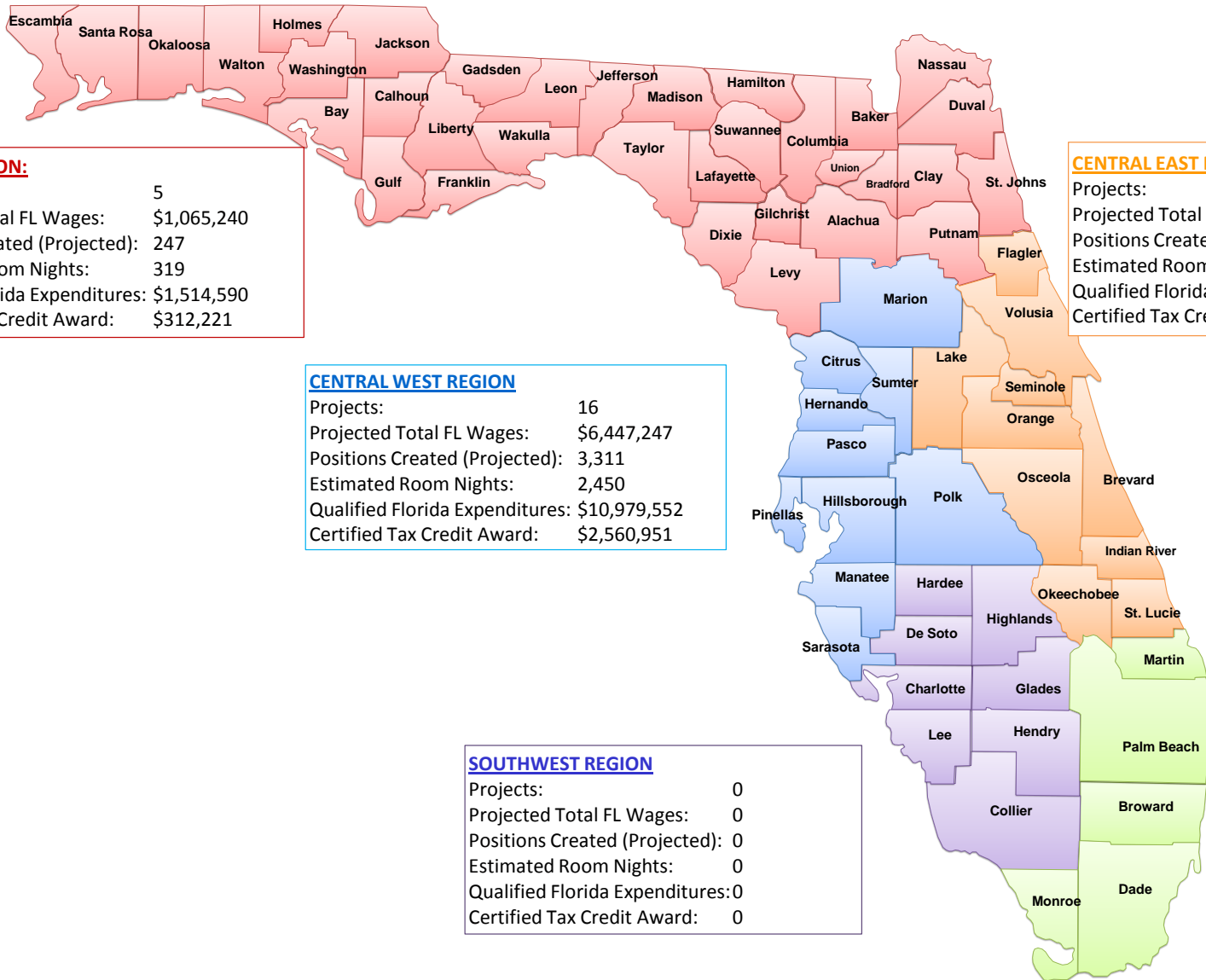
LOCATIONS	REGIONS	PROJECT TITLE	PROJECT TYPE	TOTAL ELIGIBLE FLORIDA WAGES	TOTAL QUALIFIED NON-WAGE FLORIDA EXPENDITURES	# OF FLORIDA POSITIONS CREATED - CREW	# OF FLORIDA POSITIONS CREATED - TALENT (CAST)	# OF FLORIDA POSITIONS CREATED - EXTRAS/STAND-INS	TOTAL # OF FLORIDA POSITIONS CREATED	ROOM NIGHTS	# OF PRODUCTION DAYS	LODGING EXPENDITURES	QUALIFIED FLORIDA EXPENDITURES	FINAL TAX CREDIT AWARD
<b>PROJECT COMPLETED/ AWAITING CPA AUDIT/FINAL REPORT</b> <b>QUEUE A - GENERAL PRODUCTIONS \$625K+ (31)</b>														
														<b>CERTIFICATION AMOUNT</b>
ORLANDO	CE	THE INBETWEENERS - PILOT PRESENTATION	TV SERIES PILOT	\$ 552,095	\$ 142,976.00				387	79	4		\$ 695,071	\$ 139,014
ORLANDO	CE	BIG MIKE - PILOT	TV SERIES PILOT	\$ 1,760,825	\$ 1,659,760.00				951	1,735	13		\$ 3,420,585	\$ 684,117
BROWARD/MIAMI	SE	GRACHI - SEASON 1	TV SERIES	\$ 2,285,058	\$ 1,754,089.00				277	97	87		\$ 4,039,147	\$ 807,829
BROWARD/MIAMI	SE	VENOM ONE/SWAMP CITY (II)	TV SERIES	\$ 1,244,944	\$ 378,737.00				28	0	168		\$ 1,623,681	\$ 324,736
MIAMI- DADE	SE	CHARLIE'S ANGELS (III) - PILOT	TV SERIES PILOT	\$ 4,130,945	\$ 3,372,598.00				1,801	1,097	18		\$ 7,503,543	\$ 1,500,708
MIAMI- DADE	SE	MATILDA	MADE FOR TV	\$ 449,888	\$ 497,748.00				237	30	15		\$ 947,636	\$ 189,527
MIAMI- DADE	SE	COLOR SPLASH	TV SERIES	\$ 1,245,285	\$ 1,249,095.00				18	30	130		\$ 2,494,380	\$ 498,876
ORLANDO	CE	TIGER WOODS PGA TOUR 2013 - FF	VIDEO GAME	\$ 10,878,767	\$ 7,078,996.00				76	170	455		\$ 17,957,763	\$ 4,489,440
BROWARD/MIAMI	SE	TALISMAN	TV SERIES	\$ 4,839,361	\$ 5,993,003.00				1,085	1,500	60		\$ 10,832,364	\$ 2,708,091
BROWARD	SE	FINDING JOY	FEATURE	\$ 942,233	\$ 840,824.00				293	475	24		\$ 1,783,057	\$ 445,764
ORLANDO	CE	THE INBETWEENERS - SEASON 1	TV SERIES	\$ 4,781,550	\$ 3,310,151.00				1,757	428	57		\$ 8,091,701	\$ 2,022,925
MIAMI- DADE	SE	GRACHI- SEASON 2	TV SERIES	\$ 1,506,028	\$ 1,161,312.00				158	90	47		\$ 2,667,340	\$ 666,835
MIAMI- DADE	SE	STEP UP REVOLUTION	FEATURE	\$ 7,706,898	\$ 11,593,950.00				1,107	5,332	50		\$ 19,300,848	\$ 4,825,212
MIAMI- DADE	SE	CHARLIE'S ANGELS - SEASON 1	TV SERIES	\$ 31,965,208	\$ 23,257,481.00				17,944	676	176		\$ 55,222,689	\$ 8,000,000
ORLANDO/VOLUSIA	CE	MISSIONARY	FEATURE	\$ 488,009	\$ 356,638.00				180	62	18		\$ 844,647	\$ 211,161
MIAMI- DADE	SE	GRACHI - SEASON 3	TV SERIES	\$ 1,700,490	\$ 1,358,062.00				160	90	60		\$ 3,058,552	\$ 764,638
MIAMI- DADE	SE	UNA MAID IN MAHANTTAN	TV SERIES	\$ 7,577,267	\$ 3,458,608.00				168	10	113		\$ 11,035,875	\$ 2,207,175
MIAMI- DADE	SE	PREMIO LO NUESTRO 2012	TV SPECIAL	\$ 555,227	\$ 2,407,500.00				110	1,161	1		\$ 2,962,727	\$ 592,545
PINELLAS	CW	SPRING BREAKERS	FEATURE	\$ 2,085,556	\$ 1,173,225.00				561		30		\$ 3,258,781	\$ 814,695
MIAMI- DADE	SE	PAIN AND GAIN	FEATURE	\$ 10,089,402	\$ 10,751,808.00				1,639	4,800	47		\$ 20,841,210	\$ 4,168,242
ORLANDO/VOLUSIA	CE	RING THE BELL -FF	FEATURE	\$ 490,122	\$ 294,111.00				79	44	32		\$ 784,233	\$ 196,058
ORLANDO	CE	SKYLANDERS 3DS - FF	VIDEO GAME	\$ 2,182,800	\$ 327,420.00				27	0	122		\$ 2,510,220	\$ 753,066
MIAMI- DADE	SE	WWE WRESTLEMANIA XXVIII	TV SPECIAL	\$ 2,255,000	\$ 1,945,000.00				168	800	2		\$ 4,200,000	\$ 840,000
MIAMI- DADE	SE	BILLBOARD LATIN MUSIC AWARDS 2012	TV SPECIAL	\$ 887,170	\$ 1,816,278.00				187	50	1		\$ 2,703,448	\$ 540,689
MIAMI- DADE	SE	BURN NOTICE - SEASON 6	TV SERIES	\$ 13,476,568	\$ 17,585,674.00				4,308	2,844	126		\$ 31,062,240	\$ 6,212,448
BROWARD	SE	THE GLADES - SEASON 3	TV SERIES	\$ 9,926,020	\$ 6,721,917.00				2,905	3,933	91		\$ 16,647,937	\$ 3,329,586
MIAMI- DADE	SE	PAYLANTE CON CRISTINA	TV SERIES	\$ 4,413,269	\$ 2,794,490.00				92	720	52		\$ 7,207,759	\$ 1,441,551
ORLANDO	CE	NCAA FOOTBALL 2013 - FF	VIDEO GAME	\$ 6,702,599	\$ 5,614,199.00				67	150	396		\$ 12,316,798	\$ 3,079,199
ORLANDO	CE	MADDEN NFL 2013 - FF	VIDEO GAME	\$ 12,920,923	\$ 14,673,261.00				100	200	427		\$ 27,594,184	\$ 6,898,546
MIAMI- DADE	SE	PREMIO JUVENTUD 2012	TV SPECIAL	\$ 636,858	\$ 1,959,286.00				113	1,272	1		\$ 2,596,144	\$ 519,228
MIAMI- DADE	SE	PREMIOS TU MUNDO 2012	TV SPECIAL	\$ 553,811	\$ 920,299.00				121	50	1		\$ 1,474,110	\$ 294,822
				\$ 151,230,174	\$ 136,448,496				37,104	27,925	2,824	\$ -	\$ 287,678,670	\$ 60,166,723
<b>QUEUE C - INDEPENDENT &amp; EMERGING MEDIA \$100K - \$625K (55)</b>														
MIAMI- DADE	CE	REAL FOOD REAL KITCHENS	TV SERIES	\$ 57,000	\$ 55,092.00				5	15	14		\$ 112,092	\$ 28,023
MANATEE/SARASOTA	CW	BEAUTIFUL NOISE - FF	FEATURE	\$ 186,787	\$ 108,904.00				1,104	60	22		\$ 295,691	\$ 88,707
ALACHUA/HILLSBOR/PINELLAS	CW	DIVING FOR THE CROSS - FF	FEATURE	\$ 368,310	\$ 104,350.00				142	40	18		\$ 472,660	\$ 118,165
MIAMI- DADE	SE	SOBE REAL	FEATURE	\$ 389,109	\$ 210,804.00				466	0	20		\$ 599,913	\$ 149,978
BOCA RATON	SE	INFORMED CONSENT FOR PED. CLINICAL TRIALS	DIGITAL MEDIA	\$ 70,359	\$ 31,904.00				12	0	243		\$ 102,263	\$ 20,453
BOCA RATON	SE	TEACHING MEDICAL STUDENTS	DIGITAL MEDIA	\$ 106,011	\$ 26,154.00				6	0	245		\$ 132,165	\$ 26,433
MIAMI- DADE	SE	CONFESIONES DE NOVELA	TV VARIETY	\$ 469,820	\$ 127,305.00				54	160	216		\$ 597,125	\$ 119,425
MIAMI- DADE	SE	STUDIO TR3S	TV SERIES	\$ 139,585	\$ 123,166.00				38	2	2		\$ 262,751	\$ 52,550
BROWARD/MIAMI	SE	TR3S QUIERO MIS QUINCES (III)	TV SERIES	\$ 128,575	\$ 27,533.00				26	30	15		\$ 156,108	\$ 31,221
PALM BEACH	SE	INFORMED CONSENT FOR CARDIAC PROCEDURES	DIGITAL MEDIA	\$ 423,423	\$ 99,717.00				14	0	580		\$ 523,140	\$ 104,628
ALACHILEON/PALMB/PINELL	NISE/CW	ZERO ENERGY AMERICA	DOCUMENTARY	\$ 330,000	\$ (7,641.00)				16	0	210		\$ 322,359	\$ 64,472
ALACHUA	N	AFTERLIFE	VIDEO GAME	\$ 520,000	\$ 54,300.00				12	0	327		\$ 574,300	\$ 114,860
BROWARD/MIAMI/PALM B.	SE	TR3S QUE TE PICA	TV SERIES	\$ 421,469	\$ 29,372.00				8	0	246		\$ 450,841	\$ 90,168
MIAMI- DADE	SE	BROKE	DOCUMENTARY	\$ 375,000	\$ 121,250.00				10	10	20		\$ 496,250	\$ 99,250
ALACH/BREV/CLAY/DUW/HILLS/ORA NOE/ST. JOHNS/VOLUSIA	NICE/CW	LIVE LIFE A LITTLE GREENER	DIGITAL MEDIA	\$ 323,340	\$ 204,285.00				18	42	26		\$ 527,625	\$ 106,525
BREVARD/DAKE/ORANGE/OSC	CE	A PERFECT DATE	FEATURE	\$ 247,904	\$ 214,814.00				105	201	19		\$ 462,718	\$ 115,679
SARASOTA	CW	THE PERFECT WEDDING	FEATURE	\$ 70,080	\$ 83,640.00				31	340	18		\$ 153,720	\$ 38,430
MIAMI/ORLANDO	SE/CE	TR3S QUIERO MI BODA	TV SERIES	\$ 216,379	\$ 49,580.00				28	36	30		\$ 265,959	\$ 53,191
ORANGE	CE	SUPER SUITE PHYSICS	DIGITAL MEDIA	\$ 200,000	\$ 50,000.00				20	0	304		\$ 250,000	\$ 50,000
ORANGE	CE	SUPER SUITE CHEMISTRY	DIGITAL MEDIA	\$ 200,000	\$ 50,000.00				20	0	274		\$ 250,000	\$ 50,000
ORANGE	CE	SUPER SUITE PHYSICAL SCIENCE	DIGITAL MEDIA	\$ 200,000	\$ 50,000.00				20	0	243		\$ 250,000	\$ 50,000
ORANGE	CE	SUPER SUITE PRE-CALCULUS	DIGITAL MEDIA	\$ 200,000	\$ 50,000.00				20	0	215		\$ 250,000	\$ 50,000
ORANGE	CE	SUPER SUITE ALGEBRA 2	DIGITAL MEDIA	\$ 20,000	\$ 230,000.00				20	0	184		\$ 250,000	\$ 50,000
LAKE	CE	THE CONGRESSMAN'S DINNER	FEATURE	\$ 126,827	\$ 17,681.00				36	0	18		\$ 144,508	\$ 36,127
MIAMI/ORLANDO	SE/CE	TR3S QUIERO MI BODA - SUMMER SPECIAL	TV SPECIAL	\$ 109,082	\$ 17,982.00				28	36	15		\$ 127,064	\$ 31,765
MIAMI	SE	WEEKENDS WITH LUIS	TV SERIES	\$ 266,200	\$ 161,598.00				18	16	18		\$ 427,798	\$ 106,949
MIAMI/MONROE	SE	EL EMPANTANADO	FEATURE	\$ 11,400	\$ 98,301.00				52	60	27		\$ 109,701	\$ 27,425
SEMINOLE	CE	TWO DAYS	FEATURE	\$ 124,885	\$ 125,534.00				153	180	24		\$ 250,419	\$ 62,604
SARASOTA	CW	FREE RIDE	FEATURE	\$ 243,186	\$ 237,463.00				61	50	25		\$ 480,649	\$ 120,162
MIAMI- DADE	SE	EENIE MENIE MINEY MOE	FEATURE	\$ 191,300	\$ 128,458.00				182	50	27		\$ 319,758	\$ 79,939
MIAMI- DADE	SE	PREMIO LO NUESTRO 2012 - RED CARPET SHOW	TV SPECIAL	\$ 14,676	\$ 367,927.00				11	1	1		\$ 382,603	\$ 76,520
DUVAL	N	AMERICA'S MOST WANTED	TV SERIES	\$ 114,012	\$ 72,052.00				95		4		\$ 186,064	\$ 46,516
SARASOTA	CW	BLIND PASS	FEATURE	\$ 291,300	\$ 63,696.00				64	100	32		\$ 354,996	\$ 70,999
MIAMI- DADE	SE	TR3S JUANES UNPLUGGED	TV SPECIAL	\$ 175,809	\$ 221,372.00				50	37	4		\$ 397,181	\$ 79,436
MIAMI- DADE	SE	TR3S LO QUE TE PICA 2012	TV SERIES	\$ 345,189	\$ 49,781.00				13	0	115		\$ 394,970	\$ 78,994
MIAMI- DADE	SE	TR3S QUIERO MI BABY - SEASON 1	TV SERIES	\$ 101,651	\$ 20,620.00				20	0	12		\$ 122,271	\$ 24,454
ORANGE	CE	THE JOCKEY CLUB - FF	VIDEO GAME	\$ 444,800	\$ 132,700.00				13	0	145		\$ 577,500	\$ 144,375
MIAMI/HILLSBOROUGH	SE/CW	TR3S QUIERO MI BODA - SPRING SPECIAL	TV SERIES	\$ 219,593	\$ 46,162.00				31	36	25		\$ 265,755	\$ 53,151
MIAMI- DADE	SE	TR3S QUIERO MI BABY - SPRING SPECIAL	TV SERIES	\$ 105,651	\$ 16,620.00				20	0	25		\$ 122,271	\$ 24,454
BROWARD/MIAMI	SE	ASSUMED MEMORIES	FEATURE	\$ 135,200	\$ 55,045.00				46	36	18		\$ 190,245	\$ 47,561
ORANGE	CE	WRIGLEY'S - FF	VIDEO GAME	\$ 200,008	\$ 30,001.00				8	0	97		\$ 230,009	\$ 57,502
MIAMI/ORLANDO	SE/CE	TR3S QUIERO MI BODA - SEASON 5	TV SERIES	\$ 219,593	\$ 46,162.00				32	36	50		\$ 265,755	\$ 53,151
BROWARD	SE	TR3S QUIERO MI BABY - SUMMER SPECIAL	TV SERIES	\$ 101,651	\$ 20,620.00				20	0	25		\$ 122,271	\$ 24,454
MIAMI- DADE	SE	TR3S QUIERO MIS QUINCES - SEASON 8	TV SERIES	\$ 107,464	\$ 19,063.00				30	0	25		\$ 126,527	\$ 25,305
MIAMI- DADE	SE	BILLBOARD LATIN MUSIC AWARDS RED CARPET SHOW-2012	TV SPECIAL	\$ 204,341	\$ 221,901.00				92	5	1		\$ 426,242	\$ 85,248

**ENTERTAINMENT INDUSTRY FINANCIAL INCENTIVE FY 2011/2012 ANNUAL REPORT**

LOCATIONS	REGIONS	PROJECT TITLE	PROJECT TYPE	TOTAL ELIGIBLE FLORIDA WAGES	TOTAL QUALIFIED NON-WAGE FLORIDA EXPENDITURES	# OF FLORIDA POSITIONS CREATED - CREW	# OF FLORIDA POSITIONS CREATED - TALENT (CAST)	# OF FLORIDA POSITIONS CREATED - EXTRAS/STAND-INS	TOTAL # OF FLORIDA POSITIONS CREATED	ROOM NIGHTS	# OF PRODUCTION DAYS	LODGING EXPENDITURES	QUALIFIED FLORIDA EXPENDITURES	FINAL TAX CREDIT AWARD
ORANGE	CE	MYA AND HER MOMS	DIGITAL MEDIA	\$ 77,204	\$ 27,934.00				18	0	10		\$ 105,138	\$ 21,027
ALACHUA/DADE/ESCAMPHILLS/LEVY/MONROSCOE/VOL	N/CE/CW/SE	HOW TO DO FLORIDA - SEASON 3	TV SERIES	\$ 145,340	\$ 57,325.00				21	108	27		\$ 202,685	\$ 40,533
MIAMI- DADE	SE	OCEAN MODELS	TV SERIES	\$ 347,045	\$ 277,928.00				27	16	106		\$ 624,973	\$ 124,994
ORANGE/SEMINOLE	CE	ROCKABILLY ZOMBIE WEEKEND	FEATURE	\$ 110,816	\$ 89,349.00				62	2	20		\$ 200,165	\$ 40,033
BROWARD	SE	TR3S QUIERO MI BBY - SEASON B	TV SERIES	\$ 97,026	\$ 16,620.00				21	0	25		\$ 113,646	\$ 22,729
ORANGE	CE	AN ACT OF GOD	FEATURE	\$ 207,678	\$ 167,735.00				396	203	25		\$ 375,413	\$ 93,603
MIAMI- DADE	SE	PREMIO JUVENTUD 2012 - RED CARPET SHOW	TV SPECIAL	\$ 136,160	\$ 280,671.00				45	0	11		\$ 416,831	\$ 83,366
HILLSBOROUGH/ORANGE	CW/CE	CAFÉ MOM - DINNER BOOT CAMP	DIGITAL MEDIA	\$ 98,710	\$ 25,850.00				25	0	10		\$ 124,560	\$ 24,912
MIAMI- DADE	SE	LA ALFOMBRA DE PREMIOS TU MUNDO 2012	TV SPECIAL	\$ 94,860	\$ 199,881.00				69	5	1		\$ 294,741	\$ 58,948
HILLSBOROUGH	CW	TR3S QUIERO MI BABY - FALL SPECIAL	TV SERIES	\$ 109,290	\$ 36,088.00				20	50	25		\$ 145,378	\$ 29,075
				<b>\$ 10,941,098</b>	<b>\$ 5,444,649.00</b>				<b>3,974</b>	<b>1,963</b>	<b>4,484</b>	<b>\$ -</b>	<b>\$ 16,385,747</b>	<b>\$ 3,567,469</b>
<b>QUEUE B - COMMERCIALS/MUSIC VIDEOS (16)</b>														
ORLANDO	CE	ADRENALINE FILM PRODUCTIONS, INC.	COMMERCIAL	\$ 711,945	\$ 187,657				131	10	14		\$ 899,602	\$ 179,920
ORLANDO	CE	ADRENALINE FILM PRODUCTIONS, INC.	COMMERCIAL	\$ 77,000	\$ 83,000				48	3	2		\$ 160,000	\$ 32,000
MIAMI- DADE	SE	BRIGHT PICTURES	COMMERCIAL	\$ 230,742	\$ 291,334				63	5	5		\$ 522,076	\$ 104,415
MIAMI- DADE	SE	FLORIDA FILM PRODUCTION OFFICE-BASKETBALL WIVES	COMMERCIAL	\$ 95,000	\$ 175,000				85	25	1		\$ 270,000	\$ 54,000
MIAMI- DADE	SE	PARADOXAL - PUMA/LECLERC/MTV MOBILE	COMMERCIAL	\$ 500,000	\$ 630,000				242	120	9		\$ 1,130,000	\$ 226,000
ALACHUA	N	FLORIDA FILM PRODUCTION OFFICE-ONLY JEANS	COMMERCIAL	\$ 49,000	\$ 71,000				81	250	4		\$ 120,000	\$ 24,000
MIAMI/VOLUSIA	SE/CE	MJZ-TOYOTA/ACURA	COMMERCIAL	\$ 370,226	\$ 497,922				153	26	7		\$ 868,148	\$ 173,629
ORANGE/PALM B./PINELLAS	CE/SE/CW	STATION FILM - B&N/CARNIVAL/HEAD&SHOULDERS/DAILYS	COMMERCIAL	\$ 468,803	\$ 551,851				197	160	8		\$ 1,020,654	\$ 204,130
MIAMI- DADE	SE	LETCA - SABRITAS/COLGATE/MAID IN MANHATTAN	COMMERCIAL	\$ 575,000	\$ 495,000				269	40	8		\$ 1,070,000	\$ 214,000
MIAMI- DADE	SE	CORTEZ BROTHERS - DIRECT TV/VW/WENDYS	COMMERCIAL	\$ 440,000	\$ 760,000				250	80	8		\$ 1,200,000	\$ 24,000
MIAMI- DADE	SE	SOAH FILMS - ITT TECH	COMMERCIAL	\$ 802,000	\$ 632,000				220	80	20		\$ 1,434,000	\$ 286,800
HILLSBOROUGH	CW	THE FILMHOUSE - PUBLIX	COMMERCIAL	\$ 405,000	\$ 505,000				192	384	9		\$ 910,000	\$ 182,000
BROWARD/COLLIER/MIAMI	SE/SW	2C MEDIA- DISH NETWORK/ANIMAL PLANET/TRAVEL/HBO	COMMERCIAL	\$ 306,867	\$ 260,511				128	42	7		\$ 567,378	\$ 113,475
BROWARD/MIAMI/PALM B.	SE	SHOOT COLLECTIVE - CITIBANK/FLORIDA BLUE/CHA	COMMERCIAL	\$ 868,162	\$ 1,087,920				926	321	16		\$ 1,956,082	\$ 391,216
MIAMI/ORANGE	SE/CE	HABANA AVENUE - ESPN	COMMERCIAL	\$ 407,742	\$ 342,208				181	210	4		\$ 749,950	\$ 149,990
BROWARD/MIAMI/PALM B.	SE	UBER CONTENT - OFFICE DEPOT/ORBITZ	COMMERCIAL	\$ 287,954	\$ 436,347				187	75	5		\$ 724,301	\$ 144,860
				<b>\$ 6,595,441</b>	<b>\$ 7,006,750</b>				<b>3,353</b>	<b>1,831</b>	<b>127</b>	<b>\$ -</b>	<b>\$ 13,602,191</b>	<b>\$ 2,504,435</b>
<b>GRAND TOTALS</b>														
<b>ALL FY 2011-2012 PROJECTS</b>														
<b>(INCLUDES UNVERIFIED DATA)</b>												LODGING FOR VERIFIED PROJECTS ONLY		TOTAL CREDITS AWARDED AND CERTIFIED
<b>169</b>				<b>\$ 309,286,980</b>	<b>\$ 244,417,913</b>	<b>8,888</b>	<b>1,165</b>	<b>15,127</b>	<b>69,611</b>	<b>73,978</b>	<b>14,036</b>	<b>\$ 5,978,114</b>	<b>\$ 553,704,893</b>	<b>\$ 118,737,153</b>

NOTE: BOLDDED - FF = FAMILY FRIENDLY PRODUCTION





#### **NORTH REGION:**

Projects: 5  
 Projected Total FL Wages: \$1,065,240  
 Positions Created (Projected): 247  
 Estimated Room Nights: 319  
 Qualified Florida Expenditures: \$1,514,590  
 Certified Tax Credit Award: \$312,221

#### **CENTRAL WEST REGION**

Projects: 16  
 Projected Total FL Wages: \$6,447,247  
 Positions Created (Projected): 3,311  
 Estimated Room Nights: 2,450  
 Qualified Florida Expenditures: \$10,979,552  
 Certified Tax Credit Award: \$2,560,951

#### **SOUTHWEST REGION**

Projects: 0  
 Projected Total FL Wages: 0  
 Positions Created (Projected): 0  
 Estimated Room Nights: 0  
 Qualified Florida Expenditures: 0  
 Certified Tax Credit Award: 0

#### **CENTRAL EAST REGION**

Projects: 52  
 Projected Total FL Wages: \$85,802,199  
 Positions Created (Projected): 8,593  
 Estimated Room Nights: 10,104  
 Qualified Florida Expenditures: \$135,002,395  
 Certified Tax Credit Award: \$32,899,895

## **FY 2011 - 2012 ENTERTAINMENT INDUSTRY FINANCIAL INCENTIVE VERIFIED AND WRAPPED PROJECTS - REGIONAL BREAKOUT**

#### **SOUTHEAST EAST REGION**

Projects: 96  
 Projected Total FL Wages: \$215,972,294  
 Positions Created (Projected): 57,093  
 Estimated Room Nights: 60,988  
 Qualified Florida Expenditures: \$406,210,869  
 Certified Tax Credit Award: \$82,964,588

## PRODUCTION REVENUE TRACKING GUIDELINES

### Direct Spending For On-Location Production - US Dollars



Determining the direct location spending a film or media project brings to an area is an important task. In a perfect world, a commission can ask the producer or production accountant on a project to arrive at an accurate assessment of the actual dollars spent in a given area using the AFCI. However, this information is not always available.

In the event actual reports cannot be secured, the formulas listed here have been recognized by AFCI members from North American film commissions as reasonable guides for calculating the production spending of certain projects. These formulas are based on an analysis of studio & TV network accounting records, independent producers/production managers, commercial production companies, exit reports submitted to film commissions, and generally accepted estimates from film commissioners.

Outside North America, many cities, regions, and nations may have different results, and are encouraged to use this system as a basis for the development of their own unique tracking systems. As with any formula, common sense and prevailing history should be applied. By careful tracking of reports from AFCI members using this system, the Task Force will periodically refine the formulas to increase the accuracy and flexibility for all jurisdictions.

	<b>LOW BUDGET Minimal Crew</b>	<b>MEDIUM BUDGET Full Crew, Union Scale</b>	<b>HIGH BUDGET Full Crew, Union Scale</b>
<b>Type of Production</b>			
Feature Film		\$125,000/day	\$260,000/day (including stage work)
Feature Film (Independent)	\$30,000/day	\$50,000/day	\$110,000/day
TV Weekly Series (Network TV)		\$165,000/day	\$300,000/day (including stage work)
TV Movie	\$35,000/day	\$75,000/day	\$125,000/day
TV Special	\$35,000/day	\$60,000/day	\$100,000/day
Commercial	\$25,000/day	\$100,000/day	\$150,000/day
Music Video	\$30,000/day	\$65,000/day	\$110,000/day
Corporate/ Industrial	\$15,000/day	\$25,000/day	\$45,000/day
Documentary	\$15,000/day	\$25,000/day	\$35,000/day
Still Photography	\$15,000/day	\$25,000/day	\$35,000/day
Reality	\$7,500/day	\$25,000/day	\$60,000/day
* All Others	\$15,000/day	\$25,000/day	\$35,000/day
* All Others: 2nd Unit, Travel, Educational, Satellite, Foreign Broadcasts, Sports, Exercise, etc.			

**(Revised February 2007)**



# Overview of the Florida Office of Film & Entertainment



FLORIDA DEPARTMENT of ECONOMIC OPPORTUNITY



# Office of Film & Entertainment *Background*

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- **Created July 1, 1999**
- **Statutory Duties: Promote and develop Florida's film and entertainment industry**
  - Serve as liaison to entertainment industry and local governments
  - Gather and distribute information on Florida's entertainment industry
  - Create and administer field offices outside Florida (currently the L.A. office)
  - Solicit entertainment production opportunities for Florida, including through participation in trade shows
  - Administer entertainment industry tax credits and sales-tax exemptions
- **Led by Commissioner of Film & Entertainment: Shari Kerrigan**
  - Five FTEs



# Florida Film & Entertainment Advisory Council

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- Created pursuant to statute to represent spectrum of stakeholders in entertainment industry
- Seventeen members appointed for four-year terms by Governor, Senate President, and House Speaker
- Duties:
  - Study needs of entertainment industry
  - Advise Office of Film & Entertainment
  - Make recommendations to state and local government on actions that affect the entertainment industry
- Chairman: Augustin (Gus) Corbella



# Entertainment Industry Financial Incentive Program

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- Originally a cash rebate program (2004)
- Converted to transferable tax credit program in 2010
- Current funding: \$296 million for 2010-2016



# Entertainment Industry Financial Incentive Program

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- 20% - 30% tax credit on qualified Florida expenditures (production expenses paid to Florida businesses and residents)
  - 20% base
  - Off-season bonus: 5%
  - Family-friendly bonus: 5%  
(25 certified to date)
  - Underutilized-region bonus: 5%
  - Qualified-facility bonus: 5%
  - Florida student/recent graduate bonus: 15%



# Entertainment Industry Financial Incentive Program

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- Three “Queues”
  - 1) **General Production** (94% of total funds)
    - Includes films, TV, documentaries, digital media
    - Priority for high-impact TV (not to exceed 45% of tax credits) and digital media
    - Range: \$625,000 to \$8 million in qualified expenditures
  - 2) **Commercial and Music Video** (3% of total funds)
    - \$500,000 maximum in expenditures
  - 3) **Independent & Emerging Media** (3% of total funds)
    - Intended to encourage independent film and media production in Florida
    - Range: \$100,000 to \$625,000 in qualified expenditures
- OFE must certify any eligible production on a first-come, first-served basis





# Entertainment Industry Financial Incentive Program

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- Tax credit eligibility certified prior to production; actual tax credit awarded after post-production audit
- Production must use at least 60% Florida employees to be eligible (75% if digital media)
- Pornographic or obscene productions are not eligible



# Entertainment Industry Financial Incentive Program

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## Tax Credit Balance (as of 2/1/13)

Queue	Total Tax Credits Available	Balance Remaining for Certification	Total Tax Credits Awarded
General Production	\$278,240,000	\$0	\$49,138,479
Commercial & Music Video	\$8,880,000	\$3,006,274	\$936,304
Independent & Emerging Media	\$8,880,000	\$911,664	\$884,030
Total	\$296,000,00	\$3,917,938	\$50,958,813



# Entertainment Industry Financial Incentive Program

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## Projected Performance Summary FY 2010-2016

Applications Received	544
Projects Certified	262
Florida Qualified Expenditures	\$1,323,966,268
Number of Florida Positions	161,629
Florida Wages	\$805,618,980
Lodging/Room Nights	220,112



# Entertainment Industry Financial Incentive Program

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## Return on Investment

- Office of Economic & Demographic Research Study (2012)
  - FTC increases GDP \$15-\$16 for every \$1 of tax credit
  - FTC generates \$2 of tax revenue for every \$5 spent (“REMI model”); or \$1 of tax revenue for every \$2 spent (“statewide model”)
  - “Due to nature of the industry” economic effects may not be lasting



# Entertainment Industry Financial Incentive Program

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## Transfer of tax credits

- 38 (of 45) awarded credits have been transferred to another entity
  - \$43.3 of \$50.9 million in tax credits have transferred
- Selling for 85-98 cents on the dollar
- Five years from date of award to transfer
- Entity can elect to have State buy back at 90%, if money is appropriated by Legislature



# Entertainment Industry Sales Tax Exemption

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- Point of sale exemption on the sales and use tax on certain items used exclusively as an integral part of the production activities in Florida
- Eligibility: any production company engaged in the production of motion pictures, television series, commercial advertising, music videos, or sound recordings in Florida







*Film Florida*

The logo features the words "Film Florida" in a white, elegant script font. The letter "l" in "Florida" is replaced by a stylized sun icon with a green spiral center and radiating lines. The text is framed by a black border with white square perforations, resembling a film strip.

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



**In 2010 the Florida legislature passed legislation that converted Florida's Entertainment Industry Financial Incentive Program from a year to year cash rebate program to a six year, performance-based program with \$296 million in transferable tax credits...**

**The program has jump-started Florida's film and entertainment industry and has contributed significantly to strengthening Florida's economy.**



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





# Film & Entertainment by the numbers...

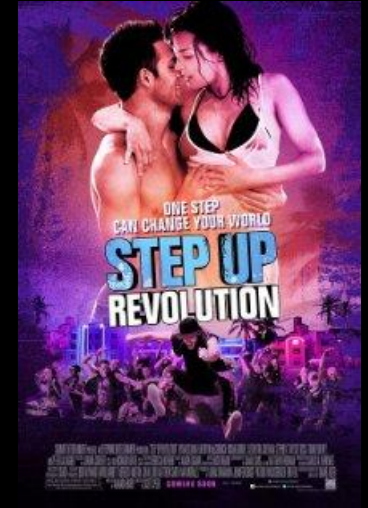
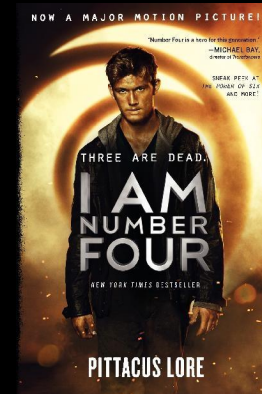
(Program projections as of 12/30/2012)

- 433 Applications received
- 246 Projects certified
- 27 Projects awarded tax credits so far...
- Over \$1.29billion projected to be spent on qualified FL expenditures
- Over 160,000 projected # of positions created
- Over \$785million projected to be paid in FL wages
- Approx. 220,000 room nights





# Movie Projects



Film Florida

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

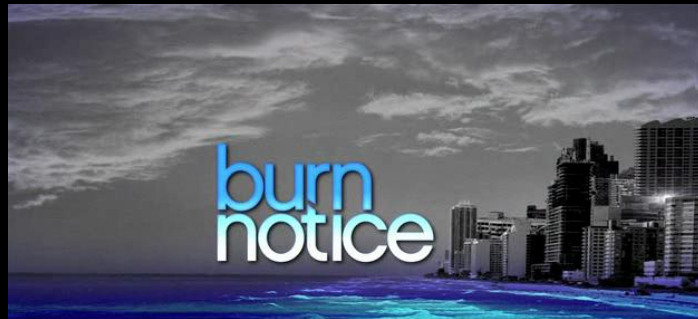
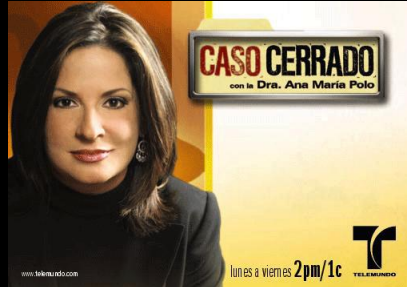




# Television Projects

## FROM THE CREATOR OF WHITE COLLAR GRACELAND

A NEW USA NETWORK ORIGINAL SERIES | SUMMER 2013



Film Florida

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



# Digital Media Projects



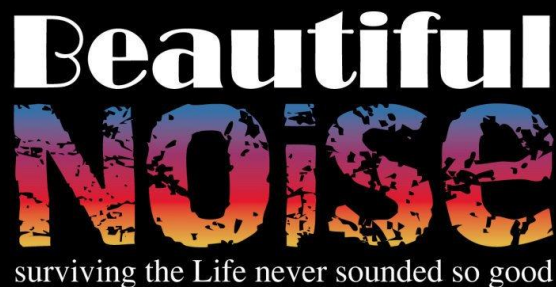
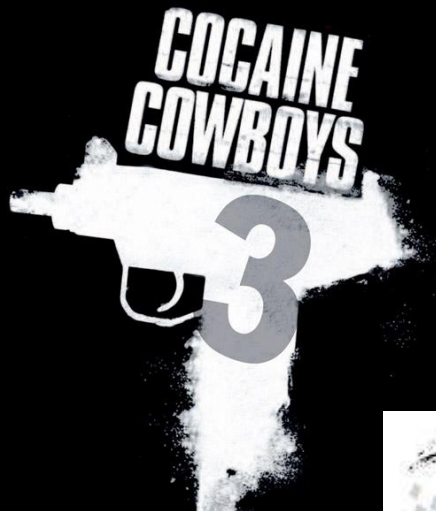
Film Florida

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





# Independent & Emerging Media Projects



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



# High Wage, Skilled Jobs for Floridians

- In 2011, the average annual wage for workers in the film and entertainment industry was \$65,398 exceeding the state's 2011 annual average wage for all industries of \$42,311 by 54.6 percent.
- Creating opportunities for existing workforce and developing workforce.





# Film-Induced Tourism

- On-location productions extend economic benefits to hotels, restaurants, lodging, etc.;
- On-location crews spend monies in a variety of ways throughout local communities, supporting local businesses (just like tourists);
- The Florida tourism and hospitality industries also benefit from major marketing and advertising campaigns launched by studios and TV networks to promote Florida-based productions;
- Increased world-wide exposure triggers film-based tourism, driving more revenue into tax coffers.





# Film & Entertainment by the numbers...

- Florida's Entertainment Industry Financial Incentive Program is forecast to create \$4.1 billion in additional state gross domestic product over the life of the program.
- It is forecast to increase the state's gross domestic product at a rate of \$15 for every \$1 of tax incentive.
- And it is expected to create between 7,500-12,000 annualized positions over the life of the program.







# The Florida Entertainment Industry Financial Incentive Program is Working - and this is why...

The program utilizes forward-thinking strategies that will help build a strong, robust and sustainable film & entertainment industry throughout the state of Florida.

## **PERFORMANCE BASED**

- Money must be spent first, and receipts must be audited twice, before \$1 of tax credit is ever awarded.

## **IT'S FLORIDA-CENTRIC**

- Tax credits are awarded only on Florida qualified expenditures - money spent on Florida goods, Florida services, or Florida wages.

## **FISCALLY RESPONSIBLE**

- Per project caps, salary caps, tax credit award caps

## **CREATES JOBS, JOBS, JOBS FOR FLORIDIANS**

- All Company's applying for the tax credit must prove that their workforce is comprised of a minimum of 60% Florida resident workers in order to receive their certified tax credits.

## **SUPPORTS A VARIETY OF SMALL & LARGE BUSINESSES THROUGHOUT THE STATE**

- The program benefits multiple regions in our state and produces significant benefits for a wide variety of Florida-based film & entertainment-related corporations, small businesses and independent contractors.

## **INDUSTRY VETTED**

- A broad coalition of stakeholders and industry partners have been solicited for input



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



**In order to insure the continued success of Florida's Entertainment Industry Financial Incentive program, we ask that the legislature to support:**

- Adequate funding for the Office of Film & Entertainment so that the office can continue to properly oversee, administer and market this tremendously successful program;
- Additional funding for the remaining fiscal years of program - the tax credits allocated to the program are almost completely certified and soon Florida will begin turning away or losing projects due to lack of adequate funding for the program;
- Additional long-term commitment to the program in the form of additional years or no sunset - this will encourage more long-term investment and growth.

We greatly appreciate the continued support of the legislature and look forward to working together to continue to build and grow the film and entertainment industry here in the state of Florida.

**Thank you for your time and continued commitment to our state.**



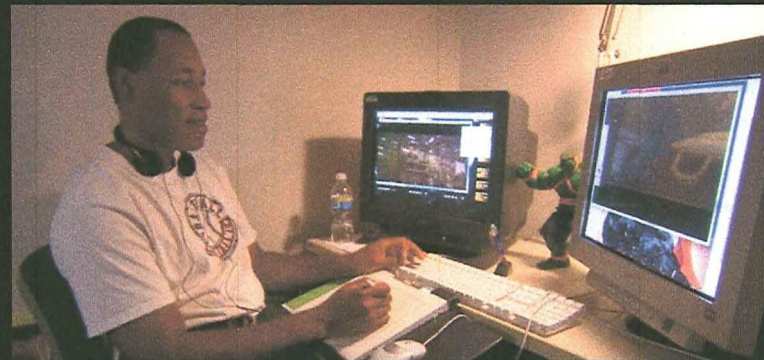
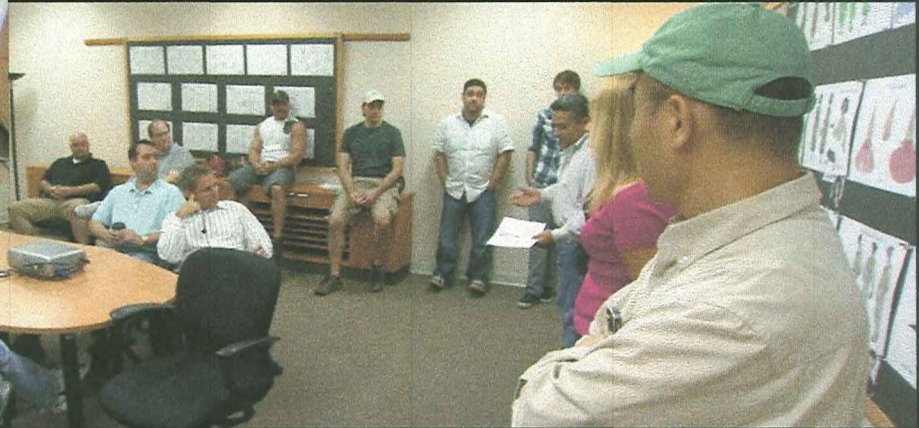
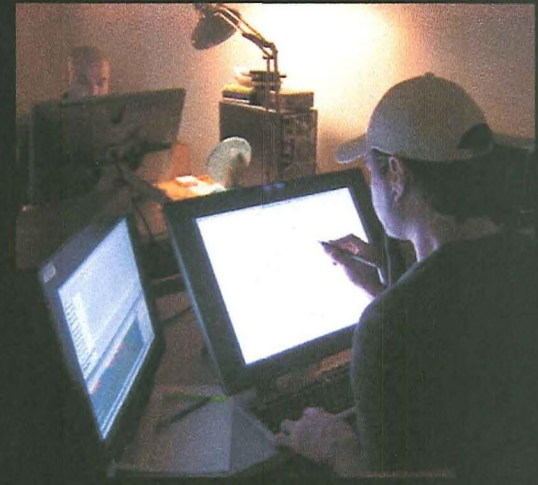


- Premise Entertainment is a premiere animation development and production studio and the only Feature Animation studio in Florida
- Next year will be 10 years as an independent animation studio, whose roots grew out of the Walt Disney Feature Animation studio consolidation in 2004.
- We maintain animation and artistic positions of Feature Film skill sets in Central Florida





# Studio Projects

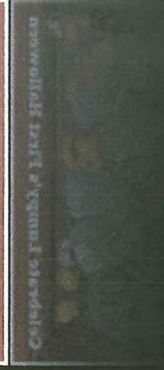
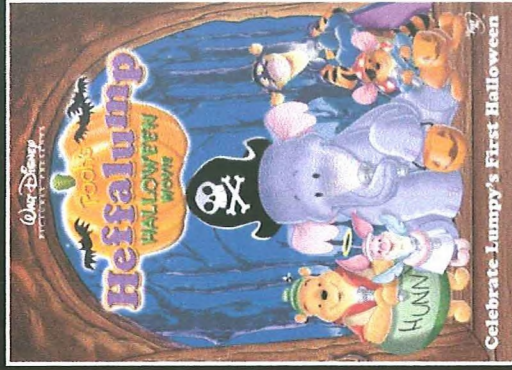
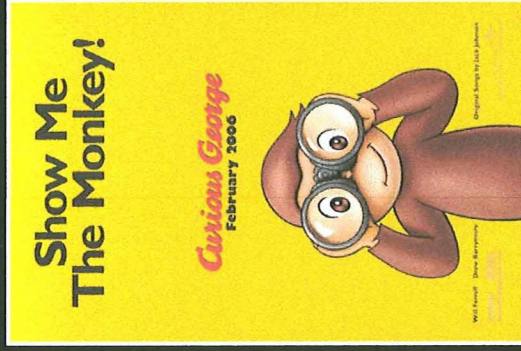
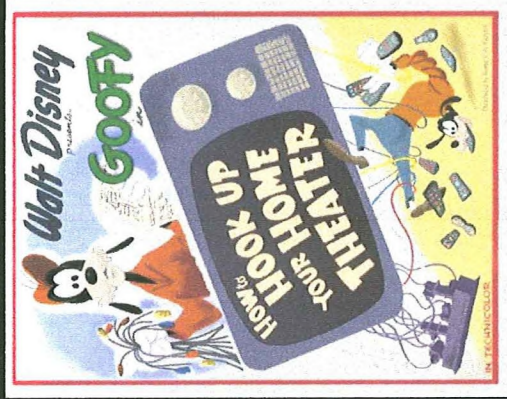
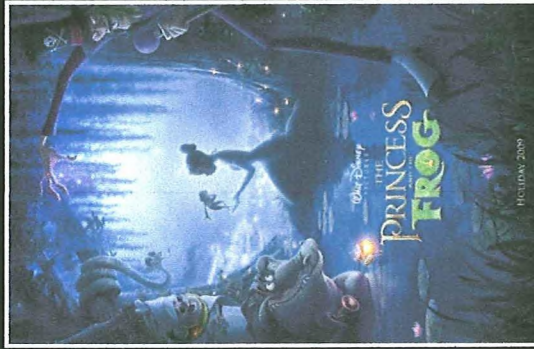






## Studio Projects

- Some of our past contributions and projects include:







# COMPASS

CONGRESS OF MOTION PICTURE ASSOCIATIONS

Representing the Florida men and women who work in scripted motion picture production  
and the businesses and vendors that support this prominent Florida industry.

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





# COMPASS

CONGRESS OF MOTION PICTURE ASSOCIATIONS

The Florida small businesses and vendors that supply the motion picture industry create jobs, buy new equipment, purchase supplies and raw materials and are a primary driver of economic impact directly into Florida's communities.

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

## COMPASS Business Members

**ARRI CSC - Miami:** Offering one of the largest film production inventories in the United States.

**CineMoves - Venice:** Supplying hi-tech crane, dolly and camera stabilization equipment.

**Shell Lumber & Hardware- Coral Gables:** Primary source of specialized construction material.

**Airstar - Orlando:** Inventor and leading worldwide supplier of lighting balloons.

**J.B. Jones, Inc. - Miami:** Florida's oldest operating special effects company.

**Anytime Production Rentals - Miami:** Premier source for production gear rentals.

**CineBob - Orlando:** Equipment rental company specializing in custom camera configurations.

**G-Star School of the Arts - Palm Beach:** Largest film, acting and digital media high school in U.S.

**CAT Entertainment Services - St. Augustine:** Global provider of power generation equipment.

**Jordan Klein Film & Video - Ocala:** Specializing in underwater and aerial location production.

**Unique Producers Service - Miami:** Oldest family-owned grip and electric rental company.

**Clearwater Marine Aquarium - Clearwater:** Location for 2010 production of "Dolphin Tale."

**DanDee Donuts - Hollywood:** South Florida's best donuts and a crew favorite.

**O-GEE Paint Company - South Miami:** Providing high quality paints to Florida's scenic artists.

**Ricou Browning Productions - Miami:** Marine coordinator/underwater production specialist.

**Ken Speed Special Effects - Tampa:** Special effects team traveling the Southeast.

**ShadowWest Generators - Orlando:** Owner/operator of power generation equipment.

**Miami Prop Rentals - Miami:** Major South Florida provider of top-quality prop inventory.

**G-Force Protective Services - Kendall:** Supplying quality guard officers to film productions.





# COMPASS

CONGRESS OF MOTION PICTURE ASSOCIATIONS

Small business owners join COMPASS because they understand the importance of motion picture production to their bottom line.

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



## COMPASS Business Members

At its Orlando headquarters, Airstar maintains two dozen fulltime employees to assemble, repair, ship and supervise its lighting balloons in the field. For its work in 2012 on "Magic City" alone, the company realized a 2% annual revenue increase, dedicated two project managers to the production and employed up to eight balloon technicians on-location in Miami.

## **SHELL** LUMBER & HARDWARE

specialized wood products and hardware for over 20 years. The motion picture industry regularly accounts for 5% to 7% of the company's annual revenue. Over time, Shell has added an expediter and more drivers and purchased additional trucks just to keep up with ever-increasing industry demand.



Hardworking movie crews love to start the day with a good sour cream donut. Dandee has been the favorite source for craft service providers for over 10 years. They typically spend \$50-\$60 every morning of filming and, over ten weeks of movie making or 30 weeks of television, that adds up to real money for Dandee Donuts.

A few years ago, the owners of G-Force Protective Services identified a niche opportunity for on-location security personnel in the motion picture industry. They implemented a training program specifically geared to industry requirements and now have grown their company three-fold, adding 200 new production-certified employees on steady payroll at good wages.



Over the past 7 years, Anytime Rentals has grown from a one-man shop into an established company with five fulltime employees. During peak production seasons, the company adds three or more fulltime delivery positions. With the recent growth of episodic television and commercial production in South Florida, it's always peak season at Anytime.





# COMPASS

CONGRESS OF MOTION PICTURE ASSOCIATIONS

Scripted motion picture production is defined as any feature film, television or commercial production with a budget that will create high-wage jobs and generate maximum economic impact into Florida's communities.

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

## Examples of High-Wage Jobs in Motion Picture Production

The membership of I.A.T.S.E. Local 477 is comprised of a variety of professional classifications:

**Lighting Technicians ♦ Wardrobe ♦ Grips ♦ Scenic Painters ♦ Propmakers  
Marine Department ♦ First Aid ♦ Props Department ♦ Sculptors ♦ Sign Painters  
Special Effects Technicians ♦ Set Dressers ♦ Greens ♦ Weapons Specialists  
Craft Service Providers ♦ Animal Handlers ♦ Sound Department ♦ Welders ♦ Divers**

---

**Examples of total gross wages \* paid to Local 477 members by Florida productions: \*\***

**Magic City (2012 episodic/Season Two): \$ 5,246,157**

**Pain & Gain (2012 feature film): \$ 2,466,447**

**The Glades (2012 episodic/Season Two): \$ 2,552,866**

**Burn Notice (2012 episodic/Season Six): \$ 4,428,800**

**Graceland (2012 episodic/Season One): \$ 2,301,536**

**Iron Man 3 (2012 feature film two-week shoot): \$ 731,100**

**Rock of Ages (2011 feature film): \$ 4,371,200**

**Step Up 4 (2011 feature film): \$ 2,495,392**

**Dolphin Tale (2010 feature film): \$ 2,482,662**

\* Local 477 filmworkers' wages typically range from \$30 to \$40 per hour and higher, plus benefits.

\*\* Wage figures do not include those from other workforce organizations such as:

I.A.T.S.E. Local 600 - Camera

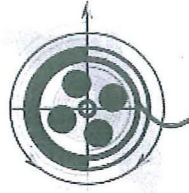
SAG / AFTRA - Talent

Teamsters Locals 769 and 79 - Transportation

I.A.T.S.E. Local 161 - Production Office Personnel and Script Supervisors

I.A.T.S.E. Local 798 - Hair and Make-up

Directors Guild of America



# COMPASS

CONGRESS OF MOTION PICTURE ASSOCIATIONS

Chris Ranung moved to North Florida from southern New York State in January 1990. While a single dad raising two young boys, he entered the Florida film community as a craft service assistant on "Ride," an independent feature shot in Jacksonville in the summer of 1997. It was on this production that he joined Local 477 of the International Alliance of Theatrical Stage Employees, the labor union that represents Florida's Professional Filmworkers.

Over the following years Chris built a reputation as one of Florida's top craft service providers -- the guy on set who supplies beverages and snacks to the cast and crew between catered meals -- amassing credits as head of department (key) on more than two dozen feature film and television productions in Florida, Georgia, Louisiana and Pittsburgh, Pennsylvania. In 2005, Chris traveled to the Florida Keys, the Dominican Republic, Paraguay and Uruguay as key crafty on Michael Mann's "Miami Vice" -- a highlight of his career. His other Florida-based productions include "Tigerland" (2000 - Clay County), "Sunshine State" (2001 - Amelia Island), "Out of Time" (2002 - Miami), "The Punisher" (2004 - Tampa), HBO's "Recount" (2007 - Jacksonville and Tallahassee), "Endure" (2009 - Lakeland) and "Iron Man 3" (2012 - Miami).

Chris is chair of COMPASS - the Congress of Motion Picture Associations - representing the workers, vendors and small businesses of Florida's motion picture industry. He has served as president of I.A.T.S.E. Local 477 since 2010, with a primary focus on legislative issues. He is a 2010 Senate appointee to the Florida Film and Entertainment Advisory Council. Chris has lived in St. Augustine since 1999.



MOTION PICTURE  
STUDIO MECHANICS  
STATE OF FLORIDA





Scott A. Howell is the founder of Venice, Florida based CineMoves, Inc. Scott has more than twenty years of experience as a key grip in the feature film and commercial set industry. Through Scott's innovative use of the Technocrane, along with stabilized remote camera heads, CineMoves is often the first choice for some of the most respected directors in feature films today including Martin Scorsese, James Cameron, Peter Weir, Chris Nolan, Robert Redford and many others. His resume includes work on academy award winning films like Master and Commander, Memoirs of a Geisha, Batman, JFK, The Aviator, and the most recent Oscar winner for best director, Ang Lee's Life of Pi.

Originally from Richland, Michigan, Scott grew up in Sarasota, Florida and graduated from Sarasota High School in 1980. After high school, Howell ventured out to Hollywood to pursue his interest in filmmaking, where his early career included work as a stuntman and key grip. In 1996 Howell moved back to Florida where he applied what he learned in Hollywood to create a better, safer, crane, dollie, and camera stabilization system.

In addition, Howell is the designer and builder of the revolutionary gyro-stabilized camera head known as the Klaus Cam, which has been considered for an academy technical achievement award. The Klaus Cam is a fully stabilized long line helicopter mount camera system that can hover without spinning out of control and can go where helicopters can't. Scott will soon introduce a new piece of camera stabilization equipment that is expected to provide even more options for professional cinematographers.

From the comfort of his Venice, Florida location, Scott is very proud of the contribution that CineMoves has made to the worldwide industry.



## EXECUTIVE BOARD

Leah Sokolowsky  
President  
Location Manager/Scout

Michelle Hillery  
1st Vice President  
Palm Beach County  
Film & TV Commission

Jud French  
2nd Vice President  
FSU College of  
Motion Picture Arts

Jennifer Parramore  
Treasurer  
St. Petersburg/Clearwater  
Film Commission

Herta Suarez  
Secretary  
SAG-AFTRA

Andy Schefter  
Executive Board Member  
At-Large  
Florida Film Production Coalition

Jennifer Pennypacker  
Immediate Past President  
Women in Film & Television-  
Florida

## BOARD MEMBERS ASSOCIATION COUNCIL

Tom Mitchell, Chair  
FMPTA-FL

Patricia Arias, Vice Chair  
CAMACOL

Richard Seres, Secretary  
AICP-FL

EDUCATION COUNCIL  
Larry Mitchell  
Digital Media Alliance of Florida

FILM COMMISSION COUNCIL  
Sandy Lighterman, Chair  
Miami-Dade Office of  
Film & Entertainment

Sheena Fowler, Vice Chair  
Metro Orlando Film Commission

Bonnie King, Secretary  
Space Coast  
Film & Television Commission

INDUSTRY COUNCIL  
Carol Bressi-Cilona, Chair  
IOA-USA

Prashant Shah, Vice Chair  
Bollywood Hollywood

James Stamatis, Secretary  
Telemundo Studios



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

**Florida's Entertainment Industry Financial Incentive Program is a performance-based program that is fiscally responsible, and has contributed significantly to strengthening Florida's economy.**

## FLORIDA'S ENTERTAINMENT INDUSTRY FINANCIAL INCENTIVE PROGRAM SUMMARY FY 2010-2016

- 246 projects certified
- 160,537 positions for Floridians
- \$788,811,436 in wages for Floridians
- \$1,299,093,711 in Florida qualified expenditures
- 219,292 lodging/hotel room nights

## FLORIDA'S ENTERTAINMENT INDUSTRY FINANCIAL INCENTIVE PROGRAM

**Mission:** to encourage the use of the state of Florida as a site for film, entertainment and digital media production, and to develop and sustain the workforce and infrastructure for film, entertainment and digital media production.

**Vision:** to establish Florida as a world-renowned film, entertainment and digital media production center.

Established by Florida statute in 2010, the program began on July 1, 2010 and sunsets June 30, 2016.

The Florida legislature has allocated a total of \$296 million over the life of the program - currently, the majority of these funds have been allocated.

## EXPONENTIAL IMPACT

Florida's Entertainment Industry Financial Incentive Program is forecast to create \$4.1 billion in additional state gross domestic product over the life of the program.

Florida's Entertainment Industry Financial Incentive Program increases the state's gross domestic product at a rate of \$15 for every \$1 of tax incentive.

Florida's Entertainment Industry Financial Incentive Program is expected to create between 7500-12000 annualized positions over the life of the program.



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## FILM FLORIDA'S LEGISLATIVE PRIORITIES 2013

Florida's Entertainment Industry Financial Incentive Program is a performance-based program that has been a huge success - creating thousands of new jobs for Florida workers, bringing substantial new money to our local communities and spawning financial investment throughout the state.

During the 2012 legislative session, Florida's Entertainment Industry Financial Incentive program was allocated and additional \$42 million in tax credits and extended an additional year, currently running through FY 2015/2016.

In order to insure the continued success of Florida's Entertainment Industry Financial Incentive program, we need the legislature to support:

1. Adequate funding for the Office of Film & Entertainment so that the office can continue to properly oversee, administer and market this tremendously successful program;
2. Additional funding for the remaining fiscal years of program - the tax credits allocated to the program are almost completely certified and soon Florida will begin turning away or losing projects due to lack of adequate funding for the program;
3. Additional long-term commitment to the program in the form of additional years or no sunset - this will encourage more long-term investment and growth.

We greatly appreciate the continued support of the legislature and look forward to working together to continue to build and grow the film and entertainment industry here in the state of Florida.

Thank you for your time and continued commitment to our state.

Sincerely,

Leah A. Sokolowsky  
President, Film Florida  
(954) 461-9345  
[reelestates@bellsouth.net](mailto:reelestates@bellsouth.net)





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#### **PRIORITY #1**

- Continue to support and adequately fund the Office of Film & Entertainment.

The Florida Entertainment Industry Financial Incentive Program is a potent economic development incentive which creates conditions that make job growth more likely in an industry that is a significant part of Florida's current and future, economic roadmap.

The Office of Film & Entertainment (OFE) is responsible for administering the Florida Entertainment Industry Financial Incentive Program; OFE staff is also responsible for identifying potential clients interested in filming their projects in the Sunshine State and marketing our state as a location destination for film and entertainment project to clients throughout the world.

Since FY2007/2008, funding for the Florida Entertainment Industry Financial Incentive Program has increased dramatically, proportionally increasing the amount of administration and oversight necessary to maintain the integrity of the program, yet OFE's operating budget has been consistently slashed.

In order to continue to reap the rewards, it is imperative that the state maintain its commitment to properly monitoring, marketing and administering this successful program. Florida's Entertainment Industry Financial Incentive Program is working – it is bringing "new" money into our local economies and it is providing employment for Florida-based wage earners throughout the state. We request continued support and an increase in funding for OFE's operating budget for FY 2013/2014.

#### **PRIORITY #2**

- Provide adequate funding for the remaining fiscal years of this performance-based program.

Many of our direct competitor states (i.e. Georgia, Louisiana) offer unlimited funding for their incentive program. Industry stakeholders realize that there may be a number of obstacles prohibiting Florida from doing the same, but we feel it is of the utmost importance to find a way to adequately fund the Entertainment Industry Tax incentive program.

There are many diverse entertainment industry sectors that can potentially qualify for tax incentive dollars under the Florida Entertainment Industry Tax Incentive program, none of which can create a successful and vibrant entertainment industry cluster all on their own.

We do not want one industry sector having to compete with another industry sector. In fact, we feel it is imperative to the successful growth and sustainability of this developing industry cluster that we work to find a way to fully fund the program so that all sectors of the industry are empowered to create the maximum amount of jobs and bring the most "new" money to our State as possible.



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

### **PRIORITY #3**

- Increase Florida's long-term commitment to the program – in the form of additional years for the program or no sunset with annual review,

Whether you are speaking with a film producer, a television producer, a game development company or an app developer, the one thing our clients have in common is the need for consistency. If there is uncertainty regarding the future of a state's tax credit program, producers throughout every sector of the entertainment industry will choose to take their projects elsewhere.

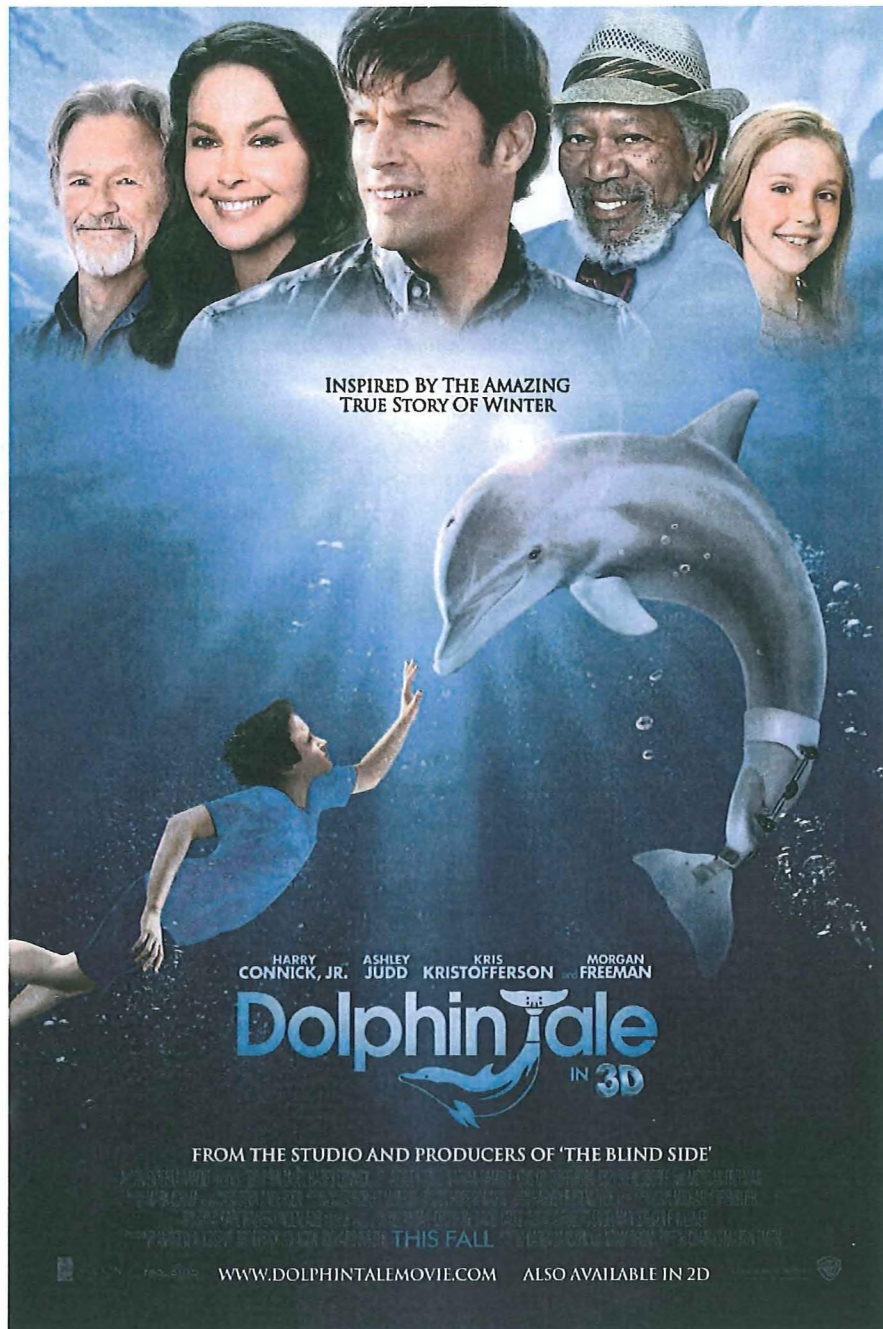
Industry stakeholders would like to work with you to begin to look for solutions to offer our clients and developing businesses the consistency and security that they require to base and bring their projects here – not just in the short-term, but with the hopes of building a long-term relationship that will develop a pipeline for content production, and “and bricks and mortar” development, in our state, not only for the immediate future, but for the next decade and possibly even the next century as well.



# The Economic Impact of *Dolphin Tale*

On the St. Petersburg/Clearwater local economy

August, 2012



Conducted by the University of South Florida St. Petersburg College of Business  
in collaboration with Clearwater Marine Aquarium



## EXECUTIVE SUMMARY

*This study presents an estimation of the economic impact of film-induced tourism generated by the movie Dolphin Tale on the Clearwater/St. Petersburg economy. Dolphin Tale is a Warner Bros./Alcon Entertainment film, based on a real-life dolphin, "Winter," who resides at Clearwater Marine Aquarium (CMA). Oscar winner Morgan Freeman and other popular movie stars are leading characters in this major motion picture released in 2 and 3-D. The film premiered domestically in September 2011 at about 5,500 theaters nationwide.*

*Film-induced tourism is defined as "a tourist visits a destination or an attraction as a result of the destination being featured on television, video, DVD, or the cinema screen" (Hudson, Simon & Brent Ritchie J.R., 2006). Our research shows that film-induced tourism elements such as authenticity, location and social setting are present in Dolphin Tale, making the movie an important determinant of growing tourism in the local area, with the subsequent economic impact in the regional economy.*

*To determine the economic impact of film-induced tourism, two pieces of information are needed: number of visitors to CMA and their spending. We forecast the number of visitors to CMA using a flexible forecast model based on visitors' data from 1999 to 2012. We compare this forecast to the visitors' growth pattern for induced-tourism found in the related literature. We explain the differences evidenced in this comparison by arguing that our forecast model is fitted for the particular characteristics of the Dolphin Tale movie, producing results that may be closer to reality even when our model mainly reflects organic growth, not including factors such as the magnitude of advertising expenditures.*

*We use spending per visitor from the Clearwater/St. Petersburg tourism statistic, and RIMS II economic multipliers to estimate the total economic impact of movie-induced tourism in the local economy. Our research shows that when considering tourists to the St. Petersburg/Clearwater area, the Dolphin Tale movie is the driver of approximately 72.7% of visitors to CMA. The model forecasts approximately eight hundred thousand visitors in 2013, growing to 2.3 million in 2016. These visitors will provide a total economic impact to the local economy of approximately \$580 million in 2013, which increases to \$1.7 billion in 2016.*

*This study could not have been possible without the valuable information, time and attention provided by David Yates, CEO of Clearwater Marine Aquarium. We gratefully acknowledge the Clearwater Marine Aquarium Board of Directors for providing the historical data on visitors. We would like to express our gratitude to Alex Zirbel and Michael Carter, both students at the Master of Business Administration Program at USFSP, for their valuable contributions to an early version of this study. All errors and omissions are ours.*

*Maria Luisa Corton  
Assistant Professor of Economics  
College of Business, USFSP*

*Maling Ebrahimpour  
Dean and Professor of Management  
College of Business, USFSP*

## 1. Introduction

Clearwater Marine Aquarium (CMA) is a state of the art facility in Clearwater, Florida, having a history of marine animal rescue and rehabilitation since its foundation in 1972. In 2005, a baby dolphin that was caught in a crab trap line off the east coast of Florida, and rescued by a local fisherman, arrived at CMA. The baby dolphin, ‘*Winter*’, called CMA home from that point forward as she went through an extensive recovery and rehabilitation process following the loss of her tail. Overcoming all odds to survive after her rescue, *Winter* is now an international hero as the only dolphin in the world who wears a prosthetic tail on a regular basis. In fall 2010, *Winter*’s unique story was released as *Dolphin Tale*, a Warner Bros. 2-D and 3-D major motion picture.<sup>1</sup>

*Dolphin Tale* was premiered on approximately 5,500 US theaters, with a Print and Advertising budget of approximately \$45 million in the U.S., and international promotion and advertisement budget of about \$20 million. The film was expected to create an extensive local and global awareness, generating a positive impact on the Aquarium attendance, and ultimately on the Clearwater/St. Petersburg economy.

This study presents an estimation of the economic impact of the *Dolphin Tale* movie-induced tourism in the Clearwater/St. Petersburg economy.<sup>2</sup> The term film-induced tourism, or film-tourism, is used in the tourism literature as “tourists visiting a destination or an attraction as a result of the destination being featured on television, video, DVD, or the cinema screen.” Film-induced tourism is a complex subject including elements of sociology and psychology as well as industry related aspects of destination marketing and community development (Beeton 2005). Within this complexity, in this study we identify several unique factors in the *Dolphin Tale* movie that would positively impact the tourism in the Clearwater area, namely authenticity, physical place, and social setting elements.

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<sup>1</sup> <http://seewinter.com/> - last visit: Feb 22, 2012

<sup>2</sup> Throughout the text we use the words ‘movie’ and ‘film’ interchangeably and also Clearwater and Clearwater/St. Petersburg interchangeably.



Tourism is a top industry in Florida, and within the state, the Clearwater/St. Petersburg area is identified as an important tourism cluster, which makes the measuring of the economic impact of the *Dolphin Tale-induced tourism* a challenging exercise. An estimated 97 million people visited Florida in 2010 from which, 84.85% were out-of-state and international visitors. These Florida visitors generated \$62.7 billion in the State economy and 974,700 jobs.<sup>3</sup> Five percent of these tourists visited the St. Petersburg/Clearwater area translating into \$3.1 billion expenditure in this cluster economy.

Clearwater is a city highly visited by tourists due to its beautiful beaches and by being close to St. Petersburg, the top medium size city destination for the arts in the nation.<sup>4</sup> Visitor dollars directly supports local hotels, restaurants, shops, attractions, and cultural institutions. It bolsters almost every segment of the area's economy and has a broad positive influence on government finances through tax and fee revenue collection.<sup>5</sup> Consequently, a key issue when determining the economic impact of the film-induced tourism was to understand the behavior of the influx of tourists to Clearwater/St. Petersburg area provided that visitors to CMA are actually a subset of these tourists.

The contribution of this study is threefold. First, because the movie has been recently released, a pre and post impact analysis is precluded. Instead we '*forecast*' the number of visitors to CMA to calculate the economic impact of the movie-induced tourism in the local economy. Secondly, our forecast is based on a unique data set comprised of the actual monthly number of visitors to CMA from October 1999 to January 2012. Finally and most importantly, in our analysis we distinguish CMA visitors from Clearwater tourists so that the economic impact of the movie can be viewed as a new event bringing an inflow of economic activity rather than just a reallocation of economic resources.

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<sup>3</sup> [http://www.visitflorida.org/am/vfcustom/annualreport/VF\\_annualreport2010\\_125.html](http://www.visitflorida.org/am/vfcustom/annualreport/VF_annualreport2010_125.html) - Last visit Feb22,2012

<sup>4</sup> Last visit: Jan 13, 2012: <http://www.americanstyle.com/2011/05/top-25-mid-sized-cities-2/>

<sup>5</sup> <http://www.pinellascvb.com/statistics/Pinellas2010AnnualReport.pdf> - Last visit: Feb22, 2012.

## 2. Film-induced tourism

Film-induced tourism is a complex subject as it includes elements of sociology and psychology as well as industry aspects related to destination marketing and community development. This complexity has led to a wide body of literature on film tourism, supporting the fact that there are elements in some films that influence the viewer's decision to return to the film production place, and this produces a positive impact on the number of visitors to the local area ultimately generating a positive effect in the local economy.

Riley et al. (1998)<sup>6</sup> present an analysis based on data of twelve movie locations with pre and post release quantifiable tourism statistics, and show that the span of the movie-induced tourism lasted for about *four years* with a decline afterwards. The set of movies selected, "...because their respective box office success and an identifiable location to which people could travel", was *Dances with Wolves*, *Field of Dreams*, *Thelma and Louise*, *Gettysburg*, *Close Encounters*, *Steel Magnolias*, *JFK*, *Last of the Mohicans*, *Fugitive*, and *Little Women*.

Data was collected for 10 years prior to the release and 5 after the release, and locations were classified in private and public attractions. The aggregated impact of these movies after their release show a 40% increase in visitation for public parks and 67% for private attractions, on average, when compared to a linear trend. The authors explain the difference between public and private attractions from the perspective of higher aggressiveness in promotion from the later type of attractions. The median increase for 6 private attractions sites after 5 years of movie release are 30%, 49%, 67%, 96%, and declining to 88% in the fifth year. These results are used as a reference scenario to our forecast model later in the study.

But, what motivates tourists to travel back to the film location? Riley et al. (1998) point out that films create, by using storyline themes and exciting human relationships, links to the viewer that they would want to recreate through a visit to the location where they were filmed. Physical places and social settings seem to be key elements to understand tourists' sense of an authentic experience when returning to the film location. Yet, not all films attract tourism in the same way

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<sup>6</sup> Riley, Baker, Van Doren, (1998). "Movie induced tourism" *Annals of Tourism Research*, 25(4): 119-135.



as there are important factors that must link viewers to the locations and/or attractions that they are being exposed to as they watch a film. According to Rewtrakunphaiboon, an expert in Tourism and a lecturer at the Bangkok University<sup>7</sup>, “the story line and site should be closely related in which the film involves the audience in an emotional experience.” Moreover, the larger the length of the time exposure, the higher will be the familiarity, attachment and identification to the film location, which will then become the push factors for the audience to visit the site, people, experience and fantasies portrayed by the film. Table 1 provides a snapshot of many popular films that have led to movie-induced tourism over the past few decades.

TABLE 1: IMPACT OF FILM ON VISITOR NUMBER

Film	Location	Impact of visitor number
Braveheart	Wallace Monument, Scotland	300% increase a year after release
Captain Corelli's Mandolin	Cephalonia, Greece	50% increase
Field of Dreams	Iowa	35,000 visits in 1991; steady increase every year
Four Weddings and a Funeral	The Crown Hotel, Amersham, England	Fully booked for at least 3 years
Harry Potter	Various locations in UK	Increase of 50% or more in all filmed locations
Mission Impossible 2	National Park, Sydney	200% increase in 2000
Notting Hill	Kenwood House, England	10% increase in one month
Pride and Prejudice	Lyme Park, England	150% increase
Sense and Sensibility	Saltram House, England	39% increase
The Beach	Thailand	22% increase in youth market in 2000
Troy	Canakkale, Turkey	73% increase

Source: Hudson & Ritchie, 2006

*Lord of the Rings* is a case studied by Buchmann et al. (2010) where in addition to emphasizing the complexity of film-induced tourism the authors highlight the role that authenticity plays in the “returning to the place” tourist experience. The authors’ findings show the importance of being physically on location “...where reality and film can finally merge...” relating it directly to feelings of authenticity. The Tourism Bureau of New Zealand has been able to successfully capitalize on the global awareness of the *Lord of the Rings* franchise by displaying the film’s information on its website and various marketing materials. Overall, there has been a 40% increase in national tourism in New Zealand since the release of the first *Lord of the Rings* film (Buchmann et al. (2010).

<sup>7</sup> Rewtrakunphaiboon, Walaiporn. *Film-induced Tourism: Inventing a Vacation to a Location*. Bangkok University: 2010. [http://www.bu.ac.th/knowledgecenter/epaper/jan\\_june2009/pdf/Walaiporn.pdf](http://www.bu.ac.th/knowledgecenter/epaper/jan_june2009/pdf/Walaiporn.pdf). Last visit: Sep 15 2011.

The release of *Close Encounters of the Third Kind* had an important impact on tourism at Devil's Tower National Monument in Wyoming which increased by 75% over the following year with a 39% increase upon the 1980 TV release (Riley and Van Doren, 1992). 12 years after the movie's release, 20% of visitors indicated knowledge of Devil's Tower National Monument from watching the movie (Workman et al. 1990). The year following the release of *JFK* in 1992 the Dallas Book Depository saw a 42% increase in visitors (Riley et al, 1998).

Despite of this rich empirical evidence, Rewtrakunphaiboon (2010) points out that many filming locations have not capitalized on film-induced tourism to the extent that they could have mainly because tourism organizations may be slow on employing marketing opportunities through films given a lack of knowledge on how to implement marketing strategies related to films. It seems that both CMA executives and the location authorities were well versed about the importance that *Dolphin Tale* would have in the local economy. The global Print and Advertising Budget for this film was estimated at \$65 million (US & international combined) not including the free media exposure taking place.

In analyzing the *Dolphin Tale* film-induced tourism, we found that elements of authenticity, physical place and social setting are the key factors having an impact on the amount of visitors to CMA as they display a clear link between the film's story and a real-life Dolphin/Aquarium.

### **3. Economic Multipliers**

With each new person that visits CMA there is an increase in economic spending in the Clearwater economy. In addition to the money being spent by visitors, jobs will be created to provide services to the increasing number of tourists coming to the area. In this study we utilize an inter-industry analysis, or an input-output methodology, to determine the economic impact caused by the release of *Dolphin Tale* in the local economy. The fundamentals of this type of study are to analyze the interdependence of industries in an economy through market based transactions. Its importance resides in providing information on the interrelationship in a regional economy and the impact of changes on that economy.



The idea behind an economic impact analysis is to use the ‘velocity of money’ concept to explain spending, particularly in the case of large projects. The basis is to say that for every dollar spent on a project more than one dollar of economic activity will result in a given area. If consumption and investment in the local economy increase, the economy output must go up. However, this calls for higher demand for material inputs so output goes up disproportionately compared to the consumption and investment increase. Thus, consumption and investment have a multiplier effect on output.

In this study RIMS II multipliers (Regional Industrial Multiplier System II) are utilized.<sup>8</sup> Multipliers vary by industry, geographic area and the size of the local economy. The smallest economic area for which RIMS II multipliers are calculated (and available) is a county, so in our case we use the multipliers for Pinellas County. Because there is not a specific RIMS II multiplier for the tourism industry, we assume it is plausible to define the *Tourism Sector* as comprised of several industries such as *accommodation* (hotels and motels), *food services and drinking places* and *arts, entertainment and recreation* (zoos and parks). Basically, we rely on the assumption that these industries are a good representation of the tourism sector when considered together. In terms of the RIMS II multipliers we use an average of the multipliers corresponding to these industries.

#### **4. Tourists to Clearwater versus Visitors to CMA**

The critical aspect in calculating the economic impact of movie-induced tourism in the local economy is to distinguish the visitors that come to CMA because of the *Dolphin Tale* movie and those that come because of the usual local tourism activity. We want to find the movie economic impact as a net source of economic activity in the local area assuming that it is not taking other business away from the local economy.

Because of the large variations present in the data for both tourists to Clearwater and Visitors to CMA, we apply a smooth data technique to assure that we may get a meaningful result when comparing the data sets. An inspection of the seasonal indexes obtained while smoothing out the data reveals the differences between the two sets of data for each month. For instance, Table 2

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<sup>8</sup> RIMS II was developed by the Bureau of Economic Analysis at Department of Commerce.



shows April as a peak month in Clearwater/St. Petersburg hosting 60 to 80 thousand tourists on average each year. For CMA July is the peak month with 41% above average number of visitors.

Table 2: Seasonal indexes for VISITORS and TOURISTS

Season Index	Visitors	Tourists
January	0.82	0.65
February	1.05	0.74
March	1.25	1.22
April	1.15	1.56
May	0.73	0.72
June	1.13	1.09
July	1.41	1.23
August	1.12	0.95
September	0.57	0.57
October	0.79	1.05
November	0.83	0.82
December	0.89	1.15

We run a simple linear regression to find the ‘best’ line predicting VISITORS from TOURISTS, which means the best way Tourists would explain Visitors to CMA. We found that 27.3% of the variability of VISITORS is explained by its linear relationship to TOURISTS. A way to interpret this result and our main assumption is that 72.7% of the variability of VISITORS is not explained by Clearwater Tourists but rather by *Dolphin Tale*. Obviously, this attraction of visitors is not only due to Winter but to the advertising effort put in place by CMA executives.

## 5. The Forecast Model

A forecast is based in past performance of the data: we assume that the way visitors behave in the past will continue in the future. Yet, this is a strong assumption given the several events that may have influenced the number of visitors to CMA in the recent years, so the assumption is released in the model with the introduction of a dummy variable, called “MOVIE” which captures the different events related to the *Dolphin Tale* movie.

We first smooth out the data and then we fit several functional forms to find our forecast model. We found the best fit using a time cubic functional form which includes a dummy variable to capture the growth spikes in a discrete way. The dummy variable takes value zero up to Oct/2006, and value one afterwards when *Winter's* story first began promotion. A value of two

after September 2010 captures the time when the movie was produced. The forecast model is presented in Equation 1.

$$V = \alpha + \gamma_1 T + \gamma_2 T^2 + \gamma_3 T^3 + \beta_1 \text{Movie}T + \beta_2 \text{Movie}T^2 + \beta_3 \text{Movie}T^3 \quad (1)$$

In equation 1,  $V$  is the actual number of visitors,  $\alpha$  is the intercept, the  $\gamma$ s are the coefficients for time, and the  $\beta$ s are the coefficients for the interacted movie and time. The sub index for each month is omitted for simplicity. The fit for this model is very good: 93.4% of the variability of number of visitors is explained by this model.

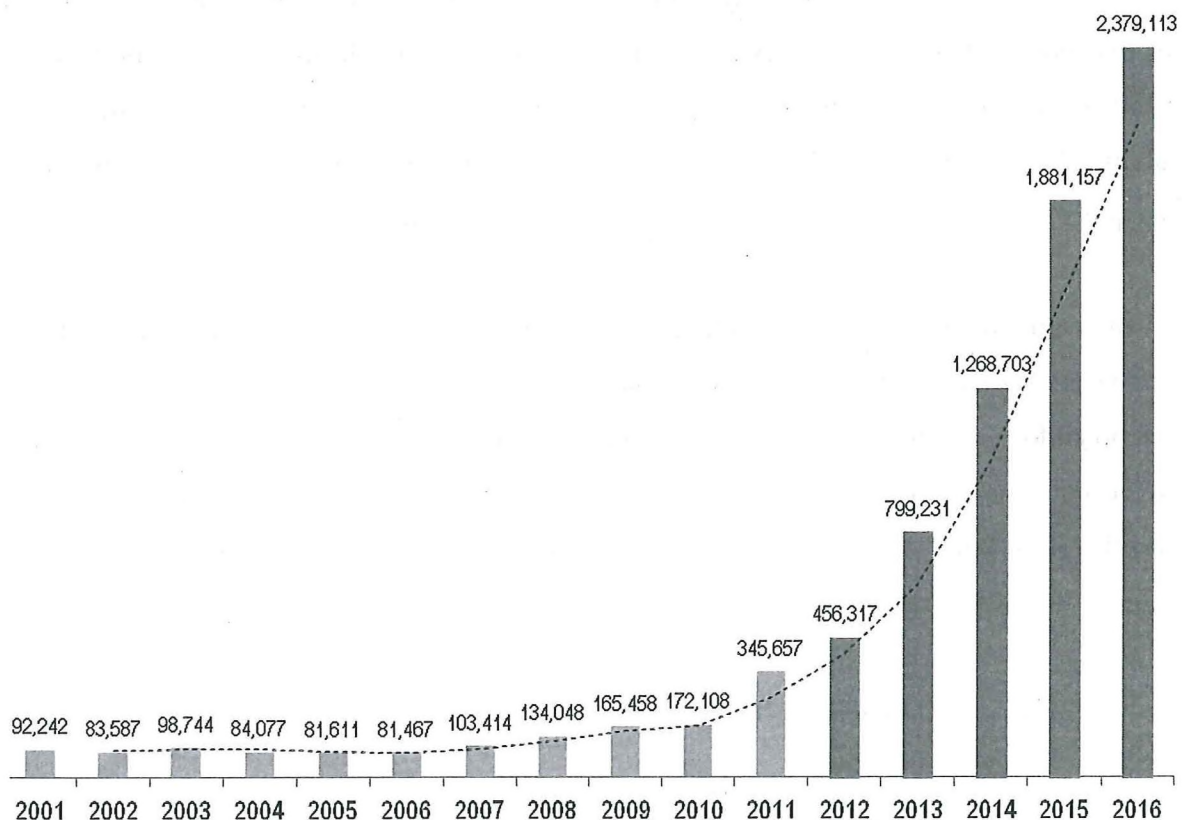
We previously discussed Riley et al. (1998) study where the authors documented median attendance to private attractions featured in a sample of films. The authors found a steady growth for about four years following the release of the films, and then the growth levels slowly decline. Our forecast model finds a larger amount of growth after the first year with respect to that of Riley's, but the growth rate declines after the third year. Our forecast model predicts a decline in growth after 2014, from 75% to 59%. However, if another movie related event occurs, such as the release of a sequel or a TV series, values for forecasted visitors can be calculated which would reflect an additional increase in visitors. Table 3 shows comparative growth figures for Riley's and the forecast model using 2011 as a baseline.

TABLE 3: COMPARED GROWTH FOR RILEY'S AND FORECAST MODELS 2012 TO 2016

Year	% growth based on 2011	Annual Attendance	% growth based on 2011	Forecasted Annual Visitors	
	Riley's		Forecast Model		% growth year by year Forecast Model
2011	-	345,657	-	345,657	
2012	30%	449,354	32%	456,317	32%
2013	49%	515,029	131%	799,231	75%
2014	67%	577,247	267%	1,268,703	59%
2015	96%	677,488	444%	1,881,157	48%
2016	88%	649,835	588%	2,379,113	26%

The figure below shows number of visitors from 2001 to 2016, with forecasted values after 2012. The large number in 2011 reflects the impact of the movie advertising (since March 2011) and movie release in September 2011. The forecasted values (darker bars) show the predicted pattern of growth: a decrease in growth after 2013. The number of visitors in 2011 represents a 101% increase with respect to 2010; the change in growth from 2013 to 2014 goes to 59%, from 2014 to 2015 it slows down to 48% and from 2015 to 2016 the growth change is only 26%.

FIGURE 1: Number of Visitors – actual numbers from 2001 to 2011 with forecast 2012-2016



## 6. The Economic Impact

To project the economic impact of the movie-induced tourism over the next five years, we utilize the existing spending data from the St. Petersburg/Clearwater annual visitor profile 2011, which is presented in table 3.<sup>9</sup>

<sup>9</sup> St. Petersburg/Clearwater visitors' Bureau. Last visit: August 14, 2012.

<http://www.pinellascvb.com/statistics/2011%20VSPC%20Annual%20Report.pdf>



TABLE 3: ST. PETE/CLEARWATER ANNUAL VISITOR PROFILE 2011

Total Expenditures 2011	\$3,391,962,600
Total Number of Tourists	5,235,200
Expenditure per tourist	\$648

With this data we first calculate annual spending by visitors using forecasted potential visitors. Then we apply the RIMS II multipliers to annual spending to get the indirect effect. Finally, we apply the 72.7% factor obtained previously to find the share of economic effect caused by VISITORS rather than TOURISTS that can be considered as a new economic activity due to the *Dolphin Tale* movie. Table 4 displays values for annual spending by tourists, indirect effect and total economic effect in the Clearwater/St. Petersburg area using the number of visitors predicted by our forecast model, and the number of visitors calculated from Riley's growth values. CMA's surveys show that approximately 66.3% of its guests arrive from out of state, thus, approximately an equivalent share of economic impact can be attributed to out of state tourists.

When comparing the numbers of both scenarios we observe a large difference, particularly in the later years. We explain this difference by understanding that the forecast model is based on a functional form that has captured the large spike after the movie release in late 2011 and so it projects the number of visitors from that point forward based on that increase. Riley's model on the other hand finds the growth rate for each year using actual data after the release of the movies rather than performing a forecast.

TABLE 4: ECONOMIC IMPACT RESULTS

<i>Forecast</i> <i>Movie=2</i>	Visitors Forecast	Annual Spending (\$)	Indirect effect (\$)	Total Economic Impact (\$)
2012	456,317	214,940,826	115,633,865	330,574,691
2013	799,231	376,465,018	202,530,650	578,995,668
2014	1,268,703	597,602,368	321,498,122	919,100,490
2015	1,881,157	886,088,842	476,698,075	1,362,786,918
2016	2,379,113	1,120,642,718	602,883,369	<b>1,723,526,087</b>
<i>Riley's</i>				
2012	460,724	217,016,635	116,750,609	333,767,244
2013	528,061	248,734,646	133,814,265	382,548,911
2014	591,853	278,782,842	149,979,593	428,762,436
2015	694,630	327,194,296	176,023,987	503,218,284
2016	666,278	313,839,542	168,839,397	<b>482,678,939</b>

## 7. Concluding remarks

In this study, we forecast the number of visitors to CMA due to the *Dolphin Tale* movie-induced tourism from February 2012 to February 2017 to calculate the economic impact in the Clearwater area related to this induced-tourism activity. To accomplish this, we first investigated the behavior of visitors to CMA as being different from that of tourists to the Clearwater/St. Petersburg area. The ups and downs resulted from the touristic Clearwater seasons do not rule the behavior of visitors to CMA so we argued that 72.7% of tourists visiting CMA are not related to the tourists visiting Clearwater but rather it is exclusively related to the movie-induced tourism generated by the *Dolphin Tale* movie. We recognize however that this as a first attempt to identify the effect of the *Dolphin Tale*-induced tourism on the local economy, so additional research will prove to be an important follow up to this study.

We set up a regression model to forecast visitors to CMA using a cubic functional form which includes a variable that captures the different events related to the movie such as, its initial promotion, its production and the release of the movie per se. We compared forecasted results with the visitors' growth pattern found in the movie-induced related literature. We explain the differences found by arguing that our model is fitted particularly to the *Dolphin Tale* movie, while results in the literature represent a median of a set of different films. In this sense, our results are more realistic, although it is strictly based on "organic growth" as it does not consider factors such as the magnitude of advertising expenditures, which is fundamental in tourism activities.

Our study revealed that the release of the movie *Dolphin Tale* has had a substantial effect on the amount of visitors to CMA, which produces an important impact to the local Clearwater/St. Petersburg economic area. Additional activities related to the movie, such as the production of a sequel or a TV series, are important steps toward increased movie-induced-tourism contributions to the regional economic area.

THE FLORIDA SENATE  
**APPEARANCE RECORD**

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

3/4/13

Meeting Date

Topic FILM OVERVIEW

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

Name JESSE PANNUCIO

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

Job Title EXECUTIVE DIRECTOR, DEO

Address CALDWELL BUILDING

Phone \_\_\_\_\_

Street

TALLAHASSEE FL 32399

City

State

Zip

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

Speaking: ☐ For ☐ Against ☒ Information

Representing DEO

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)

03/04/2013

Meeting Date

Topic Film & Entertainment

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

Name Leah Sokolowsky

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

Job Title President, Film Florida

Address 650 SE 18 Avenue

Phone (954) 461-9345

Street

Pompano Beach, FL 33060

City

State

Zip

E-mail reelestates@bellsouth.net

Speaking: ☐ For ☐ Against ☒ Information

Representing \_\_\_\_\_

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)

3/4/13

Meeting Date

Topic Florida Film & Entertainment Industry

Bill Number N/A  
(if applicable)

Name CHRIS RANONG

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

Job Title CHAIR - COMPASS

Address 403 Shamrock Road  
Street

Phone 904/806-6369

St. Augustine, Florida 32086  
City State Zip

E-mail chrisranong@aol.com

Speaking: ☐ For ☐ Against ☐ Information

Representing The Congress of Motion Picture Associations

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)

3-4-13

Meeting Date

Topic Film Incentives

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

Name Darin Yates

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

Job Title CEO Clearwater Marine Aquarium

Address 249 Windward Passage

Phone 727-409-6282

Clearwater FL 33767  
City State Zip

E-mail Dyates@cmaquarium.org

Speaking: ☐ For ☐ Against ☐ Information

Representing \_\_\_\_\_

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)



3/4

Meeting Date

Topic Film Incentive

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

Name Brian O'Leary

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

Job Title Tax Counsel

Address 30 Rockefeller Plaza  
Street  
NY NY 10112  
City State Zip

Phone 212 669 2227

E-mail brian.oleary@Abc.com

Speaking: ☐ For ☐ Against ☒ Information

Representing NBC Universal

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

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SENATE (10/20/14)

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

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

Meeting Date \_\_\_\_\_

Topic Entertainment Industry Incentive Bill Number \_\_\_\_\_  
(if applicable)

Name Craig Hagen Amendment Barcode \_\_\_\_\_  
(if applicable)

Job Title VP Government Affairs, Electronic Arts

Address 1950 Summit Park Dr Phone 9545605228

Street

Orlando

City

FL

State

37810

Zip

E-mail CHagen@ea.com

Speaking: ☐ For ☐ Against ☒ Information

Representing \_\_\_\_\_

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)

3-4-13

Meeting Date

Film & Digital Media

Topic

Bill Number (if applicable)

Name Dominic Carola

Amendment Barcode (if applicable)

Job Title President - Premise Entertainment

Address 2000 Universal Studios Plaza

Phone 407-489-9434

Street Suite 700-B  
City Orlando, FL State Zip 32819

E-mail Dominic.Carola@premiseentertainment.com

Speaking: ☒ For ☐ Against ☐ Information

Representing Film & Digital Media

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**

3-4-2013

Meeting Date

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



Topic Entertainment Tax Credit

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

Name DENISE LASHER

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

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

Address PO BOX 1440

Phone 813 240 4567

Street

Lutz FL 33559

City

State

Zip

E-mail LASHER INC @  
gmail.com

Speaking: ☒ For ☐ Against ☐ Information

TANPA

Representing

Stearns Center, Krowls & Ruth Eckerd Hall

Appearing at request of Chair: ☐ Yes ☐ No

Lobbyist registered with Legislature: ☒ Yes ☐ No

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S-001 (10/20/11)

# CourtSmart Tag Report

**Room:** EL 110

**Caption:** Senate Commerce and Tourism

**Case:**

**Judge:**

**Type:**

**Started:** 3/4/2013 3:33:39 PM

**Ends:** 3/4/2013 5:30:05 PM **Length:** 01:56:27

3:33:45 PM	Opening Statement
3:34:10 PM	Roll Call
3:34:36 PM	SB 572- Sen. Sobel
3:38:22 PM	Amendment Barcode 434092
3:39:27 PM	Sen. Detert Question
3:39:55 PM	Sen. Ring Question
3:41:24 PM	Roll Call
3:41:41 PM	Sen. Sobel Closing Comments
3:42:11 PM	Roll Call
3:42:37 PM	CS/SB 140- Sen. Braynon
3:45:35 PM	Sen. Hays Question
3:47:30 PM	Sen. Bean Question
3:48:41 PM	Sen. Bean Question
3:49:59 PM	Sen. Simpson Question
3:50:50 PM	Sen. Simpson Question
3:51:09 PM	Sen. Richter Question
3:52:12 PM	Sen. Thompson Question
3:52:41 PM	Roll Call
3:53:32 PM	SB 558- Sen. Detert
3:54:05 PM	Roll Call
3:55:33 PM	SB 446- Sen. Hukill
3:56:17 PM	Amendment Barcode 229808
3:56:36 PM	Amendment Barcode 730660
3:56:49 PM	Amendment Barcode 453694
3:58:18 PM	Sen. Detert Question
3:59:05 PM	Sen. Simpson Question
3:59:44 PM	Sen. Simpson Question
4:01:03 PM	Sen. Margolis Question
4:04:31 PM	Sen. Richter Question
4:05:46 PM	Roll Call
4:06:26 PM	Sen. Hukill Close
4:06:39 PM	Roll Call
4:07:23 PM	Enterprise Florida Board
4:07:53 PM	Nominees Hayden Dempsey & Belinda Keiser
4:08:41 PM	Hayden Dempsey Opening Statement
4:10:19 PM	Belinda Keiser Opening Statement
4:10:24 PM	Roll Call
4:11:25 PM	Workshop on Enterprise Zones
4:12:09 PM	Larry Novey- OPPAGA
4:21:30 PM	Sen. Detert Question
4:22:59 PM	Sen. Margolis Question
4:23:37 PM	Sen. Detert Question
4:25:08 PM	Sen. Margolis Question
4:26:25 PM	Burt Von Hoff- Bureau Coordinator- DEO
4:27:58 PM	Sen. Detert Question
4:28:41 PM	Sen. Stargel Question
4:29:31 PM	Sen. Stargel Question
4:29:45 PM	Sen. Detert Comment
4:31:01 PM	Sen. Stargel Question
4:32:18 PM	Sen. Stargel Question
4:33:03 PM	Sen. Hays Question
4:33:37 PM	Sen. Hays Question



<b>4:33:42 PM</b>	Sen. Detert Question
<b>4:34:29 PM</b>	Sen. Margolis Question
<b>4:34:53 PM</b>	Sen. Detert Question
<b>4:35:30 PM</b>	Richard Reade- City of Delray Beach
<b>4:41:56 PM</b>	Workshop Economic Development Incentives to the Entertainment Industry
<b>4:43:22 PM</b>	Jesse Pannucio- Executive Director- DEO
<b>4:48:00 PM</b>	Sen. Margolis Question
<b>4:48:13 PM</b>	Sen. Margolis Question
<b>4:48:41 PM</b>	Sen. Margolis Question
<b>4:55:40 PM</b>	Sen. Bean Question
<b>4:56:33 PM</b>	Sen. Bean Question
<b>4:57:01 PM</b>	Leah Sokolowsky- President- Film Florida
<b>5:00:07 PM</b>	Sen. Hays Question
<b>5:01:30 PM</b>	Sen. Margolis Question
<b>5:04:44 PM</b>	Chris Ranung- Chair- COMPASS
<b>5:08:34 PM</b>	David Yates- CEO- Clearwater Marine Aquarium
<b>5:11:48 PM</b>	Brian O'Leary- Tax Counsel- NBC Universal
<b>5:16:48 PM</b>	Craig Hagen- VP Governmental Affairs- Electronic Arts
<b>5:22:52 PM</b>	Dominic Carola- President- Premise Entertainment
<b>5:25:27 PM</b>	Sen. Margolis Question
<b>5:26:28 PM</b>	Denise Lasher- Tampa Straz Center, Krovis & Ruth Eckard Hall
<b>5:28:45 PM</b>	Closing Statement