



ECONOMIC AFFAIRS COMMITTEE

Wednesday, September 21, 2011

8:30 AM

Reed Hall (102 HOB)

**Dean Cannon
Speaker**

**Dorothy L. Hukill
Chair**



The Florida House of Representatives

Economic Affairs Committee

Dean Cannon
Speaker

Dorothy L. Hukill
Chair

AGENDA

Reed Hall (102 HOB)

Wednesday, September 21, 2011, 8:30 am

- I. CALL TO ORDER AND WELCOME
- II. INTRODUCTIONS
- III. PROGRESS ON THE IMPLEMENTATION OF CHAPTER 2011-142, LAWS OF FLORIDA, RELATING TO ECONOMIC DEVELOPMENT
 - Doug Darling, Executive Director, Department of Economic Opportunity
 - Gray Swoope, Florida Secretary of Commerce and President of Enterprise Florida, Inc.
 - Chris Hart, President and CEO of Workforce Florida, Inc.
 - Frank DiBello, President and CEO of Space Florida
 - Christopher Thompson, President and CEO of Visit Florida
- IV. SMALL BUSINESS JOBS ACT OF 2010/STATE SMALL BUSINESS CREDIT INITIATIVE
 - Michelle Dennard, Director, Division of Strategic Business Development, Department of Economic Opportunity
- V. PANEL PRESENTATION AND DISCUSSION OF THE DEPARTMENT OF ECONOMIC OPPORTUNITY'S BUSINESS PLAN: STATE OF FLORIDA JOB CREATION PLAN – WHERE ARE WE TODAY, WHERE ARE WE GOING, AND HOW WILL WE MEASURE SUCCESS?
- VI. ADJOURNMENT



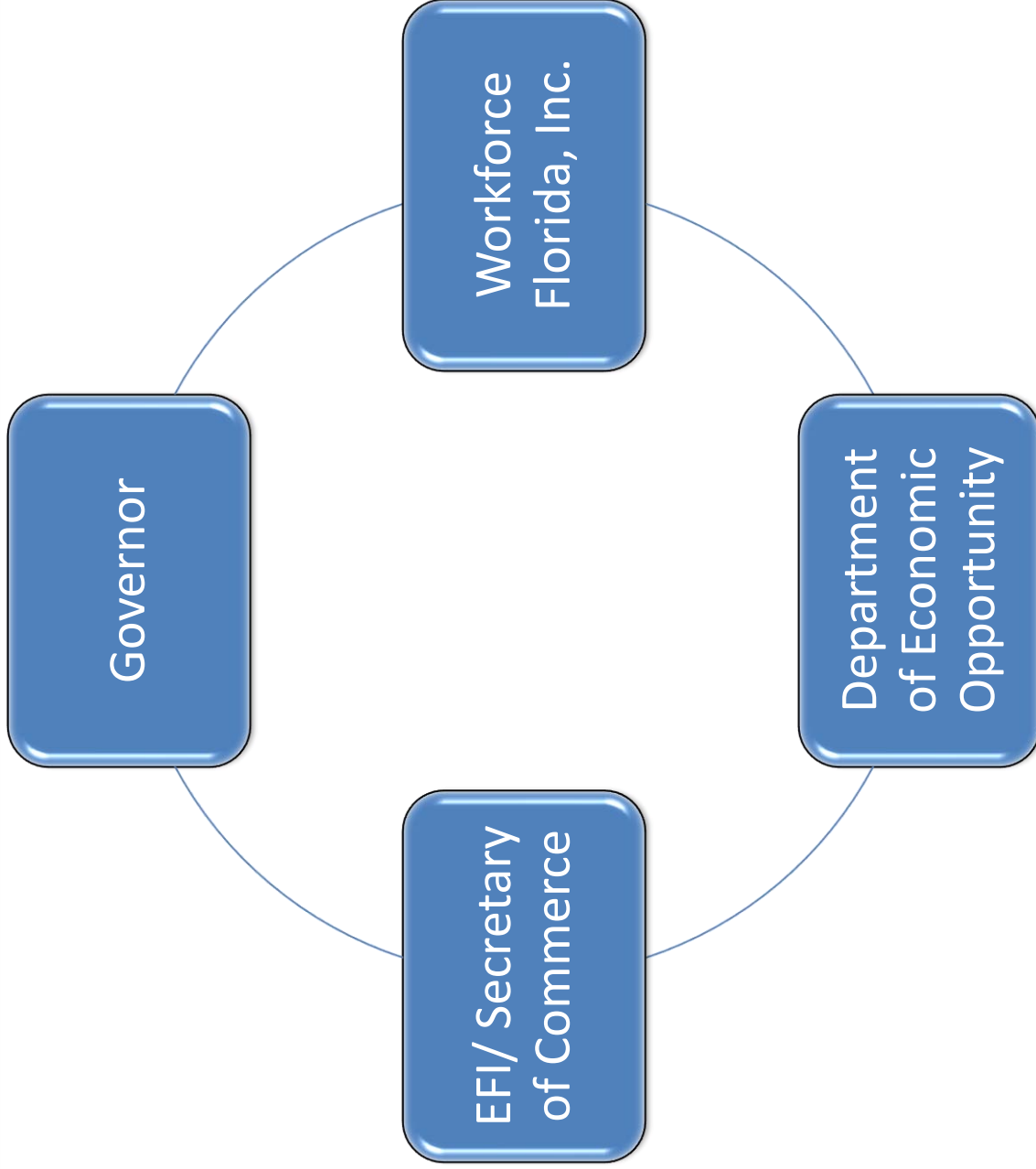
FLORIDA
DEPARTMENT of
ECONOMIC
OPPORTUNITY

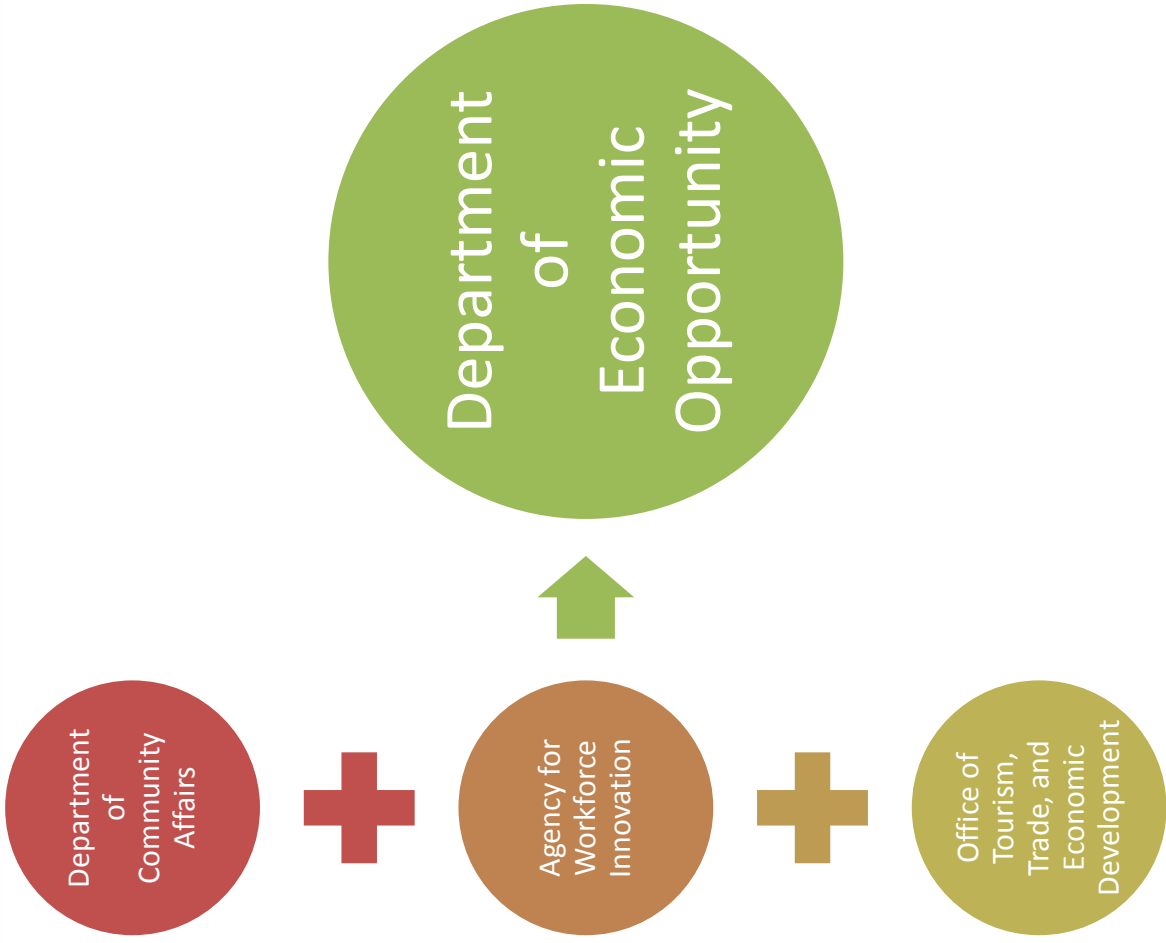
House Economic Affairs Committee

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

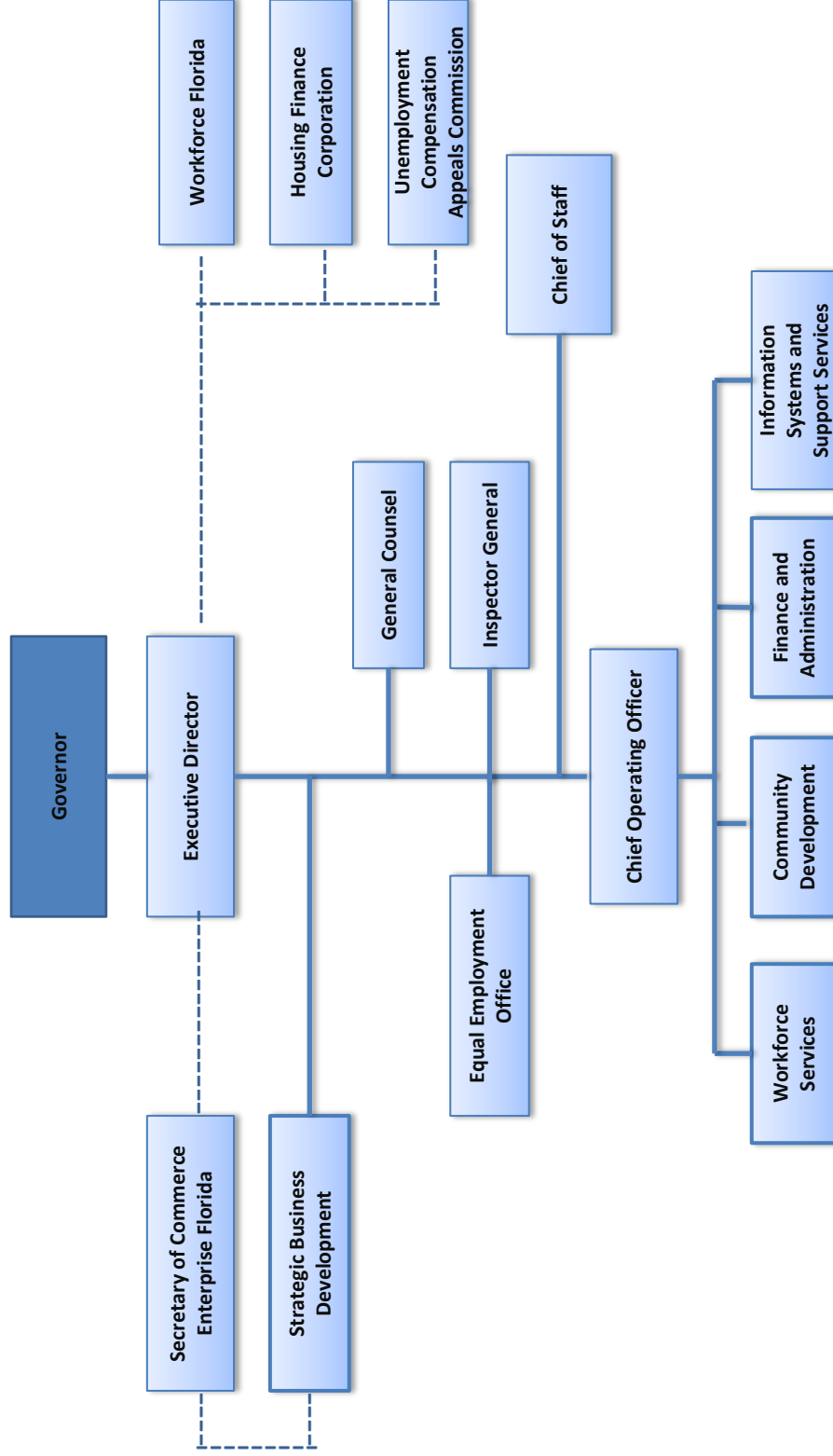
Wednesday, September 21, 2011







Organizational Chart



Division of Strategic Business Development

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

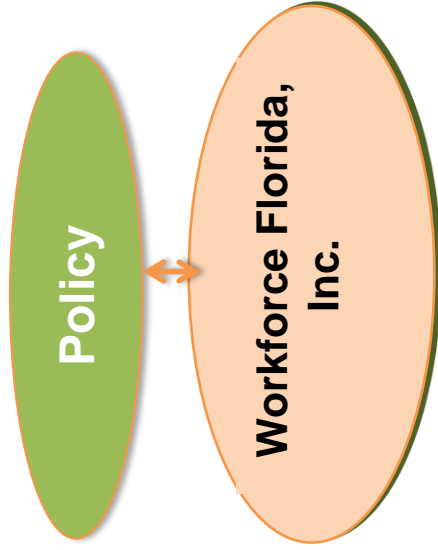


Division of Workforce Services

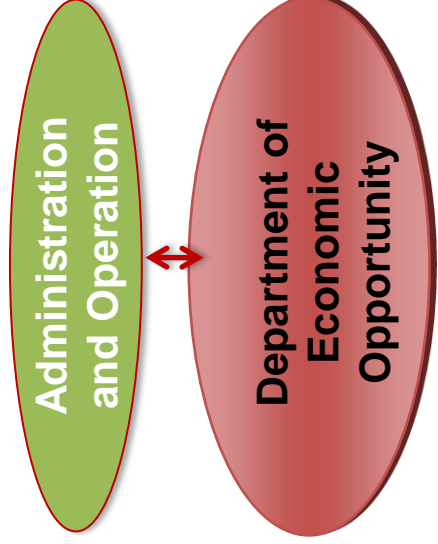
- **Workforce program development & guidance, oversight, federal performance & financial reporting, technical assistance**
- **Labor market information**
- **Unemployment compensation services**



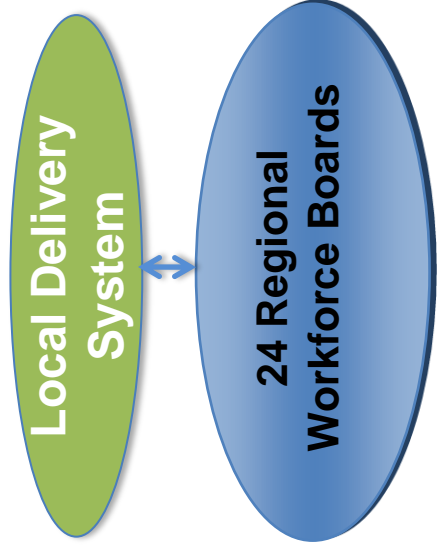
Florida's Workforce System



- Strategic Planning
- Research & Development
- Policy Direction
- Budget Approval
- Funding Allocations
- Chartering Regional Boards
- Local Workforce Board Plan Approval



- Program Development & Guidance
- Performance Management & Oversight
- Federal Performance & Financial Reporting
- Compliance & Financial Monitoring
- Technical Assistance & Support
- Workforce Staff Training & Development
- Labor Market Statistics



- Operation of Local One-Stop Career Centers
- Workforce Service Delivery to Job Seekers and Employers
- Local Workforce Plan Development & Implementation
- Local Compliance & Financial Oversight and Accountability
- Local Workforce Performance & Financial Tracking and Reporting



Division of Community Development

- **Rural/Urban Small Business/Economic Development**

- **Community planning**

- **Grants:**

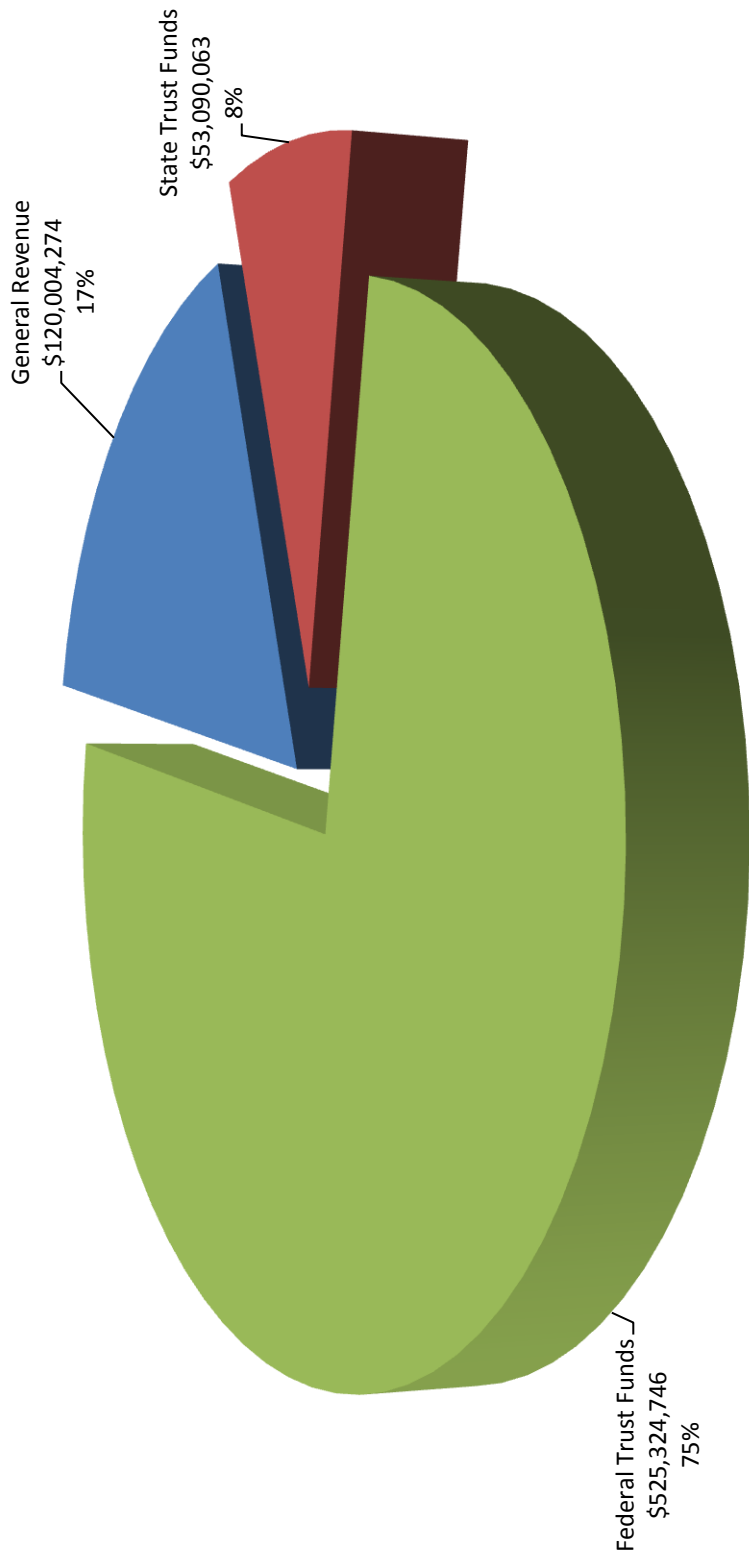
- Infrastructure
- Economic development
- Housing rehabilitation
- Revitalization

- **Assistance programs for low-income Floridians**



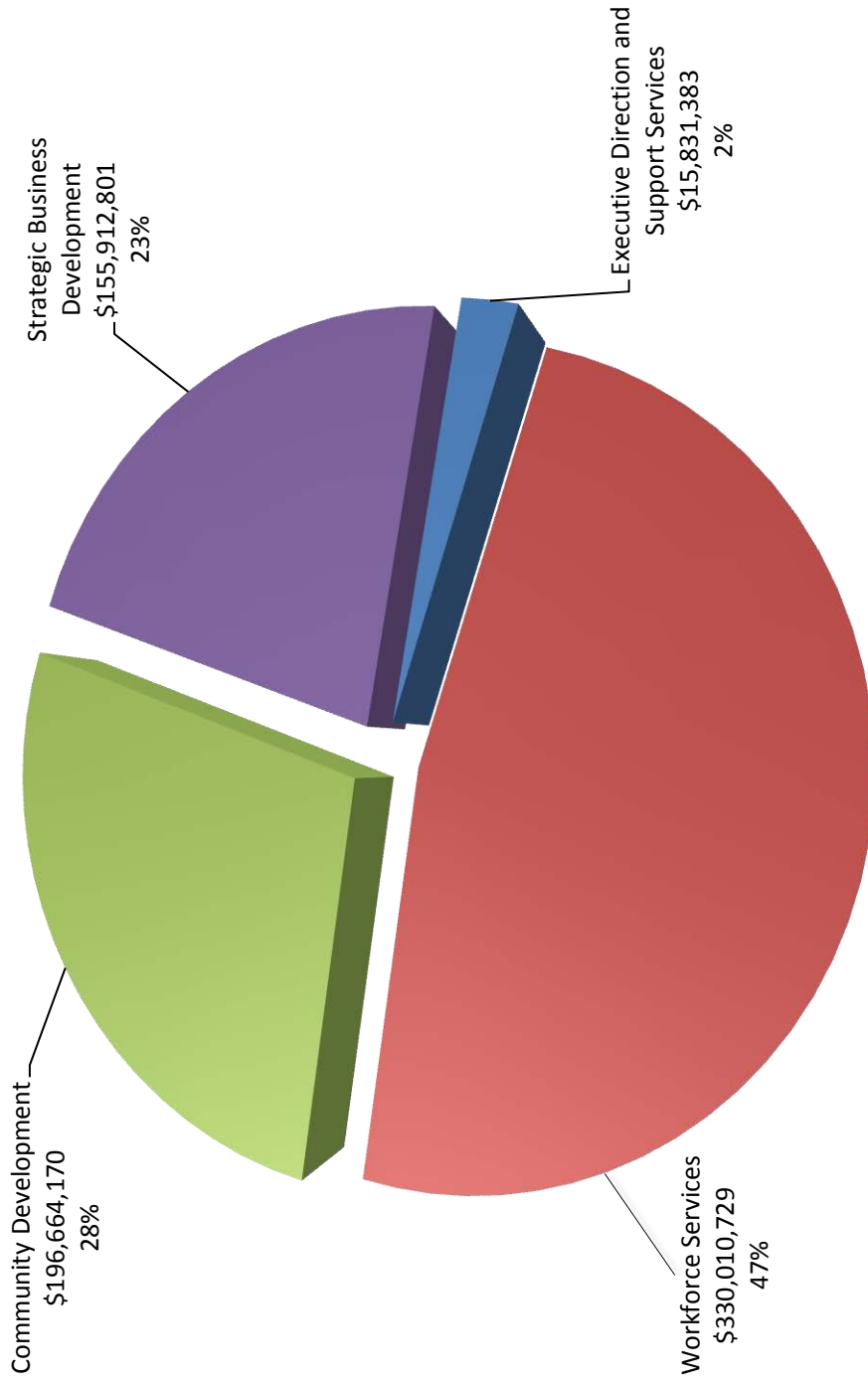
Initial Funding Sources

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



Initial Operating Budget

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



Florida Housing Finance Corporation

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



Affordable Housing Programs Provide Economic Benefit for Florida

Homeownership Programs

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

Permanent Financing to Develop Rental Housing

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



October 1 - A new chapter begins!

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



New Opportunities

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



Questions?

Doug Darling

Executive Director

Florida Department of Economic Opportunity

107 East Madison Street

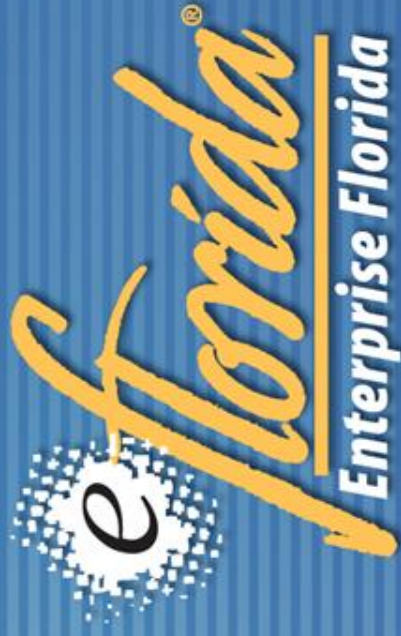
Tallahassee, FL 32399-4135

850-245-7298 | floridajobs.org



FLORIDA DEPARTMENT of ECONOMIC OPPORTUNITY





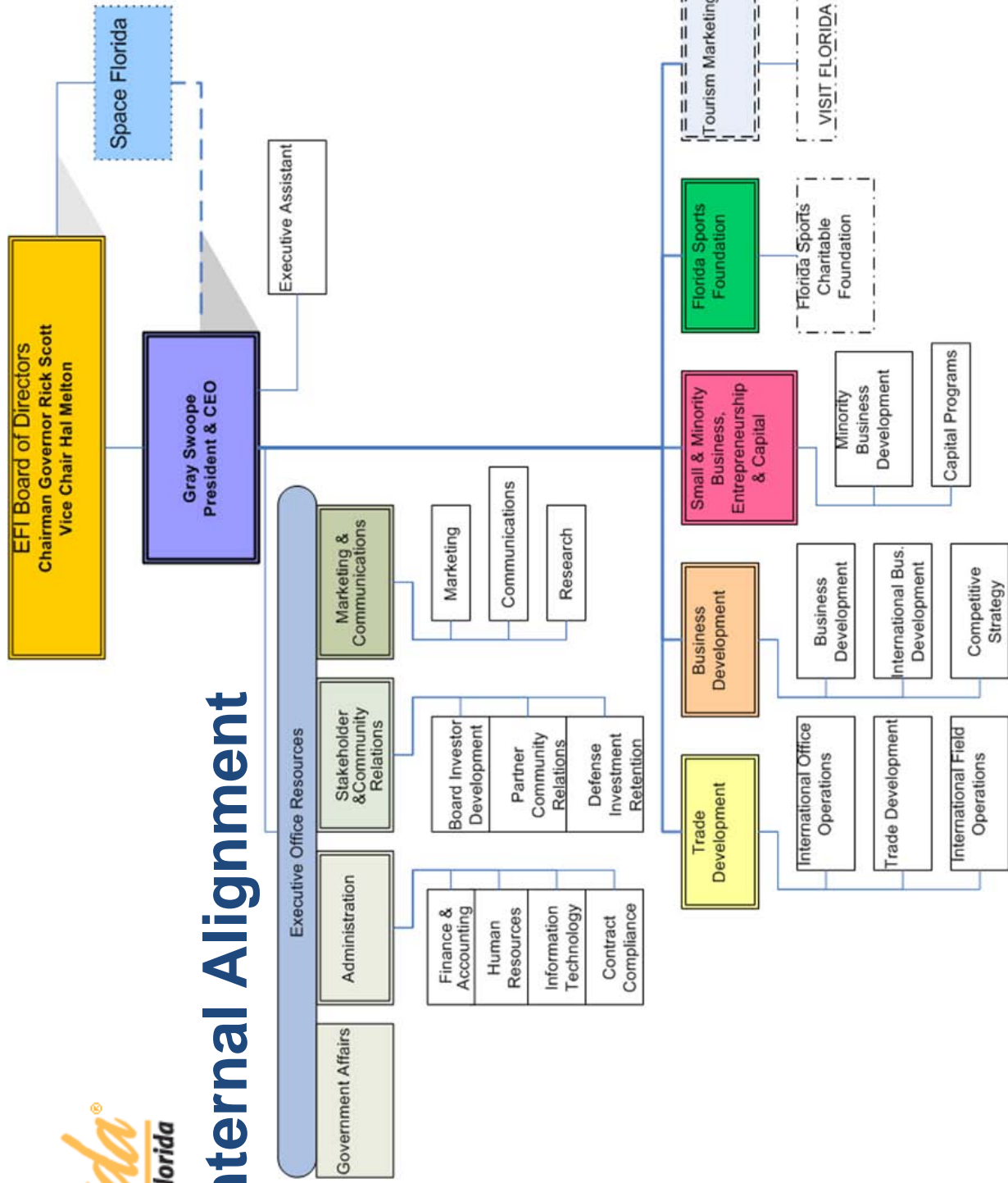
Enhancing Florida's Approach to Statewide Economic Development:

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

September 21, 2011



New Internal Alignment



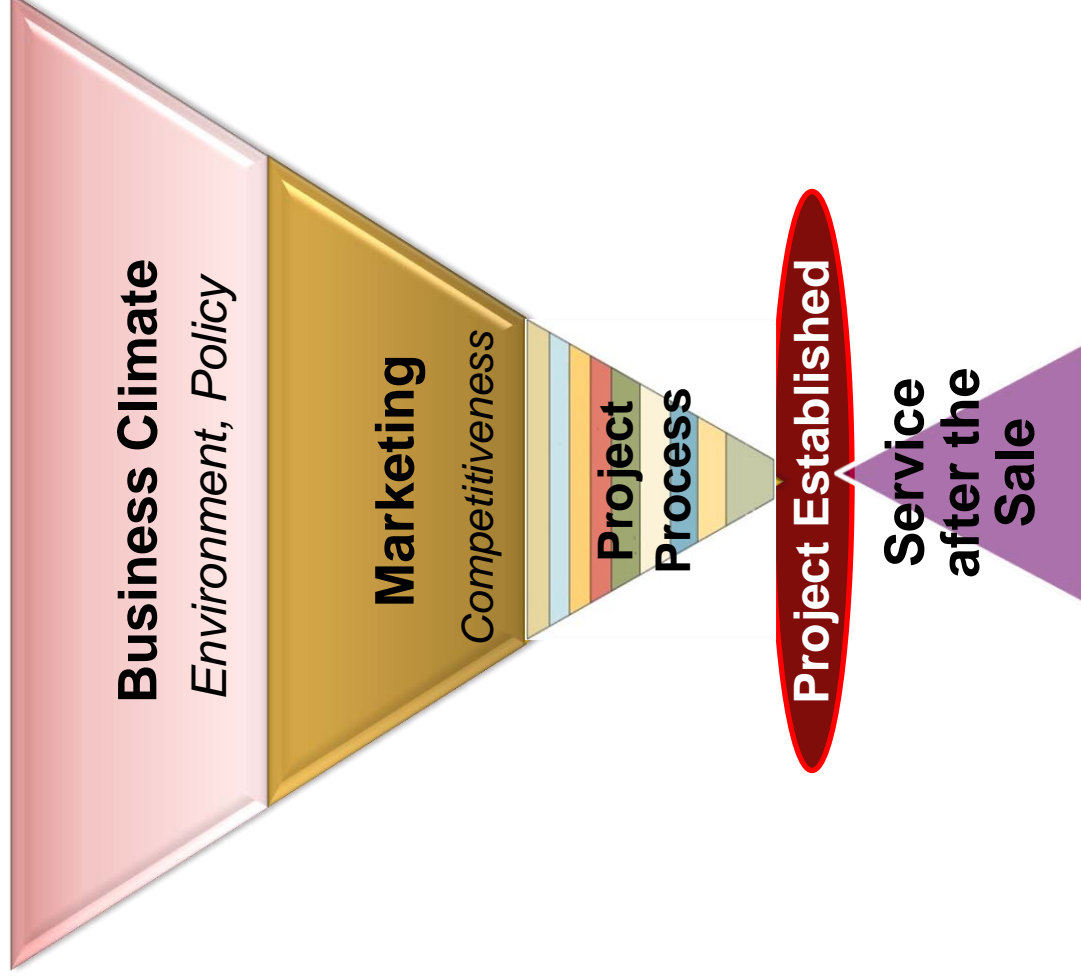
New Structure Supports

- **Current Key Programs**
 - National and International Business Recruitment
 - Statewide Business Retention and Expansion
 - Trade Development and Export Assistance
 - Protection and growth of Florida’s military assets
 - New Focus on Marketing & Communications Efforts
 - Renewed Local Collaboration

New Structure Supports

- **New Policy and Program Initiatives**
 - Sports Development
 - Florida Sports Foundation
 - Small and Minority Businesses, Entrepreneurship and Capital Development
 - Minority Business Development (BBIB)
 - Venture Capital Programs and Initiatives
 - Space Policy
 - Space Florida
 - Tourism Marketing
 - Visit Florida

Creating Jobs

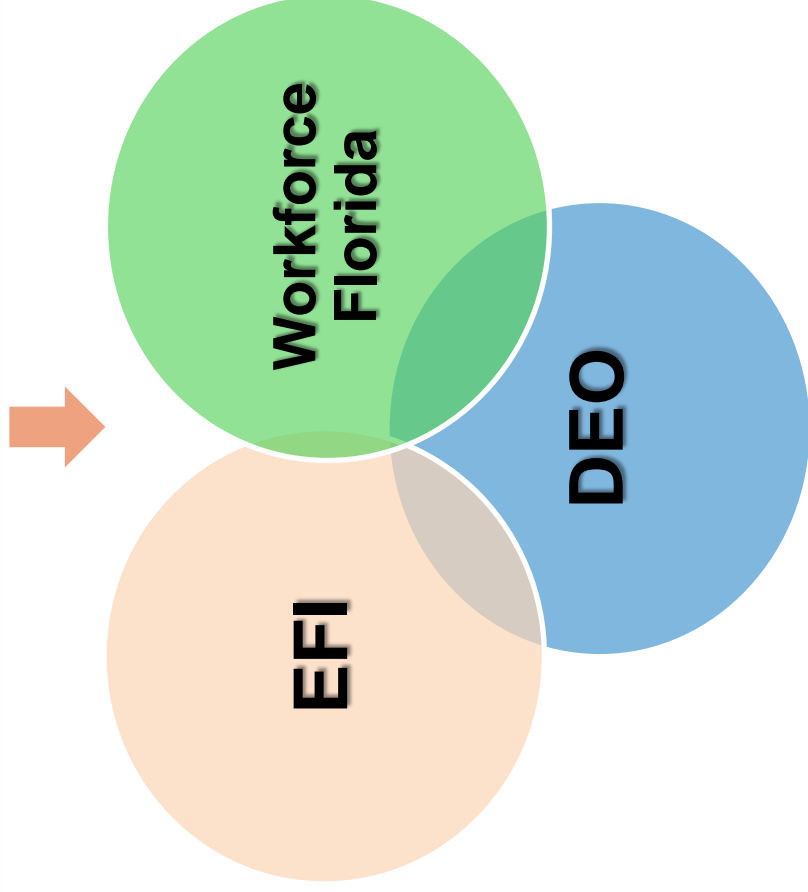


Measures (examples)

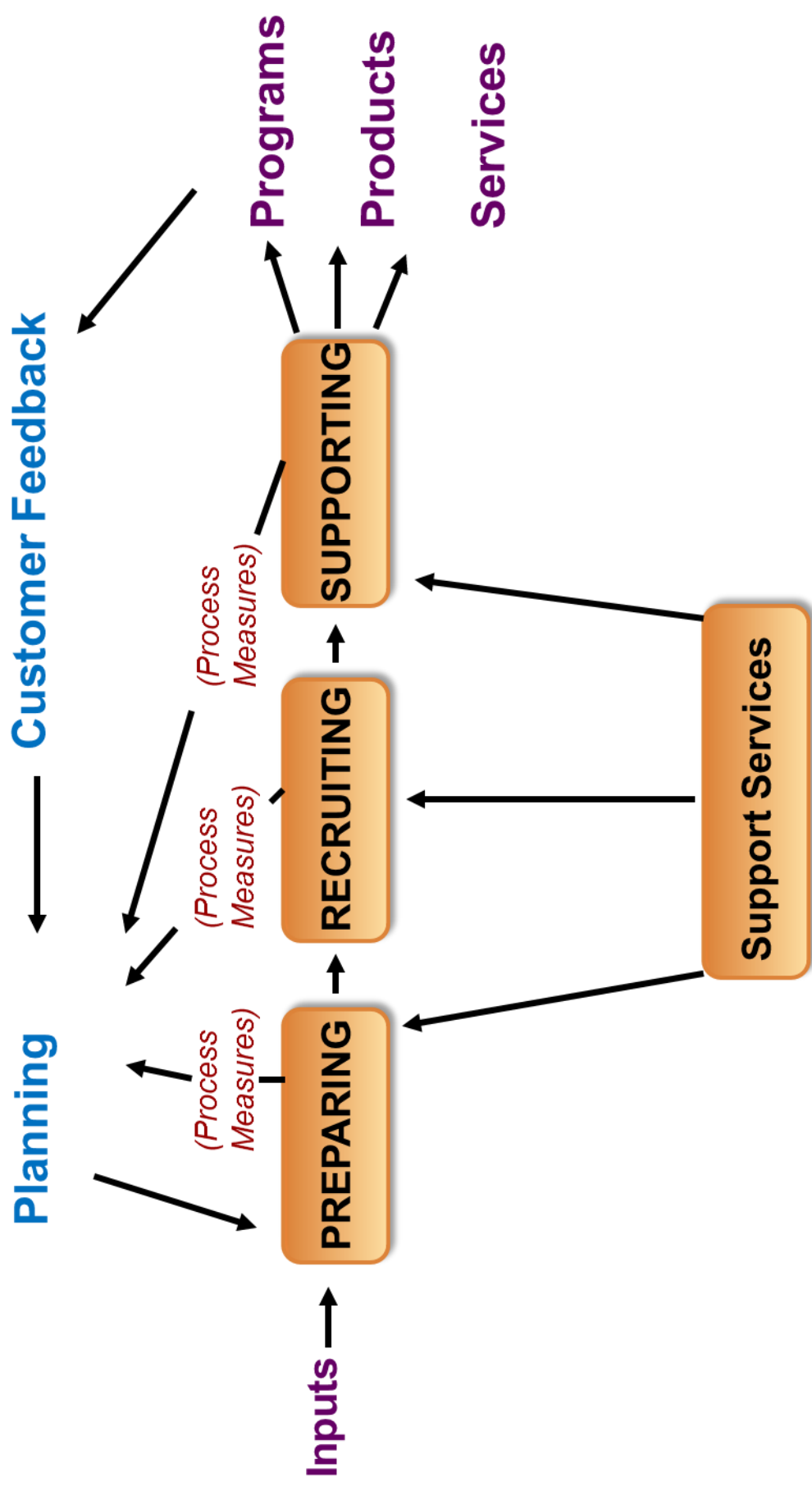
- 3rd Party Rankings: (CEO Magazine, Tax Foundation)
- Unemployment Rate
- New Business Start-ups
- Total Employment
- Exposure (Reach)
- Leads Generated (conversion rate of leads-to-projects)
- Number of Jobs Announced
- Amount of Capital Investment
- Percentage Above Average Wage
- R.O.I
- Export Sales
- Florida Jobs Retained/Expanded

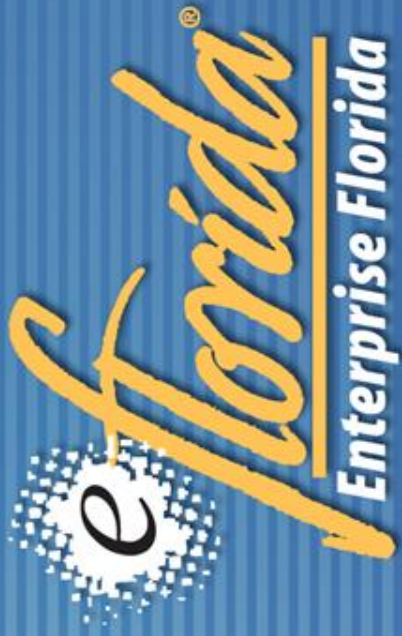
Unified Approach To Maximize Resources

Governor Rick Scott
Chair, Enterprise Florida
“Chief Economic Development Officer”



Economic Development as a System





Thank You



WORKFORCE FLORIDA INC.

**Collaborative Efforts to
Support Economic Development**

**Chris Hart IV, President/CEO
Workforce Florida Inc.**

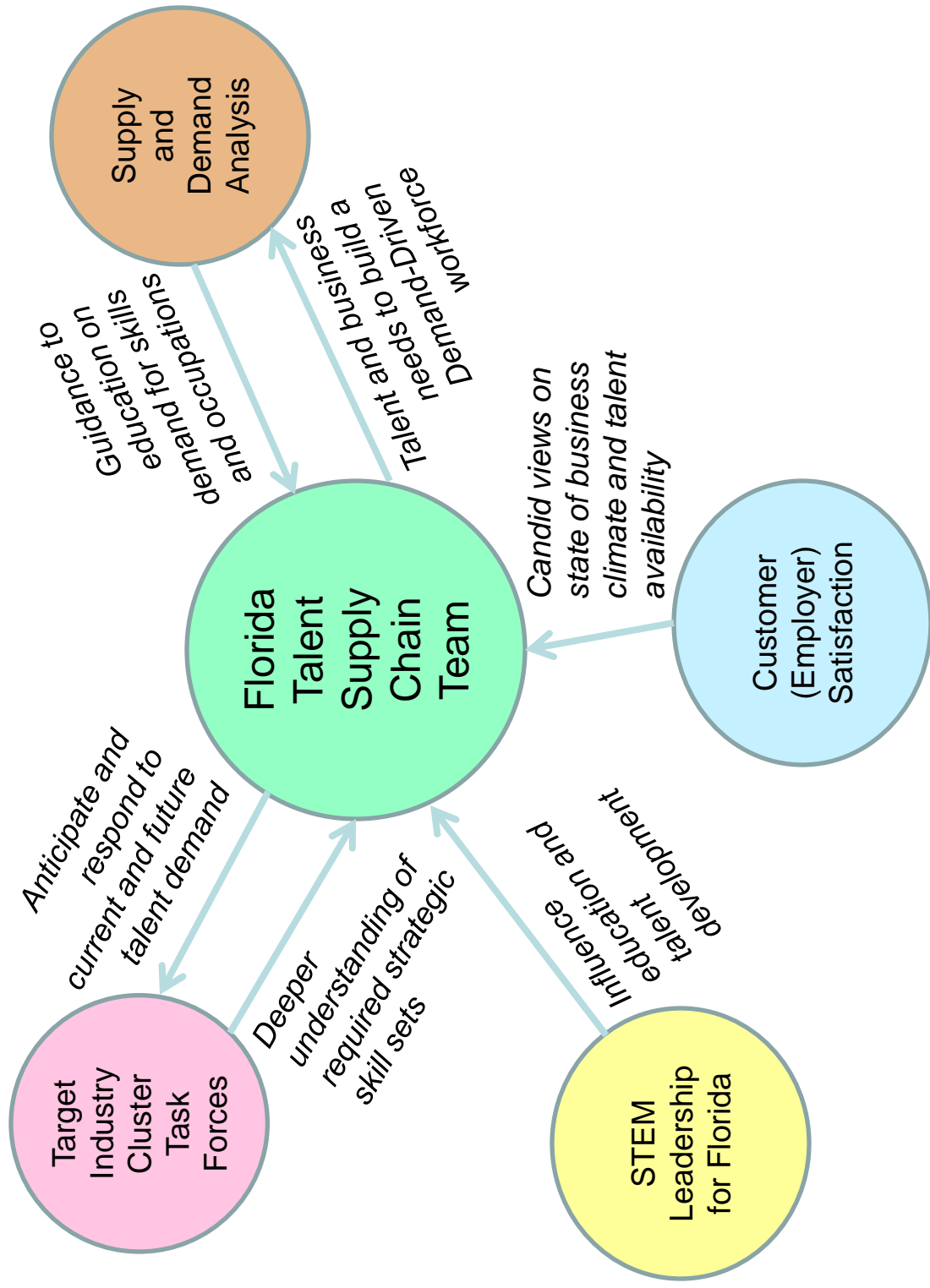
FLORIDA HOUSE OF REPRESENTATIVES

Economic Affairs Committee

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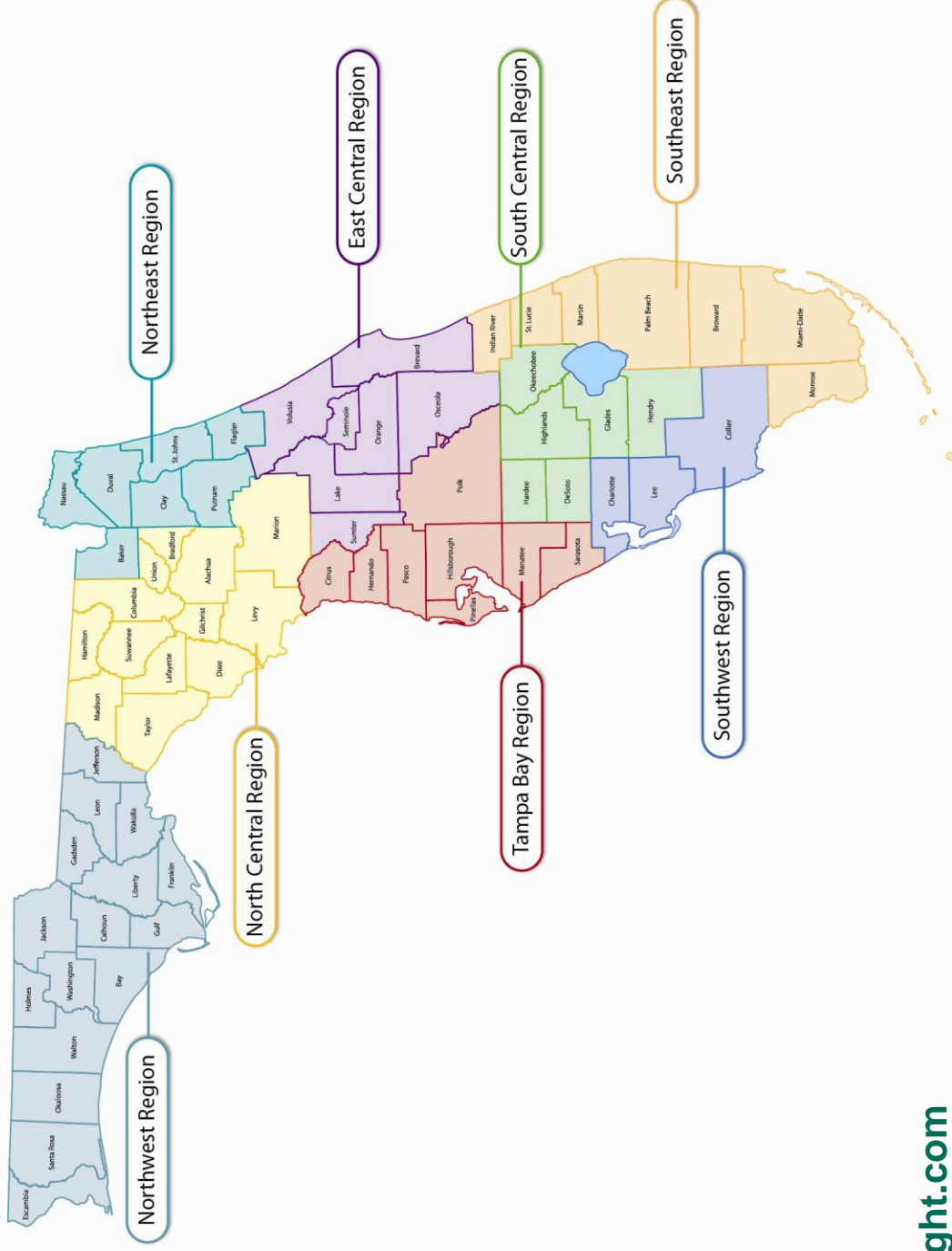
“INTERCONNECTEDNESS” OF PROJECTS



The Florida Eight

regional markets, global customers, great service, economic vitality for employers

Provides eight teams with resources to build regional capacity for economic and talent development, job retention and international business opportunities.



Overview Testimony

HOUSE ECONOMIC AFFAIRS COMMITTEE

**Frank DiBello, President
Space Florida**

September 21, 2011



Launch Systems and Support



OVERVIEW TOPICS

- *About Space Florida*
- *New Role in Economic Development*
- *Vision 2020 – Goal / Strategies*
- *Recent Initiatives / Achievements*



Adventure Tourism



STRUCTURE

***Legislatively Chartered Public Corporation
&
Independent Special District of the State***

***Reports to Enterprise Florida
& Serves as an Agent of the State
for Aerospace Economic Development***

***Governance through board of directors, the
Legislature and the Governor***



**Ground and Operations
Support Systems**



NEW BOARD GOVERNANCE

- *SB2156 2011 re-organized Space Florida's board*
 - *Now constructed of the 12 appointed members of the Enterprise Florida Board*
 - *Chaired by Lieutenant Governor Carroll*
 - *Law also requires a 15 member advisory council from the space industry to be appointed by the Governor*



Launch Systems and Support



REORGANIZATION

- *Tightly aligned with Enterprise Florida*
- *Leadership by Gray Swoope*
- *Project Collaboration*
 - *AAR, Syros, and other future projects*
 - *Better access to incentives for space-related projects*
- *More developed and fleshed out partnership*



Launch Systems and Support



RECENT ACHIEVEMENT – AAR

AAR Airlift Group - Relocation (275 jobs in 2011)



www.spaceflorida.gov



MISSION & GOAL

- *Grow the Size, Diversity, Health and Robustness of the State's Space Industry*
- *Create High-Quality, High-Wage Jobs in Florida's Space-related Industries for the economic well-being of the citizens of the state*
- *GOAL: Three-fold increase in aerospace-related jobs and economic contribution by 2020*



Ground and Operations Support Systems



STRATEGIES ... VISION 2020 PLAN

- *Diversification - Statewide aerospace business development in 10 focused market sectors - new wealth and job creation*
- *Vertical Integration of the Supply Chain – Expanding Depth and Breadth of the In-state Supplier Base*
- *Targeted Investments - Leveraging key state assets & economic development tools for job creation and industry growth - Statewide!*



Adventure Tourism



RECENT ACHIEVEMENT - CASIS

CASIS – Award by NASA (\$15 million annually 10 yrs)



www.spaceflorida.gov



OTHER RECENT ACTIVITY

Rivian - Energy efficient vehicle (1,200 jobs by 2015)

Syros –NASA to transfer Facilities (550 jobs by 2015)

Marlin – Announcement pending (100 jobs by 2013)

Space X – Launching to ISS in January/February

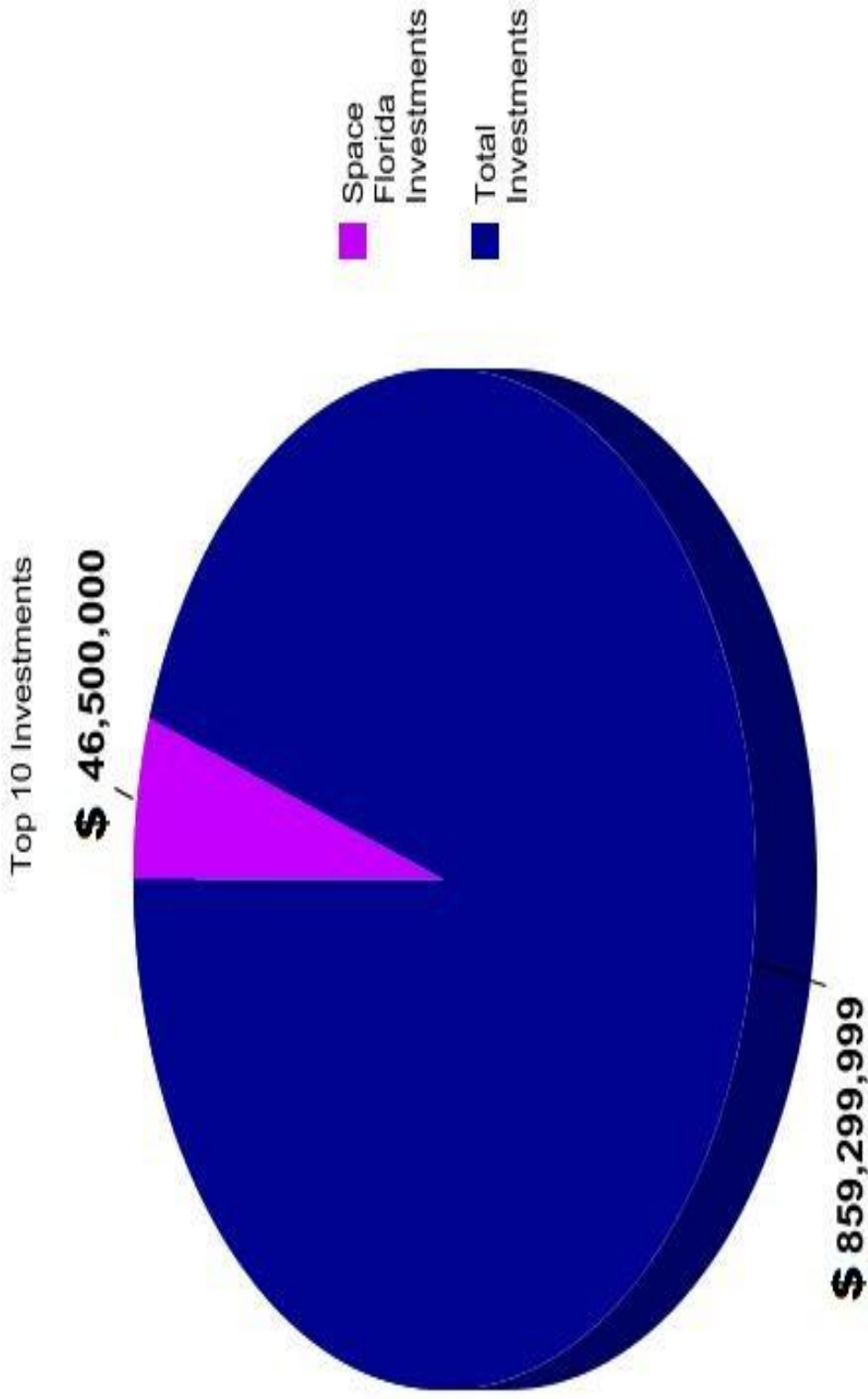
UKTI / ESA – International MOUs (300 jobs by 2014)

Masten Space Systems – LOI, Demo Flight SLC-36

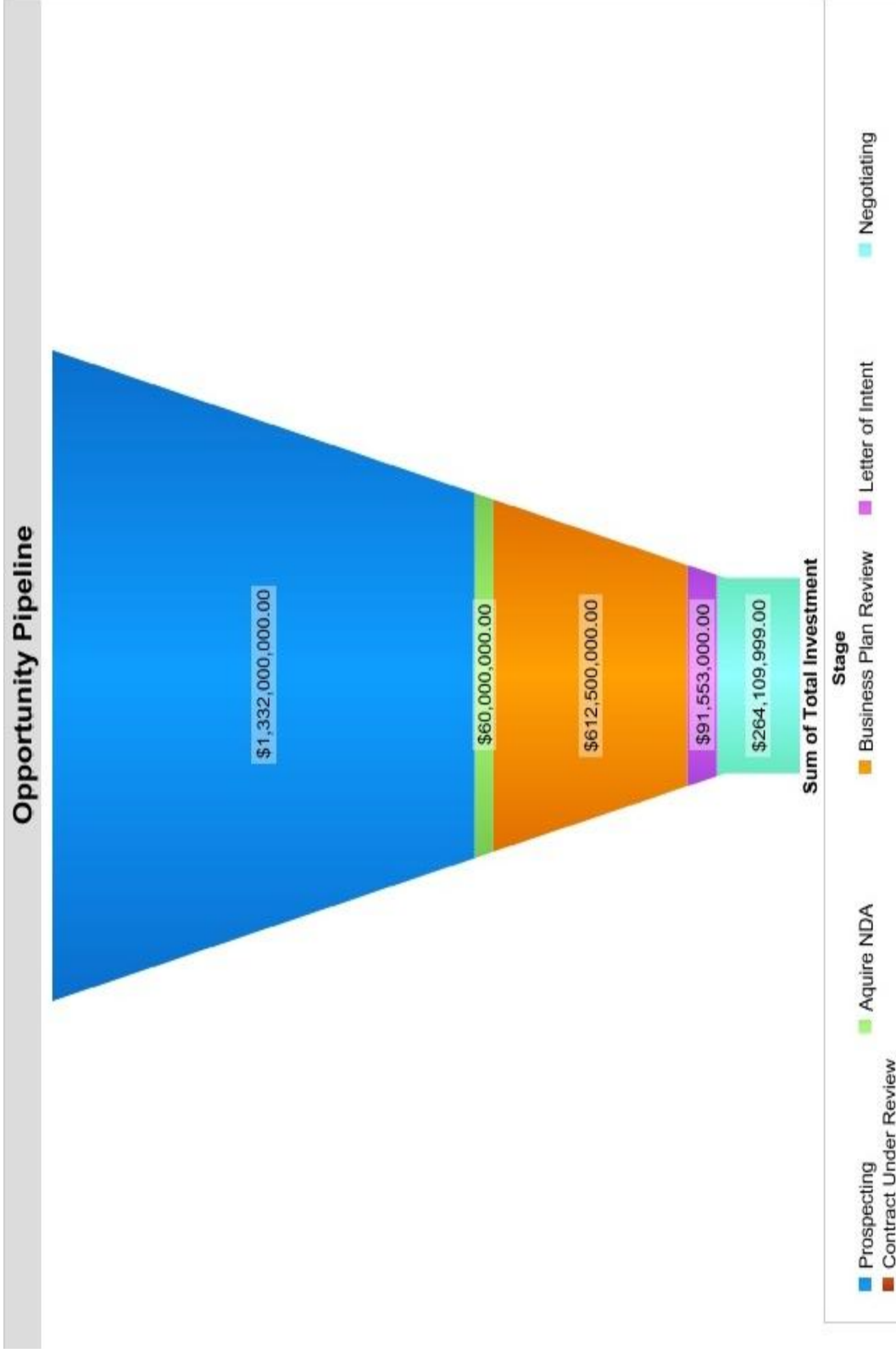
Starfighters – Space Act Agreement (20 jobs)



INVESTMENT POTENTIAL



PIPELINE ACTIVITY



Overview Testimony

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**Frank DiBello, President
Space Florida**

September 21, 2011



Launch Systems and Support



September 21, 2011

House Economic Affairs Committee



VISITFLORIDA



Florida Tourism by the Numbers

(CY2010)

- 82.3 Million visitors – up 1.8%
 - Domestic **down 0.1%**
 - Overseas **up 15%**
 - Canada **up 17.3%**
- 62.7 billion in travel spending – **up 3%**
- 3.8 billion in sales tax collected – **up 3%**
- 974,700 Floridians employed – **up 0.1%**

VISIT FLORIDA® Structure

- Private/public partnership initially created in 1996
- Florida Tourism Industry Marketing Corporation d.b.a. VISIT FLORIDA statutorily created as “The Official Tourism Marketing Corporation for the State of Florida”
- Contracted direct support organization for the state’s destination and tourism marketing through Enterprise Florida, Inc.
- Executive support for EFI’s Division of Tourism Marketing

VISIT FLORIDA® Structure

- 31-Member Board of Directors appointed by EFI
 - All industries represented and balanced geographically
- 101 Employees headquartered in Tallahassee and staffing the Official Florida Welcome Centers
- Contracted representation in Canada, UK, Europe, South America and China
- 10,000+ statewide tourism industry partners & affiliates
- Statutory required 1-to-1 match

Collaboration With Reorganization

- Enterprise Florida, Inc. board of directors meetings
- Department of Economic Opportunity Business Plan
- Facilitating “economic development” and “workforce development” supporting the tourism industry
- TEAM FLORIDA Trade Mission to Brazil
- VISIT FLORIDA board of directors meeting and the Florida Governor’s Conference on Tourism

VISIT FLORIDA 2009-13 Strategic Plan

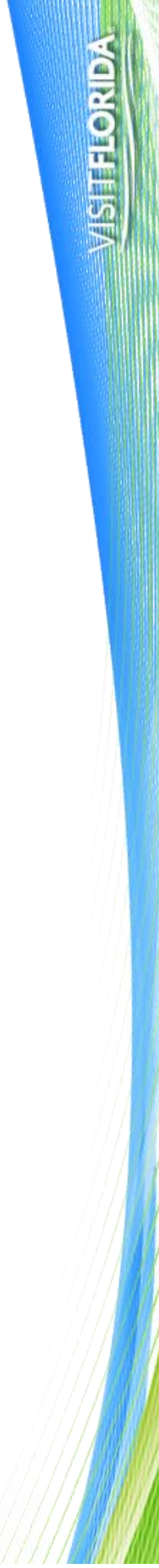
Mission

To promote travel and drive visitation to and within Florida

Vision

VISIT FLORIDA establishes Florida as the No. 1 travel destination in the world

5 Goals/8 Objectives



VISIT FLORIDA® Funding

- \$91.3 million budget
 - \$34.9 million in public funding (38%)
 - Tourism Promotional Trust Fund
 - 15.75% of \$2/day rental car surcharge
 - \$18.3 million in recurring appropriation
 - General revenue
 - \$16.6 million in non-recurring appropriation
 - \$56.4 million in private match (62%)

VISIT FLORIDA Marketing Principles

- With Scarcity Comes Clarity
- Create Value & Add Value
- Something for Everyone, But Not Everything for Everyone
- Quality vs. Quantity
- If It's Worth Doing, It's Worth Doing Right
- Everything Is Connected
- Everything Is Co-op-able
- Best in Class Partnerships

2011-12 Integrated Marketing Overview



Your FLORIDA Side

- Maintain year-round brand awareness
- Protect and grow market share in the most important feeder markets especially during peak travel seasons
- Increase brand relevance
- Strengthen and extend brand reach



Share a Little Sunshine

- Increase resident awareness of the positive economic impact of tourism
- Increase awareness of Florida's diverse travel options and deals
- Engage partners in adopting the platform and leveraging it for their local or individual benefit
- Create momentum within communities of interest to build grassroots campaign efforts



Destination Matters

- Keep Florida top-of-mind with key decision makers
- Create content to address the opportunities presented by current economic conditions
- Create innovative programs that address the business concerns of the industry
- Improve VISIT FLORIDA's digital resources



International

- Identify and support top producing travel trade Partners to market in-country
- Utilize in-country Partners as the primary vehicle to maintain brand awareness, increase brand relevance and serve as the primary call to action and conversion medium
- Create and share content that serves the consumers through in-country Partners
- Provide programs that engage Florida Partners' participation

Strategies

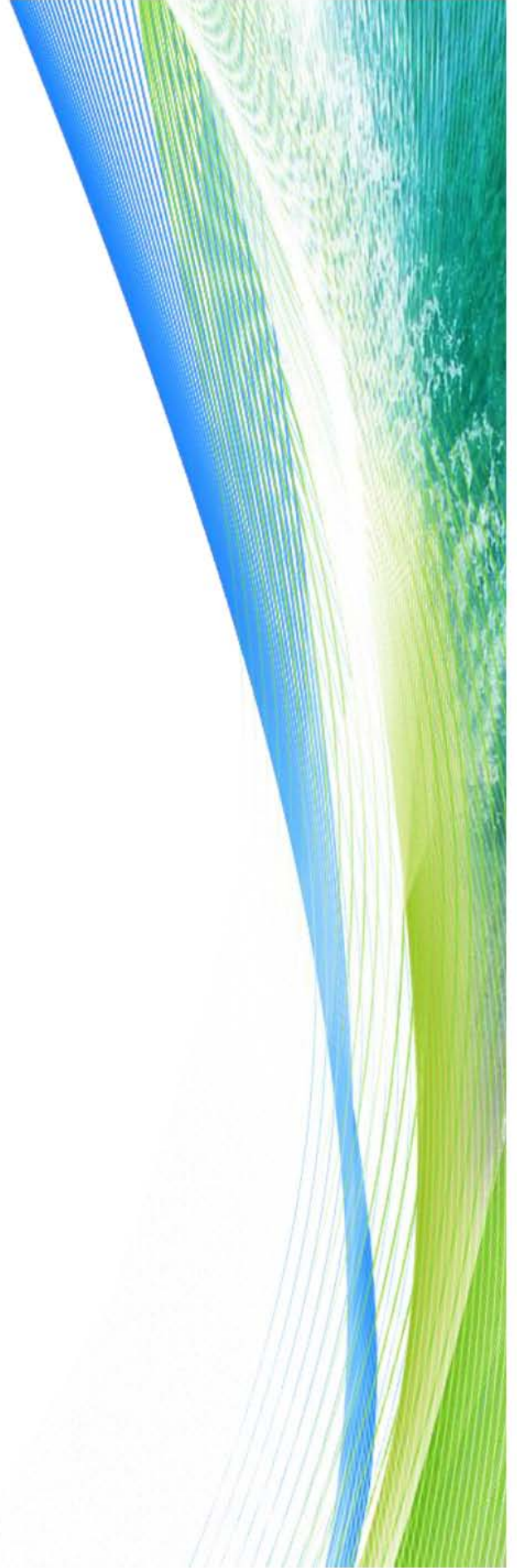
Tourism Marketing Metrics

- Every 85 visitors to the Sunshine State support 1 Florida job
- VISIT FLORIDA generates \$177 in tourism spending and over \$11 in new state sales tax collections within 90 days of campaign completion for every \$1 in tourism advertising
- VISIT FLORIDA marketing efforts significantly influenced 36.9% of all Florida visitors

Tourism Marketing Metrics

- The Florida Tourism Industry invests to generate \$2 in VISIT FLORIDA marketing programs for every \$1 the state of Florida invests
- VISIT FLORIDA is a \$1.125 billion destination marketing cooperative matching \$350 million of public investment by the state of Florida with \$776 million of private investment by thousands of Florida tourism businesses and strategic partners since 1996

VISITFLORIDA®





FLORIDA
DEPARTMENT of
ECONOMIC
OPPORTUNITY

House Economic Affairs Committee

Presented by: Michelle Dennard, Director, Division of Strategic Business Development

Wednesday, September 21, 2011



Florida Small Business Credit Initiative

September 2011



FLORIDA DEPARTMENT of ECONOMIC OPPORTUNITY



State Small Business Credit Initiative

- Florida is allocated \$97.6 million under the Small Business Jobs Act of 2010.
- Funds will provide critical credit support to small businesses to help them expand and spur private sector job growth.
- These funds will leverage at least \$977 million in private financing for Florida's small businesses.
- Eligible program types and use of funds are prescribed under the Act and U.S. Treasury policy guidance.



Florida's Funding

- Florida will receive its allocation of funds in three disbursements.

Installment	Amount
1st	\$32,228,575
2nd	\$32,228,575
3rd	\$33,205,199
Totals	\$97,662,349

- State must use 80% of installment to receive the next installment.
- Legislative Budget Commission approved budget authority for the 1st two installments, with the 2nd installment in reserve



Eligible Businesses

- Businesses located and legally authorized to do business in Florida.
- Small businesses with up to 500 employees (with some flexibility).
- Both for-profits and not-for-profits are eligible



Florida's SSBCI Programs

- Florida's programs are designed to be flexible and respond to a variety of small business credit needs.
- Programs include:
 - FL Capital Access Program: \$20.6 million administered by DEO
 - Venture Capital Program: \$43.5 million administered by Enterprise Florida
 - Small Business Loan Support Program: \$33.5 million administered by Enterprise Florida



Capital Access Program

- Administered by DEO
- Target: Small business unable to find financing for expansion
- Loan portfolio insurance in which the lender and borrower pay an up-front premium to a reserve fund held by the originating bank.
- The state matches the premium in the originating lender's reserve fund.
- As the account grows, so does the lender's cash collateral to cover losses on its entire portfolio of CAP loans.



Venture Capital Program

- Administered by Enterprise Florida
- Will assist companies with long-term growth potential seeking to create Florida jobs.
- Emphasis on those businesses that provide strong co-investment opportunities and that fall within the state's targeted industries.
- Targeting business with 500 or fewer employees but may be up to 750 employees.
- Targeting equity investments averaging \$5 million – but may be up to \$20 million.



Loan Support Program

- Enterprise Florida will offer a range of credit support including loan participation, loan guarantees and direct loans.
- Emphasis on those businesses that provide strong co-investment opportunities and that fall within the state's targeted industries or promote small business exporting.
- These credit facilities will serve businesses with up to 500 employees with loan amounts between \$50,000 and \$5,000,000.



Next Steps

- Utilizing local networks to enroll lenders
 - Chambers of Commerce
 - Small Business Development Centers
 - Black Business Investment Corporations
 - HBIF
 - Florida Bankers Association
- Diversified approach to both statewide institutions and local lenders
- Assisting Enterprise Florida in making the Venture Capital and Loan Support Programs available to eligible businesses



**ECONOMIC DEVELOPMENT
BUSINESS PLAN**



FLORIDA
DEPARTMENT *of*
ECONOMIC
OPPORTUNITY

House Economic Affairs Committee

Wednesday, September 21, 2011



State of Florida Job Creation Plan

An Overview

September 2011



FLORIDA DEPARTMENT of ECONOMIC OPPORTUNITY



Statutory Opportunity, SB 2156

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



Planning Partners

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



Vision and Mission

➤ **Vision**

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

➤ **Mission**

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



Guiding Principles

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



Partnerships – Keys to Successful Performance

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



Three Goals

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



Goal 1 – Increase Florida’s Global Competitiveness

Four Strategies

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



Goal 2 – Promote Florida as the Global Destination

Two Strategies

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



Goal 3 – Deliver World-Class Customer Service

Three Strategies

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



Benchmarks

Fiscal Years 2011-12

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



Questions?

Doug Darling

Executive Director

Department of Economic Opportunity

Chris Hart

President/CEO

Workforce Florida, Inc.

Gray Swoope

President/CEO, Enterprise Florida

Secretary of Commerce

