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# Economic Development & Tourism Subcommittee

Tuesday, January 15, 2013  
9:00 AM – 11:00 AM  
12 HOB

## Meeting Packet

**Will Weatherford**  
Speaker

**Carlos Trujillo**  
Chair



# **The Florida House of Representatives**

## **Economic Development and Tourism Subcommittee**

**Will Weatherford**  
Speaker

**Carlos Trujillo**  
Chair

**Meeting Agenda**  
**Tuesday, January 15, 2013**  
**Room 12, House Office Building**  
**9:00 a.m. – 11:00 a.m.**

- I. Call to Order**
  
- II. Roll Call**
  
- III. Welcome and Opening Remarks**
  
- IV. Presentations**
  - a. Enterprise Florida, Inc.**
  - b. Workforce Florida, Inc.**
  - c. Space Florida**
  
- V. Adjournment**





# Economic Development Competitiveness Study

# Why Evaluate Competitiveness?

- Idea formulated by Enterprise Florida's Stakeholder's Council
- Utility partners agreed to fund study



- Led by top site selection and economic development firms



# Study Goals

- Improve our win rate for competitive projects
- Understand why we lose or are not considered
- What makes a location attractive for different target industries
- Benchmarking against other states
- Interviews conducted by a third party

## Study Quote:

“Overall, the research shows Florida has made great strides in the past two years in becoming recognized as a great place to do business. With the recommendations in this report put into action, Florida will become **THE** place to do business.”

- McCallum Sweeney Consulting

# Key Industries and States

	AL	GA	MI	NC	TX
Aviation / Aerospace	✓	✓		✓	✓
Clean Technology	✓	✓	✓	✓	✓
Financial / Professional Services		✓		✓	✓
Homeland Security / Defense	✓	✓	✓	✓	✓
Information Technology	✓	✓		✓	✓
Life Sciences	✓	✓	✓	✓	✓
Manufacturing	✓	✓	✓	✓	✓
Corporate Headquarters	✓	✓			
Global Logistics	✓	✓		✓	✓



# Competitiveness Issues

KEY ISSUES	
<b>Aviation / Aerospace</b>	<ul style="list-style-type: none"> <li>• Available talent</li> <li>• Workforce training</li> </ul>
<b>Clean Technology</b>	<ul style="list-style-type: none"> <li>• Access to capital</li> <li>• State equity participation</li> </ul>
<b>Financial / Professional Services</b>	<ul style="list-style-type: none"> <li>• Ability to recruit key management talent</li> <li>• Branding</li> </ul>
<b>Homeland Security / Defense</b>	<ul style="list-style-type: none"> <li>• Cooperation with Federal delegation</li> <li>• Close to military / Federal gov't</li> </ul>
<b>Information Technology</b>	<ul style="list-style-type: none"> <li>• Talent and branding</li> <li>• Incentives for high-wage jobs</li> </ul>
<b>Life Sciences</b>	<ul style="list-style-type: none"> <li>• Collaborative partnerships</li> <li>• Funding resources</li> </ul>
<b>Manufacturing</b>	<ul style="list-style-type: none"> <li>• Incentives (capital vs. expense)</li> <li>• Workforce training</li> </ul>
<b>Corporate Headquarters</b>	<ul style="list-style-type: none"> <li>• Tax climate and overall costs</li> <li>• Incentives for high-wage jobs</li> </ul>
<b>Global Logistics</b>	<ul style="list-style-type: none"> <li>• Cost of doing business</li> <li>• Branding</li> </ul>

# Competitiveness Grades

	Company / Consultant Experience*	Local / Regional ED Perception**	State Benchmark Findings***
Cost of Doing Business	-	=	=
Real Estate and Infrastructure	-	-	-
Talent and Training	+	=	-
Incentives	=	-	=
Economic Development Strategy / Branding	-	-	=
Economic Development Administration	=	=	=

(+) Positive (-) Negative (=) Neutral

\* Based on interviews with companies and site selection consultants about their actual experiences in Florida  
 \*\* Based on a survey of local and regional economic development practitioners about their perceptions of Florida's competitiveness  
 \*\*\* Compared to the five benchmark states

# Study Recommendations

## Cost of Doing Business

- Modernize taxes
- Streamline permitting process
- Establish liaisons with other state agencies

## Real Estate / Infrastructure

- Improve portfolio of sites / buildings
- Enhance rural economic development tools
- Leverage partnerships with utilities
- Increase use of economic development riders

## Talent / Training

- Improve Quick Response Training
- Improve existing industry relationships
- Market current talent assets
- Improve project management techniques
- Align training with target industries

## Incentives

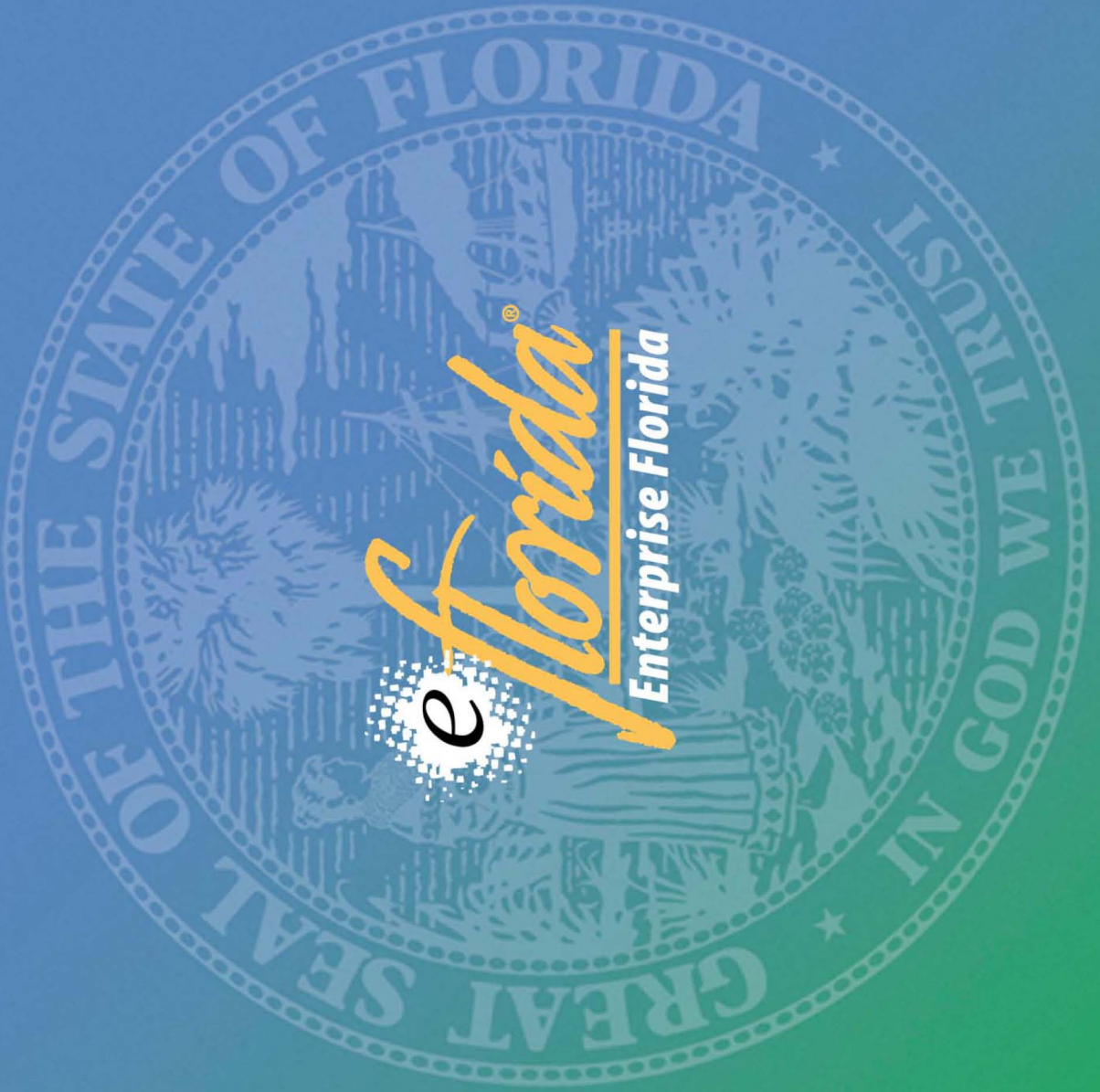
- Streamline incentive authorization process
- Enhance economic development tools
- Improve flexibility, effectiveness of existing programs
- Increase up-front incentives
- Create option for local sales tax to benefit economic development

## Economic Development Strategy / Branding

- Increase funding for marketing
- Develop and promote a strong Florida business brand
- Align marketing activities to target industries

## Economic Development Administration

- Develop staff and improve staff professionalism
- Strengthen ally network
- Expand project management team



**e** *florida*<sup>®</sup>  
Enterprise Florida



# FLORIDA

## Economic Development Legislative Agenda



- **Removal of the QTI and QDSC per company award caps**
- **Update of the Innovation Incentive Fund Approval Process**
- **Florida Infrastructure Fund**
- **Economic Development Toolkit/SEED Fund Funding**
- **Manufacturing Machinery and Equipment Tax Exemption**
- **Clarification of Florida's Economic Development Confidentiality Laws**
- **Quick Response Training Grants**



# FLORIDA

## Economic Development Legislative Agenda



- **Create a Recurring Funding Source for Spring Training Facilities**
- **Update to Professional Sports Team License Tag Statutes**
- **Rural Economic Development Programs**
- **Institutionalization of Spaceports into FDOT's Budget Planning**
- **Space Florida Financing Fund**
- **VISIT Florida Funding**

# FLORIDA

## Economic Development Legislative Agenda



VISITFLORIDA®

The Florida Infrastructure Fund (FIF) is an innovative way to fund infrastructure projects and increase private capital investment in Florida. The FIF would be a \$700 million Florida-focused infrastructure investment program for the Florida Opportunity Fund (FOF.) The FOF would raise \$700 million of investment capital from private capital sources to fund the program, to go along with \$700 million in future contingent tax credits used only as a guarantee to the principal investment to program investors. Creation of the FIF could potentially result in over \$6 billion in funding for infrastructure projects and over 60,000 new jobs. **EFI supports the creation of the Florida Infrastructure Fund.**

Currently businesses are capped at \$7m for the total amount of QTI or QDSC award payments they can receive. This legislation would remove the per company cap for these programs and encourage companies to continue to invest in Florida and create additional jobs. **EFI supports the removal of the QTI and QDSC Award Caps**

Speed is one of the most critical deciding factors for businesses. When making a relocation or expansion decision the faster the state can award an incentive approval the more likely a business is going to choose Florida. All current awards for the Innovation Incentive Fund must be approved by the Legislative Budget Commission (LBC). Mirroring the Innovation Incentive Fund approval process after the Quick Action Closing (QAC) Fund will allow for a much quicker response to competitive projects. **EFI supports changing the Innovation Incentive Fund approval process to match the Quick Action Closing Fund process.**

Florida's manufacturers are at a disadvantage versus other Southeastern states when purchasing machinery and equipment. Currently manufacturers must have a 5% increase in productivity in order to qualify for a sales tax exemption. Reducing the productivity requirement simplifies the process and allows the manufacturer to focus on equipment purchases without worrying about qualifying for a sales tax exemption, and thus, making Florida's manufacturing sector more competitive with other states.

**EFI supports reducing the 5% increase in productivity requirement to qualify for sales tax exemptions on manufacturing machinery and equipment.**

The Economic Development Toolkit contains incentive programs the state uses to retain and grow existing Florida companies and competitively compete for new business. Reinforcing the individual and collective importance of the programs in the toolkit is critical to maintaining a high level of legislative support. **EFI supports Governor Scott's recommendations for competitively funding the Economic Development Toolkit via the SEED Fund, which will allow greater flexibility in spending to support programs related to job creation.**

Governor's Scott and his staff are an integral part of Florida's economic development recruitment process as well as the actively involved in economic development projects. It is extremely important that the Governor and other state agencies involved in economic development are covered under Florida's confidentiality laws. **EFI supports clarifying statutes to ensure the Governor and state agencies are covered under Florida's confidentiality laws.**

### Florida Infrastructure Fund

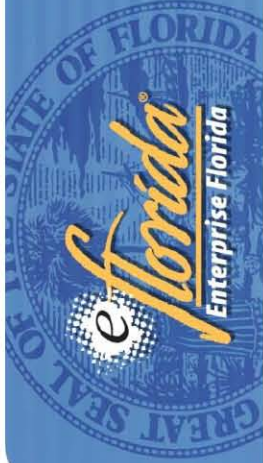
### Removal of the QTI and QDSC per company award caps

### Update of the Innovation Incentive Fund Approval Process

### Manufacturing Machinery and Equipment Tax Exemption

### Economic Development Toolkit/SEED Fund Funding

### Clarification of Florida's Economic Development Confidentiality Laws



<p><b>Create a Recurring Funding Source for Spring Training Facilities Improvements</b></p>	<p>With five teams who have leases expiring with Florida's communities in the near future, it is imperative that Florida have in place a mechanism to help ensure these teams stay in Florida. By creating a funding source for future new construction facility upgrades Florida will position itself to retain these teams and potentially recruit additional teams. Increase award amounts to \$5m by continuing with funding from sales tax collections from 14 current stadiums (generating \$3m) and add a recurring \$2m from the SEED fund. <b>EFI supports the creation of a dedicated funding source for spring training facilities.</b></p>
<p><b>Update to Professional Sports Team License Tag Statutes</b></p>	<p>Currently professional sports team license tag money is directed through trust funds that are charging an 8% fee, unlike most license tag programs. By dissolving current TFs and moving tag funds directly to Enterprise Florida for distribution in the Florida Sports Grant program there is an automatic increase in the funds available for the program. In addition current Florida Sports license plate revenues are capped at \$2.5m and many tags are close to reaching that cap. If the cap was increased to \$3.5m professional sports team will be able to increase marketing efforts to increase revenue. <b>EFI supports updating professional sports team license tag statutes.</b></p>
<p><b>Space Florida Financing Fund</b></p>	<p>In 2010 Space Florida was appropriated \$10m specifically to utilize financing tools- however no funds have been appropriated since that time. As Space Florida's main tool for recruiting business to Florida, EFI and Space Florida are requesting an additional \$10m in appropriations for the fund. <b>EFI supports funding the Space Florida Financing Fund at \$10m.</b></p>
<p><b>Institutionalization of Spaceports into FDOT's budget planning</b></p>	<p>Spaceports are a mode of transportation and should be funded like seaports, roads and rail in FDOT's budget. By creating a structure for funding spaceports by setting annual minimums, rules and guidance Florida will ensure consistent treatment of its spaceports. <b>EFI supports the institutionalization of spaceports into FDOT's budget planning.</b></p>
<p><b>Quick Response Training Grants</b></p>	<p>Training of worker's continues to be a critical part of the economic development process and full funding is needed. <b>EFI supports Workforce Florida's budget request for QRT funding.</b></p>
<p><b>VISIT FLORIDA</b></p>	<p>Florida's tourism industry remains an important aspect of Florida's economy. <b>EFI supports VISIT Florida's funding request for 2013-2014.</b></p>
<p><b>Rural Economic Development Programs</b></p>	<p>**Enterprise Florida is currently conducting a rural economic development strategic plan study. Legislative recommendations will be forthcoming once the plan is completed. EFI will support legislative recommendations as suggested.**</p>
<p><b>Additional Items EFI Support</b></p>	<ul style="list-style-type: none"> <li>• Governor Scott's JOBS Agenda</li> <li>• Policy initiatives that increase Florida's competitiveness in business development</li> </ul>

**Enterprise Florida Legislative Affairs Team**

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# Florida's Workforce System

FLORIDA HOUSE OF  
REPRESENTATIVES  
*Economic Development &  
Tourism Subcommittee*

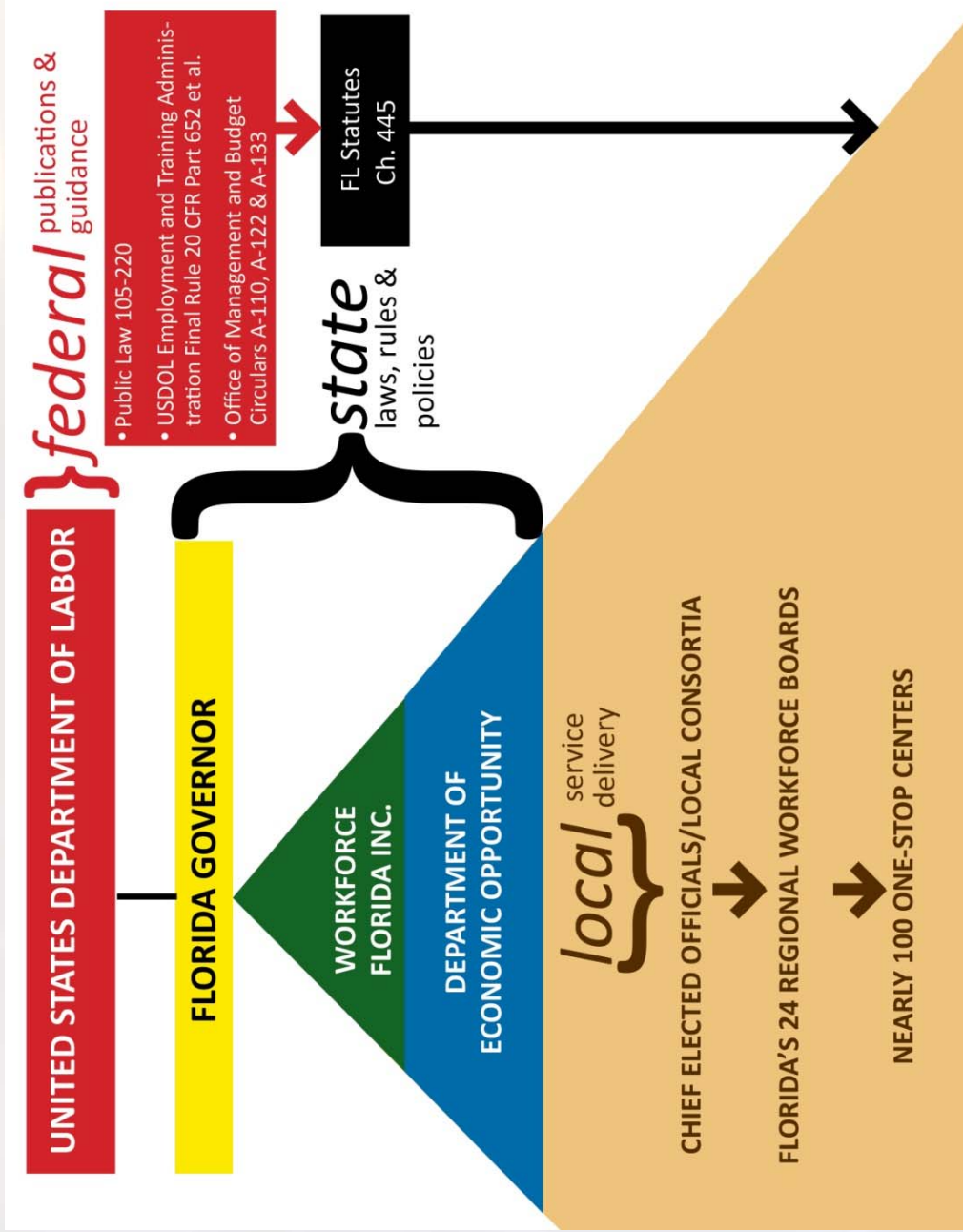
January 15, 2013



Chris Hart IV, President/CEO  
Workforce Florida Inc.



# Florida's Workforce System



# Indicators-at-a-Glance

## Strategic Services

Workforce System: Job Placements\*

(Jan. – Dec. 2012)

Statewide Total: **426,064**

Reemployment  
Assistance  
Claimants:  
**111,173**

**Vets: 29,099**

Workforce System: Business Services\*

(Jan. – Oct. 2012)

Employers  
Served:  
**52,031**

\*Source: Florida Department of Economic Opportunity

# Regional Workforce Board Accountability Act

- Regional Workforce Board Membership
- Individual Training Accounts (ITAs)
- Procurement & Expenditure Policies
- Budget Review
- Statewide Brand

# Strategic Services

## Workforce Florida: Quick Response Training Program (QRT)



## Workforce Florida: Incumbent Worker Training Program (IWT)



# Quick Response Training

- **Performance-based Investment of Program Funds**
  - Companies do not receive funds until after they have performed according to the contract – including jobs created.
- **Helps Companies Create and Retain Jobs**
  - From 2000 to 2012, QRT has been used to help Florida companies train more than 99,000 new and existing employees.
- **Increases Workers' Earning Potential**
  - QRT trainees' wages increased more than 47 percent within a year of completing training.

# Quick Response Training

- **Helps to Distinguish Florida as a leader**
  - Cited No. 1 program with largest impact Florida economic developers' ability to win multi-state competitive projects in the *2012 Florida Target Industry Competitiveness Report*.
  - A factor in Florida's No. 1 ranking for workforce and job training programs by U.S. Chamber of Commerce and National Chamber Foundation in *2011 Entering States* report.



# QRT Success Examples

- **\$170,700 QRT Grant Awarded to Visa Call Center in Miami** (*closed grant*)
  - Over two years, helped company train for 397 new jobs (committed to train for 348).
- **\$153,500 QRT Grant Awarded to Amcor Rigid Plastics in Orange County** (*open grant*)
  - Planned for use in training more than 80 existing employees and 30 new hires.
  - Has helped plant increase productivity so much that further expansion is planned, likely to result in more new jobs.

# What Makes QRT Competitive?

- Company Always Selects the Training Provider
- Company Can Design Training Plan
- All Customized, Skills-based Training is Allowed
- Flexible, Demand-driven Grant Program
- Opportunities for Consortium Grants

# Questions





# Thank You

Chris Hart IV  
[chart@workforceflorida.com](mailto:chart@workforceflorida.com)





# ***HOUSE ECONOMIC DEVELOPMENT AND TOURISM SUBCOMMITTEE***

**Frank DiBello, President  
Space Florida**

**January 15, 2013**



[www.spaceflorida.gov](http://www.spaceflorida.gov)



# OVERVIEW TOPICS

- *About Space Florida*
- *Role in Economic Development*
- *Recent Initiatives / Achievements*
- *Legislative Requests*



Adventure Tourism



# MISSION & GOALS

- *Serve as the State's Spaceport Authority!*
- *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*
- *Support Aerospace Growth and economic contribution ... ... Statewide!*



Ground and Operations  
Support Systems





# STRUCTURE

*Legislatively Chartered Public Corporation  
&  
Independent Special District of the State  
Contract to Department of Economic Opportunity  
... Responsible for Aerospace Industry Growth  
and Spaceport Authority Functions*

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



Ground and Operations  
Support Systems



# BOARD GOVERNANCE

- *Board constructed of the 12 appointed members of the Enterprise Florida Board*
- *Chaired by Lieutenant Governor Carroll*
- *6 appointments made by Governor*
- *3 by Speaker of the House*
- *3 by President of the Senate*

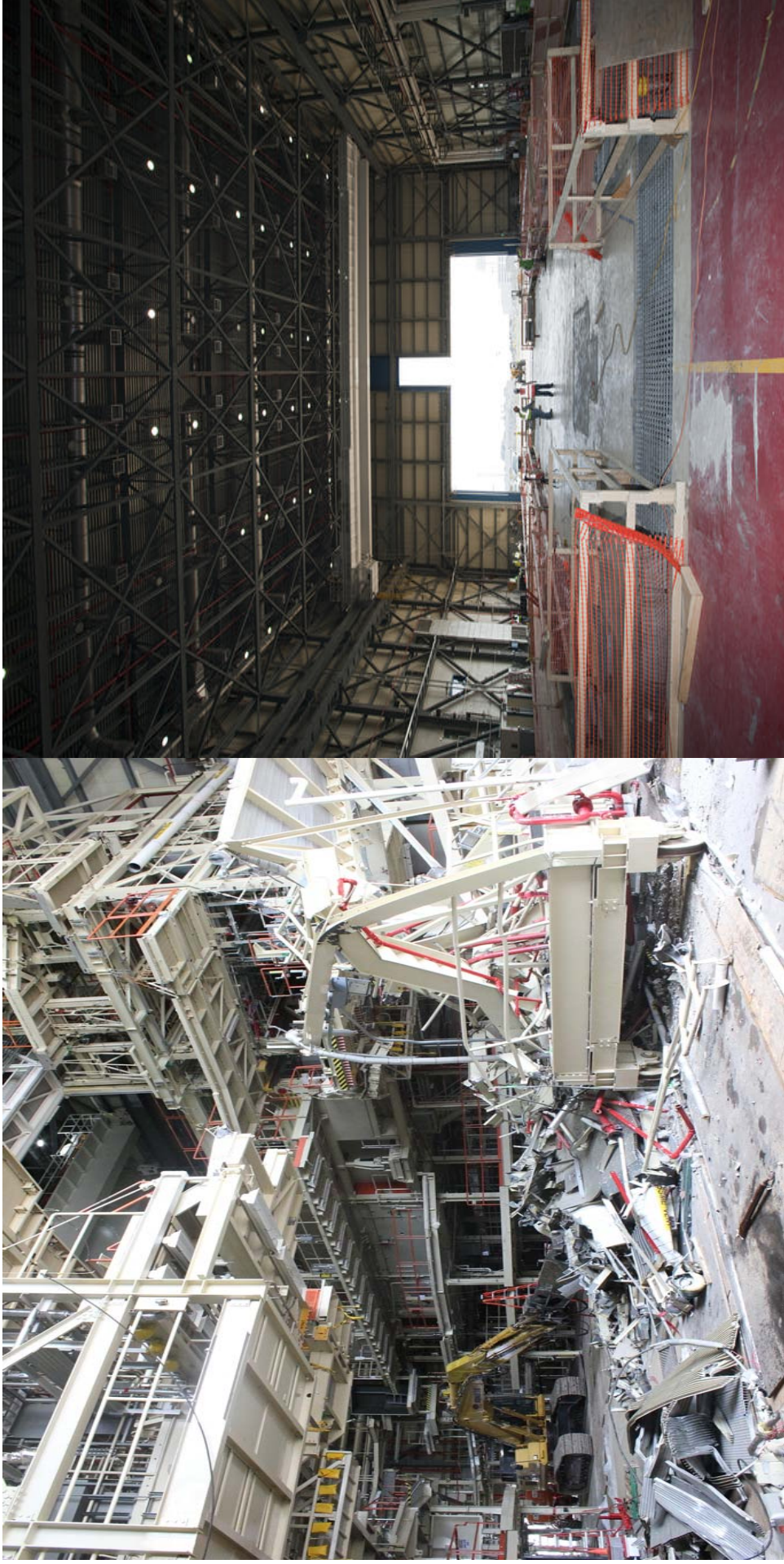


Launch Systems and Support



# RECENT ACHIEVEMENT – KSC Transformation

## *Commercializing Orbiter Processing Facility-3*

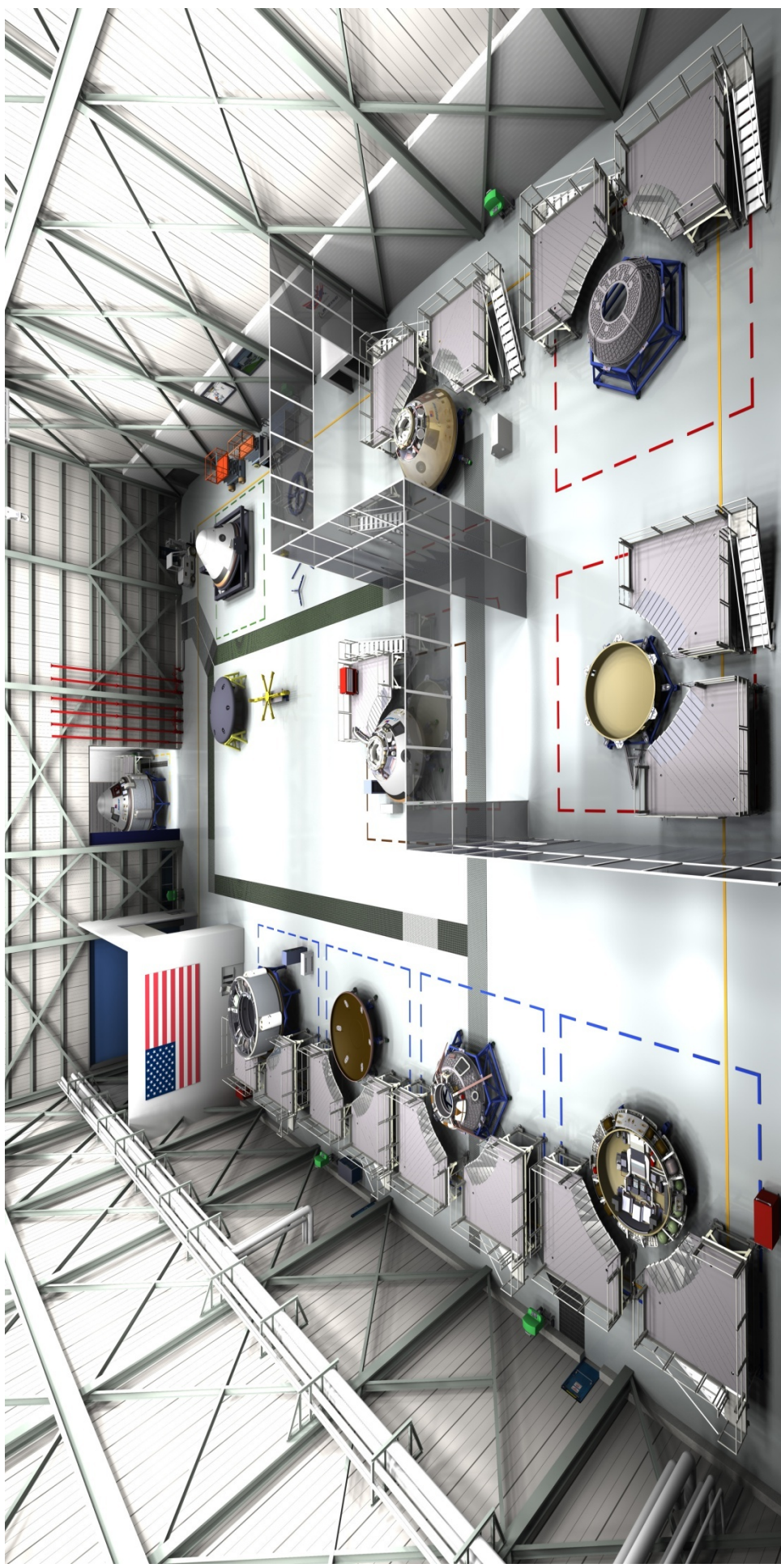


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# RECENT ACHIEVEMENT – KSC Transformation

## *Now Commercial Crew and Cargo Processing Facility (3CPF)*



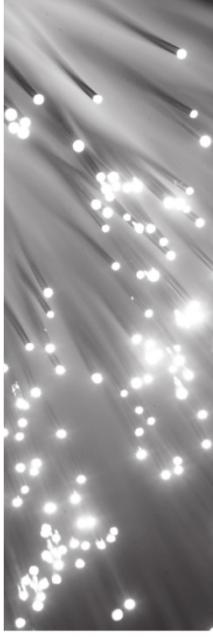
[www.spaceflorida.gov](http://www.spaceflorida.gov)

# RECENT ACHIEVEMENT – EMBRAER

## *Design/Engineering and Technology Center USA*



[www.spaceflorida.gov](http://www.spaceflorida.gov)



# RECENT ACHIEVEMENT – SIERRA NEVADA

*Next-Generation Spacecraft Operations / Support*



[www.spaceflorida.gov](http://www.spaceflorida.gov)



# RECENT ACHIEVEMENT – SPACE-X

*Docking with International Space Station – CRS1*



[www.spaceflorida.gov](http://www.spaceflorida.gov)



# ACTIVE PROJECT- COMMERCIAL SPACEPORT

*Commercial Spaceport ... away from Federal Property*



[www.spaceflorida.gov](http://www.spaceflorida.gov)





# ACTIVE PROJECT- COMMERCIALIZE the SLF

*Turn Shuttle Landing Facility into Horizontal Spaceport*



[www.spaceflorida.gov](http://www.spaceflorida.gov)



# 2013 Legislative Priorities

- ***Budget***
  - ***\$10 million for business development and operations (\$4 million recurring) in current year***
- ***Financing Funds***
  - ***\$10 million appropriated in 2010 session***
  - ***Most important tool in “tool kit”***
  - ***~1500 aerospace jobs created from 2010 funds***
- ***Tool unique to Space Florida***



Ground and Operations  
Support Systems



# 2013 Legislative Priorities

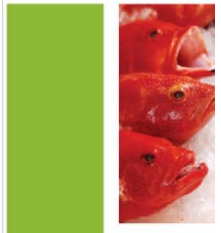
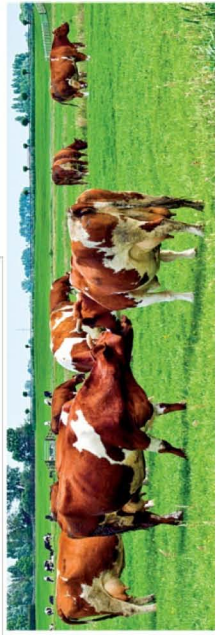
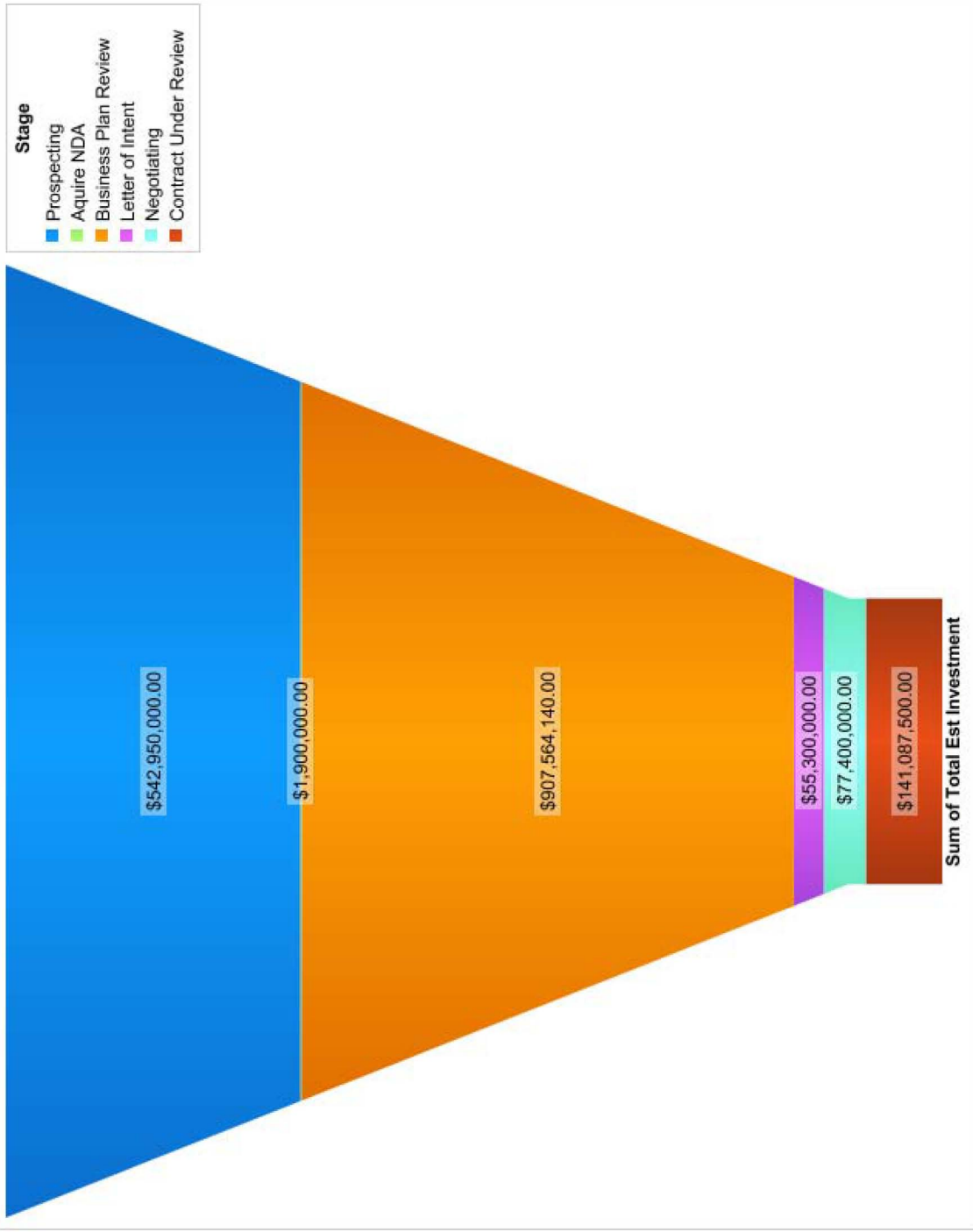
- *Policy*
  - *Space Codification with FDOT Package*
  - *Similar to Seaports in 2012*
  - *Sets minimum annual seaport funding levels*
  - *Financing backstop*
  - *QTI/QDSC Per-Company Cap Removal*
  - *Passed by Florida House in 2012*



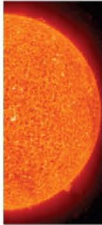
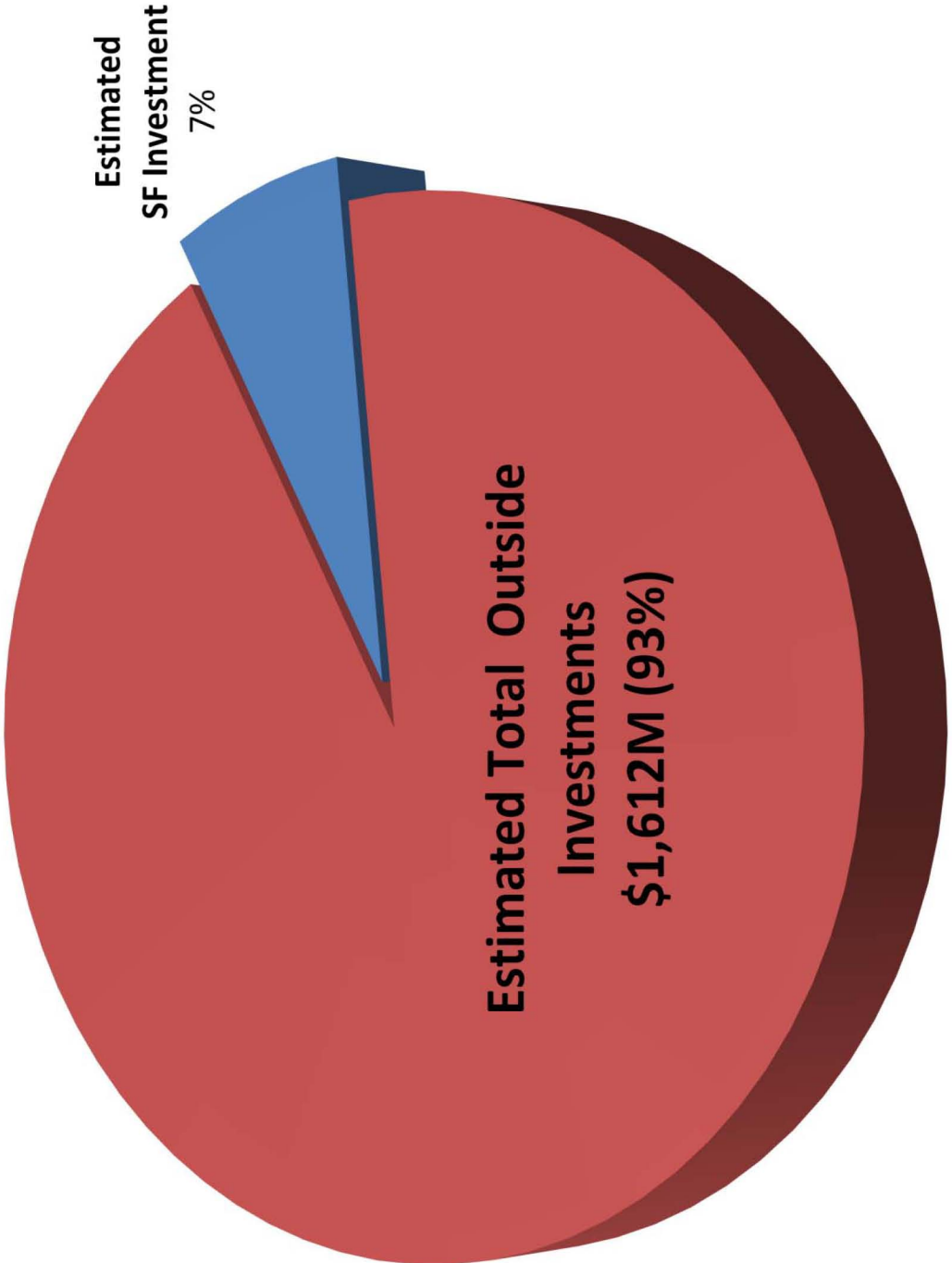
Ground and Operations  
Support Systems



# Statewide Projects in the Pipeline ... 80+ Deals

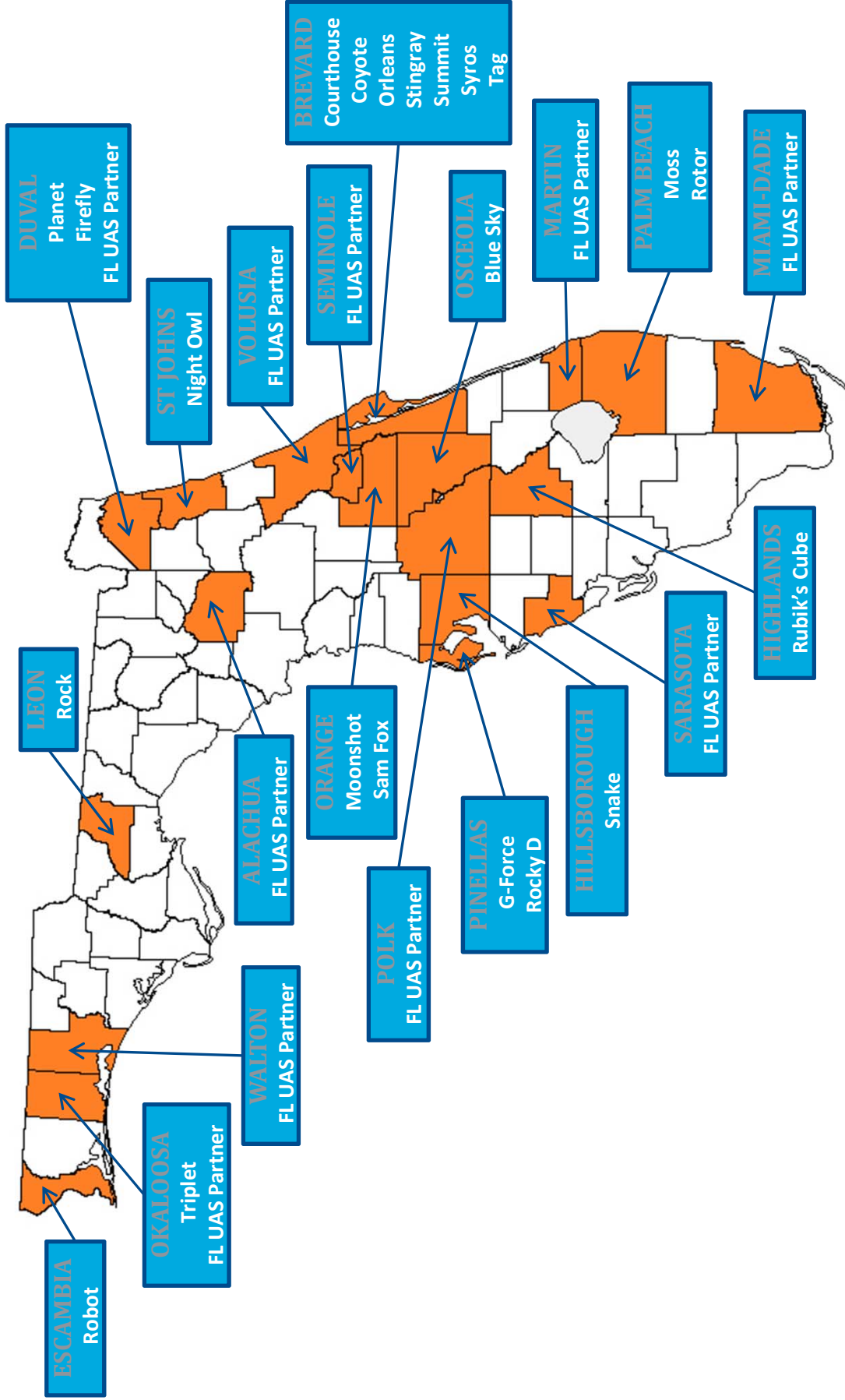


# Space Florida Estimated Strategic Investments



Clean Energy

# SPACE FLORIDA'S KEY PROJECTS BY COUNTY



# ***HOUSE ECONOMIC DEVELOPMENT AND TOURISM SUBCOMMITTEE***

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