

Transportation & Economic Development Appropriations Committee

October 6, 2009

10:30 a.m.

Morris Hall, 17 House Office Building

Action Packet

**Larry Cretul
Speaker**

**Richard Glorioso
Chair**

COMMITTEE MEETING REPORT

Transportation & Economic Development Appropriations Committee

10/6/2009 10:30:00AM

Location: Morris Hall (17 HOB)

Summary: No Bills Considered

Committee meeting was reported out: Tuesday, October 06, 2009 1:00:02PM

COMMITTEE MEETING REPORT

Transportation & Economic Development Appropriations Committee

10/6/2009 10:30:00AM

Location: Morris Hall (17 HOB)

Attendance:

	<i>Present</i>	<i>Absent</i>	<i>Excused</i>
Richard Glorioso (Chair)	X		
Gary Aubuchon	X		
Esteban Bovo, Jr.	X		
Jennifer Carroll	X		
Joseph Gibbons	X		
Audrey Gibson	X		
Mike Horner	X		
Dorothy Hukill	X		
Evan Jenne	X		
Dave Murzin	X		
Jimmy Patronis	X		
Hazelle Rogers	X		
Maria Sachs	X		
Robert Schenck	X		
Totals:	14	0	0

Committee meeting was reported out: Tuesday, October 06, 2009 1:00:02PM

COMMITTEE MEETING REPORT

Transportation & Economic Development Appropriations Committee

10/6/2009 10:30:00AM

Location: Morris Hall (17 HOB)

Other Business Appearance:

Julie Jones (Lobbyist) (State Employee) - Information Only
Department of Highway Safety and Motor Vehicles
2900 Apalachee Parkway
Tallahassee, Florida
Phone: 617-3100

Stephanie Kopelousos, Secretary of Transportation (State Employee) - Information Only
Department of Transportation
605 Suwannee Street
Tallahassee, Florida 32399
Phone: 850-414-4100

EFI Overview

John Adams (General Public) - Opponent
Enterprise Florida, Inc.
Orlando, Florida

Florida Sports Foundation Budget/Programs

Larry Pendleton, President (General Public) - Opponent
Florida Sprots Foundation
2930 Kerry Forest Parkway
Tallahassee, Florida 32309
Phone: 850-488-8347

Committee meeting was reported out: Tuesday, October 06, 2009 1:00:02PM

Handed Out During Committee Meeting

John Adams, President

Enterprise Florida, Inc.

Enterprise Florida

Jobs and Investment Profile – 2005 to 2009



Positive Year-on-Year Performance (per Ernst & Young)

	Jobs Created *	Labor Income (Billions)	Tax Rev State & Local (Millions)
2008-09	45,056	\$ 2.4	\$117.6
2007-08	62,250	\$ 3.5	\$190.6
2006-07	65,000	\$ 2.7	\$182.2
2005-06	58,600	\$ 2.2	\$158.4
2004-05	67,150	<u>\$ 2.3</u>	<u>\$155.0</u>
Total Return to State:		\$13.1 Billion	\$803.80**

*Includes multiplier job impact.

**Represents only year-one of this investment/tax contribution to the Florida economy

Project Development Impact Snapshot

	Capital Investment (Billions)	% Average Wage	EFI jobs added impact to Florida Gross State Product (per Ernst & Young) (Billions)	EFI Appropriation (Millions)
2008-09	\$1.1	132%	\$3.32	\$11.1
2007-08	\$2.3	151%	\$5.00	\$12.2
2006-07	\$1.8	152%	\$3.79	\$12.2
2005-06	\$1.5	136%	\$3.06	\$11.7
2004-05	\$1.1	128%	\$3.12	\$10.8

Strategic Marketing & Branding Florida Business & Investment

- Award-winning EFI website – honored by the World Bank, Web Marketing Association and International Economic Development Council
 - Approximately 300,000 people from over 120 countries access the website annually
 - Website has over 4,000 pages, updated on a real-time basis
- Marketing programs have reached over 60 million executives globally in targeted clusters
 - Programs have established a database of over 25,000 people across 60 countries who are interested in learning about Florida
- Generated over 300 leads annually and a five-year marketing return on investment (MROI) of 21:1 (capital investment dollars generated from established projects as a direct result of marketing dollars spent).

Military & Defense Network

- Over \$57.5 billion impact to Florida economy
- Over 750,000 jobs
- 20 military bases and 3 unified commands
- R&D Investment in Millions

24-Sep-09

**ENTERPRISE FLORIDA, INC.
FISCAL YEAR 2009-2010 DRAFT BUDGET**

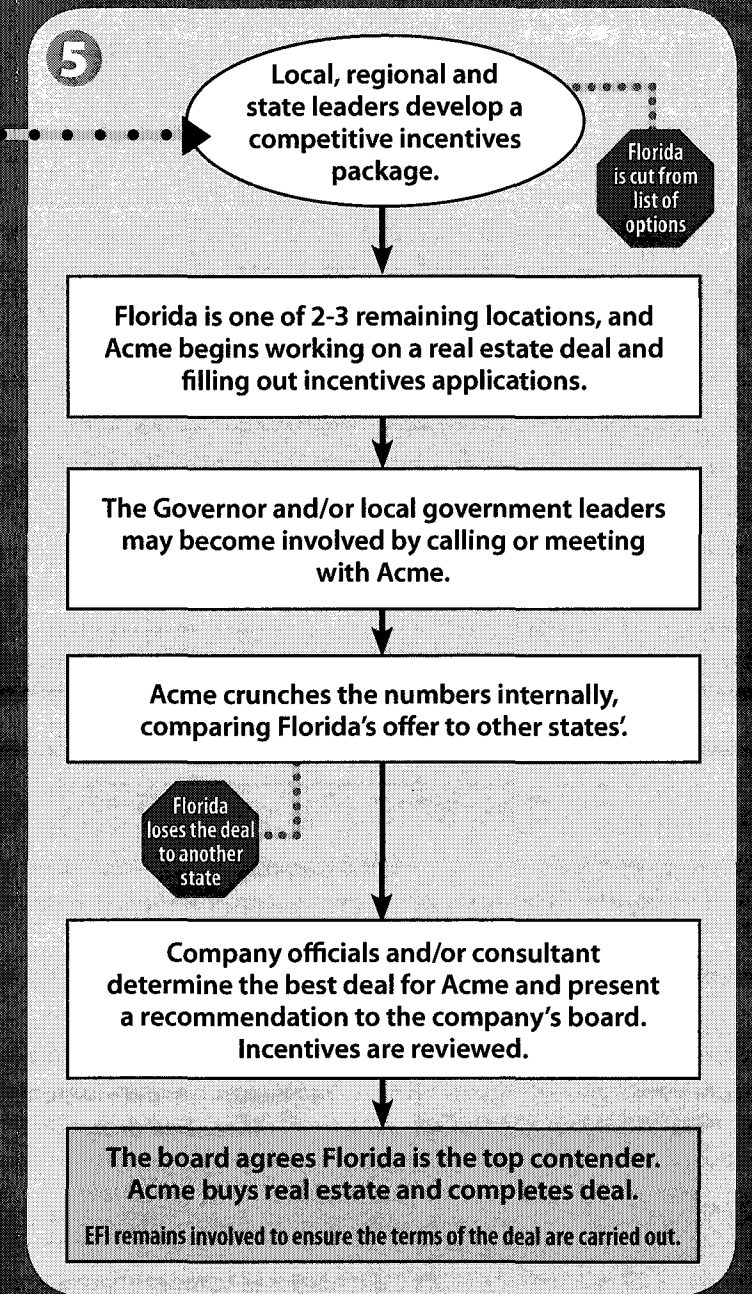
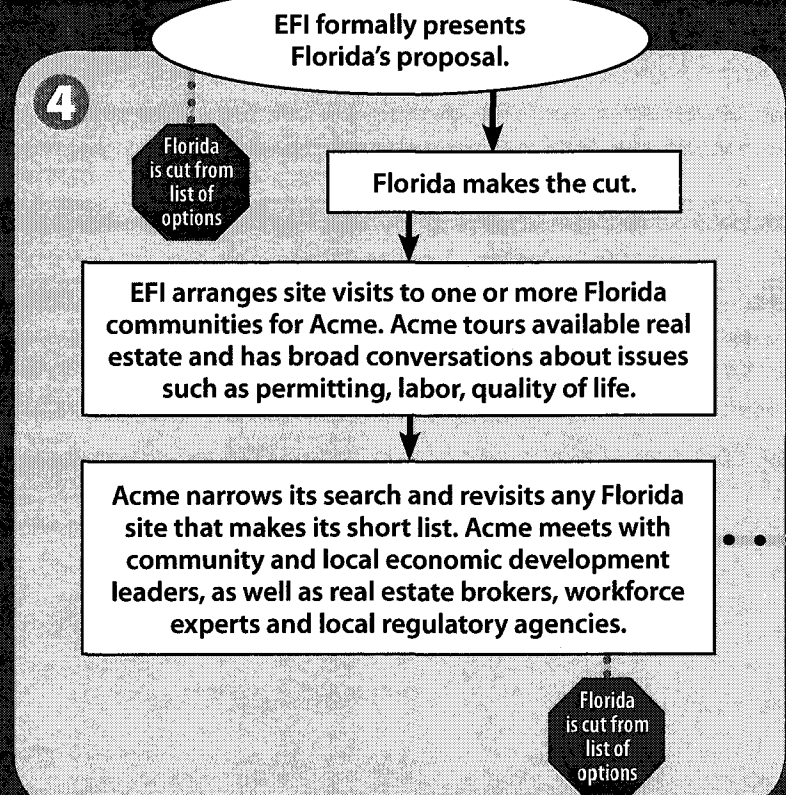
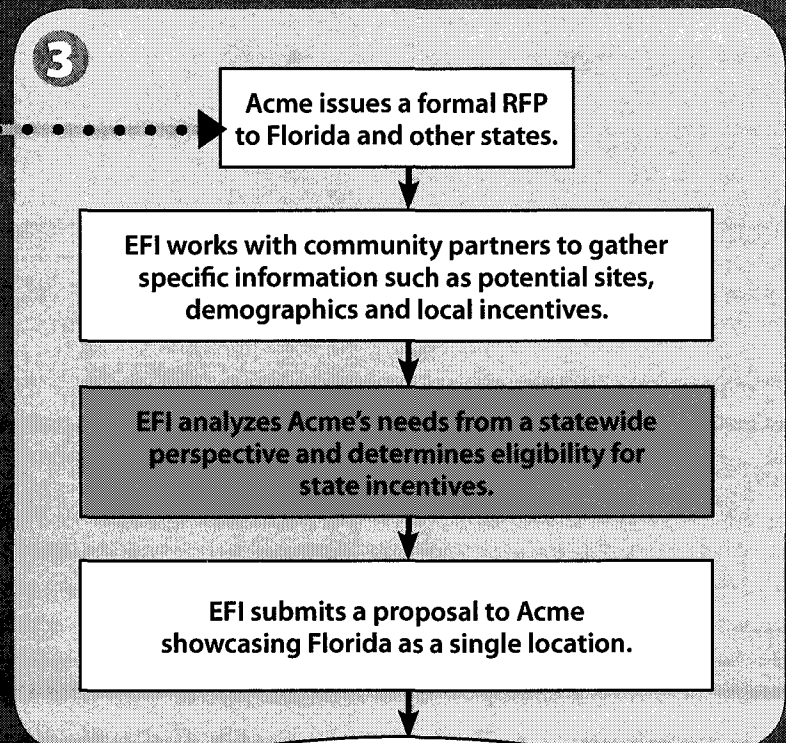
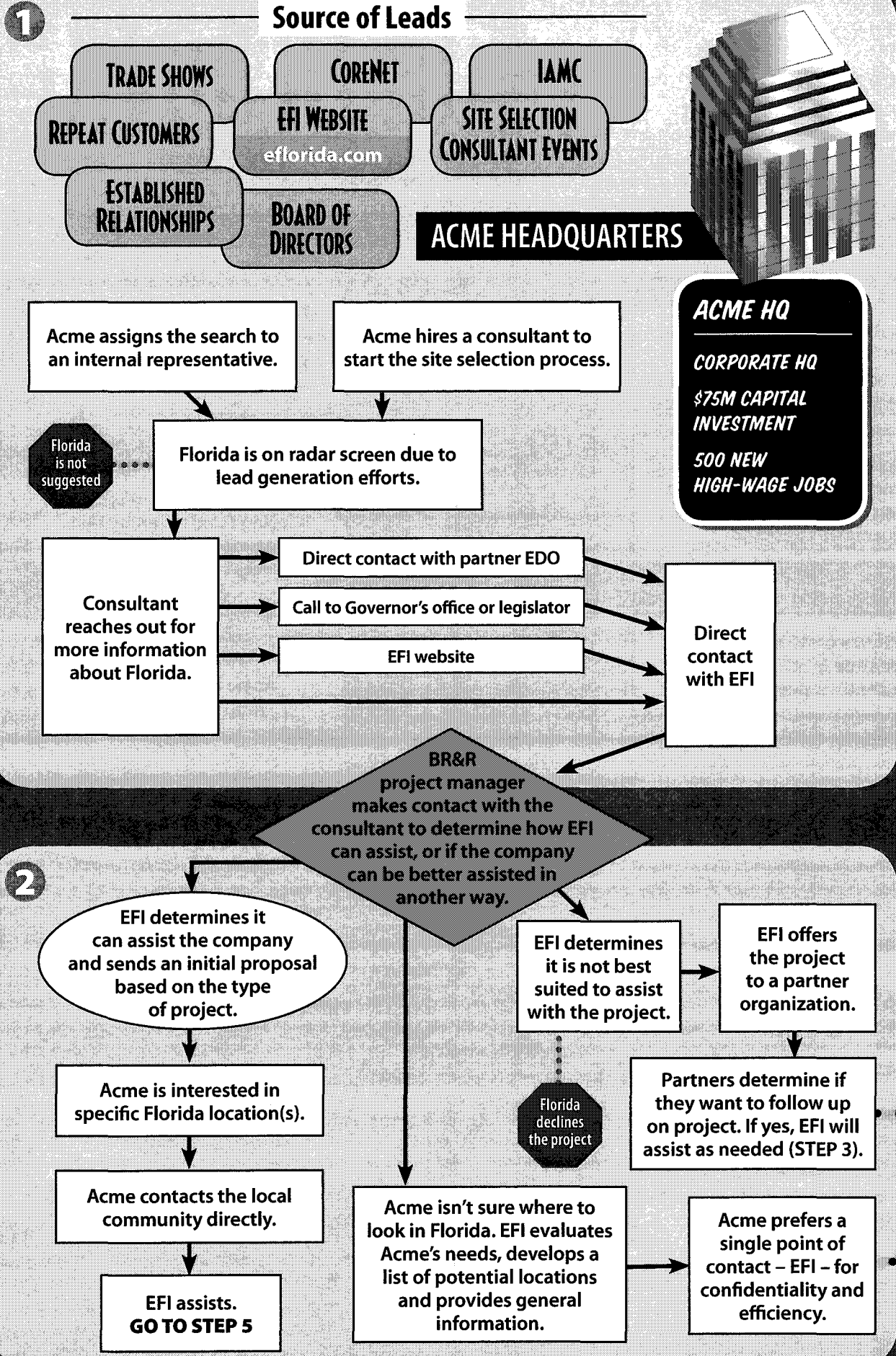
	FY 09/10 BUDGET	SOURCE OF FUNDS (1)				FY 08/09 BUDGET
		STATE APPROPRIATION (2)	CORPORATE CONTRIBUTIONS (3)	ANTICIPATED REVENUES/FEEES (4)	TEMPORARILY RESTRICTED (5)	
ADMINISTRATIVE SUPPORT DIVISION	\$ 3,171,458	\$ 2,598,500	\$ 327,739	\$ 186,000	\$ -	\$ 3,439,309
BUSINESS DEVELOPMENT DIVISION						
<i>International Trade and Business Development</i>	4,461,360	3,655,368	461,038	711,500	100,000	4,805,951
<i>Marketing & Information</i>	2,282,617	1,870,238	235,887	-	-	2,266,195
<i>Retention/Recruitment</i>	2,316,076	1,897,652	239,343	150,000	200,000	2,760,406
<i>External Affairs</i>	1,315,989	1,078,241	135,994	-	200,000	1,616,139
SUBTOTAL BUSINESS DEVELOPMENT DIVISION	10,376,042	8,501,500	1,072,262	861,500	500,000	11,448,691
SUBTOTAL ENTERPRISE FLORIDA, INC. OPERATIONS	13,547,500	11,100,000	1,400,000	1,047,500	500,000	14,888,000
NON OPERATING FUNDS						
<i>Military Base Protection Grants</i>	150,000	150,000	-	-	-	2,000,000
<i>Defense Infrastructure Grants</i>	500,000	500,000	-	-	-	1,500,000
<i>Defense Reinvestment Grants</i>	850,000	850,000	-	-	-	1,000,000
<i>Gateway Florida</i>	250,000	250,000	-	-	-	-
<i>SEUS/Japan</i>	250,000	250,000	-	-	-	250,000
<i>Florida Intl Business Expansion Initiative</i>	-	-	-	-	-	1,900,000
<i>Rural Community Development Grants</i>	1,300,000	1,300,000	-	-	-	400,000
<i>Florida Trade & Exhibition Center</i>	450,000	450,000	-	-	-	300,000
SUBTOTAL NON OPERATING FUNDS	3,750,000	3,750,000	-	-	-	7,350,000
TOTAL BUDGET - ENTERPRISE FLORIDA, INC.	17,297,500	14,850,000	1,400,000	1,047,500	500,000	22,238,000

- (1) Funds budgeted are based on projected 2009-2010 revenues. This is a zero-based budget in that revenues equal expenses with no anticipated use of net assets budgeted.
- (2) State Appropriation is based on 2009-2010 General Appropriation Act and other substantive legislation which appropriates funds to EFI. Funds are allocated to the division based on budget needs.
- (3) Corporate contributions are based on projected fiscal year 2009-2010 collections and are allocated based on budget needs.
- (4) Anticipated fees and revenues to be raised by program areas.
- (5) Temporarily restricted program funds received and recorded as revenue in prior years, expenses expected to be incurred in 2009-2010.



THE ART OF THE DEAL

A Sample Economic Development Project — from Start to Finish



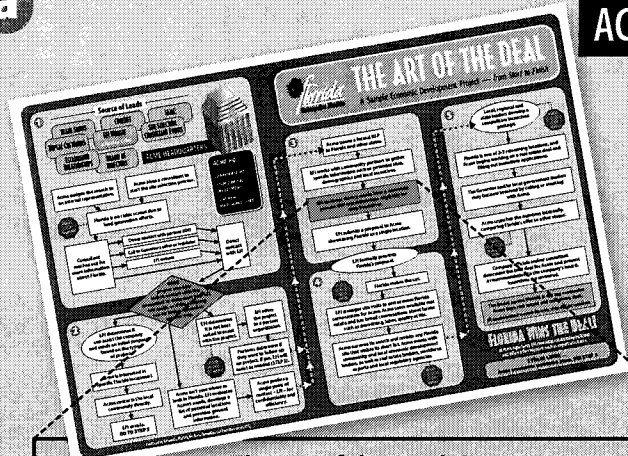
FLORIDA WINS THE DEAL!

In the longer term, EFI continues relationship building and offers other support, such as export assistance.

2 YEARS LATER ...
Acme announces expansion plans. SEE STEP 3

Step 3 (From The Art of the Deal)

a



ACME HEADQUARTERS

ACME HQ

CORPORATE HQ
\$75M CAPITAL INVESTMENT
500 NEW HIGH-WAGE JOBS

The Art of the Deal, Step 3

EFI analyzes Acme's needs from a statewide perspective and determines eligibility for state incentives.

Acme provides introduction to project and completes General Project Overview. EFI conducts basic due diligence.

EFI assesses project needs.

EFI identifies solutions that will meet Acme's needs (may include incentives).

Incentives are not part of the solution.

EFI ensures Acme's eligibility for incentive programs.

EFI assesses competitive environment to ensure Florida's incentives are appropriate and competitive.

efl **THE ART OF THE DEAL**
 Enterprise Florida
PART 2: THE INCENTIVES

b

Acme completes and submits specific incentive applications.

Local community does not support incentives.

EFI works to understand local community's level of contribution and participation in the overall incentives package.

EFI analyzes costs and benefits to the state given proposed incentives packages.

Governor's office declines; prepares alternative package.

EFI consults with Governor's office regarding proposed incentives package.

EFI negotiates incentives package with Acme.

EFI conducts further research. Counter negotiations may take place.

Governor/OTTED declines; prepares alternative package.

EFI presents deal to Governor/OTTED for approval.

c

If Closing Fund or Innovation Fund are involved, Governor consults with Senate President and Speaker of the House.

LBC does not approve funding.

EFI and OTTED present Closing Fund or Innovation Fund proposal to Legislative Budget Committee for approval.

Acme is informed of incentives award.

Performance contract is negotiated between Acme and OTTED.

d

Acme expands or locates in Florida.

OTTED performs annual compliance checks per contract terms.

2 YEARS LATER ...
 Acme contemplates expansion plans. SEE STEP 2.