

By the Committee on Commerce and Economic Opportunities; and
 Senator Kirkpatrick

310-2032-99

1 A bill to be entitled
 2 An act relating to economic development;
 3 providing legislative findings and declarations
 4 with respect to the global competition that is
 5 encountered by the state in attracting certain
 6 high-impact business facilities; creating the
 7 Florida Economic Development Closing Fund
 8 within the Office of Tourism, Trade, and
 9 Economic Development; requiring Enterprise
 10 Florida, Inc., to evaluate and recommend
 11 high-impact facilities eligible for a payment
 12 of moneys from the fund; providing eligibility
 13 criteria; requiring that such payments be
 14 approved by the Governor, following approval by
 15 the President of the Senate and the Speaker of
 16 the House of Representatives; providing certain
 17 requirements for the contract awarding moneys
 18 from the fund; requiring Enterprise Florida,
 19 Inc., to validate contractor performance;
 20 providing for a report to the Governor,
 21 President of the Senate, and the Speaker of the
 22 House of Representatives; providing that
 23 certain funds are not subject to reversion;
 24 providing an appropriation; providing a
 25 contingent effective date.

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 27 Be It Enacted by the Legislature of the State of Florida:

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 29 Section 1. Florida Economic Development Closing
 30 Fund.--

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1 (1)(a) The Legislature finds that attracting,
2 retaining, and providing favorable conditions for the growth
3 of certain high-impact business facilities provides widespread
4 economic benefits to the public through high-quality
5 employment opportunities in such facilities and in related
6 facilities attracted to the state, through the increased tax
7 base provided by the high-impact facility and businesses in
8 related sectors, through an enhanced entrepreneurial climate
9 in the state and the resulting business and employment
10 opportunities, and through the stimulation and enhancement of
11 the state's universities and community colleges. In the global
12 economy, there exists serious and fierce international
13 competition for these facilities, and in most instances, when
14 all available resources for economic development have been
15 used, the state continues to encounter severe competitive
16 disadvantages in vying for these high-impact business
17 facilities.

18 (b) The Legislature therefore declares that sufficient
19 resources shall be available to respond to extraordinary
20 economic opportunities and to compete effectively for these
21 high-impact business facilities.

22 (2) There is created within the Office of Tourism,
23 Trade, and Economic Development the Florida Economic
24 Development Closing Fund.

25 (3)(a) Enterprise Florida, Inc., shall evaluate
26 individual proposals for high-impact business facilities and
27 forward recommendations regarding the use of moneys in the
28 fund for such facilities to the director of the Office of
29 Tourism, Trade, and Economic Development. Such evaluation and
30 recommendation must include, but need not be limited to:

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1 1. A description of the type of facility, its business
2 operation, and the product or service associated with the
3 facility.

4 2. The number of full-time-equivalent jobs that will
5 be created by the facility and the total estimated average
6 annual wages of those jobs.

7 3. The cumulative amount of investment to be dedicated
8 to the facility within a specified period.

9 4. A statement of any special impacts the facility is
10 expected to stimulate in a particular business sector in the
11 state or regional economy or in the state's universities and
12 community colleges.

13 5. A statement of environmental or regulatory issues
14 involved with the project.

15 6. A statement in which Enterprise Florida, Inc., must
16 indicate that in its best judgment the high-impact business
17 facility project will not occur at the proposed site in
18 Florida without the specified offer requested from the fund.

19 (b) The business must have provided a performance bond
20 that guarantees the creation of jobs for at least 10 years.

21 (c) The high-impact business facility must create at
22 least 1,000 jobs, or create at least 300 jobs in a rural
23 community or a distressed urban-core community. The jobs to be
24 created must pay a wage that exceeds the average wage in the
25 affected community by 20 percent, and the employer must
26 provide a health-benefit package for employees.

27 (d) Except in the case of a rural community or a
28 distressed urban core community, the high-impact business
29 facility must be one of the types of businesses targeted under
30 the tax refund program for qualified target industry
31 businesses under section 288.106, Florida Statutes; the

1 qualified defense contractor tax refund program under section
2 288.1045, Florida Statutes; or the high-impact business
3 program under section 288.108, Florida Statutes.

4 (e) Upon receipt of the evaluation and recommendation
5 from Enterprise Florida, Inc., the director shall recommend
6 approval or disapproval of a project for receipt of funds from
7 the Florida Economic Development Closing Fund to the Governor.
8 In recommending a high-impact business facility, the director
9 shall include proposed performance conditions that the
10 facility must meet to obtain incentive funds. The Governor
11 shall obtain approval from the President of the Senate and the
12 Speaker of the House of Representatives before giving final
13 approval for a project.

14 (f) Upon the approval of the Governor, the director of
15 the Office of Tourism, Trade, and Economic Development and the
16 high-impact business shall enter into a contract that sets
17 forth the conditions for payment of moneys from the fund. The
18 contract must include the total amount of funds awarded; the
19 performance conditions that must be met to obtain the award,
20 including, but not limited to, net new employment in the
21 state, average salary, and total capital investment; the
22 methodology for validating performance; the schedule of
23 payments from the fund; and sanctions for failure to meet
24 performance conditions.

25 (g) Enterprise Florida, Inc., shall validate
26 contractor performance. Such validation shall be reported
27 within 6 months after completion of the contract to the
28 Governor, the President of the Senate, and the Speaker of the
29 House of Representatives.

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1 (4) Notwithstanding the provisions of section 216.301,
2 Florida Statutes, funds appropriated for the purposes of this
3 section are not subject to reversion.

4 Section 2. There is appropriated from the General
5 Revenue Fund for Fiscal Year 1999-2000 the sum of \$20 million
6 to the Office of Tourism, Trade, and Economic Development for
7 the purpose of funding the Florida Economic Development
8 Closing Fund.

9 Section 3. This act shall take effect upon becoming a
10 law.

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1 STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN
2 COMMITTEE SUBSTITUTE FOR
3 Senate Bill 1674

4 This committee substitute creates the Florida Economic
5 Development Closing Fund within the Office of Tourism, Trade,
6 and Economic Development (OTTED). It appropriates \$20 million
7 from the General Revenue Fund for OTTED for the purpose of
8 funding the Florida Economic Development Closing Fund. The
9 stated legislative intent for the fund is to allow access to
10 sufficient resources for extraordinary economic opportunities
11 for the state and to allow the state to compete for
12 high-impact businesses.

13 The committee substitute adds a number of conditions governing
14 access to the fund, such as:

15 Including environmental or regulatory issues involved
16 with the project as one of the evaluation factors.

17 Requiring a statement from Enterprise Florida, Inc.,
18 that in its judgment, the business facility will not
19 occur at the proposed site without use of the fund.

20 Specifying that the business must have provided a
21 performance bond guaranteeing the creation of jobs.

22 Providing that the business must create a minimum number
23 of jobs, provide a wage 20 percent above the community's
24 average wage, and provide a health-benefit package for
25 employees.

26 Specifying that the business must be of the type
27 targeted by the state under specified economic
28 development incentives, except in the case of a rural or
29 distressed urban community.

30 Requiring the Governor to obtain approval from the
31 Senate President and the House Speaker prior to
approving any projects for funding.

 Requiring Enterprise Florida, Inc., to validate
contractor performance.