

By Senator Saunders

37-57-06

1 A bill to be entitled
2 An act relating to aerospace; creating s.
3 331.501, F.S., the Florida Aerospace
4 Infrastructure Act; creating s. 331.502, F.S.;
5 providing legislative findings and intent;
6 creating s. 331.503, F.S.; providing
7 definitions; creating s. 331.504, F.S.;
8 creating the Florida Aerospace Infrastructure
9 Investment Program; providing for
10 administration of the Florida Aerospace
11 Infrastructure Investment Trust Fund; creating
12 s. 331.505, F.S.; creating an independent
13 investment committee and providing purpose,
14 powers, limitations, and membership;
15 establishing investment criteria for the fund;
16 creating s. 331.506, F.S.; providing tax-exempt
17 status; creating s. 331.507, F.S.; requiring
18 reports and audits; providing an effective
19 date.

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

22
23 Section 1. Part IV of chapter 331, Florida Statutes,
24 consisting of sections 331.501, 331.502, 331.503, 331.504,
25 331.505, 331.506, and 331.507, Florida Statutes, is created to
26 read:

27 PART IV

28 FLORIDA AEROSPACE INFRASTRUCTURE

29 331.501 Short title.--This part may be cited as the
30 "Florida Aerospace Infrastructure Act."

31 331.502 Legislative findings and intent.--

1 (1) The Legislature finds that there is a critical
2 need for capital assistance to provide for aerospace business
3 expansion and economic development opportunities and to
4 enhance the financing of needed new aerospace infrastructure.
5 The state's aerospace industry can be assisted by a fund
6 established to invest in projects proposed by state and
7 private-sector entities which provide a clear economic benefit
8 to the state and which support the growth of the aerospace
9 industry employment and technology base.

10 (2) It is the intent of the Legislature to provide
11 funding to support the growth of the aerospace industry and
12 related high-technology industry in this state.

13 331.503 Definitions.--As used in this part, the term:

14 (1) "Aerospace" means the industry concerned with the
15 design and manufacture of aircraft, rockets, missiles,
16 spacecraft, satellites, space vehicles, space stations, space
17 facilities, or components thereof, and equipment, systems,
18 facilities, simulators, programs, and activities related
19 thereto.

20 (2) "Committee" means the Independent Investment
21 Committee created by s.331.505.

22 (3) "Corporation" means the Florida Aerospace Finance
23 Corporation created by s. 331.407.

24 (4) "Fund" means the Florida Aerospace Infrastructure
25 Investment Trust Fund created by 331.508.

26 331.504 Florida Aerospace Infrastructure Investment
27 Program; creation and purpose; administration.--

28 (1) The Florida Aerospace Infrastructure Investment
29 Program is created within the Florida Aerospace Finance
30 Corporation to finance industry expansion and infrastructure
31 projects that are proposed by the space partnerships, members

1 of the industry, or the sponsor of any aerospace-related
2 economic development or technology investment activity
3 involving aerospace business expansion and job retention in
4 this state. The program shall support the growth of the
5 aerospace and related high-technology industry in this state.

6 (2) The Florida Aerospace Finance Corporation, created
7 by s. 331.407, shall administer the fund and ensure that:

8 (a) The investment recommendations of the Independent
9 Investment Committee, created by s. 331.505, are implemented
10 and executed, subject to the board's policies and procedures
11 of the governing board of the fund and satisfactory due
12 diligence;

13 (b) An investment reserve account for future
14 investment requirements is established to receive deposits
15 from the Department of Revenue; and

16 (c) The post-investment portfolio of the fund is
17 monitored and a quarterly report is provided to the committee,
18 the corporation, Enterprise Florida, Inc., and the Office of
19 Tourism, Trade, and Economic Development.

20 (3) The following rules apply to the use of the
21 proceeds of fund proceeds:

22 (a) The corporation may provide direct loans, loan
23 guarantees, direct grants for the advancement of intellectual
24 property, and other investment participation necessary to
25 ensure success of total financings undertaken by the fund, but
26 shall invest with value or capital preservation and investment
27 return objectives in each transaction;

28 (b) Proceeds from the fund may not be used for
29 operational purposes for any state activity, but shall be
30 directed to the development of aerospace infrastructure,
31

1 technology, and intellectual property that advances the
2 capabilities of the aerospace industry in this state; and

3 (c) The corporation, on behalf of the fund, shall seek
4 coinvestors in any investment transaction it makes, so that
5 the fund is not the sole investor. The corporation may waive
6 this provision if investment circumstances warrant such
7 waiver.

8 (d) The corporation shall generally seek investments
9 in which it commits no more than 20 percent of the fund's
10 investment pool in a single investment;

11 (e) The corporation shall endeavor to leverage the
12 fund's investment pool through the loan guarantee capability
13 of the Small Business Administration, USDA, and other state or
14 federal guarantee sources.

15 (f) The corporation shall provide payment of
16 reasonable costs of investment and fund administration,
17 including legal, accounting and due-diligence costs that are
18 not otherwise reimbursed, and administrative costs it incurs
19 in providing administrative services to the committee.

20 (g) The corporation may not pledge or represent the
21 full faith and credit of this state.

22 331.505 Independent Investment Committee.--

23 (1) There is created within the Florida Aerospace
24 Finance Corporation for administrative purposes only, the
25 Independent Investment Committee.

26 (2) The committee shall receive proposals from space
27 partnerships, economic development entities, or aerospace
28 corporations based in this state, shall set criteria for
29 investment proposals to be submitted to the committee, shall
30 establish evaluation criteria for the committee, and shall
31 review and recommend investments to be made from the fund by

1 the corporation to provide capital assistance for aerospace
2 business expansion and economic development opportunities in
3 this state and to enhance the financing of needed new
4 aerospace infrastructure.

5 (3) The committee shall consist of a maximum of 5
6 voting members as follows:

7 (a) One representative appointed by each of the
8 following:

9 1. The board of supervisors of the Florida Space
10 Authority;

11 2. The board of directors of Enterprise Florida, Inc.;
12 and

13 3. The board of directors of the Florida Aerospace
14 Finance Corporation.

15 (b) Two representatives of the aerospace industry
16 appointed by the Governor.

17 (4)(a) Each voting member shall be appointed to a
18 3-year term, beginning on July 1. Members appointed pursuant
19 to paragraph (3)(a) shall serve at the pleasure of the
20 appointing authority. Members appointed pursuant to paragraph
21 (3)(b) shall serve at the pleasure of the Governor. Initial
22 appointments shall be made no later than September 1, 2006.

23 (b) A person appointed pursuant to paragraph (3)(a),
24 if employed full time by an entity that applies for financial
25 support, must recuse himself or herself from voting on any
26 related project.

27 (c) Members must be residents of the state.

28 (d) Members must have an investment, banking, or
29 industry background.

30 (e) Members shall serve without compensation but are
31 entitled to reimbursement for travel or per diem expenses in

1 accordance with s. 112.061, for necessary expenses incurred in
2 the performance of their duties, including attending board
3 meetings and conducting board business.

4 (f) The corporation, working with the board and the
5 committee, shall:

6 1. Prior to expending of moneys from the fund, adopt
7 rules and policies necessary to carry out its
8 responsibilities, particularly with respect to the fund's
9 responsibilities in direct lending, loan support, direct
10 grant, or capital investment for projects approved for support
11 by the fund.

12 2. Hold regularly scheduled meetings, at least
13 quarterly, to carry out the objectives and responsibilities of
14 the fund.

15 3. Develop a streamlined application and review
16 process for investment proposals submitted for consideration
17 by the committee.

18 (5) The committee may:

19 (a) Review and recommend investments in projects
20 proposed by state and private-sector entities which have a
21 clear economic benefit to the state, which support growth of
22 aerospace industry employment and technology, and, which
23 enhance aerospace infrastructure projects in this state;

24 (b) Provide investment monitoring of direct lending,
25 loan support, direct grants for the advancement of
26 intellectual property, or capital investment for projects
27 approved for support by the committee;

28 (c) Assemble, publish, and disseminate information
29 concerning financing opportunities and techniques of financing
30 aerospace projects, programs, and activities through the fund;
31 and

1 (d) Recommend and assist the corporation to enter into
2 and exercise contracts or other instruments necessary or
3 convenient to the exercise of its powers.

4 (6) The committee shall:

5 (a) Jointly with the board, on behalf of the fund,
6 adopt rules that establish criteria for investment proposals
7 to be submitted to the fund, establish evaluation criteria for
8 the fund, and set review, investment, and approval guidelines
9 for investments made from the fund.

10 (b) Ensure that fund investments are open to aerospace
11 entities that are domiciled in this state or that place
12 aerospace-related infrastructure and related employment in
13 this state.

14 (c) Ensure that each proposed project is judged on its
15 merit, its perceived need, and its investment return, benefit
16 or value to the overall aerospace industry capability in this
17 state.

18 (d) Ensure that fund investments adhere to the
19 policies and investment guidelines established by the
20 committee and the corporation.

21 (e) Ensure that investment returns or value and
22 capital preservation objectives exist for each investment
23 implemented.

24 (f) Ensure that appropriate investment and retention
25 of the fund's capital base or other benefits are realized
26 through it's investments, except for a grant or equity
27 investment, which shall be made based on value received by the
28 fund.

29 (g) Ensure that the investment liability associated
30 with any transaction performed pursuant to this section is
31

1 fixed or limited by the investment policies established by the
2 committee and the corporation.

3 331.506 Florida Aerospace Finance Corporation;
4 tax-exempt status.--

5 (1) The Florida Aerospace Finance Corporation, created
6 by s. 331.407, is granted tax-exempt status. The corporation
7 is not required to pay taxes on any project or other property
8 it owns nor upon any resulting income. All notes, mortgages,
9 security agreements, letters of credit, or other instruments
10 that arise out of, or are given to secure the payment of debt
11 issued in conjunction with a project financed under the
12 corporation's authority are also free from taxation by the
13 state, or any other local unit, political subdivision, or
14 instrumentality of this state. The tax exemption granted is
15 not applicable to taxes imposed on interest, income, or
16 profits on debt obligations owned by the corporation.

17 331.507 Reports and audits.--

18 (1) By December 31 of each year, the corporation shall
19 submit to the Governor, the President of the Senate, the
20 Speaker of the House of Representatives, the Senate Minority
21 Leader, and the House Minority Leader a complete and detailed
22 report setting forth:

23 (a) An evaluation of its activities and
24 recommendations for change.

25 (b) The fund's impact on the participation of private
26 banks and other private organizations and individuals in the
27 corporation's financing programs, and other economic and
28 social benefits to businesses in this state.

29 (c) The fund's assets and liabilities at the end of
30 its most recent fiscal year.

31

