

Amendment No.

CHAMBER ACTION

Senate

House

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1 Representative Mayfield offered the following:

2  
3 **Amendment (with title amendment)**

4 Between lines 1345 and 1346, insert:

5 Section 24. Present paragraphs (a) through (n) of  
6 subsection (2) of section 288.1089, Florida Statutes, are  
7 redesignated as paragraphs (b) through (o), respectively, and a  
8 new paragraph (a) is added to that subsection, subsections (3),  
9 (5), (6), and (7) of that section are amended, and paragraph (d)  
10 is added to subsection (4) of that section, to read:

11 288.1089 Innovation Incentive Program.--

12 (1) The Innovation Incentive Program is created within the  
13 Office of Tourism, Trade, and Economic Development to ensure  
14 that sufficient resources are available to allow the state to  
15 respond expeditiously to extraordinary economic opportunities

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16 and to compete effectively for high-value research and  
17 development and innovation business projects.

18 (2) As used in this section, the term:

19 (a) "Alternative and renewable energy" means electrical,  
20 mechanical, or thermal energy produced from a method that uses  
21 one or more of the following fuels or energy sources: ethanol,  
22 cellulosic ethanol, biobutanol, biodiesel, biomass, biogas,  
23 hydrogen fuel cells, ocean energy, hydrogen, solar, hydro, wind,  
24 or geothermal.

25 (3) To be eligible for consideration for an innovation  
26 incentive award, an innovation business or research and  
27 development entity, or alternative and renewable energy project  
28 must submit a written application to Enterprise Florida, Inc.,  
29 before making a decision to locate new operations in this state  
30 or expand an existing operation in this state. The application  
31 must include, but not be limited to:

32 (a) The applicant's federal employer identification  
33 number, unemployment account number, and state sales tax  
34 registration number. If such numbers are not available at the  
35 time of application, they must be submitted to the office in  
36 writing prior to the disbursement of any payments under this  
37 section.

38 (b) The location in this state at which the project is  
39 located or is to be located.

40 (c) A description of the type of business activity,  
41 product, or research and development undertaken by the  
42 applicant, including six-digit North American Industry

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43 Classification System codes for all activities included in the  
44 project.

45 (d) The applicant's projected investment in the project.

46 (e) The total investment, from all sources, in the  
47 project.

48 (f) The number of net new full-time equivalent jobs in  
49 this state the applicant anticipates having created as of  
50 December 31 of each year in the project and the average annual  
51 wage of such jobs.

52 (g) The total number of full-time equivalent employees  
53 currently employed by the applicant in this state, if  
54 applicable.

55 (h) The anticipated commencement date of the project.

56 (i) A detailed explanation of why the innovation incentive  
57 is needed to induce the applicant to expand or locate in the  
58 state and whether an award would cause the applicant to locate  
59 or expand in this state.

60 (j) If applicable, an estimate of the proportion of the  
61 revenues resulting from the project that will be generated  
62 outside this state.

63 (4) To qualify for review by the office, the applicant  
64 must, at a minimum, establish the following to the satisfaction  
65 of Enterprise Florida, Inc., and the office:

66 (d) For an alternative and renewable energy project in  
67 this state, the project must:

68 1. Demonstrate a plan for significant collaboration with  
69 an institution of higher education;

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70 2. Provide the state, at a minimum, a break-even return on  
71 investment within a 20-year period;

72 3. Include matching funds provided by the applicant or  
73 other available sources. This requirement may be waived if the  
74 office and the department determine that the merits of the  
75 individual project or the specific circumstances warrant such  
76 action;

77 4. Be located in this state;

78 5. Provide jobs that pay an estimated annual average wage  
79 that equals at least 130 percent of the average private-sector  
80 wage. The average wage requirement may be waived if the office  
81 and the commission determine that the merits of the individual  
82 project or the specific circumstances warrant such action; and

83 6. Meet one of the following criteria:

84 a. Result in the creation of at least 35 direct, new jobs  
85 at the business.

86 b. Have an activity or product that uses feedstock or  
87 other raw materials grown or produced in this state.

88 c. Have a cumulative investment of at least \$50 million  
89 within a 5-year period.

90 d. Address the technical feasibility of the technology,  
91 and the extent to which the proposed project has been  
92 demonstrated to be technically feasible based on pilot project  
93 demonstrations, laboratory testing, scientific modeling, or  
94 engineering or chemical theory that supports the proposal.

95 e. Include innovative technology and the degree to which  
96 the project or business incorporates an innovative new

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97 technology or an innovative application of an existing  
98 technology.

99 f. Include production potential and the degree to which a  
100 project or business generates thermal, mechanical, or electrical  
101 energy by means of a renewable energy resource that has  
102 substantial long-term production potential. The project must, to  
103 the extent possible, quantify annual production potential in  
104 megawatts or kilowatts.

105 g. Include and address energy efficiency and the degree to  
106 which a project demonstrates efficient use of energy, water, and  
107 material resources.

108 h. Include project management and the ability of  
109 management to administer a complete the business project.

110 (5) Enterprise Florida, Inc., shall evaluate proposals for  
111 innovation incentive awards and transmit recommendations for  
112 awards to the office. Enterprise Florida, Inc., shall solicit  
113 comments and recommendations from the Florida Energy and Climate  
114 Commission for alternative and renewable energy project  
115 proposals. Such evaluation and recommendation must include, but  
116 need not be limited to:

117 (a) A description of the project, its required facilities,  
118 and the associated product, service, or research and development  
119 associated with the project.

120 (b) The percentage of match provided for the project.

121 (c) The number of full-time equivalent jobs that will be  
122 created by the project, the total estimated average annual wages  
123 of such jobs, and the types of business activities and jobs  
124 likely to be stimulated by the project.

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125 (d) The cumulative investment to be dedicated to the  
126 project within 5 years and the total investment expected in the  
127 project if more than 5 years.

128 (e) The projected economic and fiscal impacts on the local  
129 and state economies relative to investment.

130 (f) A statement of any special impacts the project is  
131 expected to stimulate in a particular business sector in the  
132 state or regional economy or in the state's universities and  
133 community colleges.

134 (g) A statement of any anticipated or proposed  
135 relationships with state universities.

136 (h) A statement of the role the incentive is expected to  
137 play in the decision of the applicant to locate or expand in  
138 this state.

139 (i) A recommendation and explanation of the amount of the  
140 award needed to cause the applicant to expand or locate in this  
141 state.

142 (j) A discussion of the efforts and commitments made by  
143 the local community in which the project is to be located to  
144 induce the applicant's location or expansion, taking into  
145 consideration local resources and abilities.

146 (k) A recommendation for specific performance criteria the  
147 applicant would be expected to achieve in order to receive  
148 payments from the fund and penalties or sanctions for failure to  
149 meet or maintain performance conditions.

150 (l) For a research and development facility project:

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151 1. A description of the extent to which the project has  
152 the potential to serve as catalyst for an emerging or evolving  
153 cluster.

154 2. A description of the extent to which the project has or  
155 could have a long-term collaborative research and development  
156 relationship with one or more universities or community colleges  
157 in this state.

158 3. A description of the existing or projected impact of  
159 the project on established clusters or targeted industry  
160 sectors.

161 4. A description of the project's contribution to the  
162 diversity and resiliency of the innovation economy of this  
163 state.

164 5. A description of the project's impact on special needs  
165 communities, including, but not limited to, rural areas,  
166 distressed urban areas, and enterprise zones.

167 (6) In consultation with Enterprise Florida, Inc., the  
168 office may negotiate the proposed amount of an award for any  
169 applicant meeting the requirements of this section. In  
170 negotiating such award, the office shall consider the amount of  
171 the incentive needed to cause the applicant to locate or expand  
172 in this state in conjunction with other relevant applicant  
173 impact and cost information and analysis as described in this  
174 section. Particular emphasis shall be given to the potential for  
175 the project to stimulate additional private investment and high-  
176 quality employment opportunities in the area.

177 (7) Upon receipt of the evaluation and recommendation from  
178 Enterprise Florida, Inc., and from the Florida Energy and

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179 Climate Commission for alternative and renewable energy project  
180 proposals, the director shall recommend to the Governor the  
181 approval or disapproval of an award. In recommending approval of  
182 an award, the director shall include proposed performance  
183 conditions that the applicant must meet in order to obtain  
184 incentive funds and any other conditions that must be met before  
185 the receipt of any incentive funds. The Governor shall consult  
186 with the President of the Senate and the Speaker of the House of  
187 Representatives before giving approval for an award.

188 (a) Upon approval of an award for a research and  
189 development project or an innovation business project, the  
190 Executive Office of the Governor shall release the funds  
191 pursuant to the legislative consultation and review requirements  
192 set forth in s. 216.177.

193 (b) Upon approval of an award for an alternative and  
194 renewable energy project, the Executive Office of the Governor  
195 shall release the funds pursuant to the legislative consultation  
196 and review requirements set forth in s. 216.177, with the  
197 exception that upon written notice from either the chair or the  
198 vice chair of the Legislative Budget Commission or the President  
199 of the Senate or the Speaker of the House of Representatives  
200 that the award exceeds the delegated authority of Executive  
201 Office of the Governor or is contrary to legislative policy and  
202 intent, the Governor shall void such action until the  
203 Legislative Budget Commission or the Legislature addresses the  
204 issue.

205 (8) Upon approval by the Governor and release of the funds  
206 as set forth in subsection (7), the director shall issue a

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207 letter certifying the applicant as qualified for an award. The  
208 office and the applicant shall enter into an agreement that sets  
209 forth the conditions for payment of incentives. The agreement  
210 must include the total amount of funds awarded; the performance  
211 conditions that must be met to obtain the award or portions of  
212 the award, including, but not limited to, net new employment in  
213 the state, average wage, and total cumulative investment;  
214 demonstration of a baseline of current service and a measure of  
215 enhanced capability; the methodology for validating performance;  
216 the schedule of payments; and sanctions for failure to meet  
217 performance conditions, including any clawback provisions.

218 (9) Enterprise Florida, Inc., shall assist the office in  
219 validating the performance of an innovation business or research  
220 and development facility that has received an award. At the  
221 conclusion of the innovation incentive award agreement, or its  
222 earlier termination, Enterprise Florida, Inc., shall, within 90  
223 days, report the results of the innovation incentive award to  
224 the Governor, the President of the Senate, and the Speaker of  
225 the House of Representatives.

226 (10) Enterprise Florida, Inc., shall develop business ethics  
227 standards based on appropriate best industry practices which  
228 shall be applicable to all award recipients. The standards shall  
229 address ethical duties of business enterprises, fiduciary  
230 responsibilities of management, and compliance with the laws of  
231 this state. Enterprise Florida, Inc., may collaborate with the  
232 State University System in reviewing and evaluating appropriate  
233 business ethics standards. Such standards shall be provided to  
234 the Governor, the President of the Senate, and the Speaker of

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235 the House of Representatives by December 31, 2006. An award  
236 agreement entered into on or after December 31, 2006, shall  
237 require a recipient to comply with the business ethics standards  
238 developed pursuant to this section.

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**T I T L E   A M E N D M E N T**

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Remove line 111 and insert:

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contract; amending s. 288.1089, F.S.; defining the term

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"alternative and renewable energy"; detailing the conditions for

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an alternative and renewable energy project to be eligible for

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an innovation incentive award; amending s. 316.0741, F.S.;

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requiring all hybrid

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