

1 A bill to be entitled  
2 An act relating to space and aerospace infrastructure;  
3 providing a short title; amending s. 288.1088, F.S.;  
4 providing legislative findings; authorizing the use of a  
5 specified amount of resources for projects to retain or  
6 create high-technology jobs directly associated with  
7 developing a more diverse aerospace economy in the state;  
8 authorizing Enterprise Florida, Inc., to waive eligibility  
9 criteria for projects receiving funds from the Quick  
10 Action Closing Fund which would mitigate the impact of the  
11 conclusion of the space shuttle program; creating s.  
12 331.370, F.S.; providing legislative findings; requiring  
13 the president of Space Florida to develop a strategy and  
14 plan for the management and goals for the Space Business  
15 Investment and Financial Services Trust Fund; providing  
16 requirements for the strategy and plan; requiring Space  
17 Florida's board of directors to adopt procedures for the  
18 approval of all proposed expenditures and investments from  
19 the fund; requiring the president of Space Florida to  
20 submit a quarterly financial report on the use and status  
21 of the fund to the Office of Tourism, Trade, and Economic  
22 Development within the Executive Office of the Governor;  
23 requiring Space Florida to submit an annual report to the  
24 Governor and the Legislature; revising authorized uses of  
25 specified Space Florida appropriations; providing  
26 appropriations; providing a contingent effective date.

27  
28 WHEREAS, Florida has been the nation's leading space launch

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29 | site for human exploration, national defense, and commercial  
30 | missions, and

31 |       WHEREAS, space exploration and enterprises are a critical  
32 | component of Florida's economy and have provided high-value  
33 | employment opportunities for 50 years, and

34 |       WHEREAS, the facilities at the John F. Kennedy Space Center  
35 | and the Cape Canaveral Air Force Station in Florida provide  
36 | significant recurring state revenue, and

37 |       WHEREAS, the nation's program for space exploration and the  
38 | new exploration initiative of the National Aeronautics and Space  
39 | Administration (NASA) will result in the end of the space  
40 | shuttle program and the development of new vehicles and  
41 | missions, and will also create a gap in NASA's ability to send  
42 | humans to space, and

43 |       WHEREAS, this gap will have a major impact on jobs, the  
44 | economy, and critical skill retention, and there is not any  
45 | single program, company, or initiative that can offset the  
46 | shuttle program's termination, and

47 |       WHEREAS, the structure and timing of the new human space  
48 | flight program will be decided by the President and Congress,  
49 | and

50 |       WHEREAS, Florida's space workforce and facilities are  
51 | unique national assets that should be preserved and  
52 | strengthened, and

53 |       WHEREAS, new opportunities are emerging for this workforce  
54 | and industry which include commercial launch systems, heavy-lift  
55 | vehicles, microgravity research, and space-enabled commercial  
56 | applications, and

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57 WHEREAS, during this generational transition, the state  
58 must aggressively pursue new programs, diversify its space  
59 industry by recruiting and growing new enterprises, renew its  
60 facility and technology base, strengthen and focus research and  
61 technology development, and re-deploy the space shuttle  
62 workforce in new 21st Century endeavors, and

63 WHEREAS, the state has a significant interest in  
64 establishing new and strengthened space enterprises to mitigate  
65 the impact of the conclusion of the space shuttle program and to  
66 serve as a foundation for new, broad, statewide opportunities  
67 for commerce and discovery in this century, and

68 WHEREAS, sustained and dedicated resources are needed to  
69 accomplish this transition, and

70 WHEREAS, in order to attract and influence aerospace  
71 programs and companies in their earliest stages of development,  
72 the Legislature must ensure the availability of facilities,  
73 investment capital, business services, and a trained workforce,  
74 and

75 WHEREAS, to ensure the existence of this capability during  
76 this transition and to promote a longer-term strategic approach,  
77 the Legislature deems it is in the state's interest to establish  
78 dedicated revenue and investment streams for a 5-year period to  
79 accomplish a successful transition and revitalization of the  
80 aerospace industry, NOW, THEREFORE,

81

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

83

84 Section 1. This act may be cited as the "Space Transition

85 and Revitalization Act."

86 Section 2. Section 288.1088, Florida Statutes, is amended  
87 to read:

88 288.1088 Quick Action Closing Fund.—

89 (1)(a) The Legislature finds that attracting, retaining,  
90 and providing favorable conditions for the growth of certain  
91 high-impact business facilities, privately developed critical  
92 rural infrastructure, or key facilities in economically  
93 distressed urban or rural communities which provide widespread  
94 economic benefits to the public through high-quality employment  
95 opportunities in such facilities or in related facilities  
96 attracted to the state, through the increased tax base provided  
97 by the high-impact facility and related businesses, through an  
98 enhanced entrepreneurial climate in the state and the resulting  
99 business and employment opportunities, and through the  
100 stimulation and enhancement of the state's universities and  
101 community colleges. In the global economy, there exists serious  
102 and fierce international competition for these facilities, and  
103 in most instances, when all available resources for economic  
104 development have been used, the state continues to encounter  
105 severe competitive disadvantages in vying for these business  
106 facilities. Florida's rural areas must provide a competitive  
107 environment for business in the information age. This often  
108 requires an incentive to make it feasible for private investors  
109 to provide infrastructure in those areas.

110 (b) The Legislature finds that the conclusion of the space  
111 shuttle program and the gap in civil human space flight will  
112 result in significant job losses that will negatively impact

113 families, companies, the state and regional economies, and the  
 114 capability level of this state's aerospace workforce. Thus, the  
 115 Legislature also finds that this loss of jobs is a matter of  
 116 state interest and great public importance. The Legislature  
 117 further finds that it is in the state's interest for provisions  
 118 to be made in incentive programs for economic development to  
 119 maximize the state's ability to mitigate these impacts and to  
 120 develop a more diverse aerospace economy.

121 (c) ~~(b)~~ The Legislature therefore declares that sufficient  
 122 resources shall be available to respond to extraordinary  
 123 economic opportunities and to compete effectively for these  
 124 high-impact business facilities, critical private infrastructure  
 125 in rural areas, and key businesses in economically distressed  
 126 urban or rural communities, and that up to 20 percent of these  
 127 resources may be used for projects to retain or create high-  
 128 technology jobs that are directly associated with developing a  
 129 more diverse aerospace economy in this state.

130 (2) There is created within the Office of Tourism, Trade,  
 131 and Economic Development the Quick Action Closing Fund. Projects  
 132 eligible for receipt of funds from the Quick Action Closing Fund  
 133 shall:

- 134 (a) Be in an industry as referenced in s. 288.106.
- 135 (b) Have a positive payback ratio of at least 5 to 1.
- 136 (c) Be an inducement to the project's location or  
 137 expansion in the state.
- 138 (d) Pay an average annual wage of at least 125 percent of  
 139 the areawide or statewide private sector average wage.
- 140 (e) Be supported by the local community in which the

141 project is to be located.

142 (3) (a) Enterprise Florida, Inc., shall review applications  
 143 pursuant to s. 288.061 and determine the eligibility of each  
 144 project consistent with the criteria in subsection (2).

145 Enterprise Florida, Inc., in consultation with the Office of  
 146 Tourism, Trade, and Economic Development, may waive these  
 147 criteria:

148 1. Based on extraordinary circumstances;

149 2. In order to mitigate the impact of the conclusion of  
 150 the space shuttle program; or

151 3. In rural areas of critical economic concern if the  
 152 project would significantly benefit the local or regional  
 153 economy.

154 (b) Enterprise Florida, Inc., shall evaluate individual  
 155 proposals for high-impact business facilities and forward  
 156 recommendations regarding the use of moneys in the fund for such  
 157 facilities to the director of the Office of Tourism, Trade, and  
 158 Economic Development. Such evaluation and recommendation must  
 159 include, but need not be limited to:

160 1. A description of the type of facility or  
 161 infrastructure, its operations, and the associated product or  
 162 service associated with the facility.

163 2. The number of full-time-equivalent jobs that will be  
 164 created by the facility and the total estimated average annual  
 165 wages of those jobs or, in the case of privately developed rural  
 166 infrastructure, the types of business activities and jobs  
 167 stimulated by the investment.

168 3. The cumulative amount of investment to be dedicated to

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169 the facility within a specified period.

170 4. A statement of any special impacts the facility is  
171 expected to stimulate in a particular business sector in the  
172 state or regional economy or in the state's universities and  
173 community colleges.

174 5. A statement of the role the incentive is expected to  
175 play in the decision of the applicant business to locate or  
176 expand in this state or for the private investor to provide  
177 critical rural infrastructure.

178 6. A report evaluating the quality and value of the  
179 company submitting a proposal. The report must include:

180 a. A financial analysis of the company, including an  
181 evaluation of the company's short-term liquidity ratio as  
182 measured by its assets to liability, the company's profitability  
183 ratio, and the company's long-term solvency as measured by its  
184 debt-to-equity ratio;

185 b. The historical market performance of the company;

186 c. A review of any independent evaluations of the company;

187 d. A review of the latest audit of the company's financial  
188 statement and the related auditor's management letter; and

189 e. A review of any other types of audits that are related  
190 to the internal and management controls of the company.

191 (c) ~~(b)~~ Within 22 calendar days after receiving the  
192 evaluation and recommendation from Enterprise Florida, Inc., the  
193 director shall recommend to the Governor approval or disapproval  
194 of a project for receipt of funds from the Quick Action Closing  
195 Fund. In recommending a project, the director shall include  
196 proposed performance conditions that the project must meet to

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197 obtain incentive funds. The Governor shall provide the  
198 evaluation of projects recommended for approval to the President  
199 of the Senate and the Speaker of the House of Representatives  
200 and consult with the President of the Senate and the Speaker of  
201 the House of Representatives before giving final approval for a  
202 project. The Executive Office of the Governor shall recommend  
203 approval of a project and the release of funds pursuant to the  
204 legislative consultation and review requirements set forth in s.  
205 216.177. The recommendation must include proposed performance  
206 conditions that the project must meet in order to obtain funds.

207 (d) ~~(e)~~ Upon the approval of the Governor, the director of  
208 the Office of Tourism, Trade, and Economic Development and the  
209 business shall enter into a contract that sets forth the  
210 conditions for payment of moneys from the fund. The contract  
211 must include the total amount of funds awarded; the performance  
212 conditions that must be met to obtain the award, including, but  
213 not limited to, net new employment in the state, average salary,  
214 and total capital investment; demonstrate a baseline of current  
215 service and a measure of enhanced capability; the methodology  
216 for validating performance; the schedule of payments from the  
217 fund; and sanctions for failure to meet performance conditions.  
218 The contract must provide that payment of moneys from the fund  
219 is contingent upon sufficient appropriation of funds by the  
220 Legislature and upon sufficient release of appropriated funds by  
221 the Legislative Budget Commission.

222 (e) ~~(d)~~ Enterprise Florida, Inc., shall validate contractor  
223 performance. Such validation shall be reported within 6 months  
224 after completion of the contract to the Governor, President of



225 the Senate, and the Speaker of the House of Representatives.

226 Section 3. Section 331.370, Florida Statutes, is created  
 227 to read:

228 331.370 Space Business Investment and Financial Services  
 229 Initiative.—

230 (1) The Legislature finds that there is a critical need  
 231 for capital assistance and financing services for aerospace  
 232 business expansion, economic development, and infrastructure  
 233 financing within the state. The Legislature further finds that  
 234 it is in the state's economic interest to provide initial  
 235 investment funding and to establish dedicated investment funding  
 236 during the period of transition from the space shuttle program  
 237 to provide financial and investment services consistent with the  
 238 powers and duties of the Space Florida Act to new and expanding  
 239 aerospace and space-enabled businesses, programs, and projects  
 240 in order to offset job losses and promote economic growth.

241 (2) The president of Space Florida shall develop a 5-year  
 242 strategy and plan for the management and goals of the Space  
 243 Business Investment and Financial Services Trust Fund, which  
 244 must be submitted to the board of directors and approved before  
 245 any investment or expenditure is made. This strategy and plan  
 246 must be updated and approved annually by the board of directors,  
 247 and included in the financing assistance plan established in s.  
 248 331.305(6). The board of directors may adopt procedures and  
 249 rules for the approval of all proposed expenditures and  
 250 investments from this fund. The president of Space Florida shall  
 251 submit a quarterly financial report on the use and status of the  
 252 fund to the Office of Tourism, Trade, and Economic Development

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253 within the Executive Office of the Governor. Beginning January  
254 1, 2011, and every year thereafter, Space Florida shall submit  
255 to the Governor, the President of the Senate, and the Speaker of  
256 the House of Representatives a report summarizing the activities  
257 and accomplishments of the recipients of assistance from the  
258 Space Business Investment and Financial Services Trust Fund  
259 during the previous 12 months.

260 Section 4. Funds in Specific Appropriation 2649 of chapter  
261 2008-152, Laws of Florida, which were provided for Space and  
262 Aerospace Infrastructure to make improvements to Launch Complex  
263 36 on the 45th Space Wing property, may also be used for  
264 improvements to other launch complexes and space transportation  
265 facilities in order to attract new space vehicle testing and  
266 launch business to the state; to address intermodal requirements  
267 and impacts of the launch ranges, spaceports, and other space  
268 transportation facilities; and to assist in the development of  
269 joint-use facilities and technology that support aviation and  
270 aerospace operations, including high-altitude and suborbital  
271 flights and range technology development.

272 Section 5. There is appropriated for the 2010-2011 state  
273 fiscal year to the Office of Tourism, Trade, and Economic  
274 Development within the Executive Office of the Governor the sum  
275 of \$10 million of nonrecurring funds from the General Revenue  
276 Fund to establish and provide initial funding for the Space  
277 Business Investment and Financial Services Trust Fund.  
278 Notwithstanding s. 216.301, Florida Statutes, and pursuant to s.  
279 216.351, Florida Statutes, any remaining funds from this  
280 appropriation as of June 30, 2011, shall remain in the trust

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281 fund and be available for carrying out the purposes of the trust  
282 fund.

283 Section 6. There is appropriated for the 2010-2011 state  
284 fiscal year the sum of \$3 million in nonrecurring general  
285 revenue to Space Florida for the exclusive purpose of providing  
286 targeted business-development support services and business  
287 recruitment. Activities and services may include securing  
288 federal programs and processes, identifying and securing new  
289 contract and grant opportunities for businesses in this state,  
290 assisting businesses in establishing operations, securing  
291 necessary qualifications and approvals, obtaining capital, and  
292 engaging company and federal officials in discussions regarding  
293 new program projects, including research, design, testing, and  
294 manufacturing projects in this state. Emphasis shall be placed  
295 on assisting small-to medium-sized businesses on a statewide  
296 basis. These funds may not be used for administrative or  
297 operational costs of Space Florida.

298 Section 7. There is appropriated for the 2010-2011 state  
299 fiscal year to the Office of Tourism, Trade, and Economic  
300 Development within the Executive Office of the Governor the sum  
301 of \$12.575 million in nonrecurring general revenue through the  
302 Space Business Investment and Financial Services Trust Fund to  
303 address business infrastructure needs to assist in the  
304 development and management of state-of-the-art facilities for  
305 space businesses that will create high-technology, high-wage-  
306 earning jobs.

307 Section 8. This act shall take effect July 1, 2010, if HB  
308 1391, or similar legislation creating the Space Business

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309 | Investment and Financial Services Trust Fund, is adopted in the  
310 | same legislative session or an extension thereof and becomes  
311 | law.