

By Senator Altman

24-01768-10

20102500__

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
5 a specified amount of resources for projects to retain
6 or create high-technology jobs directly associated
7 with developing a more diverse aerospace economy in
8 the state; authorizing Enterprise Florida, Inc., to
9 waive eligibility criteria for projects receiving
10 funds from the Quick Action Closing Fund which would
11 mitigate the impact of the conclusion of the space
12 shuttle program; creating s. 331.370, F.S.; providing
13 legislative findings; requiring the president of Space
14 Florida to develop a strategy and plan for the
15 management and goals for the Space Business Investment
16 and Financial Services Trust Fund; providing
17 requirements for the strategy and plan; requiring
18 Space Florida's board of directors to adopt procedures
19 for the approval of all proposed expenditures and
20 investments from the fund; requiring the president of
21 Space Florida to submit a quarterly financial report
22 on the use and status of the fund to the Office of
23 Tourism, Trade, and Economic Development within the
24 Executive Office of the Governor; requiring Space
25 Florida to submit an annual report to the Governor and
26 the Legislature; revising authorized uses of specified
27 Space Florida appropriations; providing
28 appropriations; providing a contingent effective date.
29

24-01768-10

20102500__

30 WHEREAS, Florida has been the nation's leading space launch
31 site for human exploration, national defense, and commercial
32 missions, and

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

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

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

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

49 WHEREAS, the structure and timing of the new human space
50 flight program will be decided by the President and Congress,
51 and

52 WHEREAS, Florida's space workforce and facilities are
53 unique national assets that should be preserved and
54 strengthened, and

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

24-01768-10

20102500__

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

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

70 WHEREAS, sustained and dedicated resources are needed to
71 accomplish this transition, and

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

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

83
84 Be It Enacted by the Legislature of the State of Florida:

85
86 Section 1. This act may be cited as the "Space Transition
87 and Revitalization Act."

24-01768-10

20102500

88 Section 2. Section 288.1088, Florida Statutes, is amended
89 to read:

90 288.1088 Quick Action Closing Fund.—

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

112 (b) The Legislature finds that the conclusion of the space
113 shuttle program and the gap in civil human space flight will
114 result in significant job losses that will negatively impact
115 families, companies, the state and regional economies, and the
116 capability level of this state's aerospace workforce. Thus, the

24-01768-10

20102500__

117 Legislature also finds that this loss of jobs is a matter of
118 state interest and great public importance. The Legislature
119 further finds that it is in the state's interest for provisions
120 to be made in incentive programs for economic development to
121 maximize the state's ability to mitigate these impacts and to
122 develop a more diverse aerospace economy.

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

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

136 (a) Be in an industry as referenced in s. 288.106.

137 (b) Have a positive payback ratio of at least 5 to 1.

138 (c) Be an inducement to the project's location or expansion
139 in the state.

140 (d) Pay an average annual wage of at least 125 percent of
141 the areawide or statewide private sector average wage.

142 (e) Be supported by the local community in which the
143 project is to be located.

144 (3) (a) Enterprise Florida, Inc., shall review applications
145 pursuant to s. 288.061 and determine the eligibility of each

24-01768-10

20102500__

146 project consistent with the criteria in subsection (2).
147 Enterprise Florida, Inc., in consultation with the Office of
148 Tourism, Trade, and Economic Development, may waive these
149 criteria:

- 150 1. Based on extraordinary circumstances;
- 151 2. In order to mitigate the impact of the conclusion of the
152 space shuttle program; or
- 153 3. In rural areas of critical economic concern if the
154 project would significantly benefit the local or regional
155 economy.

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

- 162 1. A description of the type of facility or infrastructure,
163 its operations, and the associated product or service associated
164 with the facility.
- 165 2. The number of full-time-equivalent jobs that will be
166 created by the facility and the total estimated average annual
167 wages of those jobs or, in the case of privately developed rural
168 infrastructure, the types of business activities and jobs
169 stimulated by the investment.
- 170 3. The cumulative amount of investment to be dedicated to
171 the facility within a specified period.
- 172 4. A statement of any special impacts the facility is
173 expected to stimulate in a particular business sector in the
174 state or regional economy or in the state's universities and

24-01768-10

20102500__

175 community colleges.

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

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

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

187 b. The historical market performance of the company;

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

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

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

193 (c) ~~(b)~~ Within 22 calendar days after receiving the
194 evaluation and recommendation from Enterprise Florida, Inc., the
195 director shall recommend to the Governor approval or disapproval
196 of a project for receipt of funds from the Quick Action Closing
197 Fund. In recommending a project, the director shall include
198 proposed performance conditions that the project must meet to
199 obtain incentive funds. The Governor shall provide the
200 evaluation of projects recommended for approval to the President
201 of the Senate and the Speaker of the House of Representatives
202 and consult with the President of the Senate and the Speaker of
203 the House of Representatives before giving final approval for a

24-01768-10

20102500

204 project. The Executive Office of the Governor shall recommend
205 approval of a project and the release of funds pursuant to the
206 legislative consultation and review requirements set forth in s.
207 216.177. The recommendation must include proposed performance
208 conditions that the project must meet in order to obtain funds.

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

224 (e)~~(d)~~ Enterprise Florida, Inc., shall validate contractor
225 performance. Such validation shall be reported within 6 months
226 after completion of the contract to the Governor, President of
227 the Senate, and the Speaker of the House of Representatives.

228 Section 3. Section 331.370, Florida Statutes, is created to
229 read:

230 331.370 Space Business Investment and Financial Services
231 Initiative.—

232 (1) The Legislature finds that there is a critical need for

24-01768-10

20102500__

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

243 (2) The president of Space Florida shall develop a 5-year
244 strategy and plan for the management and goals of the Space
245 Business Investment and Financial Services Trust Fund, which
246 must be submitted to the board of directors and approved before
247 any investment or expenditure is made. This strategy and plan
248 must be updated and approved annually by the board of directors,
249 and included in the financing assistance plan established in s.
250 331.305(6). The board of directors may adopt procedures and
251 rules for the approval of all proposed expenditures and
252 investments from this fund. The president of Space Florida shall
253 submit a quarterly financial report on the use and status of the
254 fund to the Office of Tourism, Trade, and Economic Development
255 within the Executive Office of the Governor. Beginning January
256 1, 2011, and every year thereafter, Space Florida shall submit
257 to the Governor, the President of the Senate, and the Speaker of
258 the House of Representatives a report summarizing the activities
259 and accomplishments of the recipients of assistance from the
260 Space Business Investment and Financial Services Trust Fund
261 during the previous 12 months.

24-01768-10

20102500

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

274 Section 5. There is appropriated for the 2010-2011 state
275 fiscal year to the Office of Tourism, Trade, and Economic
276 Development within the Executive Office of the Governor the sum
277 of \$10 million of nonrecurring funds from the General Revenue
278 Fund to establish and provide initial funding for the Space
279 Business Investment and Financial Services Trust Fund.
280 Notwithstanding s. 216.301, Florida Statutes, and pursuant to s.
281 216.351, Florida Statutes, any remaining funds from this
282 appropriation as of June 30, 2011, shall remain in the trust
283 fund and be available for carrying out the purposes of the trust
284 fund.

285 Section 6. There is appropriated for the 2010-2011 state
286 fiscal year the sum of \$3 million in nonrecurring general
287 revenue to Space Florida for the exclusive purpose of providing
288 targeted business-development support services and business
289 recruitment. Activities and services may include securing
290 federal programs and processes, identifying and securing new

24-01768-10

20102500__

291 contract and grant opportunities for businesses in this state,
292 assisting businesses in establishing operations, securing
293 necessary qualifications and approvals, obtaining capital, and
294 engaging company and federal officials in discussions regarding
295 new program projects, including research, design, testing, and
296 manufacturing projects in this state. Emphasis shall be placed
297 on assisting small- to medium-sized businesses on a statewide
298 basis. These funds may not be used for administrative or
299 operational costs of Space Florida.

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

308 Section 8. This act shall take effect July 1, 2010, if SB
309 _____, or similar legislation creating the Space Business
310 Investment and Financial Services Trust Fund, is adopted in the
311 same legislative session or an extension thereof and becomes
312 law.