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September 14, 2020

To: Mark Kruse, Policy Coordinator, Transportation and Economic Development Unit, Office of Policy and Budget, Governor Ron DeSantis
Jason Rojas, Director, Strategic Business Development Division, Florida Department of Economic Opportunity

Cc: Jamal Sowell, Secretary of Commerce, President / CEO, Enterprise Florida
Michelle Dennard, President / CEO, CareerSource Florida

RE: **FEDC Economic Recovery Task Force Submittal for a Competitive Florida Tax Refund Program**

The Florida Economic Development Council's Economic Recovery Task Force, comprised of small, medium, rural and urban partners and in participation with the largest private/public EDO's from around the state (JAXUSA Partnership, Tampa Bay EDC, Orlando Economic Partnership, Business Development Board of Palm Beach County, Greater Fort Lauderdale Alliance, Miami-Dade Beacon Council), the Florida Chamber, Florida Ports Council, and the Florida Council of 100, respectfully submit this research and collaboration around a refreshed Florida Tax Refund Program that is modernized for competitiveness. A program with the improvements outlined herein will appeal to employers and career seekers while returning Florida to the very competitive process of global economic development. Thank you for your support throughout this process. We look forward to your feedback and to learning next steps.

Sincerely,

Marc Hoenstine, CEcD
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Economic Development Director
Duke Energy - Florida

Kelly Smallridge
Past Chair, FEDC
President / CEO
Business Development Board of
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Michael Finney
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Recommendations for QTI Reinstatement

There is no question that Florida's low taxes, business friendliness, skilled workforce and quality of life are attractive to companies looking to relocate or expand their organizations here. But when site selectors and corporate executives are evaluating multiple states for transformative projects like the relocation of a corporate headquarters or other major operations involving a large number of high paying jobs and hundreds of millions in capital investment, those selling points simply are not enough. Site selectors and executives expect communities to bring something to the table in exchange for the corporate investment to demonstrate how serious they are about winning the project.

This is where incentives often come into play. Until June 2020, Florida had the Qualified Target Industry (QTI) tax refund to offer. This incentive – which has helped the state secure over 50,000 high-wage jobs and billions in capital investment since 2011 – provided significant return on investment and posed zero risk to taxpayers. If the jobs promised were not created or the salaries were not above average wages, no payout was made to the company deemed eligible for QTI.

More importantly, *the QTI incentive is a moneymaker* for the State of Florida, with a return on investment of 4.4, according to the Florida Office of Economic and Demographic Research's Amy Baker.

The loss of QTI this year could not come at a worse time for Florida, as the COVID-19 pandemic has put many Floridians out of work, driven up unemployment and adversely affected our state's economy.

The Florida Economic Development Council (FEDC) has over 400 economic development professionals statewide who serve on the front lines of recruiting business to our state and helping our local existing businesses to expand. They humbly submit for your consideration these modifications to the QTI program to make it more relevant and beneficial for our state's needs now and into the future. Our competitiveness as a state depends on reinstating this program, and we are eager to assist in any way that we can to help Florida's economy recover.

Eligibility of Incentive Program

1. Change average wage requirement to median wage to more accurately capture wages paid to the majority of jobs created by the project or the average of the industry in that county.
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Rewards of Incentive Program

2. Replace “Enterprise Zones” with “Opportunity Zones” to provide a \$6,000 base award per job created for projects that locate in those areas.
 3. Increase base QTI Amounts to \$4,000 per new job created.
 4. Port Cargo/Airport Cargo Bonus
 - Simplify the port cargo/export bonus; also include airport cargo by adding the following language:
 - In addition to the other tax refund payments authorized in this paragraph, a qualified target industry business shall be allowed a tax refund payment equal to \$2,000 multiplied by the number of jobs specified in the tax refund agreement under subparagraph (5)(a)1. if the business: a. Falls within one of the high-impact sectors designated under s. 288.108;
 - b. Increases exports of its goods through a seaport or airport in the state by at least 15 percent in value or tonnage for the life of the project. For purposes of this sub-subparagraph, seaports in the state are limited to the ports of Jacksonville, Tampa, Port Everglades, Miami, Port Canaveral, Ft. Pierce, Palm Beach, Port Manatee, Port St. Joe, Panama City, St. Petersburg, Pensacola, Fernandina, and Key West.
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Policy and Compliance Recommendations

Add the value of permit fee reduction, impact fee mitigation and infrastructure improvements including transportation or utilities made by local government or utility providers, as eligible local financial support.

5. Enforce the language in the statute that addresses timing of approvals and determine whether a more expedited process can be delivered in order to win the project for Florida.

Name of Incentive Program

6. Program name change. Suggestions:

- Strategic Investment Fund
- Florida Jobs Tax Program
- Florida Jobs Tax Refund
- Economic Prosperity Incentive (EPI)
- Economic Prosperity Program (EPP)
- Advance Florida Business Refund Program
- Florida Business Advancement Refund Program (BAR)
- Advance Business Investment Program (ABIP)
- Competitive Business Investment Program (CBIP)
- Florida Competitive Business Investment Program (FC-BIP)
- Florida Business Recovery Refund Program (Florida R2 - R squared)
- Florida Jobs Refund Program (FJR)
- Florida Strategic Jobs and Investment Refund Program (SJIR)
- Target Sector Job Creation Refund
- Strategic Industry Job Growth Refund
- Florida Investment and Job Growth Program
- Florida Job Creation and Investment Program
- Impact Sector Job Growth Program
- Florida Economic Improvement Fund
- Florida Competitiveness Incentive
- Florida Job Growth and Investment Refund
- Florida Job & Wage Enhancement Tool
- Florida Economic Development Program
- Florida Investment Refund / Rebate

The Florida Economic Development Council (FEDC) is a membership-based, 501 (c) (6) not-for-profit corporation whose 400 members engage business, education and government leaders in key economic development initiatives that improve local communities and elevate Florida's global competitiveness. Since 1964, FEDC has invested in the professional development of its members, advocacy for sound economic development programs and policy, and recognition of excellence. FEDC members are subject matter experts in economic, workforce and community development with extensive experience in marketing the competitive assets of the communities they serve, converting these marketing efforts into attraction, retention and creation of businesses which provide jobs for Florida families and capital investment in Florida communities.

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