



**BUSINESS CLIMATE COMMITTEE MINUTES  
May 17, 2010**

**Committee Members in attendance – alphabetically:**

**Jon Bednerik  
Jim Bos  
John Fain  
Teri Hansen  
Kevin Hicks  
Stephanie Kempton**

**Leslie Loveless  
Jeff Maultsby  
Jim Paulman  
Michael Ritter  
Jamie Stone  
Daisy Vulovich  
Mike Wilson**

**Committee Members not in attendance – alphabetically:**

**Lee DeLieto, Sr.  
C. J. Fishman  
Allan Lane  
Marc Mansfield  
Joe McElmeel  
Brian Meurs  
Laura Murphy**

**Chris Pfahler  
Jeffrey Phillips  
Carolyn Piano  
Bill Robey  
Mary Slapp  
Leroy Sullivan  
Donald Watson**

**Staff:**

**Kathy Baylis**

**Lee Kotwicki**

**Invited Guest:**

**John Streitmatter**

**1. CALL TO ORDER**

Co-Chair Kevin Hicks called the meeting of the Economic Development Corporation of Sarasota County (EDC) Business Climate Committee to order at 4:05 p.m. Introductions were made.

**2. NEW BUSINESS**

- a. County Regulatory Issues Project (Interim Report – John Streitmatter)  
A number of issues have arisen as a result of the interviews to date. John summarized these: a significant cultural shift needs to

happen, consistent applications of the regulations and policies through the County, reduce turnaround times with a more integrated interview process, such as meeting with all required individuals at one meeting. Stephanie suggested the next business climate survey include specific local issues. The target date for the final report is July 1<sup>st</sup>.

b. County Update (Jeff Maultsby)

Jeff recently attended the legislative session and a number of items were discussed. TDC membership can now be increased from nine to 13 seats, two of which will be filled by public officials and two from the private sector. Kathy asked if there was any specific designation and Jeff will follow up to obtain the answer. The jobs tax credit bill and PACE (property assessed clean energy) were approved. Both bills still need to be signed by the Speaker of the House and then submitted to the Governor for final approval. Jeff distributed copies of the bills. The EEZ did not receive any incentives this year, but language will be included in the legislation this year stating incentives are needed and they will be addressed in the next legislative session. Jeff distributed two documents describing the bills, copies of which will be posted with the minutes.

3. **OLD BUSINESS**

Jim Paulman reported on the Economic Energy Zone. He asked for comments from the Board, which can be submitted by accessing [www.scgov.net](http://www.scgov.net), planning services, comprehensive plan, comprehensive plan amendments.

4. **STANDING REPORTS - UPDATES**

a. Procurement  
No report

b. Inventory of Public Facilities

The bill was passed at both the Senate and House of Representatives levels. It is waiting to be signed by the Governor. If approved, it will allow the County to lease space without a competitive bid to a new or expanding business for the next five years.

c. Angel/Venture Capital  
No report.

d. Upcoming Regional Events

The 2010 Super Regional Conference is being held May 26 and May 27 at the Gaylord Palms in Kissimmee. The cost is \$229. More information is available on the [Tampa Bay Partnership](http://Tampa Bay Partnership) website.

- e. Recovery Zone Facility Bonds  
No report.

5. **OPEN DISCUSSION**

a. Upcoming Events

Daisy stated May 24<sup>th</sup> is National Small Business Week. A day-long business growth conference will be held Thursday, May 27<sup>th</sup> at SCF-Lakewood Ranch. Kathy mentioned the EDC Investor Update Breakfast scheduled for June 9<sup>th</sup> at Mission Valley Country Club. Stephanie, Kevin and Terry will be speaking at the event. Jim Paulman announced the EEZ public meeting being held Thursday, May 20<sup>th</sup> at the South County Administration building.

b. Other

Economic injury assistance for companies affected by the oil spill is being offered, such as SBA loans. Daisy will look into this further. Daisy also mentioned that SCF sent a staff member to USF Connect to review the resources they offer. Results of that visit will be discussed on October 20<sup>th</sup> at the Venice campus of SCF. Leslie mentioned she will be attending a workforce solutions conference in June in Los Angeles. She also stated that funding for the summer youth employment program has been denied.

6. **ADJOURN**

The meeting of the Economic Development Corporation of Sarasota County Business Climate Committee adjourned at 5:04 p.m.

The next meeting will be held on **June 21<sup>st</sup>** from 4:00 p.m. to 5:30 p.m. at the EDC offices.

## **CS/SB 1752 — Economic Development**

by Policy and Steering Committee on Ways and Means and Senators Gaetz, Ring, Fasano, Richter, Negron, Bennett, Haridopolos, Thrasher, Hill, Sobel, Lynn and Detert

This bill is the omnibus Jobs For Florida economic development package that includes a wide variety of business incentives ranging from direct appropriations to tax credits and grants to reductions in state regulations. The bill:

### ***Sales and Use Tax (SUT) Exemptions***

- Revives and amends an exemption to the tax on admissions for events sponsored by a governmental entity, sports authority, or sports commission under certain conditions. This exemption expired on July 1, 2009. The bill reenacts this exemption permanently.
- Creates additional exemptions from the tax on admissions for certain sporting events: the National Basketball Association All-Star Game, Rookie Challenge, Celebrity Game, 3-Point Shooting Contest, and Slam Dunk Contest; the National Hockey League All-Star Game; the Major League Baseball Home Run Derby; and the National Football League Pro-Bowl.
- Creates an exemption from the use tax for aircraft that are sold in Florida free of sales tax to a non-resident when the plane returns to Florida for fewer than 21 total days within 6 months after the date of purchase. The aircraft owner may demonstrate to the Florida Department of Revenue (DOR) that it has met the requirements of the exemption by producing specified documentation.
- Creates an exemption from the use tax for aircraft owned by a non-resident when it is used in Florida exclusively for the purpose of flight training, repairs, alterations, refitting, or modification. The non-resident owner must be able to prove entitlement to the exemption by producing written documentation issued by in-state vendors or suppliers that identifies the aircraft. There are no time limitations associated with this exemption.
- Creates an exemption from the state sales and use tax for aircraft that primarily will be used in a fractional aircraft ownership program, and for parts or labor used in the completion, maintenance, repair, or overhaul of an aircraft for primary use in a fractional aircraft ownership program.
- The bill exempts from the SUT the rental/leasing of space at a convention hall, civic hall, or meeting space at public lodgings to a person providing telecommunications, data systems management, or Internet services. This exemption is remedial and retroactive in nature.
- Modifies the definition of “productive output” to allow a manufacturer to be eligible for an SUT exemption based on a factory’s individual product “lines,” rather than its total product output.

### ***Sales tax caps***

- Creates an \$18,000 cap on the amount of SUT that may be levied against each sale of a boat in Florida.
- Creates a new section (s. 212.0597, F.S.) to cap the amount of state and local taxes levied under ch. 212, F.S., including any discretionary sales surtaxes, at \$300 on the sale or use of a fractional aircraft ownership interest. The maximum tax applies to the total purchase

State funding in the amount of \$3 million total is appropriated for Phase I and Phase II grants for small, entrepreneurial companies trying to commercialize their discoveries.

- Appropriates \$2 million to the state university system for its State University Research Commercialization Assistance Grant program, which provides small grants to young companies trying to commercialize their institutional research into marketable products.

### ***Economic Development Provisions***

- Appropriates \$19.8 million to Space Florida for infrastructure improvements, aerospace-business recruitment; and retraining of aerospace workers, as a way to keep Florida's space industry viable through the transition from the Space Shuttle to the next NASA spaceflight program.
- Makes a number of accountability and structural changes to the spring-training baseball certification process for receiving state funds to build facilities. OTTED is able to decertify local governments that no longer have teams and have not encumbered the state funds, in order to recruit new teams from Arizona. It creates an opportunity for currently certified local governments that have lost their teams to recruit new franchises, before they are decertified by OTTED and must return state funds. It also requires all certified local governments with spring training teams to annually report on how the state funds are being used and the economic impacts of the teams, and directs OTTED and its partners to develop a strategic plan to help guide the future of spring training baseball in Florida.
- Recreates, with some changes, the Qualified Target Industry (QTI) Tax Refund Program, the state's most popular general economic incentive program, until June 30, 2020.
- Makes technical revisions to Florida's New Markets Development Tax Credit program to make the state law more compatible with federal law, and by doing so attract more private investors to Florida economic development projects in low-income communities.
- Appropriates \$15 million for the state's Quick Action Closing (QAC) Fund, contingent on Florida receiving an enhanced Federal Medical Assistance Percentage (FMAP). QAC is the incentive program designed to "close the deal" with relocating businesses that are deciding whether to choose Florida over other states.
- Appropriates \$2.9 million to the Florida Export Finance Corporation to capitalize a collateralized, self-sustaining loan fund to help small exporters get loans. This new fund must complement the corporation's current programs in Part V, of ch. 288, F.S. (An additional \$2 million is appropriated contingent on FMAP enhancements.)
- Appropriates \$1 million in FY 10-11 to DEP for beach renourishment.
- Appropriates \$1 million in FY 10-11 for the Economic Gardening Technical Assistance program, created last year by the Legislature and housed at the University of Central Florida's business incubator. (An additional \$1 million is appropriated contingent on Florida receiving FMAP funding.)
- Appropriates \$2 million to the Defense Infrastructure Grant Program to assist communities located near military installations with economic development opportunities. (An additional \$2 million is appropriated contingent on FMAP enhancements.)
- Modifies the state's High Impact Business Incentive Program to create a new category of eligible projects – businesses that create 50 jobs and make a capital investment of \$50 million – and makes them eligible for a \$500,000 to \$1 million grant.

- Revisits the permit-extension provisions in ch. 2009-96, L.O.F., to allow, under certain conditions, an additional 2-year extension. Also, new permit applicants may be able to get a 2-year extension of their permits, under certain conditions.
- Modifies the definition of “jobs” in the state’s economic development incentive programs to include leased employees, which reflects the changing employment market and is consistent with the federal definition.
- Grants OTTED the flexibility to renegotiate QAC contracts for FY 10-11 for projects that materially met the conditions of their agreement but fell short in some requirements because of adverse economic conditions.
- Potentially accelerates the QAC approval process by allowing QAC project awards of less than \$2 million to be approved by the Legislature’s Presiding Officers, rather than the full Legislative Budget Commission (LBC), which typically meets quarterly. However, if either the Chair or Vice-chair of the LBC, the Senate President, or the Speaker of the House of Representatives objects to the QAC project, no funds will be released to that project until the LBC or the Legislature meets to review the project.
- Assigns OTTED one new FTE position to assist in the implementation of this act. The total appropriation associated with this position is \$98,127.

If approved by the Governor, these provisions take effect upon becoming law, except as otherwise provide.

*Vote: Senate 39-0; House 115-0*

## **CS/HB 7179 — Qualifying Improvements to Real Property**

by Finance and Tax Council; Energy and Utilities Policy Committee; and Reps. Precourt and Ford (CS/CS/CS/SB 2322 by Policy and Steering Committee on Ways and Means; Finance and Tax Committee; Community Affairs Committee; and Senators Bennett and Crist)

This bill authorizes local governments to levy non-ad valorem assessments to fund energy efficiency and renewable energy improvements and changes or improvements made for the purpose of improving a property's resistance to wind damages for property owners who voluntarily participate in a generated local government financing program.

The bill also grants local governments the authority to issue debt, payable from revenues received from the improved property, and to partner with one or more local governments for the purpose of providing such improvements.

The bill further provides a funding mechanism for the energy-related improvements to real property by:

- Authorizing the existing Florida Development Finance Corporation to participate in a federal program providing loan guarantees for capital projects relating to renewable energy.
- Leveraging left-over funds from existing grant programs: the state guarantees 5% of the loan amount, the federal government guarantees 75%; and the business provides the other 20%.

Additionally, the bill revises the term "renewable energy" to include energy produced using pipeline-quality synthetic gas produced from waste petroleum coke with carbon capture and sequestration.

If approved by the Governor, these provisions take effect upon becoming law.

*Vote: Senate 31-4; House 119-0*