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## **Alachua County**

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### **1. Please describe your understanding of the intent of the state's Enterprise Zone Program.**

The understanding that we have from the program is to create employment and redevelopment opportunities in areas in a specific area targeted and in need of economic revitalization.

What are the advantages to businesses that participate in your county's Enterprise Zone Program

#### ***a. Disadvantages?***

- Sometimes businesses seems to not know that they are eligible for incentives from the Enterprise Zone Program
- There is criticism about some of the incentives from the program not making a difference in inducing investment into the targeted area

#### ***b. How could these disadvantages be overcome?***

- An idea would be to market the program more heavily to eligible businesses

### **2. How important is the Enterprise Zone Program to your local businesses with regard to location decisions?**

#### ***a. If all other factors (e.g., availability of facilities, skilled workforce, labor costs, etc.) were equal, would they choose a location in an Enterprise Zone over another location?***

In the last past 3 years, local businesses and out of state are locating into areas of enterprise zone. The enterprise zone is not the only incentive offered, however is one of the tools from the toolbox of incentives. The following companies benefited from the Enterprise Zone Bonus that the QTI program awards:

- Azalea Health Innovations committing to create 10 jobs, average wage \$60,000 and CAPX of \$30,000
- OneSixtyOverNinety Inc. committing to create 35 jobs, average wage of \$90,000 and CAPX of \$500,000
- Bio Monde committing to create 18 jobs, average wage of \$52,500 and CAPX of \$824,538
- Mobiqity committing to create 260 jobs, average wage of \$49,000 and CAPX of \$820,000

- RegisterPatient committing to create 32 jobs, average wage of \$45,000 and CAPX of \$513,000
- Mindtree committing to create 400 jobs, average wage of \$80,000 and CAPX of \$2,925,000

**3. From your county's perspective, how has the program affected the following conditions in the designated zones/area?**

**a. Crime rates**

- i. County does not keep track of this data

**b. Property values**

- i. County does not keep track of this data

**c. Local infrastructure (e.g., streets, sidewalks, utilities, etc.)**

- i. County does not keep track of this data

**d. Appearance of businesses and residences**

- i. County does not keep track of this data

**e. Other**

**4. If the Enterprise Zone Program sunsets as scheduled in December 2015, how would it impact your county?**

The Enterprise Program has been a part of a multi-layered incentive approach to attract businesses to the City of Gainesville since it is currently use as a recruitment/retention tool in addition to the Qualified Target Industry (QTI). The impact would be lack of competitiveness with other states in the region because the sun setting of the enterprise zone would signify losing an incentive bonus that sometimes can award double the incentive per job created.

**5. Do you have any additional comments about the Enterprise Zone Program?**

For our region, the Enterprise Zone Program is an important tool for economic development to induce out of state and foreign private sector investment into the area. The enterprise zone program functions as a part of a multi-layered incentive approach to implement economic development, layering with other incentives such as QTI, and CRA incentive programs.

## **Broward County**

Marti Cassini

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### **1. Please describe your understanding of the intent of the state's Enterprise Zone Program.**

We understand the intent of the program to be to foster investment in communities that have experienced a lack of investment, and to encourage employment of residents who live in these communities by businesses located in these communities.

### **2. What are the advantages to businesses that participate in your county's Enterprise Zone Program**

The financial incentive programs available to companies through the Enterprise Zone program enable businesses to lower the cost of making certain investments in their business. Additionally, because the businesses are incentivized to hire residents within the Enterprise Zone, additional access to talent within the community is created that may have been overlooked were it not for the incentives available for such hiring. In addition to the advantages created through financial incentives available to companies within the Enterprise Zone, our marketing and management of the program brings the County's Office of Economic and Small Business Development into closer contact with businesses located in the Enterprise Zone, providing our office and our economic development partners with a more in-depth understanding of the challenges these businesses face, and in some cases bringing more resources to bear in confronting these challenges.

#### ***a. Disadvantages?***

- One disadvantage to the program that we continue to see is in the purchase amount threshold for the equipment tax credit. Many of the businesses that our office contacts within the Enterprise Zone are small businesses making investments of less than \$5,000. These investments are worthwhile and important to both the business and the community. However, because the minimum purchase price is \$5,000 these businesses receive no incentives for making these purchases.

#### ***b. How could these disadvantages be overcome?***

- This disadvantage could be overcome by lowering the purchase amount threshold.

### **3. How important is the Enterprise Zone Program to your local businesses with regard to location decisions?**

We've found that the program is a very important consideration to small businesses. For small businesses evaluating relocation, we find that due to project size, their project parameters often don't fit other state or local incentive programs so the Enterprise Zone program becomes more important. Likewise, the program also plays an important role for small businesses already located in the Enterprise Zone and evaluating expansion projects. It is also important to note that many of the small businesses located in the

Enterprise Zone grow very gradually at 1 or 2 employees at a time and this program is an important factor in the businesses' decision to add that additional employee.

**a. If all other factors (e.g., availability of facilities, skilled workforce, labor costs, etc.) were equal, would they choose a location in an Enterprise Zone over another location?**

- Many Enterprise Zone areas in Broward County would be very attractive to businesses due to their generally favorable central locations and proximity to major transit routes.

**4. From your county's perspective, how has the program affected the following conditions in the designated zones/area?**

**a. Crime rates**

- i. While the crime rate throughout the County has decreased, it is difficult for us to correlate Enterprise Zone activities directly; however it is important to note that Enterprise Zones frequently overlap with other targeted development areas such as Community Redevelopment Areas (CRAs). The combination of the Enterprise Zone programs and programs offered by CRAs is having a positive effect on many targeted areas through increased employment and elimination of blight which we know have positive impacts on crime rates.

**b. Property values**

- i. Property values remain depressed due to multiple factors including the recently concluded recession. As the economy continues to improve we expect to see increases in property values among properties not only in the County's Enterprise Zones, but throughout the County.

**c. Local infrastructure (e.g., streets, sidewalks, utilities, etc.)**

- i. We have not seen direct effects of Enterprise Zone programs on these activities although as mentioned above, location of many Enterprise Zones overlap with targeted investment areas such as CRAs and activity in these targeted areas have positively impacted these types of investment in the Enterprise Zone areas.

**d. Appearance of businesses and residences**

- i. While a combination of Enterprise Zone and CRA programs have contributed to improvements in certain areas throughout the County, we have seen more of the effects in terms of upgrades of new equipment inside the business that has in many cases made businesses more efficient and productive.

**e. Other**

**5. If the Enterprise Zone Program sunsets as scheduled in December 2015, how would it impact your county?**

Because many of the business expansion and growth projects undertaken by companies within the Enterprise Zone are of a small scale and do not meet the parameters of signature incentive programs such as the Qualified Target Industry program. As a result, the Enterprise Zone program remains one of few tools at our disposal to assist in small

scale business expansions projects. Sunsetting of the program would remove this very important tool. Our office has invested in increased efforts to promote the program and is seeing results in higher numbers of application-related activity. Should the program sunset, it would slow the momentum toward encouragement of investment and employment in some of the County's most underserved communities.

**6. Do you have any additional comments about the Enterprise Zone Program?**

As we continue to experience increased application activity, we have relied more heavily on the Department of Revenue for technical assistance and guidance regarding the program. The assistance we have received from the Department has been exceptional; they have been professional, responsive and diligent in following up with us and their assistance has been invaluable.

Finally, we view the program as a key tool in promoting investment and employment in some of the County's underserved communities, as well as a useful tool to assist in facilitating smaller scale projects that may not fit the requirements of some of the other incentive programs offered by the State or County. The continuation of the program is vital to ensuring that economic growth reaches all segments of the County.

## **Charlotte County**

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### **1. Please describe your understanding of the intent of the state's Enterprise Zone Program.**

The intent of the program is to encourage private investment in economically distressed and underserved areas. The program goals are to revitalize distressed areas, stimulate employment, and enhance economic and social well-being of the area. The goals of this program reflect similar goals of designated Community Redevelopment Areas (CRA) and the Enterprise Zone program complements the efforts of local CRAs.

### **2. What are the advantages to businesses that participate in your county's Enterprise Zone Program?**

Our Enterprise Zone was designated in January 2013. Currently, businesses can take advantage of all of the Enterprise Zone benefits offered under the program except the sales tax exemption for electric energy. The County provides an Economic Development Ad Valorem Property Tax Exemption for qualifying businesses and provides a local economic match for the State Qualified Target Industry (QTI) qualified businesses.

In addition to business advantages, the sales tax refund for building materials is also available for residential units. This incentive encourages property owners and tenants to improve the housing stock in these distressed areas and assist in revitalizing the community. Improved housing stock reduces criminal activities and provides safe and secure homes. Research indicates that children who live in safe and secure environments achieve higher academic test scores which can lead to a bright future with advanced employment placement.

A portion of our Enterprise Zone falls within designated Community Redevelopment Areas, which allows a layering of incentives based on tax increment generated from a project. Currently, incentive packages are currently created on a case-by-case basis.

#### ***a. Disadvantages?***

#### ***b. How could these disadvantages be overcome?***

- Disadvantage 1\_ - Limitation on building materials sales tax refund is a onetime refund per parcel unless the parcel is sold or a new tenant moves into the building. For residential development and small businesses – it may be a financial challenge to undertake total building renovations at one time. The participant may want to do a roof replacement as the first improvement and then follow it up by windows in the next six months.
- Overcome: Allow sales tax refund to be granted for up to 5 times with the

minimum refund being \$500 and the maximum refund for all 5 applications not to exceed the \$5,000 maximum refund provided all applications are submitted within a 24 month period.

- Disadvantage 2 – The threshold to qualify for sales tax refund on business equipment (\$5,000) doesn't reflect the average equipment purchased by small companies. However, reducing the amount would appear to put a larger burden on the Department of Revenue to process the claim.
- Overcome- develop a certification process that would allow businesses to not pay the sales tax at the time of purchase, which would streamline the process, similar to the process available for manufacturing equipment sales tax exemption.
- Disadvantage 3 – requirement that new jobs created must be filled with Enterprise Zone residents or welfare transition recipients. This requirement adds a burden to the employer to certify the residence of the employee.
- Overcome – a new job is a new job. Eliminate the residence or welfare requirement.
- Disadvantage 4 – having two levels of benefits – maximum \$5000 or \$10,000 for building materials sales tax refund or the \$25,000 or \$50,000 Florida Corporate Tax credit depending on percentage of employees that live in the zone.
- Overcome – eliminate the two levels and set one maximum amount.

**3. How important is the Enterprise Zone Program to your local businesses with regard to location decisions?**

***a. If all other factors (e.g., availability of facilities, skilled workforce, labor costs, etc.) were equal, would they choose a location in an Enterprise Zone over another location?***

- If all other factors were equal, the company would most likely pick the Enterprise Zone for the additional incentives. The additional QTI bonus for qualifying business is a substantial incentive. The Enterprise Zone program is the only State incentive available to non-QTI qualifying businesses. The Enterprise Zone is a great marketing tool to get the attention of businesses looking at our area.



**4. From your county's perspective, how has the program affected the following conditions in the designated zones/area?**

Our Enterprise Zone was designated in January 2013 and over the past 22 months our efforts have focused on marketing the program and educating the public on the benefits. This program is the only state incentive program the County can offer that provides an incentive for residential renovations and new construction that is not tied to income or home ownership requirements. Since Charlotte County is not an entitlement county for CDBG funds, this program provides an incentive to encourage residential remodeling or new construction in areas that will greatly benefit from improved housing conditions. In addition, this is the only State program that incentivizes job creation that is not tied to high-wage jobs in targeted high-value industries. Charlotte County is not a metropolitan area, so recruitment of QTI qualifying businesses is challenging as we are competing with large metropolitan areas. In the past two years we have seen:

**a. Crime Rates**

- i. Reduced

**b. Property Values**

- i. Increased

**c. Local Infrastructure (e.g., streets, sidewalks, utilities, etc.)**

- i. Public sector improvements either under design or construction.

**d. Appearance of Businesses and Residences**

- i. Improved

**e. Other - awareness of the program**

- i. Growing.

**5. If the Enterprise Zone Program sunsets as scheduled in December 2015, how would it impact your county?**

It would have a large impact on how we market and incentivize our business recruitment efforts to non-QTI qualifying businesses. It will also eliminate an incentive to remodel or build new residential units in these distressed areas of the county.

**6. Do you have any additional comments about the Enterprise Zone Program?**

The Enterprise Zone program should be viewed as a program that provides a holistic approach to revitalization of a community that includes both residential incentives and incentives for small businesses as well as recruitment of companies that don't meet the high-wage standard.

For non-metropolitan communities or rural areas, the Enterprise Zone Program is one of the few tools that incentivize job creation without meeting the high-wage definition. Eliminating the program would have a negative impact on these communities and reduce their competitive edge over other southern states.

The Enterprise Zone Program is a perfect program to complement areas that have been designated as Community Redevelopment Areas. Measuring the success of the program goes beyond direct fiscal impacts, such as evaluating the home values in an area. A new house on a block may incentivize the neighbor to paint or plant trees on his/her property but no property value increase will likely be generated or as more homes become owner-occupied and qualify for homestead exemption there may be a slight reduction in taxable value. However, that spillover effect on improving the neighborhood in the long-run will have a positive effect on the area. Improved housing can also lead to new business opportunities to serve the neighborhood, creating new jobs. So while the overall tax value may be reduced or shown only modest increase the area has achieved the intent of the Enterprise Zone Program.

## **Citrus County**

Jim Faulkner

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### **1. Please describe your understanding of the intent of the state's Enterprise Zone Program.**

It is my understanding that the intent of the Enterprise Zone Program is to encourage growth and development by allowing monetary incentives in those economically distressed areas identified and approved as Enterprise Zones.

### **2. What are the advantages to businesses that participate in your county's Enterprise Zone Program**

There are several statewide tax credits available to businesses locating within an Enterprise Zone which allow monthly credits against their sales and use tax, corporate income tax credit on wages paid to full-time employees, refunds on state sales tax towards eligible machinery / equipment, sales tax refunds on building material purchases and more.

#### ***a. Disadvantages?***

- For Citrus County, the disadvantages are the location of the Enterprise Zones. The northern (Zone A) area does not have central utilities and is in nearly 9 square miles of vacant land. In other counties, businesses might not want to move into troubled neighborhoods. High costs of insurance, added security and the ability to hire skilled laborers might be too significant to be offset by the tax incentives alone.

#### ***b. How could these disadvantages be overcome?***

- Some of these disadvantages might be overcome by added local (county) incentives and partnerships.

### **3. How important is the Enterprise Zone Program to your local businesses with regard to location decisions?**

#### ***a. If all other factors (e.g., availability of facilities, skilled workforce, labor costs, etc.) were equal, would they choose a location in an Enterprise Zone over another location?***

- I believe if all utilities and infrastructure (water, sewer, roads, etc.) were available, businesses would likely choose to develop in the Enterprise Zones, especially those designated as industrial / manufacturing.

### **4. From your county's perspective, how has the program affected the following conditions in the designated zones/area?**

**a. Crime rates**

- i. According to the Citrus County Sheriff's Department, crime has not been an issue in the areas of our Enterprise Zones as they are rural in nature (Zone A) and mostly vacant.

**b. Property values**

- i. Our Enterprise Zone is relatively new and we do not have any statistics at this time to determine if there will be a difference in property values.

**c. Local infrastructure (e.g., streets, sidewalks, utilities, etc.)**

- i. At this point, no infrastructure has been added / improved.

**d. Appearance of businesses and residences**

- i. Not Applicable

**5. If the Enterprise Zone Program sunsets as scheduled in December 2015, how would it impact your county?**

If the program sunsets, it will certainly have a negative effect on Citrus County. We have a limited area for industrial uses and without incentives, companies will not look to open businesses within those areas. Even though our Enterprise Zone is relatively new, we currently have two (2) companies locating within the Enterprise Zones (Duke Energy Florida, Inc. and Titan Group, Inc.). Duke will employ up to 600 people for 2-3 years while building their new gas plant and retain up to 75 permanent fulltime employees, while Titan Group plans on having 20-25 fulltime employees. As more companies see the benefits of those areas, infrastructure eventually be added and jobs will be created.

## **Collier County**

Bradley Muckel

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**1. Please describe your understanding of the intent of the state's Enterprise Zone Program.**

To bolster economic development activities within the designated enterprise zone areas through State sales tax relief, property tax relief, reduction of corporate income tax liability.

**2. What are the advantages to businesses that participate in your county's Enterprise Zone Program.**

***a. Disadvantages?***

- None.

***b. How could these disadvantages be overcome?***

**3. How important is the Enterprise Zone Program to your local businesses with regard to location decisions?**

It is very important to the larger chain retailers who can meet the eligibility thresholds within each of the Enterprise Zone incentive programs.

***a. If all other factors (e.g., availability of facilities, skilled workforce, labor costs, etc.) were equal, would they choose a location in an Enterprise Zone over another location?***

- Yes.

**4. From your county's perspective, how has the program affected the following conditions in the designated zones/area?**

***a. Crime rates***

- i. Reduced

***b. Property values***

- i. Increased

***c. Local infrastructure (e.g., streets, sidewalks, utilities, etc.)***

- i. Improved

***d. Appearance of businesses and residences***

- i. Improved

***e. Other***

**5. If the Enterprise Zone Program sunsets as scheduled in December 2015, how would it impact your county?**

Many of the chain retailers (Auto Zone, Walgreens, Winn Dixie, etc) may relocate out of Immokalee. Taco Bell, who just started construction in downtown Immokalee and are looking forward to the EZ benefits, would also reconsider their project.

**6. Do you have any additional comments about the Enterprise Zone Program?**

The FTE requirement in the property tax program should be reduced from 5 to 2. The minimum expenditure figure in the business equipment program should be reduced from \$5000 to \$500 per piece.

## **Duval County**

Paul Crawford

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### **1. Please describe your understanding of the intent of the state's Enterprise Zone Program.**

The intent of the state's Enterprise Zone is to provide disadvantaged areas of a community with an enhanced opportunity to attract business and commerce, thus off-setting the risk businesses take in locating in these areas.

### **2. What are the advantages to businesses that participate in your county's Enterprise Zone Program**

The Enterprise Zone Program provides tax relief for those businesses locating in the Zone through Job Tax Credits, Capital Purchase Reimbursement and Sales Tax Reimbursement programs.

#### ***a. Disadvantages?***

- The designated Enterprise Zones within our City are areas that, have little to no new Private Capital Investment; have low average wages; have higher crime rates and have not seen appreciable increases in property values. For these reasons, businesses experience difficulty in, financing projects; attracting employees; ensuring a return on their investment and overall perception of safety.

#### **b. How could these disadvantages be overcome?**

- These disadvantages create substantive objective barriers as well as subjective barriers to companies investing in these areas. The Enterprise Zone tax breaks help, but must be coupled with highly attractive physical improvements and financial incentives. These must come from both the State and community. Properties must be induced to improve as opposed allowing them to remain dormant/stagnant creating further degradation of the area.

### **3. How important is the Enterprise Zone Program to your local businesses with regard to location decisions?**

The companies that consider locating in the Enterprise Zone are companies that are comfortable with taking risks. However, when a company takes that risk, there must be something that mitigates for some portion of it. This would include the tax incentives, but could and should be more through loans that beat the conventional loans and investments by the community that improve the area.

#### ***a. If all other factors (e.g., availability of facilities, skilled workforce, labor costs, etc.) were equal, would they choose a location in an Enterprise Zone over another location?***

- If the assumption also included a varied socio-economic strata of population living in the area with lower than average crime rates, which resulted in a variety of support

**commercial and residential mixes, then yes. The infrastructure in most parts is equal to or better than that of other areas of our City which are not Enterprise Zones.**

**4. From your county's perspective, how has the program affected the following conditions in the designated zones/area?**

The program has encouraged those willing to stay and invest in these areas to remain. It has also aided the City leadership to stay focused on the most needy areas of our City through public infrastructure support.

**a. Crime rates**

- The program has had little if any impact on Crime rates in these areas. While capital investments being made in the Enterprise Zones continue to aid in the negative perception of the area, there are underlying issues associated with the crime rates that require more dramatic efforts. The systemic problem with Crime in the area is the lack of education and job training for the residents.

**b. Property values**

- When private capital is invested in these struggling areas, it does appreciate the adjacent and surrounding properties. However, the impact is localized and must continue and be more concentrated in order to realize significant increases to an overall area.

**c. Local infrastructure (e.g., streets, sidewalks, utilities, etc.)**

- As stated previously, the designation is not only to provide incentives to companies willing to locate and hire in the Enterprise Zones; it also serves the purpose of ensuring the community leadership is focused on these disadvantaged areas. Through this focus, the infrastructure investments have been somewhat successful. With the absence of such a designation, the funding for this infrastructure may have been applied elsewhere.

**d. Appearance of businesses and residences**

- The program has resulted in commercial corridors having significant blight reduced. The businesses that take advantage of the opportunities afforded to them through the program tend to have a positive spin off on the adjacent properties and thus the corridor.

**e. Other**

- One of the more positive and impactful results of the program over the years has been with the services that would not otherwise have come to the area. These service sector jobs provide direct opportunities for the population to be hired, and provide convenience services for both the population and employers.



**5. If the Enterprise Zone Program sunsets as scheduled in December 2015, how would it impact your county?**

The ramifications of the sunseting of the Enterprise Zone Program would significantly dilute the options the local community has to provide incentives to businesses willing to locate there. It would likely result in a rapid decay of these already degraded areas of the City by justifying the evacuation of those businesses located in the Zones.

**6. Do you have any additional comments about the Enterprise Zone Program?**

No.

## **Flagler County**

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**1. Please describe your understanding of the intent of the state’s Enterprise Zone Program.**

Our understanding is that Florida’s Enterprise Zone Program is intended to encourage businesses to invest and create employment in economically distressed areas, indicated specifically by high levels of poverty and unemployment. The program provides for the following tax incentives that are located in and used within the zone: sales and use tax credit, tax refunds for business machinery and equipment, sales tax refund for building materials and sales tax exemption for electrical energy use.

**2. What are the advantages to businesses that participate in your county’s Enterprise Zone Program**

Flagler County is ineligible to apply for the designation of an enterprise zone. The statutory requirement to demonstrate “pervasive poverty, unemployment, and general distress” is applied in such a way as to preclude any areas in Flagler County from being eligible for nomination, despite experiencing tremendous unemployment, property value depreciation, and mortgage foreclosures since the late 2000s. As a result, businesses in Flagler County are unable to realize the same advantages as other businesses located within the 53 existing enterprise zones around the State.

**3. How important is the Enterprise Zone Program to your local businesses with regard to location decisions?**

We believe that the designation of an enterprise zone within Flagler County would be an important addition to our economic development toolkit, and we also believe that the incentives available under the Enterprise Zone Program would indeed affect businesses’ site selection evaluations. With a largely suburban population just under 100,000 and excellent accessibility to major shipping routes, factors such as workforce quality, labor costs, shipping costs, etc. are relatively homogeneous across Flagler County. Consequently, the availability of the state and local incentives offered under the Enterprise Zone Program would be an important factor to businesses seeking to locate in Flagler County.

**4. From your county’s perspective, how has the program affected the following conditions in the designated zones/area?**

As above, we believe that the conditions listed in this question – crime rates, property values, local infrastructure, etc. – would be improved as a consequence of designating an enterprise zone in Flagler County. There are areas in Flagler County which are on the cusp of eligibility for nomination; these areas are fairly characterized by elevated crime rates, poor housing stock, lack of diversity in housing options, outdated or lacking transportation and utility infrastructure, and unappealing neighborhood appearance.

We believe that the state incentives that would be available under the Enterprise Zone Program would enable businesses to locate within a designated enterprise zone and invest in the physical development of private properties. This, in turn, would gradually improve the physical appearance of areas within the enterprise zone, elevating property values, building private equity within the enterprise zone, and consequently enabling public investment in infrastructure systems in these areas. As a result of this increased investment in the physical environment and the creation of employment within the enterprise zone, social conditions (crime rates, unemployment, private income, insurance coverage, etc.) would be expected to improve as well.

**5. If the Enterprise Zone Program sunsets as scheduled in December 2015, how would it impact your county?**

As indicated above, Flagler County is ineligible to apply for designation of an enterprise zone despite maintaining the 2<sup>nd</sup>-highest unemployment rate in Florida for the past several years, in addition to severe property value depreciation, high foreclosure rates, and very high rates of poverty in isolated areas. Regardless of whether the Enterprise Zone Program sunsets, we believe that the state should expand the availability of the economic development incentives offered under the program to communities, like ours, which clearly demonstrate a need for these economic development tools but are technically unable to meet the strict statutory eligibility criteria for an enterprise zone. This is an issue that Flagler County is emphasizing as part of its legislative agenda for the 2015 Session. If the Enterprise Zone Program sunsets and the state incentives offered under the program are no longer available, communities will lose important economic development tools that can have meaningful positive impact in economically distressed areas.

**6. Do you have any additional comments about the Enterprise Zone Program?**

We believe that in evaluating the efficacy of the Enterprise Zone Program, the state should expand its evaluation beyond simply the return of state revenues on the investment made through economic development incentives. The state should also consider the program's effects at the local level on job growth, property values, economic vitality, and quality of life in Florida's communities, all of which cannot be measured simply in terms of a state-specific ROI calculation.

## **Gadsden County**

Henry Grant

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### **1. Please describe your understanding of the intent of the state's Enterprise Zone Program.**

The state Enterprise Zone Program was designed to assist local communities in putting together public and private sector resources to create an economic and social environment to attract investment in distressed areas. This would lead to the creation of jobs and stimulate the economy in the area.

### **2. What are the advantages to businesses that participate in your county's Enterprise Zone Program?**

Businesses locating in the Enterprise Zone (EZ) may qualify for Sales Tax Job Credits, Sales Tax Refunds on business equipment and building materials and other property tax incentives.

#### ***a. Disadvantages?***

- We are unable to effectively get the word out about the EZ program. The EZ Coordinator is the County Extension Director in Gadsden County and does not have a budget for the EZ Program, consequently he cannot adequately market program incentives as aggressively as needed. Additionally, the Department of Revenue does not provide feedback to the EZ Coordinators on applications submitted as to approval or denial. Coordinators are not able to know who actually benefited from the program, it is an assumption.

#### ***b. How could these disadvantages be overcome?***

- The availability of funds for marketing would assist in overcoming this disadvantage. In addition, the establishment of a system/procedure for notifying the EZ Coordinator of application status would be helpful.

### **3. How important is the Enterprise Zone Program to your local businesses with regard to location decisions?**

Very important

#### ***a. If all other factors (e.g., availability of facilities, skilled workforce, labor costs, etc.) were equal, would they choose a location in an Enterprise Zone over another location?***

- If all factors were equal, yes businesses would choose to be in the EZ and the incentives would serve as the catalyst to seal the deal.

**4. From your county's perspective, how has the program affected the following conditions in the designated zones/area?**

**a. Crime rates**

- i. down throughout the county

**b. Property values**

- i. slightly higher

**c. Local infrastructure (e.g., streets, sidewalks, utilities, etc.)**

- i. local infrastructure in the EZ has changed and is aggressively being worked on to provide what's needed to the areas in the EZ.

**d. Appearance of businesses and residences**

- i. shows improvement

**e. Other**

**5. If the Enterprise Zone Program sunsets as scheduled in December 2015, how would it impact your county?**

It would be a very serious blow to lose the only program whose unique focus is the redevelopment of distressed areas. No area of the state needs jobs more than our distressed county. No area of the state is more justified for incentive expenditures than the area targeted for redevelopment

**6. Do you have any additional comments about the Enterprise Zone Program?**

Distressed areas, such as Gadsden County, have not enjoyed the same level of recovery as the rest of the state, many of the businesses and residents of the distressed area have been left behind in the economic recovery. Gadsden County as one of those areas is no exception to the need for incentives to retain current residents and businesses as well as attract new ones.

## **Gulf County**

Donald Butler

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**1. Please describe your understanding of the intent of the state's Enterprise Zone Program.**

The intent of the Enterprise Zone program is to help disadvantaged communities attract new businesses in economically distressed areas through an incentive program.

**2. What are the advantages to businesses that participate in your county's Enterprise Zone Program.**

The enterprise program can make a business more competitive.

**a. Disadvantages?**

- I see none.

**b. How could these disadvantages be overcome?**

- N/A

**3. How important is the Enterprise Zone Program to your local businesses with regard to location decisions?**

It is a consideration among others as to where to locate.

**a. If all other factors (e.g., availability of facilities, skilled workforce, labor costs, etc.) were equal, would they choose a location in an Enterprise Zone over another location?**

- Yes

**4. From your county's perspective, how has the program affected the following conditions in the designated zones/area?**

**a. Crime rates**

- i. N/A

**b. Property values**

- i. Enterprise Zones cannot decrease property values.

**c. Local infrastructure (e.g., streets, sidewalks, utilities, etc.)**

- i. N/A

**d. Appearance of businesses and residences**

- i. N/A

**e. Other**

**5. If the Enterprise Zone Program sunsets as scheduled in December 2015, how would it impact your county?**

The enterprise program was heavily utilized during the boom in the mid 2000's. For several years, Gulf County was able to keep a sizable amount of incentive money in the local economy which without a doubt, provided jobs. If the program was to go away, the incentive dollars would go away which would have a negative impact on the local economy.

**6. Do you have any additional comments about the Enterprise Zone Program? The program is good.**

We have found that outreach to the prospective users of the program can be hard. An ad in the local paper grows cold soon and is expensive. If a jurisdiction could afford an employee to guide the potential users of the program, more incentive(s) could be realized which compounded with the multiplier effect could be substantial.

## **Hernando County/City of Brooksville**

Bill Geiger

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### **1. Please describe your understanding of the intent of the state's Enterprise Zone Program.**

The intent of the EZ program is to induce businesses to establish within designated EZ areas to provide investment and jobs for residents that live in these areas that have been documented with blight and disinvestment and low to very low income population.

### **2. What are the advantages to businesses that participate in your county's Enterprise Zone Program**

Eligibility to receive the various State and local incentives that are offered and a workforce that is available to embrace the job opportunities created.

#### ***a. Disadvantages?***

- The limitations of the incentives to assist the smaller business enterprises.

#### ***b. How could these disadvantages be overcome?***

- Open the incentives up without the caps/thresholds. Even a small amount of return is a big deal to a smaller business. Also, try to streamline the application paperwork even more than it is. Complicated voluminous paperwork for a small return is a disincentive to small business entities.

### **3. How important is the Enterprise Zone Program to your local businesses with regard to location decisions?**

It is definitely a preconsideration for some and an unexpected opportunity for others.

#### ***a. If all other factors (e.g., availability of facilities, skilled workforce, labor costs, etc.) were equal, would they choose a location in an Enterprise Zone over another location?***

- If all factors were equal, than yes, I think they would choose a location within an EZ over another location. The EZ incentives could be the deciding factor, however, all sites come with their unique pros and cons that when bundled together, become the overall deciding factor.

### **4. From your county's perspective, how has the program affected the following conditions in the designated zones/area?**

#### ***a. Crime rates***

- i. Decreased.

#### ***b. Property values***

- i. Increased.

#### ***c. Local infrastructure (e.g., streets, sidewalks, utilities, etc.)***



- i. Significantly improved community investment in local infrastructure.

- d. Appearance of businesses and residences**

- i. Improved but could be better.

- e. Other**

**5. If the Enterprise Zone Program sunsets as scheduled in December 2015, how would it impact your county?**

The EZ program is just one of the tools that we use to incentivize and induce businesses to locate within our community, and especially within areas of the community that are in dire need of socioeconomic improvement. The State's commitment to the program has helped tremendously in letting businesses know that there are economic benefits that give reason for businesses to seek out these areas. To allow the Program to sunset would destroy all the work that has been done to improve the Program to date and send the wrong signal to the business community that Florida is "fickle" when it comes to its economic development commitments.

**6. Do you have any additional comments about the Enterprise Zone Program?**

Let's keep and improve the Program and continue to strive to make Florida the best place to live, work, play, visit and do business.

## **Hillsborough County**

Elizabeth Pytlik

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### **1. Please describe your understanding of the intent of the state's Enterprise Zone Program.**

Enterprise Zones are underutilized, distressed areas targeted for economic revitalization. The EZ Program encourages economic growth and investment by offering tax incentives to businesses in the zone. The program is intended to both stabilize the most needy areas of the community and ensure that further deterioration does not occur, as well as position the area for growth and investment to improve overall conditions. It is unique among the tools in our tool kit because it is the only incentive program we have that community-based, small businesses can truly take advantage.

### **2. What are the advantages to businesses that participate in your county's Enterprise Zone Program**

The jobs Tax Credit, Building Materials and Business Equipment Tax Incentives have provided the opportunity for businesses located in the zone to expand, create and retain jobs. The benefits provided through the Enterprise Zone Program are a great boost to our small businesses in our most distressed areas of our community.

#### ***a. Disadvantages?***

- None Known

#### ***b. How could these disadvantages be overcome?***

- N/A

### **3. How important is the Enterprise Zone Program to your local businesses with regard to location decisions?**

Typically larger retailers, such as Walmart, Walgreens, Auto Zone, etc. choose the Enterprise Zone Areas to create community wealth, employ residents and simultaneously take advantage of the Jobs Tax Credit incentive offered. Small businesses have used the Building Materials Incentive to make building/façade improvements and have created a domino effect in their communities. The Business Equipment Incentive is difficult to utilize due to the minimum purchase requirement of \$5,000 per unit (we have recommended in the past that this be lower to \$500.) If this was reduced, the number of businesses utilizing this incentive would dramatically increase and more businesses would have the opportunity to grow.

With regard to large corporate relocations (that we would typically work with EFI/DEO), the availability of the Enterprise Zone QTI Bonus has been a material factor in choosing a site for new targeted industry growth.

***If all other factors (e.g., availability of facilities, skilled workforce, labor costs, etc.) were equal, would they choose a location in an Enterprise Zone over another location?***

- We believe that this question, in and of itself, demonstrates a misunderstanding about the purpose of Enterprise Zones. It is our opinion that the primary purpose of the EZ is to assist existing, small, local businesses – it is a retention and expansion tool. Therefore, to answer the question, yes, we do believe that all things being equal, companies would choose the EZ over another location.

**4. From your county's perspective, how has the program affected the following conditions in the designated zones/area?**

***a. Crime rates***

- i. According to the Hillsborough County Sheriff's Office, the crime rate in the University Area Enterprise Zone has dropped significantly in the last 6 years. Between 2011 and 2012 overall crimes fell by 17.2% and serious crimes fell by 10.7%. Grant funding was provided to the Sheriff's Office, partially because of the Enterprise Zone designation, to purchase security cameras installed throughout the University Area. In addition, community improvement as a whole has created a sense of pride amongst the residence of the area; therefore, reducing crime. Source: Hillsborough County Sheriff's Office

***b. Property values***

- i. On the property values front, both the county EZ and City EZ experienced higher growth in just and taxable valuation in the period 2005-2008 than the county at-large. Additionally, the EZs outperformed the recent additions ("new areas") to the County EZ. However, the EZ areas have taken longer to recover from the recession than the county at-large on the taxable value front – and, for EZ-2902, in terms of just values highlighting the need for continued access to the EZ toolkit, or other incentives to drive private sector investment into the EZ.

***c. Local infrastructure (e.g., streets, sidewalks, utilities, etc.) Not effected.***

- i. Hillsborough County has made investments into the Enterprise Zone, with 43 capital improvement projects recently completed or underway. These projects include a fire station, community services center, library and also myriad drainage and roadway improvements.

***d. Appearance of businesses and residences***

- i. Yes, several businesses located within shopping areas have utilized the building materials incentive since the program inception and have improved the appearance of the area.

***e. Other***

- i. Because of the improvements afforded by the EZ tax incentives to building materials and jobs tax credits, vacant building space has been filled reducing eyesores in the community.

**5. If the Enterprise Zone Program sunsets as scheduled in December 2015, how would it impact your county?**

The Enterprise Zone designation has successfully assisted in business growth and expansion in our designated areas. The sunset of the zone will slow the continued growth being experienced in these such areas and eliminate the only state tool we have to rehabilitate and reenergize struggling communities.

**6. Do you have any additional comments about the Enterprise Zone Program?**

We believe it is not appropriate to measure the EZ program with the same yardstick as programs such as QTI or QACF because these corporate programs are focused on specific, higher wage targeted industry growth. Consider comparing the return from 1,215 new jobs and a \$160 million investment in a new campus by USAA to one local, small businesses eking out an expansion to create two new jobs for two previously unemployed people in a distressed community - they both are so vastly different in their meaning to the community, but both needed to maintain a seamless, quality community without areas of great disparity and distress. We hope you will continue to support the EZ program and the revitalization of our most needy areas.

## **Indian River County**

Helene Caseltine

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### **1. Please describe your understanding of the intent of the state's Enterprise Zone Program.**

The Florida Enterprise Zone program is an economic development tool used to encourage private investment in economically distressed areas - geographical areas that have extremely high unemployment rates and high poverty rates. Through adoption of the Enterprise Zone Strategic Plan, it encourages development, re-development and job creation in areas that are in dire need.

### **2. What are the advantages to businesses that participate in your county's Enterprise Zone Program**

Businesses in our local Enterprise Zone are assisted in applying for certain state tax credits and sales tax refunds. Businesses in our local target industry sectors that locate or expand in our Enterprise Zone and apply to our Local Jobs Grant program are eligible for a \$500 bonus in their total grant award. Our Tax Abatement program offers more flexibility and bonus "scoring points" for businesses locating or expanding in the Enterprise Zone. State incentive programs often provide more flexibility for projects locating or expanding in the Enterprise Zone as it relates to salary thresholds.

#### ***a. Disadvantages?***

- In recent years, the FL Department of Revenue has overly scrutinized many of the refund applications submitted by local businesses, to a point where a small business owner cannot justify the time spent, nor the expense, in trying to receive a sales tax refund or tax credit. As the Enterprise Zone Coordinator, our office has had to intervene on their behalf, either by meeting personally with DOR representatives or through legal means.
- Inefficiencies of the review process decreases the perceived value of program. It seems that there is very high turnover in DOR in the positions that review and approve the Enterprise Zone sales tax refunds. What has been relayed to our office by businesses in our Enterprise Zone is that when they call DOR, they are oftentimes directed to a different reviewer each time and have to repeat explaining their case or situation.

#### ***b. How could these disadvantages be overcome?***

- Perhaps a dedicated office under the Department of Economic Opportunity could coordinate and approve Enterprise Zone refund applications. Currently, DOR staff reviews ALL state refund applications, including those under the EZ program.

**3. How important is the Enterprise Zone Program to your local businesses with regard to location decisions?**

The designation of an Enterprise Zone was one of the components that kept Piper Aircraft, our largest private employer, from leaving our county.

Piper was decimated by the two back-to-back hurricanes in 2004, dropping their employment level to less than 100 from 1000+ employees. As a way to help them get back on their feet and operational in an expedited timeframe, the Indian River County Chamber of Commerce, in partnership with Indian River County and the City of Vero Beach, pursued the EZ designation. Since the EZ was approved in 2005, Piper Aircraft has invested millions in new buildings and new equipment, and now has over 900 employees.

Another manufacturer, Girard Equipment, plus several small businesses, have located in the Enterprise Zone specifically to take advantage of the tax benefits available, and the availability of a local workforce. Girard Equipment had 10 employees when they relocated from New Jersey to Indian River County in 2006. They now have over 50 employees, most of whom live in the Enterprise Zone.

As the EZ Coordinator, our office receives numerous inquiries from tax consultants throughout the country asking if we have an Enterprise Zone, and asking about EZ benefits on behalf of their clients. Many national chains, such as Walgreens, will only locate to an Enterprise Zone because they know there are certain tax advantages. Walgreens located to our Enterprise Zone in 2009, and currently employs 14 local residents.

Local government (city and county) also benefit from the EZ designation when applying for state and federal funds for infrastructure improvements which ultimately benefit local businesses and Enterprise Zone residents.

***a. If all other factors (e.g., availability of facilities, skilled workforce, labor costs, etc.) were equal, would they choose a location in an Enterprise Zone over another location?***

- Yes. The Enterprise Zone offers: certain state tax benefits; a \$500 bonus on the Local Jobs Grant incentive; bonus scoring points on the Tax Abatement program; plus a location that provides easy access to major transportation routes.

**4. From your county's perspective, how has the program affected the following conditions in the designated zones/area?**

***a. Crime rates***

- i. Overall, crime increased countywide but slightly decreased in the Enterprise Zone.

- ii. According to the Indian River County Sheriff's Office, there were 134,738 incidents countywide in 2006 (130,000 total population), with 26,422 of those crimes committed in the Enterprise Zone. In 2013, there were 211,178 incidents countywide (143,712 total population), with 26,360 in the Enterprise Zone.

**b. Property values**

- i. Property values have increased since our Enterprise Zone was designated in 2005. Please refer to the attached Excel spreadsheet which shows the property values and ad valorem taxes paid by four businesses during the period 2005-2013. (Note: there are 4 tabs in the spreadsheet, one for each business location.)

**c. Local infrastructure (e.g., streets, sidewalks, utilities, etc.)**

- i. City and county government are giving infrastructure improvement projects in the Enterprise Zone priority consideration, through adoption of the Gifford Neighborhood Plan and the Enterprise Zone Strategic Plan. The Gifford community is in the unincorporated portion of our Enterprise Zone. Our Enterprise Zone Strategic Plan states:
  - a. GOAL 4: IDENTIFY OPPORTUNITIES TO RETROFIT AND/OR UPGRADE THE EXISTING INFRASTRUCTURE IN THE ENTERPRISE ZONE BY WORKING WITH LOCAL GOVERNMENT.
    - i. Objective: Communicate a priority to local government agencies for improvements to the infrastructure in the Enterprise Zone.

**d. Appearance of businesses and residences**

- i. Businesses located along the main arterial roadways in the EZone must comply with certain landscaping and aesthetic standards.
- ii. As stated in our Enterprise Zone Strategic Plan:
  - a. GOAL 3: ENHANCE COMMUNITY DEVELOPMENT
    - i. Objective 3.1: Support efforts to develop and maintain a community which is consistent with attracting and retaining business in the Enterprise Zone.
    - ii. Objective 3.2: Encourage the current efforts of those who develop and maintain attainable housing and commercial development.

**e. Other**

- i. Workforce training programs have increased for residents of our Enterprise Zone. Our local workforce organization, CareerSource Research Coast, provides easy access via their mobile workforce unit, providing technical assistance and hands-on training.

As stated in our Enterprise Zone Strategic Plan:

- i. *GOAL 2: INCREASE THE SKILL CAPABILITIES OF THE LOCAL EMPLOYMENT BASE:*
- ii. *Objective 2.1: Communicate with training providers regarding academic and technical skills, including innovative and evolving technologies, needed to support the businesses and industries located in the Enterprise Zone.*
  - a. *Request and collaborate with training providers such as CareerSource Research Coast, Indian River State College, the School District of Indian River County and others to identify or create training programs available through their funding sources that support job creation in the Enterprise Zone.*
  - b. *Identify the types of training programs available that support job creation in the Enterprise Zone.*
  - c. *Identify gaps in training for existing businesses in the Enterprise Zone and make recommendations for additional programs.*

**5. If the Enterprise Zone Program sunsets as scheduled in December 2015, how would it impact your county?**

It would have a far-reaching negative impact on our county, not just within the existing Enterprise Zone designated area but in other parts of our county that have expressed interest in becoming a part of our Enterprise Zone. One area specifically, the City of Fellsmere, has shown strong interest in the program. Fellsmere is a small and very rural community, with a 9% unemployment rate and whose population, 80% Hispanic, is primarily employed in the agricultural industry.

It would also negatively impact our agricultural processing industry. Many of these firms are located within our Enterprise Zone and have utilized the program, investing thousands of dollars in new equipment.

**6. Do you have any additional comments about the Enterprise Zone Program?**

Florida's Enterprise Zone program has shown to be an effective economic development tool in the retention, expansion and recruitment of business to areas in need of capital investment and job creation. As Florida's economy continues to recover, this is not the time to send a message to site selectors and CEOs who are considering sites for relocation or expansion that Florida is eliminating a long-standing economic development program.

From a programmatic viewpoint, the Enterprise Zone program should be considered a "revitalization" program versus an economic development "incentive". *By right*, a businesses in the Enterprise Zone can apply for tax credits or refunds because they are located within a Zone, as compared to a true financial incentive which is a "but for" transaction - *but for* the incentive, a company will not consider the location.



## **Lee County**

Warren Baucom

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### **1. Please describe your understanding of the intent of the state's Enterprise Zone Program.**

The intent of the state's Enterprise Zone Program is to encourage economic investment in Florida's economically distressed communities. The program works to encourage businesses to locate in the zone, employ residents of the zone, and to improve and expand businesses in the zone. The program also seeks to improve basic socio-economic conditions for residents and businesses.

### **2. What are the advantages to businesses that participate in your county's Enterprise Zone Program**

Advantages to businesses include reduced operating and investment costs for participation in the Enterprise Zone programs. In the case of the Fort Myers/Lee County Enterprise Zone, businesses have the advantage of access to major transportation infrastructure at a lower cost. Increased community good will is a less tangible advantage businesses receive.

#### ***a. Disadvantages?***

- Many of the disadvantages are based on perception. The Enterprise Zone designation can carry a stigma that may deter some companies from locating in the zone. Another disadvantage is the perception that the zone is less safe than other areas in the community.

#### ***b. How could these disadvantages be overcome?***

- These disadvantages can be overcome through the development and distribution of collateral materials that educate the business community about the zone and its benefits. The safety issues can be addressed through engagement with Law Enforcement, including representation on the Enterprise Zone Board of Commissioners. A proactive marketing of the Zone with demographic and statistical data and community engagement can also help overcome these disadvantages.

### **3. How important is the Enterprise Zone Program to your local businesses with regard to location decisions?**

- a. If all other factors (e.g., availability of facilities, skilled workforce, labor costs, etc.) were equal, would they choose a location in an Enterprise Zone over another location?***

- If these factors were equal, the Enterprise Zone Program would be an even greater inducement for business location, however these factors are not equal and the Enterprise Zone Program levels the playing field, particularly in locating businesses in an area that creates jobs for people that do not have access to transportation.

**4. From your county's perspective, how has the program affected the following conditions in the designated zones/area?**

***a. Crime rates***

- i. Difficult to measure, in some parts of the Zone, increased business activity has led to an increase in traffic, public engagement, and visibility of business owners, patrons, and residents. Other areas have shown a marked decrease in crime. We do have some areas, particularly in the residential community that have continued to be challenging.

***b. Property values***

- i. Specifically, businesses utilizing the Building Materials Sale Tax Refund incentive have improved property values. We have had several facility improvements that also led to neighboring properties being improved as well.

***c. Local infrastructure (e.g., streets, sidewalks, utilities, etc.)***

- i. The local infrastructure has shown a great deal of improvement. As the Enterprise Zone Program has incentivized new projects and renovations, the county and city codes have required investment in the infrastructure as part of the permitting and code requirements.

***d. Appearance of businesses and residences***

- i. Enterprise Zone programs have played a significant role in improving the appearances of businesses and residences. The Building Materials tax refund has encouraged several businesses to take on renovations projects.

***e. Other***

- i. The Enterprise Zone Program has given local government an additional tool to use in these distressed communities. This has made it easier to collaborate with other organizations, such as the SBDC, Housing Authority, Community Development, and non-profit agencies. This collaboration results in a greater reach for all parties and an ability to "layer" programs in such a way as to benefit a larger part of the community.

**5. If the Enterprise Zone Program sunsets as scheduled in December 2015, how would it impact your county?**

It would make redevelopment of some of our communities more difficult. It would also lead to the perception that our distressed areas were no longer a priority, leading to a greater disconnect with those businesses and residents. Given the persistent issues facing these communities, it would make it harder to find businesses willing to invest in these areas.

**6. Do you have any additional comments about the Enterprise Zone Program?**

It is very difficult to gauge the impact of the Enterprise Zone Program due a number of factors, including the recent economic downturn that was experienced nationwide. It is also impossible to know what the targeted community would look like had the Enterprise Zone never been in effect. Anecdotally, it would seem that the Enterprise Zone Program has helped to stem the downward slide of the area and provided some stability for the business community and opportunities for residents of the zone.

## **Leon County**

Cristina Paredes

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### **1. Please describe your understanding of the intent of the state's Enterprise Zone Program.**

The intent of the program is to stimulate targeted economic reinvestment & redevelopment, new job creation, economic development and overarching quality of life improvements within qualifying geographically defined areas in urban and rural areas across the state.

### **2. What are the advantages to businesses that participate in your county's Enterprise Zone Program.**

Significant. In many cases, the availability and applicability of the EZ play into the business decisions of new and expanding businesses locating (or located) in the EZ.

#### ***a. Disadvantages?***

- The process, although far streamlined from prior years, includes many stops during the application period and has been deemed cumbersome by some businesses.

#### ***b. How could these disadvantages be overcome?***

- Allow for easy online applications!

### **3. How important is the Enterprise Zone Program to your local businesses with regard to location decisions?**

Very important. We have found the EZ program to be the first program discussed with EVERY potential business relocation when describing the various programs, services, assets, etc. available within our urban core.

#### ***a. If all other factors (e.g., availability of facilities, skilled workforce, labor costs, etc.) were equal, would they choose a location in an Enterprise Zone over another location?***

- 100% they would choose the location with the greatest business benefits to them. The EZ location would be selected.

### **4. From your county's perspective, how has the program affected the following conditions in the designated zones/area?**

#### ***a. Crime rates***

- i. minimal impact

#### ***b. Property values***

- i. very high (positive) impact. Like highest of categories presented.

#### ***c. Local infrastructure (e.g., streets, sidewalks, utilities, etc.)***

- i. high impact, as it serves as a focal district for public investment over time.

**d. Appearance of businesses and residences high impact.**

- i. Businesses and residences have incentives to improve appearance of their facilities.

**e. Other**

**5. If the Enterprise Zone Program sunsets as scheduled in December 2015, how would it impact your county?**

Negatively. Again, the county has created a number of creative economic revitalization and economic redevelopment program and services, but we also rely upon those federal and state programs to complete the package of available tools and resources toward this goal. The EZ in our community, alone, has pumped over \$5M in state incentives and created over 500 new jobs since inception in 2003 and implementation in 2006. This is a great resource and partnership with the state. It needs to be continued.

**6. Do you have any additional comments about the Enterprise Zone Program?**

The state needs to include analysis regarding how this program increases property values, directly and indirectly, as part of determining "Return on Investment" and when gauging program success over time of this specific state program. At present, state-led analysis does NOT factor this key variable – which has real positive impacts at the local level and (more importantly) within the boundaries of the EZ – those communities and neighborhoods that we have joined in supporting for reinvestment and revitalization. This omission is a tremendous handicap in ascertaining the real value of the EZ program to our communities and does not allow for the full positive impacts to be appreciated. That data should be included and this program, possibly with new improvements and adjustments, should be continued forward!

## **Levy County**

David Pieklik

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### **1. Please describe your understanding of the intent of the state’s Enterprise Zone Program.**

The intent of the Enterprise Zone program is economic revitalization of areas where growth has been stagnant, and poverty, crime levels and other detractors have been high.

### **2. What are the advantages to businesses that participate in your county’s Enterprise Zone Program**

Advantages are tax relief to help offset overhead, relocation/expansion or other costs. It’s an identity (we’re in the Zone); could provide a better sense of belonging/community than elsewhere.

#### ***a. Disadvantages?***

- Our county is lower income with a high population of retirees and seasonal residents, so the tax base is lower than surrounding counties. Therefore, municipalities often can’t add significant levels of investment for projects and make the EZ program more robust. Essentially, the EZ is THE incentive of choice, which puts an undue burden on those tasked with business growth.

#### ***b. How could these disadvantages be overcome?***

- A variety of factors, including more investment capital, state programs that better target site selection needs (shell building funding; more aggressive microloans) better business awareness of available business resources and incentives, and a return to the original intent of the EZ program with a “rewards” program for frequent users of the program that increases maximum credits received, so others see the value of submitting applications.

### **3. How important is the Enterprise Zone Program to your local businesses with regard to location decisions?**

Lower taxes, availability of cheaper land and proximity to population centers containing skilled labor play a greater role; the availability of the program is a “bonus” essentially. However, this is because of poor marketing and not having a properly informed business community. Better marketing and a more centered approach to get greater buy in and visibility for the program would reverse this.

#### ***a. If all other factors (e.g., availability of facilities, skilled workforce, labor costs, etc.) were equal, would they choose a location in an Enterprise Zone over another location?***

- It certainly could serve as the tipping point when it comes to site selection if two comparable communities were on the short list, and one had the EZ and the other didn't.

**4. From your county's perspective, how has the program affected the following conditions in the designated zones/area?**

**a. Crime rates**

- i. lowered

**b. Property values**

- i. noticeable impact in some areas, less visible in others. This comes down to the invested vs. uninvested business owners/investors and municipalities either capable or incapable of investing funds to help improve aesthetics, etc.

**c. Local infrastructure (e.g., streets, sidewalks, utilities, etc.)**

- i. No discernable impact because municipalities either go after CDBG and other funding or they don't; it's hard to make a correlation. If you were to break out certain assets (industrial parks, airports, etc.) you could see a greater impact, though obviously a selective one.

**d. Appearance of businesses and residences**

- i. In some areas within the zone, there is a more noticeable vibrancy such as newer facades, landscaping, etc. Unfortunately, there are the areas of dilapidated storefronts, unkempt property, etc. The blame rests more on the business owners than on the program.

**e. Other**

**5. If the Enterprise Zone Program sunsets as scheduled in December 2015, how would it impact your county?**

The initial intent of the program has been lost somewhere and therefore the ROI used to evaluate the program has been negatively skewed. There needs to be a more concentrated marketing effort to extoll the benefits of the program, including signage and other marketing materials. If there isn't a lot of energy or enthusiasm, businesses don't think it's worth their time. Though it needs work, eliminating the program will make it next to impossible for the more rural counties in the region remain competitive for site selection, because other incentives are almost non-existent.

**6. Do you have any additional comments about the Enterprise Zone Program?**

RECOGNIZE LLC'S! Can't stress that enough. Also, as mentioned above, a "rewards" program for businesses who regularly tap into the EZ program and are approved for credits. Providing signage or allocating funding to cost share with communities to place

signs, gateways and other features welcoming you to the \_\_\_\_ Enterprise Zone...similar to what the Tree City USA program does (Tree City for 5 years, etc.)



## **Manatee County**

Debbie DeLeon

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### **1. Please describe your understanding of the intent of the state's Enterprise Zone Program.**

The Enterprise Zone Program was designed to encourage economic growth and development in economically distressed areas, for both businesses and residents residing in those areas.

### **2. What are the advantages to businesses that participate in your county's Enterprise Zone Program.**

- Businesses that participate in the Palmetto/North Manatee County Enterprise Zone Program are provided with technical assistance to complete the necessary forms to be considered for financial incentives such as:
  - Job Tax Credit ( Sales or Corporate Tax)
  - Business Equipment Sales Tax Refund
  - Building Material Sales Tax Refund
  - Property Tax Credit
- Businesses receive follow up.
- Businesses have a go to person that helps link them with available resources in the county.

#### ***a. Disadvantages?***

- Sales Tax Refund for Business Machinery and Equipment threshold (\$5,000) is too high for small businesses to achieve.

#### ***b. How could these disadvantages be overcome?***

- Reduce the threshold amount to a reasonable amount (\$500 or \$1,000).

### **3. How important is the Enterprise Zone Program to your local businesses with regard to location decisions?**

#### ***a. If all other factors (e.g., availability of facilities, skilled workforce, labor costs, etc.) were equal, would they choose a location in an Enterprise Zone over another location?***

- If all factors were equal it is reasonable to conclude that businesses would relocate to Enterprise Zone because of the added benefits.

- The current location is located in an area reasonably close to interstate access, water/shipping access, air access making the EZ easy to reach.

**4. From your county's perspective, how has the program affected the following conditions in the designated zones/area?**

***a. Crime rates***

- i. There is representation of both the City's Police Department and the Sheriff's Office on the Enterprise Zone Development Agency Board. There is an emphasis by these two entities to provide extra patrol to the area thus positively impacting the reduction of the crime rate.
- ii. Businesses benefit by enhanced law enforcement patrol visibility.

***b. Property values***

- i. In 2006 the property values for the designated area were \$217,582,995.
- ii. In 2013 the property values for the designated area are \$357,540.690.
- iii. Even with the downturn in the economy the area property values have increased.

***c. Local infrastructure (e.g., streets, sidewalks, utilities, etc.)***

- i. The County has used the EZ designation to establish several specially designated areas for leverage of other Federal, State and Local funds to do road repair, street lighting, housing rehabilitation and repairs.
- ii. Over 10 million dollars in infrastructure improvement has been invested.
- iii. Over 2 million dollars has been utilized for Parks (specifically Lincoln Park and Sylvan Oaks Park).

***d. Appearance of businesses and residences***

- i. Through the EZ a partnership with the City of Palmetto and the Palmetto Community Redevelopment Agency has been effective in adding value through funds for aesthetics for businesses.
- ii. Over 3 million has been invested in residential improvements.
- iii. Over \$80,000 has been provided in storefront matching grants.

***e. Other***

Housing

- i. The EZ designation has encouraged the selection of State Housing Initiative Partnership Funds (SHIP) to rehabilitate and/or replace dilapidated residential structures.
- ii. Over \$400,000 in SHIP rehabilitation funding has been spent in the zone. Impacted 25 residential structures.
- iii. Over \$800,000 in SHIP replacement funding has been spent in the zone, impacting families.

**5. If the Enterprise Zone Program sunsets as scheduled in December 2015, how would it impact your county?**

- i. No incentive to hire local residents in the area.
- ii. No incentive to rehabilitate, rebuild or build in infill lots.
- iii. Fewer incentives for businesses to relocate in the Palmetto/North Manatee County area.
- iv. Loss of interest by Economic Development groups to locate in a specially designated area.
- v. Loss of a special designation would eliminate the current advantage the zone has over other communities.
- vi. Loss of EZ Advisory Board requirement and an end to the meetings used to discuss and implement a joint strategy between various jurisdictions.

**6. Do you have any additional comments about the Enterprise Zone Program?**

The program assisted business that normally would not be eligible for any incentives through the State. Small businesses especially benefited from the ability to access the incentives for equipment upgrades which in turn supported their growth.

# **Miami Dade County**

Lori Weldon\_

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## **1. Please describe your understanding of the intent of the state's Enterprise Zone Program.**

The Enterprise Zone is a joint State and County business assistance program that provides incentives to:

1) stimulate economic growth in distressed areas; 2) stimulate economic development through private investment; and 3) encourage job growth within the Enterprise Zone boundaries. Our focus and goals are to utilize Enterprise Zone programs and incentives to improve socio-economic conditions reflected in poverty and unemployment rates, household median incomes, labor force participation, and affordable housing.

## **2. What are the advantages to businesses that participate in your county's Enterprise Zone Program?**

The advantages to businesses that participate in our Enterprise Zone program is the availability of state tax credits and/or refunds to offset the additional operating costs and actual or perceived higher business risk that business establishments face in economically distressed areas. The EZ program encourages new businesses to locate in the EZ and existing businesses to expand operations through the sales or corporate income tax refunds for hiring residents of the EZ. Commercial development in the EZ is encouraged through sales tax refunds for investing in business equipment and purchases of building materials. In addition to significant investments in public infrastructure within the EZ, Miami-Dade County supports economic development in the EZ with cost savings through waivers of road impact fees, water and sewer connection fees, and a 50% abatement of the local business tax to establishments in the EZ.

### ***a) Disadvantages***

- We do not perceive any disadvantages to businesses participating in the Enterprise Zone program. Local small businesses, however, frequently express their displeasure with: 1) the purchase amount threshold that applies to the business equipment sales tax incentive; 2) the low cap on the building materials incentive; 3) the full-time employee requirements; and 4) the processing time to actually receive the incentive. Small businesses in the EZ, which typically operate with small profit margins and lack of access to business credit, complain that implementation of program makes their participation extremely difficult.

### ***b.) How could these disadvantages be overcome?***

- Revisions to the implementation rules would greatly expand the use of the incentives for small businesses and increase the socio-economic benefits in these economically distressed areas. The following modifications to the program and/or its implementation would increase small business participation in the program and improve economic conditions in the EZ: 1) The qualifying business equipment minimum sales price should be reduced to \$500.00 and local governments should be required to contribute the local option one cent surtax to the EZ incentives; 2) adopt a sliding scale for the building materials tax refund offering a larger tax refund/credit for larger construction projects (eg. 100% on first \$5,000, 75% on \$5,001 to \$20,000, 50% on \$20,001 to \$500,000, 0% on taxable sales above \$500,000; 3) include

employer approved vacation and sick days in the definition of full-time employment, but limited to no more than 20 vacation and sick days (160 hours) within a calendar year; and 4) extend the building materials sales tax incentive to the construction of affordable and workforce multifamily rental housing.

**3. How important is the Enterprise Zone Program to your local businesses with regard to location decisions?**

The socio-economic conditions in Miami-Dade’s EZ represent a significant obstacle to attract new capital investment, new business creation and expansion of existing businesses, in light of the more profitable locations with less financial risk typically found outside the EZ. These challenges are especially difficult for small businesses.

Latest available Census data indicate that just over 550,000 residents live in the Enterprise Zone and 32% of that population (174,000) live in households with incomes below the official poverty line. If one considers households recognized as “near poor” (125% of the official poverty threshold), 41% of the population are poor or near poor. Per capita income in the EZ is \$15,750 (compared to \$25,400 in the rest of the county) and median household income is \$27,300 (vs. \$49,750 in rest of county) Thirty-two percent (32%) of the adult population 25 and older in the EZ have not completed a high school education, and very few (15%) have a bachelor’s degree or higher.

The Enterprise Zone Program is an essential component in the economic development tools necessary to support capital investment, increase employment opportunities for EZ residents, and reduce poverty within the zone. It is unlikely that meaningful progress towards long term goals of reducing poverty and unemployment rates, and increasing median household incomes, labor force participation, and the supply of affordable housing will occur without the EZ program.

***a.) If all other factors (e.g., availability of facilities, skilled workforce, labor costs, etc.) were equal, would they choose a location in an Enterprise Zone over another location?***

- All factors being equal, yes, businesses in Miami-Dade are choosing to locate in the Enterprise Zone, especially during the most recent period in the current economic recovery.

**4. From your county’s perspective, how has the program affected the following conditions in the designated zones/area?**

***a. Crime rates***

- i. In general crime rates have been on a downward trend in the EZ (and in the County as a whole) during the recession and into the recovery. It is difficult, however, to attribute those positive trends to the EZ program because poverty and unemployment rates increased during the recession and remain at levels exceeding those of 2007.

**b. Property values**

- i. The Florida Legislature’s Office of Program Policy Analysis and Government Accountability (OPPAGA) conducted a performance analysis of five counties over a 10-year period ended with the severest recession since the Depression. The results show that between 2000 and 2010, the share of homes valued at less than \$100,000 in the Miami-Dade County Enterprise Zone declined from 65% to 15%, while the percentage of homes valued at less \$100,000 in the non-EZ area fell to 22%. There are many factors, however, that directly affect property values and it is difficult to determine how much of that appreciation to the EZ program.

**c. Local infrastructure (e.g., streets, sidewalks, utilities, etc.)**

- i. The EZ program has no direct role in the maintenance or construction of public infrastructure. Significant public sector infrastructure investments, however, have been made in Miami-Dade’s EZ, but are primarily funded by Community Development Block Grants, the County’s General Obligation and Revenue Bonds. Several portions of local municipalities are within the EZ boundaries, and therefore those areas receive funding for public infrastructure from the municipalities’ general revenue or bond issues. Similarly, several CRAs are within the EZ and use tax increment financing to fund repairs and construction of public infrastructure.

**d. Appearance of businesses and residences**

- i. There are areas in Miami-Dade’s EZ to the north and south of downtown Miami between Biscayne Bay on the east and I-95 on the west that are undergoing significant redevelopment. Much of this revitalization is occurring within two CRAs that are within the EZ. The additional construction and the resulting expansion of the property tax base have been used for street and façade improvements, the creation of an arts and cultural district, as well as supporting mixed use and affordable housing developments. These investments have been supportive of a significant transformation of the area, including population growth occurring in the urban core of the County.

**e. Other – Poverty**

- i. The OPPAGA report released in January 2014 also showed that poverty rates between 2000 and 2010 fell slightly in Miami-Dade County’s Enterprise Zone, while increasing in a comparable non-EZ area; and the Median household income in Miami-Dade’s Enterprise Zone increased by 43% from 2000 to 2010 versus 23% in a comparable non-EZ area in the county. A similar analysis by County staff including additional Census data through 2012 show the same result: the EZ area outperformed a comparable area outside the EZ in poverty rates and median income.

**5. If the Enterprise Zone Program sunsets as scheduled in December 2015, how would it impact your county?**

If the Enterprise Zone Program sunsets as scheduled in December 2015, Miami-Dade County would lose an essential tool for promoting economic development in distressed areas that represent approximately 20% of its population. Federal funding for economic development in distressed areas is not expected to significantly increase in the near future. The loss of the EZ state incentives for private sector job creation and capital investment in distressed areas are not likely to be offset from another source. The program has been an integral part of the County's economic development strategy since 1994.

Failure to reauthorize the EZ program without its replacement by one proven at least as successful in reducing poverty and unemployment will have serious detrimental economic impacts on residents and small and mid-size businesses in low-income communities.

**6. Do you have any additional comments about the Enterprise Zone Program?**

Florida statute 290.003 clearly articulated the purpose of the EZ program: "It is the policy of this state to provide the necessary means to assist local communities, their residents, and the private sector in creating the proper economic and social environment to induce investment of private resources in productive business enterprises located in severely distressed areas and to provide jobs for residents of such areas..."

The last 10 years of the program have been shaped largely by the most severe recession since the 1930s. Two decades of experience with this program is too short to fully gauge its contribution to providing the environment that brings investment in productive business enterprises and provides jobs for residents of severely distressed areas.

Improving socio-economic conditions in severely distressed neighborhoods has proven to be an especially difficult task. Meaningful progress in the economic wellbeing of residents and businesses require a combination of approaches. The Enterprise Zone Program is particularly focused on business development and job creation. The program will be more effective, however, when complemented by other programs and public investments that address infrastructure, education, job skills and training, public transportation, and affordable/workforce housing.

## **Okeechobee County**

Robbie Chartier

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1. Please describe your understanding of the intent of the state's Enterprise Zone Program.

2. What are the advantages to businesses that participate in your county's Enterprise Zone Program The Job Tax Credit seems to be the most utilized aspect of the Enterprise Zone and provides businesses with tax credits and reduces their business expenses.

**a. Disadvantages?**

- Some items limited to the geographically area of the Enterprise Zone (such as trucking businesses) limits certain types of businesses from taking advantage of the equipment sales tax incentive.

**b. How could these disadvantages be overcome?**

- Trucking businesses, who's home base is within the Enterprise Zone and return each night, should be considered to be eligible for the Enterprise Zone equipment sales tax incentive.

3. How important is the Enterprise Zone Program to your local businesses with regard to location decisions?

It is always a consideration and an economic incentive to be in the Enterprise Zone, and it is always presented as an advantage for a business to locate in the Enterprise Zone.

**a. If all other factors (e.g., availability of facilities, skilled workforce, labor costs, etc.) were equal, would they choose a location in an Enterprise Zone over another location?**

- Yes, they would, for the tax savings advantage.

4. From your county's perspective, how has the program affected the following conditions in the designated zones/area?

**a. Crime rates**

- i. No noticeable change, though crime is down across the state.

**b. Property values**

- i. No noticeable change.

**c. Local infrastructure (e.g., streets, sidewalks, utilities, etc.)**

- i. No noticeable change because of Enterprise Zone designation.

**d. Appearance of businesses and residences**

- i. No noticeable change because of Enterprise Zone designation.

**e. Other**



**5. If the Enterprise Zone Program sunsets as scheduled in December 2015, how would it impact your county?**

Local Businesses who use Enterprise Zone tax advantages will lose a tax advantage/incentive and the cost of business will be higher.

**6. Do you have any additional comments about the Enterprise Zone Program?**

Expanding the Enterprise square miles would be helpful especially for the residential piece in order to capture the workforce living in the Enterprise Zone.

## **Orange County**

Mark Jeffries

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**1. Please describe your understanding of the intent of the state's Enterprise Zone Program.**

Encourage business development, expansion, and job creation in economically distressed areas.

**2. What are the advantages to businesses that participate in your county's Enterprise Zone Program**

Businesses are eligible for tax credits/rebates for hiring employees who live in the Enterprise Zone, purchasing building materials, purchasing business equipment, etc.

**a. Disadvantages?**

- The Enterprise Zone applications are not available online.

**b. How could these disadvantages be overcome?**

- The Enterprise Zone applications can be made available online

**3. How important is the Enterprise Zone Program to your local businesses with regard to location decisions?**

Businesses are locating to the Enterprise Zone because of the tax incentives available. The City of Orlando's sports, entertainment, and arts district is in the Enterprise Zone. These venues include the Amway Center (completed), Orlando Magic Complex (forthcoming), Orlando City Soccer Stadium (forthcoming), Dr. Phillips Performing Arts Center (under construction), and the Citrus Bowl (under construction). The future town center in Pine Hills is in the Enterprise Zone and the incentives available will be imperative to encourage businesses to locate there.

**a. If all other factors (e.g., availability of facilities, skilled workforce, labor costs, etc.) were equal, would they choose a location in an Enterprise Zone over another location?**

- No, absent the Enterprise designation, businesses are not choosing to locate in the enterprise area.

**4. From your county's perspective, how has the program affected the following conditions in the designated zones/area?**

**a. Crime rates**

- i. Communities in the Enterprise Zone (Pine Hills and Parramore) have seen a reduction in crime.

**b. Property values**

- i. Property values in the Enterprise Zones have increased as the economy has continued to improve.

**c. Local infrastructure (e.g., streets, sidewalks, utilities, etc.)**

- i. The Holden Heights Community has seen improved infrastructure. The Church Street corridor (in Parramore) has seen and is undergoing major infrastructure improvements.

**d. *Appearance of businesses and residences***

- i. The Pine Hills Road corridor has seen a dramatic improvement in the aesthetics of the buildings.

**5. If the Enterprise Zone Program sunsets as scheduled in December 2015, how would it impact your county?**

Orange County would lose a valuable tool to encourage businesses to locate in the county, to further redevelopment goals, and encourage economic activity in distressed areas.

## **Osceola County**

Tiffany Homler

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**1. Please describe your understanding of the intent of the state's Enterprise Zone Program.**

EZ offers incentives to businesses in disadvantaged areas to encourage capital investment and create employment opportunities for zone residents.

**2. What are the advantages to businesses that participate in your county's Enterprise Zone Program**

***a. Disadvantages?***

- Small Businesses (20 or less) usually do not meet the EZ criteria for equipment purchase amount or do not collect sales tax or pay corporate income tax.

***b. How could these disadvantages be overcome?***

- Lower equipment purchase amount to \$2,500 and allow companies that don't pay sales taxes or corporate income tax to take advantage of the program.

**3. How important is the Enterprise Zone Program to your local businesses with regard to location decisions?**

***a. If all other factors (e.g., availability of facilities, skilled workforce, labor costs, etc.) were equal, would they choose a location in an Enterprise Zone over another location?***

- Yes, because it reduces the company's overall operating cost (equipment and employee).

**4. From your county's perspective, how has the program affected the following conditions in the designated zones/area?**

Osceola Regional and Florida Hospital expansions

Italico Aviation USA and Aviator College relocated to Kissimmee Gateway Airport

MLK Blvd road extension to Kissimmee Gateway Airport

Various new retail stores

Public and private school renovations

***a. Crime rates***

- i. Hard to quantify due to overlapping jurisdictions between Osceola County Sheriff and Kissimmee Police Department and different zones in which information is recorded.

***b. Property values***

- i. The recession has skewed this information.

***c. Local infrastructure (e.g., streets, sidewalks, utilities, etc.)***

- i. There has been an increase in infrastructure projects and the EZ designation has helped secure grant funding.

***d. Appearance of businesses and residences***

- i. There are also designated CRAs in the EZ that have helped.

**5. If the Enterprise Zone Program sunsets as scheduled in December 2015, how would it impact your county?**

Since the establishment of the Kissimmee/Osceola County Enterprise Zone (EZ-4901) in 2006, various businesses have received almost \$700K in incentives and made a capital investment of more than \$19 million.

**6. Do you have any additional comments about the Enterprise Zone Program?**

## **Palm Beach County**

Sherry Howard

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### **1. Please describe your understanding of the intent of the state's Enterprise Zone Program.**

The intent of the Florida Enterprise Zone Program is to attract private investment into the highest poverty areas by providing tax incentives for the creation of jobs, purchases of building materials and business equipment, electrical, community contributions and the ad valorem tax exemption for child care facilities.

### **2. What are the advantages to businesses that participate in your county's Enterprise Zone Program**

The advantages to businesses that participate in the EZ Program are the tax credits and/or refunds received which reduce costs and allow for reinvestment back into the business. The EZ Program tax incentives are also used in conjunction with other financing tools and in some cases are incorporated into the financial analysis of the project.

#### ***a. Disadvantages?***

- Businesses currently only receive credit for jobs created which are held by persons residing in the EZ.

#### ***b. How could these disadvantages be overcome?***

- Program can be changed to give credit for all jobs created by the EZ business.

### **3. How important is the Enterprise Zone Program to your local businesses with regard to location decisions?**

Locating in the EZ area has been important to many of our local businesses because of the benefits they provide.

#### ***a. If all other factors (e.g., availability of facilities, skilled workforce, labor costs, etc.) were equal, would they choose a location in an Enterprise Zone over another location?***

- Yes, small businesses looking to locate and expand their business would gain in locating in an Enterprise Zone.

### **4. From your county's perspective, how has the program affected the following conditions in the designated zones/area?**

#### ***a. Crime rates***

- i. The crime volume has been reduced significantly over the last 10 years.

#### ***b. Property values***

- i. Property values have improved in these areas since the recession but are not as high as their surrounding higher income Communities.

**c. *Local infrastructure (e.g., streets, sidewalks, utilities, etc.)***

- i. There are older local roads and aging utilities that need to be improved especially in the EZ areas of Belle Glade and South Bay.

**d. *Appearance of businesses and residences***

- i. New developments have taken place for both businesses and residents.

**e. Other**

**5. If the Enterprise Zone Program sunsets as scheduled in December 2015, how would it impact your county?**

This important incentive would not be available to attract businesses the higher poverty areas, and negatively impacting business decisions to locate and/or expand within EZs.

**6. Do you have any additional comments about the Enterprise Zone Program?**

No.

## **Pinellas County**

Mike Meidel

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### **1. Please describe your understanding of the intent of the state's Enterprise Zone Program.**

The program was originally intended to encourage job creation and capital investment in urban areas with high unemployment and poverty rates. The program was later expanded to include rural areas. The incentives are designed to encourage the employment of individuals who live within the zones (or who are in the Welfare Transition Program) and to increase investment in buildings and equipment within the zone. Incentives are also granted to firms who contribute funds for authorized community development projects.

### **2. What are the advantages to businesses that participate in your county's Enterprise Zone Program**

Provides credits against corporate income tax (or sales tax) for firms who hire and/or invest according to the program guidelines.

#### ***a. Disadvantages?***

- Paperwork to obtain the credits and/or refunds can be burdensome. Requires detailed information on the address of workers and/or documenting their participation in the welfare transition program. Requires coordination with many state and local agencies. Must have at least \$5000 in net corporate income to receive the credit. Credits received on state corporate income end up increasing the taxable base for federal taxes.

#### ***b. How could these disadvantages be overcome?***

- It would be difficult to streamline the process without reducing accountability for achieving the desired program goals. Could possibly simply provide cash payments to the firms, rather than issuing credits against taxes – this would allow "S" corps and others to participate in the program to a greater extent.

### **3. How important is the Enterprise Zone Program to your local businesses with regard to location decisions?**

#### ***a. If all other factors (e.g., availability of facilities, skilled workforce, labor costs, etc.) were equal, would they choose a location in an Enterprise Zone over another location?***

- Yes, if all other factors were equal – and the businesses were structured in a way that allowed them to take advantage of the credits/refunds.



**4. From your county's perspective, how has the program affected the following conditions in the designated zones/area?**

**a. Crime rates**

- i. Providing jobs to zone residents increases their opportunities and helps to reduce the incentive for criminal behavior. Capital investment in the zone reduces the number of abandoned buildings, improves the look of the neighborhood and increases street-level activity.

**b. Property values**

- i. Capital investment increases the overall tax base, but also helps to improve the values throughout the zone – as economic activity increases, others are also able to make improvements to their property. Lower crime rates also increase property values.

**c. Local infrastructure (e.g., streets, sidewalks, utilities, etc.)**

- i. The increased property tax base provides more local public funds for infrastructure improvements.

**d. Appearance of businesses and residences**

- i. Secondary economic activity increases the money available to other local businesses to improve their property. Additional employees equate to additional customers for local businesses. Also, it helps address the “broken window syndrome” – a documented reduction in values and increase in crime that occurs when vandalism and code violations go unchallenged.

**e. Other**

**5. If the Enterprise Zone Program sunsets as scheduled in December 2015, how would it impact your county?**

It would reduce our competitiveness with other states that continue to offer some form of the program. It would hinder the redevelopment and community development efforts in the most distressed areas of Clearwater and St. Petersburg.

**6. Do you have any additional comments about the Enterprise Zone Program?**

I would hope that the legislature would continue the program for at least another 10 years.

## **Polk County**

Jim DeGennaro

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### **1. Please describe your understanding of the intent of the state's Enterprise Zone Program.**

The state's Enterprise Zone (EZ) program is designed to offer incentives to businesses that locate or expand in designated low income areas to stimulate growth. There are approximately 65 EZs established in Florida, including locations in Lakeland and Winter Haven in Polk County.

### **2. What are the advantages to businesses that participate in your county's Enterprise Zone Program**

EZs offer various tax incentives to businesses located within their borders. Some of the incentives include sales and use tax credits for hiring employees who live within the EZ; taking corporate income tax credits on wages paid to employees who reside within an EZ and there are business equipment sales tax refunds and credits against Florida corporate income taxes.

#### ***a. Disadvantages?***

- Some EZs are located in neighborhoods that are blighted and have other problems, including high crime rates and code enforcement issues.

#### ***b. How could these disadvantages be overcome?***

- Placing an emphasis on comprehensive neighborhood revitalization on EZ areas to make the neighborhoods more attractive for residents and companies.

### **3. How important is the Enterprise Zone Program to your local businesses with regard to location decisions?**

Businesses expanding in the established EZs in Polk County appreciate the incentives tied to the program when they expand. EZs, however, are not a great attractor for businesses considering our community as a location.

#### ***a. If all other factors (e.g., availability of facilities, skilled workforce, labor costs, etc.) were equal, would they choose a location in an Enterprise Zone over another location?***

- Most likely not. Corporate decision makers place more emphasis today on quality of life and logistics than they do minor incentives programs.

### **4. From your county's perspective, how has the program affected the following conditions in the designated zones/area?**

- a.** Crime rates
- b.** Property values
- c.** Local infrastructure (e.g., streets, sidewalks, utilities, etc.)
- d.** Appearance of businesses and residences

The EZ sites in Polk County have not had a strong direct bearing on the crime rates, property values, local infrastructure or appearance of businesses and residences. The Lakeland EZ encompasses a first rate industrial park that is well maintained with quality businesses, including a Pepperidge Farm bakery on Interstate 4. The Winter Haven EZ is fairly new and not very active at this time.

**5. If the Enterprise Zone Program sunsets as scheduled in December 2015, how would it impact your county?**

Last year, State Representative Ben Albritton sponsored a bill that would have asked the Florida Legislature to expand EZs in Polk County for smaller communities. The bill included EZ status for certain areas within 20 square miles of unincorporated Polk County and for areas within the municipalities of Eagle Lake, Lake Wales, Fort Meade, Bartow, Mulberry, Auburndale, Polk City and Frostproof encompassing about 15 cumulative square miles. The bill, which was co-sponsored by Senator Kelli Stargel, did not get out of committee due to the Legislature not wanting to take strong action a year before the program is slated to sunset. Our smaller communities still would like the ability to designate EZs within their corporate limits and Polk County still desires to have the option to create EZs in unincorporated areas, particularly adjacent to the new CSX integrated logistics center.

**6. Do you have any additional comments about the Enterprise Zone Program?**

The EZ program has worked well in numerous communities throughout Florida. Also, all of the incentives in an EZ are voluntary and there is no regulatory legislation tied to businesses which pursue the advantages of the program.

## **Putnam County**

Alex McCoy

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### **1. Please describe your understanding of the intent of the state's Enterprise Zone Program.**

The intent of the enterprise zone program was to assist blighted areas, and distressed communities, attract business development. Notably, businesses that collected sales tax and remitted it to the state, i.e. retail.

### **2. What are the advantages to businesses that participate in your county's Enterprise Zone Program**

Businesses locating inside the zone are benefited most by the sales tax refund on equipment, and the jobs tax credit which is a percentage of average monthly wage paid.

#### ***a. Disadvantages?***

- The disadvantages to our enterprise zone is the zone size is far too small. Only limited areas are covered, and a few areas with potential employees with discernible job skills reside.

#### ***b. How could these disadvantages be overcome?***

- The program could be improved by making the zone countywide! Also, provisions need to be put in place that can allow for non-retail establishments, and non-C corporations, make use of the program. Also, increase the value awarded, and carryforward of, the awards from enterprise zone payouts.

### **3. How important is the Enterprise Zone Program to your local businesses with regard to location decisions?**

Few businesses admit to choosing Putnam County solely because of the enterprise zone. The program is best used by retail businesses, and they typically trace rooftops with disposable income.

#### ***a. If all other factors (e.g., availability of facilities, skilled workforce, labor costs, etc.) were equal, would they choose a location in an Enterprise Zone over another location?***

- Should all things be equal however, having an enterprise zone location to choose from over a very similar community without one, would give preference to the enterprise zone location.

**4. From your county's perspective, how has the program affected the following conditions in the designated zones/area?**

Examining the items you requested, crime rates, property values, local infrastructure, appearance of business and residences, typically the benefits of enterprise zones have not been significant enough to attract the type of retail development to redevelop blighted areas and meaningfully impact those areas.

**5. If the Enterprise Zone Program sunsets as scheduled in December 2015, how would it impact your county?**

Putnam County would lose a tool that has encourage some development, and redevelopment, within the community.

**6. Do you have any additional comments about the Enterprise Zone Program?**

Rural enterprise zones should be countywide. All Rural areas of opportunity, should be have enterprise zones! The available awards should be significantly higher due to the distressed conditions and massive amounts of outshopping that occur in rural counties to encourage more retail development with in distressed rural counties.

Having countywide zones, would make for easier local administration of the enterprise zone program. For example, this would eliminate the need for the enterprise zone board of commissioners.

## **St. Johns County**

Melissa Glasgow

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**1. Please describe your understanding of the intent of the state's Enterprise Zone Program.**

The Enterprise Zone program is designed to provide a variety of incentives (primarily sales, corporate income and property tax) to help encourage new business development, capital investment and job creation within formally defined targeted areas. While St. Johns County does have three defined CRA's, we have not yet sought Enterprise Zone designation for any of these areas, or others deemed appropriate, pending the outcome of the program's sunset review.

**2. What are the advantages to businesses that participate in your county's Enterprise Zone Program?**

*a. Disadvantages?*

*b. How could these disadvantages be overcome?*

**3. How important is the Enterprise Zone Program to your local businesses with regard to location decisions?**

(N/A)

*a. If all other factors (e.g., availability of facilities, skilled workforce, labor costs, etc.) were equal, would they choose a location in an Enterprise Zone over another location?*

**4. From your county's perspective, how has the program affected the following conditions in the designated zones/area?**

(N/A)

*a. Crime rates*

*b. Property values*

*c. Local infrastructure (e.g., streets, sidewalks, utilities, etc.)*

*d. Appearance of businesses and residences*

*e. Other*

**5. If the Enterprise Zone Program sunsets as scheduled in December 2015, how would it impact your county?**

Currently, it would not directly impact St. Johns County since no Enterprise Zones exist. However, if the program were to be continued, we would research the feasibility of establishing Enterprise Zones to enhance our CRA's by providing built-in incentives to

encourage new business development and job creation that our standard incentive program does not typically provide.

**6. Do you have any additional comments about the Enterprise Zone Program?**

Many national retailers specifically seek out Enterprise Zones to locate or expand due to the tax incentive benefits derived from the program. Since most standard economic development incentive programs (including ours) do not generally provide incentives to market-driven businesses like retailers, having the ability to establish Enterprise Zones within specifically designated areas definitely helps encourage more interest in developing those areas, which are typically underserved. I think the Enterprise Zone program is a valuable tool, and one that many other states also utilize. If eliminated, it would seemingly put Florida at a disadvantage in attracting those type of companies that benefit from this type of program.

## **Sarasota County**

Dru Jones

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### **1. Please describe your understanding of the intent of the state's Enterprise Zone Program.**

To encourage private investment in economically distressed and underserved areas. The program goals are to revitalize distressed areas, stimulate employment, and enhance economic and social well-being of the area for businesses and residents.

### **2. What are the advantages to businesses that participate in your county's Enterprise Zone Program?**

In addition to the program incentives other business and residential incentives have been instituted for the Sarasota Enterprise Zone area:

- Sarasota County and the City of Sarasota exempt all impact fees on new development within the boundaries of the Enterprise Zone.
- The City of Sarasota adopted an ordinance to exempt up to 100% of the municipal tax on electrical energy, matching the State's incentive
- A portion of our Enterprise Zone is also designated as a CRA which goals complement the Enterprise Zone.
- The sales tax refund for building materials is also available for residential units, which encourages property owners and tenants to improve housing and assist in revitalizing the community.
- Our Enterprise Zone partners with CareerSource Suncoast to facilitate job creation and retention specifically for citizens who reside in the Enterprise Zone area. A CareerSource liaison is assigned to work with residents in the area by meeting with new development, creation of job training opportunities which are partnered with educational facilities. The project has been very successful to increase local hiring and a working model of the program has been developed to share with other organizations.
- CDBG funds have been designated to support development of new and renovated housing, a store front grant program (over \$800,000) and road and park improvements.

#### ***a. Disadvantages?***

#### ***b. How could these disadvantages be overcome?***

- The Sarasota Enterprise Zone is less than two square miles consisting of primarily residential properties.
  - i. Additional qualified census tracts could be expanded to incorporate additional commercial properties by resetting of the boundaries.
- The threshold to qualify for sales tax refund on business equipment of \$5,000 doesn't reflect the average equipment purchased by small businesses.
  - i. The minimum purchase price could be reduced to \$2,500 or less.



- ii. Develop a certification process that would allow businesses to not pay the sales tax at the time of purchase, similar to the process available for manufacturing equipment sales tax exemption.
- The jobs incentive requirement for full-time employees who reside in an enterprise zone is limited to a few larger businesses.
  - i. Allow a qualification for part time
  - ii. Allow the new jobs qualification to include all new employees, not only from an enterprise zone, eliminating the residence or welfare requirement.

**3. How important is the Enterprise Zone Program to your local businesses with regard to location decisions?**

If all other factors were equal, the company would most likely choose the Enterprise Zone for the additional incentives. The additional exemptions of impact fees and tax on electrical energy are a substantial bonus for qualifying business and residential. The Enterprise Zone is a great marketing tool to get the attention of businesses looking at our area.

**4. From your county's perspective, how has the program affected the following conditions in the designated zones/area?**

**a. Crime Rates – reduction in crime:**

- i. Have decreased as special efforts have been taken by the Sarasota Police Department to become more community oriented within the Enterprise Zone area
- ii. Security cameras have been installed along the primary business corridor and throughout housing authority projects, which is monitored by the Sarasota Police Department

**b. Property Values:**

- i. We are seeing a slight increase since the great depression

**c. Local Infrastructure (e.g., streets, sidewalks, utilities, etc.):**

- i. Major public sector improvements for streets and intersections, sidewalks, and parks are being planned or are under construction.

**d. Appearance of Businesses and Residences:**

- i. Improved. A storefront improvement program supported with CDBG funds assisted 15 businesses located primarily on the Dr. Martin Luther King Jr. Way corridor, over \$800,000.

**5. If the Enterprise Zone Program sunsets as scheduled in December 2015, how would it impact your county?**

It would have a large impact on business recruitment efforts. It will also eliminate an incentive to remodel or build new residential units in the Enterprise Zone.

- Fewer incentives for businesses to relocate in the Sarasota Enterprise Zone.
- Loss of ability for economic development groups to encourage redevelopment.
- Loss of designation would eliminate the advantage the Enterprise Zone has over other communities
- Elimination of special exemption impact fee exemption and electrical energy.
- Elimination of Energy Economic Zone (EEZ) incentives: In 2011, Sarasota County was one of two communities selected to implement a pilot program known as the EEZ in an effort to cultivate green economic business development. As part of the EEZ program, Enterprise Zone incentives benefit qualified businesses.
- The **Community Contribution Tax Credit Program (CCTCP)** is a valuable incentive for two sponsors in the Sarasota Enterprise Zone:
  - Ringling College of Art & Design (*top 10 art colleges in the nation*)
    - Largest benefactor of the CCTCP program in the state (annual average \$2.2 million of State allocation of \$3.5 million)
    - Also receives exemption of city and county impact fees
  - Pines of Sarasota (*assisted living, rehabilitation facility, and early childhood care*)
    - benefits, approximately \$50,000 per year
    - Exemption of City and county impact fees
      - New development project, to be determined (approx. 8 acres)

**6. Do you have any additional comments about the Enterprise Zone Program?**

Eliminating the program would have a negative impact and reduce its competitive edge over other areas without the benefit of the exemption of impact fees and tax on electrical energy.

## **Sumter County**

Bradley Arnold

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**1. Please describe your understanding of the intent of the state's Enterprise Zone Program.**

Provide an incentive for business to locate/expand in an EZ as well as hire employees residing in an EZ. The end result of that activity is to stimulate economic growth within the EZ locations.

**2. What are the advantages to businesses that participate in your county's Enterprise Zone Program. The advantages are sales tax and job tax credits.**

***a. Disadvantages?***

- The disadvantage is the increased audit risk that in fact occurs as well as the marginal revenue does not overcome the marginal overhead costs to participate in the program unless the employment base for a single industry is over 200 employees.

***b. How could these disadvantages be overcome?***

- Reduce the time and overhead costs to perform the application and reporting process for the industry.

**3. How important is the Enterprise Zone Program to your local businesses with regard to location decisions?**

***a. If all other factors (e.g., availability of facilities, skilled workforce, labor costs, etc.) were equal, would they choose a location in an Enterprise Zone over another location?***

- They would choose another location, EZs are typically not located in prime transportation corridors.

**4. From your county's perspective, how has the program affected the following conditions in the designated zones/area?**

***a. Crime rates***

- i. No measurable improvement

***b. Property values***

- i. No positive impact noted

***c. Local infrastructure (e.g., streets, sidewalks, utilities, etc.)***

- i. No additional facilities or services were increased due to the existence of an EZ

***d. Appearance of businesses and residences***

- i. No improvement in appearance of businesses or residences have occurred in the EZ

***e. Other***

**5. If the Enterprise Zone Program sunsets as scheduled in December 2015, how would it impact your county?**

Generally, no impact. One industry would adjust to the minor loss in job tax credits.

**6. Do you have any additional comments about the Enterprise Zone Program?**

The ability to alter the boundaries to create a more effective program is all but prohibited since it requires the dissolution of the existing EZ and a reapplication for a new EZ – the risk/reward system does not allow for improvement of the process.

## **Wakulla County**

Sheree Keeler

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**1. Please describe your understanding of the intent of the state's Enterprise Zone Program.**

The program was created to aid rural and struggling communities by offering tax incentives for new business location and existing business expansions. As recalled, Wakulla County received its designation in an effort to try and counteract the adverse impacts of the net ban.

**2. What are the advantages to businesses that participate in your county's Enterprise Zone Program**

Participating businesses receive financial incentives for locating or expanding within areas that have been determined most advantageous for growth.

**a. Disadvantages?**

- Small businesses or individual's operating a business from his or her home who cannot afford to make large purchases or employee a lot of people do not really get to participate in the program.

**b. How could these disadvantages be overcome?**

- Equipment cost thresholds could be lowered.

**3. How important is the Enterprise Zone Program to your local businesses with regard to location decisions?**

It is an important factor, with the last two chain businesses coming into the County choose to locate within the Zone and apply for tax refunds.

**c. If all other factors (e.g., availability of facilities, skilled workforce, labor costs, etc.) were equal, would they choose a location in an Enterprise Zone over another location?**

- Yes, based on recent business activity.

**4. From your county's perspective, how has the program affected the following conditions in the designated zones/area?**

**a. Crime rates**

- i. Exact changes to crime rates are unknown as a result of the program, however, the presence of new businesses creates more opportunities for crime.

**b. Property values**

- i. Businesses locating within the Zone increase property values.

**c. Local infrastructure (e.g., streets, sidewalks, utilities, etc.)**

- i. More businesses locate within the Zone, which requires them to make infrastructure improvements that benefit the community.

**d. Appearance of businesses and residences**

- i. The program has attracted chain businesses, which are known to maintain properties in a better condition than some local businesses.

**e. Other**

- i. More chain businesses locate within the Zone as they are familiar with the available incentives.

**5. If the Enterprise Zone Program sunsets as scheduled in December 2015, how would it impact your county?**

Business would no longer receive any financial incentives and business growth could suffer, especially from Chain businesses.

**6. Do you have any additional comments about the Enterprise Zone Program?**

None at this time.

## **Washington County**

Chris MacBlain

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### **1. Please describe your understanding of the intent of the state's Enterprise Zone Program.**

An Enterprise Zone is a specific geographic area targeted for economic revitalization. The intent of the Enterprise Zone program is to encourage economic investment and growth of existing businesses and industry areas demonstrating pervasive poverty, unemployment, and general distress. By enticing investments by new businesses and industry in distressed areas by offering tax advantages and incentives to businesses locating within the zone boundaries, the effectiveness of the program may be measured as a success story.

The Washington County Enterprise Zones were originally established in 1985, reauthorized in 1995, again in 2005 which established two additional geographic areas and in 2013 expanded the two additional areas by 3 square miles. This 10-year program provides incentives for new, expanding, and revitalizing businesses, as well as one individual incentive established to encourage home ownership. The program is an economic development tool which has become a very important incentive to businesses looking to relocate or expand within our communities. The combined value of all incentives applied for within the Washington County Enterprise Zones since 1997 is \$10,420,362.37 - Companies assisted: 127 - Jobs Created: 316.

The current recession has made the continuance of the Enterprise Zone Program a valued State economic development stimulus tool.

### **2. *What are the advantages to businesses that participate in your county's Enterprise Zone Program***

The Enterprise Zone program is especially helpful to new businesses who face financial challenges getting their businesses off the ground. The Sales Tax Refund for Building Materials and the Sales Tax Exemption for Job Creation are particular advantages to new business especially in rural areas. The expense of building new or renovating a facility is financially draining and often costs are underestimated. Any return on their investment provides incomparable help during the most critical time in their life cycle. Additionally, expanding businesses are likely to delay job creation for financial concerns. The Job Creation Credits component of the EZ Program provides a cushion for the expense of expansion as well as providing needed employment opportunities in under-served rural communities.

#### ***a. Disadvantages?***

- The disadvantages to the existing Enterprise Zone Program is the qualifying threshold for the Sales Tax Refund on Business Equipment. The specified \$5,000 per unit limitation does not adequately address the needs of the rural business community. Continuing the \$5,000 amount for another cycle might also put renovation, expansion and rehabilitation beyond the reach of smaller rural businesses.

**b. How could these disadvantages be overcome?**

- Reduce the per unit price threshold on Sales Tax Refund on Business Equipment to \$2,000. This figure would provide smaller rural businesses the opportunity to open, rehabilitate or expand their businesses.

**3. How important is the Enterprise Zone Program to your local businesses with regard to location decisions?**

It is an oft repeated maxim of economic development that Location, Location, Location is the key. Rural locations are often at a disadvantage when looking to solicit a business/industry relocation leads due to disparity between Urban and Rural available incentives offered. The Enterprise Zone over the years, has recognized the special needs of the Rural Zone, but still has a “one size fits all” approach to the program components. The common business relocation denominator is to get as much as you can and the final decision is most often made in favor of who offered the most to that business. Rural communities, in partnership with the State, can offer land, QTI and Enterprise Zone incentives. Some larger company leads may take advantage of the FL Road Fund. State grants are problematic to smaller rural areas due to matching funding requirements. The Enterprise Zone Program provides the biggest incentive tool available to rural areas.

**a. If all other factors (e.g., availability of facilities, skilled workforce, labor costs, etc.) were equal, would they choose a location in an Enterprise Zone over another location?**

- Yes.

**4. From your county’s perspective, how has the program affected the following conditions in the designated zones/area?**

**a. Crime rates -**

**Washington County, FL - (Source: [www.fdlec.state.fl.us](http://www.fdlec.state.fl.us))**

	<u>Violent Crime</u>
1995	76
2005	34
2013	58



**b. Property values - Washington County - (Source: FL Dept. Of Revenue)**

	<u>1995</u>	<u>2005</u>	<u>2014</u>
Taxable Values	\$539,327,419	\$641,166,157	\$1,230,706,569

Overall taxable property values have increased.

**c. Local infrastructure (e.g., streets, sidewalks, utilities, etc.)**

i. Minimal affect.

**d. Appearance of businesses and residences -**

i. The current geographic configuration of Washington County Enterprise Zones (Chipley/Ebro/Vernon) has experienced selective appearance enhancements:

Bldg. Materials Sales Tax Refund

<u>Zone</u>	<u># Filings</u>
Chipley50	(Total Refund Value: \$160,177.47)
	(Individual Residences: 28 (Refund Value: \$89,127.22)
	(Commercial: 22 (Refund Value: \$71,050.25)

**5. If the Enterprise Zone Program sunsets as scheduled in December 2015, how would it impact your county?**

A valuable resource and tool in the Washington County Economic Development efforts will disappear. The program was originally designed to address pervasive poverty, unemployment, and general distress. Our rural county, in one way or another, displays all those criteria today. The downturn in the economy has proven to bprovide a slow recovery and the Enterprise Zone Program’s original intent is more important now than ever. The return on investment can only be truly counted in jobs created and businesses expanded and not as a bottom line number in a budget. The State would be abandoning its mission to assist business and industry in Florida.

**6. Do you have any additional comments about the Enterprise Zone Program?**

The Enterprise Zone program stimulates the economy beyond the refund check written to an applicant; for example, Building Materials Sales Tax Refund. The overall impact of this one incentive touches building supply businesses, general contractors, freight companies, appliance dealers, furniture stores, cement and asphalt companies, electric and gas utilities, landscaping businesses and more. Each element has a payroll attached to them as well as their own supplier networks. It goes back to the basic Economic Development Multiplier Effect.

The multiplier effect is the boost to a local economy that results from locally-owned independent businesses, owners, and employees spending business revenue within the

region. Typically, local independent businesses recirculate a much greater percentage of sales locally compared to absentee-owned businesses (or most locally-owned franchises).

Total economic impact is determined by measuring three components:

**Direct impact** is spending done by a business in the local economy to operate the business, including inventory, utilities, equipment and pay to employees.

*Indirect impact* refers to the conventional multiplier that happens as dollars the local business spends at other area businesses re-circulate.

*Induced impact* refers to the additional consumer spending that happens as employees, business owners and others spend their income in the local economy.

The Enterprise Zones' return on investment goes beyond the limited dollar incentives offered.