

Summary of FAC Enterprise Zone Survey (2014)

Intent of the State's Enterprise Zone Program

In general, member counties of the Florida Association of Counties (FAC) recognize that the intent of the current Enterprise Zone program as one that is designed to encourage private investment and spur economic growth in economically distressed areas that result in:

- Enhanced employment opportunities within the distressed area;
- Enhanced opportunity for physical revitalization and re-development of the distressed area; and
- Enhanced opportunity of improvement of other socio-economic characteristics of the distressed area

FAC believes the above understanding of the intent of the program to be consistent with Section 290.003, Florida Statutes which reads:

290.003 Policy and purpose.—*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 the investment of private resources in productive business enterprises located in severely distressed areas and to provide jobs for residents of such areas. In achieving this objective, the state will seek to provide appropriate investments, tax benefits, and regulatory relief of sufficient importance to encourage the business community to commit its financial participation. The purpose of ss. 290.001-290.016 is to establish a process that clearly identifies such severely distressed areas and provides incentives by both the state and local government to induce private investment in such areas. The Legislature, therefore, declares the revitalization of enterprise zones, through the concerted efforts of government and the private sector, to be a public purpose.*

Advantages and Disadvantages of Enterprise Programs

Member counties believe that the state and local financial incentives authorized by the existing statute are the primary advantage provided by existing enterprise zone programs. However, it should also be noted that in many counties, participation in the local enterprise zone program brings the potential benefit of further local political and financial commitment of additional resources. These additional resources include, but are not limited to, local fee exemptions,

commitment of local funding to infrastructure, and the leveraging of local dollars to attract additional federal or state funding.

Notwithstanding the aforementioned advantages of local enterprise zone programs, members surveyed also mentioned that there were some aspects of the current authorized program that could be improved, these included, but were not limited to the following:

- State and local marketing and outreach about enterprise zone opportunities
- Required expenditure thresholds and employee requirements for incentives may make program less effective for small businesses
- Incentive/program administration (via) DOR could be improved

Importance of Enterprise Zone Program in Influencing Business Location Decisions

Largely, our members believe that the existence of enterprise zones plays a significant role in a local business choosing a location. Typically counties have experienced positive opportunities in locating businesses in their respective enterprise zones, especially large, medium and small retail businesses, as well as, other types of small businesses. Member counties of the association overwhelmingly believe that if all other factors (*e.g., availability of facilities, skilled workforce, labor costs, etc.*) were equal, businesses would choose to locate in an enterprise zone versus another location. In addition to location decisions, some members have experienced the positive opportunities for businesses already located within an enterprise zone to expand, develop and grow production as well as potentially the number of jobs created.

Effect of Existing Programs on Designated Zones/Areas

With regard to the impact of enterprise zones on crime rates and property values, while our members responded that it has been positive, the survey failed to produce enough empirical evidence or data to be able to develop a reliable correlation between the enterprise zones and crime rates and property values.

A good number of members responded, in some form, that the existence of enterprise zones has served as a catalyst and focal point for continued and prioritized local public capital investment in supporting infrastructure through the use of direct local funding, as well as, the leveraging of other federal and state funding resources.

While responses varied, the majority perspective was shared that there has already been, as well as a great future potential for, a positive impact on the appearances of businesses and residences. Especially in cases where the businesses benefits of enterprise zones are combined with other local programs designed to address blight and redevelopment.

Impact of December 2015 Sunset of Enterprise Zone Programs

The Florida Association of Counties and its members believe that if the Enterprise Zone Program is allowed to sunset local communities would lose an important resource in our economic development toolkit. Respondents to the survey focused on the inability to potentially serve:

- Small businesses that may not qualify for other state incentives,
- Areas ripe for potential Industrial and manufacturing development; and
- The ability to address and encourage private investment in the redevelopment and revitalization of local distressed communities and potentially underserved rural communities

Additional Comments

During the 2014 Florida Association of Counties policy conference held in September, the association adopted the following tentative policy statement with regard to enterprise zones:

“The Florida Association of Counties supports the reauthorization of the existing enterprise zone program.”

The association will be conducting its Legislative Conference in Tampa, Florida in November and will hold a dedicated workshop to discuss the specific issue of enterprise zones and to potentially develop a more comprehensive policy position.