

# 2013 Annual Incentives Report

Division of Strategic Business Development  
Department of Economic Opportunity  
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# Introduction

## OVERVIEW OF ECONOMIC DEVELOPMENT INCENTIVES

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The future for the Sunshine State is brighter than ever as the nation emerges from its most severe recession in recent history. Unemployment rapidly climbed upward while hundreds of thousands of jobs were lost. Florida's housing market crumbled and consumer confidence fell sharply. More Floridians relied on reemployment assistance and state debt increased by several billion dollars. These are just some of the effects of the recession in Florida that resulted in a bleak, deflated economy.

Now, Florida is experiencing remarkable economic turnaround – what some are calling the “Florida Turnaround Story.” Employment is rising, unemployment is falling, and businesses are expanding again. To date, the recovery has been driven by global trade, tourism, technology, professional services, and health services – all industries likely to grow in the coming years. As Florida's economic vision is realized, Florida will transition from being a state driven primarily by growth to a state driven by talent, innovation, quality of life, and global connectivity. With a gross domestic product (GDP) of \$790 billion in 2012, Florida's economy is the 4th largest in the U.S., and would rank 18th in the world if measured as its own country. The statewide unemployment rate was 6.4 percent in November 2013 and has remained below the national average of 7.0 percent since March 2013. Florida has created a total of 446,300 private sector jobs since December 2010. The state's annual job growth rate has exceeded or been equal to the nation's rate since March 2012.

To expand and diversify Florida's economy through job creation, the Department of Economic Opportunity (DEO) works with its partners, including Enterprise Florida, Inc. (Enterprise Florida or EFI), to attract and retain businesses by offering economic development incentives. The economic development process encourages partnerships and utilizes strategic measures to bring jobs to Florida that are beneficial for the company, community, and state.

The economic development process is dynamic, involving many different groups and complex decisions. It often takes a business several months or even years to select a location for a new facility or decide which existing locations should be expanded. Many factors make up a company's site location decision, including cost and availability of a skilled workforce, the necessary transportation infrastructure, a good education system, and a business-friendly climate. Economic development incentives are frequently part of the discussion. There may be multiple locations across several states that can serve a company's needs from an operational perspective. In those cases, incentives may be offered to sway a company in the direction of one site versus another by reducing a tax burden, putting in infrastructure to help lower the company's construction costs, or assisting with business relocation costs.

Florida's economic development incentives are components of a toolkit, which is critical to improving Florida's economy through new job creation. The State's toolkit includes programs designed to address specific needs of businesses as they look to expand or locate in Florida. Each program serves a different role in attracting businesses and retaining jobs, and the programs come in various forms, including: tax credits, tax refunds, tax exemptions, infrastructure funding, and cash grants paid directly to a qualified business. While the toolkit is critical to successful economic development, those involved in the process understand the responsibility to ensure tax dollars are spent wisely. In some cases, business needs can be met by making introductions to other companies within an industry cluster, assisting with a permitting issue, or helping to identify a suitable site. These situations are a win-win for the business and State, since limited taxpayer resources are required to facilitate new job creation. However, incentives are often required to “close the deal” on competitive projects, otherwise these high quality jobs will be placed in another state or country.

We protect the taxpayers' investment by structuring incentive deals so that the company has to perform, wholly or partly, with performance verified by the State, before all or a pro-rata portion of the incentive value is realized. Of the primary incentives administered during fiscal year 2013, more than 85 percent of the contracts executed fall within the category of pay after performance. These businesses will only receive the incentive after performance has been verified in the following years.

## **2013 Incentives Report**

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contracts executed fall within the category of pay after performance. These businesses will only receive the incentive after performance has been verified in the following years.

In order to effectively compete for economic development projects, a strong, well-funded toolkit of incentives is needed. This will ensure Florida is able to address specific needs as they arise for projects considering new job creation and investment opportunities.

### **Florida's Economic Development Process**

Policy and statutory changes to Florida's economic development process were implemented in 2011. The primary goal of these changes was to migrate toward a seamless approach and single point-of-contact for businesses and eliminate confusion over the roles of different groups in the process.

Enterprise Florida is the primary point of contact for businesses with relocation, expansion, or retention opportunities. As part of the early project development process, Enterprise Florida sells the value of doing business in the State. When a business is contemplating an expansion or relocation, Enterprise Florida works with the company to understand its needs in order to facilitate a Florida location decision. Next, Enterprise Florida evaluates the competitive nature of the project in order to determine if incentives are needed and the appropriate programs for the particular project. A strong commitment by the local community can also help to define the level of commitment on behalf of the State.

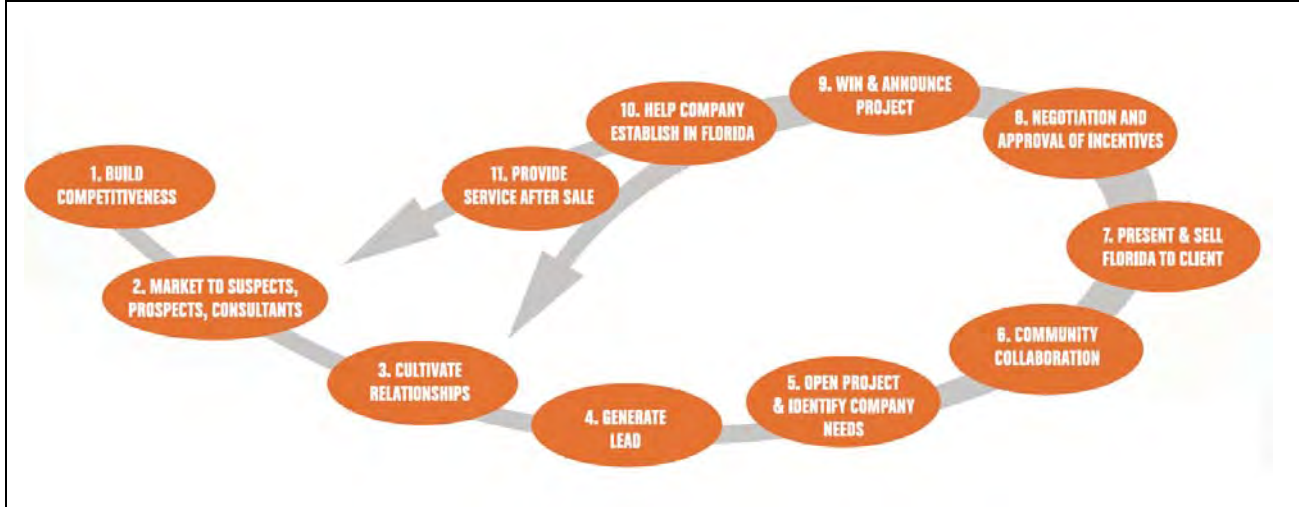
While the company is being vetted, the needs of the project are being evaluated, and an incentive package is being developed, DEO performs an additional level of due diligence – analyzing the risk profile of the company, the particular project, and the recommended incentive package to ensure it is in the best interest of Florida's taxpayers. Adjustments are made during the incentive negotiation process to further tailor the structure of the incentive package to ensure alignment with the company's needs. Once the incentive package is finalized, DEO and/or the other appropriate State bodies issue the formal approvals.

Following the approval, an agreement or contract between the business (or local government) and the State is executed. Most agreements include performance requirements to be achieved before any incentive funds are paid out. For the few agreements structured for the business to receive incentive payments before the full scope of the project is achieved (primarily Closing Fund and Innovation Fund), each contract includes claw-backs and sanctions for non-performance. These sanctions include requiring the company to repay all or a portion of the incentive award, plus interest. The contracts also may include the right to impose a lien on assets of the business.

An additional function which the State performs to protect the taxpayers' dollars is working with each business, with an executed contract, through compliance of the deliverables set forth in each contract. More specifically, the State oversees the administration of tax refund claims and performance reviews and processes all incentive payments and local financial support associated with incentive agreements. This includes maintaining all documentation related to executed agreements and the Economic Development Incentives Portal (Portal).

In order to further protect the State's investment in economic development incentives, funds are often placed into an escrow account, managed by Enterprise Florida, prior to disbursement to the companies. If any of these businesses do not meet the milestones required for the payments to be disbursed, the escrowed funds will be returned to general revenue. Funds previously held in the EFI escrow account have also been returned to the State for projects not meeting their payment milestones in a timely manner.

**Table 1  
Economic Development Process**



**Protecting the Taxpayers’ Investment**

Today, we have incorporated significant changes to the incentives application and approval process. With vast improvements made to our incentive applications, due diligence process, deal structures and contracts, our procedures and documents provide an extraordinary level of protection for the taxpayers’ investment.

Before making an investment through incentives, DEO performs due diligence on each company, considers the scope of the proposed project, evaluates what incentives are suitable, and negotiates the terms of an incentive agreement. The process begins with a thorough investigation of the company. This “due diligence” process serves to determine whether incentives are appropriate for the company and the project, identify any problems, and assist with structuring the deal.

DEO’s new due diligence process has two levels—we conduct Level One due diligence for tax refund and credit incentive programs (e.g., the Qualified Target Industry Tax Refund Program and the Capital Investment Tax Credit Incentive Program) and we conduct both Level One and Level Two due diligence for discretionary cash incentive programs (e.g., the Quick Acton Closing Fund Program and the High-Impact Performance Incentive Program). Tax refund and credit incentives do not involve credit risk because payments are made only after demonstrated performance. Accordingly, we focus our due diligence on statutory compliance, reputation risk (e.g., known felony criminal histories of principal executives, civil fines and penalties, significant litigation, etc.) and whether there is a substantial probability of non-performance (e.g., imminent insolvency). We consult a variety of resources, including conducting litigation searches on Lexis Nexis and Justia, searching federal and state databases, and reviewing regulatory filings and filings with the Securities and Exchange Commission (for public companies). For incentives in which a company receives all payments prior to fulfilling all of its performance obligations, the State may be required to exercise contractual remedies, including claw-backs. Because the effectiveness of a claw-back remedy depends on the financial ability of a company to return funds to the State, in addition to the Level One due diligence, our financial analysts review the company’s financial statements and review credit rating reports (i.e., Standard & Poor’s, Moody’s and Fitch) or, when a company does not have rated debt, we conduct an independent analysis of its credit. Our improved processes and procedures allow us to fulfill our fiduciary duty to protect the taxpayers’ investment, while helping to foster an environment that encourages private sector job creation. In the next year, we will continue to build on our improvements.

### **Incentives Portal**

In March, 2013, DEO designed and implemented a first-of-its kind Economic Development Incentives Portal. Launched on October 1, 2013, the new Portal was improved to allow more interactive capabilities as DEO furthers its commitment to efficiency, accountability, and transparency. The Portal provides unprecedented access to the performance measurements required in economic development incentive contracts and each company's progress toward reaching their required job creation goals.

The interactive Portal includes every non-confidential incentive project with an executed contract since 2000 that received or is on schedule to receive payments from the State. Projects that are confidential or approved but do not yet have an executed agreement and projects that have withdrawn or decided not to proceed with the incentive are not included. Confidential projects, as defined by Florida Statutes, will be included once their exemption from the state's public record requirements has expired.

While the statute requires that DEO update verified performance results for non-confidential projects annually, the portal is updated with additional information on a daily basis. As businesses proceed through the multiple years of the agreement and report their performance for previously completed calendar years, DEO publishes the information on the Portal only after confirming the performance and payments. The published data represent performance confirmed for previous years, not the businesses' current job levels.

The Portal is accessible to the public through a link on DEO's homepage, [www.floridajobs.org](http://www.floridajobs.org) , or directly at [www.floridajobs.org/incentivesportal](http://www.floridajobs.org/incentivesportal).

### **Statutory Requirements**

This report was prepared by Enterprise Florida in conjunction with DEO as required by §288.907, F.S.

During the 2013 Legislative session, §288.907, F.S., was amended to both include additional reporting requirements as well as remove others (such as calculation of economic benefits). In summary, the information presented will provide taxpayers, Legislators, and other stakeholders with a detailed understanding of the performance of various incentive programs. Performance is demonstrated by verified job creation and wage figures, capital investment, quantifying economic benefits utilizing actual company performance and actual incentive payments made, and other analyses to help verify the outcomes and appropriateness of State incentives.

The Florida Legislature and Florida's taxpayers have indicated a desire for more transparency into State incentive awards. This report includes an overview of historical incentive awards, information on the current status of previously awarded incentive contracts, and detailed information on incentive agreements executed and incentive payments made during fiscal year 2012-2013 (July 1, 2012, to June 30, 2013). The report also discusses the distinction between the evaluation of programs as compared to the economic development projects that utilize these programs. Some of the specific project information remains confidential per §288.075, F.S., as of the time this report was written. However, all reasonable attempts have been made to include project details where applicable.

The data presented in this report should be evaluated in context with the program goals of the applicable incentives, the highly competitive nature of economic development, as well as the current economic climate.

### SUMMARY OF INCENTIVES REPORT CONTENTS

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#### Programs Included

Various programs comprise Florida's economic development incentive toolkit. There are incentives paid directly to businesses, grants to local governments for infrastructure and other community development improvements, capital programs, and other intangible resources. These programs are housed in several different agencies within the State. This report focuses on the eight programs managed by the Department of Economic Opportunity's Division of Strategic Business Development.

- Qualified Target Industry (QTI) Tax Refund
- Brownfield Redevelopment Bonus Tax Refund (available as a bonus in addition to QTI or stand-alone)
- Qualified Defense and Space Contractor (QDSC) Tax Refund
- Quick Action Closing Fund (QACF)
- Manufacturing and Spaceport Investment Incentive (MSII)
- High Impact Performance Incentive (HIPI)
- Capital Investment Tax Credit (CITC)
- Innovation Incentive Program/Fund (IIP or IIF)

Descriptions and data for other programs—including Florida's Quick Response Training program—have been included whenever possible, in order to show the diverse range of business assistance available in Florida. In compiling this Annual Incentives Report, data was collected from Enterprise Florida, the Florida Department of Economic Opportunity's Divisions of Strategic Business Development and Community Development, Workforce Florida, Inc., the Florida Department of Revenue, the Florida Department of Transportation, the Florida Export Finance Corporation, and the Florida Development Finance Corporation.

#### Program and Project Approach

There are several ways to evaluate the performance and effectiveness of economic development incentives. One approach is based on specific economic development incentive programs (program approach), which includes data for each individual program, irrespective of whether multiple incentive programs were required to land the project. Another approach is based on individual projects (project approach) and evaluating the various incentives required to land a specific project and then a summary of the project's performance compared to the incentives actually paid. In order to give a comprehensive summary, both approaches are presented in this report.

The program approach analysis includes the amount of incentives approved and amounts paid by the State, a summary status of all economic development incentive projects approved (since July 1, 1995, or other date as noted), and summaries of incentive performance within specific industry sectors and geographically distressed areas. The challenge with this approach is that while it is good at comparing programs, it may lead to double counting of jobs if the new job creation for each program was simply added together.

The project approach analysis includes information on approvals for the previous fiscal year for each incentive program and the number of individual projects this represents. Further details are provided regarding these executed agreements, including the names of businesses, their performance commitments, and the incentive agreements executed. Additional information is provided for businesses receiving incentive payments during fiscal year 2012. These two data sets are generally different, since Florida's incentives are performance based and therefore most businesses do not receive actual payments from the State until several years into the project.



# Incentive Program Information

## TYPES OF INCENTIVES

Economic development incentives come in various forms, including tax refunds, tax credits, tax exemptions, and cash grants. Other tools, such as financing, can help facilitate an economic development project. A thorough evaluation of the project’s needs as compared to the eligibility requirements of various incentive programs help dictate which programs may be a good—or not so good—fit for each project.

The majority of Florida’s competitive economic development projects utilize tax refunds. With these incentives, the business first enters into a contract with the State, which includes a new job creation goal, a schedule by which these new jobs are to be created, and an average wage to be paid for the new jobs. After the business has commenced the project and begun hiring, it submits an annual claim form and documentation of taxes paid. The State verifies the claim data with the company’s quarterly unemployment compensation and payroll reports and verifies the tax documentation. If the State confirms the contractual obligations have been met and the local financial support has been received (if required) from the community, a refund check is sent to the business. If a QTI business, for example, partially performs but does not meet its full contracted job or wage requirements, it may be entitled to a pro-rated refund, less a penalty, or it could have been invited to apply for an Economic Recovery Extension (ERE). Businesses not filing claims or not meeting performance obligations are terminated from the program. Table 2 summarizes several different types of incentives.

<b>Table 2 KEY INCENTIVE CATEGORIES</b>					
	<b>TAX REFUNDS</b>	<b>TAX CREDITS</b>	<b>TAX EXEMPTIONS</b>	<b>CASH GRANTS TO COMPANY</b>	<b>CASH GRANTS TO THIRD PARTY</b>
<b>Florida Incentive Programs</b>	<ul style="list-style-type: none"> <li>• Qualified Target Industry (QTI)</li> <li>• Qualified Defense and Space Contractor (QDSC)</li> <li>• Brownfield Bonus</li> </ul>	<ul style="list-style-type: none"> <li>• Capital Investment Tax Credit (CITC)</li> <li>• Other Job Tax Credits</li> </ul>	<ul style="list-style-type: none"> <li>• Various</li> </ul>	<ul style="list-style-type: none"> <li>• High Impact Performance Incentive (HIPI)</li> <li>• Quick Action Closing Fund (QACF)</li> <li>• Innovation Incentive Program / Fund (IIF)</li> </ul>	<ul style="list-style-type: none"> <li>• Quick Response Training (QRT)</li> </ul>
<b>Type of Incentive</b>	Refund of taxes paid, outlined in a performance based contract	Credit against tax owed	Exemption from tax owed	Grant with performance based contract	Grant with performance based contract
<b>Overview of Claim Process</b>	<ul style="list-style-type: none"> <li>• Company pays taxes</li> <li>• State confirms tax payments and validates performance</li> <li>• State issues refund check</li> </ul>	<ul style="list-style-type: none"> <li>• Company claims credits on State corporate income tax return after meeting program requirements</li> <li>• State confirms jobs and investment (if applicable)</li> </ul>	<ul style="list-style-type: none"> <li>• Company is issued tax exemption permit from Florida Department of Revenue</li> <li>• Permit presented to seller</li> <li>• Seller exempts sales tax on transactions</li> </ul>	<ul style="list-style-type: none"> <li>• Company achieves pre-set milestones</li> <li>• State validates performance</li> <li>• State issues check</li> </ul>	<ul style="list-style-type: none"> <li>• Company achieves pre-set milestones</li> <li>• State validates performance</li> <li>• State issues check</li> </ul>
<b>Revenue Source</b>	Annual appropriation	Foregone revenue (no appropriation)	Foregone revenue (no appropriation)	Annual appropriation	Annual appropriation



### FLORIDA'S KEY ECONOMIC DEVELOPMENT INCENTIVES

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#### Tax Refunds

##### ***Qualified Target Industry Tax Refund (§288.106, F.S.)***

Objective: Spur Job Creation in Florida's Target Industries

Description: The Qualified Target Industry Tax Refund, established in 1995, serves to attract new high quality, high wage jobs for Floridians. Tax refunds are made to qualifying, pre-approved businesses creating new jobs within Florida's target industries. All QTI projects include a performance-based contract with the State of Florida, which outlines specific milestones that must be achieved and verified by the State prior to payment of refunds. This incentive is a partnership between the State and local community—20 percent of the award comes from the local city or county government.

##### ***Qualified Defense and Space Contractor Tax Refund (§288.1045, F.S.)***

Objective: Spur Job Creation in Florida's Defense and Space Industries

Description: The Qualified Defense and Space Contractor Tax Refund, established in 1996, serves to attract new high quality, high wage jobs for Floridians in the defense and space industries. Tax refunds are made to qualifying, pre-approved businesses bidding on new competitive contracts or consolidating existing defense or space contracts. This incentive is a partnership between the State and local community—20 percent of the award comes from the local city or county government. All QDSC projects include a performance-based contract with the State of Florida, which outlines specific milestones that must be achieved and verified by the State prior to payment of refunds.

##### ***Brownfield Redevelopment Bonus Refunds (§288.107, F.S.)***

Objective: Spur Job Creation and Capital Investment in Florida's Brownfield Areas

Description: The Brownfield Redevelopment Bonus Tax Refund, established in 1997, serves to improve economic opportunities within Florida's Brownfield areas. These areas have been designated as Brownfields by each community for the presence or perceived presence of environmental contamination or blight. This incentive is a partnership between the State and local community—20 percent of the award comes from the local city or county government, unless a waiver of the match is requested. All Brownfield Bonus projects include a performance-based contract with the State of Florida, which outlines specific milestones that must be achieved and verified by the State prior to payment of refunds.

#### Tax Credits

##### ***Capital Investment Tax Credit (§220.191, F.S.)***

Objective: Spur Capital Investment in Florida's High Impact Sectors

Description: The Capital Investment Tax Credit became effective July 1, 1998. CITC is used to attract and grow capital-intensive industries in Florida. It is an annual credit, provided for up to twenty years, against the corporate income tax. Eligible projects are those in designated high-impact portions of the following sectors: clean energy, biomedical technology, financial services, information technology, silicon technology, transportation equipment manufacturing, or a corporate headquarters facility.

##### ***Manufacturing and Spaceport Investment Incentive (§288.1083, F.S.)***

Objective: Spur Capital Investment in the Manufacturing and Space Industries

Description: The Manufacturing and Spaceport Investment Incentive was created in 2010 to serve as a means of relieving some of the sales tax burden on existing manufacturers that were not increasing their productive output enough to be eligible for the standard manufacturing machinery and equipment sales tax exemption. This was a temporary program, and as of FY 2012, credits are no longer available.

##### ***Jobs for the Unemployed Tax Credit (§220.1896, F.S.)***

Objective: Encourage Hiring of Unemployed Floridians

Description: Created in 2010, the Jobs for the Unemployed Tax Credit encourage target industry businesses to hire Florida residents who were unemployed for at least 30 days. This tax credit is claimed by the business after each employee has been retained for 12 months. This was a temporary program, and as of FY 2012, credits are no longer available.

### Cash Grants

#### ***High Impact Performance Incentive (§288.108, F.S.)***

Objective: Spur Capital Investment and Job Creation in Florida's High Impact Sectors

Description: Enacted in July 1997, the High Impact Performance Incentive (HIPI) is a grant reserved for major facilities operating in designated portions of high-impact sectors, including clean energy, biomedical technology, financial services, information technology, silicon technology, transportation equipment manufacturing, or a corporate headquarters facility. This performance based cash grant is paid in two equal installments, one upon commencement of operations and the other upon commencement of full operations.

#### ***Quick Action Closing Fund (§288.1088, F.S.)***

Objective: Deal Closing Tool Used for Highly Competitive Projects to Attract New and Retain Existing Florida Jobs

Description: The Quick Action Closing Fund was created by the 1999 Legislature as a discretionary "deal closing" tool in highly competitive negotiations where Florida's traditional incentives are not enough to win the deal. This tool is critical to the state's ability to attract projects where Florida is at a significant competitive disadvantage. All Closing Fund projects include a performance-based contract with the State of Florida, which outlines specific milestones that must be achieved for grant payment, sanctions and penalties for non-performance, as well as annual compliance requirements. Closing Fund awards are generally paid out after the business has made a substantial capital investment toward tangible personal property tied to the project.

#### ***Innovation Incentive Program (§288.1089, F.S.)***

Objective: Attract Major Innovation Businesses to Spur Development of Key Clusters

Description: The Innovation Incentive Program was created during the 2006 Legislative Session as a tool to allow the state to compete effectively for high-value research and development, innovation business, and alternative and renewable energy projects. These are long-term investments made by the State in industry clusters that are critical to Florida's future of economic diversification. All Innovation projects include a performance-based contract with the State of Florida, which outlines specific milestones that must be achieved for grant payment as well as compliance requirements. Innovation contracts also include a reinvestment requirement, by which recipients must remit a portion of their royalty revenues back to the State for reinvestment in existing State Trust Funds.

#### ***Economic Development Transportation Fund (§288.063, F.S.)***

Objective: Transportation Infrastructure Improvements to Spur Job Creation / Retention and Capital Investment

Description: The Economic Development Transportation Fund (EDTF) is a grant to a local government used to alleviate transportation impediments as an inducement for a specific business to remain, expand or locate in Florida. The infrastructure funded through this grant serves as permanent community improvements for the benefit of Floridians. Effective July 1, 2012, administration of the EDTF was transferred to the Florida Department of Transportation (DOT).

#### ***Local Government Distressed Area Matching Grant (§288.0659, F.S.)***

Objective: Stimulate Economic Activity by Matching Local Business Assistance

Description: The Local Government Distressed Area Matching Grant program was created in 2010 to stimulate economic activity and enhance the ability of distressed communities to attract new job creation opportunities. The grant is administered through a contract between the State of Florida and the local government, with the State's funds (\$50,000 maximum) passed through to the business. As of FY 2012, this program is no longer funded.

#### ***Quick Response Training (§288.047, F.S.)<sup>1</sup>***

Objective: Ensure Florida has a well-trained workforce with in-demand skill sets

Description: The Quick Response Training grant is an employer-driven training program designed to assist new value-added businesses and provide existing Florida businesses the necessary training for expansion. This reimbursement program is customized, flexible, and responsive to individual company needs. The Quick Response Training program is managed by Workforce Florida, Inc.; however, detailed information has been included in this report since it is a foundation of Florida's economic development toolkit.

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<sup>1</sup> The Incumbent Worker Training (IWT) program is also an important part of Workforce Florida's toolkit; however, it has not been included in this report since these are Federal workforce dollars rather than a specific State appropriation.

**HISTORICAL INCENTIVE PROGRAM FUNDING AND AWARDS**

As noted in Table 2, incentives take different forms, some of which require annual appropriations and others involve foregone tax revenue. Tables 3 and 4 detail incentives approved by year for all programs requiring an annual appropriation.

<b>Table 3 INCENTIVE APPROVALS<sup>2</sup>- TAX REFUNDS</b>					
<b>FISCAL YEAR ENDED</b>	<b>QTI</b>	<b>QDSC</b>	<b>BROWNFIELD BONUS (WITH QTI)</b>	<b>BROWNFIELD BONUS (STAND-ALONE)</b>	<b>MSII</b>
2013 Maximum Awards	\$60,975,040	\$0	\$4,022,500	\$5,160,000	\$0
<i>State Portion</i>	<i>\$48,780,072</i>	<i>\$0</i>	<i>\$3,218,000</i>	<i>\$4,128,000</i>	<i>NA</i>
2012 Maximum Awards	\$58,063,500	\$2,180,000	\$7,697,500	\$5,982,500	\$150,000
<i>State Portion</i>	<i>\$46,450,800</i>	<i>\$1,744,000</i>	<i>\$6,158,000</i>	<i>\$4,786,000</i>	<i>NA</i>
2011 Maximum Awards	\$37,940,810	\$2,037,000	\$4,552,500	\$3,437,500	\$1,300,000
<i>State Portion</i>	<i>\$30,352,648</i>	<i>\$1,629,600</i>	<i>\$3,642,000</i>	<i>\$2,750,000</i>	<i>NA</i>
2010 Maximum Awards	\$33,863,300	\$0	\$4,790,000	\$1,112,500	Created in 2010
<i>State Portion</i>	<i>\$27,090,640</i>	<i>\$0</i>	<i>\$3,832,000</i>	<i>\$890,000</i>	
2009 Maximum Awards	\$34,125,000	\$2,136,000	\$5,070,000	\$230,000	Created in 2010
<i>State Portion</i>	<i>\$27,300,000</i>	<i>\$1,708,800</i>	<i>\$4,056,000</i>	<i>\$184,000</i>	
2008 Maximum Awards	\$23,710,000	\$0	\$472,500	\$812,500	Created in 2010
<i>State Portion</i>	<i>\$18,968,000</i>	<i>\$0</i>	<i>\$378,000</i>	<i>\$ 650,000</i>	
2007 Maximum Awards	\$36,611,000	\$2,966,888	\$1,545,000	\$3,072,500	Created in 2010
<i>State Portion</i>	<i>\$29,288,800</i>	<i>\$2,373,510</i>	<i>\$1,236,000</i>	<i>\$2,458,000</i>	
2006 Maximum Awards	\$55,670,867	\$3,921,000	\$2,942,500	\$1,567,500	Created in 2010
<i>State Portion</i>	<i>\$44,536,694</i>	<i>\$3,136,800</i>	<i>\$2,354,000</i>	<i>\$1,254,000</i>	
2005 Maximum Awards	\$56,954,000	\$475,000	\$2,360,000	\$1,250,000	Created in 2010
<i>State Portion</i>	<i>\$45,563,200</i>	<i>\$380,000</i>	<i>\$1,888,000</i>	<i>\$1,000,000</i>	
2004 Maximum Awards	\$41,964,800	\$0	\$4,322,000	\$312,500	Created in 2010
<i>State Portion</i>	<i>\$33,571,840</i>	<i>\$0</i>	<i>\$3,457,600</i>	<i>\$250,000</i>	
2003 Maximum Awards	\$45,675,100	\$0	\$1,982,500	\$312,500	Created in 2010
<i>State Portion</i>	<i>\$36,540,080</i>	<i>\$0</i>	<i>\$1,586,000</i>	<i>\$250,000</i>	
2002 Maximum Awards	\$37,576,950	\$0	\$125,000	Stand-alone component added in 2002	Created in 2010
<i>State Portion</i>	<i>\$30,061,560</i>	<i>\$0</i>	<i>\$100,000</i>		
2001 Maximum Awards	\$50,546,800	\$288,000	\$100,000	Stand-alone component added in 2002	Created in 2010
<i>State Portion</i>	<i>\$40,437,440</i>	<i>\$230,400</i>	<i>\$80,000</i>		
2000 Maximum Awards	\$56,223,500	\$1,350,000	\$300,000	Stand-alone component added in 2002	Created in 2010
<i>State Portion</i>	<i>\$44,978,800</i>	<i>\$1,080,000</i>	<i>\$240,000</i>		
1999 Maximum Awards	\$26,607,880	\$112,000	\$845,000	Stand-alone component added in 2002	Created in 2010
<i>State Portion</i>	<i>\$21,286,304</i>	<i>\$89,600</i>	<i>\$676,000</i>		
1998 Maximum Awards	\$59,995,152	\$0	\$231,250	Stand-alone component added in 2002	Created in 2010
<i>State Portion</i>	<i>\$47,996,122</i>	<i>\$0</i>	<i>\$185,000</i>		
1997 Maximum Awards	\$34,298,000	\$410,000	Created in 1997	Stand-alone component added in 2002	Created in 2010
<i>State Portion</i>	<i>\$27,438,400</i>	<i>\$328,000</i>			
1996 Maximum Awards	\$26,557,500	\$0	Created in 1997	Stand-alone component added in 2002	Created in 2010
<i>State Portion</i>	<i>\$21,246,000</i>	<i>\$0</i>			

<sup>2</sup> "Maximum awards" represents the total amount of tax refunds approved for businesses during the respective fiscal year and includes the state award plus the required local match. These refunds are paid to companies in future years following confirmed performance.

## 2013 Incentives Report

For incentives paid from the same year's appropriation, particularly QACF, EDTF, and QRT, the awards granted may exceed the appropriation for that year. This is because incentives are sometimes approved for businesses that decide not to locate in Florida; those funds may then be re-allocated to another project.

**Table 4**  
**INCENTIVE APPROVALS – GRANTS**

FY END	HIPI	QACF	IIF	EDTF	LGDAMG	QRT
2013	\$5,000,000	\$43,724,500	\$0	\$18,999,357	NA	\$ 8,537,539
2012	\$1,500,000	\$28,413,000	\$6,600,000	\$14,830,795	\$150,000	\$5,899,332
2011	\$8,640,000	\$24,337,700	\$0	\$30,342,123	\$0	\$8,545,367
2010	\$0	\$25,401,830	\$0	\$4,280,390	Created in 2010	\$3,391,777
2009	\$13,984,000	\$60,579,000	\$0	\$27,565,525		\$13,270,962
2008	\$0	\$47,000,000	\$249,090,000	\$9,732,860		\$1,606,960
2007	\$0	\$41,857,800	\$200,000,000	\$12,039,178		\$11,410,488
2006	\$3,150,000	\$10,442,200	Created in 2006	\$11,617,198		\$7,083,202
2005	\$0	\$9,272,500		\$14,710,964		\$7,970,541
2004	\$0	\$4,400,000		\$17,212,039		\$7,822,434
2003	\$0	\$0		\$17,012,214		\$7,317,724
2002	\$0	\$1,350,000		\$14,937,348		\$7,585,239
2001	\$2,000,000	\$900,000		\$20,158,571		\$4,772,350
2000	\$15,250,000	\$1,400,000	\$27,866,578	\$5,803,588		
1999	\$12,500,000	Created in 1999	\$25,047,952	\$4,166,842		
1998	\$0		\$16,230,721	\$3,739,430		
1997	Created in 1997		\$8,595,618	\$6,704,625		
1996			\$10,023,177	\$4,371,850		

In addition to incentives requiring a payment from the State, tax credits are also key components of Florida's incentive toolkit. Since credits are foregone revenue and therefore do not require an annual appropriation, they are reported differently. Table 5 includes a summary of the amount of tax credits approved for various State tax credit incentives. Capital Investment Tax Credit is provided as an aggregate figure for the amount of credits claimed for years prior to 2010 in order to maintain company confidentiality. The value of credits claimed is often much lower than the value of credits approved because, in many cases, the credits can only be used to offset a portion of the incremental new tax liability attributable to a project or the company's tax liability may be lower than the value of the credits. Further, companies occasionally file amended tax returns or request extensions, which is why there may be a change in prior years.

<b>Table 5 TAX CREDITS, REFUNDS AND EXEMPTIONS CLAIMED BY BUSINESSES</b>						
<b>YEAR</b>	<b>CITC (AMOUNT CLAIMED)</b>	<b>JOBS FOR THE UNEMPLOYED TAX CREDIT</b>	<b>RURAL JOB TAX CREDIT</b>	<b>URBAN JOB TAX CREDIT</b>	<b>EZ JOBS TAX CREDIT (SALES TAX)</b>	
2012	\$5,258,832	NA	\$187,000	\$2,460,500	\$7,035,555	
2011	\$5,578,022	\$33,000	\$431,000	\$790,500	\$7,384,634 <sup>1</sup>	
2010	\$13,658,884	Created in 2010	\$181,000	\$1,259,500	\$5,683,252	
2009	\$70,970,525		\$204,000	\$855,000	\$5,227,245	
2008			\$66,000	\$517,500	\$5,732,605	
2007			\$204,000	\$654,000	\$6,087,743	
2006			\$647,500	\$1,014,000	\$6,777,250	
2005			\$673,000	\$1,761,000	\$4,729,834	
2004			\$50,000	\$1,053,500	\$2,579,512	
2003			\$1,008,000	\$1,069,000	\$1,444,543	
2002			\$584,000	\$2,673,500	\$970,148	
2001			\$0	\$257,000	\$2,486,500	\$1,287,263
2000			\$0	\$21,000	\$4,999,500	\$1,036,480
1999	\$0		\$0	\$260,500	\$1,179,457	
1998	Created in 1998		\$0	\$0	\$629,694	
1997		Created in 1997	Created in 1997	\$548,988		
1996				\$269,906		
<b>YEAR</b>	<b>EZ JOBS TAX CREDIT (CORP. INCOME TAX)</b>	<b>EZ PROPERTY TAX CREDIT</b>	<b>EZ SALES TAX REFUND FOR BUILDING MATERIALS</b>	<b>EZ SALES TAX REFUND FOR BUSINESS EQUIPMENT</b>	<b>EZ SALES TAX EXEMPTION FOR ELECTRICAL ENERGY</b>	
2012	\$4,663,263	\$2,275,522	\$632,604	\$850,027	\$842,710	
2011	\$4,956,598	\$1,994,562	\$13,590,376	\$679,440	\$972,185	
2010	\$4,348,031	\$1,384,668	\$54,012,915	\$1,035,562	\$1,138,054	
2009	\$5,072,555	\$1,910,708	\$30,994,860	\$1,139,066	\$1,007,007	
2008	\$5,507,311	\$2,184,036	\$25,665,025	\$1,269,955	\$606	
2007	\$5,919,236	\$2,291,961	\$18,855,129	\$1,771,396	\$793,179	
2006	\$4,253,621	\$1,267,999	\$7,415,711	\$2,940,864	\$778,090	
2005	\$2,080,397	\$1,668,168	\$3,878,421	\$1,618,721	\$84,516	
2004	\$1,086,747	\$507,022	\$1,356,462	\$1,182,582	\$488,937	
2003	\$800,029	\$272,942	\$533,673	\$1,874,145	\$476,251	
2002	\$1,965,920	\$303,542	\$456,551	\$2,813,601	\$229,789	
2001	\$345,669	\$363,502	\$548,668	\$1,911,472	\$289,822	
2000	\$1,022,058	\$545,409	\$334,668	\$2,188,606	\$331,614	
1999	\$626,972	\$1,015,587	\$277,803	\$1,739,695	\$331,695	
1998	\$1,365,761	\$638,833	\$269,242	\$1,288,160	\$303,528	
1997	\$2,812,621	\$204,713	\$102,349	\$521,443	\$223,827	
1996	\$2,463,810	\$145,017	\$72,713	\$242,303	\$243,565	

<sup>1</sup> Corrected figure from the 2012 Incentives Report.

Table 5 Notes: Enterprise Zone incentives are on an October 1 to September 30 program year, which has been translated to the calendar year in which the program ends. The value of CITC credits claimed is for the companies' fiscal years beginning in the corresponding calendar year. These credits may change due to changes from Federal audits or filing extensions.

### INCENTIVE PROGRAM ACTIVITY AND RESULTS

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Understanding the usage and performance of specific incentive programs is critical to determining whether they are effective job creation tools. Measurement against the incentive contract takes place annually (at a minimum). The following tables quantify key performance metrics for each program.

#### Program Utilization – Tax Refunds

Tables 6 through 9 show a summary of the current status of incentives approved by the State since July 1, 1995. The status of each incentive falls within one of six categories: active, inactive, terminated, vacated, withdrawn or complete. Explanations for each of these are contained within the tables below. The number of executed incentive agreements is also provided.

Businesses with active incentive agreements are in the midst of ramping up their expansion or new Florida operation. The number of complete incentive agreements may seem low compared to the number approved. Since incentive agreements are multi-year contracts—typically five to seven years for QTI—many businesses are in the midst of contract performance.

Not all businesses approved for incentives decide to commence their projects in Florida, which explains the gap between number of approvals and contracts executed. This number is reflected in Table 6 as vacated. Some of these businesses even execute the incentive agreement, but still decide not to proceed with the project or decide to forego the incentive. This number is reflected in Table 6 as terminated. Other factors may also play a role, such as failure to get an anticipated contract or a change in operational plans. In addition, some businesses start their project, create a minimum number of jobs, and therefore receive one or more incentive payments based on this performance. If these businesses do not fulfill the full terms of their agreement, they are no longer eligible for subsequent payments. All QTI agreements are pay after performance, and therefore no funds were dispersed until performance is verified.

<b>Table 6 PROGRAM ACTIVITY – TAX REFUNDS</b>				
	<b>QTI</b>	<b>QDSC<sup>3</sup></b>	<b>BROWNFIELD BONUS<sup>4</sup> (WITH QTI)</b>	<b>BROWNFIELD BONUS (STAND-ALONE)</b>
<b>Incentive Approvals (7/1/94 to 6/30/13)</b>	1,233	33	114	66
<b>Active:</b> Business currently performing and in good standing	347	6	48	43
<b>Inactive:</b> Business has received one or more incentive payment after meeting a portion of its contract commitments, but is ineligible for future payments	186	3	7	1
<b>Terminated:</b> An incentive contract was executed but business has not received any payments and is ineligible for future payments	444	14	44	7
<b>Vacated:</b> Incentive contract never signed by the business and therefore no incentive payments made	142	5	11	9
<b>Withdrawn:</b> Incentive application was withdrawn by the business or Enterprise Florida prior to approval or before the contract was drafted	3	6	0	0
<b>Complete:</b> Business has met the terms of its contract and received all eligible incentive payments	111	5	4	6
<b>Contracts Executed (through 6/30/13)</b>	1,088	28	103	57

<sup>3</sup> QDSC figures are since program inception, 1/1/1994.

<sup>4</sup> These contract and job figures are also part of the QTI data set.

**Confirmed Results – Tax Refunds**

Depending on the scope of the project, it may take a business several months or several years to reach its full employment projections. Therefore at any given point they may have only created a portion of the total jobs committed over the life of the agreement. Three data points are provided to show the current performance of active incentive agreements. “Contract Job Requirement” represents the full job creation commitments for these projects. “Jobs Due (as of latest FY)” is the total number of new jobs the businesses are contractually obligated to have in place as of their latest claim period. “Confirmed Performance” represents the number of net new to Florida jobs the State has confirmed to have been created by these businesses. The proper comparison here is the “Jobs Due (as of latest FY)” with “Confirmed Performance,” since this represents where the businesses actually are in terms of meeting their goals versus where they should be per their contracts.

Table 7 shows the number of jobs expected to be created by active incentive projects, both over the life of the agreements (“Contract Job Requirement”) and as of the most recent claim period (“Jobs Due”). To provide a more complete view of performance, data is also presented for all of the projects with executed incentive agreements. This includes businesses actively performing and in compliance with their agreements, those who partially performed under an agreement but are no longer active, and those who have successfully completed their agreements. The data do not include agreements that are terminated and for which businesses have no performance obligations and no state funds have or will be paid. The job data included represents the last figures confirmed by the State.



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<b>Table 7 PROGRAM RESULTS – TAX REFUNDS<sup>6</sup></b>					
	<b>QTI</b>	<b>QDSC</b>	<b>BROWN-FIELD BONUS (WITH QTI)<sup>7</sup></b>	<b>BROWN-FIELD BONUS (STAND-ALONE)</b>	<b>COMMENTS</b>
<b>Active Agreements</b>					
Contract Job Requirement (Total Project)	41,635	418	7,374	1,027	Number of jobs these businesses have committed to create over the life of the contract
Jobs Due (as of Latest FY)	18,580	318	1,692	997	Number of jobs these businesses are contractually obligated to have in place as of their last reporting period
Confirmed Performance	19,259	530	3,960	763	Number of net new jobs the State has confirmed have been created by these businesses
Difference (Jobs Due vs. Confirmed)	4%	67%	134%	(24%)	Businesses created more (or less) jobs than originally committed
<b>Complete Agreements</b>					
Contract Job Requirement	10,863	795	975	792	Number of jobs these businesses committed to create over the life of the contract
Confirmed Performance	17,400	1,521	2,558	770	Number of net new jobs the State has confirmed have been created by these businesses as of their last report
Difference (Expected vs. Contracted)	60%	91%	163%	(3%)	Businesses created more (or less) jobs than originally committed
<b>All Executed Agreements</b>					
Contract Job Requirement (Total Project)	76,687	2,034	8,999	2,019	Number of jobs these businesses have committed to create over the life of the contract
Jobs Due (as of Latest FY)	60,257	1,414	2,898	1,989	Number of jobs these businesses are contractually obligated to have in place as of their last reporting period
Confirmed Performance	79,321	2,342	7,034	1,689	Number of net new jobs the State has confirmed have been created by these Businesses
Difference (Expected vs. Confirmed)	32%	66%	143%	(15%)	Businesses created more (or less) jobs than originally committed

<sup>6</sup> Several companies have more than one active or complete QTI as a result of multiple expansions. For these projects, the “confirmed” jobs only include those required under the original contracts so as to not double count the same set of jobs for multiple projects.

<sup>7</sup> These jobs are also included in the “QTI” section.

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### Program Utilization – Grants

Contracts for incentive grants are similar to contracts for tax refunds. The business enters into a performance based agreement with the State, which outlines specific milestones for performance and payment.

<b>Table 8 PROGRAM ACTIVITY - GRANTS</b>			
	<b>HIPI</b>	<b>QACF</b>	<b>IIF</b>
<b>Incentive Approvals</b> (7/1/95 to 6/30/13)	14	139	9
<b>Active:</b> Business currently performing and in good standing	7	101	9
<b>Inactive:</b> Business has received one or more incentive payment after meeting a portion of its contract commitments, but is ineligible for future payments	4	11	0
<b>Terminated:</b> An incentive contract was executed but business has not received any payments and is ineligible for future payments	0	8	0
<b>Vacated:</b> Incentive contract never signed by the business and therefore no incentive payments made	0	12	0
<b>Withdrawn:</b> Incentive application was withdrawn by the business or Enterprise Florida prior to approval or before the contract was drafted	0	4	0
<b>Complete:</b> Business has met the terms of its contract and received all eligible incentive payments	3	3	0
<b>Contracts Executed(through 6/30/12)</b>	14	123	9

**Confirmed Results – Grants**

Results for the economic development grants are mixed, with projects both exceeding as well as not quite achieving their targets. All of the State’s incentive grant contracts with businesses contain penalties for non-performance or other sanctions in order to protect taxpayer funds. In cases where a business falls short, the State actively pursues the recapture of funds.

<b>Table 9 PROGRAM RESULTS - GRANTS</b>				
	<b>HIPI</b>	<b>QACF</b>	<b>IIF</b>	<b>COMMENTS</b>
<b>Active Agreements</b>				
Contract Job Requirement (Total Project)	2,306	13,331	1,886	Number of jobs these businesses have committed to create over the life of the contract
Jobs Due (as of Latest FY )	20	7,503	849	Number of jobs these businesses are contractually obligated to have in place as of their last reporting period
Confirmed Performance	21	8,507	849	Number of net new jobs the State has confirmed have been created by these businesses
Difference (Jobs Due vs. Confirmed)	5%	13%	0%	Businesses actually created more (or less) jobs than originally committed
<b>Complete Agreements</b>				
Contract Job Requirement	480	2,760	NA	Number of jobs these businesses committed to create over the life of the contract
Confirmed Performance	478	2,349	NA	Number of net new jobs the State has confirmed have been created by these businesses as of their last report
Difference (Expected vs. Contracted)	(0.4%)	(15%) <sup>2</sup>	NA	Businesses actually created more (or less) jobs than originally committed
<b>All Executed Agreements</b>				
Contract Job Requirement (Total Project)	4,836	16,091	1,886	Number of jobs these businesses have committed to create over the life of the contract
Jobs Due (as of Latest FY )	1,649	10,263	849	Number of jobs these businesses are contractually obligated to have in place as of their last reporting period
Confirmed Performance	1,904	10,856	849	Number of net new jobs the State has confirmed have been created by these Businesses
Difference (Expected vs. Confirmed)	15%	6%	0%	Businesses actually created more (or less) jobs than originally committed

<sup>2</sup> All QACF agreements contain sanctions and claw-back provisions for companies which do not achieve required performance.

### Qualified Targeted Industries

The most widely used economic development incentive program, QTI, is a tool available to Florida communities to encourage quality job growth. In exchange for a business creating jobs at higher than average wages, the state provides tax refunds of eligible taxes paid by the business once the agreed-upon jobs and wages are confirmed by DEO.

In order to receive tax refunds, a company must meet its job creation and wage goals and then maintain them over a minimum three-year period. This is known as pay-for-performance and is the basis for the QTI program. While performance requirements are typically phased and met over multiple years, performance is measured and confirmed annually. When businesses apply to participate in the QTI program, they project their job creation and wage schedules into the future, typically four to ten years. As businesses enter into agreements with DEO and proceed through the performance years, changes in the businesses' plans or other external factors may impact the companies' ability to continue participation in the QTI program. As a pay-for-performance incentive, QTI payments also change based on a businesses' performance under the agreement. If a business meets or exceeds the job and wage requirements, it will receive the full value of the QTI incentive. If the business partially meets the requirements, it will receive a partial payment, or in some cases, no payments. If a business does not achieve the minimum job and wage requirements for a given year, or chooses not to continue participating in the program, DEO will terminate the agreement.

In 2010, the Legislature amended §288.106(7)(d), F.S., to require the following annual report related to the QTI program: "Beginning with tax refund agreements signed after July 1, 2010, the department shall attempt to ascertain the causes for any business's failure to complete its agreement and shall report its findings and recommendations to the Governor, the President of the Senate, and the speaker of the House of Representatives." In 2012, the Legislature amended §288.106(7)(d), F.S., to require DEO's findings and recommendations be included in the annual incentives report under §288.907, F.S., rather than submitted as a separate departmental report.

Since July 1, 2010, 308 QTI agreements have been signed. While most of the projects are proceeding through their performance periods and remain active, to date, 58 of the agreements were terminated and received no incentive funds. Some of the businesses voluntarily withdrew from the program, while others did not submit performance claims required to remain active in the program.

Through ongoing communications with the businesses, DEO is aware of the reasons why many of the agreements were not completed. DEO found a variety of issues affected the businesses' continued participation in the program, including inability to meet the minimum job and wage requirements; delays in facility preparations; delays in location and expansion plans; changes in business plans and market conditions; and decisions not to locate in Florida. For the agreements that were signed after July 1, 2010, and subsequently terminated, ten of the businesses filed performance claims, but did not meet the minimum job and wage requirements, and 48 of the agreements were terminated based on the businesses voluntarily withdrawing from the program or for not submitting the required performance claim. Causes for businesses inability to complete their agreements included the following:

- Ten businesses reported not being able to meet the job creation requirement or the mutually agreed upon schedule for job creation;
- Seven businesses could not meet the average wage requirement (QTI requires wages of at least 115% of the prevailing average wage);
- Ten business reported changes in their business plans or market conditions as factors influencing their ability to meet the requirements; and
- Two businesses ultimately decided not to locate in Florida.

The overall conclusion remains that the QTI program continues to be a successful tool for Florida's economic development, and taken as a whole, the projects that remain in the QTI program throughout their entire job creation

## 2013 Incentives Report

schedule are successful. As reported in Table 9, active QTI projects have created 4 percent more jobs than required per their contracts, while complete QTI projects have created 60 percent more jobs.

### Innovation Incentive Fund

As of 2013, nine companies have been awarded funds totaling \$455,690,000, in addition to the Scripps Florida grant (\$310,000,000). Based on the most recent annual report from each lab (including Scripps Florida), they have created a combined total of 1365 jobs (seven of nine recipients reporting), with wages above the state average. The nine labs that have received Innovation Incentive funding are: Sanford-Burnham Medical Research Institute (Burnham), The Charles Stark Draper Laboratory, Inc. (Draper), Max Planck Florida Corporation (Max Planck), SRI International – Florida (SRI), Torrey-Pines Institute for Molecular Studies, Inc. (Torrey Pines), Hussman Institute for Human Genomics (Hussman), IRX Therapeutics, Inc. (IRX – first jobs due by 12/31/13) VGTI Florida (VGTI), and Embraer Engineering & Technology Center USA, Inc. (Embraer – first jobs due by 12/31/13).

**Table 10<sup>3</sup>**  
**Funding for Innovation Incentive Fund**

Fiscal Year Funded	Appropriation Amount	Funds Under Contract as of 10/09/13	Authority
2013/2014	\$12,063,221	\$0	Re-appropriation from 2012/2013
2012/2013	\$12,063,221	\$0	Chapter 2012-118, L.O.F.
2012/2013	\$14,400,000	\$6,000,000	Re-appropriation from Chapter 2011-76, L.O.F.
2011/2012	\$15,000,000	\$600,000	Chapter 2011-76, L.O.F.
2010/2011	\$75,000,000	\$0	Chapter 2010-152, L.O.F.
2007/2008	\$250,000,000	\$249,090,000	Chapter 2007-72, L.O.F.
2006/2007	\$200,000,000	\$200,000,000	Chapter 2006-55, L.O.F.

The Burnham Institute for Medical Research occupies its permanent 175,000 square foot facility on Lake Nona as of April 2009. The new construction project brought \$85 million of funding into the local economy upon completion. Lake Nona Medical City is based on the theory that a cluster of healthcare and biotech facilities within proximity to one another will breed innovation. Lake Nona Medical City is anchored by the University of Central Florida College of Medicine, Sanford-Burnham Medical Research Institute, Orlando VA Medical Center, M.D. Anderson Cancer Research Institute, Nemours Children's Hospital, and the University of Florida Academic and Research Center. These institutions are already forming synergies that will make Orlando a global destination for health care, research and medical education while creating an economic development and job creation engine for the region. The Lake Nona location is home to Sanford-Burnham's Diabetes and Obesity Research Center and the Conrad Prebys Center for Chemical Genomics' ultra-high throughput chemical screening center.

The Florida Center for Innovation at Tradition is a 120-acre development in Port St. Lucie which contains the new permanent facility for the Torrey Pines Institute for Molecular Studies. Torrey Pines moved into its 107,000 square foot, \$40 million biomedical research facility in January 2009, and is relocating its headquarters from La Jolla, California to the Florida location. The Torrey Pines Institute facility in Port St. Lucie has received silver certification under the U.S. Green Building Council LEED® (Leadership in Energy &

<sup>3</sup> This chart does not include funding to Scripps Florida.

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Environmental Design) green building certification system, which demonstrates that a building is environmentally responsible, profitable and a healthy place to work. Torrey Pines conducts research in heart disease, cancer, Alzheimer's and other ailments. Torrey Pines is collaborating with scientists and researchers at the nearby FAU/ Harbor Branch Oceanographic Institute.

Vaccine and Gene Therapy Institute, The Mann Research Center, and Martin Memorial Hospital are also based at the Florida Center for Innovation in Port St. Lucie. VGTI had its grand opening ceremonies for its new \$47 million, 100,000 square foot research facility on February 29, 2012. Research at VGTI-FL is focused on developing new vaccines and treatments to fight diseases such as HIV/AIDS, TB, melanoma, breast and prostate cancer as well as emerging diseases such as yellow fever and dengue fever. The researchers at the institute aim to identify the mechanisms that allow some individuals to control infections or cancers leading to a slowly progressing disease or in some cases to a remission or a cure while others develop symptoms, aggressive disease and death.

SRI International, one of the world's leading research and technology development organizations, selected St. Petersburg as the site for a new marine technology research facility. SRI International has established several operations in Florida, with the primary location in St. Petersburg. The St. Petersburg Marine Technology Program began operations on January 2, 2007. The core of SRI St. Petersburg operations is to accelerate the research and development of technologies related to ocean science, the maritime industry and port security. As SRI expands its Florida operations, additional, marine science and non-marine science, initiatives have been created in areas such as biomedical research, micro and nano structures, information, computing and simulation technologies and K-12 education research. SRI's expansion into Florida is in collaboration with the University of South Florida's College of Marine Science and its Center for Ocean Technology and is supported by the City of St. Petersburg, Pinellas County and the State.

In January 2008, Governor Crist announced the creation of the Max Planck Florida Institute to be located in Jupiter, adjacent to Scripps Florida and FAU. Max Planck, a world leader in biomedical research, is a non-profit German research organization that has won the second most Nobel prizes since 1900 and has made more than 2,300 inventions and has nearly 1,400 license agreements in place. This is the first U.S. branch of the German-based institute and their work will focus on brain function and neural circuits, using the most advanced techniques to visualize microscopic molecular processes to help understand the functional organization of the nervous system, its capacity to produce perception, thought, language, memory, emotion, and action. In June of 2012, the employees began moving into the permanent, \$64 million, three-story, 100,000 sq. ft. facility, which includes 57,600 sq. ft. dedicated to research/laboratories; the Grand Opening was set for December 5, 2012. This facility is designed to reduce energy consumption and use materials wisely, resulting in not only meeting the requirements of the US Green Building Council's LEED-NC accreditation program, but also supplementing laboratory-specific energy-use reduction recommendations from the U.S. Department of Energy's Lab 21 environmental performance criteria.

The Hussman Institute of Human Genomics (HIHG) is in its permanent 182,000 square-foot facility in the Biomedical Research building at the University of Miami. The HHIG is dedicated to using the very latest in cutting-edge technologies to identify genes involved in human diseases for the diagnosis, intervention and prevention of illness. Its scientists apply clinical, molecular, and mathematical techniques to identify genes leading to human disease, whether single genes that might cause some rare diseases, or the interplay between multiple genetic factors and the environment that may cause more common illnesses and disorders such as Parkinson's, cancer or autism. HIHG is exploring the genetic influences on human health and applying this knowledge to the practice of medicine through improved diagnostics, treatments, and medications, thus translating the unprecedented scientific advance of the "Human Genome Project" into information that can benefit patients directly.

The Charles Stark Draper Laboratory, Inc., is an independent, not-for-profit research and development laboratory engaged in applied research, engineering development, technology transfer, and advanced technical education. The Laboratory's Florida operations consist of the Draper Bioengineering Center at USF in Tampa, Florida, and the Draper Multi-chip Module (MCM) fabrication facility in St. Petersburg, Florida. Draper is expanding and improving its original facilities to support the increased technical sophistication of the work being performed in the Tampa/St. Petersburg area. Draper is bringing a unique Multi-Chip Module (MCM) technology that results in the reduction in the size of electronics which enables the sensor systems to be placed in small hard-to-reach areas and perform in a variety of severe environments. This technology has

## 2013 Incentives Report

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tactical, covert, space, and medical applications. Draper's Bioengineering Center at the University of South Florida is involved in an array of research – from post-traumatic stress disorder, balance prosthesis development and the development of reagent-less handheld biological agent sensors, to liver-stage malaria drug discovery and microenvironment models for personalized cancer treatment.

IRX Therapeutics plans to relocate and expand in St. Petersburg, Florida. IRX develops immune therapies to treat cancer and related diseases. The company's therapies are designed to target and restore the immune system in order to improve a patient's response to next-generation cancer vaccines and novel targeted therapeutics. The Company's product platform under development, which is based on over 30 years of research, seeks to restore the immune system of cancer patients that has been suppressed by the onset of the disease.

Embraer Engineering & Technology Center USA, Inc. partnered with Space Florida, Inc., to build a new facility for Embraer's Executive Jets business. This new research and development operation will be housed in a 67,000 sq. ft. facility that will be constructed at the Melbourne International Airport on the site of the current Embraer Executive Jets Division Headquarters and final assembly building. While the company awaits final build-out of the new facility, Melbourne International Airport has agreed to provide Embraer with temporary facilities, also located on airport property.

The Scripps Research Institute, one of the world's largest non-profit research institutes, opened its second major research facility in Florida in 2005, and celebrated the completion of their 370,000 square foot building in February 2009. Located in Palm Beach County, the facility has over 440 faculty members and scientific, technical, and administrative staff working at the facility and focuses on basic biomedical science, drug discovery, and technology development. Scripps Florida was the impetus for much of the state's growth in the biotech industry and is expected to create 6,500 new jobs (direct and indirect) in the next decade and generate about \$1.6 billion in additional income for Floridians.

### **Other Program Results**

Several other programs have similar performance data available. Due to the nature of each, the relevant metrics to report are different. Information for these programs is presented below.

#### ***Capital Investment Tax Credit***

The State has issued 30 approvals or certifications for CITC projects through June 30, 2012. Of these, 25 are considered active and five have been terminated. The Florida Department of Revenue has issued nine technical assistance advisements (TAAs) for CITC projects through fiscal year 2012. The active CITC projects may create as many as 10,183 new jobs. The State has confirmed creation of 3,158 new jobs to date.

#### ***Economic Development Transportation Fund***

The EDTF is administered by DOT. During fiscal year 2012-2013, DOT approved 12 projects for transportation enhancements to help promote the location and expansion of businesses in the state committing to create 2,439 jobs. The awards approved totaled \$18,999,357.

#### ***Quick Response Training***

The QRT program, managed by Workforce Florida, Inc., had approved 470 applications through November 20, 2013. Of these, 74 are active. While QRT grants are largely based on new job creation, the focus is on the number of trainees. For the active agreements, QRT businesses are expected to train 14,750 Floridians, leading to new and improved skill sets. The QRT program has already trained 80,542 citizens through these completed contracts.

## **ECONOMIC BENEFITS**

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DEO uses an economic impact model to analyze the projected economic benefit over ten years for each applicant requesting state economic development incentives for a project. Pursuant to §288.061(2), F.S., beginning July 1, 2013, DEO is using an economic impact model established by the Office of Economic and Demographic Research (EDR) to calculate the economic benefits for each project.

Economic benefits are calculated as the gains in state revenue (taxes attributable directly to the business or



## 2013 Incentives Report

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those generated as a result of the increased economic activity rippling through the economy) as a percentage of the state's investment in the project. The state's investments are the various incentives offered to the business via tax refund, tax credit, or cash grant. Based on EDR's revisions to the model, economic benefits are now calculated in a manner consistent with Return on Investment (ROI) calculations. Results prior to 2013 are expressed as a Payback Ratio and are not comparable with ROI.

Previous incentive reports included a summary of the economic benefits generated by projects with completed incentive agreements based on the actual amount of private capital invested, actual number of jobs created, and actual wages paid by the businesses. During the 2012 legislative session, this requirement was removed from the annual incentives report and EDR was directed to evaluate and determine the economic benefits of each incentive program over the previous three years. EDR's report on economic benefits is scheduled for completion by January 1, 2014.

## PROGRAM TRENDS AND UTILIZATION

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Several trends are apparent when looking at interest in and usage of economic development incentives. These general trends are listed below. In addition in fiscal year 2013, five applications were approved for businesses identifying themselves as minority or woman-owned (5 QTI).

### Increased Project Activity

Enterprise Florida has seen an uptick in project activity as the economy continues to strengthen. Over the last two years, Enterprise Florida has seen an increase in projects. As consumer and overall economic confidence increases, some of these companies are now looking to reinvest back into their operations and upgrade facilities, streamline operations, or venture into new product lines. From 2010 to 2012, Enterprise Florida has seen a 95% increase in capital investment, a requirement to many incentives. More specifically Enterprise Florida reported \$900 million of capital investment in 2010, and \$1.75 billion of capital investment in 2012.

### Flexibility is Key

Cities, counties, and states across the country are being more and more creative in crafting compelling offers to attract economic development projects and meet individual company needs. In order to compete, Florida must continue to enhance the flexibility of its incentive toolkit, while at the same time maintain programs that are fiscally sound and provide a good return on taxpayer investments. The creation of Florida's State Economic Enhancement and Development Trust Fund (SEED) in 2011 is a good example of an effort to increase flexibility. The ability to utilize a single source of funding for multiple incentive programs allows leadership to address the individual needs of a specific project by using existing statutory programs, with flexibility on the funding mechanism.

### Financing is Still an Issue

For small and medium sized businesses, financing remains a critical need in order to expand. Capital is still tight through many traditional sources; therefore, companies are seeking other resources. The State Small Business Credit Initiative program is helping to open up access to much needed capital by way of loan guarantees and other mechanisms.

### Consider Amending Existing Programs to be More Competitive

Florida's incentive programs help the State to be more competitive for highly sought after economic development projects. However, other states are often able to put forth more attractive incentive packages in terms of overall dollar value. Most companies recognize it is not just the dollar value of these incentives that make a difference in the attractiveness of a particular location, but the timeliness of approvals, how the programs are structured, and the compliance process. Additional funding for Florida's incentive programs would make the State a more attractive option for these important projects. Other suggestions to make Florida more competitive include the following:

- *Economic Development Incentive Carry Forward* - Without proviso language, unspent funds appropriated to the State Economic Enhancement and Development (SEED) fund revert back to general revenue each year. This proposal would allow a carry-forward of SEED funds and general revenue in order to establish a more consistent funding structure for economic development projects.
- *Quick Action Closing Fund* - The Quick Action Closing Fund provides a way for Florida communities to

“close the deal” when facing distinct, quantifiable competitive disadvantages for high impact economic development projects. Currently, recommendations over \$5 million require the approval of the full Legislative Budget Commission (LBC), with no designated time period for such review. An update to the review process is proposed, whereby the LBC will have 14 days to hold a meeting. If no meeting is held, the review will revert to the Chair and Vice Chair of the LBC, who will have 5 days to issue their determination.

- *Enterprise Zone Restructure* - Florida’s Enterprise Zone program will sunset in 2015 if the Florida Legislature does not re-enact in the next two years. Currently, Enterprise Florida is working with stakeholders to develop recommendations for the rewrite of the Enterprise Zone program to provide to the Legislature.
- *QTI Incentive Program Updates* - Currently, companies that do not have enough tax liability to take full advantage of the QTI program in a given year are unable to carry this amount forward or sell the credits to other companies. Without this, the value of the incentive is undermined or lost. In order to allow greater flexibility in extending the QTI program, a carry-forward provision and transferable/sellable credit is proposed.
- *CITC Updates* - The capital investment tax credit is a meaningful incentive to projects with significant capital investment in the state. However, the program requires the project be within a designated high impact sector as specified in §288.1088, F.S. Florida is the only state to require this level of eligibility while other states only require the company exist within a targeted industry. Due to prohibitively strict requirements, this proposal removes the high impact requirement for businesses investing \$100 million, with 100 jobs at 115% of the local average or 1000 jobs at 100% of the local average. Proposed changes also open the credit to existing businesses investing \$25 million as well as add a cap \$50 million in tax credits.
- *Florida Business Brand Funding* - For the first time, Florida has established a business brand to raise our business profile to key audiences. EFI is currently raising private dollars to support this initiative.
- *Matching Funds* - Until 2011, EFI was able to count in-kind donations as part of its match requirement. During the 2011 legislative session, SB 2126 removed this language, thus not allowing in-kind donations to count toward the match. This has caused EFI to miss its match requirement two of the last three years, despite a record number of investors. This would allow EFI to count in-kind donations as part of the statutory required match.
- *Rural Economic Development Package* - As a result of Enterprise Florida’s study to identify innovative strategies for expanding economic activity of rural areas in the state, a rural economic development boot camp was hosted by Gov. Scott & Sec. Swoope in July 2013. Recommendations from the study and boot camp include: renaming the Rural Areas of Critical Economic Concern (RACEC) to a more positive brand, Rural Areas of Opportunity; revising rural infrastructure awards and qualifications to be more competitive with competing states; providing for targeted industry waivers in RACEC regions and specific targeted industries for each region (through EFI and DEO); increasing award amounts of the rural jobs tax credit to be more competitive with competing states (\$2,000 in rural county/ \$5,000 in RACEC region); removing award amount restriction on QTI awards when local match is waived; allowing each rural/RACEC county to be considered an Enterprise Zone; and rewriting of the Regional Rural Development Grant.

# Fiscal Year 2013 Project Information

## PROJECTS WORKED

In fiscal year 2013, 234 applications were received for the programs listed below. Table 11 includes a breakout of applications received, recommendations and approvals issued by DEO or other agency, and contracts executed. Applications may not be approved and executed in the same fiscal year; therefore, the applications received and contracts executed represent a slightly different population of projects.

Table 11 also includes the number of projects represented by these incentives. For example, 234 applications were received on behalf of 157 different DEO projects, since some projects submit applications for multiple incentives. EDTF projects resulting from a line item appropriation by Legislative members are not included in the project totals since these are not considered traditional economic development projects and may or may not be tied to job creation and capital investment.

<b>Table 11</b>			
<b>INCENTIVE APPLICATIONS AND PROJECTS<sup>10</sup> – FISCAL YEAR 2013</b>			
	<b>APPLICATIONS RECEIVED</b>	<b>APPROVALS (CERTIFICATIONS)</b>	<b>CONTRACTS EXECUTED</b>
QTI	126	101	102
QTI with Brownfield Bonus	15	19	13
QACF	27	25	21
QRT <sup>11</sup>	38	38	38
Brownfield Bonus (stand-alone)	11	16	13
EDTF	12	12	12
MSII	0	0	NA
JUTC	0	0	NA
CITC	4	4	1
HIPI	1	0	0
IIF	0	0	1
LGDAMG	0	0	0
QDSC	0	0	0
<b>TOTAL (APPLICATIONS)</b>	<b>234</b>	<b>234</b>	<b>201</b>
<b>NUMBER OF UNIQUE PROJECTS</b>	<b>157</b>	<b>153</b>	<b>127</b>

<sup>10</sup> NA denotes the corresponding step does not apply for this program.

<sup>11</sup> QRT projects have been included here in summary form but are not included in the subsequent charts.

## 2013 Incentives Report

The incentive application, negotiation, and approval process can take anywhere from several weeks to several months or occasionally more than a year, depending on the scope of the economic development project. This timing phenomenon is the primary reason for the difference in applications, approvals, recommendations, and contracts. In addition, Enterprise Florida works closely with businesses through the incentives process and if a company is believed to be ineligible for a specific incentive, that information is conveyed as early as possible so as to not waste the time of the company in filling out an application. This approach also leads to efficiencies in incentive processing.

### EXECUTED AGREEMENTS

All of the State incentives reported on require the business to enter into a performance agreement with Florida. Exceptions are sales tax credits and exemptions, which are utilized upon a taxable event after approval by the State. Grants to local governments are overseen by performance agreements with the government applicant.

Table 12 summarizes the job, capital investment, and average wage commitments for businesses with incentive agreements executed by DEO in fiscal year 2013 (excludes QRT agreements, which totaled an additional \$8,537,539 for this group of projects). This table also includes the value of State incentives associated with these executed agreements and the required local financial support commitments by Florida cities and counties.

<b>Table 12 SUMMARY OF FY 2013 EXECUTED AGREEMENTS</b>					
<b>NUMBER OF Agreements</b>	<b>CONTRACTED NEW JOBS</b>	<b>EXPECTED CAPITAL INVESTMENT</b>	<b>CONTRACTED AVERAGE ANNUAL WAGE</b>	<b>MAXIMUM STATE INCENTIVE PAYMENTS</b>	<b>LOCAL FINANCIAL SUPPORT COMMITMENTS<sup>13</sup></b>
151	13,689	\$1,572,435,357	\$54,728	\$80,120,900	\$16,362,880

Some of these projects may take advantage of other incentives not included in the \$80.1 million since this represents the value of those agreements executed during the previous fiscal year. A breakdown by project is included in Appendix C<sup>14</sup>. This list is as complete as possible, given the data available from various State agencies, including DEO and Workforce Florida, and the fact that some incentives are awarded after jobs are created such as the Enterprise Zone Jobs Tax Credit. Enterprise Florida and DEO assume these other incentives are taken advantage of at their maximum potential value. This is the most fiscally conservative approach in order to ensure the statutory payback ratio requirements are met. The local incentives listed are minimum amounts expected to be provided for each project. In some cases, the community may offer incentives above and beyond what is required to leverage State funds. These values have been included wherever possible.

<sup>13</sup> This information has been limited to the statutorily required local financial support for the QTI, QDSC, IIF, and Brownfield Bonus incentives.

<sup>14</sup> While §288.907, F.S. requires disclosure of the average wage committed to be paid for these projects, Florida's economic development confidentiality statute, §288.075, F.S., prohibited releasing wage information for active incentive agreements prior to March 23, 2012. Several incentive agreements were executed during the fiscal year, which have since been terminated (therefore are no longer "active"). The wages for these projects have been disclosed as required in Appendix C and D.

## 2013 Incentives Report

Table 13 provides a breakdown of the maximum incentive payments by program type for the incentive agreements executed in fiscal year 2013.

<b>Table 13 MAXIMUM INCENTIVE AWARDS – CONTRACTS EXECUTED IN FY 2013</b>	
<b>PROGRAM</b>	<b>MAXIMUM INCENTIVE AWARDS</b>
QTI	\$46,230,500
Brownfield Bonus	\$7,140,000
<i>With QTI</i>	<i>\$2,385,000</i>
<i>Stand Alone</i>	<i>\$4,755,000</i>
QACF	\$31,424,500
HIPI	\$0
EDTF	\$18,999,357
QDSC	\$0
IIF	\$6,000,000
LGDMG	\$0
<b>Total – DEO Managed Programs</b>	<b>\$90,795,000</b>
QRT	\$8,537,539
Value of contracts executed in other fiscal years	\$2,994,500
<b>Total – incentives under contract for all projects listed in Appendix C</b>	<b>\$102,327,039</b>

### Industry Analysis

The majority of Florida's incentive programs are focused on job growth within specific target industries. In fiscal year 2013, the majority of DEO's executed incentive agreements were with businesses in these target industries. The exception is several stand-alone Brownfield Bonus projects. Table 14 provides additional details on the contracts executed by industry.

**Table 14.A**  
**INCENTIVE PROJECT COMMITMENTS BY INDUSTRY**

INDUSTRY	NUMBER OF AGREEMENTS	CONTRACTED NEW JOBS	EXPECTED CAPITAL INVESTMENT	CONTRACTED AVERAGE ANNUAL WAGE
Manufacturing	18	1,225	\$154,654,500	\$42,481
Corporate Headquarters	22	845	\$32,609,578	\$81,191
Financial / Professional Services	28	3,672	\$297,089,360	\$53,807
Information Technology	19	1,541	\$56,487,869	\$61,225
Not in a Target Industry	14	1,548	\$227,163,000	\$40,839
Aviation / Aerospace	15	2,243	\$174,361,700	\$61,982
Emerging Technologies	10	906	\$153,229,612	\$35,955
Life Sciences	9	798	\$225,257,000	\$51,539
Logistics/Distribution	3	324	\$107,000,000	\$42,228
Semiconductor Technology	2	66	\$30,700,000	\$60,833
Strategic Challenges	1	105	\$9,998,210	N/A
Research & Development	1	30	\$2,299,000	\$48,690
Clean Technologies	4	120	\$48,402,780	\$64,731
Not Specified	1	21	\$1,700,000	\$34,556
Homeland Security / Defense	4	245	\$51,482,748	\$55,761
<b>TOTAL</b>	<b>151</b>	<b>13,689</b>	<b>\$1,572,435,357</b>	

<sup>16</sup> Wage not disclosed due to confidentiality since there are only two projects in this industry.

### Industry Results

In fiscal year 2011, Florida's target industries were reviewed in conjunction with economic development organizations, representatives from the State University System, local governments, and other stakeholders, as required by §288.106(2)(q), F.S. The review concluded with no substantive changes to the industries that comprise the list. However, the format was revised to be consistent with how Enterprise Florida markets the State as a business location of choice and also to better reflect current industry nomenclature. The new target industry list is included in Appendix A of this report. A review of projects with completed incentive agreements in the last three years is presented below by target industry in Table 14.B. The information contained within the table is central to evaluating the quality and effectiveness of the incentives geared toward targeted industries in Florida.

<b>Table 14.B</b>	
<b>ECONOMIC BENEFITS BY INDUSTRY</b>	
<b>MANUFACTURING</b>	<b>CONFIRMED PERFORMANCE</b>
Complete Contracts (3 Years)	9
Jobs Created	627
Average Wage	\$50,902
Capital Investment	N/A
<b>CORPORATE HEADQUARTERS</b>	<b>CONFIRMED PERFORMANCE</b>
Complete Contracts (3 Years)	8
Jobs Created	4,386
Average Wage	\$96,430
Capital Investment	N/A
<b>LIFE SCIENCES</b>	<b>CONFIRMED PERFORMANCE</b>
Complete Contracts (3 Years)	3
Jobs Created	102
Average Wage	\$60,296
Capital Investment	N/A
<b>INFORMATION TECHNOLOGY</b>	<b>CONFIRMED PERFORMANCE</b>
Complete Contracts (3 Years)	7
Jobs Created	2,315
Average Wage	\$71,803
Capital Investment	\$74,714,495
<b>AVIATION / AEROSPACE</b>	<b>CONFIRMED PERFORMANCE</b>
Complete Contracts (3 Years)	2
Jobs Created	574
Average Wage	\$63,360
Capital Investment	\$209,000,000
<b>LOGISTICS / DISTRIBUTION</b>	<b>CONFIRMED PERFORMANCE</b>
Complete Contracts (3 Years)	3
Jobs Created	1,436
Average Wage	\$34,647
Capital Investment	\$25,448,374



<b>Table 14.B</b>	
<b>ECONOMIC BENEFITS BY INDUSTRY (CONTINUED)</b>	
<b>FINANCIAL / PROFESSIONAL SERVICES</b>	<b>CONFIRMED PERFORMANCE</b>
Complete Contracts (3 Years)	3
Jobs Created	387
Average Wage	\$67,766
Capital Investment	N/A
<b>NOT IN A TARGET SECTOR</b>	<b>CONFIRMED PERFORMANCE</b>
Complete Contracts (3 Years)	3
Jobs Created	1,268
Average Wage	\$26,589
Capital Investment	\$25,990,875

**Distressed Areas**

Of the 151 projects with executed incentive agreements in fiscal year 2013, 60 of these were in distressed areas, including rural communities, Brownfield areas, Enterprise Zones, and distressed urban areas. These projects are committing to create 5,070 new jobs and are expected to invest more than \$886 million into these blighted areas. Table 15 shows the breakdown of these projects by area.

**Table 15**  
**ACTIVITY IN DISTRESSED AREAS**

	RURAL	NON-RURAL	TOTAL
Brownfield Area	1	32	33
Enterprise Zone	1	17	18
Brownfield Area and Enterprise Zone	1	7	8
General Economic Distress	0	1	1
<b>Total</b>	<b>3</b>	<b>57</b>	<b>60</b>

**Economic Recovery Extension**

In 2010, the Florida Legislature extended the Economic Recovery Extension (ERE) for existing QTI businesses. This extension allows businesses affected by an economic downturn in their industry, hurricanes or named tropical storms, or specific terrorist attacks to receive additional time to meet their job creation commitments.

**Amending Tax Refund Agreements**

In 2002, a statutory change requiring a December 31 job creation date and a subsequent January 31 claim submission deadline were established for QTI and QDSC in order to streamline the claims payment process. In addition, tax refunds for these projects now require that the refund be paid from funds appropriated for the following fiscal year. Economic Recovery Extension recipients operating under the old contracts have been migrated to the new contract timing, which led to a significant increase in the number of contracts requiring December 31 job creation since 2004. As of now, virtually all active QTI contracts are based on December 31 job creation schedules.

**INCENTIVE PAYMENTS**

During fiscal year 2013, the State paid a total of \$74,120,900 between the QTI, Brownfield Bonus, Closing Fund, QDSC, Innovation Incentive, HIPI, and EDTF programs. 79 payments were made to or on behalf of 71 projects. Table 16 includes the number of net new to Florida jobs the State is confirmed to have been created as well as the confirmed average wage for the businesses receiving incentive payments and the total local incentive contributions made during the year (this is a minimum value). The local incentives consist primarily of cash paid to the State and subsequently refunded to the business. Several projects were recipients of ad valorem tax abatements, which were used as the match for the QTI refunds. These local incentives have been included in the local incentive payments data below. Further information on individual businesses receiving payments is included in Appendix D.

<b>Table 16 SUMMARY OF FY 2013 INCENTIVE PAYMENTS</b>			
<b>NUMBER OF PROJECTS</b>	<b>CONFIRMED NEW JOBS</b>	<b>CONFIRMED AVERAGE ANNUAL WAGE</b>	<b>LOCAL INCENTIVE PAYMENTS</b>
71	6,916	\$73,034.56	\$767,154.94

Table 17 shows a summary of the total payments (state portion) made by program. Specific information on tax credits claimed is not included here due to the lag of information between a fiscal year and when credits are claimed. In addition, the information for specific businesses claiming credits under the CITC program is considered confidential per §213.053, F.S. Aggregate information for the most recent fiscal years for credits claimed is contained in Table 5.

<b>Table 17 INCENTIVE PAYMENTS – FISCAL YEAR 2013</b>			
<b>INCENTIVE</b>	<b>TOTAL FY 2013</b>	<b>TOTAL FY 2012</b>	<b>TOTAL FY 2011</b>
Innovation Incentive	\$24,066,000	\$37,925,000	\$98,997,852.80
QACF	\$12,348,980.28	\$19,357,700	\$9,490,830.00
<i>Paid into escrow</i>	<i>\$5,646,533</i>	<i>\$14,814,200</i>	<i>\$400,000.00</i>
<i>Paid to businesses</i>	<i>\$6,702,447.28</i>	<i>\$3,793,500</i>	<i>\$9,090,830.00</i>
EDTF	\$7,866,469.28	\$7,866,469.28	8,471,415.97
QTI	\$3,377,820.20	\$4,558,534.26	\$8,214,848.69
Brownfield Bonus	\$235,004.48	\$1,011,865.50	\$824,953.24
<i>QTI bonus</i>	<i>\$172,125</i>	<i>\$647,410.00</i>	<i>\$500,199.40</i>
<i>Stand-alone</i>	<i>\$62,879.48</i>	<i>\$337,455.50</i>	<i>\$324,753.84</i>
QDSC	\$591,997.44	\$243,600.00	\$722,600.00
Total – incentive payments for all projects listed in Appendix D	\$40,619,802.40	\$71,963,169.04	\$126,722,500.70

All of Florida’s incentives are performance based to varying degrees. Each business receiving a payment had to provide documentation to the State demonstrating they met the contractual requirements to receive a payment. As previously discussed, for QACF projects, Enterprise Florida may recommend incentive funds be placed into an escrow account, which protects State funds while allowing a business sufficient time to meet appropriate performance requirements.

### SUCCESS STORIES

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#### **The Hertz Corporation – Fort Myers**

*Industry: Headquarters*

Florida is home to more than 2,600 headquarters offices, 15 of them are Fortune 500 corporate headquarters.

In May 2013, Hertz announced that they will locate its worldwide headquarters to Estero in Lee County, creating 700 high-wage jobs and investing nearly \$70 million in capital in the community.

Mark P. Frissora, Chairman and Chief Executive Officer of The Hertz Corporation: *“We did not make the decision to relocate lightly. We wanted to know that Florida was not only attractive to us as a company but also for our employees. Florida is a great place to run a business and raise a family and we are proud to be able to call this our new home.”*

#### **Navy Federal Credit Union – Pensacola**

*Industry: Financial & Professional Services*

Florida today has the 2nd highest number of professional, scientific, and technical services companies and the 3rd largest finance and insurance cluster in the U.S.

In April 2013, Navy Federal Credit Union, the world’s largest credit union, announced it will create 1,500 new jobs and invest \$200 million in capital in the Northwest Florida region. This news comes less than a year after their announcement to create 640 jobs and invest \$6.5 million in the area.

Cutler Dawson, president and CEO of the NFCU: *“Providing the best possible service to our members is our first priority. Our Pensacola expansion is key to supporting the credit union’s strong growth and an important way for us to continue delivering outstanding service. We’re proud to be a part of the economic growth for the area.”*

#### **Verizon Communications – Lake Mary**

*Industry: Financial & Professional Services*

Florida’s 122,000 financial and professional firms employ 850,000 Floridians today.

In February 2013, Verizon Communications announced they will establish a finance and accounting “Center of Excellence” in Lake Mary. The project will create 750 new jobs and bring a capital investment \$50 to Seminole County.

Michelle Robinson, Vice President of Verizon south area: *“We have received a warm welcome from the state and local economic development partners, who aided in our decision process to locate in Metro Orlando. The region’s talent pipeline, which is full of finance and accounting graduates, was an integral factor in Verizon choosing to invest in Central Florida.”*

#### **R.J. Corman Signaling – Orange Park**

*Industry: Manufacturing*

Florida is home to nearly 18,000 manufacturers who employ more than 311,000+ workers across the state.

In September 2013, R.J. Corman Signaling, a newly formed subsidiary of R.J. Corman Railroad Group, announced the location of their southeast regional headquarters in Orange Park. The company will create 58 engineering jobs and accelerate early stage growth in the company’s engineering of railroad signal system design, wiring, construction, maintenance, packaging and material warehousing, and logistics.

Craig King, President of R.J. Corman Railroad Group, LLC: *“We wanted close access to Florida engineering schools which we consider significant. We wanted to attract employees to life in the Sunshine State and we’re excited to grow our operations right here.”*

## 2013 Incentives Report

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### **Nanotherapeutics – Alachua**

*Industry: Life Sciences*

Florida is home to more than 200 biotech companies specializing in therapeutics, diagnostics, industrial biotech, and other areas.

In October 2013, Nanotherapeutics, a biopharmaceutical company that currently has 45 employees, announced that they will create 150 jobs at their new Medical Countermeasures Advanced Development and Manufacturing (MCM ADM) facility with a capital investment of \$122 million.

James Dalton, President & CEO of Nanotherapeutics: *“The Nano ADM facility is evidence of Nanotherapeutics’ extensive experience and track record with all aspects of MCM product development, and this would not be possible without the support system of Alachua.”*

## Additional Program Reports

Other State incentives and resources are critical components of Florida's economic development toolkit. Each of these programs has its own goals, objectives, and performance measures. Since these programs are vastly different from the traditional economic development incentives already discussed, the information presented here reflects a summary of each program's performance.

### DEO – DIVISION OF COMMUNITY DEVELOPMENT

#### Black Business Loan Program

In 2007, the Legislature enacted the Florida Black Business Investment Act, which established the Black Business Loan Program within OTTED. On October 1, 2011, the program was transferred to DEO. Annually, DEO certifies program administrators, known as Black Business Investment Corporations (BBICs). The BBICs use program funds to make loans, loan guarantees, and investments to black business enterprises that cannot obtain capital through conventional lending institutions.

<b>Table 18 BLACK BUSINESS LOAN PROGRAM</b>					
FLORIDA STATUTE:		288.7102 – 288.714, F.S.			
INCEPTION DATE:		2007 (Current Version)			
FISCAL YEAR	NUMBER OF CERTIFICATIONS	CONTRACT AMOUNTS	NUMBER OF LOANS/LOAN GUARANTEES	AMOUNT OF LOANS/LOAN GUARANTEES	PROJECTED NUMBER OF JOBS CREATED
2012/2013	7	\$317,857.00	64	\$1,463,430.11	78
2011/2012	7	\$325,000.00	16	\$884,964.25	33
2010/2011	9	\$250,000.00	67	\$2,824,791	59
2009/2010	9	\$261,333.32	91	\$2,732,743	132
2008/2009	9	\$591,133.34	92	\$2,893,667	171
<b>TOTALS</b>	<b>34</b>	<b>\$1,427,466.66</b>	<b>266</b>	<b>\$9,336,165.25</b>	<b>395</b>

#### Community Contribution Tax Credit Program

The Community Contribution Tax Credit Program (CCTCP) provides a financial incentive (tax credit or sales tax refund) to encourage Florida businesses to make donations toward community development and housing projects for low-income persons. Businesses located anywhere in Florida that make donations to approved community development projects may receive a tax credit or sales tax refund equal to 50 percent of the value of the donation.

## 2013 Incentives Report

**Table 19**

### COMMUNITY CONTRIBUTION TAX CREDIT PROGRAM

FLORIDA STATUTE: 212.08 (5) (p); 220.183; and 624.5105, F.S.

INCEPTION DATE: 1982

FISCAL YEAR	NUMBER OF APPROVALS	NUMBER OF DENIALS	AMOUNT OF TAX CREDITS	COMMUNITY DEVELOPMENT PROJECTS	HOUSING
2012/13	328	5	\$14.0 million	28	39
2011/12	333	1	\$14.0 million	24	41
2010/11	308	3	\$14.0 million	19	41
2009/10	308	2	\$14.0 million	20	38
2008/09	351	1	\$16.5 million	21	39
2007/08	286	3	\$14.0 million	22	33
2006/07	283	6	\$14.0 million	19	27
2005/06	285	0	\$12.0 million	16	29
2004/05	251	0	\$10.0 million	6	23
2003/04	285	5	\$10.0 million	11	22
2002/03	359	7	\$10.0 million	21	30
2001/02	323	1	\$10.0 million	21	23
2000/01	224	0	\$6.1 million	24	15
1999/00	198	2	\$5.1 million	30	10
1998/99	170	1	\$5.0 million	25	7
1997/98	69	0	\$2.0 million	18	2
1996/97	81	4	\$2.0 million	13	3
1995/96	75	1	\$2.0 million	15	3
<b>TOTALS</b>	<b>4,517</b>	<b>42</b>	<b>\$174.7 million</b>	<b>353</b>	<b>425</b>

### Economic Gardening Loan Pilot Program

The purpose of the Economic Gardening Loan Pilot Program is to stimulate investment into Florida's economy by providing loans to expanding second stage businesses in the state.

**Table 20**

### ECONOMIC GARDENING LOAN PILOT PROGRAM

FLORIDA STATUTE: 288.1082, F.S.

INCEPTION DATE: 2009 Special Session A

NUMBER OF LOANS MADE	NUMBER OF APPLICATIONS DENIED	AMOUNT OF LOANS MADE TO DATE	INTEREST EARNED ON LOANS MADE	ECONOMIC BENEFITS
43	57	\$7,875,000.00	\$324,062.39	526 jobs created 836 jobs retained

### Florida Small Business Credit Initiative

Florida was awarded \$97.6 million to establish the program that increases access to capital for small businesses. Florida was approved to operate a Capital Access Program (CAP), a Venture Capital Program and a Small Business Loan Support Program.



## 2013 Incentives Report

<b>Table 21</b> <b>FLORIDA SMALL BUSINESS CREDIT INITIATIVE</b>			
FLORIDA STATUTE: The Legislative Budget Commission approved the federal grant and established budget authority to allow the Department of Economic Opportunity to administer the State Small Business Credit Initiative on 9/30/2011.			
INCEPTION DATE: December 2011			
FLORIDA CAPITAL ACCESS PROGRAM BUDGET	VENTURE CAPITAL BUDGET	SMALL BUSINESS LOAN SUPPORT BUDGET	ECONOMIC BENEFITS
\$10.9 million	\$43.5 million	\$43.2 million	In aggregate these programs are required to leverage 10 private dollars for every public dollar spent. Therefore the program anticipates leveraging \$970 million capital for small businesses in Florida.

### Manufacturing Extension Partnership

The Florida Manufacturing Extension Partnership (Florida MEP) supports the economic growth of Florida manufacturing businesses and communities. This program provides technical and business assistance for manufacturers in order to leverage federal and private resources. The focus of MEP is market penetration and creating economic impact for manufacturers.

<b>Table 22</b> <b>MANUFACTURING EXTENSION PARTNERSHIP</b>		
FLORIDA STATUTE: General Appropriations Act		
INCEPTION DATE: 2008		
FISCAL YEAR	CONTRACT AMOUNT	NEW JOBS CREATED
2012/2013	\$500,000.00	380
2011/2012	\$500,000.00	275
2010/2011	\$500,000.00	287
2009/2010	\$500,000.00	47
2008/2009	\$500,000.00	n/a
<b>TOTALS</b>	<b>\$2,500,000.00</b>	<b>989</b>

### New Markets Development Program

The New Markets Development Program was created in 2009 to encourage capital investment in low income communities. Tax payers earn credits against specified taxes by making qualified investments into federally registered Community Development Entities which in turn make investments in qualified low income community businesses. In July 2012, an additional \$66.3 million in tax credits was approved. Information on this allocation of credits will be in next year's incentives report.

## 2013 Incentives Report

<b>Table 23 NEW MARKETS DEVELOPMENT PROGRAM</b>				
FLORIDA STATUTE: 288.9912 - 288.9922, F.S.				
INCEPTION DATE: 2009				
TOTAL AMOUNT OF CAPITAL INVESTMENT	TOTAL TAX CREDITS AWARDED	NUMBER OF INVESTMENTS IN LOW INCOME	AMOUNT INVESTED	JOBS CREATED OR RETAINED
\$420,000,000	\$163,000,000	52	\$291,809,037	1,298 jobs created 2,421 jobs retained

### Regional Rural Development Grant Program

§288.018, F.S., created the Regional Rural Development Grant Program which provides funds to regionally-based economic development organizations representing rural counties and communities in order to build the professional capacity of their organizations.

The maximum grant award per fiscal year is \$35,000, or \$100,000 if located in a rural area of critical economic concern. The grant must be matched each year by an equivalent amount of non-state resources. Up to \$750,000 may be used for this program each fiscal year from funds appropriated to the Rural Community Development Revolving Loan Fund.

<b>Table 24 REGIONAL RURAL DEVELOPMENT GRANT PROGRAM</b>				
FLORIDA STATUTE: 288.018, F.S.				
INCEPTION DATE: 1996				
FISCAL YEAR	NUMBER OF APPROVALS	AMOUNT OF AWARDS	Economic benefits	
2012/2013	6	\$405,000	Enhancements to the staffing abilities of regional economic development organizations serving within the rural areas of Florida.  Staff members have received scholarships to attend training workshops and participate in site visits and familiarization tours	
2011/2012	2	\$135,000		
2010/2011	11	\$587,000		
2009/2010	6	\$458,285		
2008/2009	5	\$250,000		
2007/2008	5	\$242,138		
2006/2007	4	\$235,000		
2005/2006	4	\$197,500		
2004/2005	4	\$284,300		
2003/2004	4	\$279,000		
2002/2003	4	\$259,000		
<b>TOTALS</b>				

**Rural Community Development Revolving Loan Fund**

§288.065, F.S., creates the Fund to provide loans to local governments or economic development organizations to finance initiatives directed toward maintaining or developing the economic base of rural communities, especially when addressing employment opportunities.

Eligible local governments or economic development organizations must be located in:

- counties with populations of 75,000 or less;
- counties with populations of 125,000 or less if contiguous to a county with a population of fewer than 75,000; or
- rural areas of critical economic concern.

All repayments of principal and interest are returned to the loan fund and made available for loans to other applicants. However, if the recipient is in a rural area of critical economic concern, repayments may be retained by the applicant if funds are used for regionally based economic development organizations representing that area.

The General Revenue appropriation is used to support the Regional Rural Development Grant Program. The Economic Development Trust Fund appropriation supports the Rural Community Development Revolving Loan Fund and is funded from the repayment of loans.

<b>Table 25</b>			
<b>Fiscal Year</b>	<b>State Economic Enhancement and Development Trust Fund</b>	<b>Economic Development Trust Fund</b>	<b>Total</b>
FY 2013-14	\$810,000	\$360,000	\$1,170,000
FY 2012-13	\$810,000	\$360,000	\$1,170,000
FY 2011-12	\$810,000	\$360,000	\$1,170,000
FY 2010-11	\$900,000	\$400,000	\$1,300,000
FY 2009-10	\$900,000	\$400,000	\$1,300,000
FY 2008-09	\$900,000	\$400,000	\$1,300,000
FY 2007-08	\$900,000	\$400,000	\$1,300,000

<b>Table 26</b>			
<b>RURAL COMMUNITY DEVELOPMENT REVOLVING LOAN FUND</b>			
FLORIDA STATUTE:		288.065, F.S.	
INCEPTION DATE:		1996	
<b>YEARS</b>	<b>NUMBER OF APPROVALS</b>	<b>AMOUNT OF AWARDS</b>	<b>ECONOMIC BENEFITS</b>
1997 - 2013	17	\$6,056,727	Funding was used to attract businesses retain jobs, and make capital improvements to help attract businesses. Examples include: <ul style="list-style-type: none"> <li>• Family Dollar distribution center in Jackson County</li> <li>• Green Circle Energy in Jackson County</li> </ul>

**Rural Infrastructure Fund Program**

The purpose of the Rural Infrastructure Fund Grant is to facilitate the planning, preparing, and financing of traditional economic development or nature-based tourism infrastructure projects that encourage job creation and capital investment in rural communities. The Department of Economic Opportunity (DEO) may award up to 40 percent of total costs for catalyst site projects, and no more than 30 percent of total costs for projects in rural counties that are not located on designated catalyst sites.

The three types of grants available under the Rural Infrastructure are as follows:

- Total Project Participation Grants - Up to 30 percent of the total infrastructure project costs related to specific job-creating opportunities, and up to 40 percent of total costs for catalyst site projects.
- Infrastructure Feasibility Grants - Funding for infrastructure feasibility studies, design and engineering or other planning and preparation activities that will help facilitate the location or expansion of specific job-creating opportunities. Grant awards are dependent on the project location; and the degree to which administrative and consultant expenses are minimized.
  - \$50,000 (maximum) for projects creating at least 100 jobs
  - \$150,000 (maximum) for projects creating at least 300 jobs
  - \$300,000 (maximum) for projects in a Rural Area of Critical Economic Concern (RACEC).

Feasibility Grants may be used in conjunction with Total Project Participation Grants. The total of both grants may not exceed 30 percent of the total project cost.

- Preclearance Review Grants - This grant is used to help local governments access resources available pursuant to §403.973(18), F.S. (Expedited permitting; comprehensive plan amendments). Grants may be used for surveys, feasibility studies and other activities related to the identification and preclearance review of land use modifications. Available funding and the required match is dependent on the location of the project and the degree to which administrative and consultant expenses are minimized. If an application for funding is for a catalyst site, the requirement for local match may be waived pursuant to the process in §288.06561, F.S. In evaluating applications under this paragraph, the department will consider the extent to which the application seeks to minimize administrative and consultant expenses.
  - \$75,000 (maximum) with a 50 percent local match
  - \$300,000 (maximum) with a 33 percent local match for activities in a RACEC.

<b>Table 27</b>	
<b>Fiscal Year</b>	<b>Fixed Capital Outlay State Economic Enhancement and Development Trust Fund</b>
FY 2013-14	\$1,600,000
FY 2012-13	\$1,581,245
FY 2011-12	\$1,581,244
FY 2010-11	\$1,100,000
FY 2009-10	\$1,150,000
FY 2008-09	\$4,700,000
FY 2007-08	\$2,700,000

## 2013 Incentives Report

<b>Table 28</b>			
<b>RURAL INFRASTRUCTURE FUND PROGRAM</b>			
FLORIDA STATUTE: 288.0655, F.S.			
INCEPTION DATE: 2001			
<b>FISCAL YEAR</b>	<b>NUMBER OF APPROVALS</b>	<b>AMOUNT OF AWARDS</b>	<b>ECONOMIC BENEFITS</b>
2012/2013	3	\$1,581,245	Stormwater facility expansion for Jefferson County, City of Live Oak stormwater master plan to alleviate flooding, and additional site work at Catalyst Site
2011/2012	3	\$1,581,244	Feasibility and engineering studies for the NW RACEC and NC RACEC Catalyst Sites and Gadsden
2010/2011	4	\$1,100,000	Projected capital investment of \$6,350,000 for one total participation grant. Remaining three grants are feasibility studies.
2009/2010	6	\$1,150,000	Feasibility studies
2008/2009	10	\$4,700,000	Projected capital investment - Two feasibility study grants totaling \$336,000 awarded to two Rural Areas of Critical Economic Concern (RACEC) for broadband studies resulted in a combined award of approximately
2007/2008	5	\$1,834,186	Projected capital investment
2006/2007	11	\$4,233,548	Projected capital investment
2005/2006	8	\$3,060,301	Projected capital investment
2004/2005	7	\$2,416,005	Projected capital investment
2003/2004	4	\$492,300	Projected capital investment
2002/2003	6	\$1,366,165	Projected capital investment
2001/2002	11	\$4,297,355	Projected capital investment
<b>TOTALS</b>	<b>75</b>	<b>\$26,231,104</b>	

### Rural Economic Development Initiative (REDI)

REDI was created in §288.0656, F.S., to provide a more focused and coordinated effort among state and regional agencies regarding the problems that affect the fiscal, economic and community viability of economically distressed rural communities.

REDI agencies and organizations may waive or reduce program match requirements and provide preferential awards to rural or Rural Areas of Critical Economic Concern (RACEC) counties and communities in the way of extra points towards grants or provide other financial or technical assistance. The collective value of these preferential awards for FY 2012-13 is estimated at over \$57,027,157.00.

## 2013 Incentives Report

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To qualify for assistance, a community must be:

- Rural – an economically distressed county with a population of 75,000 or less or 125,000 or less if contiguous to the former; a municipality located in a rural county. For a list of rural counties please visit [www.florida-redi.com](http://www.florida-redi.com).
- For communities not located in a rural county – a community must be an unincorporated federal enterprise community or an incorporated rural city with a population of 25,000 or less and an employment base focused on traditional agriculture or resource-based industries located in a non-rural county which has at least three economic distress factors.
- Economically distressed – have conditions affecting the fiscal and economic viability of a rural community, including such factors as low per capita income, low per capita taxable values, high unemployment, high underemployment, low weekly earned wages compared to the state average, low housing values compared to the state average, high percentage of the population receiving public assistance, high poverty levels compared to the state average, and a lack of year-round stable employment opportunities.

Statutes direct 17 state agencies and regional organizations to designate a REDI representative. The representatives serve as the organization's primary contact for projects relating to economically distressed communities.

Specifically, REDI:

- Responds to requests for assistance from rural communities and coordinates projects;
- Identifies opportunities for preferential awards of program funds and allowances;
- Reviews and evaluates statutes and rules for adverse impact on rural communities; and
- Recommends up to three rural areas of critical economic concern to the Governor.

The state has no funding or staff specific to REDI.

### **Rural Areas of Critical Economic Concern (RACEC)**

RACEC are rural communities or regions that have been adversely affected by an extraordinary economic event or a natural disaster or that presents a unique economic development opportunity of regional impact.

The Governor may issue an executive order designating up to three areas which establishes them as a priority of REDI and allows the Governor to waive criteria, requirements or similar provisions of any economic development incentive. There are currently 3 areas designated.

### **Enterprise Zone Incentives**

The Florida Enterprise Zone Program offers businesses located in enterprise zones corporate and sales tax credits for hiring residents of the zones. Sales tax refunds are offered to businesses located in the zone that purchase building materials and business equipment for use in the zone. Corporate tax credits are available to new and expanding businesses that locate or expand their facilities in a zone. In some zones, a sales tax exemption on electrical energy is available to new businesses locating there. In addition to these state incentives, local governments also provide a number of incentives to attract new businesses, as well as to help existing businesses expand. Table 5 includes the amount of annual credits and refunds approved under the various Enterprise Zone programs. The Enterprise Zone Program reporting period is October 1 to September 30.

**Table 29**  
**ENTERPRISE ZONE INCENTIVES**

FLORIDA STATUTE: 212.096, 220.181, 220.182, 212.08(5)(g), 212.08(5)(h), 212.08(15), 212.08(5)(p), 220.183, 624,5105, 196.095

INCEPTION DATE: 1995 (Current Version)

FISCAL YEAR	NEW BUSINESSES	NEW JOBS CREATED	BUSINESSES RECEIVING TECHNICAL ASSISTANCE	STATE EZ INCENTIVES APPROVED	LOCAL EZ INCENTIVES APPROVED
2012/13	5,306	16,640	6,989	\$16,299,681	\$53,140,856
2011/12	4,500	11,602	9,014	\$17,955,954	\$56,586,962
2010/11	4,103	11,559	5,618	\$29,577,795	\$33,091,214
2009/10	7,559	6,784	9,056	\$67,602,482	\$19,975,176
2008/09	3,104	9,073	11,708	\$45,351,441	\$11,577,451
2007/08	2,719	9,600	10,850	\$40,359,538	\$22,470,601
2006/07	4,976	11,456	16,170	\$35,718,744	\$10,006,935
<b>TOTALS</b>	<b>32,267</b>	<b>76,714</b>	<b>69,405</b>	<b>\$252,865,635</b>	<b>\$206,849,195</b>

**Rural Job Tax Credit Program**

The Rural Job Tax Credit Program offers an incentive for eligible businesses located within one of 36 designated Qualified Rural Areas to create new jobs. The tax credit ranges from \$1,000 to \$1,500 per qualified employee and can be taken against either the Florida corporate income tax or the Florida sales and use tax. The credit can only be taken against one of these two taxes. These tax credits are provided to encourage meaningful employment opportunities that will improve the quality of life of those employed and to encourage economic expansion of new and existing businesses in rural areas of Florida. Five million dollars of tax credits may be approved in a calendar year.

**Table 30**  
**RURAL JOB TAX CREDIT PROGRAM**

FLORIDA STATUTE: 212.098, F.S

INCEPTION DATE: 1999

CALENDAR YEAR	NUMBER OF APPROVALS	NUMBER OF JOBS CREATED	AMOUNT OF TAX CREDITS
2012	3	187	\$187,000
2011	4	431	\$431,000
2010	5	181	\$181,000
2009	9	204	\$204,000
2008	6	56	\$66,000
2007	6	204	\$204,000
2006	3	647	\$647,500
2005	5	673	\$673,000
2004	5	50	\$50,000
2003	8	1,008	\$1,008,000
2002	4	577	\$584,000
2001	3	465	\$257,000
2000	1	21	\$21,000
1999	0	0	\$0
<b>TOTALS</b>	<b>62</b>	<b>4,714</b>	<b>\$4,513,500</b>

## 2013 Incentives Report

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### Urban Job Tax Credit Program

The Urban Job Tax Credit Program offers an incentive for eligible businesses located within one of 13 designated urban areas to create new jobs. The tax credit ranges from \$500 to \$2,000 per qualified job and can be taken against either the Florida corporate income tax or the Florida sales and use tax. The credit can only be taken against one of these two taxes. These tax credits are provided to encourage meaningful employment opportunities that will improve the quality of life of those employed and to encourage economic expansion of new and existing businesses in urban areas of Florida. Five million dollars of tax credits may be approved in a calendar year.

Table 31 URBAN JOB TAX CREDIT PROGRAM			
FLORIDA STATUTE: 212.097, F.S.			
INCEPTION DATE: 1999			
CALENDAR YEAR	NUMBER OF APPROVALS	NUMBER OF JOBS CREATED	AMOUNT OF TAX CREDITS
2012	5	1,672	\$2,460,500
2011	12	589	\$790,500
2010	11	893	\$1,259,500
2009	18	803	\$855,000
2008	16	569	\$517,500
2007	10	587	\$654,000
2006	16	981	\$1,014,000
2005	11	2,044	\$1,761,000
2004	18	938	\$1,053,500
2003	14	1,184	\$1,069,000
2002	19	2,856	\$2,673,500
2001	22	2,214	\$2,486,500
2000	9	4,109	\$4,999,500
1999	5	221	\$260,500
<b>TOTALS</b>	<b>186</b>	<b>19,660</b>	<b>\$21,854,500</b>

## FINANCING PROGRAMS

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### Florida Opportunity Fund

The Florida Opportunity Fund was created because the Florida Legislature found there was a need to increase the availability of seed capital and early stage venture equity capital for emerging companies in Florida, including, without limitation, enterprises in life sciences, information technology, advanced manufacturing processes, aviation and aerospace, homeland security and defense, as well as other strategic technologies.

Legislation passed by the Florida Legislature in 2007, which created §288.9621-288.9625 of the Florida Statutes, collectively referred to as the Florida Capital Formation Act, provided for the creation of the Florida Opportunity Fund, initially as a fund of funds program that invests in venture capital funds. In 2009, The Florida Legislature expanded the Florida Opportunity Fund's mandate under the Florida Capital Formation Act to create direct investment programs that invest in businesses and infrastructure projects.

The Florida Opportunity Fund receives administrative services from Enterprise Florida and investment management services from Florida First Partners (FFP). FFP is a joint venture between Arsenal Venture Partners (AVP) and the Credit Suisse Customized Fund Investment Group (CFG). Formerly known as MILCOM Venture Partners, AVP is a leading Florida fund manager and venture capital firm that has invested in companies in the power, energy, communications, software and materials science sectors. CFG is the leading primary private equity fund-of-funds investment group of global banking giant Credit Suisse. CFG also manages in-state private equity investment programs in Ohio, Michigan, Indiana, New York and Oregon.



## 2013 Incentives Report

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As of June 30, 2013, the Florida Opportunity Fund was comprised of three programs – 1) the Fund of Funds Program, 2) the Clean Energy Investment Program and 3) the Florida Venture Capital Program:

### FUND OF FUNDS PROGRAM

Launched in 2008, the Fund of Funds Program was created to realize significant long-term capital appreciation by identifying and investing in a diversified, high-quality portfolio of seed and early stage venture capital funds that target (in whole or in part) investment opportunities within Florida.

The State of Florida provided \$29.5 million to capitalize the Fund of Funds Program. As of June 30, 2013, \$27.0 million out of the \$29.5 million had been committed to seven venture capital funds and approximately \$11.8 million had been funded. These seven venture funds were:

- Element Partners II, a fund that focuses on early-stage clean-tech specific venture opportunities. In February 2009, Florida Opportunity Fund announced its \$4.0 million commitment to this fund.
- New Enterprise Associates, a fund with a long track record of success in financing startup companies in Florida. In November 2009, Florida Opportunity Fund announced its \$4.0 million commitment to this fund.
- Harbert Venture Partners II, a fund that focuses on early-stage information technology and biotech opportunities. In January 2010, Florida Opportunity Fund announced its \$4.0 million commitment to this fund.
- 5AM Ventures III, a bioscience venture capital fund whose managing partner is the former chairman of The Scripps Research Institute. In February 2010, Florida Opportunity Fund announced its \$3.0 million commitment to this fund.
- Stonehenge Growth Equity, a fund that includes a team in Tampa that has focused on early-stage ventures in Florida for the past decade, investing in more than 17 Florida companies. In March 2010, Florida Opportunity Fund announced its \$4.0 million commitment to this fund.
- HIG BioVentures, a bioscience venture capital fund based out of Miami. Florida Opportunity Fund committed \$4.0 million to this fund in January 2011.
- Harbert Venture Partners III, a fund that focuses on early-stage information technology and biotech opportunities. In August 2011, Florida Opportunity Fund announced its \$4.0 million commitment to this fund.

The participating funds are performing well, providing approximately \$3.8 million in returns since the program's inception.

### CLEAN ENERGY INVESTMENT PROGRAM

Launched in 2010, the Clean Energy Investment Program (CEIP) was created to promote the adoption of energy efficient or renewable energy (EE/RE) products and technologies in Florida by providing funding to businesses to increase the use of EE/RE technologies, equipment and materials in the State. The Florida Energy & Climate Commission provided approximately \$32.5 million to capitalize the CEIP.

Examples of possible structures for funding opportunities include project financing, asset-based lending, mezzanine financing and equity investments. The Program's Focus Areas for investment are:

- Facility and Equipment Improvement – Implementing, expanding, upgrading or demonstrating energy efficient products, equipment and materials for use by companies in their existing facilities and buildings in Florida.
- Renewable Energy Products – Acquiring, upgrading or demonstrating small-scale renewable energy products, equipment and materials for use by companies in their operations in Florida.
- Process Improvement – Determining potential energy efficiencies and then executing actions to reduce consumption or increase the efficient use of energy in existing production, manufacturing, assembly or distribution processes, including the purchase of equipment and materials to make processes more energy efficient.

## 2013 Incentives Report

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The CEIP may invest alongside additional private capital that will allow funding for activities beyond those permitted by the CEIP. The CEIP targets funding opportunities ranging from \$500,000 to \$5.0 million. As of June 30, 2013, six direct investment commitments had been made which fully committed the program's funding.

### FLORIDA VENTURE CAPITAL PROGRAM

In late 2011, the Florida Venture Capital Program was launched utilizing approximately \$41.9 million in State Small Business Credit Initiative (SSBCI) funding. The Florida Venture Capital Program is available to qualifying Florida businesses by providing direct investments to increase the amount of capital available to small businesses. The program's emphasis is placed on investment opportunities within the State of Florida's targeted industries.

Equity investments and convertible debt instruments ranging from \$1,000,000 - \$3,000,000 are targeted, although larger transactions are permitted in exceptional cases. Each equity investment requires at a minimum, a matching concurrent private capital investment or other credit assistance. As of June 30, 2013, nine direct investments had closed.

### Florida Development Finance Corporation

Florida Development Finance Corporation (FDFC) was specifically formed pursuant to Florida Statutes, Chapter 288 Part IX to facilitate economic development in Florida by working in partnership with the Florida financial services industry and local development organizations to create access to competitive sources of finance for creditworthy small manufacturers and other firms critical to the economic base of Florida. FDFC receives its administrative support entirely from Enterprise Florida.

FDFC offers tax-exempt, low interest bond financing to qualified, financially sound, manufacturers and 501(c)(3) non-profit organizations. Because rules, regulations and historical case law are extensive and can affect eligibility, case by case eligibility for manufacturers is ultimately determined by bond counsel after review of all the factors.

If a transaction does not meet IRS qualifying rules for tax-exempt finance, it can be financed with taxable bonds through FDFC. For taxable transactions, IRS qualifying rules governing tax-exempt financing do not apply. However, the project must still meet project-type parameters as outlined per Florida Statute. With the continued restoration of market confidence through 2012 and into 2013, the global credit market continued to experience a slow recovery. In this environment, however, FDFC completed the following two conduit bond issuances in the fiscal year ending June 30, 2013:

<b>BORROWER</b>	<b>COUNTY</b>	<b>AMOUNT</b>
Classical South Florida, Inc.	Lee	\$4,200,000
Renaissance Charter School, Inc.	Leon/Orange/ Osceola/ Palm Beach	\$59,320,000

FDFC recognized \$149,570 in issuance fee revenue from these issuances. Please note that with respect to these bond issuances, FDFC served only as the conduit issuer of bonds issued on behalf of the borrowers. These bonds do not constitute a general debt, liability or obligations of FDFC.

### Florida Export Finance Corporation

Access up to \$500,000 in loan guarantees is available to Florida's small and medium-sized businesses through the Florida Export Finance Corporation (FEFC). The FEFC was created by the State in 1993 as a not for profit corporation with a mandate to expand employment and income opportunities to Florida residents by increased exports of goods and services resulting from assistance given by the FEFC to Florida companies.

## **2013 Incentives Report**

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Information, technical, and consulting assistance is offered. However, financial assistance is the primary service offered by the FEFC. Guarantees are transaction specific but normally issued as a revolving line of credit. This program, operating in partnership with Florida's banking community, is designed to assist the State's smaller exporters by giving them improved access to affordable working capital. As of December 31, 2012, FEFC reported total assets of \$9,588,243.20 and total liabilities of \$9,585.54. The full copy of the FEFC annual report is included with the Annual Incentives Report, as required by §288.7771, F.S.

### **Florida Small Business Technology Growth Fund**

The Florida Small Business Technology Growth Program (FSTGP) was established in 1998 to provide financial assistance to businesses in this state having high job growth and emerging technology potential and fewer than 100 employees. The program is administered and managed by Enterprise Florida. All moneys in FSTGP (\$922,938 in cash as of June 30, 2013) are continuously appropriated to the FSTGP and may be used for loan guarantees, letter of credit guarantees, cash reserves for loan and letter of credit guarantees, payments of claims pursuant to contracts for guarantees, subordinated loans, loans with warrants, royalty investments, equity investments, and operations. During fiscal year 2012-13, no new activity was reported for the FSTGP.

# Appendix

## APPENDIX A- TARGETED INDUSTRY LIST



Businesses able to locate in other states and serving multi-state and/or international markets are targeted. Call Centers and Shared Service Centers may qualify for incentives if certain economic criteria are met. Retail activities, utilities, mining and other extraction or processing businesses, and activities regulated by the Division of Hotels and Restaurants of the Department of Business and Professional Regulation are statutorily excluded from consideration. All projects are evaluated on an individual basis and therefore operating in a target industry does not automatically indicate eligibility.

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### APPENDIX B – KEY ACRONYMS

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The following acronyms are used throughout this report:

- BF – Brownfield
- QACF or Closing Fund – Quick Action Closing Fund
- CITC – Capital Investment Tax Credit
- DEO – Department of Economic Opportunity
- DOD – Department of Defense
- EDO – Economic Development Organization
- EDTF or Road Fund – Economic Development Transportation Fund
- EFI – Enterprise Florida, Inc.
- EZ – Enterprise Zone
- FEFC – Florida Export Finance Corp.
- FTE – Full time equivalent job
- FOF – Florida Opportunity Fund
- LGDAMG – Local Government Distressed Area Matching Grant Program
- HIPI – High Impact Performance Incentive
- IIP or IIF – Innovation Incentive Program / Fund
- IWT – Incumbent Worker Training
- JUTC – Jobs for the Unemployed Tax Credit
- MSA – Metropolitan Statistical Area
- MSII – Manufacturing and Spaceport Investment Incentive
- OTTED – Office of Tourism, Trade, and Economic Development
- QDSC – Qualified Defense and Space Contractor
- QRT – Quick Response Training
- QTI – Qualified Target Industry
- RACEC – Rural Area of Critical Economic Concern
- REDI – Rural Economic Development Initiative
- RIF – Rural Infrastructure Fund
- RJTC – Rural Jobs Tax Credit
- SDST – Semiconductor, Defense, and Space Technology
- SSBCI – State Small Business Credit Initiative
- TGF – Technology Growth Fund
- UJTC – Urban Jobs Tax Credit

## 2013 Incentives Report

### APPENDIX C – INCENTIVE AGREEMENTS EXECUTED

Table 33 lists projects with executed incentive agreements during fiscal year 2013. Incentives noted in italics are for contracts executed as of November 2013, but not executed during fiscal year 2013.

For confidential projects, the average wage commitment cannot be disclosed per §288.075(6)(b), F.S. QACF, QDSC, and EDTF awards may be partially based upon retained jobs, if there were jobs at jeopardy of leaving the State. All contracts require existing Florida companies to maintain their current employment levels.

Some communities are eligible to request a waiver of the local financial support (LFS) requirements. These are denoted as “Waived” in the respective column. In addition, the LFS shown here is what is required in order to access the State incentive. Additional incentives for each project such as property tax abatements, cash grants, etc., have not been included here.

<b>Table 33</b> <b>INCENTIVE AGREEMENTS EXECUTED – FY 2013</b>								
Company	County	Industry	Contracted New Jobs	Expected Capital Investment	State Program	Maximum State Incentive Payment	Required Local Financial Support	Contracted Annual Average Wage
1Brick, LLC	Pasco	Financial/Prof Svcs	200	\$210,000	QTI	\$480,000	\$120,000	\$36,319
Absolute Consulting, Inc	Santa Rosa	Financial/Prof Svcs	30	\$1,310,000	QTI	\$96,000	\$24,000	\$60,000
Accuform Manufacturing Inc.	Hernando	Emerging Tech	271	\$4,925,000	QTI	\$650,400	\$162,600	\$28,984
Accurate Information Systems	Sarasota	Financial/Prof Svcs	30	\$120,000	QTI	\$72,000	\$18,000	\$41,711
Actavis, Inc.	Broward	Life Sciences	220	\$40,500,000	QACF	\$690,000	\$0	\$53,994
ADS Waste Holdings, Inc.	St. Johns	Corporate HQ	85	\$8,200,000	QACF	\$200,000	\$0	\$112,000
ADS Waste Holdings, Inc.	St. Johns	Corporate HQ	85	\$8,200,000	QTI	\$476,000	\$119,000	\$81,110
ADT LLC	Palm Beach	Corporate HQ	120	\$400,000	QACF	\$400,000	\$0	\$81,110
ADT LLC	Palm Beach	Corporate HQ	120	\$400,000	QTI	\$672,000	\$168,000	\$81,110
Advanced Sawmill Machinery	Okaloosa	Emerging Tech	15	\$1,275,612	QTI	\$36,000	\$9,000	\$50,750
Amtech LLC	Bay	Emerging Tech	90	\$895,000	QTI	\$216,000	\$54,000	\$34,000
Ansafone Contact Centers LLC	Marion	Not in Target Sector	300	\$2,913,000	BFR	\$600,000	\$0	\$21,800
Embraer Eng.& Tech Center USA, Inc.	Brevard	Engineering Services	200	\$24,520,000	IIF	\$6,000,000	\$6,000,000	\$70,000



## 2013 Incentives Report

<b>Table 33</b> <b>INCENTIVE AGREEMENTS EXECUTED – FY 2013 (CONTINUED)</b>								
Company	County	Industry	Contracted New Jobs	Expected Capital Investment	State Program	Maximum State Incentive Payment	Required Local Financial Support	Contracted Annual Average Wage
Ansafone Contact Centers LLC	Marion	Corporate HQ	37	\$300,000	QACF	\$100,000	\$0	\$50,746
AO Precision Manufacturing	Volusia	Homeland Sec/Def	90	\$0	BROWN	\$180,000	\$45,000	\$38,282
AO Precision Manufacturing	Volusia	Homeland Sec/Def	90	\$10,682,748	QTI	\$216,000	\$54,000	\$38,282
Banker Steel Company LLC	Orange	Emerging Tech	60	\$550,000	QTI	\$144,000	\$36,000	\$41,310
Bass Pro Outdoor World	Brevard	Not In Target Sector	150	\$12,750,000	BFR	\$300,000	WAIVED	\$24,600
Benecard Services, Inc.	Orange	Financial/Prof Svcs	159	\$586,340	QACF	\$67,000	\$0	\$49,289
Benecard Services, Inc.	Orange	Financial/Prof Svcs	159	\$586,000	QTI	\$381,600	\$95,400	\$49,289
BinTech Partners, Inc.	Pinellas	Corporate HQ	86	\$287,078	QTI	\$344,000	\$86,000	\$46,428
Biologics Dev Services LLC	Hillsborough	Life Sciences	15	\$1,130,000	QTI	\$60,000	\$15,000	\$46,638
Bolton Medical	Broward	Research & Dev	30	\$2,299,000	QTI	\$72,000	\$18,000	\$48,690
BRS Aerospace	Brevard	Aviation/Aerospace	34	\$7,300,000	QTI	\$108,800	\$27,200	\$62,100
Carbolosic Corp	Brevard	Clean Technologies	70	\$0	BROWN	\$140,000	\$0	\$46,638
Carbolosic Corp	Brevard	Clean Technologies	70	\$41,050,000	QTI	\$280,000	WAIVED	\$46,638
ChromalloyCastings Tampa	Hillsborough	Emerging Tech	25	\$12,000,000	QACF	\$150,000	\$0	\$53,500
Citrix Systems, Inc.	Broward	Information Tech	210	\$7,500,000	QACF	\$250,000	\$0	\$84,678
Citrix Systems, Inc.	Broward	Information Tech	210	\$7,500,000	QTI	\$1,120,000	\$280,000	\$84,678
ClearView Systems, Inc.	Orange	Not in Target Sector	100	\$3,200,000	QTI	\$240,000	\$60,000	\$46,955
Cognition Health Partners	Bay	Information Tech	201	\$5,550,000	QTI	\$482,400	\$120,600	\$45,000
Command Languages, Inc.	Hillsborough	Corporate HQ	40	\$3,400,000	QTI	\$224,000	\$56,000	\$60,833
Confidential	Seminole	Financial/Prof Svcs	750	\$50,000,000	CITC	\$0	\$0	N/A
Confidential	Seminole	Financial/Prof Svcs	750	\$50,000,000	QTI	\$4,800,000	\$2,250,000	\$50,000
Confidential	Duval	Corporate HQ	52	\$10,000,000	BROWN	\$104,000	\$26,000	\$66,400
Confidential	Duval	Corporate HQ	52	\$10,000,000	QACF	\$250,000	\$0	\$66,400

## 2013 Incentives Report

<b>Table 33</b> <b>INCENTIVE AGREEMENTS EXECUTED – FY 2013 (CONTINUED)</b>								
Company	County	Industry	Contracted New Jobs	Expected Capital Investment	State Program	Maximum State Incentive Payment	Required Local Financial Support	Contracted Annual Average Wage
Confidential	Duval	Corporate HQ	52	\$10,000,000	QTI	\$374,400	\$119,600	\$66,400
Confidential	Brevard	Aviation/Aerospace	50	\$28,500,000	QACF	\$500,000	\$0	\$85,372
Confidential	Broward	Life Sciences	100	\$50,000,000	QTI	\$400,000	\$100,000	\$49,555
Confidential	Brevard	Aviation/Aerospace	50	\$14,152,000	QTI	\$160,000	\$40,000	\$64,000
Confidential	Alachua	Information Tech	260	\$820,000	QTI	\$1,664,000	\$416,000	\$53,000
Confidential	Orange	Not in Target Sector	20	\$2,825,000	QTI	\$48,000	\$12,000	\$46,955
Confidential	Brevard	Aviation/Aerospace	50	\$1,770,000	BROWN	\$100,000	\$25,000	\$50,000
Confidential	Brevard	Aviation/Aerospace	50	\$1,770,000	QTI	\$120,000	\$55,000	\$50,000
Confidential	Miami-Dade	Not In Target Sector	150	\$64,000,000	BFR	\$300,000	WAIVED	\$30,000
Confidential	Manatee	Not Specified	21	\$1,700,000	QTI	\$50,400	\$12,600	\$34,556
Confidential	Orange	Logistics/Distrib	61	\$16,000,000	QTI	\$146,400	\$36,600	\$46,955
Confidential	Flagler	Information Tech	98	\$2,450,000	QTI	\$548,800	WAIVED	\$46,500
Confidential	Santa Rosa	Other Manufacturing	200	\$2,995,000	QTI	\$480,000	\$120,000	\$35,110
Confidential	Escambia	Financial/Prof Svcs	0	\$200,000,000	QACF	\$4,750,000	\$0	\$44,082
Confidential	Nassau	Financial/Prof Svcs	40	\$2,100,000	QTI	\$224,000	\$56,000	\$55,500
Confidential	Hillsborough	Financial/Prof Svcs	700	\$1,960,000	QTI	\$1,680,000	\$420,000	\$47,581
Confidential	Broward	Corporate HQ	25	\$150,000	QTI	\$140,000	\$35,000	\$86,182
Confidential	Palm Beach	Life Sciences	25	\$5,000,000	QTI	\$100,000	\$25,000	\$52,500
Confidential	Broward	Financial/Prof Svcs	56	\$1,770,000	QTI	\$358,400	\$89,600	\$50,000
Confidential	Miami-Dade	Financial/Prof Svcs	105	\$2,567,000	QTI	\$168,000	\$42,000	\$48,000
Confidential	Bay	Information Tech	300	\$17,250,000	QTI	\$1,440,000	\$360,000	\$50,498
Confidential	St. Johns	Aviation/Aerospace	400	\$0	QACF	\$3,400,000	\$0	\$60,000
Confidential	Brevard	Aviation/Aerospace	700	\$0	QACF	\$8,700,000	\$0	\$75,000



## 2013 Incentives Report

**Table 33**  
**INCENTIVE AGREEMENTS EXECUTED – FY 2013 (CONTINUED)**

Company	County	Industry	Contracted New Jobs	Expected Capital Investment	State Program	Maximum State Incentive Payment	Required Local Financial Support	Contracted Annual Average Wage
Confidential	Pinellas	Other Manufacturing	140	\$25,555,000	BFR	\$300,000	WAIVED	\$20,000
Confidential	Duval	Financial/Prof Svcs	300	\$10,000,000	OACF	\$140,000	\$0	\$62,063
Confidential	Hillsborough	Financial/Prof Svcs	20	\$20,000	QTI	\$48,000	\$12,000	\$47,581
Confidential	Escambia	Strategic Challenges	105	\$9,998,210	QTI	\$252,000	\$63,000	N/A
Confidential	Okaloosa	Information Tech	20	\$2,150,000	QTI	\$75,600	\$18,900	\$56,500
Confidential	Polk	Logistics/Distrib	248	\$91,000,000	QTI	\$595,200	\$148,800	\$41,170
Cory's Thunder, Inc.	Duval	Information Tech	35	\$450,000	QTI	\$196,000	\$49,000	\$107,133
Covidien	Hillsborough	Life Sciences	165	\$0	QTI	\$660,000	\$165,000	\$42,248
DaVita Rx, LLC	Orange	Not in Target Sector	100	\$8,750,000	QTI	\$240,000	\$60,000	\$44,743
DB Services New Jersey Inc.	Duval	Financial/Prof Svcs	260	\$10,300,000	OACF	\$145,000	\$0	\$62,063
DB Services New Jersey Inc.	Duval	Financial/Prof Svcs	260	\$10,300,000	QTI	\$1,040,000	\$260,000	\$52,722
Design Interactive, Inc.	Seminole	Information Tech	30	\$30,335	QTI	\$48,000	\$12,000	\$75,992
Draken International, Inc.	Polk	Corporate HQ	55	\$6,684,000	QTI	\$264,000	\$66,000	\$52,865
Dynamic Pharmaceuticals, Inc.	Hernando	Life Sciences	20	\$890,000	QTI	\$80,000	\$20,000	\$33,332
Dynamic Precision Group	Martin	Aviation/Aerospace	200	\$16,000,000	OACF	\$3,000,000	\$0	\$45,000
ECI Pharmaceuticals LLC	Broward	Life Sciences	20	\$1,050,000	QTI	\$48,000	\$12,000	\$48,690
Education Training Corp	Broward	Corporate HQ	70	\$230,000	QTI	\$280,000	\$70,000	\$50,000
Emerson Process Mgt LLLP	Broward	Corporate HQ	20	\$400,000	QTI	\$112,000	\$28,000	\$96,000
FedEx Ground Pkg Sys, Inc.	Marion	Not in Target Sector	165	\$113,000,000	QTI	\$792,000	\$198,000	\$31,536
FL Organic Aquaculture LLC	Indian River	Not in Target Sector	52	\$12,995,000	BFR	\$104,000	WAIVED	\$28,276
Florida SE, Inc.	Volusia	Not in Target Sector	64	\$2,915,000	BFR	\$128,000	\$32,000	\$22,000
GS Engineering Solutions, Inc.	Orange	Financial/Prof Svcs	27	\$500,000	QTI	\$108,000	\$27,000	\$100,000
Geltech	Orange	Not in Target Sector	12	\$1,460,000	QTI	\$28,800	\$7,200	\$52,548

## 2013 Incentives Report

**Table 33**  
**INCENTIVE AGREEMENTS EXECUTED – FY 2013 (CONTINUED)**

Company	County	Industry	Contracted New Jobs	Expected Capital Investment	State Program	Maximum State Incentive Payment	Required Local Financial Support	Contracted Annual Average Wage
Global Business Solutions, Inc.	Escambia	Information Tech	120	\$5,900,000	QTI	\$672,000	\$168,000	\$54,000
Global Response Corp	Broward	Not in Target Sector	200	\$1,000,000	BFR	\$400,000	WAIVED	\$24,000
GPD Pathology LLC	Bay	Life Sciences	83	\$4,687,000	QTI	\$332,000	\$83,000	\$68,000
Healthcare Billing Sys Inc.	Volusia	Information Tech	38	\$1,600,620	QTI	\$91,200	\$22,800	\$37,697
Heritage Property & Casualty	Pinellas	Not in Target Sector	35	\$0	BROWN	\$70,000	\$17,500	\$87,500
Heritage Property & Casualty	Pinellas	Not in Target Sector	35	\$1,000,000	QTI	\$224,000	\$56,000	\$87,500
iCare.com LLC	Broward	Information Tech	30	\$4,282,979	QTI	\$96,000	\$24,000	\$46,955
IKEA US East	Miami-Dade	Emerging Tech	240	\$121,000,000	BFR	\$480,000	WAIVED	\$27,000
Intern'l Cruise & Excursions	Orange	Not in Target Sector	200	\$355,000	QTI	\$480,000	\$120,000	\$70,000
Intersil Corporation	Brevard	Semiconductor Tech	66	\$0	BROWN	\$200,000	\$0	\$60,833
Intersil Corporation	Brevard	Semiconductor Tech	66	\$30,700,000	QTI	\$480,000	\$0	\$60,833
Interstate Electronics Corp	Brevard	Homeland Sec/Def	15	\$0	QTI	\$48,000	\$12,000	\$70,000
Iron Galaxy Orlando	Orange	Information Tech	10	\$40,000	BROWN	\$20,000	\$5,000	\$46,995
Iron Galaxy Orlando	Orange	Information Tech	10	\$40,000	QTI	\$64,000	\$16,000	\$46,995
Italico Aviation USA	Osceola	Aviation/Aerospace	55	\$2,390,000	QTI	\$440,000	\$110,000	\$61,340
J.T.D. Enterprises Inc.	Pasco	Other Manufacturing	10	\$240,000	QTI	\$24,000	\$6,000	\$37,000
Jackson Sierra Wood Treaters	Santa Rosa	Other Manufacturing	50	\$1,912,000	QTI	\$120,000	\$30,000	\$37,000
Jacksonville Lime LLC	Duval	Other Manufacturing	22	\$35,900,000	BFR	\$44,000	\$11,000	\$55,000
K2 Industrial Services Inc.	Escambia	Corporate HQ	15	\$132,500	QTI	\$120,000	\$30,000	\$250,000
KAMedData.com Inc.	Escambia	Information Tech	10	\$49,310	QTI	\$72,000	\$20,000	\$60,654
Kaye Scholer LLP	Leon	Financial/Prof Svcs	140	\$100,000	QTI	\$448,000	\$112,000	\$53,585
Kingspan Insolated Panels	Volusia	Emerging Tech	30	\$2,500,000	QTI	\$72,000	\$18,000	\$37,354
Lockheed Martin Maritime Sys	Pinellas	Homeland Sec/Def	140	\$40,800,000	QACF	\$4,000,000	\$0	\$59,000

## 2013 Incentives Report

**Table 33**  
**INCENTIVE AGREEMENTS EXECUTED – FY 2013 (CONTINUED)**

Company	County	Industry	Contracted New Jobs	Expected Capital Investment	State Program	Maximum State Incentive Payment	Required Local Financial Support	Contracted Annual Average Wage
MarJam Supply Company Inc.	Palm Beach	Other Manufacturing	19	\$1,540,000	BFR	\$38,000	\$9,500	\$52,000
MarJam Supply Company Inc.	Orange	Other Manufacturing	10	\$1,615,000	QTI	\$24,000	\$6,000	\$47,044
Mazor Robotics Ltd	Orange	Corporate HQ	34	\$145,000	QTI	\$190,400	\$47,600	\$81,660
Morgan Stanley Smith Barney	Hillsborough	Financial/Prof Svcs	110	\$6,600,000	QTI	\$440,000	\$110,000	\$55,000
Nanotherapeutics Inc.	Alachua	Life Sciences	150	\$122,000,000	QTI	\$840,000	\$210,000	\$68,892
National Air Cargo Holdings	Orange	Corporate HQ	105	\$875,000	QACF	\$200,000	\$0	\$61,245
National Air Cargo Holdings	Orange	Corporate HQ	105	\$875,000	QTI	\$504,000	\$126,000	\$61,245
Next Level Security Sys Inc.	Indian River	Information Tech	10	\$65,000	QTI	\$64,000	\$30,000	\$80,000
Novitas Solutions, Inc.	Duval	Financial/Prof Svcs	250	\$1,000,000	BROWN	\$500,000	\$125,000	\$45,834
Novitas Solutions, Inc.	Duval	Financial/Prof Svcs	250	\$1,000,000	QTI	\$1,200,000	\$300,000	\$45,834
Nuance Communications	Brevard	Financial/Prof Svcs	115	\$0	BROWN	\$230,000	WAIVED	\$46,638
Nuance Communications	Brevard	Financial/Prof Svcs	115	\$1,000,000	QTI	\$276,000	WAIVED	\$46,638
P.D.K.N. Holdings LLC	Broward	Emerging Tech	150	\$8,130,000	BFR	\$300,000	\$75,000	\$13,700
PFMan LLC	Hardee	Emerging Tech	25	\$1,954,000	BROWN	\$50,000	WAIVED	\$37,000
PFMan LLC	Hardee	Emerging Tech	25	\$1,954,000	QTI	\$120,000	WAIVED	\$37,000
Pratt & Whitney	Palm Beach	Aviation/Aerospace	230	\$63,720,000	QACF	\$3,000,000	\$0	\$81,110
Priority Payment Sys Gulf Cst	Santa Rosa	Financial/Prof Svcs	20	\$55,000	QTI	\$48,000	\$13,200	\$35,105
ProActive Technologies LLC	Seminole	Aviation/Aerospace	46	\$462,700	QTI	\$147,200	\$36,800	\$64,565
Radiant Power Corporation	Manatee	Aviation/Aerospace	16	\$650,000	QTI	\$64,000	\$16,000	\$39,739
Ravago Americas LLC	Orange	Corporate HQ	30	\$650,000	QTI	\$120,000	\$30,000	\$46,955
Red Hawk Fire & Security LLC	Palm Beach	Corporate HQ	35	\$231,000	QTI	\$196,000	\$49,000	\$110,000
Reneu Energy Florida Inc.	Polk	Other Manufacturing	63	\$5,250,000	QTI	\$151,200	\$37,800	\$40,539
Sapient Corporation	Miami-Dade	Information Tech	112	\$6,445,000	QTI	\$358,400	\$82,880	\$67,000

## 2013 Incentives Report

**Table 33**

**INCENTIVE AGREEMENTS EXECUTED – FY 2013 (CONTINUED)**

Company	County	Industry	Contracted New Jobs	Expected Capital Investment	State Program	Maximum State Incentive Payment	Required Local Financial Support	Contracted Annual Average Wage
SB Manufacturing LLC	Pasco	Other Manufacturing	75	\$0	BROWN	\$150,000	\$37,500	\$40,000
SB Manufacturing LLC	Pasco	Other Manufacturing	75	\$7,750,000	QTI	\$180,000	\$45,000	\$40,000
Siemens Energy Inc.	Orange	Clean Technologies	50	\$7,352,780	OACF	\$150,000	\$0	\$82,824
Siemens Energy Inc.	Orange	Clean Technologies	50	\$7,352,780	QTI	\$280,000	\$70,000	\$82,824
Signature Systems Group	Orange	Other Manufacturing	95	\$9,650,000	QTI	\$228,000	\$57,000	\$41,000
SIMTEC Silicone Parts LLC	Broward	Other Manufacturing	40	\$3,045,500	QTI	\$96,000	\$24,000	\$42,339
Storage Mgt & Leasing Co	Orange	Corporate HQ	36	\$525,000	BROWN	\$72,000	\$18,000	\$46,638
Storage Mgt & Leasing Co	Orange	Corporate HQ	36	\$525,000	QTI	\$144,000	\$36,000	\$46,638
TGC LLC dba Golf Channel	Orange	Information Tech	75	\$1,904,625	OACF	\$100,000	\$0	\$67,000
TGC LLC dba Golf Channel	Orange	Information Tech	75	\$1,904,625	QTI	\$360,000	\$90,000	\$67,000
The Cast Clothing Company	Palm Beach	Other Manufacturing	40	\$1,900,000	QTI	\$128,000	\$32,000	\$71,000
The Depository Trust & Clear	Hillsborough	Financial/Prof Svcs	255	\$4,811,360	OACF	\$1,232,500	\$0	\$100,000
The Depository Trust & Clear	Hillsborough	Financial/Prof Svcs	255	\$4,811,360	QTI	\$1,428,000	\$357,000	\$100,000
Total Quality Logistics LLC	Orange	Financial/Prof Svcs	75	\$380,000	QTI	\$180,000	\$45,000	\$46,995
Turbine Controls Inc.	Broward	Aviation/Aerospace	60	\$1,500,000	QTI	\$240,000	\$60,000	\$48,690
United States Cold Storage	Columbia	Logistics/Distribution	15	\$0	QTI	\$72,000	WAIVED	\$38,560
USAmeriBank	Pinellas	Financial/Prof Svcs	30	\$1,700,000	QTI	\$72,000	\$18,000	\$46,428
Wal-Mart Stores East LC	Miami-Dade	Other Manufacturing	90	\$13,157,000	BFR	\$180,000	WAIVED	\$20,000
Wal-Mart Stores East LC	Miami-Dade	Other Manufacturing	315	\$40,780,000	BFR	\$630,000	\$0	\$20,000
XCOR Aerospace Inc.	Brevard	Aviation/Aerospace	152	\$13,397,000	QTI	\$729,600	\$182,400	\$60,833
XOS Digital Inc.	Orange	Other Manufacturing	46	\$3,365,000	BROWN	\$92,000	\$23,000	\$60,833
XOS Digital Inc.	Orange	Other Manufacturing	46	\$3,365,000	QTI	\$147,200	\$36,800	\$60,833
Zetor North America Inc.	Duval	Other Manufacturing	10	\$0	QTI	\$32,000	\$8,000	\$60,833

## **APPENDIX D – INCENTIVE PAYMENTS**

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Table 34 lists all businesses receiving incentive payments from the QTI, QDSC, Brownfield Bonus, HIPI, Closing Fund, Innovation Incentive, and EDTF programs. The majority of these payments are for QTI and other programs that do not require confirmation of capital investment. For programs with a capital investment requirement, the confirmed investment has been noted. Since most of these are active incentive agreements and in place prior to March 23, 2012, the average wage commitment cannot be disclosed per §288.075(6)(a)3., F.S. (2011 statutes and prior).

The State QTI payment represents the amount of the incentive paid during fiscal year 2013. Other payments may have been received in previous years and/or may be payable in the future depending on company performance. The local incentive payment indicates the amount of local financial support provided to leverage the State's investment for that fiscal year. Additional local incentive payments are made in the years preceding and following fiscal year 2012. Neither DEO nor Enterprise Florida is not aware of any Federal incentives received by these projects. QACF, QDSC, and EDTF awards may also be partially based upon retained jobs, if there were jobs at jeopardy of leaving the State.

The following is an explanation of the fields within incentive payments table:

- Maximum QTI Award – Maximum incentive award
- State QTI Payment – State's portion of incentive award for this fiscal year
- Local Financial Support – Community's portion of incentive award for this fiscal year
- Date Paid – Date paid by the state
- Contract Job Requirements – Total contract job commitment
- Jobs Due – Job commitment for the scheduled fiscal year
- Confirmed Performance – Confirmed number of jobs created as of the most recent verification period
- Scheduled Fiscal Year – Fiscal year the incentive is scheduled to be paid

## 2013 Incentives Report

<b>Table 34</b>			
<b>INCENTIVE PAYMENTS – FY 2013</b>			
<b>2G CENERGY Power Systems Technologies Inc.</b>		Clean Technologies	St. Johns County
Maximum QACF Award	\$350,000	Contract Job Requirement	125
State QACF Payment	\$350,000.00	Jobs Due	N/A
Date Paid	10/11/2012	Confirmed Performance	N/A
<b>AAR Airlift Group, Inc.</b>		Aviation/Aerospace	Brevard County
Maximum QTI Award	\$900,000	Contract Job Requirement	225
State QTI Payment	\$135,325.69	Jobs Due	175
Local Financial Support	\$33,831.42	Confirmed Performance	177
Date Paid	2/22/2013	Scheduled Fiscal Year	2012-13
<b>Adecco, Inc.</b>		Information Technology	Duval County
Maximum QTI Award	\$300,000	Contract Job Requirement	162
State QTI Payment	\$42,897.60	Jobs Due	152
Local Financial Support	\$10,724.40	Confirmed Performance	76
Date Paid	1/29/2013	Scheduled Fiscal Year	2012-13
<b>Air Products and Chemicals, Inc.</b>		Manufacturing	Manatee County
Maximum QACF Award	\$100,000,000	Contract Job Requirement	250
State QACF Payment	\$100,000,000	Jobs Due	NA
Date Paid	2/13/2012	Confirmed Performance	NA
<b>Altadis USA, Inc.</b>		HQ	Broward County
Maximum QACF Award	\$236,000	Contract Job Requirement	55
State QACF Payment	\$236,000.00	Jobs Due	15
Date Paid	8/24/2012	Confirmed Performance	18
		Confirmed Capital Investment	\$863,861.65
<b>Astor &amp; Black Custom LLC</b>		HQ	Broward County
Maximum QACF Award	\$80,000	Contract Job Requirement	62
State QACF Payment	\$80,000.00	Jobs Due	NA
Date Paid	3/5/2013	Confirmed Performance	NA
		Confirmed Capital Investment	\$420,991.04
<b>BBA U.S. Holdings, Inc.</b>		HQ	Orange County
Maximum QACF Award	\$175,000	Contract Job Requirement	100
State QACF Payment	\$175,000	Jobs Due	N/A
Date Paid	12/12/2012	Confirmed Performance	N/A
		Confirmed Capital Investment	\$938,706.16
<b>Beall's, Inc.</b>		HQ	Manatee County
Maximum QTI Award	\$560,000	Contract Job Requirement	140
State QTI Payment	\$112,000.00	Jobs Due	140
Local Financial Support	\$28,000.00	Confirmed Performance	125
Date Paid	5/21/2013	Scheduled Fiscal Year	2012-13

## 2013 Incentives Report

<b>Cardinal Glass Industries, Inc.</b>		<b>Strategic Challenges</b>	<b>Marion County</b>
Maximum QTI Award	\$405,000	Contract Job Requirement	135
State QTI Payment	\$27,000.0	Jobs Due	135
Local Financial Support	\$6,750.00	Confirmed Performance	156
Date Paid	1/18/2013	Scheduled Fiscal Year	2012-13
<b>CareCentrix, Inc.</b>		<b>Life Sciences</b>	<b>Hillsborough County</b>
Maximum QTI Award	\$330,000	Contract Job Requirement	110
State QTI Payment	\$38,864.28	Jobs Due	65
Local Financial Support	\$9,716.07	Confirmed Performance	211
Date Paid	4/16/2013	Scheduled Fiscal Year	2012-13
<b>CEC Controls Company, Inc.</b>		<b>Manufacturing</b>	<b>Manatee County</b>
Maximum QTI Award	\$90,000	Contract Job Requirement	30
State QTI Payment	\$6,750.00	Jobs Due	15
Local Financial Support	\$1,687.50	Confirmed Performance	12
Date Paid	4/18/2013	Scheduled Fiscal Year	2012-13
<b>Chico's FAS, Inc. 03-00106</b>		<b>Manufacturing</b>	<b>Lee County</b>
Maximum QTI Award	\$240,000	Contract Job Requirement	48
State QTI Payment	\$15,000	Jobs Due	NA
Local Financial Support	\$3,750	Confirmed Performance	NA
Date Paid	9/12/2012	Scheduled Fiscal Year	2010-11
<b>Chico's FAS, Inc. 04-00103</b>		<b>Manufacturing</b>	<b>Lee County</b>
Maximum QTI Award	\$260,000	Contract Job Requirement	52
State QTI Payment	\$16,000	Jobs Due	NA
Local Financial Support	\$4,000	Confirmed Performance	NA
Date Paid	12/28/2012	Scheduled Fiscal Year	2010-11
<b>Colts Manufacturing Company LLC</b>		<b>Homeland Security/Defense</b>	<b>Osceola County</b>
Maximum QACF Award	\$250,000	Contract Job Requirement	63
State QACF Payment	\$250,000	Jobs Due	N/A
Date Paid	1/9/2013	Confirmed Performance	N/A
<b>Conax Florida Corporation</b>		<b>Aviation/Aerospace</b>	<b>Pinellas County</b>
Maximum QTI Award	\$111,000	Contract Job Requirement	37
State QTI Payment	\$12,000.00	Jobs Due	37
Local Financial Support	\$3,000.00	Confirmed Performance	124
Date Paid	3/26/2013	Scheduled Fiscal Year	2012-13
<b>CoreRx, Inc.</b>		<b>Life Sciences</b>	<b>Pinellas County</b>





## 2013 Incentives Report

Maximum QACF Award	\$2,000,000	Contract Job Requirement	1,000
State QACF Payment	\$2,000,000	Jobs Due	N/A
NOTE: paid to escrow		Confirmed Performance	261
Date Paid	8/3/2012	Scheduled Fiscal Year	2012-13
		Confirmed Capital Investment	\$702,314.13
<b>Dynamic Precision Group dba Turbo Combuster Technologies</b>		Aviation/Aerospace	Martin County
Maximum QACF Award	\$3,000,000	Contract Job Requirement	396
State QACF Payment	\$3,000,000	Jobs Due	NA
Date Paid	6/4/2013	Confirmed Performance	NA
		Confirmed Capital Investment	\$1,033,246.00
<b>EDAK, Inc.</b>		Strategic Challenges	Brevard County
Maximum QTI Award	\$48,000	Contract Job Requirement	16
State QTI Payment	\$1,800.00	Jobs Due	16
Local Financial Support	\$450.00	Confirmed Performance	17
Date Paid	3/20/2013	Scheduled Fiscal Year	2012-13
<b>Embraer Engineering &amp; Technology Center USA, Inc.</b>		Aviation/Aerospace	Brevard County
Maximum IIF Award	\$6,000,000	Contract Job Requirement	200
State IIF Payment	\$6,000,000	Jobs Due	NA
Date Paid	2/28/2013	Confirmed Performance	NA
<b>Emerson Process Management, LLLP</b>		HQ	Broward County
Maximum QACF Award	\$250,000	Contract Job Requirement	51
Maximum QTI Award	\$357,000	Jobs Due	18
State QACF Payment	\$250,000	Confirmed Performance	24
State QTI Payment	\$7,772.26		
Local Financial Support	\$1,943.07	Confirmed Capital Investment	\$1,770,050.63
Date Paid	9/26/2012 (QACF), 10/30/2012 (QTI)		
<b>Ernst &amp; Young U.S. LLP</b>		Financial/Professional Services	Hillsborough County
Maximum QTI Award	\$120,000	Contract Job Requirement	30
State QTI Payment	\$20,000.00	Jobs Due	25
Local Financial Support	\$5,000.00	Confirmed Performance	27
Date Paid	3/1/2013	Scheduled Fiscal Year	2012-12
<b>EverBank</b>		Financial/Professional Services	Duval County
Maximum QTI Award	\$360,000	Contract Job Requirement	120
State QTI Payment	\$72,000.00	Jobs Due	120
Local Financial Support	\$18,000.00	Confirmed Performance	622
Date Paid	5/14/2013	Scheduled Fiscal Year	2012-13
<b>Family Dollar Services, Inc.</b>		Other Manufacturing	Jackson County
Maximum QTI Award	\$2,550,000	Contract Job Requirement	425
State QTI Payment	\$185,760.00	Jobs Due	425
Local Financial Support	\$46,440.00	Confirmed Performance	351
Date Paid	11/20/2012	Scheduled Fiscal Year	2012-13
<b>Flightstar Aviation Services, Inc.</b>		Aviation/Aerospace	Duval County

## 2013 Incentives Report

Maximum QTI Award	\$762,000	Contract Job Requirement	254
State QTI Payment	\$115,382.04	Jobs Due	254
Local Financial Support	\$28,845.51	Confirmed Performance	205
Date Paid	6/11/2013	Scheduled Fiscal Year	2012-13
<b>Gartner, Inc.</b>		Information Technology	Lee County
Maximum QTI Award	\$800,000	Contract Job Requirement	200
State QTI Payment	\$32,000.00	Jobs Due	40
Local Financial Support	\$8,000.00	Confirmed Performance	40
Date Paid	4/19/2013	Scheduled Fiscal Year	2012-13
<b>Gartner, Inc.</b>		Information Technology	Lee County
Maximum QTI Award	\$1,200,000	Contract Job Requirement	240
State QTI Payment	\$48,000.00	Jobs Due	80
Local Financial Support	\$12,000	Confirmed Performance	83
Date Paid	4/23/2013	Scheduled Fiscal Year	2012-13
<b>Geographic Solutions, Inc.</b>		Information Technology	Pinellas County
Maximum QTI Award	\$30,000	Contract Job Requirement	10
State QTI Payment	\$6,000.00	Jobs Due	10
Local Financial Support	\$1,500.00	Confirmed Performance	37
Date Paid	2/21/2013	Scheduled Fiscal Year	2012-13
<b>Green Circle Bio Energy, Inc.</b>		Strategic Challenges	Jackson County
Maximum QTI Award	\$357,000	Contract Job Requirement	51
State QTI Payment	\$71,400.00	Jobs Due	51
Local Financial Support	WAIVED	Confirmed Performance	79
Date Paid	10/30/2012	Scheduled Fiscal Year	2012-13
<b>HBO Latin America Production Services, LC</b>		Strategic Challenge	Miami-Dade County
Maximum QACF Award	\$400,000	Contract Job Requirement	101
State QACF Payment	\$400,000	Jobs Due	101
Date Paid	9/17/2012	Confirmed Performance	N/A
		Confirmed Capital Investment	\$1,612,984.30
<b>Highlands Ethanol, LLC</b>		Clean Technologies	Highlands County
Maximum QTI Award	\$528,000	Contract Job Requirement	78
State QTI Payment	\$19,200.00	Jobs Due	24
Local Financial Support	WAIVED	Confirmed Performance	13
Date Paid	1/23/2013	Scheduled Fiscal Years	2011-12, 2012-13
<b>Home Source International, Inc.</b>		HQ	Jackson County
Maximum QACF Award	\$1,400,000	Contract Job Requirement	303
State QACF Payment	\$1,399,980.28	Jobs Due	N/A
Date Paid	2/1/2013 \$1,151,533 paid to escrow, 2/7/2013 248,447.28 paid to business	Confirmed Performance	N/A

## 2013 Incentives Report

<b>IKEA US East, LLC Inc.)</b>		<b>Manufacturing</b>	<b>Hillsborough County</b>
Maximum BFR Award	\$562,500	Contract Job Requirement	225
State BFR Payment	\$172,125.00	Jobs Due	225
Local Financial Support	WAIVED	Confirmed Performance	182
Date Paid	9/30/2012	Scheduled Fiscal Years	2011-12, 2012-13
		Confirmed Capital Investment	\$2,531,783.73
<b>Iowa College Acquisition Corporation dba Kaplan University</b>		<b>Information Technology</b>	<b>Broward County</b>
Maximum QTI Award	\$1,980,000	Contract Job Requirement	660
State QTI Payment	\$396,000.00	Jobs Due	660
Local Financial Support	\$99,000.00	Confirmed Performance	460
Date Paid	5/24/2013	Scheduled Fiscal Year	2011-12
<b>Lockheed Martin Information Systems &amp; Global Solutions</b>		<b>Homeland Security/Defense</b>	<b>Brevard County</b>
Maximum QDSC Award	\$717,000	Contract Job Requirement	100
State QDSC Payment	\$52,827.44	Jobs Due	100
Local Financial Support	\$7,170.00	Confirmed Performance	268
Date Paid	1/8/2013	Scheduled Fiscal Year	2012-13
<b>Lockheed Martin Corporation - FBM</b>		<b>Aviation/Aerospace</b>	<b>Brevard County</b>
Maximum QDSC Award	\$850,000	Contract Job Requirement	30
State QDSC Payment	\$20,000.00	Jobs Due	30
Local Financial Support	5,000.00	Confirmed Performance	92
Date Paid	5/31/2013	Scheduled Fiscal Year	2012-13
<b>Lockheed Martin Missiles and Fire Control/Ocala</b>		<b>Homeland Security/Defense</b>	<b>Marion County</b>
Maximum QTI Award	\$500,000	Contract Job Requirement	125
State QTI Payment	\$100,000.00	Jobs Due	125
Local Financial Support	\$25,000.00	Confirmed Performance	214
Date Paid	1/26/2013	Scheduled Fiscal Year	2012-13
<b>MDVIP, Inc.</b>		<b>Life Sciences</b>	<b>Palm Beach County</b>
Maximum QTI Award	\$112,000	Contract Job Requirement	28
State QTI Payment	\$16,000.00	Jobs Due	20
Local Financial Support	\$4,000.00	Confirmed Performance	29
Date Paid	3/4/2013	Scheduled Fiscal Year	2012-13
<b>MindTree Ltd.</b>		<b>Information Technology</b>	<b>Alachua County</b>
Maximum QACF Award	\$950,000	Contract Job Requirement	400
State QACF Payment	\$950,000	Jobs Due	N/A
Date Paid	11/16/2012	Confirmed Performance	N/A
<b>Myers Industries, Inc.</b>		<b>QTI Project</b>	<b>Highlands County</b>
Maximum QTI Award	\$87,500	Contract Job Requirement	35
State QTI Payment	\$14,000.00	Jobs Due	35
Local Financial Support	WAIVED	Confirmed Performance	35
Date Paid	2/23/2013	Scheduled Fiscal Year	2012-13

## 2013 Incentives Report

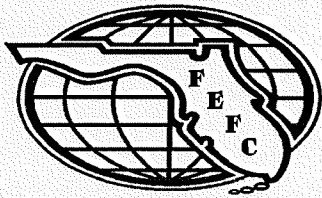
<b>Navy Federal Credit Union</b>		Financial/Professional	Escambia County
Maximum QACF Award	\$1,000,000	Contract Job Requirement	700
State QACF Payment	\$1,000,000	Jobs Due	N/A
Date Paid	9/4/2012	Confirmed Performance	N/A
<b>Nortrax, Inc.</b>		Financial/Professional	Hillsborough County
Maximum QTI Award	\$240,000	Contract Job Requirement	60
State QTI Payment	\$42,398.40	Jobs Due	60
Local Financial Support	\$10,599.60	Confirmed Performance	56
Date Paid	2/22/2013	Scheduled Fiscal Year	2012-13
<b>Orbeco-Hellige Inc.</b>		Life Sciences	Manatee County
Maximum QTI Award	\$30,000	Contract Job Requirement	10
State QTI Payment	\$6,000.00	Jobs Due	10
Local Financial Support	\$1,500.00	Confirmed Performance	13
Date Paid	4/16/2013	Scheduled Fiscal Year	2012-13
<b>Oshkosh Corporation</b>		Strategic Challenges	Manatee County
Maximum QTI Award	\$330,000	Contract Job Requirement	66
State QTI Payment	\$66,000.00	Jobs Due	66
Local Financial Support	\$16,500.00	Confirmed Performance	184
Date Paid	4/16/2013	Scheduled Fiscal Year	2012-13
<b>Pilot Corporation of America</b>		Strategic Challenges	Duval County
Maximum QTI Award	\$264,000	Contract Job Requirement	66
State QTI Payment	\$43,760.64	Jobs Due	66
Local Financial Support	\$10,940.16	Confirmed Performance	58
Date Paid	6/5/2013	Scheduled Fiscal Year	2012-13
<b>Planet Hollywood International, Inc.</b>		HQ	Orange County
Maximum QACF Award	\$288,000	Contract Job Requirement	90
State QACF Payment	\$288,000	Jobs Due	NA
Date Paid	11/8/2012	Confirmed Performance	NA
<b>Prioria Robotics, Inc.</b>		Research and Development	Alachua County
Maximum QACF Award	\$225,000	Contract Job Requirement	40
State QACF Payment	\$225,000	Jobs Due	NA
Date Paid	10/22/2012	Confirmed Performance	NA
		Confirmed Capital Investment	\$1,278,897.57
<b>Raydon Corporation</b>		Homeland Security / Defense	Volusia County
Maximum QDSC Award	\$1,200,000	Contract Job Requirement	88
State QDSC Payment	\$218,400.00	Jobs Due	88
Local Financial Support	\$54,600.00	Confirmed Performance	51
Date Paid	12/5/2012	Scheduled Fiscal Year	2012-13
<b>Saab Training USA LLC</b>		Information Technology	Orange County
Maximum QTI Award	\$132,000	Contract Job Requirement	36
State QTI Payment	\$17,600.00	Jobs Due	25
Local Financial Support	\$4,400.00	Confirmed Performance	15
Date Paid	1/2/2013	Scheduled Fiscal Year	2012-13
<b>Saft Industrial Battery Group</b>		Clean Technologies	Duval County

## 2013 Incentives Report

Maximum QTI & BF Award	\$2,371,500	Contract Job Requirement	279
State QTI Payment	\$127,200.00	Jobs Due	106
Local Financial Support (QTI)	\$31,800.00	Confirmed Performance	124
State Brownfield Bonus Payment	\$31,103.58	Date Paid	12/13/2012
Local Financial Support (BF)	\$7,775.90	Scheduled Fiscal Year	2012-13
<b>Sanford Burnham Medical Research Institute</b> Life Sciences Orange County			
Maximum IIF Award	\$155,272,000	Contract Job Requirement	303
State IIF Payment	\$16,566,000	Jobs Due	230
Date Paid	12/3/2012	Confirmed Performance	189
		Confirmed Capital Investment	\$44,222,100.00
<i>To date, Sanford Burnham has received \$120,067,513.37 in IIF payments.</i>			
<b>Sikorsky Aircraft Corporation</b> Aviation / Aerospace Palm Beach County			
Maximum QACF Award	\$600,000	Contract Job Requirement	14
State QACF Payment	\$600,000.00	Jobs Due	NA
Date Paid	12/6/2012	Confirmed Performance	NA
<i>Funds were paid into the EFI escrow account 9/23/11 and then paid to the company on 12/6/12 following achievement of performance milestones.</i>			
<b>Sparton Electronics Florida, Inc.</b> Strategic Challenges Volusia County			
Maximum QDC Award	\$936,000	Contract Job Requirement	50
State QDC Payment	\$187,200.00	Jobs Due	50
Local Financial Support	\$46,800.00	Confirmed Performance	58
Date Paid	1/3/2013	Scheduled Fiscal Year	2012-13
<b>System Services Enterprises, Inc.</b> Homeland Security/Defense Palm Beach County			
Maximum QTI Award	\$240,000	Contract Job Requirement	60
State QTI Payment	\$24,000.00	Jobs Due	30
Local Financial Support	\$6,000.00	Confirmed Performance	42
Date Paid	2/22/2013	Scheduled Fiscal Year	2012-13
<b>TBC Corporation</b> Manufacturing Palm Beach County			
Maximum QTI Award	\$200,000	Contract Job Requirement	50
State QTI Payment	\$32,000.00	Jobs Due	50
Local Financial Support	\$8,000.00	Confirmed Performance	139
Date Paid	2/22/2013	Scheduled Fiscal Year	2012-13
<b>The Depository Trust &amp; Clearing Corporation</b> Information Technology Hillsborough County			
Maximum QTI Award	\$2,500,000	Contract Job Requirement	400
State QTI Payment	\$100,000.00	Jobs Due	N/A
Local Financial Support	\$25,000.00	Confirmed Performance	552
Date Paid	8/21/2012	Scheduled Fiscal Year	2010-11
<b>The DISTI Corporation</b> Aviation/Aerospace Orange County			
Maximum QTI Award	\$120,000	Contract Job Requirement	30
State QTI Payment	\$12,000.00	Jobs Due	15
Local Financial Support	\$3,000.00	Confirmed Performance	27
Date Paid	1/12/2013	Scheduled Fiscal Year	2012-13
<b>The Newport Group, Inc.</b> Financial / Professional Services Seminole County			

## 2013 Incentives Report

Maximum QTI Award	\$300,000	Contract Job Requirement	60
State QTI Payment	\$26,000.00	Jobs Due	60
Local Financial Support	\$6,500.00	Confirmed Performance	101
Date Paid	11/14/2012	Scheduled Fiscal Year	2012-13
<b>Torrey Pines Institute for Molecular Studies</b>		Life Sciences	St. Lucie County
Maximum IIF Award	\$24,728,000	Contract Job Requirement	189
State IIF Payment	\$1,500,000	Jobs Due	120
Date Paid	2/5/2013	Confirmed Performance	110
<i>To date, Torrey Pines has received \$20,500,000 in IIF payments.</i>			
<b>Total Quality Logistics, LLC</b>		Manufacturing	Hillsborough County
Maximum QTI Award	\$468,000	Contract Job Requirement	156
State QTI Payment	\$6,316.93	Jobs Due	36
Local Financial Support	\$1,579.23	Confirmed Performance	47
Date Paid	9/14/2012	Scheduled Fiscal Year	2011-12
<b>Triad Isotopes, Inc.</b>		HQ	Orange County
Maximum QTI Award	\$240,000	Contract Job Requirement	30
State QTI Payment	\$48,000.00	Jobs Due	30
Local Financial Support	\$12,000.00	Confirmed Performance	93
Date Paid	4/8/2013	Scheduled Fiscal Year	2012-13
<b>Triumph Aerostructures, LLC</b>		Strategic Challenges	Martin County
Maximum QTI Award	\$300,000	Contract Job Requirement	100
State QTI Payment	\$39,000.00	Jobs Due	65
Local Financial Support	\$9,750.00	Confirmed Performance	66
Date Paid	4/26/2013	Scheduled Fiscal Year	2012-13
<b>Universal Insurance Managers, Inc.</b>		Strategic Challenges	Sarasota County
Maximum QTI Award	\$210,000	Contract Job Requirement	70
State QTI Payment	\$27,688.32	Jobs Due	57
Local Financial Support	\$6,922.08	Confirmed Performance	49
Date Paid	5/3/2013	Scheduled Fiscal Year	2012-13
<b>Xorail, Inc.</b>		Manufacturing	Duval County
Maximum QTI Award	\$165,000	Contract Job Requirement	55
State QTI Payment	\$21,000.00	Jobs Due	35
Local Financial Support	\$5,250.00	Confirmed Performance	56
Date Paid	6/5/2013	Scheduled Fiscal Year	2012-13



# FLORIDA EXPORT FINANCE CORPORATION

A NOT FOR PROFIT CORPORATION  
CREATED AND FUNDED BY THE STATE OF FLORIDA



## Annual Report

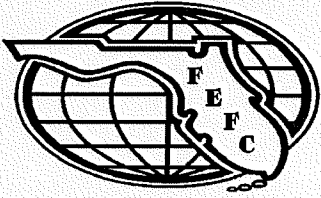
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	- Profit & Loss
	- Prior Year Comparison
	- Balance Sheet
	- Notes to Statements





# FLORIDA EXPORT FINANCE CORPORATION

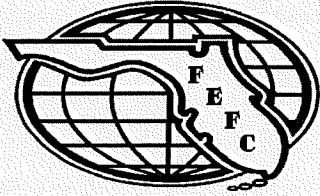
A NOT FOR PROFIT CORPORATION  
CREATED AND FUNDED BY THE STATE OF FLORIDA



## ANNUAL REPORT

January 1, 2012 - December 31, 2012

The 1993 Legislature enacted the "Florida Export Finance Corporation Act by S.S. 288.770-288.778, Florida Statutes, which required the FEFC annual report to be sent to the Governor, the President of the Florida Senate, the Speaker of the Florida House of Representatives, the Senate Minority Leader, the House Minority Leader, and Enterprise Florida, Inc. Subsequently the Legislature amended the act to require the report to be sent only to Enterprise Florida, Inc. to be included in the Enterprise Florida annual report.



# FLORIDA EXPORT FINANCE CORPORATION

A NOT FOR PROFIT CORPORATION  
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## PRESIDENT'S MESSAGE

Florida depends on international business for the vitality of its economy more than any other state. Many of Florida's business and government leaders are aware that international trade is the largest segment of our economy and has out paced the growth of any other sector by a wide margin. That we are so dependent on international trade should not be surprising given Florida's geographic location and multi ethnic population. One aspect of international trade is exporting, and exports have been increasing for the past several years.

We rely on small business to make those exports far more than any other state. Most of the small business exporters in Florida are trading intermediaries. By a wide margin over any state Florida depends on these intermediaries to make our export business move forward, and almost all trading intermediaries are small businesses. These are the entities that bear the largest burden in any economic decline. The benefits to small business from increased exports over the past several years has lagged that of our state's larger companies; however, there is evidence that many small exporters are experiencing increased demand.

The expenses and time required to obtain an export order are huge but the largest impediment is the ability, more properly described as the inability, of the small exporter to obtain adequate financing to allow fulfillment of that export order. This impediment is particularly true for an intermediary exporter who generally has a small asset base of inventory or receivables on which traditional financing can be based. Access to capital is the number one key to success for all small businesses.

Florida's banking community is large and provides enormous amounts of funding for international trade. Banking is a highly regulated industry with those regulations designed first and foremost to protect the ordinary citizen who deposits money in the bank, and secondly to protect the shareholders of the bank. This is proper, but it automatically forces banks to lend to the highest level of loan repayment expectations. In general, small business does not fall into this expectation category. Nor does the financing of export sales. Nor does the financing of an intermediary. There is no misperception here as history shows this to be true. However, exports produce a benefit to our society far greater than domestic sales and cannot be ignored simply because they have a higher risk. Nor can small business, because it is the backbone of our country and, even more so, our state. The multitude of new regulations that have been implemented since the events of "9-11" have increased the difficulty for all exporting companies but more for small business. The lending slow down affected everyone and has created a lack of assistance for small exporters. Again, access to capital is the number one key to success for all small business.

Since our inception more than 100 lenders have agreed to cooperate with the FEFC in various ways to provide assistance to exporters. Many of these lenders had not previously been involved in export trade finance. In the past, lender support for small exporters has grown as they recognize the huge business potential vested in this market. The consolidation which has and is still taking place among banks does not seem to have either helped or hindered trade finance overall, except in the case of small business where it hurts. It is very clear that the larger a bank is the larger it wants its customers to be.

Many years ago the federal government gave recognition to the importance of exports by creating the Export-Import Bank of the United States, and to small business by creating the Small Business

Administration (the FEFC has partnership agreements with both). Both Ex-Im Bank and SBA have continued to improve their efforts to make their assistance programs available to small exporters but are clearly affected by increasing regulations and the economic slowdown which now seems to be turning around.

Florida's government - cities, counties, and state - know this importance and have done many things to help small business and to increase Florida exports. However, it is a never-ending process of improvements and continuing support that will and can enhance Florida's economy through small business and exports. Florida needs more manufacturers. Our ratio of trading intermediaries to manufacturers is very heavily weighted to intermediaries. This ratio in the business of Florida's exports is almost exactly inverse to California's. Our exporting structure and the vast amount of port volume are heavily dependent on manufactured products flowing through from other states and even other countries. Florida is more in the business of exporting other states' products than those from Florida simply because of our lack of manufacturing. Economic development designed to enlarge our existing small business manufacturers, and to bring more manufacturers into Florida, would in years to come benefit the state as much or more than anything Florida is now doing. The Florida Chamber of Commerce, The Florida Manufacturers Association, and The Florida Finance Network all are attempting measures to improve small manufacturers' access to capital. The State Government needs to embrace this need.

For a number of years the preceding, with appropriate and periodic updates, has been the cornerstone of FEFC's message. During most of that time the business of exporting continually grew and lenders continually increased their commitment to trade finance. This trend stopped in 2008 when both actual exports and bank support decreased for the small exporters. Today the increase in exports has far outpaced any increase by lenders to assist small business.

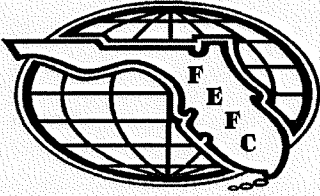
2008 saw a downturn of small business exports and 2009 was much worse and 2010 was even worse for small business. Overall exports increased starting in 2010. Small exporters are the first to feel a slowdown and the last to recover. An increasing number of foreign buyers are defaulting on payments to their Florida suppliers. This has created problems for many Florida banks and many have reduced their level of trade finance, especially to small business. Even with new efforts by all Federal and State entities offering support to exporters, both large and small, the business of almost all small individual entities declined. Our guarantee level rose from the prior year due to a new incentive with additional funding from the State of Florida. 2012 was a recovery year but lending to small business including manufacturers has not improved.

The Florida Export Finance Corporation has dedicated itself to provide all Florida small business with an opportunity of ensuring that no valid export order is lost due to the lack of financing. The key words are all small business - manufacturer, agriculture, service, or intermediary. A further key is that every export sale, no matter what its size, is beneficial to Florida. Small becomes large only step by step with each sale. The goal of the FEFC is to help small business grow, not just to make loans. This goal is achieved by offering consulting services and structuring advice to achieve stability and long term growth in addition to financial assistance.

  
J. Stephen Fancher, President & CEO

2-28-13  
Date





# FLORIDA EXPORT FINANCE CORPORATION

A NOT FOR PROFIT CORPORATION  
CREATED AND FUNDED BY THE STATE OF FLORIDA



## THE FLORIDA EXPORT FINANCE CORPORATION

### STATEMENT OF POLICY

Florida Statute 288.770, effective July 1, 1993, created and funded the Florida Export Finance Corporation (FEFC) as a not for profit corporation with an economic development mandate to expand employment and income opportunities for Florida residents.

Fulfillment of the mandate is to be accomplished by increased exports of goods and services resulting from informational, technical, and financial assistance given by FEFC to small and medium sized Florida domiciled businesses. No specific Florida content is required for the exported items but preference is given to Florida value-added transactions.

Information and technical assistance to business is offered and the FEFC will cooperate and work with other organizations to enhance the ability of Florida exporters to increase their sales and their access to programs designed to assist them. However, financial assistance is the primary service offered by the FEFC. FEFC financial assistance is available to small and medium sized companies registered to do business in the State of Florida; with less than 250 employees and less than a \$6,000,000 net worth; only for export transactions; only for goods and services being shipped from Florida; and only when the inability to obtain financing elsewhere is demonstrated.

FEFC financial assistance is in the form of a loan guarantee generally for short term transactions. The FEFC may have guarantees outstanding at any one time not greater than five times the FEFC Fund amount at such time.

In order to make full use of its leveraging authority FEFC financial assistance to exporters is in the form of guarantees given to commercial lenders who make loans to exporters to support a verified foreign order. The exporter may apply directly to the FEFC for a loan guarantee or, a lender may apply on behalf of an exporter. The maximum amount FEFC will consider guaranteeing is \$500,000 and the FEFC guarantee may not exceed 90% of the loan value. The loan is to be secured by the foreign receivable generated by the sale. Ex-Im Bank or other acceptable foreign risk insurance should be obtained where possible.

The FEFC does not make grants nor will it issue loan guarantees unless they can be secured in a manner which assures a high probability of repayment. The FEFC paperwork will be the minimum necessary and its fees and rates will be as low as possible. FEFC loan guarantees will require the lender to follow all customary and prudent lending practices.

The FEFC will consider guarantees to exporters only when commercial lenders have turned down an exporter's loan request. This could occur, even if an exporter is creditworthy, when a

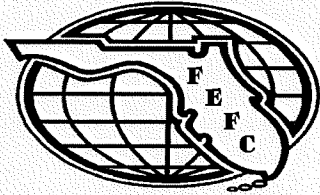
transaction is too small or too short term to produce a profit for the lender. If the need of the exporter is post-shipment related, i.e., offering payment terms to the foreign buyer, FEFC will assist the exporter in applying for coverage under a foreign risk insurance policy which mitigates the risk of an exporter loan default due to non payment by a foreign buyer. Many exporters will also need pre-shipment loans, i.e., purchasing the materials required to fill the order of a foreign buyer.

The agreement of lenders to accept the FEFC guarantee is dependent on many factors. The question of safety is paramount and is reflected by FEFC's credit policy, the risk mitigation arrangements which the FEFC has, and the size of the FEFC Fund. Where possible FEFC will use the risk mitigation programs of Ex-Im Bank or other acceptable means. FEFC's credit policy and procedures have been formulated by FEFC's Board of Directors to evolve based on FEFC's delineated market and acting as an economic development entity. These individuals all have extensive experience in commercial lending, export sales, and trade finance representing and blending the expertise of lenders and exporters, both large and small.

FEFC's Board of Directors recognizes the wide gap between the financing needs of small and medium sized exporters and the conservative approach required of conventional lenders, especially when it concerns trading companies who by many lending definitions are viewed as being undercapitalized with insufficient collateral. The bridging of this financial "gap" and the mandate to assist and nurture the growth of qualified Florida exporters is the guiding principle of FEFC's Board of Directors. Application of FEFC's credit policy and procedures will always consider this factor.

The FEFC accounts and records are maintained by the Corporation with audits by independent auditors and regular reviews by the State of Florida. The FEFC Fund is under the full control of FEFC's Board of Directors and is separate from any other funds. Additional funding may be appropriated each year by the State of Florida or from other sources, both public and private. The Corporation's administrative expenses are allocated from the FEFC Fund in accordance with an operating budget approved by the Board of Directors. All fees, interest income, investment income, or any other income is deposited directly to the FEFC Fund. Investments are made under rules established in Florida Statutes and in accordance with policy established by FEFC's Board of Directors.

The policy of the Board of Directors is to operate the FEFC in a sound and prudent manner which will accomplish the purposes and requirements of the Corporation as set forth in Florida Statutes while safeguarding and increasing its assets. The Board has established a credit committee, an audit and examination committee, an asset and liability committee, a management review committee, and an executive committee. Each committee has specific responsibilities concerning establishing and overseeing policies and procedures of the Corporation.



# FLORIDA EXPORT FINANCE CORPORATION

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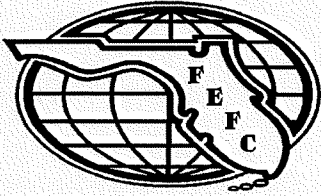
## YEAR 2012 FACT SHEET

- \*July 5, 1992 - Business Plan presented to and approved by Governor's Office
- \*July 1, 1993 - Enabling Statute FS 288.770/8
- \*August 16, 1993 - First employee
- \*November 5, 1993 - Programs/Policies approved by Board and Governor's Office
- \*February 2, 1994 - Began accepting Loan and Loan Guarantee applications
- \*November 1, 1994 - Became member of Ex-Im Bank City/State Program
- \*May 1, 1995 - Signed Co-Guarantee Agreement with SBA
- \*December 1, 1995 - Ex-Im Bank Umbrella Insurance Policy activated
- \*July 1, 1996 - Increased Capital Grant by State
- \*September 18, 1996 - Ex-Im Bank Delegated Authority received
- \*July 1, 1997 - State Grants Self-Sufficiency Capital
- \*December 31, 1998 - Achieved Self-Sufficiency
- \*July 1, 2010 - Additional capital of \$4.9 million granted by the State
- \*February 1, 2012 - Additional capital of \$2.09 million granted by the SSBCI

<u>Note:</u> figures are cumulative from inception except where noted	<u>12/31/12</u>
Medium term (over 1yr.) loans commitments arranged on behalf of small Florida exporters	\$1,797,665,000
Export value of Political and Credit Risk Insurance arranged to support sales of small Florida exporters	\$ 248,800,000
Export value covered by FEFC loan guarantee commitments for small Florida exporters	\$ 393,731,000
Total value assisted (100% small business/ approx. 72% minority and women owned)	\$2,440,196,000
Total for 2012 activities	\$ 48,970,000
Total Grants received (1993/2012) \$12,590,000 Capital - \$1,000,000 Operating Expenses	\$ 13,590,000
Net Worth of FEFC - 12/31/12	\$ 9,578,658
Total number of seminars -	382
FEFC seminar attendance - Exporters	13,074
- Bankers	2,498

FEFC Status - Non stock not for profit corporation with IRS 501(c)3 status  
13 Member Board of Directors (3 Government/10 Private Sector)  
Loan Defaults – 25 (\$3,710,991 Net Loss)

Legislative Mandate - To increase job opportunities and income for residents of Florida by providing financial, technical, and consulting assistance to small and medium sized Florida companies in support of their export sales.



# FLORIDA EXPORT FINANCE CORPORATION

A NOT FOR PROFIT CORPORATION  
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To Financial Professionals:

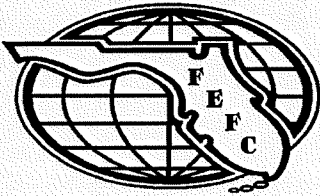
All of us who offer financial services to businesses in the State of Florida know the unique nature of our market. Many of your clients could be defined as small businesses, and many of those export goods and services to foreign markets. Indeed, small businesses are the major engine of employment, economic growth, and exporting in our State.

Despite their importance to our economy, far too often they lack access to the financing they need. This is especially true of small business which need financing for their export transactions. The Florida Export Finance Corporation (FEFC) was created by the State of Florida as a not-for-profit corporation, with a mandate to expand employment and income opportunities by supporting the export of goods and services from the State.

The FEFC offers information, technical and consulting assistance to exporters throughout the State of Florida. Financial assistance, though, is our chief service. The FEFC will guarantee a lender's revolving line up to a maximum of \$500,000. Applicants for a loan guarantee must be exporters based in Florida who have been turned down by at least one potential lender.

The FEFC is a member of the City/State program of the Export-Import Bank of the United States and offers Florida exporters access to U.S. Government export assistance programs offered by the Ex-Im Bank and the SBA. Services include packaging for the loan, insurance and guarantee programs offered by these agencies.

This pamphlet reviews our general services. We ask that you bring to your client's attention the many opportunities available to them to enhance their success as exporters. One call or visit to our offices is all that is necessary to learn about these opportunities. Applications are available on the Internet or upon request.



# FLORIDA EXPORT FINANCE CORPORATION

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## EXPORT FINANCE ASSISTANCE FOR FLORIDA COMPANIES

A major hurdle for many businesses seeking to take advantage of the opportunities offered by expanding foreign markets is access to affordable working capital. The State of Florida, working in partnership with the federal government and the State's lending community has lowered this hurdle for small and medium-sized businesses.

### FLORIDA EXPORT FINANCE CORPORATION

Access up to \$500,000 in loan guarantees is available to Florida's small and medium-sized businesses through the Florida Export Finance Corporation (FEFC). The FEFC was created by the State in 1993 as a not for profit corporation with a mandate to expand employment and income opportunities to Florida residents by increased exports of goods and services resulting from assistance given by the FEFC to Florida companies. Information, technical, and consulting assistance is offered. However, financial assistance is the primary service offered by the FEFC. Guarantees are transaction specific but normally issued as a revolving line of credit. This program, operating in partnership with Florida's lending community, is designed to assist the State's smaller exporters by giving them improved access to affordable working capital.

#### FEFC FEATURES:

- Loan guarantees for the lesser of 90% of the loan or \$500,000.
- No minimum size.
- May be used to support loan or standby letter of credit.
- Available for pre-export working capital and/or post-export receivables financing.
- Maximum term for pre or post-export is 180 days, combination is 360 days.
- Reduced turn-around time for approval.
- Flexible collateral requirements.

#### FEFC PROGRAM CRITERIA

- Shipment must be from Florida.
- Products do not have to be made in Florida.
- Must be a small/medium sized Florida company.
- Must have received a turndown from conventional lender or apply jointly with a lender.

#### FEFC PROGRAM FEES:

- \$250 application fee.
- A facility fee based on maximum allowable outstanding at any one time.

### EXPORT-IMPORT BANK OF THE UNITED STATES AND SMALL BUSINESS ADMINISTRATION CITY/STATE PROGRAM

The FEFC is a member of the City/State program and offers Florida exporters access to export assistance programs offered by the Ex-Im Bank and the SBA. Services include packaging for Ex-Im Bank and SBA export working capital guarantees, and other loan, insurance and guarantee programs offered by these agencies.

#### FEFC PACKAGING, CREDIT INSURANCE, AND CO-GUARANTEE PROGRAMS

Financing assistance provided by the City/State Program focuses on the packaging and expedited processing of applications. The FEFC will assist exporters and lenders in arranging loans exceeding the FEFC limit in order to



complete an export sale of any size including Ex-Im Bank product and project loans and SBA loans. The FEFC will assist exporters and lenders in obtaining credit insurance to mitigate foreign risk.

### REFERRAL SERVICES

FEFC staff maintains up-to-date knowledge of exporter assistance programs offered by these federal agencies, as well as working relationships with their staffs. This combination allows us to recommend the best match between an exporter's financial need and available assistance and provide quick access to that assistance.

Products offered by Ex-Im Bank include:

- working capital guarantees/ medium-term guarantees/direct project guarantees/foreign credit insurance

*SBA also offers working capital guarantees in support of export sales.*

The export working capital guarantee programs of Ex-Im Bank and SBA are organized in a complimentary fashion. These programs are collectively referred to as the Export Working Capital Program. This program offers:

### EWCP FEATURES:

- Guarantees to support specific transactions or a revolving line
- No minimum or maximum amount (though the amount requested will determine which agency will make the guarantee)

### EWCP ELIGIBILITY CRITERIA:

- Exporter must have been in business at least one year
- Exporter must be able to demonstrate financial strength to support loan
- Export transaction must involve a country approved by Ex-Im Bank's Country Limitation Schedule
- Exporting company must have business operations in Florida.

Though the EWCP is operated jointly by the two agencies, certain features of the program are unique to each agency. The financing needs of the exporter, the nature of their business and the products being exported will determine which of the agencies will make the guarantee.

The most important of the defining criteria is the amount of financing being requested:

**Ex-Im Bank**  
**Guarantee requests exceeding \$1,000,000**  
**(Up to 90% of loan)**

**SBA**  
**Guarantee requests below \$1,000,000**  
**(Up to 90% of loan)**

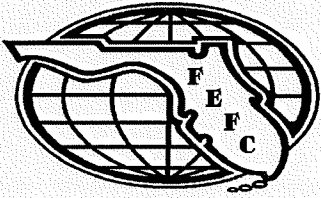
### UNIQUE EX-IM BANK FEATURES

- Maximum term of financing is 1 year
- Exporter must be profitable
- No military sales
- Export product must exceed 50% U.S. origin
- Preliminary commitment for 6 months
- Master Agreements with community banks thru FEFC

### UNIQUE SBA FEATURES:

- Exporter must be a small business as defined by SBA
- Maximum term of financing is 3 years
- Military sales are allowed
- No. U.S. content requirement
- Preliminary commitment for 60 days

**PLEASE CALL THE FEFC OFFICE FOR FURTHER INFORMATION  
ON PROGRAM LIMITATIONS & CRITERIA**



# FLORIDA EXPORT FINANCE CORPORATION

A NOT FOR PROFIT CORPORATION  
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President & CEO:

J. Stephen Fancher

## BOARD OF DIRECTORS

<u>Represents</u>			
1.	NW Florida: Region 1	Todd G. Kocourek, President & CEO Florida First Capital Finance Corp. P. O. Box 4166 Tallahassee, FL 32315-4166 850/222-5198 FAX 850/222-7284	10/13
2.	NE Florida: Region 2	Cathy Hagan University of North Florida Small Business Development Center 12000 Alumni Drive Jacksonville, FL 32224 904/620-2478 FAX	07/15
3.	Central Florida: Region 3 National Bank	David Matos, Vice President TD Bank 1560 Orange Avenue Suite 300 Winter Park, FL 32789 407/6223513 PH 407/4085816 CELL	07/14
4.	West Central Florida: Region 4	Salvatore M. Pontillo 3521 Autumn Glen Dr. Valrico, FL 33594 813/505-2157	04/15
5.	SW Florida: Region 5	Penny S. Phillippi, Executive Director Collier County Redevelopment Agency 2210 Immokalee Drive Immokalee, FL 34142 Cel: 239/285-7635	06/13
6.	South Florida: Region 6	Adolfo D. Martinez, Managing Partner ADM Financial LLC 9230 S.W. 36 <sup>th</sup> Street Miami, FL 33165 305/798-3392 FAX 305/207-3425	04/15
7.	Insurance:	Art Warner, Vice President ARI Global Insurance 19106 Two River Lane Boca Raton, FL 33498 561/ 353-1170 FAX 561/353-1172	01/15

8. Foreign Bank: Efrain Lopez 03/15  
Gateway Commerce Finance  
340 SE 1<sup>st</sup> Street  
Delray Beach, FL 33483  
561/734-2706 Fx: 561/734-2708  
Cell: 954/682-6201
9. State Bank: Ignacio Hernandez, Senior Vice President 06/14  
Ocean Bank  
  
780 NW 42<sup>nd</sup> Avenue  
Suite 401  
Miami, FL 33126  
305/5695435 PH  
305/9653670 CELL
10. Small/medium exporter: Daniel M. Schwartz, Director 07/14  
Hencorp  
777 Brickell Avenue, Ste 1010  
Miami, FL 33131  
305/4169110
11. Secretary of State: Ken Detzner  
Designee: Jennifer Kennedy, Deputy Secretary  
Florida Department of State  
R. A. Gray Building  
500 S. Bronough  
Tallahassee, FL 32399-0250  
850/245-6525 FAX 850/245-6125
12. Chief Financial Officer: Jeff Atwater, CFO  
Designee: Maria J. Boue, President  
Paris Trading, Inc.  
5313 Collins Avenue, Ste. 1005  
Miami Beach, FL 33140  
786/281-9764 Fax 305/866-3068
13. Enterprise Florida CEO: Gray Swoope  
Designee: Manny Mencia, Vice President  
Enterprise Florida International Trade  
201 Alhambra Circle #610  
Coral Gables, FL 33134  
305/808-3660 FAX 305/808-3586

CHAIR - SAL PONTILLO  
VICE CHAIR - TODD KOCOUREK  
TREASURER - ADOLFO MARTINEZ  
SECRETARY - DANIEL SCHWARTZ

Revised: 1/1/13

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Cash Basis

FLORIDA EXPORT FINANCE CORPORATION

**Balance Sheet**

As of December 31, 2012

	<u>Dec 31, 12</u>
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Checking/Savings</b>	
DEPOSIT	105,669.91
FEFC/SPIA - see notes	8,629,690.98
OPERATING ACCT	<u>22,652.69</u>
<b>Total Checking/Savings</b>	8,758,013.58
<b>Other Current Assets</b>	
LOANS - see notes	827,516.12
SECURITY DEPOSIT	<u>2,713.50</u>
<b>Total Other Current Assets</b>	830,229.62
<b>Total Current Assets</b>	<u>9,588,243.20</u>
<b>TOTAL ASSETS</b>	<u><b>9,588,243.20</b></u>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Other Current Liabilities	
CUSTOMER DEPOSIT	<u>9,585.54</u>
<b>Total Other Current Liabilities</b>	<u>9,585.54</u>
<b>Total Current Liabilities</b>	<u>9,585.54</u>
<b>Total Liabilities</b>	9,585.54
<b>Equity</b>	
OPENING CAPITAL	100,000.00
PAID IN CAPITAL	12,490,000.00
RETAINED EARNINGS	-1,234,410.45
Net Income	<u>-1,776,931.89</u>
<b>Total Equity</b>	<u>9,578,657.66</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><b>9,588,243.20</b></u>

FLORIDA EXPORT FINANCE CORPORATION  
**Profit & Loss**  
January through December 2012

	<u>Jan - Dec 12</u>
<b>Ordinary Income/Expense</b>	
Income	
APP FEES	7,500.00
GUAR FEES	231,250.01
INVESTMENT INCOME	202,656.37
REIMB EXP	24,056.10
SERVICE FEES	350.00
<b>Total Income</b>	<u>465,812.48</u>
<b>Gross Profit</b>	465,812.48
Expense	
BANK CHARGES	617.95
BOARD	2,856.95
DUES	2,865.00
EMPLOYEE BENEFITS	95,267.62
EQ PURCHASE	5,321.75
EQUIP RENT	4,946.46
INSURANCE	9,631.46
INTEREST PAID	9,701.12
MISC EXPENSES	939.35
OFFICE SUPP/PRINTING	7,529.10
PAYROLL	339,300.12
PAYROLL TAXES	25,107.64
POSTAGE	1,628.12
PROFESSIONAL FEES	17,150.00
RENT	44,340.60
REPAIR & MAINT	997.50
TAXES	25.00
TELEPHONE	7,397.39
TRAVEL	8,547.90
UTILITIES	1,872.69
<b>Total Expense</b>	<u>586,043.72</u>
<b>Net Ordinary Income</b>	-120,231.24
<b>Other Income/Expense</b>	
Other Income	
RECOVERIES	129,482.71
<b>Total Other Income</b>	<u>129,482.71</u>
Other Expense	
CLAIMS	1,786,183.36
<b>Total Other Expense</b>	<u>1,786,183.36</u>
<b>Net Other Income</b>	<u>-1,656,700.65</u>
<b>Net Income</b>	<u><u>-1,776,931.89</u></u>

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FLORIDA EXPORT FINANCE CORPORATION  
**Profit & Loss Prev Year Comparison**  
January through December 2012

	Jan - Dec 12	Jan - Dec 11	\$ Change	% Change
<b>Ordinary Income/Expense</b>				
<b>Income</b>				
APP FEES	7,500.00	10,000.00	-2,500.00	-25.0%
GUAR FEES	231,250.01	165,076.98	66,173.03	40.1%
INVESTMENT INCOME	202,656.37	150,067.16	52,589.21	35.0%
REIMB EXP	24,056.10	24,170.00	-113.90	-0.5%
SERVICE FEES	350.00	80.00	270.00	337.5%
<b>Total Income</b>	<u>465,812.48</u>	<u>349,394.14</u>	<u>116,418.34</u>	<u>33.3%</u>
<b>Gross Profit</b>	465,812.48	349,394.14	116,418.34	33.3%
<b>Expense</b>				
BANK CHARGES	617.95	311.84	306.11	98.2%
BOARD	2,856.95	3,380.93	-523.98	-15.5%
CREDIT REPORTS	0.00	145.00	-145.00	-100.0%
DUES	2,865.00	4,215.00	-1,350.00	-32.0%
EMPLOYEE BENEFITS	95,267.62	112,872.43	-17,604.81	-15.6%
EQ PURCHASE	5,321.75	0.00	5,321.75	100.0%
EQUIP RENT	4,946.46	4,043.76	902.70	22.3%
INSURANCE	9,631.46	9,328.04	303.42	3.3%
INTEREST PAID	9,701.12	27,024.12	-17,323.00	-64.1%
MISC EXPENSES	939.35	1,684.63	-745.28	-44.2%
OFFICE SUPP/PRINTING	7,529.10	7,802.88	-273.78	-3.5%
PAYROLL	339,300.12	343,900.12	-4,600.00	-1.3%
PAYROLL TAXES	25,107.64	25,144.56	-36.92	-0.2%
POSTAGE	1,628.12	1,716.50	-88.38	-5.2%
PROFESSIONAL FEES	17,150.00	18,100.38	-950.38	-5.3%
RENT	44,340.60	49,412.93	-5,072.33	-10.3%
REPAIR & MAINT	997.50	603.61	393.89	65.3%
TAXES	25.00	25.00	0.00	0.0%
TELEPHONE	7,397.39	6,916.49	480.90	7.0%
TRAVEL	8,547.90	7,151.07	1,396.83	19.5%
UTILITIES	1,872.69	2,201.33	-328.64	-14.9%
<b>Total Expense</b>	<u>586,043.72</u>	<u>625,980.62</u>	<u>-39,936.90</u>	<u>-6.4%</u>
<b>Net Ordinary Income</b>	-120,231.24	-276,586.48	156,355.24	56.5%
<b>Other Income/Expense</b>				
<b>Other Income</b>				
RECOVERIES	129,482.71	18,369.86	111,112.85	604.9%
<b>Total Other Income</b>	129,482.71	18,369.86	111,112.85	604.9%
<b>Other Expense</b>				
CLAIMS	1,786,183.36	181,165.55	1,605,017.81	885.9%
<b>Total Other Expense</b>	1,786,183.36	181,165.55	1,605,017.81	885.9%
<b>Net Other Income</b>	-1,656,700.65	-162,795.69	-1,493,904.96	-917.7%
<b>Net Income</b>	<u><u>-1,776,931.89</u></u>	<u><u>-439,382.17</u></u>	<u><u>-1,337,549.72</u></u>	<u><u>-304.4%</u></u>

NOTES TO FEFC FINANCIAL STATEMENTS

12/31/12

1. The FEFC is a 501(c)3 Not For Profit Corporation utilizing modified cash accounting.
2. Florida Statutes establish the FEFC **Guarantee Account** as the net worth of the FEFC. This amount is available to pay any claims against FEFC loan guarantee commitments.
3. Florida Statutes authorize the FEFC to have outstanding loan guarantee commitments (contingent liabilities) of five times the balance of the Guarantee Account, and allow the FEFC Board of Directors to reduce this leveraging ratio at its discretion. The leveraged amount is the FEFC **Guarantee Authority**.
4. The FEFC **Guarantee Fund** was established by the FEFC, within the Guarantee Account, and represents grants specifically directed by the board to support FEFC loan and loan guarantee commitments. The FEFC uses the Guarantee Fund as a conservative base for establishing the Guarantee Authority.

5.	<u>Guarantee Account</u>	<u>Guarantee Fund</u>	<u>Guarantee Authority</u>
12/31/12	\$9,578,658	\$8,629,691	\$43,148,455
Outstanding		3,240,000	16,200,000
Available		5,389,691	26,948,455

A) Guarantee Account - Net worth of the FEFC at any point in time.

B) Guarantee Fund - Guarantee Account less retained earnings and other capital not specifically designated for loan and loan guarantee commitments.

C) Guarantee Authority - Five times the Guarantee Fund. (See note 5D)

D) Outstanding - Existing FEFC guarantee commitments (contingent liabilities) at full value against the Guarantee Authority and at 20% of such value against the Guarantee Fund. FEFC loans are applied at full value against both the Guarantee Authority and the Guarantee Fund. (See Note 6)

E) Available - Guarantee Authority/Fund less Outstanding's.

F) At 12/31/12 loans and loan guarantee commitments outstanding equal 1.69 times the Guarantee Account, 1.88 times the Guarantee Fund, and 37.5% of the Guarantee Authority.

6. All outstanding loans (\$827,516) were originally guarantees, which were converted to loans by FEFC as a result of paying the lender claims. All loans are performing marginally and if all were considered as total losses and eliminated from the Balance Sheet FEFC's resulting net worth would be \$8,750,725.
7. Capital includes \$2,090,000 received in 2012 from the Federal Government under the State Small Business Credit Initiative Program and usable only to support guarantees designated as SSBCI.

**INCOME STATEMENT**  
**TWELVE MONTHS ENDING ON DATE SHOWN**

	12/31/93	12/31/94	12/31/95	12/31/96	12/31/97	12/31/98	12/31/99	12/31/00	12/31/01	12/31/02
<b>Income</b>	\$ 6,389	\$174,950	\$407,997	\$432,654	\$564,150	\$681,845	\$489,603	\$539,123	\$697,994	\$399,537
<b>Expenses</b>	29,566	162,824	232,073	289,522	335,362	497,265	418,072	477,443	570,335	764,003
<b>Profit (Loss)</b>	(23,177)	12,126	175,924	143,132	228,778	184,580	71,531	91,680	127,689	(364,466)
	12/31/03	12/31/04	12/31/05	12/31/06	12/31/07	12/31/08	12/31/09	12/31/10	12/31/11	12/31/12
<b>Income</b>	\$728,196	\$266,870	\$535,702	\$833,310	\$925,082	\$585,981	\$250,037	\$378,257	\$367,764	\$595,295
<b>Expenses</b>	502,043	471,708	386,735	463,160	861,906	1,125,819	1,515,546	619,325	807,146	2,372,227
<b>Profit (Loss)</b>	226,153	(204,838)	148,967	370,150	63,176	(539,837)	(1,265,509)	(241,068)	(439,382)	(1,776,932)

<b>Cumulative</b>
<b>\$9,860,737</b>
<b>12,872,080</b>
<b>(3,011,343)</b>

**BALANCE SHEET**

As of date shown

	12/31/93	12/31/94	12/31/95	12/31/96	12/31/97	12/31/98	12/31/99
<b>Capital</b>	\$1,000,000	\$1,000,000	\$1,000,000	\$2,500,000	\$4,800,000	\$5,600,000	\$5,600,000
<b>Retained Earnings</b>	(23,177)	(11,053)	164,841	308,007	536,795	721,375	792,906
<b>Net Worth</b>	975,823	988,949	1,164,874	2,808,007	5,336,795	6,321,375	6,392,906

	12/31/00	12/31/01	12/31/02	12/31/03	12/31/04	12/31/05	12/31/06
<b>Capital</b>	\$5,600,000	\$5,600,000	\$5,600,000	\$5,600,000	\$5,600,000	\$5,600,000	\$5,600,000
<b>Retained Earnings</b>	884,586	1,012,245	647,779	873,931	669,094	818,061	1,188,210
<b>Net Worth</b>	6,484,586	6,612,245	6,247,779	6,473,931	6,269,094	6,418,061	6,788,510

	12/31/07	12/31/08	12/31/09	12/31/10	12/31/11	12/31/12
<b>Capital</b>	\$5,600,000	\$5,600,000	\$5,600,000	\$6,825,000	\$10,500,000	\$12,590,000
<b>Retained Earnings</b>	1,251,386	711,549	(553,960)	(795,028)	(1,234,410)	(3,011,342)
<b>Net Worth</b>	6,851,386	6,311,549	5,046,040	6,029,972	9,265,590	9,578,658