



# The Florida Senate

Interim Project Report 2005-111

December 2004

Committee on Commerce and Consumer Services

Senator James E. "Jim" King, Jr., Chair

## A REVIEW AND EVALUATION OF THE FLORIDA ENTERPRISE ZONE PROGRAM AND INCENTIVES

### SUMMARY

Evaluating Florida's enterprise zone program presents challenges because each community with a zone may view the role of the program in different ways, such as for accomplishing traditional economic development, or for overall zone community improvement. The program itself has general goals of improving zone conditions such as pervasive poverty and unemployment. However, the program lacks measurable goals and outcomes, and lacks the flexibility to tailor its criteria and incentives to the needs of the local zone community. This report evaluates the enterprise zone program, describes obstacles facing communities with enterprise zones, and, in conclusion, recommends that the overall program be reenacted. Additionally, this report offers ideas for greater program accountability and flexibility.

### BACKGROUND

#### Florida Enterprise Zone Program

The Florida Enterprise Zone Act of 1994 (act), codified in ss. 290.001-290.016, F.S., was created:

to provide the necessary means to assist local communities, their residents, and the private sector in creating the proper economic and social environment to induce the investment of private resources in productive business enterprises located in severely distressed areas and to provide jobs for residents of such areas.<sup>1</sup>

Under the act, areas of the state meeting specified criteria, including suffering from pervasive poverty, unemployment, and general distress, have been

designated as enterprise zones. The act established a process for the nomination and designation of a maximum of 20 enterprise zones (ss. 290.0055 and 290.0065, F.S.). Subsequent to the 1994 act, however, the Legislature has authorized additional zones. Currently, there are 51 state enterprise zones, including 26 rural zones and 25 urban zones. There are also three Federal Enterprise Communities and two Federal Empowerment Zones. Certain federal, state, and local incentives are authorized to induce private businesses to invest in these enterprise zones.



#### State Incentives

The program's incentives are as follows:

- Jobs credit against corporate income taxes: Businesses located in an enterprise zone which pay Florida corporate income taxes are authorized to receive a tax credit against their tax liability based on the amount of wages paid to new employees who are either residents of an enterprise zone or participants in a welfare transition program.<sup>2</sup>
- Jobs credit against sales tax: Businesses located within an enterprise zone which collect and pay Florida sales and use tax are allowed a credit

<sup>1</sup> Section 290.003, F.S.

<sup>2</sup> Section 220.181, F.S.

against their sales tax due based on the amount of wages paid to new employees who are either residents of an enterprise zone or participants in a welfare transition program.<sup>3</sup>

- Property tax credit: New, expanded, or rebuilt businesses located within an enterprise zone are allowed a credit on their Florida corporate income tax based on the amount of property taxes paid.<sup>4</sup>
- Sales tax refund for building materials: A refund is available for sales taxes paid on the purchase of building materials used in the rehabilitation of real property in an enterprise zone. The amount of the refund is the lesser of 97 percent of the sales taxes paid or \$5,000, or, if 20 percent or more of the business's employees reside in an enterprise zone, the lesser of 97 percent of the sales taxes paid or \$10,000.<sup>5</sup>
- Sales tax refund for business property used in an enterprise zone: A refund is available for sales taxes paid on the purchase of business property with a purchase price of \$5,000 or more purchased by and for use in a business located in an enterprise zone. The amount of the refund is the lesser of 97 percent of the sales taxes paid or \$5,000, or, if 20 percent or more of the business's employees reside in an enterprise zone, the lesser of 97 percent of the sales taxes paid or \$10,000.<sup>6</sup>

### **Local Incentives**

The following are examples of local incentives:

- Sales tax exemption for electrical energy used in an enterprise zone: A sales tax exemption (state and local taxes) is available to qualified businesses located in an enterprise zone on the purchase of electrical energy. This exemption is only available if the municipality in which the business is located has passed an ordinance to exempt the municipal utility taxes on such business.<sup>7</sup>
- Economic development ad valorem tax exemption: Up to 100 percent of the assessed value of improvements to real or tangible property of a new or expanded business located in an enterprise zone may be exempted from property taxes if the voters of a municipality authorize the governing body of the municipality to grant such exemptions.<sup>8</sup>

- Occupational license tax exemption: By ordinance, the governing body of a municipality may exempt 50 percent of the occupational license tax for businesses located in an enterprise zone.<sup>9</sup>
- Local impact fee abatement or reduction, or low-interest or interest-free loans, or grants to businesses.<sup>10</sup>

### **State Agencies**

The Governor's Office of Tourism, Trade, and Economic Development (OTTED) administers the Florida Enterprise Zone Act; the Department of Revenue reviews and approves or denies a business's application for enterprise zone tax credits; and Enterprise Florida, Inc., is responsible for marketing the act.

### **Program Expiration**

The Florida Enterprise Zone Act (act) is scheduled for repeal on December 31, 2005, as provided by s. 37, ch. 94-136, L.O.F. Although most of the statutory authority for the act expires on December 31, 2005, some of the state tax incentives for the act are scheduled to expire on June 30, 2005. (See, for example, ss. 212.08(5)(q) and 220.181(9), F.S.) The purpose of this report is to evaluate the act and provide input to the Legislature regarding the possible continuation of the act.

## **METHODOLOGY**

Committee staff provided written surveys to and solicited input from enterprise zone coordinators, economic development organizations, businesses using incentives, and businesses in an enterprise zone not using incentives. Interviews of staff from the Office of Tourism, Trade, and Economic Development and the Department of Revenue were also conducted. Committee staff also conducted site visits to several urban and rural zones followed by in-person interviews with local enterprise zone coordinators and local economic development officials. In addition, committee staff reviewed previous studies and economic development literature regarding enterprise zones. The Legislature's Office of Economic and Demographic Research provided various points of data on a number of enterprise zones based upon census tract information from the 1990 and 2000 census.

<sup>3</sup> Section 212.096, F.S.

<sup>4</sup> Section 220.182, F.S.

<sup>5</sup> Section 212.08(5)(g), F.S.

<sup>6</sup> Section 212.08(5)(h), F.S.

<sup>7</sup> Sections 212.08(15) and 166.231(8), F.S.

<sup>8</sup> Section 196.1995, F.S.

<sup>9</sup> Section 205.054, F.S.

<sup>10</sup> Section 290.0057(1)(e), F.S.

## FINDINGS

### Perceptions of the Enterprise Zone Program

One of the theories behind the enterprise zone as an economic development tool is the spatial mismatch theory, which reasons that “inner-city residents face high rates of joblessness because they are spatially separated from suburban job opportunities.”<sup>11</sup> As committee staff found through site visits and survey responses, the spatial mismatch theory has evolved into two views of the enterprise zone program. One view of the program is that it is designed to encourage private investment in moderate to low income areas, and to provide jobs to zone residents, which is essentially traditional economic development. The second view regards the enterprise zone program as part of the toolbox for overall zone community development. In this view, the enterprise zone program is a state investment in a zone to help stimulate development, but is also designed to bring about zone community pride and identity. Under this view, a business may stay in the enterprise zone not only because it may qualify for some type of incentive, but also because it sees itself as part of a greater, identifiable zone community that needs businesses to stay to help the zone prosper. To understand further how communities perceive the enterprise zone program, committee staff requested that economic development professionals and enterprise zone coordinators rank, in order of importance, various possible goals of the enterprise zone program. The results were: 1) economic development; 2) business retention; 3) employment; 4) investment in equipment/buildings; 5) poverty reduction; 6) community revitalization; and 7) housing enhancement. The results illustrate that the majority of those surveyed tend to see the program’s purpose more for traditional economic development than for overall zone community revitalization.

### Measures of Success

The enterprise zone program attempts to address difficult economic issues in severely distressed areas by encouraging private investment and job creation in those areas.<sup>12</sup> How well this occurs depends greatly on how success is measured by a community. On the local level, success is frequently measured, if measured at all, by the number of projects completed that took

advantage of enterprise zone incentives, and by the number of jobs created in the enterprise zone. The activity results in the Florida Enterprise Zone Program Annual Reports,<sup>13</sup> described below, are typically viewed by the economic development community as the measure of success for the program.

FISCAL YEAR	NEW OR RELOCATED BUSINESSES	JOBS CREATED	NUMBER OF ZONES	STATE INCENTIVES USED
2002-2003	2,268	5,057	51	\$5,401,583
2001-2002	1,244	5,630	47	\$6,739,551
2000-2001	654	6,394	34	\$4,746,396
1999-2000	766	5,141	34	\$5,458,835
1998-1999	776	5,305	32	\$5,170,899
1997-1998	151	3,572	31	\$4,495,218
1996-1997	434	4,573	30	\$4,449,941
1995-1996	128	2,188	19	\$3,437,344

In the 2002-2003 annual report, 14 of the 51 zones reported no incentive activity in their respective zones, although the Department of Revenue is unable to track use of the jobs tax credit or the property tax credit against corporate income tax. However, measuring success through activity levels does not necessarily measure whether the community conditions are actually improving.

One strategy for measuring success may be to develop measurable goals for enterprise zone communities in combination with counting zone incentive activity levels that would be reported to the Governor. A model for measurement of objectives in enterprise zones was offered by the Colorado Auditor General in a 2001 annual review of Colorado enterprise zones,<sup>14</sup> described in part below.

- **Mission:**  
To improve economic conditions in the zone for the purpose of providing a prosperous and stable economy.
- **Objectives:**
  - 1) Work with existing and potential businesses and industries to expand employment opportunities within the zone.

<sup>11</sup> Alan H. Peters & Peter S. Fisher, *State Enterprise Zone Programs: Have They Worked?* 6 (W.E. Upjohn Institute for Employment Research) (2002).

<sup>12</sup> Section 290.003, F.S.

<sup>13</sup> Issued March 1 by the Governor’s Office of Tourism, Trade, and Economic Development (OTTED).

<sup>14</sup> Report of Colorado State Auditor, *Review of the Enterprise Zone Program Annual Report August 2001*, p. 20, available at [http://www.state.co.us/gov\\_dir/audit\\_dir/2002/2002perf/1388.pdf](http://www.state.co.us/gov_dir/audit_dir/2002/2002perf/1388.pdf), last visited Nov 15, 2004.

2) Develop transportation opportunities to assist low-to-moderate-income residents to become self-sufficient.

• **Strategies/Action Plans:**

*Objective 1)* 1. Establish a Counseling Business Operational Center to identify potential businesses, develop training programs, assist with obtaining financing, and provide information on tax credits. 2. Develop an interactive Web page for companies seeking to relocate or expand in the zone.

3. Encourage the development of niche businesses including Internet marketing, cottage industries, value-added industries, home-based businesses, etc.

*Objective 2)* Develop a transportation strategic plan to provide access to all enterprise zone residents.

• **Benchmarks/Output Measures:**

1. 3 industrial sites will be developed and available for new or expanding business and industry by the end of 200\_\_.

2. 75 percent of existing businesses and industries within the zone will participate in a Business and Industry Retention Survey.

3. The number of new businesses and industries will grow by a minimum of \_\_\_ percent annually.

4. Thirty additional jobs for low-to-moderate-income residents will be available.

5. The number of new businesses will increase by \_\_\_ annually.

Some additional measures could include: 1) counting the number of activities initiated by the zone coordinator to assist the zone, such as incentive workshops for zone businesses; and 2) measuring the number of jobs created due to the available incentives, not just overall job creation in the zone.

**Economic Conditions**

If the goal of the program is traditional economic development, objectives directed at raising per capita income, achieving a lower unemployment rate, and creating more jobs should be the primary focus. Exerting a positive change in these conditions can be difficult if the current incentives do not have a discernable effect on business behavior. However, it appears, at least anecdotally, that incentives can be a deciding factor, amongst other factors, which influences a business’s decision to expand or locate in a zone.<sup>15</sup> Further anecdotal evidence from survey responses shows that zones appeared to have a moderate effect on business location decisions, with most respondents stating that just more than half of the

businesses who received incentives would have expanded or located **outside** of the zone without the incentives. The survey also asked respondents to rank the effectiveness of the incentives. The results, in order of importance, were: 1) sales tax refund for building materials; 2) sales tax refund for business property used in a zone, and the jobs tax credit for sales & use tax; 3) jobs tax credit for corporate income tax; 4) property tax credit for corporate income tax; and 5) community contribution tax credit. It appears that incentives directed at capital, not employment, were considered to be more effective.

Committee staff also looked at per capita income, the unemployment rate, and the individual poverty rate in four zones to examine whether zones have an affect on economic conditions.<sup>16</sup>

County-Data	Miami-Dade 1990	Miami-Dade 2000	% change	North Miami Dade/EZ 1990	North Miami Dade/EZ 2000	% change
Per Capita Income	13,686	18,497	35.2%	6,233	9,520	52.7%
% Labor Force Unemp	7.6%	8.7%	14.4%	14.0%	16.2%	15.2%
Ind. Poverty Rate	17.9%	18.0%	0.2%	41.5%	38.6%	-7.1%

County-Data	Orange 1990	Orange 2000	% change	Orlando EZ 1990	Orlando EZ 2000	% change
Per Capita Income	14,570	20,916	43.6%	7,271	11,887	63.5%
% Labor Force Unemp	4.6%	5.0%	8.6%	8.8%	9.4%	7.4%
Ind. Poverty Rate	11.2%	12.1%	8.1%	33.8%	29.7%	-12.1%

County-Data	Orange 1990	Orange 2000	% change	South Apopka EZ 1990	South Apopka EZ 2000	% change
Per Capita Income	14,570	20,916	43.6%	6,449	10,798	67.4%
% Labor Force Unemp	4.6%	5.0%	8.6%	9.6%	8.7%	-9.2%
Ind. Poverty Rate	11.2%	12.1%	8.1%	32.9%	37.1%	12.9%

<sup>15</sup> Peters & Fisher, *supra* note 11, at 190.

<sup>16</sup> The examination was limited to 4 because the majority of zone boundaries do not match up with census tracts, which are the only means of separating enterprise zone data from the surrounding communities.

County-Data	Duval 1990	Duval 2000	% change	Duval EZ 1990	Duval EZ 2000	% change
Per Capita Income	13,897	20,753	49.3%	6,994	11,014	57.5%
% Labor Force Unemp	5.2%	4.8%	-8.2%	13.5%	13.0%	-3.6%
Ind. Poverty Rate	12.8%	11.9%	-7.0%	40.6%	35.9%	-11.6%

The data indicates that in all four zones, per capita income increased to a greater degree than in non-enterprise zone areas. In two out of the four zones, unemployment decreased to a greater degree than in non-enterprise zone areas, but in the two other zones unemployment increased. In three out of the four zones, the individual poverty rate declined. However, because of the number of factors that can affect economic conditions, it is difficult to draw conclusions about the effectiveness of enterprise zone incentives in improving the economic conditions in enterprise zones. The variety of factors that can influence zone conditions points to the necessity of having other types of measurable goals in place.

**Community Conditions**

If the goal of the enterprise zone program is the improvement of overall zone community conditions, objectives that address those factors should be the primary focus. Research for this report found that one of the necessary components to revitalizing a zone community is access to infrastructure. Without water, sewer, and electricity in place, a zone cannot grow or compete for new business location or expansion. Existing industries in a zone community can also be affected by a lack of infrastructure. For example, in one particular net ban zone, many of the residences and businesses near the coast use septic tanks. Due to normal aging, the septic tanks can leak over time, which risks polluting the coastal waters that support a local scallop industry. On a few occasions, scalloping has been curtailed because of raised pollution levels in the water, which has limited the ability of this industry to expand. An additional component reported in the committee’s surveys was a lack of transportation facilities (highways, seaports, airports, or rail systems). Much like a lack of other infrastructure, without basic facilities in place for a business to ship and receive goods, a zone community faces a tremendous obstacle to growth. A further component highlighted during committee staff’s site visits to rural and urban zones, was the need for job training and a skilled workforce to

fill positions. These two factors were frequently cited as obstacles to improving the zone community. It was also reported that the perception of high crime in combination with poorly maintained business facades made zone community development efforts very difficult.

**Rural and Urban Zones**

The issue of infrastructure and adequate transportation facilities draws attention to the differences between rural and urban enterprise zones. Rural communities typically have limited infrastructure in place to locate new or expanding businesses, whereas urban zones, in most cases, have the infrastructure, but face other factors that prevent the growth of the zone. Additionally, many rural zones have limited transportation facilities that are necessary for growth or for business expansion or location, whereas urban zones are likely located in accessible communities. It was also reported that the existing statutory criteria for establishing the size of rural zones may be problematic for a rural community because the population is sparsely distributed across a wide area. From the committee’s site visits and surveys, it is clear that greater attention to the differences between rural and urban areas may be necessary for the enterprise zone program to work for both communities.

**Limitations to Existing Zone Incentives**

The current enterprise zone incentives and criteria to award such incentives were cited as obstacles to zone community improvement. Examples include:

- The enterprise zone jobs tax credit (corporate and sales tax) does not allow credit for the replacement of an existing job position.
- The sales tax refund for business property used in an enterprise zone is too small to be a real inducement to change the business behavior of large businesses (\$10,000 max credit, if 20% of employees are enterprise zone residents<sup>17</sup>), and the purchase threshold too high (\$5,000 per unit<sup>18</sup>) for most businesses to take advantage of the incentive.
- The building materials incentive is useful to businesses and homeowners, but it may be used only once per parcel, and is unavailable if parcels are combined for a project and one of the parcels has received credit in the past. The maximum

<sup>17</sup> Section 212.08(5)(h)5., F.S.

<sup>18</sup> Section 212.08(5)(h)9.d., F.S.

possible refund amount (\$10,000<sup>19</sup>) is also too small to be a real inducement to businesses and individuals.

- Because of their tax status, “S” corporations and limited liability companies (LLCs) are ineligible for most of the corporate tax incentives.

### **Program Administration**

Committee staff reviewed administrative actions zones are taking in areas such as marketing the zones, and also reviewed the role of the local enterprise zone development agency (EZDA). It appears that, among other factors, the amount of incentives used by businesses in an enterprise zone is closely related to having an active and informed enterprise zone coordinator, and is also related to the extent of the commitment by the local EZDA board of commissioners towards improving the enterprise zone’s conditions.

### **Local EZDA**

In many communities, the board of commissioners for the local EZDA<sup>20</sup> is closely involved in the activities of the enterprise zone and works in partnership with the enterprise zone coordinator. However, in many others, the commissioners do not stay actively involved in the ongoing activities of the zone. Apparently, the initial application process for a zone certification requires months of preparation and administrative work to meet all of the statutory requirements, and the level of commissioner participation during that time is necessarily high. However, it was reported that, following the establishment of a zone, many communities have difficulty obtaining a quorum for board meetings. This problem can be magnified in part due to the statutory criteria for the appointment of a commissioner, which requires that most of the possible appointments be drawn from the particular enterprise zone. Committee staff site visits showed and survey results reported that an active board of commissioners can provide important local input on the direction of the zone, and may also provide invaluable word-of-mouth marketing of the zone. The expansion of the appointment criteria could provide some assistance to communities wishing to revitalize their EZDA boards.

<sup>19</sup> Section 212.08(5)(g)5, F.S.

<sup>20</sup> Section 290.056(1) & (2), F.S. (The board must consist of at least one representative from the following: the local chamber of commerce; local financial or insurance entities; the businesses operating within the zone; the residents residing in the zone; nonprofit community based organizations operating in the zone; industry council; the local code enforcement agency; and the local law enforcement agency.)

### **Boundary Amendments**

One role of the local EZDA board of commissioners is to vote on zone boundary amendments. Once the Legislature passes a bill specifying the criteria for a boundary change, the amendment is reviewed and approved by OTTED to ensure compliance with the legislation. There are several reasons that were reported as to why a community may wish to alter its boundaries, such as the need to remove areas that are inappropriate for growth (a wetland, for example), or to accommodate the site-selection needs of a new or expanding business that is not currently located in the enterprise zone. Committee staff surveys also reported that communities would like to alter their zone boundaries to replace areas of the enterprise zone in which businesses have not utilized incentives with new areas in hopes of increasing utilization of zone incentives. Enterprise zone communities reported that they would prefer a local administrative process for changing enterprise zone boundaries, combined with a final review by OTTED. Providing a community with the tools to alter its own boundaries, with appropriate reviews in place, would eliminate the need for time-consuming and expensive legislative action.

### **Marketing**

The level of marketing of incentives to zone businesses and residents depends largely upon how much time an enterprise zone coordinator is able to focus on the program. Many communities, urban and rural, cannot afford to pay for a fulltime enterprise zone coordinator. Additionally, it appears that many zone coordinators are unaware of what information, marketing materials, and best practices are available. For example, many zone coordinators find that the forms necessary to apply for an incentive are an obstacle to marketing zone incentives because the forms are perceived by businesses to be complicated. However, many of the coordinators are unaware that the Department of Revenue provides the forms online, although online filing of those forms is not available at this time.<sup>21</sup>

The marketing efforts that have been developed by enterprise zones vary greatly. Following is a summary of the marketing efforts conducted by economic development professionals and enterprise zone coordinators:

<sup>21</sup> Dept. of Revenue, *Florida’s Enterprise Zone Program*, available at [http://www.myflorida.com/dor/taxes/ep\\_zone.html](http://www.myflorida.com/dor/taxes/ep_zone.html), last visited Nov. 8, 2004.

- Offer enterprise zone incentive workshops for businesses.
- Create brochures and marketing materials.
- Offer an enterprise zone website developed by the county or economic development organization.
- Conduct media campaigns, including newspaper articles about enterprise zones.
- Share business leads and feedback with the enterprise zone coordinator.
- Advise new members of chamber and economic development commission of enterprise zones and incentives.
- Offer assistance to businesses to aid in completing applications for enterprise zone incentives.
- Provide zone information through occupational licensing, zoning, and permitting departments.
- Conduct one-on-one phone calls or meetings with existing and new business owners.

Without a full-time, trained enterprise zone coordinator dedicated to fully marketing the benefits of a community's enterprise zone, communities' efforts to improve the conditions of enterprise zones will not be as effective.

### ***Tax Credit vs. Appropriated Program***

How the state funds the enterprise zone program also relates to the marketing of an enterprise zone. The question has arisen as to whether the program itself should remain a tax credit program, or if the program should be an appropriated program that goes through the legislative budget process, like the Qualified Target Industry Tax Refund incentive. Over time, the tax credits issued by the state for the enterprise zone program have not exceeded \$7 million dollars annually. If the Legislature decided to appropriate funds for the program, this budgeting process would allow the Legislature to review the program's expenditures alongside other economic development programs when setting budget priorities for the state. However, many of the economic development professionals and enterprise zone coordinators reported that an appropriated program is fraught with uncertainty from year to year, and it would be very difficult to successfully market the program to businesses when the possibility exists that the program could be discontinued the following year.

### **Suggested Enhancements**

Miami-Dade County and the Beacon Council, in cooperation with the Jacksonville Economic

Development Commission, plan to offer a legislative proposal that combines enterprise zone ideas from New Jersey, New York, and Michigan. The highlights include:

- Reducing or eliminating sales taxes within designated areas.
- Providing that businesses that buy specified materials and tangible personal property pay no sales tax on purchases.
- Allowing special project tax increment financing capabilities based on capital investment and on job creation.

### **Conclusions**

Research for this report shows that an assessment of whether the enterprise zone program is working depends in large part upon how a community describes the goals of the program, and how the success of the program is measured in that community. However, regardless of how a community views the goals for its enterprise zone, many aspects of the current enterprise zone program are limited in their ability to affect change in communities with enterprise zones. Additionally, the necessary staffing and marketing of the program is not in place for the program to be successful in more than a few communities. A number of adjustments to the program may be beneficial, and such adjustments will require a greater commitment by state and local officials for the program to affect change in enterprise zone communities.

## **RECOMMENDATIONS**

### **A. Reenactment and Existing Zones**

The Enterprise Zone Act of 1994 should be reenacted for an additional 10 years. It is further recommended that all of the existing zones be recertified through a process administered by the Governor's Office of Tourism, Trade, and Economic Development (OTTED), in cooperation with Enterprise Florida, Inc. (EFI). This process would require a community to submit a letter of intent stating that the governing body for the community voted to retain its enterprise zone and requests recertification. As part of the process, the community would provide an updated zone profile based on 2000 census data, and a statement as to why zone conditions merit continuation of the zone. OTTED, in consultation with EFI, would then make a determination that it is appropriate, or not, to recertify the community's enterprise zone. If a zone is not

recertified, another community wishing to establish an enterprise zone may apply to fill the opening.

### **B. Measurement of Goals**

As part of the recertification process, a community should be required to establish specific, measurable goals for its enterprise zone. The goals would be reported to and approved by OTTED on an annual basis. If improvement of the economic conditions in a zone is the top priority, factors such as employment, the unemployment rate, income, investment, overall growth rate, and economic diversity should be clearly defined. Defining relevant factors will allow a program's success or failure to be evaluated in a more meaningful way.

### **C. Current Incentives**

**1) Enterprise Zone Jobs Credit (corporate and sales tax):** Amend the statutory criteria to allow for the filling of a vacancy in an existing position, as well as creation of a new job, to qualify for the credit.

**2) Sales Tax Refund for Business Property Used in an Enterprise Zone:** Lower the purchase threshold from \$5,000 to \$500. Further, allow the maximum refund to be a number greater than \$10,000, which will make the incentive more attractive to a business.

**3) Building Materials:** Allow this incentive to be used more than one time per parcel, but only after meeting a dollar threshold for the value of any second and future improvements. Additionally, allow parcels to be combined and allow for use of the incentive on the combined parcel even if the incentive was used previously on one of the individual parcels. Further, allow the maximum refund to be a number greater than \$10,000, which will make the incentive more attractive to a business or zone resident.

### **D. Various Enterprise Zone Criteria**

1) Create flexibility in the statutory zone designation criteria to allow rural communities to use county-wide data for measuring pervasive poverty, etc., when establishing an enterprise zone.

2) Allow any area with available infrastructure in a rural county to be considered for enterprise zone designation.

3) Expand the criteria for appointment to, and specify the roles of the EZDA board of commissioners. By

allowing for greater community involvement in the board, and by providing ways to bring about long-term involvement of board members, a better framework for zone success may be established.

4) Create a local administrative process for amending the boundary of an enterprise zone, within its existing size limitations, followed by OTTED review and approval based on statutory criteria. This process would eliminate the necessity for legislative approval of boundary amendments.

5) Establish an annual forum for enterprise zone coordinator training and review of best practices under the leadership of Enterprise Florida, Inc. Many zone coordinators are in need of training, and are also unaware of many of the marketing ideas that have been used in other zones.

### **E. Incentives and Grants**

Support incentives and initiate new grants as follows:

1) Support infrastructure incentives to help communities establish the necessary conditions for economic development.

2) Job training grants to help a community train zone residents in the skills necessary to work in today's economy. A grant would not be tied to a new business coming to a community requesting training for its employees.

3) Technical assistance grants to communities with limited funds, possibly with a community match, to hire a full-time enterprise zone coordinator who can focus on marketing the zone.

4) Business façade improvement grants to a zone business to upgrade the physical appearance of the business.