



# Enterprise Florida: Economic Development or Corporate Welfare?

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By Ben Wilcox and Dan Krassner

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## **Executive Summary**

Floridians have entrusted Enterprise Florida, a public–private partnership focused on economic development, with significant public resources to deliver high quality job creation results, yet the organization has failed to accomplish its goals. Why has Enterprise Florida struggled as an economic development program? To better understand its operations, we take a close look at the incentive agreements executed by Enterprise Florida in the 2012 fiscal year. We selected 2012 because it presents the most recent data. It’s also a year that the Florida Secretary of Commerce has boasted of being an exemplar of success, referring to previous years’ efforts as “marginal at best.”<sup>i</sup>

In addition to illustrating the failure to meet legislative expectations, this report documents Enterprise Florida’s apparent conflicts of interest, the appearance of a pay-to-play scheme for winning favorable treatment and its repeated practice of picking winners and losers in the marketplace through targeted business, favoritism, and selective incentive deals.

This report does not find that any business or corporation named in the report has done anything illegal or at all wrong by seeking incentives from Enterprise Florida or by serving on its Board. In fact, the companies included in the report are some of Florida’s best corporate citizens. Working within the existing Enterprise Florida model of “economic development” to gain a competitive advantage in the market place would be expected of a company that wants to succeed and grow in this state.

What this report examines is the results of current policy as enacted by Florida’s elected officials that has resulted in years of failed objectives, waste, and at least the appearance of conflicted interests. We have to ask – what are Florida’s taxpayers getting in return for Enterprise Florida’s investments and do these deals amount to anything more than corporate welfare?

## **Key Research Findings**

- 1. Enterprise Florida has failed to meet its job creation objective:** In 1992, the Florida Legislature created Enterprise Florida with an initial objective of creating 200,000 high-wage jobs by 2005<sup>ii</sup>. After operating for twenty years and despite negotiating more than 1,600 transactions<sup>iii</sup> involving economic development incentive agreements worth more than \$1.7 billion,<sup>iv</sup> Enterprise Florida reports that only 103,544<sup>v</sup> jobs have been delivered since 1995 – half of their original target and eight years beyond its original target date.
- 2. Enterprise Florida has failed to obtain its required level of private sector support:** As a public-private partnership, Enterprise Florida is expected to obtain private sector support to help pay for its costs of operation. The Florida Legislature required Enterprise Florida to obtain 50% private sector contributions by Fiscal Year 2000-01.<sup>vi</sup> As of Fiscal Year 2010-11, more than 85% of Enterprise Florida’s funding comes from government and less than 15% comes from the private sector.<sup>vii</sup>

3. **Enterprise Florida has the appearance of pay-to-play:** Enterprise Florida, while subject to the dominion and control of the Florida Legislature,<sup>viii</sup> collects on average \$50,000 each from corporate members for about half of the seats on the organization's board of directors.<sup>ix</sup> Several Enterprise Florida board member companies received incentive agreements and vendor contracts following negotiations with Enterprise Florida staff during the 2012 fiscal year giving the appearance of pay-to-play.
4. **Enterprise Florida has apparent conflicts of interest:** The Enterprise Florida Board of Directors and the organization's staff have a relationship that may be a conflict of interest. Enterprise Florida staff bonus pay of nearly \$500,000 (\$427,500 for staff<sup>x</sup>, \$70,000 for President/CEO<sup>xi</sup>) in 2012 was provided by Enterprise Florida board member companies that were also Enterprise Florida vendors and others that were recipients of incentive deals in the 2012 fiscal year.
5. **Enterprise Florida is picking winners and losers:** A number of executed agreements detailed in the 2012 Enterprise Florida Incentives Report demonstrate clear state government favoritism of some companies and industries. Enterprise Florida issues unnecessary benefits packages to entice businesses that should already be attracted Florida's business friendly environment. These benefits are not necessarily enjoyed by competitors across an industry or all businesses moving to or expanding in Florida.

### **Key Policy Questions**

1. Will the Florida Legislature hold Enterprise Florida accountable for failing to deliver on its job creation promises?
2. Does the Legislature view the current use of tax and cash incentives as an appropriate way to encourage a strong business market or are these tools being used just as corporate welfare?
3. Does the Legislature endorse the Enterprise Florida incentives strategy of picking winners and losers in the marketplace? If so, what evidence exists to demonstrate the statewide economic benefit created by such practices?
4. Why doesn't Enterprise Florida provide the public with an online database that includes a full accounting of all taxpayer resources committed to incentive deals, vendor contracts and vendor payments along with results achieved since the organization was created?
5. Why does Enterprise Florida not utilize the state of Florida's official vendor bid system and publicly disclose all of its vendor contracts and expenditures?
6. Should the Legislature impose a moratorium on future incentives or tax breaks for economic development until there is independent and credible evidence that the strategy has a net benefit to taxpayers and is an appropriate way to encourage business growth?

## **Economic Development Defined**

The International Economic Development Council defines economic development as “a program, group of policies, or activity that seeks to improve the economic well-being and quality of life for a community, by creating and/or retaining jobs that facilitate growth and provide a stable tax base.”<sup>xii</sup>

According to Enterprise Florida, “economic development focuses limited resources on securing business investment and employment that are either at risk or would not otherwise occur. It works to expand targeted business sectors as the primary means of sustaining a high quality of life while also maintaining a favorable tax environment. Where possible, it targets businesses that are able to pay their employees higher wages, while still maintaining competitive costs for doing business.”<sup>xiii</sup>

## **What is Enterprise Florida?**

Enterprise Florida, Inc. is a public-private partnership that was established in 1992 by the Florida Legislature to serve as the state's primary organization devoted to statewide economic development. It does this by providing tax and cash incentives to selected businesses and corporations that it believes will create new jobs in Florida. Enterprise Florida, although acting as a non-profit corporation, is subject to the oversight and direction of the Legislature.<sup>xiv</sup> It is a government-run, non-profit corporation that operates under a contract with the Florida Department of Economic Opportunity. The bulk of the organization’s budget comes from taxpayers of Florida in annual budgets approved by the Florida Legislature and Governor. Enterprise Florida is subject to government audits and is required to operate under the same standards of "sunshine" as Florida's state government agencies.<sup>xv</sup>

According to the Florida Legislature’s Office of Program Policy Analysis and Government Accountability (OPPAGA), Enterprise Florida’s goals are to provide leadership for business development by establishing a unified approach to state international trade, to market the state as a pro-business location for potential new investment, and to help businesses create and retain jobs and establish markets in Florida.

The current mission of Enterprise Florida is, “to facilitate job growth for Florida's businesses and citizens leading to a vibrant statewide economy.” According to Enterprise Florida’s website, the organization, “accomplishes this mission by focusing on a wide range of target industry sectors, including clean energy, life sciences, information technology, aviation/aerospace, homeland security/defense, financial/professional services, manufacturing and beyond.” The website also states, “Enterprise Florida is committed to assisting companies confidentially with their expansion and location plans. We provide site selection services, demographic information, incentive information, trade leads and much more. We also coordinate introductions to our network of economic development partners.”

According to OPPAGA, the legislature established expectations for private sector contributions to Enterprise Florida in order for it to be a true public-private partnership. In fiscal year 1996-1997 the expectation was 10% from the private sector. By fiscal year 2000-2001 it was expected to reach 50%.

More than 85% of Enterprise Florida's funding comes from government and less than 15% comes from the private sector based on the tax year beginning 07-01-2010 and ending 06-30-2011. In the most recent Form 990 filing at Guidestar.org, Enterprise Florida reported receiving \$14,088,711 in government grants out of a total of \$16,486,199 in revenue.

According to a recent *TCPalm* newspaper article, Governor Scott's proposed budget for 2013-2014 includes \$297 million to lure companies to Florida or help them expand. The article states, "That's well above the \$71.2 million available for incentives in the 2012-13 plan."<sup>xvi</sup>

Incentives are evaluated and negotiated by Enterprise Florida staff, then presented to the Department of Economic Opportunity for review, approval, and contract management.

### **Who is Enterprise Florida?**

Enterprise Florida is governed by a 62-member Board of Directors chaired by Florida's Governor. The board itself consists of top business, economic development and government leaders from throughout Florida. Enterprise Florida has approximately 60 staff members and is headquartered in Orlando with offices in Miami and Tallahassee. Enterprise Florida also has several international offices.

As of January 27, 2012, the Enterprise Florida website lists 62 members of the Enterprise Florida Board of Directors. The Enterprise Florida Board Executive Committee meeting packet for August 16, 2012 shows that \$1,600,000 was expected to be raised for FY2011-2012 from corporate donors,<sup>xvii</sup> which represents an annual goal well below the legislatively mandated level. Every single corporate donor on the list is on the Enterprise Florida board of directors. See the Appendix for a detailed listing of Enterprise Florida board members making contributions to the organization along with those receiving vendor and incentive contracts for the 2012 fiscal year.

### **Pay to Play on the Enterprise Florida Board?** **Member Companies Receiving Vendor Contracts**

Enterprise Florida staff took more than four months to provide Integrity Florida a list of the organization's vendors for the 2012 fiscal year despite repeated requests. We referred concerns about Enterprise Florida's public records responsiveness to the Florida Attorney General's Office and the Governor's Office. Both the Attorney General's Office and Governor's Office provided assistance that resulted in Enterprise Florida finally producing requested public records.

In May 2012, the Enterprise Florida Board of Directors approved three vendor contracts with Board member companies: Wells Fargo, TD Bank and Blue Cross Blue Shield (Florida Blue).<sup>xviii</sup>

The value of these contracts and terms were not publicly disclosed at the board meeting. The following vendors with potential ties to Enterprise Florida board member companies are listed on the "FY 2011-2012 Vendors Paid Listing"<sup>xix</sup> record provided to Integrity Florida by Enterprise Florida:

- AT&T Inc
- AT&T Mobility
- AT&T TeleConference Services
- Blue Cross Blue Shield of Florida
- Bright House Networks
- Holland & Knight LLP (Board member Howell Melton is a partner according to the firm's website)
- SunTrust Corp Account VISA
- SunTrust Bank
- SunTrust Merchant Services
- TD Bank
- Wells Fargo Bank

The Florida Legislature presently allows Enterprise Florida to avoid use of the State's official vendor bid system making it a challenge to determine the level of openness and competitiveness in the Enterprise Florida procurement and contracting processes.

### **Conflict of Interests between Enterprise Florida Board and Staff**

Incentive deal negotiations and vendor contract approvals by Enterprise Florida staff members could be influenced by the bonuses paid for by the group's board of directors.

The board also develops the salary and compensation guidelines for the organization. The president/CEO salary and bonus is determined by contract and is reviewed and approved by the finance and compensation committee of the board.

The Enterprise Florida Board of Directors and the organization's staff have a relationship that may be a conflict of interest. Enterprise Florida staff bonus pay of nearly \$500,000 (\$427,500 for staff,<sup>xx</sup> \$70,000 for President/CEO<sup>xxi</sup>) in 2012 was provided by Enterprise Florida board member companies that were also Enterprise Florida vendors and others that were recipients of incentive deals in the 2012 fiscal year.

According to Enterprise Florida's most recent IRS Form 990 filing, "board members are required annually to complete a conflict of interest form and return it to the organization's compliance department. The compliance department then cross-references the completed forms with a list of the organization's contracts to determine if there is a conflict. If there is, it is submitted for board approval. If the potential conflict involves a member of the board, the involved board member must abstain from voting on the issue. In addition, the organization gives a list of board members to potential grantees and asks if any of the members are associated with their organization/company."

We have been unable to independently verify that Enterprise Florida is consistently applying its own stated conflict of interest policy. An independent auditor or inspector general may need to be assigned to Enterprise Florida to review the potential conflicts of interest noted in this report.

### **What Are Florida's Taxpayers Getting For Their Money?** **An Analysis of Enterprise Florida's 2012 Annual Incentives Report**

The Enterprise Florida 2012 Incentives Report includes a summary of fiscal year 2012 executed agreements which includes 122 projects for 13,558 contracted new jobs at an average wage of \$49,397 in return for \$71,946,285 in state incentives and \$8,953,140 in local financial support commitments.<sup>xxii</sup>

According to Enterprise Florida, there were 329 applications received for incentives in fiscal year 2012 but only 165 contracts were executed.<sup>xxiii</sup> The public is told very little about the process used by the state government to select winners and losers due to significant exemptions to public records law which allow them to conceal any materials related to methods of manufacture or production, potential trade secrets, potentially patentable material, actual trade secrets, business transactions, financial and proprietary information, and agreements or proposals to receive funding that are received, generated, ascertained, or discovered by Enterprise Florida, its affiliates or subsidiaries, and partnership participants.<sup>xxiv</sup>

The report lists the following incentive agreements executed for fiscal year 2012 with Enterprise Florida board member companies:

- **Harris Corporation:** Maximum state incentive payment of \$4,500,000 to create 100 new jobs in Brevard County in the information technology sector.
- **Lockheed Martin Maritime Systems and Sensors:** Maximum state incentive payment of \$1,744,000 to create zero new jobs (545 retained) in Pinellas County in the homeland security/defense sector.
- **Publix Super Markets, Inc.:** Maximum state incentive payment of \$1,404,000 to create 156 new jobs in Orange County in the emerging technologies sector.

The report lists the following incentive agreements executed for fiscal year 2012 with Enterprise Florida board member company subsidiaries and other companies with potential ties to board member companies:

- **Darden:** Enterprise Florida contracted with its board member company Darden Restaurants Inc. subsidiaries RARE Hospitality Management, Inc.<sup>xxvi</sup> and Florida SE, Inc.<sup>xxvii</sup> for maximum state incentive payments totaling \$620,000. RARE Hospitality Management, Inc. is to create 35 jobs in Columbia County, not in a target industry, for \$70,000 and 35 jobs in Miami-Dade County, not in a target industry, for \$70,000. Florida SE, Inc. is to create 80 jobs in Columbia County, not in a target industry, for \$160,000 and two separate deals for 80 jobs each and \$160,000 each in Miami-Dade County, also not in a target industry.

- **Florida Blue:** Enterprise Florida contracted with CareCentrix, Inc. for a maximum state incentive payment of \$264,000 to create 110 new jobs in Hillsborough County in the Financial/Professional Services sector. In May 2011, Blue Cross and Blue Shield of Florida named CareCentrix exclusive provider of home health care services.<sup>xxviii</sup> Blue Cross Blue Shield of Florida (dba Florida Blue) is on the Enterprise Florida board.
- **Hewlett Packard:** Enterprise Florida contracted with Digital Risk, LLC for maximum state incentive payments totaling \$2,761,040 to create 1,000 new jobs in Palm Beach County in the financial/professional services sector. In December 2012, a subsidiary of the Hewlett-Packard Company agreed to acquire Digital Risk LLC.<sup>xxix</sup> Hewlett Packard is on the Enterprise Florida board.
- **Walt Disney Parks & Resorts:** Enterprise Florida contracted with FELD Entertainment, Inc. for maximum state incentive payments totaling \$1,590,000 to create 235 new jobs in Manatee County at a corporate headquarters. Feld Entertainment's productions include Disney On Ice and Disney Live!<sup>xxx</sup> Enterprise Florida also contracted with TraPac, Inc. for maximum state incentive payments totaling \$1,000,000 to create 10 new jobs in Duval County in emerging technologies. In June 2012, Walt Disney Parks & Resorts started importing most of the merchandise headed to its Florida theme parks through the TraPac Container Terminal at Dames Point in Jacksonville.<sup>xxxi</sup> We have found no evidence to suggest that FELD Entertainment or TraPac are subsidiaries of Walt Disney Parks & Resorts but they do appear to have business relationships. Walt Disney Parks & Resorts is on the Enterprise Florida board.
- **Wells Fargo:** Enterprise Florida contracted with Electronic Payments, Inc. for maximum state incentive payments totaling \$84,000 to create 35 new jobs in Palm Beach County at a corporate headquarters. Electronic Payments is a registered ISO/MSP of Wells Fargo Bank, N.A., Walnut Creek, CA.<sup>xxxii</sup> Wells Fargo is on the Enterprise Florida board.

### **Enterprise Florida's Deals Included in 2012 Report but Signed Outside of 2012 Fiscal Year**

Additionally, Enterprise Florida may be inflating their job creation numbers by counting 1,866 new jobs in its 2012 Annual Incentives Report based on deals signed outside of the 2012 fiscal year and 505 new jobs based on deals that have already failed. This may have resulted in artificially inflated results being reported to the Florida Legislature and the organization's Board of Directors, which may have influenced the bonus pool:

- **Altadis USA, Inc:** Broward County corporate headquarters project to create 55 new jobs. Enterprise Florida signed a \$236,000 Quick Action Closing Fund (QACF) agreement with the company in 2011 prior to the start of the 2012 fiscal year.
- **Confidential:** Pasco County financial/professional services project to create 350 new jobs. Enterprise Florida signed a \$4,500,000 QACF agreement with the company in 2011 prior to the start of the 2012 fiscal year.
- **Emerson Process Management, LLLP:** Broward County corporate headquarters project to create 51 new jobs. Enterprise Florida signed a \$250,000 QACF agreement with the company in 2011 prior to the start of the 2012 fiscal year.



- **FELD Entertainment, Inc:** Manatee County corporate headquarters project to create 235 new jobs. Enterprise Florida signed a \$650,000 QACF agreement with the company in 2011 prior to the start of the 2012 fiscal year.
- **Garda USA Inc:** Palm Beach County corporate headquarters project to create 100 new jobs. Enterprise Florida signed a \$100,000 QACF agreement with the company in 2011 prior to the start of the 2012 fiscal year.
- **Ice River Springs Marianna, LLC:** Jackson County manufacturing project to create 31 new jobs. Enterprise Florida signed a \$910,925 EDTF agreement with the company in 2008.
- **Kaman Aerospace Corporation:** Duval County aviation/aerospace project to create 200 new jobs. Enterprise Florida signed a \$657,500 QACF agreement with the company in 2011 prior to the start of the 2012 fiscal year.
- **Klausner Holding USA, Inc:** Suwannee County manufacturing project to create 350 new jobs. Enterprise Florida signed a \$3,000,000 QACF agreement with the company in 2011 prior to the start of the 2012 fiscal year and another \$3,000,000 EDTF agreement with the company during the 2013 fiscal year.
- **PRG Packing Corp:** Madison County manufacturing project to create 70 new jobs. Enterprise Florida signed a \$336,000 QTI agreement with the company in 2011 prior to the start of the 2012 fiscal year.
- **Redpine Healthcare Technologies, Inc:** Bay County information technology company to create 410 new jobs. Enterprise Florida signed a \$400,000 QACF agreement with the company in 2011 prior to the start of the 2012 fiscal year.
- **Sikorsky Aircraft Corporation:** Palm Beach County aviation/aerospace project to create 14 new jobs. Enterprise Florida signed a \$600,000 QACF agreement with the company in 2011 prior to the start of the 2012 fiscal year.

### **Enterprise Florida’s 2012 Incentive Deal Failures**

Four Enterprise Florida incentive deals, for a total of 505 new jobs for \$2,894,000 in incentives, are “no longer active”. While the total amount of taxpayer money committed to failed deals is unclear, here is an example of the impact on taxpayers for one of the 2012 fiscal year project failures:

According to the *Panama City News Herald*, the Florida Department of Economic Opportunity paid \$400,000 upfront to a chiropractic billing software company named Redpine Health Care Technologies Inc. in August 2011<sup>xxxiii</sup>. According to the *News Herald*, the money was meant to induce the company to relocate its headquarters from Spokane, Washington to Bay County, Florida. The Bay County Commission also gave the company \$350,000 upfront. But by Dec. 5, 2011, the company’s Bay County office was closed, and only five of a promised 44 jobs for 2011 had materialized. Since then, the corporation has been dissolved. In March, the county and state jointly filed a lawsuit against Redpine in an attempt to recover the \$750,000 the paper reports.

A snapshot of all four 2012 fiscal year project failures:

- **American High Tech Homes, Inc:** Palm Beach County manufacturing project to create 55 new jobs for \$110,000 in incentives. Average wage commitment was \$24,000.
- **Nautical Structures Industries, Inc:** Pinellas County manufacturing project to create 30 new jobs for \$72,000 in incentives. Average wage commitment was \$45,188.
- **Redpine Healthcare Technologies, Inc:** Bay County information technology project to create 410 new jobs for a total of \$1,712,000 in incentives. Average wage commitment was \$49,155. According to the *Panama City News Herald*, Attorney General Pam Bondi is suing Redpine after it took \$750,000 in taxpayer cash in 2011 to open a Panama City office, then promptly closed.<sup>xxxiv</sup>
- **TraPac, Inc:** Duval County emerging technologies project to create 10 new jobs for \$1,000,000 in incentives. Average wage commitment was \$82,950.

### **Favored Status - Enterprise Florida Picking Winners and Losers**

Enterprise Florida operates under a strategy of promoting targeted industries, a policy that in and of itself has government picking winners and losers by promoting certain businesses over others. The costs to the taxpayers of Florida for government favoritism of one company over its competitors are largely ignored. Additionally, Floridians may never know whether companies receiving incentives to retain jobs or expand existing facilities would have done so anyway without incentives. Should the state government be picking winners in the marketplace using government subsidies?

While further study is needed to understand both costs and benefits of the state's investments, there are incentive deals that provide clear examples of government picking winners in the marketplace:

#### **Winners: Walmart, Publix and Winn-Dixie**

In the 2011 fiscal year, Enterprise Florida executed agreements totaling \$780,000 with Wal-Mart Stores East, LP to create 390 new jobs.<sup>xxxv</sup> In the 2012 fiscal year, Enterprise Florida executed agreements with Publix totaling \$1,404,000 to create 156 new jobs. Enterprise Florida also executed a 2012 fiscal year agreement worth \$3,600,000 for Winn-Dixie Stores' corporate headquarters in Duval County.

#### **Winner: Miller Beer Company**

Enterprise Florida signed an agreement with SABMiller Latin America for a corporate headquarters project in Miami-Dade County for 70 new jobs for \$145,600. The company was also given \$182,000 in local incentives.<sup>xxxvi</sup>

#### **Winner: Coca-Cola**

Enterprise Florida signed an agreement with The Coca-Cola Company for a manufacturing project in Polk County to create 60 new jobs for \$564,000. The company's expansion at their Auburndale facility marks a \$99 million investment on top of the \$350 million they have already invested in the location since its opening in 2002.<sup>xxxvii</sup>

**Winner: HBO**

Enterprise Florida signed an agreement with HBO Latin America Production Services, LC for a corporate headquarters in Miami-Dade County to create 101 new jobs for \$723,200. HBO Latin America already had headquarters in South Florida with 266 employees based in Miami-Dade and Broward counties. The company's application for local incentives suggested they could move 94 employees previously located in Broward County to their new Miami location.<sup>xxxviii</sup>

**Winner: Planet Hollywood**

Enterprise Florida signed an agreement with Planet Hollywood International, Inc. for a new corporate headquarters in Orange County to create 90 jobs for \$576,000. However, the company's new location was an expansion from their former Orange County office space, due in part to the relocation of the corporate office of one of their subsidiaries.<sup>xxxix</sup>

**Winner: Colt**

Enterprise Florida signed an agreement with Colt's Manufacturing Company LLC for a manufacturing facility in Osceola County to create 63 jobs for \$250,000. The new Colt facility represents the company's first expansion outside of their home state of Connecticut, a unionized non-right to work state<sup>xl</sup> with the third highest tax burden in the nation.<sup>xli</sup>

**Not All Florida Communities Benefit from Enterprise Florida Incentive Deals  
Only Half of Florida's Counties Receive Cash**

**The Enterprise Florida 2012 Incentives Report indicates that FY2011-12 projects were finalized in 34 of Florida's 67 Counties:** Alachua, Bay, Brevard, Broward, Charlotte, Columbia, Duval, Escambia, Flagler, Gilchrist, Hamilton, Hendry, Hernando, Hillsborough, Jackson, Lee, Madison, Manatee, Marion, Miami-Dade, Nassau, Okaloosa, Orange, Osceola, Palm Beach, Pasco, Pinellas, Polk, Sarasota, Seminole, St. Johns, Suwannee, Volusia and Walton.

**The Enterprise Florida 2012 Incentives Report indicates that zero FY2011-12 projects were put together in 33 of Florida's 67 Counties:** Baker, Bradford, Calhoun, Citrus, Clay, Collier, DeSoto, Dixie, Franklin, Gadsden, Glades, Gulf, Hardee, Highlands, Holmes, Indian River, Jefferson, Lafayette, Lake, Leon, Levy, Liberty, Martin, Monroe, Okeechobee, Putnam, Santa Rosa, St. Lucie, Sumter, Taylor, Union, Wakulla and Washington.

**So Much for Sunshine – Enterprise Florida's Secret Deals**

In fiscal year 2012, Enterprise Florida executed agreements with eight confidential companies to create 863 new jobs in return for \$11,554,000 in incentives.<sup>xlii</sup> How can Floridians provide proper oversight to these deals if the companies' names and deals aren't publicly available?

## **Conclusion**

Lacking transparency and accountability combined with failed policies have created a situation that deserves intense examination and scrutiny by Florida's elected officials, who must meet the expectations of a public contributing more than 85 percent of the funds sustaining Enterprise Florida as a public-private partnership.

Seats on the Enterprise Florida Board of Directors, along with the opportunity to receive vendor contracts and incentives, appear to be exchanged for \$50,000 contributions. The Enterprise Florida Board bases staff bonuses on signed agreements for promises of new jobs in the future rather than independently verified new jobs created. They fail to rapidly disclose approved incentive deals and vendor contracts as well as deals that are not approved to the public. They pay companies incentives to relocate existing jobs from another state to Florida, as well as for already existing jobs that are being retained or merely moved within Florida's own borders. The legislature must ask – Is Enterprise Florida delivering what was expected of it? Is this economic development or just taxpayer funded corporate welfare?

### **About Integrity Florida**

Integrity Florida is a nonpartisan, nonprofit research institute and government watchdog whose mission is to promote integrity in government and expose public corruption. Our vision is government in Florida that is the most open, ethical, responsive and accountable in the world. Integrity Florida research reports reflect the views of their authors alone and policy recommendations should not be considered to be endorsed by the Integrity Florida Board of Directors. Read more: <http://integrityflorida.org>.

### **About Americans for Prosperity**

Americans for Prosperity is a grassroots movement of over 2.3 million activists nationwide who advocate and promote limited government, lower taxes, and more economic freedom. We have more than 146,000 activists across the state of Florida who take action every day to influence decision makers in support of free market principles. Read more: [www.afpflorida.com](http://www.afpflorida.com).

**Appendix**

**List of Fiscal Year 2011-12 Enterprise Florida Corporate Donors**

According to the Enterprise Florida (EFI) Board Executive Committee meeting packet for August 16, 2012<sup>xliii</sup>, as much as \$1,600,000 was expected to be raised for FY2011-2012 from the following 32 corporate donors, which represents an annual goal well below the legislatively mandated level. Every single corporate donor and prospective donor on the list below served on the Enterprise Florida board of directors:

<b>FY11-12 Board Member</b>	<b>Organization</b>	<b>City</b>	<b>FY11-12 Investment in EFI</b>	<b>FY11-12 Potentially Related EFI Vendors Paid</b>	<b>FY11-12 Potentially Related Incentive Agreements</b>
Marshall Criser	AT&T	Miami	\$50,000	AT&T Inc, AT&T Mobility, AT&T TeleConference Services	None
Rick Wilson	Bacardi U.S.A., Inc.	Coral Gables	Invoiced for \$25,000	None	None
Gene Schaefer	Bank of America, N.A.	Miami	\$50,000	None	None
Blake Gable	Barron Collier Companies	Naples	\$50,000	None	None
Alan Becker	Becker & Poliakoff, P.A.	Ft. Lauderdale	\$25,000	None	None
Kevin Hyman	Bright House Networks, LLC	Orlando	\$50,000	Bright House Networks	None
Ernesto Perez	Dade Medical College	Miami	\$50,000	None	None

<b>FY11-12 Board Member</b>	<b>Organization</b>	<b>City</b>	<b>FY11-12 Investment in EFI</b>	<b>FY11-12 Potentially Related EFI Vendors Paid</b>	<b>FY11-12 Potentially Related Incentive Agreements</b>
Bob McAdam	Darden Restaurants, Inc.	Orlando	\$50,000	None	Darden Restaurants Inc. subsidiaries RARE Hospitality Management, Inc. and Florida SE, Inc. received maximum state incentive payments totaling \$620,000. RARE Hospitality Management, Inc. is to create 35 jobs in Columbia County for \$70,000 and 35 jobs in Miami-Dade County for \$70,000. Florida SE, Inc. is to create 80 jobs in Columbia County for \$160,000 and two separate deals for 80 jobs each and \$160,000 each in Miami-Dade County. None of these deals are in a target industry.
Gary Spulak	Embraer Aircraft Holding, Inc.	Ft. Lauderdale	\$50,000	None	None
Hal Melton	FLF, LLC	Winter Park	\$50,000	Holland & Knight LLP (Melton is listed as a partner on the firm's website <sup>xliv</sup> )	None
Russ Jollivette	Florida Blue	Jacksonville	Invoiced for \$50,000.	Blue Cross Blue Shield of Florida	CareCentrix, Inc. for a maximum state incentive payment of \$264,000 to create 110 new jobs in Hillsborough County in the Financial/Professional Services sector. In May 2011, Blue Cross and Blue Shield of Florida named CareCentrix exclusive provider of home health care services. Blue Cross Blue Shield of Florida (dba Florida Blue) is on the Enterprise Florida board.
Eric Silagy	Florida Power & Light Co.	Juno Beach	\$50,000	None	None
Bill Heavener	Full Sail University	Winter Park	Invoiced for \$50,000	None	None

<b>FY11-12 Board Member</b>	<b>Organization</b>	<b>City</b>	<b>FY11-12 Investment in EFI</b>	<b>FY11-12 Potentially Related EFI Vendors Paid</b>	<b>FY11-12 Potentially Related Incentive Agreements</b>
Stan Connally	Gulf Power Company	Pensacola	\$50,000	None	None
Jeff Shuman	Harris Corporation	Melbourne	\$50,000	None	Maximum state incentive payments totaling \$4,500,000 to create 100 new jobs in Brevard County in the information technology sector.
Deborah Millin	Hewlett Packard	Bradenton	\$50,000	None	Digital Risk, LLC received maximum state incentive payments totaling \$2,761,040 to create 1,000 new jobs in Palm Beach County in the financial/professional services sector. In December 2012, a subsidiary of the Hewlett-Packard Company agreed to acquire Digital Risk LLC.
Majid Vasigh	IntegraClick, LLC	Sarasota	Invoiced for \$50,000	None	None
Mark Bensabat	JPMorgan Chase & Co.	Orlando	\$50,000	None	None
Andy Rosen	Kaplan Higher Education Corporation	Ft. Lauderdale	\$50,000	None	None
Denise Saiki	Lockheed Martin Global Training & Logistics	Orlando	\$50,000	None	Lockheed Martin Maritime Systems and Sensors for \$1,744,000 to create zero new jobs (545 retained) in Pinellas County in the homeland security/defense sector.
Millar Wilson	Mercantil Commercebank	Coral Gables	\$50,000	None	None
Gilberto Neves	Odebrecht Construction, Inc.	Miami	\$50,000	None	None
Joe Meterchick	PNC Bank	Tampa	\$50,000	None	None



<b>FY11-12 Board Member</b>	<b>Organization</b>	<b>City</b>	<b>FY11-12 Investment in EFI</b>	<b>FY11-12 Potentially Related EFI Vendors Paid</b>	<b>FY11-12 Potentially Related Incentive Agreements</b>
Vinny Dolan	Progress Energy, Inc.	St. Petersburg	\$50,000	None	None
Clayton Hollis	Publix Super Markets, Inc.	Lakeland	\$50,000.	None	Maximum incentive payment of \$1,404,000 to create 156 new jobs in Orange County in the emerging technologies sector.
Brett Couch	Regions Bank	Tampa	\$50,000	None	None
Tom Kuntz	SunTrust Bank	Orlando	\$50,000	SunTrust Corp Account VISA, SunTrust Bank, SunTrust Merchant Services	None
Kevin Gillen	TD Bank	Ft. Lauderdale	\$50,000	TD Bank	None
Gordon Gillette	TECO Energy	Tampa	\$50,000	None	None
Park Brady	The St. Joe Company	Water-sound	\$50,000	None	None
Anthony Connelly	Walt Disney Parks & Resorts, U.S.	Lake Buena Vista	\$50,000	None	FELD Entertainment, Inc. for maximum state incentive payments totaling \$1,590,000 to create 235 new jobs in Manatee County at a corporate headquarters. Feld Entertainment's productions include Disney On Ice and Disney Live! TraPac, Inc. for maximum state incentive payments totaling \$1,000,000 to create 10 new jobs in Duval County in emerging technologies. In June 2012, Walt Disney Parks & Resorts started importing most of the merchandise headed to its Florida theme parks through the TraPac Container Terminal at Dames Point in Jacksonville.

FY11-12 Board Member	Organization	City	FY11-12 Investment in EFI	FY11-12 Potentially Related EFI Vendors Paid	FY11-12 Potentially Related Incentive Agreements
Howard Halle	Wells Fargo Bank, N.A.	Jacksonville	\$100,000	Wells Fargo Bank	Electronic Payments, Inc. for maximum state incentive payments totaling \$84,000 to create 35 new jobs in Palm Beach County at a corporate headquarters. Electronic Payments is a registered ISO/MSP of Wells Fargo Bank, N.A., Walnut Creek, CA.

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