

MEMORANDUM

Agenda Item No. 11(A)(14)

TO: Honorable Chairwoman Rebeca Sosa
and Members, Board of County Commissioners

DATE: July 1, 2014

FROM: R. A. Cuevas, Jr.
County Attorney

SUBJECT: Resolution directing the Mayor
to prepare a Comprehensive
Report on the Enterprise Zone
Program in Miami-Dade County
and its effects on the local
economy

The accompanying resolution was prepared and placed on the agenda at the request of Prime Sponsor Chairwoman Rebeca Sosa.



R. A. Cuevas, Jr.
County Attorney

RAC/smm




MEMORANDUM

(Revised)

TO: Honorable Chairwoman Rebeca Sosa
and Members, Board of County Commissioners

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Please note any items checked.

- "3-Day Rule" for committees applicable if raised
- 6 weeks required between first reading and public hearing
- 4 weeks notification to municipal officials required prior to public hearing
- Decreases revenues or increases expenditures without balancing budget
- Budget required
- Statement of fiscal impact required
- Ordinance creating a new board requires detailed County Mayor's report for public hearing
- No committee review
- Applicable legislation requires more than a majority vote (i.e., 2/3's ____, 3/5's ____, unanimous ____) to approve
- Current information regarding funding source, index code and available balance, and available capacity (if debt is contemplated) required

Approved _____ Mayor
Veto _____
Override _____

Agenda Item No. 11(A)(14)
7-1-14

RESOLUTION NO. _____

RESOLUTION DIRECTING THE MAYOR OR MAYOR'S
DESIGNEE TO PREPARE A COMPREHENSIVE REPORT ON
THE ENTERPRISE ZONE PROGRAM IN MIAMI-DADE
COUNTY AND ITS EFFECTS ON THE LOCAL ECONOMY

WHEREAS, the Florida Enterprise Zone Program has the goals of revitalizing and rehabilitating distressed areas, encouraging businesses to locate and expand in these areas, stimulating employment among area residents and enhancing the general social and economic well-being; and

WHEREAS, to achieve these goals, state and local governments provide investments and tax incentives to encourage businesses to invest and locate in designated enterprise zones; and

WHEREAS, these incentives include job and property tax credits as well as sales tax refunds; and

WHEREAS, in 2005, the Florida Legislature enacted Chapter 2005-287, Laws of Florida (HB 1725), which re-designated existing enterprise zones and extended the Enterprise Zone Program until December 31, 2015; and

WHEREAS, Section 290.016, Florida Statutes, currently provides that the Florida Enterprise Zone program will stand repealed effective December 31, 2015, unless reauthorized by the Legislature prior to that time; and

WHEREAS, on October 22, 2013, this Board adopted Resolution No. R-862-13, which supported the reauthorization of the Florida Enterprise Zone Program; and

WHEREAS, on January 29, 2014, this Board identified the reauthorization of the Florida Enterprise Zone Program as one of its priorities for the 2014 session; and

WHEREAS, bills were filed for consideration during the 2014 session that would reauthorize the Florida Enterprise Zone Program for an additional ten (10) years from December 31, 2015 to December 31, 2025, Senate Bill (SB) 472 by Senator Joe Abruzzo (D – Wellington) and House Bill (HB) 141 by Representative Bobby Powell (D – West Palm Beach); and

WHEREAS, neither of these bills received a committee hearing during the 2014 session, and reauthorization of the Enterprise Zone Program will be deferred to the 2015 session, which will be the last opportunity for the Florida Legislature to reauthorize the Program before it sunsets on December 31, 2015; and

WHEREAS, in January, 2014, the Florida Legislature’s Office of Economic and Demographic Research (EDR) released a report entitled “Return-on-Investment for Select Economic Development Incentive Programs”; and

WHEREAS, the EDR report included a review of the return-on-investment for the Florida Enterprise Zone Program for State Fiscal Years 2009-10, 2010-11 and 2011-12; and

WHEREAS, EDR’s report narrowly defined return-on-investment to mean the “direct, indirect, and induced gains in state revenues as a percentage of the state’s investment”; and

WHEREAS, based on this narrow definition, the EDR report concluded that the Florida Enterprise Zone Program produced a negative return-on-investment, meaning that it reduced state revenues in the aggregate below what they would have been in the program’s absence; and

WHEREAS, the EDR report conceded that it did not evaluate the impact of Enterprise Zone incentives on the local economy; and

WHEREAS, the goal of the Florida Enterprise Zone Program is not to induce gains in state revenues, but rather to revitalize and rehabilitate distressed areas and enhance social wellbeing in the Enterprise Zone; and

WHEREAS, Miami-Dade County has used the Enterprise Zone Program extensively to attract businesses to the Enterprise Zone, as well as to assist existing businesses to expand within the Enterprise Zone; and

WHEREAS, a comprehensive report should be prepared on the effectiveness of the Enterprise Zone Program in Miami-Dade County and its impact on the local economy,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA, that this Board directs the Mayor or designee to:

Section 1. Prepare a comprehensive, in-depth report on the effectiveness of the Enterprise Zone Program in Miami-Dade County and its impact on the local economy. The report should include, but not be limited to:

1. Statistical data on the effectiveness of the Enterprise Zone Program within Miami-Dade County;
2. Case studies of both particular areas and particular businesses that have benefited from the Enterprise Zone Program within Miami-Dade County;
3. A Return-on-Investment analysis showing the impact of Enterprise Zone incentives on the local Miami-Dade County economy; and
4. Recommendations on what statutory changes the Legislature should consider to improve the Enterprise Zone Program in the process of reauthorizing the Program.

Section 2. Provide the report to the Board for committee review within 120 days of the effective date of the resolution.

The Prime Sponsor of the foregoing resolution is Chairwoman Rebeca Sosa. It was offered by Commissioner _____, who moved its adoption. The motion was seconded by Commissioner _____ and upon being put to a vote, the vote was as follows:

Rebeca Sosa, Chairwoman
Lynda Bell, Vice Chair

Bruno A. Barreiro
Jose "Pepe" Diaz
Sally A. Heyman
Jean Monestime
Sen. Javier D. Souto
Juan C. Zapata

Esteban L. Bovo, Jr.
Audrey M. Edmonson
Barbara J. Jordan
Dennis C. Moss
Xavier L. Suarez

The Chairperson thereupon declared the resolution duly passed and adopted this 1st day of July, 2014. This resolution shall become effective ten (10) days after the date of its adoption unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override by this Board.

MIAMI-DADE COUNTY, FLORIDA
BY ITS BOARD OF
COUNTY COMMISSIONERS

HARVEY RUVIN, CLERK

By: _____
Deputy Clerk

Approved by County Attorney as
to form and legal sufficiency.

DAC for JMM

Jess M. McCarty