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CLERK OF THE BOARD
OF COUNTY COMMISSIONERS
MIAMI-DADE COUNTY, FLORIDA

MEMORANDUM

Agenda Item No. 11(A)(8)

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

DATE: October 7, 2014

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

SUBJECT: Resolution urging the Florida Legislature to reauthorize the Florida Enterprise Zone Program currently set to sunset on December 31, 2015; preliminarily identifying this issue as a critical County priority for the 2015 session; urging the Florida Association of Counties to identify this issue as one of its priorities for the 2015 session
Resolution No. R-914-14

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/lmp

MEMORANDUM
(Revised)

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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)(8)
10-7-14

RESOLUTION NO. R-914-14

RESOLUTION URGING THE FLORIDA LEGISLATURE TO REAUTHORIZE THE FLORIDA ENTERPRISE ZONE PROGRAM CURRENTLY SET TO SUNSET ON DECEMBER 31, 2015; PRELIMINARILY IDENTIFYING THIS ISSUE AS A CRITICAL COUNTY PRIORITY FOR THE 2015 SESSION; URGING THE FLORIDA ASSOCIATION OF COUNTIES TO IDENTIFY THIS ISSUE AS ONE OF ITS PRIORITIES FOR THE 2015 SESSION

WHEREAS, the Florida Legislature created the Florida Enterprise Zone Program in 1982 to provide economic incentives to induce private investment in economically distressed areas within Florida; and

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 a sales tax credit for job creation, a sales tax refund on business property and building materials, and a state corporate tax credit of 20 percent or 30 percent of wages paid to Enterprise Zone residents; and

WHEREAS, Miami-Dade County's Enterprise Zone Program consists of three areas:

1. North Central Dade, which encompasses a large part of Northwest Miami-Dade County, including Miami International and Opa-locka Airports, parts of east Hialeah, the Empowerment Zone and a satellite in North Dade; and

2. South Dade, which covers part of the cities of Cutler Bay, Homestead and Florida City, as well as Perrine and Princeton; and

3. Miami Beach, which includes parts of South Beach, Collins Avenue and North Beach; 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 was thus 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, Chapters 2013-39 and 2013-42, Laws of Florida, require the Office of Economic and Demographic Research (EDR) and the Office of Program Policy Analysis and Government Accountability (OPPAGA) to provide the Legislature by January 1 of each year a detailed analysis of state economic development incentive programs on a recurring three-year schedule; and

WHEREAS, on January 1, 2014, OPPAGA released Report No. 14-01, which found that during State Fiscal Years 2009-10 through 2011-12, businesses received $110.9 million in Enterprise Zone Program incentives; and

WHEREAS, a key finding of the OPPAGA report was that enterprise zones in Miami-Dade County received more than half of all enterprise zone incentives statewide, by far more than any other county in the state; and

WHEREAS, specifically, the OPPAGA report found that approximately $68.2 million in incentives, or 61.5 percent of the total amount of incentives statewide, went to Miami-Dade County during State Fiscal Years 2009-10 through 2011-12; and

WHEREAS, the OPPAGA report also found that of the $68.2 million in enterprise zone incentives provided within Miami-Dade County during State Fiscal Years 2009-10 through 2011-12, $7.4 million were in the form of Job Tax Credits awarded to 102 businesses in Miami-Dade County for hiring 1,837 new employees who were enterprise zone residents; and

WHEREAS, another important finding of the OPPAGA report was that in Miami-Dade County, median household income in enterprise zones increased 43 percent from 2000 to 2010,

whereas median household income in comparable non-enterprise zones only increased 23 percent during that time; and

WHEREAS, on January 1, 2014, EDR released its 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 through 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, on July 1, 2014, this Board adopted Resolution No. R-635-14, which directed 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; 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 well-being 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, as detailed in the OPPAGA report, Miami-Dade County has received the most enterprise zone incentives by far of any county in the state, and these incentives will no longer be available if the Florida Enterprise Zone Program is not reauthorized before December 31, 2015; and

WHEREAS, given the positive impact the Florida Enterprise Zone program has had on economic development, particularly in Miami-Dade County, this Board would like to urge the Florida Legislature to extend the program; and

WHEREAS, this Board further would like to preliminarily identify the reauthorization of the Florida Enterprise Zone Program as one of Miami-Dade County's critical priorities for the 2015 session and also urge the Florida Association of Counties to identify this issue as one of its critical priorities for the 2015 session,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA, that this Board:

Section 1. Urges the Florida Legislature to reauthorize the Florida Enterprise Zone Program currently set to sunset on December 31, 2015.

Section 2. Preliminarily identifies the issue set forth in Section 1 above as a critical County priority for the 2015 state legislative session.

Section 3. Urges the Florida Association of Counties to identify the reauthorization of the Florida Enterprise Zone Program as one of its critical priorities for the 2015 session.

Section 4. Directs the Clerk of the Board to transmit a certified copy of this resolution to the Governor, Senate President, House Speaker, the Chair and Members of the Miami-Dade State Legislative Delegation and the Executive Director of the Florida Association of Counties.

Section 5. Directs the County's state lobbyists to advocate for the passage of the legislation as set forth in Section 1 above, and authorizes and directs the Office of Intergovernmental Affairs to include this item in the 2015 State Legislative Package when it is presented to the Board and to preliminarily identify this item as a critical priority when the Board determines priorities for the 2015 session as provided in Resolution No. R-764-13.

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

Rebeca Sosa, Chairwoman			**aye**
Lynda Bell, Vice Chair			**aye**
Bruno A. Barreiro	**aye**	Esteban L. Bovo, Jr.	**aye**
Jose "Pepe" Diaz	**absent**	Audrey M. Edmonson	**aye**
Sally A. Heyman	**aye**	Barbara J. Jordan	**aye**
Jean Monestime	**aye**	Dennis C. Moss	**aye**
Sen. Javier D. Souto	**aye**	Xavier L. Suarez	**aye**
Juan C. Zapata	**absent**		

The Chairperson thereupon declared the resolution duly passed and adopted this 7th day of October, 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: Christopher Agrippa
Deputy Clerk

Approved by County Attorney as
to form and legal sufficiency. MJM

Michael J. Mastrucci