



# ASSOCIATED INDUSTRIES OF FLORIDA

*The Voice of Florida Business Since 1920*



## 2009 SESSION PRIORITIES

# Economic Stimulus Package (ESP) 2.0

## ESP 2.0

is the continuation of a conversation of how to get Florida's economic engine humming again by putting Floridians to work. Last year, our association, alongside 20 other business groups, put together an economic stimulus package or ESP designed to nourish Florida's economy by recommending government spending in key areas and the enactment of incentives to attract new business and spur more job creation in home-grown corporations. On the heels of this first package and with Florida's economy still sputtering, AIF once again consulted with its corporate and association members to come up with a follow-up to this landmark set of recommendations. Known as the *Economic Stimulus Package 2.0* or *ESP 2.0* for short, this package picks up from where the business community left off and provides legislators with a series of recommendations in ten targeted areas. The recommendations found in this package originate from discussions with representatives from various industry associations and other business leaders who are deeply concerned with the future of Florida. They are mainly focused on infrastructure investments with a high return on investment (ROI), but given the bleak budget picture in Tallahassee, we have also included some important regulatory recommendations that can stimulate the economy without a big price tag.

The list of recommendations that make up the *ESP 2.0* is the work product of some of Florida's top business associations who are on the front lines of our state's economy. **They represent a list of ideas that you have not heard thus far in the halls or committee rooms of the Capitol.**

### SUPPORTING ORGANIZATIONS (AS OF 2/9/2009)

Asphalt Contractors Association of Florida  
Associated Builders & Contractors of Florida, Inc.  
Associated Industries of Florida  
Association of Florida Community Developers  
Florida Association of Broadcasters  
Florida Association of Realtors  
Floridians for Better Transportation  
Florida Cultural Alliance  
Florida Credit Union League  
Florida Engineering Society  
Florida Fertilizer & Agrichemical Association  
Florida Home Builders Association  
Florida Institute of Consulting Engineers  
Florida Natural Gas Association  
Florida Petroleum Council  
Florida Retail Federation  
Florida Roofing, Sheet Metal & Air Conditioning Contractors Association  
Florida Transportation Builders Association  
Florida Trucking Association  
Florida United Business Association

*"The Business Community's  
Recommendations for a Revival of  
Florida's Economy"*



# Economic Stimulus Package 2.0

## At-a-Glance

Currently the package is composed of ten areas, which are divided into Infrastructure Investments and Low Cost/High Impact Alternatives.

### What others are saying ...

*"AIF continues to be a leader for the business community in the transportation arena. Their endorsement of a practical adjustment of tag and title fees as a source of additional transportation dollars shows the type of forward thinking needed for our state to meet its transportation challenges."*

– Robert Burleson, President, Florida Transportation Builders Association

*"For the second year in a row, AIF has highlighted the importance of funding alternative water supply projects as an economic stimulus for the state. The availability of alternative water supplies is essential for a strong business climate and protects the environment. Infrastructure construction programs in this area creates both short term and long term jobs and improves our quality of life."*

– Doug Mann, Chairman, Florida Water Alliance

*"Associated Industries has been a major partner in the fight to protect affordable housing programs in Florida. More than most other organizations, AIF realizes the economic stimulus potential of investments in housing."*

– John Sebree, Vice President of Public Policy, Florida Association of Realtors

*"In a very short time, AIF has become one of the strongest advocates of leveraging Florida's existing space infrastructure for commercial purposes. Their powerful voice in Tallahassee and tireless efforts for Florida are exactly what the industry needs at this critical time in our state."*

– Steve Kohler, President, Space Florida

## INFRASTRUCTURE INVESTMENTS

### 1. Transportation

- Continued investments in transportation with an emphasis on road resurfacing projects
- Creation of dedicated revenue source for the Transportation Trust Fund through a scaled adjustment in tag and title fees (\$1.5 billion raised over a span of 3 years)
- Utilization of P3's for **future** infrastructure needs only
- Distribution and warehouse centers for ports through leasing of available state/local land in or near ports, and port security issues
- Approval of the Central Florida Commuter Rail

### 2. Water

- Funding for alternative water supply projects because it creates jobs and is essential to business expansion and relocation efforts

### 3. Affordable Housing

- Support of down payment assistance dollars in order to best leverage the \$1 billion available in federal dollars from the HERA Act of 2008
- True "fast-tracking" by local governments of affordable housing projects

### 4. Educational Facilities

- Restoration of the 2 mill levy for educational facilities
- Maximization of PECO dollars
- Continue to build schools as needed without the necessity of meeting the lowest level of the classroom size amendment

### 5. Space

- Continued funding of Space Florida and its activities to attract and retain space related industry to our state, including additional dollars for the continued rehabilitation of launch facilities to entice commercial space flight to Florida
- Creation of a Commercial Launch Zone (CLZ) as advocated by Space Florida
- Additional investments in workforce training to continue the transition of aerospace workers to complementary jobs in related fields
- Diversification of the space industry through university-based research and applied technology programs across the state (STRDI Act)

- Creation of Science, Technology, Engineering and Mathematics (STEM) magnet schools
- The use of "operations & maintenance" (O&M) dollars to preserve NASA buildings no longer in use by NASA, but important to the private sector in the near future as private commercial space launches begin

### 6. Mitigation

- Investments in home-hardening research and development
- Leveraging federal stimulus dollars into mitigation efforts (stimulates sales tax revenue, creates job, and increases economic activity)
- Continuation of the "My Safe Florida Home" program through small increase in Citizens' premiums or through a public-private partnership

## LOW COST/HIGH IMPACT

### 7. Regulatory Relief

- Expedited permitting for targeted industries
- Extensions of state and local government approvals for projects that fall under the "Development-of-Regional-Impact" (DRI) process
- Consider impact fee moratoria at the local government level or, at a minimum, ease the burden of proof on impact fee challenges
- Creation of a "Shovel-Ready Zone" designation

### 8. Tourism

- Encourage marketing of Health Care Hospitality/Tourism
- Expand marketing of Florida's arts and cultural resources as reasons to come to Florida
- Promote in-state tourism

### 9. New Markets Development Program

- Passage of legislation creating a program in Florida to draw down federal economic development dollars for low-income areas by providing \$250 million in private sector investment in Florida within 12 months.

### 10. Building Florida's Venture Economy

- Create the Florida Investment & Infrastructure "Bank"
- Encourage creation of Angel Investment Groups
- Bring entrepreneurs together with the source of capital

"Economic Stimulus" is the new buzz term in Tallahassee and Washington. Many plans and ideas have been discussed on the subject. Below are some ideas that AIF and the business community are presenting that are unique to *ESP 2.0* and not covered by other plans.

**TRANSPORTATION** – Florida's tag and title fees have not been increased in 25 years! A scaled adjustment of these fees over a three-year period has the potential to raise an additional \$1.5 billion for transportation projects. For every \$1 billion spent on transportation, 27,000 new jobs are created. Florida's Department of Transportation has identified \$7 billion in projects ready to begin within 90 to 120 days. These projects could provide \$39 billion in economic benefits. The fees would be adjusted between \$10 to \$22 depending on a vehicle's weight — that's a maximum of less than \$2 per month.

**AFFORDABLE HOUSING** – The passage of the federal Housing and Economic Recovery Act presents Florida with a unique opportunity to leverage over \$1 billion in federal support for our housing market and to accelerate Florida's economy. To get the biggest return on this investment, we must ensure that the monies in the state and local housing trust funds are fully appropriated for housing and that we have adequate down payment assistance funds to get families into the existing stock; thereby reducing the current glut of housing. Remember, for every \$1 million of state funding in housing, \$10.36 million of economic activity is generated.

**REGULATORY RELIEF** – "Shovel-Ready Zones" would provide incentives for counties and local governments to create specific zones conducive to growth. These designated zones would feature special expedited permitting for local ordinances, enhanced local incentives, and the potential for county and cities to be co-applicants alongside targeted businesses for state permitting purposes.

**TOURISM** – Florida is blessed with both world class medical facilities and a renowned tourism industry. Both should be combined in a domestic and international marketing program to promote medical tourism — this is where people travel from across the country and world to receive medical, dental, and surgical care, while at the same time their families can enjoy the benefits of that area's tourism industry.

**NEW MARKETS DEVELOPMENT PROGRAM** – Many states are active in the New Markets program, attracting large amounts of investments; but Florida has not taken advantage of these federal dollars. Over the seven-year life of the incentive, \$500 million will be invested in Florida's small businesses. It has the potential to create over 3,000 jobs the first year, more than 30,000 jobs over seven years, \$4 billion in economic activity and in excess of \$200 million in tax revenues.

**FLORIDA'S VENTURE ECONOMY** – One of the biggest challenges to growing Florida's Venture Economy is the lack of information or comfort large investors have with our existing start-ups. One way to bridge this gap would be through the creation of state-sponsored "trade missions" to venture capital clusters in San Francisco, Boston's Route 128, or North Carolina's Research Triangle. This small investment in relationship-building would go a long way in attracting and retaining venture capital investment in Florida.