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# Economic Development Incentives Report 2012

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*A summary of the local governments' responses to the reporting requirements outlined in sections 125.045 and 166.021, Florida Statutes.*



The Florida Legislature  
Office of Economic and  
Demographic Research  
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# Summary

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The 2010 Legislature passed Committee Substitute for Senate Bill 1752 (Chapter 2010-147, Laws of Florida) relating to economic development. The legislation amended sections 125.045 and 166.021, Florida Statutes, creating new economic development reporting requirements for county and municipal governments.

In addition to other changes, the legislation requires:

- an agency or entity that receives county or municipal funds for economic development purposes pursuant to a contract to submit a report on the use of the funds,
- the county or municipality to post the report on its website,
- counties and certain municipalities to report on the provision of economic development incentives to any businesses in excess of \$25,000 to the Office of Economic and Demographic Research (EDR), and
- the Office of Economic and Demographic Research, to compile the economic development incentives provided by each county in a manner that shows the total of each class of economic development incentives provided by each county and all counties.

The Office of Economic and Demographic Research has compiled the economic development data submitted by county and municipal governments in accordance with the statutes. The economic development incentives report includes (1) the total of each class economic development incentives provided by each county and municipal government and (2) the total of each class of economic development incentives for all counties and all municipalities. A copy of this report will be provided to the President of the Senate, the Speaker of the House of Representatives and the Department of Economic Opportunity. The report will also be posted to the EDR website at <http://edr.state.fl.us>

## Survey Results

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The analysis in this report is based on survey results provided by county and municipal governments between mid-October 2011 and January 2012. Local government financial managers and directors received emails providing details of the statutory requirement and instructions for completing the survey questionnaire. The Office of Economic and Demographic Research provided internet access to the survey for county and municipalities through the EDR website. To review the survey questionnaire, see [http://edr.state.fl.us/Content/local-government/economic-development-incentives/Survey\\_23033230.pdf](http://edr.state.fl.us/Content/local-government/economic-development-incentives/Survey_23033230.pdf)

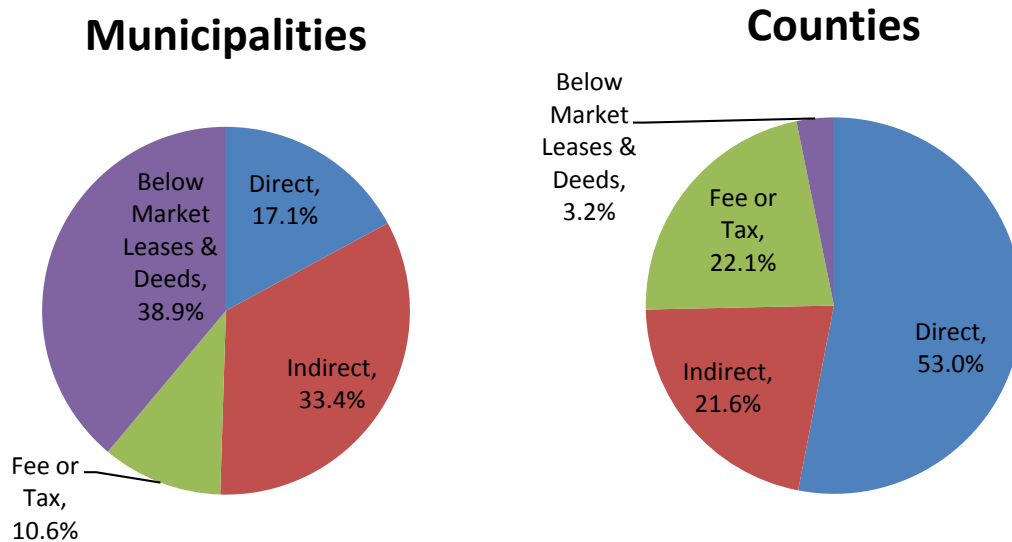
Respondents were required to report incentives by class and type. A detailed description of each class is provided in the Glossary section of the report.

- Direct Incentives- monetary assistance provided to one or more businesses or through an organization authorized by the local government. Direct incentives include grants, loans, equity investments, loan insurance and guarantees, and training subsidies.
- Indirect Incentives- grants or loans provided to businesses or community organizations that provide support to businesses or promote business investment or development.

- Fee-based or Tax-based Incentives- tax or fee credits, refunds, exemptions, or property tax abatement or assessment reductions<sup>1</sup>.
- Below Market Rate Leases or Deeds for Real Property-provided to business from the local government.

A total of 72 local government entities, 35 counties and 37 municipalities, completed the survey questionnaire. Of the 35 counties that completed the survey, 9 counties did not issue economic development incentives which met the statutory reporting requirement (incentives greater than \$25,000 during the previous fiscal year<sup>2</sup>). Incentives in the amount of \$46.2 million were reported by the counties that completed this survey. The largest percentage of the incentives granted was in the form of direct incentives accounting for \$24.5 million of the total incentives (53.0%).

Of the 37 municipalities that reported, 9 municipalities did not issue economic development incentives which met the statutory reporting requirement (incentives greater than \$25,000 during the previous fiscal year<sup>3</sup>). Incentives in the amount of \$25.8 million were reported by the municipalities that completed this survey. The largest percentage of the incentives granted was in the form of below market leases and deeds, accounting for \$10.0 million of the total incentives (38.9%).



<sup>1</sup> The value of property tax assessment reduction was calculated to reflect the value of the reduction in property tax, not the value of the assessment reduction.

<sup>2</sup> These counties included Bradford, Calhoun, Flagler, Liberty, Polk, Putnam, Seminole, Sumter and Union.

<sup>3</sup> These municipalities included Brooksville, Bunnell, Callaway, Davie, DeFuniak Springs, Leesburg, Longwood, Palmetto Bay, Panama City, and Plant City.

# Counties

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## Total Incentives by Class of Incentive

Incentive Type	Counties Granting Incentives	Total Amount Granted	Percent	Businesses Receiving Incentives	Average Incentive Per Business
Direct	19	\$24,512,033	53.0%	155	\$158,142
Indirect	18	\$9,995,726	21.6%	62	\$161,221
Fee or Tax Based	14	\$10,239,590	22.1%	209	\$48,993
Below Market Lease or Deed	1	\$1,500,000	3.2%	1	\$1,500,000
<b>Total</b>	N/A	\$46,247,349	100.0%	427	\$108,308

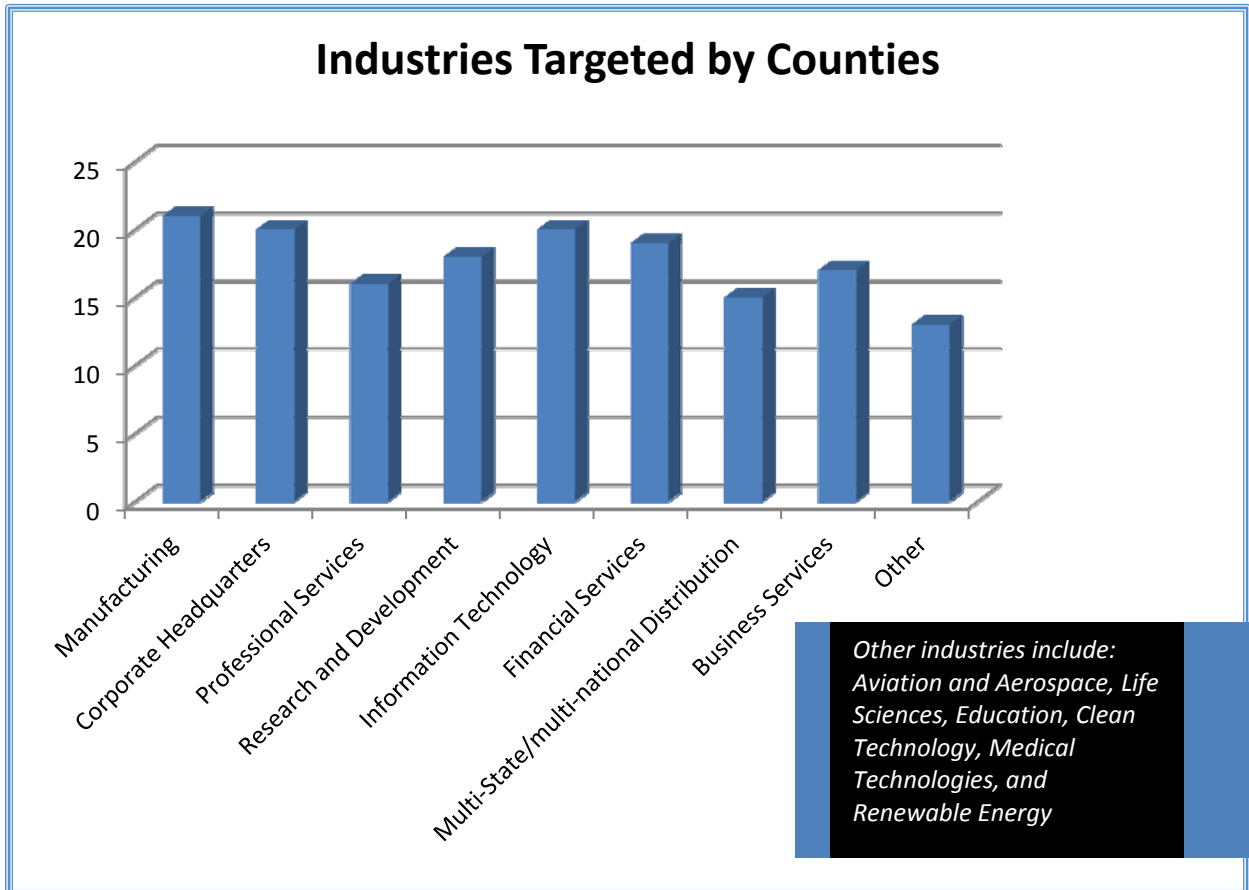
## Totals By Incentive Type

Direct Incentives	Counties Granting Incentives	Total Amount Granted	Percent	Businesses Receiving Incentives	Average Incentive Per Business
Grants	15	\$22,632,098	92.3%	142	\$159,381
Loans	1	\$199,000	0.8%	1	\$199,000
Equity Invest.	-	-	-	-	-
Loan Insurance	-	-	-	-	-
Loan Guarantees	-	-	-	-	-
Training	1	\$718,935	2.9%	6	\$119,823
Other	4	\$962,000	3.9%	6	\$160,333
<b>Total</b>	19	\$24,512,033	100.0%	155	\$158,142

Indirect Incentives	Counties Granting Incentives	Total Amount Granted	Percent	Businesses Receiving Incentives	Average Incentive Per Business
Grants	11	\$6,156,792	61.6%	43	\$143,181
Loans	2	\$199,000	2.0%	1	\$199,000
Other	6	\$3,639,934	36.4%	18	\$202,219
<b>Total</b>	18	\$9,995,726	100.0%	62	\$161,221

Fee or Tax Based Incentives	Counties Granting Incentives	Total Amount Granted	Percent	Businesses Receiving Incentives	Average Incentive Per Business
Credits	-	-	-	-	-
Refunds	7	\$967,313	5.7%	106	\$9,126
Exemptions	2	\$3,627,308	60.8%	19	\$538,926
Property Tax Abatement	6	\$4,861,370	28.8%	48	\$101,279
Property Tax Reduction	-	-	-	-	-
Other	1	\$783,599	4.6%	36	\$21,767
<b>Total</b>	<b>14</b>	<b>\$10,239,590</b>	<b>100.0%</b>	<b>209</b>	<b>\$80,631</b>

Below Market Leases or Deeds	Counties Granting Incentives	Total Amount Granted	Percent	Businesses Receiving Incentives	Average Incentive Per Business
Leases	1	\$1,500,000	100.0%	1	\$1,500,000
Deeds	-	-	-	-	-
<b>Total</b>	<b>1</b>	<b>\$1,500,000</b>	<b>100.0%</b>	<b>1</b>	<b>\$1,500,000</b>



County	Value of Direct Incentives	Value of Indirect Incentives	Value of Fee and Tax Based Incentives	Value of Below Market Leases or Deeds	Total Incentives Granted by County
Bay	\$350,000		\$848,696		\$1,198,696
Bradford					\$0
Brevard		\$1,400,050	\$178,280		\$1,578,330
Broward	\$143,325	\$993,313			\$1,136,638
Calhoun					\$0
Charlotte	\$85,902				\$85,902
Clay	\$112,529	\$50,000			\$162,529
Duval	\$4,231,713	\$98,940			\$4,330,653
Escambia	\$400,000	\$916,571	\$3,599,223		\$4,915,794
Flagler					\$0
Gulf	\$220,000	\$199,000	\$21,000		\$440,000
Hardee			\$202,954		\$202,954
Hillsborough	\$2,681,174	\$1,481,253	\$96,820		\$4,259,247
Indian River	\$148,593	\$709,008			\$857,601
Lake	\$948,489		\$783,599		\$1,732,088
Lee	\$6,788,000				\$6,788,000
Leon		\$174,500	\$628,463		\$802,963
Liberty					\$0
Manatee	\$300,253	\$333,067			\$633,320
Miami-Dade	\$2,537,225		\$428,044		\$2,965,269
Okaloosa		\$139,968			\$139,968
Orange	\$558,732	\$1,676,196	\$44,635		\$2,279,563
Osceola	\$191,000				\$191,000
Palm Beach	\$535,853	\$1,148,863	\$38,564		\$1,723,280
Pinellas			\$47,952		\$47,952
Polk					\$0
Putnam					\$0
St. Johns	\$420,370	\$165,000			\$585,370
St. Lucie	\$97,875	\$200,000	\$3,256,460		\$3,554,335
Sarasota	\$3,761,000	\$144,997		\$1,500,000	\$5,405,997
Seminole					\$0
Sumter					\$0
Union					\$0
Volusia			\$64,900		\$64,900
Walton		\$165,000			\$165,000
<b>Total</b>	<b>\$24,512,033</b>	<b>\$9,995,726</b>	<b>\$10,239,590</b>	<b>\$1,500,000</b>	<b>\$46,247,349</b>

# Municipalities

## Total Incentives by Class of Incentives

Incentive Type	Municipalities Granting Incentives	Total Amount Granted	Percent	Businesses Receiving Incentives	Average Incentive Per Business
Direct	18	\$4,408,077	17.1%	97	\$45,444
Indirect	15	\$8,605,393	33.4%	48	\$179,279
Fee or Tax Based	21	\$2,733,072	10.6%	137	\$19,949
Below Market Lease or Deed	7	\$10,010,476	38.9%	40	\$250,262
<b>Total</b>	N/A	\$25,757,018	100.0%	322	\$123,734

## Totals by Incentive Type

Direct Incentives	Municipalities Granting Incentives	Total Amount Granted	Percent	Businesses Receiving Incentives	Average Incentive Per Business
Grants	14	\$3,587,519	81.4%	73	\$49,144
Loans	3	\$627,780	14.2%	17	\$36,928
Equity Invest.	-	-	-	-	-
Loan Insurance	-	-	-	-	-
Loan Guarantees	1	\$35,000	0.8%	1	\$35,000
Training	-	-	-	-	-
Other	4	\$157,778	3.6%	6	\$26,296
<b>Total</b>	18	\$4,408,077	100.0%	97	\$45,444

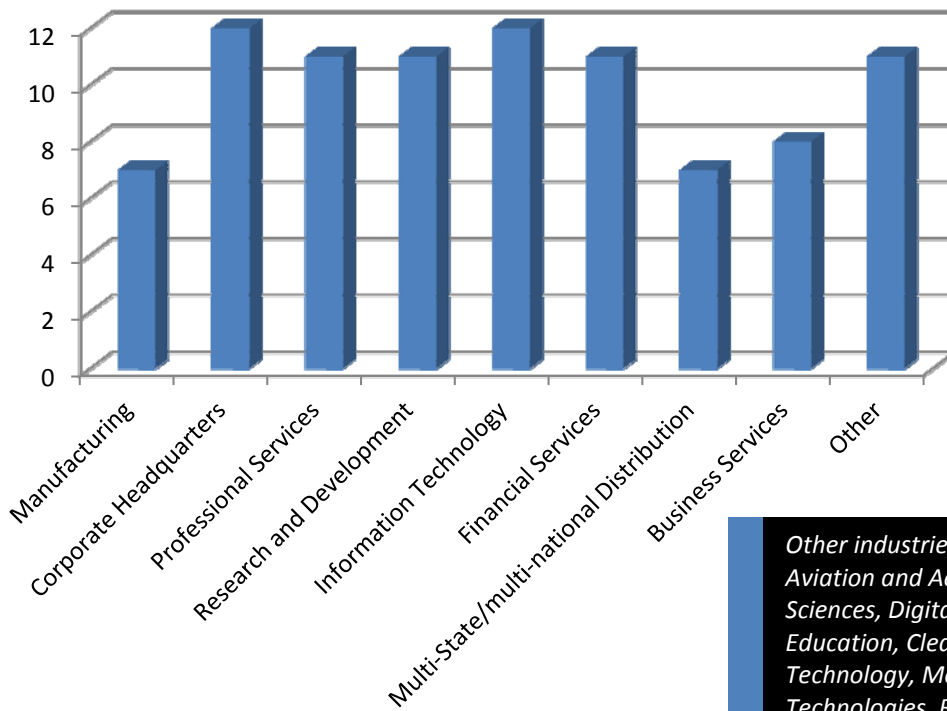
Indirect Incentives	Municipalities Granting Incentives	Total Amount Granted	Percent	Businesses Receiving Incentives	Average Incentive Per Business
Grants	8	\$2,012,449	23.4%	24	\$83,852
Loans	-	-	-	-	-
Other	8	\$6,592,944	76.6%	24	\$274,706
<b>Total</b>	15	\$8,605,393	100.0%	48	\$179,279



Fee or Tax Based Incentives	Municipalities Granting Incentives	Total Amount Granted	Percent	Businesses Receiving Incentives	Average Incentive Per Business
Credits	1	\$16,969	0.6%	1	\$16,969
Refunds	10	\$1,463,441	52.6%	101	\$14,222
Exemptions	2	\$466,874	17.1%	10	\$46,687
Property Tax Abatement	7	\$608,644	22.3%	13	\$46,819
Property Tax Reduction	-	-	-	-	-
Other	5	\$204,144	7.5%	12	\$17,012
<b>Total</b>	<b>21</b>	<b>\$2,733,072</b>	<b>100.0%</b>	<b>137</b>	<b>\$19,949</b>

Below Market Leases or Deeds	Municipalities Granting Incentives	Total Amount Granted	Percent	Businesses Receiving Incentives	Average Incentive Per Business
Leases	7	\$9,632,286	96.2%	39	\$246,982
Deeds	1	\$378,190	3.8%	1	\$378,190
<b>Total</b>	<b>7</b>	<b>\$10,010,476</b>	<b>100.0%</b>	<b>40</b>	<b>\$250,262</b>

### Industries Targeted by Municipalities



*Other industries include:  
Aviation and Aerospace, Life Sciences, Digital Media Education, Clean Technology, Medical Technologies, Retail, and Renewable Energy*

Municipality	Value of Direct Incentives	Value of Indirect Incentives	Value of Fee and Tax Based Incentives	Value of Below Market Leases or Deeds	Total Incentives Granted by Municipality
Boca Raton	\$100,000			\$11,250	\$111,250
Bonita Springs	\$75,250		\$16,969		\$92,219
Brooksville					\$0
Bunnell					\$0
Callaway					\$0
Coconut Creek			\$122,229		\$122,229
Davie					\$0
Daytona Beach			\$334,497		\$334,497
DeFuniak Springs					\$0
DeLand		\$25,000			\$25,000
Fort Lauderdale	\$50,000	\$818,154	\$70,375		\$938,529
Fort Walton Beach		\$14,000	\$16,106	\$245,788	\$275,894
Lake Park	\$93,671		\$4,671		\$98,342
Lakeland	\$10,800	\$401,000	\$81,082	\$83,998	\$576,880
Leesburg					\$0
Longwood					\$0
Lynn Haven			\$99,509		\$99,509
Maitland			\$115,000		\$115,000
Melbourne	\$25,000	\$20,000	\$84,327		\$129,327
New Smyrna Beach		\$25,000	\$108,164		\$133,164
North Port	\$112,000	\$7,000			\$119,000
Ocala	\$47,847	\$225,000	\$223,437		\$496,284
Orlando	\$145,637	\$732,108	\$213,429		\$1,091,174
Ormond Beach	\$50,000		\$15,000		\$65,000
Palm Bay	\$74,121	\$800	\$12,042	\$54,000	\$140,963
Palm Beach Gardens	\$50,000				\$50,000
Panama City					\$0
Pinellas Park	\$118,559				\$118,559
Plant City					\$0
Port St. Lucie	\$2,500,000	\$5,490,099		\$4,486,990	\$12,477,089
St. Petersburg		\$74,687	\$10,228	\$264,337	\$349,252
Sanford	\$320,191		\$88,041		\$408,232
Sarasota		\$108,545		\$4,864,113	\$4,972,658
Tallahassee	\$450,000	\$115,000	\$607,463		\$1,172,463
Tampa	\$118,729	\$549,000	\$86,821		\$754,550
Titusville	\$66,272		\$394,597		\$460,869
Venice			\$29,085		\$29,085
<b>Total</b>	<b>\$4,408,077</b>	<b>\$8,605,393</b>	<b>\$2,733,072</b>	<b>\$10,010,476</b>	<b>\$25,757,018</b>

# Two Year Comparison of Survey Results

County	2010 Total Incentives	2011 Total Incentives	Two Year Total	2010 Businesses Receiving Incentives	2011 Business Receiving Incentives	Two Year Total
Alachua	\$23,917		\$23,917	2		2
Bay	\$860,782	\$1,198,696	\$2,059,478	12	13	25
Bradford			\$0		0	0
Brevard	\$1,716,236	\$1,578,330	\$3,294,566	26	25	51
Broward	\$950,975	\$1,136,638	\$2,087,613	10	8	18
Calhoun			\$0	0	0	0
Charlotte		\$85,902	\$85,902		1	1
Citrus	\$72,000		\$72,000			0
Clay		\$162,529	\$162,529		8	8
Collier	\$447,668		\$447,668			0
Columbia	\$1,208,527		\$1,208,527	4		4
Duval	\$5,293,319	\$4,330,653	\$9,623,972	23	23	46
Escambia	\$5,465,923	\$4,915,794	\$10,381,717	25	29	54
Flagler			\$0		0	0
Gulf		\$440,000	\$440,000		4	4
Hardee	\$3,210,553	\$202,954	\$3,413,507	7	3	10
Hillsborough	\$3,980,365	\$4,259,247	\$8,239,612	25	34	59
Indian River	\$1,145,050	\$857,601	\$2,002,651	7	9	16
Lake	\$149,000	\$1,732,088	\$1,881,088	7	51	58
Lee	\$11,441,300	\$6,788,000	\$18,229,300	8	6	14
Leon		\$802,963	\$802,963		82	82
Liberty	\$635,593		\$635,593	1	0	1
Manatee	\$370,277	\$633,320	\$1,003,597	6	16	22
Martin	\$60,000		\$60,000	1		1
Miami-Dade	\$3,243,186	\$2,965,269	\$6,208,455	38	26	64
Okaloosa	\$199,609	\$139,968	\$339,577	2	1	3
Orange	\$32,277,890	\$2,279,563	\$34,557,453	15	17	32
Osceola	\$547,762	\$191,000	\$738,762	10	3	13
Palm Beach	\$2,149,370	\$1,723,280	\$3,872,650	22	14	36
Pinellas		\$47,952	\$47,952		10	10
Polk	\$109,062		\$109,062	3	0	3
Putnam			\$0	0	0	0
St. Johns	\$640,906	\$585,370	\$1,226,276	9	9	18
St. Lucie	\$4,381,970	\$3,554,335	\$7,936,305	6	7	13
Santa Rosa	\$985,233		\$985,233	8		8
Sarasota	\$1,738,169	\$5,405,997	\$7,144,166	8	23	31
Seminole	\$880,000		\$880,000	7	0	7
Sumter			\$0		0	0
Union			\$0			0
Volusia		\$64,900	\$64,900	0	4	4
Walton	\$258,000	\$165,000	\$423,000	1	1	2
Total	\$84,442,642	\$46,247,349	\$130,689,991	293	427	720

Municipality	2010 Total Incentives	2011 Total Incentives	Two Year Total	2010 Businesses Receiving Incentives	2011 Business Receiving Incentives	Two Year Total
Boca Raton		\$111,250	\$111,250	0	2	2
Bonita Springs	\$54,945	\$92,219	\$147,164	2	2	4
Brooksville	\$28,879	\$0	\$28,879	1	-	
Bunnell		\$0	\$0	0	-	
Callaway		\$0	\$0	0	-	
Cape Coral			\$0	0		0
Coconut Creek		\$122,229	\$122,229		1	1
Clermont			\$0	0		0
Davie	\$346,965	\$0	\$346,965	3	-	
Daytona Beach		\$334,497	\$334,497		2	2
DeFuniak Springs	\$115,411	\$0	\$115,411	25	-	
DeLand		\$25,000	\$25,000		1	1
Deltona	\$51,238		\$51,238	2		2
Fort Lauderdale		\$938,529	\$938,529		9	9
Fort Walton Bch.		\$275,894	\$275,894		8	8
Keystone Heights	\$41,228		\$41,228	9		9
Lake Park	\$95,530	\$98,342	\$193,872	4	7	11
Lakeland		\$576,880	\$576,880		11	11
Leesburg		\$0	\$0		-	
Longwood		\$0	\$0		-	
Lynn Haven		\$99,509	\$99,509		2	2
Maitland		\$115,000	\$115,000		3	3
Melbourne	\$74,010	\$129,327	\$203,337	8	6	14
New Smyrna Beach		\$133,164	\$133,164		9	9
North Port		\$119,000	\$119,000		5	5
Ocala		\$496,284	\$496,284		13	13
Orlando	\$834,038	\$1,091,174	\$1,925,212	17	29	46
Ormond Beach		\$65,000	\$65,000		3	3
Palm Bay	\$13,504,922	\$140,963	\$13,645,885	21	22	43
Palm Beach Gardens		\$50,000	\$50,000		1	1
Panama City	\$0	\$0	\$0		-	
Pinellas Park	\$40,133	\$118,559	\$158,692	4	14	18
Plant City	\$0	\$0	\$0		-	
Port St. Lucie	\$4,050,000	\$12,477,089	\$16,527,089	3	5	8
St. Cloud	\$395,000		\$395,000	5		5
St.Petersburg	\$1,128,187	\$349,252	\$1,477,439	17	11	28
Sanford	\$150,000	\$408,232	\$558,232	1	14	15
Sarasota	\$5,557,249	\$4,972,658	\$10,529,907	31	29	60
Tallahassee	\$4,799,117	\$1,172,463	\$5,971,580	15	82	97
Tampa	\$28,962,329	\$754,550	\$29,716,879	148	14	148
Titusville		\$460,869	\$460,869		16	16
Venice		\$29,085	\$29,085		1	1
Total	\$60,229,183	\$25,757,018	\$86,041,144	316	322	638

## Municipalities

Incentive Type	Municipalities Granting Incentives		Total Amount Granted		Businesses Receiving Incentives	
	2010	2011	2010	2011	2010	2011
Direct	13	18	\$9,005,894	\$4,408,077	67	97
Indirect	9	15	\$1,545,582	\$8,605,393	27	48
Fee or Tax Based	13	21	\$36,840,208	\$2,733,072	183	137
Below Market Lease or Deed	6	7	\$13,349,971	\$10,010,476	39	40
<b>Total</b>			\$60,229,183	\$25,757,018	316	322

## Counties

Incentive Type	Counties Granting Incentives		Total Amount Granted		Businesses Receiving Incentives	
	2010	2011	2010	2011	2010	2011
Direct	23	19	\$29,675,804	\$24,512,033	118	155
Indirect	15	18	\$40,450,510	\$9,995,726	60	62
Fee or Tax Based	17	14	\$12,774,650	\$10,239,590	111	209
Below Market Lease or Deed	3	1	\$1,541,679	\$1,500,000	4	1
<b>Total</b>			\$84,442,643	\$46,247,349	293	427

# GLOSSARY

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**Direct financial incentives** provide direct monetary assistance to a business from the local government or through a local government funded organization. The assistance is provided through grants, loans, equity investments, loan insurance and guarantees. These programs generally address business financing needs but also may be invested in workforce training, market development, modernization, and technology commercialization activities. Cash grants provide the greatest flexibility and immediate benefit to the company by reducing capital outlays. However, loans, bonds, and equity financing are commonly used to make resources available with an expectation that the dollars will be returned for future investments. Another important category of direct financial incentives is in the area of training subsidies. Other forms of direct financial incentive include revolving loan funds, product development corporations, seed capital funds, and venture funds. These programs directly supplement market resources through public lending authorities and banks. *Direct financial incentives are typically discretionary.*

**Indirect incentives** include grants and loans to local government entities, non-profits, and community organizations to support and promote business investment or development. The recipients include communities, financial institutions, universities, community colleges, training providers, venture capital investors, and childcare providers. In many cases, the funds are tied to one or more specific business locations or expansion projects. Other programs are targeted toward addressing the general needs of the business community, including infrastructure, technical training, new and improved highway access, airport expansions and other facilities. Funds are provided to the intermediaries in the form of grants, loans, and loan guarantees. Indirect incentives may also be used to leverage private investment in economic development. For instance, linked deposit programs in which local government funds are deposited in a financial institution in exchange for providing capital access or subsidized interest rates to qualified business borrowers. *Indirect financial incentives are typically discretionary.*

**Tax-based incentives** use the tax code (or tax base) as the source of direct or indirect subsidy to qualified businesses. It is more stable and less visible than direct financial or indirect incentives because it does not typically require an annual appropriation. Tax-based incentives can be either discretionary or entitlements. While tax based incentives function like direct financial incentives, the ubiquitous use of these incentives justifies a separate categorization.

Tax-based incentives can be further classified into five sub-categories:

- CREDITS, which provide a reduction in taxes due, after verification that statutory or contractual terms have been met.
- REFUNDS, which provide a return on taxes paid, after verification that statutory or contractual terms have been met.
- EXEMPTIONS, which provide freedom from payment of a variety of taxes normally applied to certain business activities.

LOCAL PROPERTY TAX ABATEMENTS or ASSESSMENT REDUCTIONS, which reduce or decrease the assessed valuation of ad valorem taxes, to include real property and personal property. Because the ad valorem tax is a local government revenue source, the cost of the incentive is borne by local governments.