Minutes of a Regular Meeting of the Board of Directors of Enterprise Florida

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A regular meeting of the Enterprise Florida, Inc. Board of Directors was held on June 2, 2017 at the University Center Club at Florida State University in Tallahassee, Florida.

Members Present

Jason Altmire          Tom Feeney                      Kent Perez
Chris Appleton        Chris Flack                   Adam Putnam
Alan Becker           JC Flores                      Gene Schaefer
Jesse Biter           Sheldon Fox                  Governor Rick Scott
Holly Borgmann        Danny Gaekwad                Eric Silagy
Paul Browning         Gordon Gillette              Gary Spulak
Dominic Calabro       Jorge Gonzalez               Bob Ward
David Call            Mike Grissom                  Mark Wilson
Cathy Chambers        Jeff Hendry                   Guests
Stan Connally         Marva Johnson                Representative Jay Fant
Andy Corty            Yuri Kertzman               On the Phone
Marshall Criser       Belinda Keiser               Jason Steele
Brian Curtin          Joe Mayer
Julius Davis          Carrie O’Rourke
Ken Detzner

Agenda

I. Welcome & Roll Call
   o Statement of Public Notice
II. Chairman’s Report
III. Job Creator Awards
IV. Approval of Minutes – February 2, 2017
V. Action Items
   o Consent Agenda
VI. President & CEO Report
VII. DEO Update
VIII. Business Development Update
IX. Marketing Update
X. International Trade Update
XI. Strategic Sites Initiative
XII. Public Comment
XIII. Closing Remarks & Adjournment
Welcome
After confirming that a quorum was present, Vice Chair Stan Connally called the meeting to order at 8:33 a.m. He welcomed all members. Sharon Blake read the statement of public notice.

Approval of Minutes
Mori Hosseini made a motion to approve the minutes of the February 2, 2017 board meeting. The minutes were amended to include the presence of Dominic Calabro. Dominic Calabro seconded the motion as amended. The motion carried.

Chairman’s Report
Vice Chair Connally explained that Governor Scott was not present due to a commitment, but that he asked everyone who can stay to remain at the conclusion of the meeting as he would arrive back in Tallahassee and speak to the group around noon. On behalf of the Governor he reported that Florida has created nearly 1.4 million jobs over the last six years. He urged everyone to continue to stay focused and committed.

Vice Chair Connally recognized Commissioner Adam Putnam, Secretary of State Ken Detzner, Representative Jay Fant, Chancellor Marshall Criser and DEO Executive Director Cissy Proctor. He also recognized Representatives Joe Gruters and David Silvers who spent time at yesterday’s committee meetings. Vice Chair Connally remarked that he heard great things in the committee meetings the day before including facilitation of job creation, jobs announcements, expected sales from two trade missions and much more.

Job Creator Awards
Vice Chair Connally invited Mike Grissom, Manny Mencia and Tim Vanderhoof to join him at the podium to present three companies with job creator awards.

- GKN Aerospace – has a new manufacturing facility in Bay County that will create more than 170 jobs with a $50M investment and will help to diversify the economy.
- Infinium – a medical manufacturer that added three new jobs to its manufacturing facility in Largo. They have 13 employees currently and want to continue growing. They distribute products to 87 countries.
- Mercury Medical – a veteran-owned company headquartered in Clearwater with 140 employees whose main core of business is medical devices for adults, children and neonates. Their products are being sold across the United States and in 70 countries.

Action Items
Vice Chair Connally explained that the board would be voting on all the consent agenda items together as follows and reminded members not to vote on anything that may be a conflict of interest. The day before the Executive Committee reviewed the consent agenda and recommended approval.

1. Finance and Compensation Committee
   - Approve the recommendations of the Finance and Compensation Committee which met the day before to discuss where EFI is year to date. EFI is on trend with the budget. Vice Chair Connally reminded board members to follow through with their private investment commitments.
2. Audit Committee
   o Approve the recommendations of the Audit Committee which met the day before.

3. Renewal of Existing Investors
   o Approve the following companies to continue as At-Large members of the EFI board for a one-year term.
     - AT&T
     - Becker & Poliakoff, P.A.
     - BRPH Architects
     - Charter Communications
     - Darden Restaurants
     - Embraer Aircraft Holdings, Inc.
     - Florida Power & Light
     - Florida Realtors
     - Gulf Power
     - Lakewood Ranch Commercial Realty
     - Mitsubishi
     - Parsons
     - SunTrust
     - TD Bank
     - Wells Fargo

4. New Company Representative
   o Approve Yuri Kertzman of Odebrecht Construction to become his company's representative on the EFI board.

5. VISIT FLORIDA Board Recommendation
   o Approve VISIT FLORIDA’S board appointment and reappointment recommendations which have been reviewed and approved by the VISIT FLORIDA board and the Department of Economic Opportunity.

Vice Chair Connally asked for public comment and there was none. Andy Corty made a motion to accept the consent agenda, and Dominic Calabro seconded. The motion carried.

President & CEO Report
Vice Chair Connally introduced Mike Grissom and remarked that Mike has shown energy, drive, commitment and a willingness to learn during a dynamic and difficult time for EFI. Mike thanked Stan and past Vice Chair Alan Becker for all their support. He commended the Governor on what he has done for the state and thanked his EFI staff. Mike also thanked Commissioner Adam Putnam for his support and Representative Jay Fant for his eloquent description of what EFI does, delivered on the House floor during debate. Mike also extended his thanks to the partners who went to Tallahassee to tell the legislature what they do.

Mike commended Tim Vanderhoof and the Business Development team on projects involving GKN, Gartner and KPMG. He also talked about small business and unincentivized projects involving SSBCI (State Small Business Credit Initiative) helping 123 small businesses with more than $245M in financing and investment. Another 13 small businesses were able to qualify for over $4M under the microfinance guarantee program – 3,400 jobs. These projects have shown a positive return on investment for every dollar spent. Another example of an unincentivized project is Patriot Manufacturing who contacted EFI through its website and moved to Florida from Connecticut with 12 jobs. Florida beat out Texas, Georgia and Tennessee.
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Mike also recognized Manny Mencia who he described as the lead expert in trade in Florida and around the world. Manny chairs SIDO (State International Development Organizations) - the national organization for trade. Trade represents 2.5 million jobs in Florida – 10% of the people in the state. The trade team brings a significant return on investment to the state – one of the highest ROIs of any incentivized program. The international trade unit brought 15 companies to South Africa – 11 of those companies were new to the market, generating $38M in expected and actual sales.

Mike added that Joe Hice has done a tremendous job putting the marketing dollars to their best use including a focus on rural communities. A producer from NBC contacted the marketing team interested in doing a story on Florida ports – based on an ad he saw in New York. Opportunity Florida took 25 businesses and community leaders to Mississippi for a rural economic development tour funded by the Co-Op grant program. In Hendry County a series of interactive maps has been created to highlight industrial and commercial sites as well as community amenities.

The Sports Foundation has had great success in bringing major sports to Florida – Super Bowl 2020 in Miami, Super Bowl 2021 in Tampa, the NHL 2018 All Star game and the 2017 National Women’s Professional Soccer League Championships.

Mike thanked the board and promised that the entire staff will work tirelessly to ensure EFI is doing the right things, is being transparent and making sure Florida taxpayer dollars are being spent efficiently.

DEO Update
Vice Chair Connally introduced Cissy Proctor who reported that the Florida unemployment rate for April dropped to 4.5%, the lowest since September of 2007. There have been 371,000 people entering the labor force in the last year. Florida’s labor growth is five times that of the nation. Florida businesses have created 1,355,700 new jobs over the last six plus years. In April Florida companies had more than 254,000 job openings across the state. Registered nurses still remain the top job in demand followed by a diverse list including logistics, retail and tourism. The industries with the largest percentage of job growth are professional and business services; trade, transportation and utilities; construction; education and health services; and, leisure and hospitality. Wages continue to rise because of the diversified growth and have increased by 3% in the past year as compared to the national growth rate of 1%. Seventy-seven percent of private sector jobs created have an average wage of more than $40,000 with 57% at $45,000 or higher. The housing market is strong. The median sales price is up more than 10% over the last year.

In April, Florida had the highest job growth rate among the ten largest states. This trend has continued for the past 61 straight months. Since 2010 Florida has outpaced the nation in job growth at 22.2% compared to 14% for the U.S. The labor force and GDP growth have doubled over the national rate – 9.3% vs. 4.3% and 3.0% vs. 1.5% respectively.

Business Development Update
Vice Chair Connally introduced a new board committee for Business Development that met for the first time the day before chaired by Brett Couch with Cathy Chambers as the vice chair. Vice Chair Connally introduced Cathy Chambers who explained that the committee hopes to capitalize on the expertise of the board members and partners in attendance to leverage new opportunities for EFI and the Business Development team. She congratulated Tim Vanderhoof on his promotion to Senior Vice President and asked for support to help the team look for new opportunities to grow the targeted industry sectors. They are on track to meet the 22,000 jobs goal and with $2.4B in capital investment have already surpassed the $1.8 billion goal. The team has done very well in light of what has been going on. The challenge for everyone is to help the team clarify that Florida is open for business. There are still programs and
opportunities to compete. She would like the team to partner with the board to continue growing and encourage board members to pass on leads and suggest trade shows to attend.

Tim Vanderhoof thanked everyone for their partnership. The team is working on reinventing themselves. To reach the end result of hitting their jobs numbers and creating a better and more diverse economy, they are getting out into the market – attending trade shows and talking face to face with C level executives and consultants. Incentives are important but with all things being equal, they can promote the assets the state has to offer. Partnerships are important. They can’t do it without utilities, rail, workforce and education. Tim asked the group for their expertise, ideas and contacts.

**Team Florida Marketing Update**

Vice Chair Connally introduced Eric Silagy, chair of the Team Florida board, and thanked him for his time and passion. He is a well-spoken representative for the state anywhere he goes. Eric remarked that the challenge is getting the word out. The idea that Florida is also a great destination for business is getting real traction. A video was shown. It is hard to penetrate the white noise out there. Capital One spent a billion dollars last year on ads. The marketing team is finding ways to make an emotional connection/impression and then provide the intellectual data necessary to get companies here. In the past 16 months they have measured 616,312,000 impressions. They are advertising outside of Florida in some of the biggest media markets and internationally as well. Because there isn’t the budget to buy television time, they need to be creative – advertising at airports, on billboards and through social media. Different types of mediums and messaging are being used to target different audiences. A 12-month brand lift shows more than a 6.8% increase.

When C-suite executives and site selectors were asked what states are good for business, Florida leads in perception over Texas and California. Companies’ top concerns are proximity to customers, tax climate, labor, incentives and safety. With 16 months into the campaign, there have been 4,500 marketing and communications inquiries generated. Over 19,200 contacts have been reached through lead/nurture efforts in the past 60 days. Eric continued adding that the local co-op initiative is picking up momentum with 19 Team Florida campaigns, 33 rural campaigns and $535,000 in co-op spending.

In closing Eric commended Joe Hice and his team. Florida is open for business. Enterprise Florida and the marketing team were recognized statewide by the Florida Economic Development Council with two Innovation in Marketing awards – one for the Boundless video series and the other for The Future is Here ad campaign. A United Launch Alliance video on space was shown.

Eric introduced Joe Hice who spoke about the rural co-op program explaining that the best way to market local communities is to work directly with them. They don’t always have the budgets other places have. If they spend one dollar and use the branding, the program will match that dollar. There are 52 co-op programs totaling $535,000. They have seen that money used very creatively. One North Florida community bought a flight simulator based on a marketing plan using co-op program help to attract young people interested in aviation. It has also been used to develop websites. Jeff Hendry added that getting $10,000 in a rural county to market their area or airport is important. Columbia County developed an aviation academy to introduce kids to aviation and teach maintenance and overhaul. Class size has grown from 40 to 70. Over 70% of the geography in Florida is rural. The investment is appreciated.

**International Trade Update**

Vice Chair Connally introduced Brian Curtin, the board liaison for EFI International Trade. The team has assisted 2,105 companies to date which stands at 94% of the 2,250 goal. The unique number of export sales is 259 – 120% of the 215 goal. Total export sales are $646.47M which is 96% of goal. The leading destinations for Florida origin exports through the third quarter are Brazil, Canada, Mexico and Colombia.
The leading commodities include civilian aircraft, engines and parts, electric apparatus and automatic data process machines. The larger company exporters include Embraer, Harris, IBM and GE Healthcare. Sixty-three Florida delegates participated in the Governor-led trade mission to Argentina. Total sales of $25,850,000 were reported by participants ($1.85M actual); an MOU was signed between Florida and Argentina ports; and, a “Business and Investment Opportunities in Florida” seminar was conducted with over 120 attendees. Upcoming trade events include the Medical Fair Thailand 2017 in September, the Toronto Global Forum at the end of October, the Dubai Air Show in November, Medica in November, the Marine Equipment Trade Show in November and the Singapore Air Show in February.

Vice Chair Connally introduced Manny Mencia who reported that the team helped over 2,000 small to mid-sized businesses with exports. Almost one of every four jobs in Florida is supported by international trade. Paul Browning participated in the mission to Argentina and described it as an absolute home run. Eric Silagy remarked that the professionalism of Manny and his team is not lost on the business leaders in the countries visited. EFI is regarded as a top flight organization, and Manny and his team are exceptional at showcasing Florida. EFI is the number one client of the US Department of Commerce’s Gold Key program which is an overseas match-making effort customized for a company with one-on-one appointments.

**Governor’s Press Conference**

Vice Chair Connally explained that at that moment the Governor, Speaker Corcoran and Senate President Negron were having a press conference in Miami. A recess was taken to work on setting up the live feed. Once up it was viewed by the group. Governor Scott announced a special session beginning on June 7 and ending on June 9 to discuss additional funding for Florida’s K-12 students, the establishment of the new Florida Job Growth Grant Fund ($85M) and an increase in funding for VISIT FLORIDA ($76M).

The board meeting was reconvened at 10:41 a.m. with the discussion below on strategic sites.

At 10:55 a.m. Governor Scott called in to talk to the group about the press conference where he announced the special session mentioned above. The grant fund will focus on infrastructure investment and workforce training. He believes the funds for EFI and VISIT Florida will help the state continue to be a leader in job growth. The education funding is very important for the state. For the special session the Governor asked everyone present to be active and engaged as well as talk to their house and senate members to let them know the importance of this. It will provide an opportunity to have a win for all Florida families and a way for the growth fund to work for job creation in the state. A press release was handed out to all present. The Governor will arrive at the meeting around 12:45 p.m. to talk to anyone who is still there. Mike Grissom added that the fund will put EFI in a better spot than they have been in the last two years by doubling what it had in the economic development toolkit.

**Strategic Sites Initiative**

Vice Chair Connally brought up Joe Hice to talk about and introduce Victor Leotta, Principal at LEO, LLC, Leotta-Evers Consulting who started a site evaluation company in 2008 looking at innovative and data-driven site selection resulting in the strategic sites inventory program. As the marketing team was developing the rural communications campaign and co-op program, they started to ask themselves what if new business is driven to rural Florida and how is EFI going to handle it? Where do all the great commercial sites exist? An RFP was done. Leotta Location and Design’s proposal enabled them to go into all 33 rural counties combined with the work done around the state in non-rural counties and create a catalog of suitable industrial and commercial sites.

Joe introduced Victor Leotta who explained that the initiation of this project was driven through a charitable donation from Duke. EFI has been involved since the beginning. FP&L and Gulf Power also invested to
advance the program. Over four years they have combed 57 counties in Florida. The initial intent was identification of quality sites to give the competitive advantage that local communities need. It couldn’t have been done without the support of these partners including EFI’s investment as well as DEO grants.

Victor introduced his SSI program – strategic sites inventory. Often sites on the market didn’t fit the projects. They set out to create a methodology for officially identifying areas of opportunity for sites. They are trying to increase community competitiveness in economic development by strengthening the quality of commercial industrial real estate assets. A competitive advantage is earned by certifying sites. Initially, they found no unifying standard in different states. Victor explained that the largest limiting factor a community faces in winning quality economic development projects is availability of quality sites. A quality site is necessary to compete for a project. Quality sites = quality projects = quality jobs. The SSI program phases are site discovery, preliminary due diligence, landowner engagement, formal due diligence and branding/marketing.

Discussion was put on hold for the Governor’s call – see notes above under Governor’s Press Conference.

Victor picked up his presentation explaining that during site discovery they identify sites that have great characteristics, then vet the sites and screen them against environmental and engineering factors. They then sit down and have a local workshop with each county to review the sites. Participation has been great. The goal is to remove flawed sites from the mix before money is spent. Once there has been a favorable recommendation on sites, they will involve the landowner to work on terms and price. The project funded by EFI is the RAO SSI – rural area of opportunity strategic sites inventory program follows the same phases. There are 13 counties in phase I of the SSI program plus five economically distressed communities. Thirty-two counties will benefit in Phase II. There are 771 Phase I sites and 22 Phase II sites.

Public Comments

Chancellor Marshall Criser shared that the State University System’s portal for the business community – Think Florida, A Higher Degree for Business – has been upgraded. It now has a concierge service for the business community which is a single site where any business in Florida or one considering coming to Florida can reach out to the career research centers at the state universities to put in a description of their needs such as interns. They are also using the same model to go out through career resource centers to reach out to graduates and alumni in the workforce today and make them aware of opportunities. Chancellor Criser asked for feedback and will supply a link that can be sent out to everyone. Vice Chair Connally added that links will be sent out to the videos shown today as well.

In response to a question from Vice Chair Connally, Michelle Dennard of CareerSource informed the group that last month they placed 24,000 Floridians into jobs. Representative Fant encouraged everyone to be in communication with their house and senate members. He will do his best to contribute to the effort as well. Eric Silagy offered his personal thanks to Representative Fant who stood up for EFI and jobs for Florida.

Mark Wilson and Dominic Calabro encouraged everyone to build on this success. There are still things to work for to make Florida more competitive – worker’s comp rates are still going up, still have the highest business rent tax in the nation, a more substantial business tax reduction is needed and homeowner’s rates are going up because of fraud. It is important to get involved in the next week.

Kellie Jo Kilberg, the chairman of the Florida Defense Alliance, which is an initiative of EFI, explained that they are the state organization that brings all the local communities together with state and local agencies
to look at how to enhance and improve military missions. She thanked the military and defense staff at EFI. The next BRAC is around the corner in 2021. Everyone has to get their act together and be focused on enhancing and protecting this country’s bases. She offered to present to the board on these topics. Vice Chair Connally agreed that it would be useful to hear from them at the next meeting.

**Closing Remarks & Adjournment**
Vice Chair Connally invited everyone to stay if they can as the Governor is coming back from Miami. Vice Chair Connally adjourned the meeting at 11:36 a.m.