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

A regular meeting of the Enterprise Florida, Inc. Board of Directors was held on August 22, 2017 at the Westin Fort Lauderdale Beach Resort in Fort Lauderdale, Florida.

Members Present

Gordon Bailey
Alan Becker
Holly Borgmann
Andrew Fay
Kirk Boylston
Dominic Calabro
Jeff Chamberlain
Stan Connally
Andy Corty
Brett Couch
Brian Curtin
Julius Davis
Danny Gaekwad
Sonya Deen Hartley
Jeff Hendry
Mori Hosseini
Winfred Phillips

Marva Johnson
Kenneth Kahn
Belinda Keiser
David Kornick
Yuri Kertzman
Brooke McKnight
Jimmy Patronis
Andy Rosen
Governor Rick Scott
Harry Sideris
Britt Sikes
Gary Spulak
Jason Steele
Crystal Stiles
Erick Strati
Kevin Thibault

Drew Weatherford
Maria Wells
Mark Wilson
Joe York

Guests
Representative Jay Fant
Luis Arguello, Sr.
Alberto Aure
Daniel Berler
Eva Salazar

On the Phone
Gordon Gillette

Agenda

I. Welcome & Roll Call
II. Chairman’s Report
III. Job Creator Awards
IV. Approval of Minutes
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. International Trade Panel
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 9:40 a.m. and welcomed all members. He introduced Bob Swindell, Greater Fort Lauderdale Alliance and thanked him for hosting the board breakfast. Bob recognized Gary Spulak and Embraer for a great event held the night before and talked about Port Everglades. It handles petroleum as well as cruise and container business. Broward County is the number one urban county for percentage of job growth in the country. He announced that Ford Motor Company had acquired the Blackberry facility and hired the 100 engineers that were still there to do R & D work.

Vice Chair Connally recognized the new state CFO Jimmy Patronis and thanked Representative Jay Fant for attending. He also introduced Pete Antonacci, the new EFI President and CEO. Vice Chair Connally reported that things are going well in Florida. Modernizing Medicine is creating 800 jobs in Palm Beach County. ATIO USA is opening an aluminum recycling facility in Hendry County. EFI hosted 17 companies as the Paris Air Show reporting $42M in expected sales.

Chairman’s Report
Governor Scott reported that there has been a dramatic turnaround in the economy. He thanked Vice Chair Connally as well as EVP Mike Grissom and the entire EFI team. He thanked Embraer for all the jobs they have created. He recognized Jimmy Patronis for helping get the economy turned around and added that he will do an outstanding job as CFO. He thanked Representative Jay Fant for the support during the legislative session. Governor Scott explained that he got to know Pete Antonacci after he was elected. Pete served as his general counsel and then took over the state attorney position in Palm Beach. He also did a great job at the Water Management District. He will do a wonderful job at EFI.

The Governor reported that almost 27,000 jobs have been added for the month of July which brings the total to 1,422,700 jobs in 6 ½ years. The average home price is now up to $250,000. There are 350,000 people moving to the state every year with over 100,000 coming from another country last year. There are over 250,000 job openings and Florida’s labor force is growing 4 ½ times faster than the rest of the country. Florida’s K-12 education system is perceived to be one of the best in the country and US News & World Report just reported that Florida has the best higher education system in the country. Florida stands at a 46 year low in the crime rate.

It has been a tough fight for EFI to be able to continue. There is now an $85M grant fund which works through DEO. Proposals from all over the state have been received. That money will be spent where there will be the best return and the most jobs. Taxes have been cut 75 times and over 25% of state debt has been paid.

Job Creator Awards
- JL Audio – manufacturer in Broward County that created 40 jobs surpassing their goal of 30. They currently employ more than 300 Floridians.
- Bunnie Cakes – a vegan bakery currently employing 16 with plans to keep growing.
- Gartner – has been in Fort Myers for over two decades currently employing over 1,500 and has created over 500 jobs during the past two years with plans to build a new facility that will create 600 jobs.
Approval of Minutes
Andy Carty made a motion to approve the minutes of the June 2, 2017 board meeting and the July 24, 2017 special board call. Drew Weatherford seconded the motion as amended. The motion carried.

Action Items
Vice Chair Connally presented the consent agenda for approval by the full board. The day before, the Executive Committee reviewed the consent agenda and recommended approval.

1. 2017-18 Proposed Corporate Goals
2. 2017-18 Budget
3. Renewal of Existing Investors
   - Approve the following companies to continue as At-Large members of the EFI board for a one-year term.
     - ADT
     - Embraer
     - Harris Corporation
     - Publix Super Markets
4. New Company Appointees
   - Statutory Appointee: CFO Jimmy Patronis, State of Florida
   - House Appointee: Representative Jim Boyd, Florida House of Representatives
   - Senate Appointee: Kenneth Kahn, President of LRP Publications
   - Florida Economic Development Council Chair: Crystal Stiles, FP&L
5. VISIT FLORIDA Board Recommendations
   - Approve VISIT FLORIDA’S board appointment and reappointment recommendations which have been reviewed and approved by the VISIT FLORIDA board and the DEO.
     - New regional seat appointment: Sheri Keller, SeaWorld
     - Regional seat re-appointment: Bill Waichulis
     - New Association/DMO/Statewide industry seat appointment: Keith Hansen, Allegiant Air

Vice Chair Connally asked for public comment and there was none. Belinda Keiser made a motion to accept the consent agenda, and Joe York seconded. The motion carried.

Vice Chair Connally added an item of new business which was the approval of the board Vice Chair Elect. The Executive Committee discussed and approved Joe York, AT&T for that position and he accepted. The two-year term will start at the beginning of 2019. Jimmy Patronis made a motion to approve Joe York as the Vice Chair Elect. Marva Johnson seconded. The motion carried.

President & CEO Report
Vice Chair Connally introduced Pete Antonacci, the new EFI President and CEO and also thanked Mike Grissom for all his hard work as interim. CEO Antonacci thanked everyone for their support and stated that the organization has been through a tough experience. He is ready to continue the good work. The state has so much to offer. The legislature gave the state different tools to work with in the form of the Florida Job Growth Grant Fund. He will offer periodic reports on the status of the fund. He will also make sure the marketing efforts continue for the state.
Andy Corty asked the new CEO for comment on the incentives/bonuses not being paid even though metrics were met. CEO Antonacci explained that although EFI had a successful year goal-wise, the issue of compensation is under review. He committed to report back before November on a proposal to improve the compensation structure in a way that avoids the pitfalls of public debate. Sonya Deen Hartley added that last year was more than challenging. There is a lot to do to educate the legislators on the benefit of EFI. The business community knows what a tremendous job EFI has done during tough times. They are valued.

**DEO Update**

Vice Chair Connally introduced Executive Director Cissy Proctor who reported that more than 26,000 jobs were created in July making the total 1,422,700. The unemployment rate remains steady at 4.1%. There are 240,000 jobs openings across the state with registered nurses again at the top of the list. Industries with the largest percentage of job growth are construction, education/health services and professional/business services. Wages are continuing to rise with a 2.7% increase over the last year. The median home sales price now stands at $245,000. In July Florida saw the highest job growth rate (2.9%) compared to the ten largest states. Job growth since 2010 has increased 23% as compared to the national rate of 14%.

The DEO Executive Director explained that the new Job Growth Grant Fund, funded with $85M, is a partnership between DEO, EFI, DOT, CareerSource Florida, the Legislature and others to promote economic development by investing in the public infrastructure and workforce training. As of August 18, DEO had received 93 proposals totaling almost $300M. For more information go to floridajobs.org/jobgrowth.

**Business Development Update**

Brett Couch reported that diversifying the Florida economy provides choices and thanked EFI and the Governor. EFI created 22,232 jobs in fiscal year 16/17 with $2.3B of capital investment meeting all their metrics. To date in fiscal year 17/18 12 projects have been established accounting for 1,546 jobs. There are 230 active projects in the pipeline. In the Business Development meeting held the day before, SVP Tim Vanderhoof updated the committee on targeted industries, rising wages and the relationship-driven approach of his team. They are also providing the Governor with a list of 10 calls to make each week – 7 of which are prospecting calls. The team will report back with information on benchmarks for other states and how they approach business development – Alabama, Georgia, North Carolina, South Carolina, Tennessee and Texas.

**Team Florida Marketing Update**

Marva Johnson reported that the best way to capture customers and interest is to have a strong brand. The EFI marketing team has done an exceptional job positioning the brand in a compelling way. CMO Joe Hice praised his team and listed all the awards they have won.

- IEDC 2017 Gold and Silver Awards for campaign and website
- ADDY Awards – gold for the campaign and silver for manufacturing
- Telly Award – Best in Class for general public relations/video series
- DG1 2017 award for Superstar of Social Media in Economic Development
- FEDC Innovation in Marketing awards for advertising campaign and video series

Joe went on to report that they have had 700M impressions since the campaign launched 18 months ago which are the result of understanding the target markets they are trying to reach. They have focused on digital ads, billboards, airports, print and paid social which have helped to generate 1,205 potential leads.
The Co-Op marketing campaign is going strong across the state with 33 campaigns from the rural partners, 16 campaigns from the Team Florida partners and approximately approval of $577,947 in co-op funding. A site selection inventory was started a few months ago with 925 potential sites identified around the state.

The Team Florida marketing budget was reduced 88% so focus is the key moving forward using the creative material they already have. They will work toward lead generation using print and digital paid advertising to generate contacts; public relations activities to create buzz; site selector events for one-on-one opportunities; and, website redesign to better capture lead/nurture info. They will have $3M to spend competing against New York’s $140M, California’s $110M, Texas’ $50M and Georgia’s $30M. Joe closed by encouraging everyone to view the 16 videos on the EFI website.

Vice Chair Connally thanked Joe and his team and announced that Joe was leaving EFI to go to the University of South Florida as a professor and chief brand officer.

**International Trade Update**

Brian Curtin reported that the international trade team surpassed all their metrics.

- Assisted 2,614 companies – 116% of the goal
- 282 unique export sales – 131% of the goal
- Total export sales in the amount of $695.1M – 103% of the goal

The team conducted 28 international trade events worldwide with participation from over 500 Florida executives. They awarded 201 Export Diversification Grants to Florida companies. Their Florida clients reported 206 export sales in new markets. Their initiative for this new fiscal year is the “Go Global Like A Pro” export education road show. They are also launching a new Greater China Trade Expansion initiative in early 2018 and organizing a services trade mission to Brazil in spring of 2018. The foreign office contracts open for bid this fiscal year are Canada, South Africa and Japan.

Brian further reported that they are seeing positive trends such as the increase in exports to Brazil and good growth indicators from the European Union. Argentina and Mexico are bouncing back with exports to China showing encouragement. The top commodities being exported are in the areas of IT and life sciences.

**International Trade Panel**

Vice Chair Connally introduced Manny Mencia to kick off the international trade panel discussion. Manny thanked the board for the opportunity and explained that he brought together a panel of successful small business exporters. Nationally, 33% of total export sales worldwide are from small businesses. In Florida 65% of the $90B in sales (products and services) is from small business. Florida is a national leader for small business participation. The panel consisted of four companies that are clients of EFI with number of employees ranging from 5 to 75 doing business in over 100 countries. Each spoke about how the state programs support their efforts.

- Luis Arguello, Sr. of Demetech – world leader in manufacture of surgical supplies exporting to more than 100 countries. He thanked Manny and the EFI team for the enormous help he received from them. About 90% of their revenue is export generated. They depend on the high level of expertise and professionalism of EFI. He has gone on trade missions with EFI including the latest to the Dominican Republic which produced sales in excess of $1M.
- Alberto Aure of American Energy – manufacturer of medical air compressors and vacuum systems. Made in the USA products are important to them - representing high quality. Manufacturing in South Florida is a huge advantage to them because Florida is a hub that can be reached easily.
He recognized the help of Enterprise Florida and thanked Manny and his team. Participation in trade shows gives them the capacity to reach several international markets. In 2015, 20% of sales came from contacts through the shows and missions. Then in 2016, that number rose to 25%.

- Daniel Berler, ZTZ Services – manufacturer of monitoring equipment for the power generation industry for 10 years. They do business with Gulf Power, Mississippi Power, Alabama Power, Idaho Power and in addition to that they do business overseas with Turkey, Poland, Brazil and others. Enterprise Florida has been a great asset to them and introduced them to the Argentina, Mexico and Dominican Republic markets. Their biggest client is Siemens worldwide.
- Eva Salazar, Atlas Specialty Lighting – manufacturer of specialty lighting products to the health market in more than 40 countries. They grew their export sales from 5 to more than 55%. Enterprise Florida has helped them gain international exposure through trade mission and trade show participation. They appreciate the great value they receive from their relationship with Enterprise Florida.

Sonya Deen Hartley asked these guests to meet with their state representatives to share their success stories and the benefits of their relationship with Enterprise Florida. Mark Wilson asked about the importance of EXIM Bank and free trade agreements. Luis Arguello commented that a few years ago he fought strongly for the reauthorization of EXIM Bank. If the trade agreements don’t continue to move forward, they will be facing issues in exporting as well as the importing of raw materials. Closing doors to other countries will make it more difficult. Daniel Berler added that if EXIM Bank was affected it would be devastating to his company. In terms of his export business, EXIM Bank gives him a safety blanket when doing large transactions in higher risk countries.

Manny concluded by announcing the Governor’s Latin American Summit which will take place on October 2 with a focus on human rights, democracy and the economy.

Public Comment
There was no public comment.

Closing Remarks & Adjournment
Vice Chair Connally recognized Enterprise Florida Vice President of Human Resources Sharon Blake for all her hard work and wished her the best on her retirement. He also thanked all the corporate sponsors. The next board meeting will be in Jacksonville on November 29 and 30 with an emphasis on military and defense. The meeting was adjourned at 11:36 a.m.