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OFFICE OF PROGRAM POLICY ANALYSIS & GOVERNMENT ACCOUNTABILITY

December 2007 **Report No. 07-48**

Legislature May Wish to Consider Options for Enhancing Florida's Recreational Marine Industry

at a glance

Available data indicates that the demand for public access to coastal waterways may be outstripping the supply of public boat ramps and other facilities. While the state has created several programs to enhance public access, these programs may not be able to counteract the economic forces that make it more profitable for marina owners to sell their waterfront property. The Legislature may wish to direct a state agency to monitor and periodically report on trends in public access to coastal waters.

Some boat manufacturers have recently left Florida to relocate in another state or expanded their operations outside the state. These manufacturers cited factors such as high property taxes; higher in-state costs for insurance, land acquisition, and labor; and financial incentives as factors in their decisions to leave Florida or expand in other states. Some of the other states' incentive programs have less stringent wage requirements than Florida.

The Legislature may wish to consider several options for enhancing the state's efforts to retain marine industry businesses. Such options include

- changing qualifications for existing incentive programs,
- creating a marine industry-specific incentive, and
- requiring Enterprise Florida, Inc., to create a unit that would focus on retaining or recruiting marine industry companies.

Scope

At the Legislature's request, OPPAGA examined issues related to the recreational marine industry in Florida. Specifically, this report addresses five questions.

- What is the estimated economic impact of the recreational marine industry in Florida?
- What programs has the state implemented to enhance public access to coastal waters?
- How many boat manufacturers have left Florida since 2003?
- How do the incentives available to qualified boat manufacturers in Florida compare to the incentives offered by other states?
- What options could the Legislature consider for enhancing state efforts to retain marine industry businesses?

Questions and Answers

Question 1: What is the estimated economic impact of the recreational marine industry in Florida?

Recreational boating is a major industry in the state. Florida has the highest number of registered recreational watercraft in the United States (988,652) or one registered recreational boat per every 20 Floridians. [1] Florida is also a major

[1] Total vessel registrations in 2006 were 1,024,375. Commercial registrations (26,593) represented 3% of the total.

recreational boating destination for non-state residents, with an estimated 350,000 non-registered boats actively using Florida's waters in 2006. [2] As such, recreational boating and its associated marine industry sectors, such as manufacturing, sales, dockage facilities and marinas, and repair businesses generate a significant amount of economic activity in the state.

A study conducted for the Marine Industry Association of Florida estimated that the state's marine industry had a total economic impact of $18.4 billion in 2005. [3] This study further estimated that more than 220,000 Floridians were employed in marine industry sectors.

Question 2: What programs has the state implemented to enhance public access to coastal waters?

Available data indicates that demand for access to coastal waterways may be outstripping the supply of public boat ramps and other facilities. As shown in Exhibit 1, Department of Environmental Protection Outdoor Recreation Planning Inventory data shows that the number of saltwater boat ramp lanes available to the public in Florida has increased 27% since 1985. [4] However, this increase has been offset by even larger increases in the state's population and registered boaters. Florida population increased 65% between 1985 and 2007 while vessel registrations increased 59% between 1987 and 2006.

The state has created several programs and strategies to enhance public access to waterways.

Exhibit 1
Access to Coastal Waters Has Increased Slowly Between 1985 and 2007

	1985	1989	1991	1999	2007	% Change from 1985 to 2007
Saltwater Boat Ramp Lanes	710	729	777	851	901	27%
Saltwater Marina Dry Storage	1,017	1,304	1,314	2,151	2,563	152%
Saltwater Marina Slips	6,142	6,312	6,463	6,948	8,642	41%
Saltwater Marinas	88	92	92	105	108	23%

Source: Department of Environmental Protection.

Waterfronts Florida. This program, which is administered by the Department of Community Affairs, provides technical assistance, training, and financial assistance to help designated communities revitalize their waterfront areas. [5] During a two-year designation period, communities are expected to develop vision and action plans for their waterfronts; create relationships among local government, businesses, community organizations, and citizens; begin to implement the vision for their working waterfronts, including development of comprehensive plan amendments. Each designated community receives $25,000 per year for two years to help establish its waterfront revitalization program. The partnership program is funded in part by a grant from the Department of Environmental Protection's Florida Coastal Management Program and the federal National Oceanic and Atmospheric Administration.

In May 2007, the cities of Carabelle in Franklin County, St. Marks in Wakulla County, and the Steinhatchee community in Taylor County were designated Waterfronts Florida Partnership Communities.

Florida Boating Improvement. This program, which is administered by the Florida Fish and Wildlife Conservation Commission, provides funding through competitive grants to cities and counties for boating access projects and other boating-related activities on coastal or inland

[2] *2006 Florida Boating Accident Statistical Report*, Florida Fish and Wildlife Conservation Commission.

[3] *Florida's Recreational Marine Industry - Economic Impact and Growth 1980-2005.* Thomas J. Murray and Associates, Inc. November 2005.

[4] The Department of Environmental Protection's Outdoor Recreation Planning Inventory contains records of outdoor recreation facilities managed by federal, state, and local governments, and non-government and private entities. The data is largely self-reported. The database identifies resources and facilities that were identified at the time the inventory was last updated.

[5] Section 342.201, *F.S.*

waters.[6] Program funds may be used for boat ramps, piers, and docks, boating education, and economic development initiatives that promote boating. The commission awarded program grants to 34 municipal and county governments totaling $4.5 million during Fiscal Year 2006-07.[7]

Florida Communities Trust. This state land acquisition grant program is administered by the Florida Department of Community Affairs.[8] The trust was established to help local governments implement their comprehensive plans by providing funds to acquire land identified for recreation, open space, and additional waterfront access. Each year, the trust awards grants to local governments on a competitive basis. The Florida Communities Trust provided grants totaling $2.2 million for projects that provided waterfront access in the cities of Flagler Beach and Marathon and in Nassau County in Fiscal Year 2006-07.

Favorable lease terms and discounts for marinas offering public access. The state offers favorable lease terms and discounts on fees for marinas located on sovereign state lands that provide specified levels of public access.[9] For example, the state offers a 10-year lease term for marinas that offer at least 90% of their slips for rent to the public on a first-come, first-served basis, compared to a standard lease period of 5 years for marinas that do not offer this level of public access. In addition, qualifying marinas receive an annual discount of 30% from the standard annual lease fee.[10]

Other states have implemented similar programs to address concerns regarding public access to waterfront. Florida's programs to promote public access to waterways are similar to those offered by other states. We examined the incentives offered by 10 other states.[11] Like Florida, these states offered tax credits for creating, jobs, locating within enterprise zones or other distressed areas, and establishing corporate headquarters.

For example, California offers three programs designed to improve waterfront facilities. The California Boat Launching Facility Grant Program provides grants to public entities for constructing or improving boat launching facilities. Its Small Craft Harbor Development Loan provides loans to publicly and privately owned marinas for constructing or expanding small craft harbors. Finally, California offers the Recreational Marina Loan Program, which provides loans to owners of recreational marinas for development or improvement of privately facilities that are open to the public.

Maine administers a Boating Facility Grant Program that provides funding to cities and other public or private entities for acquisition and development of public boating facilities and launching sites. The program is funded by the portion of the state gas tax attributable to motor boat use. In addition, the Maine Department of Transportation manages a Small Harbor Improvement Program that is designed to help local governments improve public wharves, landings and boat ramps. This program's last round of awards provided up to five projects a maximum of $150,000 in funding.

Similarly, Washington offers a Boating Facilities Program that provides grants to local governments, state agencies, and tribal governments to acquire, develop, and renovate launching ramps and other public boating facilities on fresh and saltwater. The program's revenue source is a portion of the state motor fuel tax paid by recreational boaters. To date, the

[6] Sections 206.606 and 327.47, *F.S.*

[7] The program is funded from state taxes collected on motor fuel collected pursuant to ss. 206.41 and 206.87, *F.S.,* and distributed pursuant to s. 206.606, *F.S.* The program is also funded by revenues generated by the sale of motor and diesel fuel at marinas pursuant to s. 370.0603(4)(c), *F.S.* Also, a portion of vessel registration fees collected by the Department of Highway Safety and Motor Vehicles under ss. 328.72(15) and 328.76(1), *F.S.*

[8] The trust is overseen by a six-member governing board composed of the Secretary of the Department of Community Affairs who chairs the governing board, the Secretary of the Department of Environmental Protection, and four members appointed by the Governor.

[9] Sovereign state lands are "publicly owned lands … extending seaward to the outer jurisdiction of the state." Sovereign submerged lands are held in the public trust by the Board of Trustees of the Internal Improvement Trust Fund and are managed to serve the public interest. The Board of Trustees is composed of the Governor, Attorney General, Chief Financial Officer, and Commissioner of Agriculture.

[10] A lease is required for facilities that restrict public use and are associated with construction on or use of the lands. This includes facilities such as private and public revenue-generating docks, piers, and boat ramps. Lease fees are established by formulas in the rules of the Board of Trustees of the Internal Improvement Trust Fund.

[11] We looked at incentives offered by California, Connecticut, Georgia, Maine, Maryland, Michigan, North Carolina, South Carolina, Tennessee, and Washington.

program has awarded more than $91 million in grants for 569 projects.

Market forces contribute to the slow growth in public access to coastal waters. In several areas of the state, commercial and residential developments have replaced marinas and docks. This has occurred because high property values, taxes, and the costs of doing business have made it more economically advantageous for some marina owners to convert their properties or sell them to developers. This, in turn, reduces public access.

Although the state and local governments offer several incentives to enhance public waterfront facilities, these incentives may not be able to counteract the economic forces that make it more profitable for marina owners to sell their waterfront property. This has raised concern within the boating industry that many average boaters may not be able to find affordable boat storage.

While recent economic conditions may have slowed the pace with which marinas are being converted or sold to developers, it is unknown whether this situation will continue in the future. Consequently, it will be important for the state to monitor trends in public access to coastal waters. The Legislature may wish to direct a state agency, such as the Department of Environmental Protection, the Department of Community Affairs, or the Florida Fish and Wildlife Conservation Commission, to monitor and periodically report on trends in public access to coastal waters.

Question 3: How many boat manufacturers have left Florida since 2003?

Comprehensive data on the number of boat manufacturers leaving the state is not available. However, we identified five boat manufacturers that have left Florida to relocate in another state and three manufacturers that expanded their operations outside the state rather than within Florida since 2003. [12]

Managers of six of these eight companies gave various reasons for leaving Florida or expanding their operations in other states. These reasons included Florida's higher property taxes and higher in-state costs for property insurance, land acquisition, and labor compared to other states.

[12] To identify these companies, we reviewed various documents, including press releases, trade publications, and newspaper articles.

These manufacturers also cited economic incentives offered by other states and their local governments, including tax credits and grants. For example, three companies we identified that relocated to North Carolina were offered large economic development incentives from the state including corporate income tax credits for new jobs created and grants for employee training. The businesses were also granted property tax abatements by local governments. In addition, one company reported that it was given several acres of land.

While comprehensive data on the number of boat manufacturers leaving Florida is not available, U.S. Census Bureau figures show a trend of decreasing boat manufacturing employment. As shown in Exhibit 2, the number of boat manufacturing employees in Florida decreased from 11,333 in 2000 to 10,775 in 2005, a 4.9% decline. In contrast, Exhibit 2 shows that North Carolina, Maryland, Maine, South Carolina, and Washington gained significant numbers of boat manufacturing employees during this period.

Exhibit 2
Boat Manufacturing Employment in Florida Declined Between 2000 and 2005

	2000	2005	Percentage of Change
Florida	11,333	10,775	-4.90%
California	2,405	2,295	-4.60%
Georgia	1,000 [1]	1,000 [1]	0.00%
Maine	500 [1]	1,000 [1]	100.00%
Maryland	500 [1]	1,000 [1]	100.00%
Michigan	2,097 [1]	1,000 [1]	-52.31%
North Carolina	1,000 [1]	3,917	291.70%
South Carolina	1,374	2,008	46.10%
Tennessee	2,500 [1]	2,500 [1]	0.00%
Washington	2,951	3,373	14.30%
United States	54,284	55,486	2.20%

[1] Some states provided ranges; the numbers represented in this table represent the minimum value.
Source: U.S. Census Bureau County Business Patterns (NAICS) Years 2000-2005.

Exhibit 3
Florida Has Awarded Several Economic Development Incentives to Boat Manufacturers Since 2003

Incentive Programs	Description of Program	Number of Incentives Awarded to Marine Industry Businesses	Amount of Incentive Approved	Number of Jobs Created or Retained
Economic Development Transportation Fund	Provides funding for transportation projects that will benefit new or expanding businesses in Florida.	2	$2,297,311	53
Qualified Target Industry Tax Refund Program	Certified businesses in target industries that create new high wage jobs are eligible for tax refunds for each new job created. To qualify, business must pay an average annual wage that is at least 115% of the state, metropolitan statistical area, or county average wage.	2	359,000	148
Quick Action Closing Fund	Provides funding for extraordinary economic development projects. Eligible projects must be in targeted industries and the new jobs created must pay an average wage of at least 125% of the statewide average wage.			
Quick Response Training	Provides grants to businesses that provide specialized training for employees to meet job requirements.			

Source: OPPAGA analysis of Florida statutes and data provided by the Governor's Office of Tourism, Trade, and Economic Development and Enterprise Florida, Inc.

Question 4: How do the incentives available to qualified boat manufacturers in Florida compare to the incentives offered by other states?

Florida has created several economic development incentive programs that are available to qualified businesses, including boat manufacturers. There have been four awards to marine industry businesses from two of the four state incentive programs shown in Exhibit 3 since 2003. One business received an award from the Qualified Target Industry Tax Refund Program, one received an award from the Economic Development Transportation Fund, and one received awards from both of these programs.

Marine industry businesses also may be eligible for other programs that offer incentives to businesses that locate or expand in targeted geographic areas, such as the Enterprise Zone Program, the Rural Job Tax Credit Program, the Urban High-Crime Area Job Tax Credit Program, and Brownfield Redevelopment Program. [13] However, the number of marine industry businesses that have taken advantage of these incentives is not readily available.

Marine industry businesses can be limited in eligibility to receive state incentives because they may not meet the programs' employee wage criteria. Some of Florida's incentives require companies to offer higher than average wages as an eligibility condition. For example, in order to qualify for consideration under the Qualified Target Industry Tax Refund Program, a business must pay an average annual wage that is at least 115% of the state, metropolitan statistical area, or county average wage. Our analysis of Florida Education and Training Placement Information Program (FETPIP) wage data determined that the annual average salary for employees in the marine manufacturing sector of the industry in 2006 was $37,800. The statewide average wage was $35,820 in 2006; thus, businesses would need to offer an average salary of $41,193 to qualify for a Qualified Target Industry Tax Refund. [14]

[13] OTTED staff identified one marine industry business that received a grant from the Rural Infrastructure Fund. This fund provides grants for infrastructure projects in rural areas that encourage job creation or job retention.

[14] This figure is based on the statewide average salary. Average salaries for specific metropolitan statistical areas or counties may differ.

The 10 other states we reviewed generally offered similar incentives as Florida, including tax credits for creating, jobs, locating within enterprise zones or other distressed areas, and establishing corporate headquarters. [15] However, some of the other states' incentive programs have less stringent employee salary eligibility criteria than Florida. For example, Maryland offers a job creation tax credit of up to $1,500 for each new, full time job that pays more than 150% of the federal minimum wage. [16] Maine's Employment Tax Increment Financing Program reimburses businesses up to 80% of new employees' state income tax withholdings from payroll for up to 10 years, so long as each job created pays higher than the per capita income for the county in which the job is created. [17] Also, in North Carolina, there are no wage eligibility criteria for businesses that locate in 40 distressed counties and seek to receive tax credits under the state's Article 3J Tax Credits Program. This program provides tax credits for creating jobs and investing in business property. Businesses locating in the state's 59 remaining counties must meet a wage requirement set by the North Carolina Department of Commerce; these wage requirements range from $19,000 and $39,000. [18]

Question 5: What options could the Legislature consider for enhancing state efforts to retain marine industry businesses?

If the Legislature wished to enhance the state's efforts to retain marine industry businesses, it could consider several options. These include changing qualifications for existing incentive programs, creating a marine industry-specific incentive, and requiring Enterprise Florida, Inc., to create a unit focused on retaining or recruiting marine industry companies.

Option 1: Modify employee wage criteria for job creation incentives. Florida's economic development incentive programs generally have higher employee wage eligibility criteria than similar incentive programs in other states, and many marine businesses may not pay wages that meet these criteria. Reducing the required wage level would make Florida more competitive with other states that offer incentives that target lower-wage businesses. However, the option would be contrary to the state's long-standing policy of using incentives to encourage the creation of high-wage jobs.

In addition, state funding for certain incentives such as the Qualified Target Industry Tax Refund Program and Qualified Defense Contractor Tax Refund Program have a statutory funding cap. Consequently, reducing the programs' employee wage criteria may not necessarily result in more incentive funding being awarded to marine industry businesses if other, higher-wage businesses compete for these awards. [19]

Option 2: Create a special incentive for the marine industry. The Legislature could create a special incentive targeted at Florida's marine industry. This approach has been used with the Florida's biotechnology industry. For example, in August 2006, the Burnham Institute for Medical Research received $155 million in state incentive funds from the Innovation Incentive Program. [20] However, this option would be contrary to the state's long-standing policy of using incentives to encourage the creation of high-wage jobs. Another disadvantage is that it would likely lead other industries to seek legislation creating additional targeted incentive programs and would require additional funding to support a wider range of incentive programs.

[15] We examined incentives in California, Connecticut, Georgia, Maine, Maryland, Michigan, North Carolina, South Carolina, Tennessee, and Washington.

[16] The job creation tax credit is up to $1,500 for businesses located in priority funding areas; for all others the credit is limited to $1,000.

[17] For 2007 the range is $23,991 to $31,748.

[18] Credits range from $750 to $12,500 and may be combined to offset up to 50% of the taxpayer's state income and franchise tax liability, and unused credits may be carried forward for up to five years.

[19] Section 288.095, *F.S.*, caps the total state share of tax refund payments for the Qualified Target Industry Tax Refund Program and the Qualified Defense Contractor Tax Refund Program at $35 million during a fiscal year.

[20] *Florida Has Implemented Promising Biotechnology Initiatives, But Faces Challenges*, OPPAGA Report No. 06-71, November 2006.

Option 3: Create an office within Enterprise Florida, Inc., dedicated to retention of the marine industry in Florida. The Legislature could direct Enterprise Florida, Inc., the state's primary economic development organization, to create an office dedicated to supporting the state's marine industry. North Carolina has created a similar office (the Small Business and Technology Center's Boating Industry Services Office) to recruit boat manufacturers to the state, support the growth of its existing marine businesses and promote the North Carolina marine industry at trade shows and through media advertisements and a website.

This option would provide a focal point for Florida's efforts to recruit and expand marine industry businesses, and could help businesses seeking to move to or expand in Florida become aware of potential incentives and the availability of potential facility sites. However, it could lead other industries to seek the creation of specific units within Enterprise Florida, Inc., which has traditionally focused its efforts on helping recruit or expand high-growth, high-wage industries in the state.

Agency Responses

In accordance with the provisions of s. 11.51(5), *Florida Statutes,* a draft of our report was submitted to the Secretary of the Department of Environmental Protection, the Secretary of the Department of Community Affairs, the executive director of the Florida Fish and Wildlife Conservation Commission, the director of the Office of Tourism, Trade, and Economic Development, and the president and CEO of Enterprise Florida, Inc., for each to review and respond.

Written responses were provided by the Department of Environmental Protection, the Department of Community Affairs, and Enterprise Florida, Inc. Those responses are reprinted herein in Appendix A.

OPPAGA supports the Florida Legislature by providing evaluative research and objective analyses to promote government accountability and the efficient and effective use of public resources. This project was conducted in accordance with applicable evaluation standards. Copies of this report in print or alternate accessible format may be obtained by telephone (850/488-0021 or 800/531-2477), by FAX (850/487-3804), in person, or by mail (OPPAGA Report Production, Claude Pepper Building, Room 312, 111 W. Madison St., Tallahassee, FL 32399-1475). Cover photo by Mark Foley.

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Gary R. VanLandingham, Ph.D., OPPAGA Director

Appendix A

Florida Department of Environmental Protection
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3900 Commonwealth Boulevard
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Charlie Crist
Governor

Jeff Kottkamp
Lt. Governor

Michael W. Sole
Secretary

December 7, 2007

Mr. Gary R. VanLandingham
Office of Program Policy Analysis and Government Accountability
Room 312 Claude Denson Pepper Building
111 West Madison Street
Tallahassee, Florida 32399-1475

Dear Mr. VanLandingham:

Enclosed is the Florida Department of Environmental Protection's response pertaining to the preliminary findings and conclusions of OPPAGA's report: *Legislature May Wish to Consider Options for Enhancing Florida's Recreational Marine Industry*. If you have questions in this regard, please call Joseph Aita, Director of Auditing, at 850-245-3151. Thank you for the opportunity to respond.

Sincerely,

Michael W. Sole
Secretary

PGH/ja/ksr
Enclosure

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Response to OPPAGA Report – Legislature May Wish to consider Options for Enhancing Florida's Recreational Marine Industry

General Comments:

The Department concurs with the Office of Program Policy Analysis Government Accountability regarding the need to increase public access and supports incentives for environmentally sound economic development in coastal areas. As such, the Department is favorable to building upon the working waterfronts legislation passed in 2005 (HB 955) and 2006 (HB 683), and also to provide more assistance or incentives to local governments, particularly as envisioned in section 163.3177(6)(g)2, Florida Statutes (F.S.).

It is important to note that the Department also recognizes other types of access and recreational activities in addition to boating that are essential to providing for a strong marine industry. The report recognizes the Florida Coastal Management Program's (FCMP) role in assisting the Department of Community Affairs (DCA) with the Waterfronts Florida Partnership program; however, the FCMP's grant programs also provide funds to other recipients to meet a range of water access needs, including boating access. For example, the *Coastal Partnership Initiative allows* local governments to obtain assistance to improve boating and other forms of water access by applying for grants of $15,000 - $50,000 from the FCMP's *Coastal Partnership Initiative*. This grant program routinely funds such projects as beach access (boardwalks, dune crossovers, dune restoration, parking sites); fishing piers and overlook/observation structures; waterfront park improvements (picnic areas, restrooms, parking areas, vegetation); canoe and sailboat launch facilities (ramps, piers); riverwalk/baywalk thoroughfares along recreational and commercial waterfronts.

Specific to boating access, the FCMP has been funding a long-term project to develop information that can be used by local governments to guide the management and enhancement of boat access facilities and to address surface water use planning and management. Florida's growth management and land use planning on *land* is well established, but the integration of surface water use and waterfront access management into local comprehensive plans is not. The FCMP, the Florida Fish and Wildlife Conservation Commission (FWCC) and the Florida Sea Grant program are collaborating in the development of recreational boating characterizations in county or regional waterway systems based on information provided by boaters about themselves, their boating preferences, and their travel patterns on the water. The information is analyzed in combination with information about waterway infrastructure, natural resources, existing waterway regulations, and urban growth estimates to produce maps and models. Project goals are: to ensure continued access to waterways while protecting the natural aquatic and marine resources; and to incorporate the information into the coastal management element of the local comprehensive plan, as provided in section 163.3177(6)(g)2, F.S. Recreational boating characterizations have been conducted in eight coastal counties over the past six years. More information is available at http://research.myfwc.com/features/view_article.asp?id=23219.

OPPAGA RECOMMENDATION:

The report includes a recommendation related to Question two "What programs has the state implemented to enhance public access to coastal waters?" for the legislature to direct a state agency such as the Department of Environmental Protection, the Department of Community Affairs, or the Florida Fish and Wildlife Conservation Commission to monitor and periodically report on trends in public access to coastal waters. The need for boating access trend information may be met by the FWCC's "Boating Access Facility Inventory and Economic Assessment" which has been underway for the past two years. The project is cataloging every boat ramp and marina in the state, noting physical attributes and amenities, usage rates, capacities, and economic data. The resulting information can then be used to generate supply vs. demand projections, determine where access shortages are most acute, and the cost to provide additional public access.

STATE OF FLORIDA

DEPARTMENT OF COMMUNITY AFFAIRS

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Governor

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Secretary

December 7, 2007

Mr. Gary R. VanLandingham
Director, Office of Program Policy Analysis and
Government Accountability
111 West Madison Street, Room 312
Claude Pepper Building
Tallahassee, Florida 32399-1475

Dear Mr. VanLandingham:

On November 19, 2007, the Department of Community Affairs received the preliminary findings and conclusions from your report entitled "Legislature May Wish to Consider Options for Enhancing Florida's Recreational Marine Industry." I would like to offer the following additional information regarding some statements and conclusions included in your report.

Question No. 2 of the report addresses programs implemented by the state to enhance public access to coastal waters. The Florida Communities Trust (FCT) has a long history of fostering water access through its competitive grant criteria. A large percentage of the projects funded each year by the FCT, in partnership with local governments and environmental non-profit organizations, results in additional water access for the citizens of Florida. The grant amounts listed in the OPPAGA report do not reflect the entire dollar amount or frequency for FCT projects acquired in FY 2006-2007 that provided water access. During FY 2006-2007, FCT funds were instrumental in the acquisition of 27 parcels in 25 different projects that provided some manner of water access. The total amount of Florida Forever funds provided by the FCT for these acquisitions amounted to just under $38 million. We have enclosed a spreadsheet detailing the acquisitions that provided water access in FY 2006-2007.

If you have any questions or need additional information, please contact Annette Kittrell, Inspector General, at 922-1610.

Sincerely yours,

Michael Richardson

for Thomas G. Pelham
Secretary

TGP/ak

Enclosure

cc: Melinda Miguel, Chief Inspector General, Executive Office of the Governor

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December 4, 2007

Gary R. VanLandingham, Director
Office of Program Policy Analysis and
Government Accountability
111 West Madison Street, Room 312
Claude Pepper Building
Tallahassee, FL 32399-1475

Dear Mr. VanLandingham:

Thank you for the opportunity to respond to the preliminary findings and conclusions of the OPPAGA report:

Legislature May Wish to Consider Options for Enhancing Florida's Recreational Marine Industry.

Enterprise Florida, Inc. (EFI) concurs with the stated summary comments regarding the proposed legislative options.

Modifying the wage criteria for job creation incentives would "be contrary to the state's long-standing policy of using incentives to encourage the creation of high-wage jobs" and "may not necessarily result in more funding for marine industry businesses."

Creating a special incentive for the marine industry "would be contrary to the state's long standing policy of using incentives to encourage the creation of high-wage jobs," and could cause other industries to seek their own targeted program requiring additional funding.

Creating an office within EFI dedicated to retention of the marine industry in Florida could lead other industries to seek their own specific unit in EFI which "has traditionally focused its efforts on helping recruit or expand high-growth, high-wage industries in the state."

The legislative implementation of any of these suggestions could lead to a splintering of EFI's focused efforts on helping to recruit or expand high-growth, high-wage industries in the state. EFI has identified the Marine industry as targeted goal in the Statewide Strategic Plan for Economic Development, and the retention issue discussed in this report is identified as a key issue. We are working in partnership with concerned stakeholders to address these concerns. Any legislative option should not be developed at the expense of the limited options for all other industries and so would require additional funds to implement.

I would be happy to discuss this further, if you have questions please contact me. Thank you again for the opportunity to comment.

Sincerely,

J A Adams

John A. Adams, Jr., PhD

cc: Ms. Michele Miller, Senior Director, Compliance and Administration, EFI
Ms. Melinda Miguel, Chief Inspector General, Executive Office of the Governor

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