# Florida Economic Development Program Evaluations– Year 8

Report 20-08

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OPPAGA

Office of Program Policy Analysis and Government Accountability

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# Florida Economic Development Program Evaluations – Year 8

## EXECUTIVE SUMMARY

**REPORT SCOPE**

Section 288.0001, *Florida Statutes*, requires the Office of Program Policy Analysis and Government Accountability (OPPAGA) and the Office of Economic and Demographic Research (EDR) to provide a detailed analysis of state economic development programs according to a recurring schedule established in law.[1] OPPAGA must evaluate each program for effectiveness and value to the state's taxpayers over the previous three years and include recommendations for consideration by the Legislature; EDR must evaluate and determine the economic benefits, as defined in s. 288.005(1), *Florida Statutes*, of each program over the same period.

Incentives administered by three entities are scheduled for review by January 1, 2021.

1. Office of Film and Entertainment administered Entertainment Industry Financial Incentives Program and Entertainment Industry Sales Tax Exemption Program
2. VISIT FLORIDA and its programs
3. Florida Sports Foundation and related programs

The review period covers Fiscal Years 2016-17, 2017-18, and 2018-19.

The economic development incentives and programs offered by the Office of Film and Entertainment, VISIT FLORIDA (VF), and the Florida Sports Foundation represent a wide range of benefits for businesses. For example, entertainment industry incentives include tax credits and sales tax exemptions, while VISIT FLORIDA primarily offers tourism promotion and marketing programs. In addition, sports incentives are provided through grants. See Exhibit 1 for a summary of each program under review.

**Exhibit 1**
**The Three Entities Under Review Provided a Wide Variety of Economic Development Incentives**

| Program | Statutory References |
|---|---|
| **Entertainment Industry Incentives** | ss. 288.1254 and 288.1258, *F.S.* |
| **Transferable Tax Credits:** Qualified productions in Florida may receive transferable tax credits; these productions include motion pictures, television programs, commercials, documentaries, music videos, and digital media. Qualified expenditures include payments for goods and services purchased or leased from state businesses and wages paid to legal state residents. No production may receive tax credits exceeding 30% of qualified expenditures. | |
| **Sales Tax Exemptions:** Qualified companies in Florida engaged in producing motion pictures, television series, commercials, music videos, and sound recordings may apply for an exemption from sales tax on the purchase or lease of certain items used exclusively as an integral part of production activities in the state. | |
| **VISIT FLORIDA Programs** | ss. 288.122, 288.1226, 288.12265, and 288.124, *F.S.* |
| **Tourism Promotion and Marketing:** VF partners with businesses, destinations, and destination marketing organizations to administer and conduct domestic and international marketing. These activities include a cooperative advertising program in which participating partners are required to contribute cash to be featured in a VF advertisement. | |
| **Visitor Research**: VF conducts research on tourism and travel trends. | |
| **Grants**: A number of small grant programs provide organizations and state agencies funding for certain tourism-related activities. These include convention grants for attracting national conferences and conventions to Florida. | |
| **Welcome Centers**: VF manages four welcome centers at key locations in the state that serve as information centers for visitors. Three welcome centers are located along the main travel corridors leading into the state, and the fourth welcome center operates in the state capitol building in Tallahassee. | |
| **Florida Sports Incentives** | ss. 288.1162, 288.11621, 288.1166, 288.1167, 288.1168, 288.1169, 288.1171, and 288.11625, *F.S.* |
| **Major, Regional, Small Market, and Sports Industry Conference Assistance Grant Programs**: Grant programs assist communities and host organizations in attracting sports events, with the intent that these events will have significant economic impact generated by out-of-state visitors. Events considered for grant funding include amateur or professional sports or other types of athletic events approved by the foundation's board. | |
| **Professional Sports Facility Funding**: Qualified professional sports franchises receive state funding for the public purpose of facility construction, reconstruction, or renovation. | |

Source: The *Florida Statutes*

**Entertainment Industry Incentives.** OPPAGA's review of Florida's film and entertainment industry incentives found that, during the first two years of our review period, when the Office of Film and Entertainment completed all of its duties related to the tax credits, 28 projects received $56 million in tax credits, with most credits awarded to projects in Southeast Florida. These productions spent approximately $235 million for qualified goods and services, with television projects generating the majority of the expenditures. Tax credit recipients reported creating 11,027 jobs during the review period, while estimated jobs reported by sales tax exemption recipients decreased during the same period.

Industry stakeholders were generally satisfied with the services provided by the Office of Film and Entertainment, including the administration of state incentives. They reported that the tax credit program's expiration had a significant negative effect on the industry. Industry stakeholders continue to suggest that the office conduct additional marketing.

**VISIT FLORIDA Programs.** Overall, during the review period, VF provided some new, short-term services to partners. These included expanded promotions, free training for businesses in rural counties, and free marketing help for small and non-profit businesses. Additionally, VF awarded 323 grants across four grant programs, for a total of $1.2 million. During the review period, VF also changed some elements of its performance measurement—it eliminated performance measures related to industry investment but added outcome measures. VF also added new internal performance metrics.

OPPAGA's survey of VISIT FLORIDA partners who retained their membership over time indicated partners generally support VF's services and the organization. Given that this was a sample of longer-term members, results may be positively biased. While VF's services were highly rated by partners, some services were not well used. The majority of VF's partners surveyed stated that tourism would decrease without statewide marketing services; however, if VF services were discontinued, many partners reported that they would continue their own marketing plans and leverage other local and national resources.

OPPAGA's previous report noted two issues that could be addressed to enhance VISIT FLORIDA's administration of marketing activity evaluations. First, we observed that improvements could be made to the methods used to assess the impact of VF's marketing on the tourism industry. VF has addressed our concern. Second, we continue to recommend that VISIT FLORIDA ensure that its performance measures are meaningful. Specifically, VF should review all of its measures and establish standards and timeframes that challenge the organization to improve performance rather than maintain targets that have already been achieved.

**Florida Sports Incentives.** The Florida Sports Foundation met contractual requirements during our review period. Over the three-year review period, the foundation reported that 387 events funded by the foundation attracted 2.1 million out-of-state visitors, who in turn generated a reported $2.1 billion economic impact. Since OPPAGA's prior report, the foundation has further improved its grant administration process by moving to an online application system. While amateur sports industry stakeholders had some suggestions to improve the new system, they are satisfied with the foundation's programs and performance and believe that the industry benefits from its activities.

During the review period, payments for professional sports facilities remained constant. Separately, no facilities received payments through the Sports Development Program. Most professional sports franchises and certified entities receiving state funding for professional sports facilities reported meeting statutory requirements and noted that state funding is very important for maintaining operational costs and keeping professional sports teams in Florida.

OPPAGA addressed two new issues related to administering the Florida Sports Foundation and professional sports programs. First, the foundation may wish to investigate technical changes to the grant application system to facilitate enhanced access to the economic impact calculator, which would allow industry partners to leverage potential contributions in bids to host events. Second, professional sports teams' and certified entities' level of compliance with homeless shelter and minority concessions statutory provisions is unverified. As such, the Legislature could consider establishing an oversight function and assigning that to a state entity.

# CHAPTER 1

## Film and Entertainment Industry Financial Incentives Programs

# BACKGROUND

In 2019, Florida's film, entertainment, and digital media industry employed 95,945 individuals.[1] OPPAGA's economic analyses found that Florida created 33,657 industry jobs between 2010 and 2019, primarily in the digital media industry.

OPPAGA conducted economic analyses to assess the performance of the film and entertainment industry in Florida relative to other competing states and the national economy. Our analyses used state and national employment data between 2010 and 2019. We used similar industry codes as our prior reviews, but data constraints decreased the number of codes we could use for comparative analyses.[2] (See Appendix A for a list of industry codes.) We separated these industry codes into two sectors—traditional film and entertainment and digital media (e.g., software publishers).

**Florida's total film and entertainment industry growth was less than most other competing states and the nation.** Florida's total film and entertainment industry grew by 33,019 employees, or 55%, between 2010 and 2019. (See Exhibit 1-1.) The digital media industry accounted for 86% of the job growth, or 28,463 employees. The traditional film and entertainment industry grew by 14%, or 4,556 employees, during the same period.

Compared to four competitor states (California, Georgia, Louisiana, and New York), Florida ranked third for employment growth in traditional film and entertainment, third for digital media, and fourth for the total film and entertainment industry. Florida's employment growth rate was greater than the national employment growth rate for traditional film and entertainment. However, Florida's employment growth rate was less than national employment growth rate for digital media and the total film and entertainment industry.

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[1] This employment figure is based on our analysis of 16 industry codes using data from the U. S. Department of Labor's Bureau of Labor Statistics. Data for 2019 are preliminary.

[2] Louisiana did not disclose data for four industries: Motion Picture and Video Distribution, Tele-production and Postproduction Services, Other Sound Recording Industries, and Cable and Other Subscription Programming. Therefore, we excluded from the analysis employees in these industries.

**Exhibit 1-1**
**Florida's Total Film and Entertainment Industry Growth Was Less Than Most Other Competing States and the Nation Between 2010 and 2019**

| | Percent Change in Employment Between 2010 and 2019 | | |
|---|---|---|---|
| State | Traditional Film and Entertainment | Digital Media | Total Film and Entertainment Industry |
| Georgia | 172% | 54% | 82% |
| California | 6% | 108% | 61% |
| New York | 13% | 118% | 58% |
| **Florida** | **25%** | **68%** | **55%** |
| Louisiana | 47% | 56% | 52% |
| United States | 16% | 74% | 56% |

Source: OPPAGA analysis of United States Bureau of Labor Statistics data.

We conducted additional analyses of Florida's film and entertainment industry employment between 2010 and 2019. (See Appendix B.) These analyses show that total industry employment in Florida grew at a lower rate than it did nationwide and that Florida's growth was predominately due to growth in the national economy and industry, rather than a competitive advantage or lack thereof.

## Florida Film and Entertainment Industry Incentives

The Legislature established film and entertainment industry incentives to encourage the use of Florida as a site for filming and digital production and to develop and sustain the workforce and infrastructure for such productions. The two types of incentives are transferable tax credits for expenditures related to qualified productions and sales tax exemptions for certain purchases by qualified production companies. The Department of Economic Opportunities' Office of Film and Entertainment (OFE) is primarily responsible for administering the programs.[3] The Department of Revenue also has some program responsibilities, including issuing applicants a certificate of exemption and administering the transfer and application of tax credits.

**Transferable Tax Credits.** The Florida Entertainment Industry Financial Incentive Program began on July 1, 2010 and sunset on June 30, 2016. The program allowed production companies in Florida to receive transferable tax credits for qualified expenditures to Florida vendors on qualified productions.[4] Production companies could apply tax credits to corporate income taxes, sales taxes, or both; non-resident wages and expenditures from non-Florida based companies did not qualify for tax credits. OFE awarded tax credits based on its review of an audit performed by a third-party Florida Certified Public Accountant. No production could receive tax credits exceeding 30% of qualified expenditures, or $8 million per project.

As of June 30, 2018, OFE had completed the audit review process and awarded tax credits to all certified production companies. A certified production company may carry forward unused tax credits for up to five years from the award date. However, certified production companies have until July 1, 2021 to transfer unused credits to another company.

**Sales Tax Exemption.** The Florida Entertainment Industry Sales Tax Exemption began on January 1, 2001 and remains in effect. Qualified companies engaged in producing commercials, motion pictures, music videos, sound recordings, and television series in Florida may apply online for an exemption

[3] The department allocated $296,443 and four full-time staff to the office for Fiscal Year 2020-21. One full-time position was vacant at the time of our review.
[4] Qualified productions include commercials, digital media, documentaries, motion pictures, music videos, and television programs. Qualified expenditures include payments for goods and services purchased or leased from state businesses and wages paid to legal state residents.

from sales tax on the purchase or lease of certain items used exclusively as an integral part of production activities in the state.[5] Although OFE had a review process for completeness and eligibility, the office reported implementing a due diligence checklist in April 2019 to document that applications are properly vetted prior to approval by OFE staff. A Florida-based company can receive a 12-month tax exemption certificate that may be renewed annually for up to five years. A Florida-based or non-Florida-based company can receive a 90-day certificate and apply for an extension beyond that period.

## Incentive Funding

**OFE awarded all tax credits for the Entertainment Industry Financial Incentive Program.** In 2010 and 2011, the Legislature allocated a total of $296 million in tax credits to the program. As of June 30, 2018, OFE completed the program's audit review process and had awarded $288 million to 299 certified productions. For Fiscal Years 2016-17 and 2017-18, OFE awarded a total of $56.4 million to 28 productions. OFE completed all program duties in Fiscal Year 2017-18 and there was no activity to report for Fiscal Year 2018-19.

The Florida Department of Revenue reported that companies claimed $280.7 million in tax credits since program inception.[6] The department also reported that eight companies claimed $35.7 million in tax credits during our review period.

**Recipients saved an average of $16 million per year on sales taxes during the review period.** The amount of expenditures and taxes exempted is an estimate based on figures provided to OFE by program recipients.[7] Qualified production companies reported spending an estimated $1.1 billion on average annually during the review period, with an average of $268 million in tax-exempt purchases per year. Based on these expenditure estimates, the annual exemption amount ranged from $15.1 million in Fiscal Year 2017-18 to $16.8 million in Fiscal Year 2018-19. (See Exhibit 1-2.)

**Exhibit 1-2**
**Estimated Sales Tax Exempted Ranged From Approximately $15 to $17 Million per Year**

| Fiscal Year | Estimated Expenditures | Estimated Tax-Exempt Expenditures | Estimated Tax-Exempt Amount[1] |
|---|---|---|---|
| 2016-17 | $1,061,184,228 | $271,832,080 | $16,309,925 |
| 2017-18 | $1,035,570,048 | $251,884,667 | $15,113,132 |
| 2018-19 | $1,078,461,946 | $280,519,667 | $16,831,180 |

[1] The amounts are based on Florida's 6% sales tax.
Source: Office of Film and Entertainment, Department of Economic Opportunity.

[5] Examples of tax-exempt items for purchase include costumes, lighting, props, and sets. Examples of exempt items for lease include leasing or renting sound stages, studios, or other real estate used as an integral part of the performance of qualified production services.
[6] Amount reported on October 1, 2020.
[7] The Department of Revenue does not capture sales tax exemption fiscal data because retailers do not provide information to the department to show how many of their sales are tax exempt.

# FINDINGS

During the review period (Fiscal Years 2016-17, 2017-18, and 2018-19), companies received $56 million in tax credits for 28 projects, with most credits awarded to projects in Southeast Florida. These companies spent approximately $235 million for qualified goods and services, with television series productions making a majority of the purchases. Tax credit recipients reported creating 11,027 jobs during the review period. However, estimated jobs reported by sales tax exemption recipients decreased during the same period.

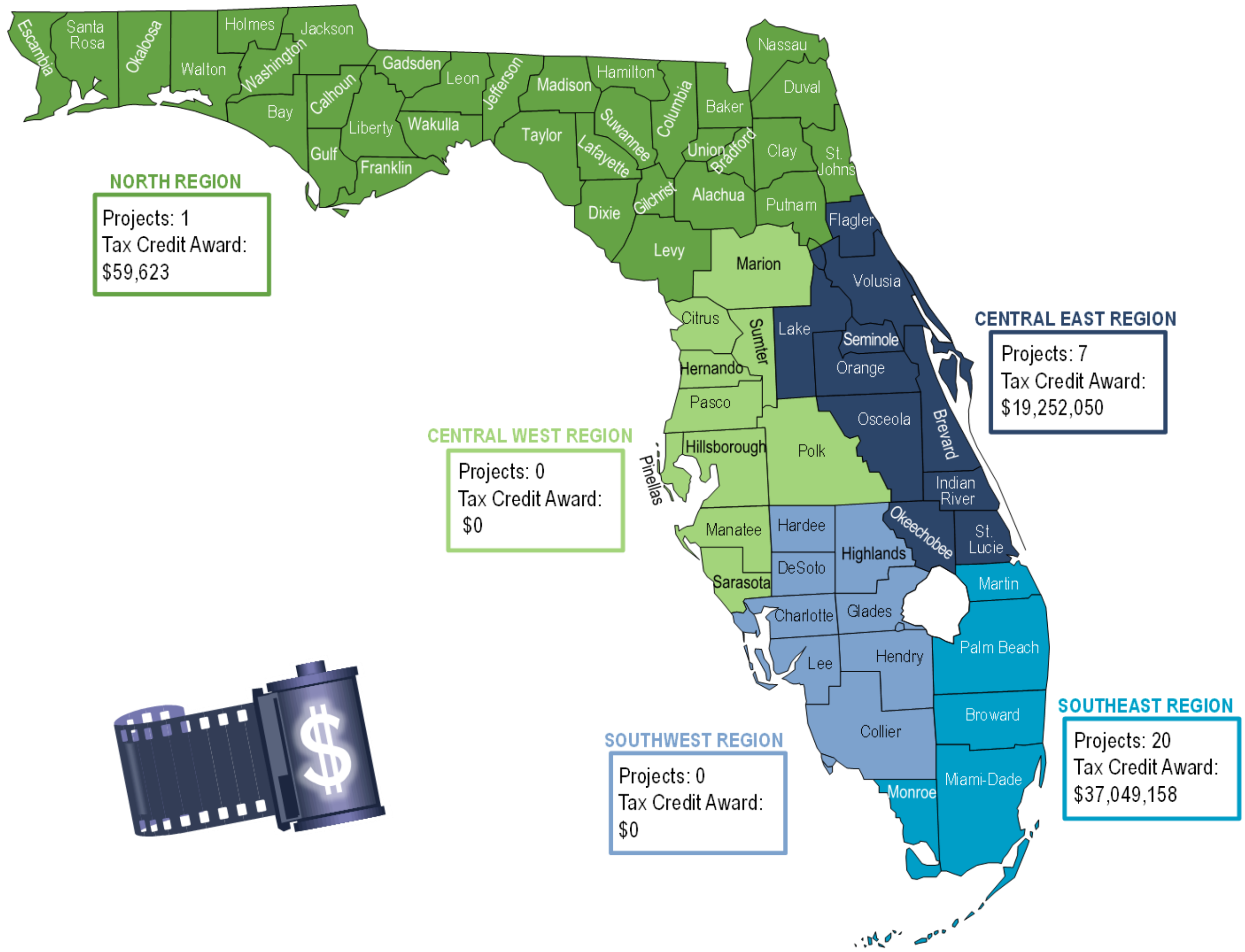
Similar to our prior review, industry stakeholders were satisfied with the services provided by the Office of Film and Entertainment. They reported that the loss of the tax credit program had a significant negative effect on the industry. Industry stakeholders suggested that more statewide marketing and incentives would help make Florida more attractive and competitive.

## Television Series Received the Majority of Tax Credits; Most Projects Were Located in Southeast Florida

OFE awarded $56.4 million in tax credits to 28 certified projects during the review period. Television series (17 projects) received $36 million (64%) in tax credits. Other projects, including video games, television award shows, a commercial, and a documentary film, accounted for the remaining 36% of tax credits awarded.

Almost all of the projects awarded tax credits were located in the central east and southeast regions of the state. Specifically, these regions accounted for 96.4% of the projects and 99.9% of the tax credits awarded. (See Exhibit 1-3.)

**Exhibit 1-3**
**Southeast Florida Projects Received the Largest Amount of Tax Credit During the Review Period**




Source: OPPAGA analysis of Office of Film and Entertainment data.

Television series also generated the greatest expenditures during the review period. Companies that received tax credits spent approximately $235 million for qualified goods and services purchased or leased from Florida businesses and wages paid to Florida residents. Television series companies accounted for $161.5 million (69%) of these qualified expenditures, followed by video games at $53.1 million (23%).

# Incentive Recipients Reported Creating Jobs, but Employment Decreased Over the Review Period

Tax credit recipients for 28 projects reported creating 11,027 jobs during the review period. Most productions (26) reported total jobs created by position type, including talent or cast, crew, and extra/stand-in.[8] Production companies reported creating 10,751 jobs. The majority of jobs created were crew (58%), followed by extras or stand-ins (38%) and talent or cast (4%).

[8] Businesses for two projects did not report Florida jobs created by position type but reported creating a total of 276 jobs.

While the number of businesses participating in the industry's sales tax exemptions program increased, reported employment slightly decreased during the review period. The number of businesses in the program increased by 21%, and estimated Florida jobs decreased by 2%, from 33,724 in Fiscal Year 2016-17 to 32,926 in Fiscal Year 2018-19. (See Exhibit 1-4.)

**Exhibit 1-4**
**Program Participation Increased, but Estimated Jobs for Sales Tax Exemption Recipients Slightly Decreased**

| Fiscal Year | Number of Businesses | Estimated Florida Jobs |
|---|---|---|
| 2016-17 | 848 | 33,724 |
| 2017-18 | 955 | 32,031 |
| 2018-19 | 1,024 | 32,926 |

Source: Office of Film and Entertainment, Department of Economic Opportunity.

# Entertainment Industry Stakeholders Are Satisfied With OFE Services but Suggest More Statewide Marketing and Incentives

OPPAGA staff interviewed entertainment industry stakeholders about their satisfaction with Office of Film and Entertainment services, the effects of incentive programs, and what actions could make Florida a more attractive destination for productions.[9] Stakeholders expressed similar opinions as reported in our prior review.

**Stakeholders were generally satisfied with OFE services and the state sales tax exemption program but suggested statewide marketing and state incentives could make Florida more attractive and competitive.** Local film and entertainment commissions sought assistance from OFE for various services, including generating leads for productions and providing assistance with state agency information and permitting. Most stakeholders reported that having OFE staff located in Los Angeles, California was important in assisting with ongoing and potential productions in Florida. Most stakeholders also suggested that additional statewide marketing by OFE to promote Florida as a destination for productions would be beneficial. However, OFE's ability to facilitate stakeholders' suggestion for more statewide marketing was limited at the time of our review. While OFE reported working with Department of Economic Opportunity leadership each fiscal year to plan a marketing strategy and budget, this was not done for Fiscal Year 2020-21, due to COVID-19. OFE was also limiting its marketing and travel activities and was not filling a vacant Marketing and Outreach Coordinator position at this time. OFE reported continuing to promote productions through its website and social media accounts.

Stakeholders also reported that the state sales tax exemption program is useful and helps maintain existing companies in Florida. Several stakeholders stated that production companies do not consider locating their projects in Florida due to the lack of an incentive. Florida is 1 of 17 states that do not offer a statewide incentive, such as a tax credit, grant, or rebate. All stakeholders reported that the loss of the state tax credit program contributed to reducing the number of productions. According to

[9] OPPAGA staff interviewed representatives of local film and entertainment offices in the cities of Destin-Fort Walton Beach, Jacksonville, and Orlando, as well as in Hillsborough, Miami-Dade, and Palm Beach counties. We also interviewed representatives from Film Florida (the industry's trade organization) and International Alliance of Theatrical Stage Employees.

stakeholders, the reduction in productions has contributed to a loss of local revenue and jobs, and that students graduating from state film schools are moving out of state for jobs.

Finally, while stakeholders suggested that a state incentive program could make Florida more attractive and competitive, they also reported that local incentives might help to mitigate the absence of a statewide program for some counties. Separately, local governments have established incentives to help attract productions to their areas. For example, Duval (Jacksonville), Hillsborough, Miami-Dade, and Pinellas counties offer rebates or grants for up to 10% of production expenses. Sarasota County offers rebates for 100% of county government fees and charges, and 20% of expenses paid for local good and services. Palm Beach County waives permitting fees for productions.

# APPENDIX A

## Film and Entertainment Industry Codes

The Department of Economic Opportunity uses 15 industry codes to define the film and entertainment and digital media industry; we included two additional industry codes identified by digital media experts to better represent this segment of the industry. Data for the record production industry code were not available for 2019 for any state and were excluded from our analyses. In addition, Louisiana had data that were not disclosed for four industries. These four industry codes are marked with an asterisk (*) below and were excluded from our analyses. The results of our economic analyses are reported by industry sector groups, including traditional film and entertainment industry, digital media, and the combination of the two groups—the total film and entertainment industry.

<u>Traditional film and entertainment</u>

- Agents and Managers for Public Figures
- Cable and Other Subscription Programming*
- Commercial Photography
- Independent Artists, Writers, and Performers
- Motion Picture and Video Distribution*
- Motion Picture and Video Production
- Musical Groups and Artists
- Other Motion Picture and Video Industries*
- Other Sound Recording Industries*
- Record Production
- Television Broadcasting
- Tele-production and Post-production Services*
- Satellite Telecommunications
- Sound Recording Studios

<u>Digital media</u>

- Custom Computer Programming Services
- Internet Publishing and Broadcasting and Web Search Portals
- Software Publishers

# APPENDIX B

# Film and Entertainment Industry Analyses

## Location Quotient

OPPAGA calculated location quotients to compare statewide to national employment in the film and entertainment industry. A location quotient is computed as the percentage of state employment in an industry divided by the percentage of national employment in that industry. A location quotient exceeding 1.0 indicates that state levels of industry employment were higher than the national level. A positive change in location quotient indicates that the industry is growing relative to the nation.

Exhibit B-1 shows the results of our location quotient analysis for Florida's film, entertainment, and digital media industry for 2010 and 2019. Florida's 2019 location quotients were less than one in all industry sectors, indicating that the state's industry employment was lower than the nation. The percentage change in Florida's location quotients between 2010 and 2019 was zero or negative depending on the sector. Florida's employment growth, along with a declining location quotient, indicates that the film and entertainment industry sector did not grow as fast in Florida as it did in the national economy.

**Exhibit B-1**
**Competing States Outperformed Florida's Total Film and Entertainment Industry Employment Growth Between 2010 and 2019**

| | State | Location Quotient (2019) | Change in Location Quotient (2010 to 2019) |
|---|---|---|---|
| Traditional Film and Entertainment | Georgia | 1.8 | 124% |
| | Louisiana | 1.1 | 39% |
| | **Florida** | **0.7** | **0%** |
| | New York | 2.5 | -2% |
| | California | 2.8 | -14% |
| Digital Media | New York | 1.1 | 27% |
| | California | 2.0 | 14% |
| | Louisiana | 0.3 | -2% |
| | **Florida** | **0.7** | **-11%** |
| | Georgia | 1.0 | -16% |
| Total Film and Entertainment | Georgia | 1.2 | 11% |
| | Louisiana | 0.5 | 6% |
| | New York | 1.4 | 2% |
| | California | 2.2 | -2% |
| | **Florida** | **0.7** | **-8%** |

Source: OPPAGA analysis of United States Bureau of Labor Statistics data.

## Shift-Share Analysis

OPPAGA conducted a shift-share analysis to gain a better understanding of how Florida's film and entertainment industry is performing relative to the national economy. The shift-share represents how much of the employment growth or decline in a state's industry was due to the national economy, the employment trend within the particular industry, and the state's competitive advantage or lack thereof. Shift-share is composed of three components, with the change in employment between two years (e.g., between 2010 and 2019) equal to the sum of the components.

- National growth share is the change in employment due to the growth of the overall national economy. If the national economy is growing, then one may expect to see a positive change in each industry in the state.
- Industry mix share is the change in employment in the state's industry, based on the industry's national growth (or decline).
- Regional shift, also referred to as the competitive effect, is the change in employment due to the region's competitive advantage. The competitive advantage can be generated by factors such as geography, legislation, population characteristics, or natural resources. It is often the most important component. A positive regional shift indicates the state industry is outperforming the national economy and industry trends. A negative shift indicates that the state industry is underperforming compared to the national trend and does not have a competitive advantage.

Exhibit B-2 shows the results of our shift-share analysis for Florida's film, entertainment, and digital media industry for 2010 through 2019. A positive regional shift indicates that Florida's traditional film and entertainment industry gained additional jobs over those gained due to national growth and its industry structure. Only Georgia had a higher positive regional shift or competitive effect for that industry. However, Florida's did not have a competitive advantage for the digital media and total film and entertainment industry, despite the positive employment growth due to the national economy and industry. Results suggest that California, Georgia, and New York were more competitive in attracting jobs from the national economy or other regions in the total film and entertainment industry.

**Exhibit B-2**
**Shift-Share Analysis for Film and Entertainment Industries Between 2010 and 2019**

| | State | Employment Change (2010-2019) | National Share | Industry Mix | Regional Shift |
|---|---|---|---|---|---|
| Traditional Film and Entertainment | Georgia | 18,207 | 2,001 | -312 | 16,518 |
| | **Florida** | **4,556** | **3,395** | **-530** | **1,691** |
| | Louisiana | 2,341 | 936 | -146 | 1,551 |
| | New York | 9,230 | 13,730 | -2,144 | -2,356 |
| | California | 9,305 | 30,658 | -4,786 | -16,566 |
| Digital Media | California | 206,938 | 36,164 | 104,874 | 65,900 |
| | New York | 64,271 | 10,308 | 29,892 | 24,071 |
| | Louisiana | 2,466 | 830 | 2,407 | -772 |
| | **Florida** | **28,463** | **7,890** | **22,881** | **-2,309** |
| | Georgia | 18,671 | 6,524 | 18,920 | -6,773 |
| Total Film and Entertainment Industry | California | 216,243 | 66,822 | 130,121 | 19,301 |
| | Georgia | 36,878 | 8,525 | 16,601 | 11,751 |
| | New York | 73,501 | 24,038 | 46,808 | 2,656 |
| | Louisiana | 4,807 | 1,766 | 3,440 | -399 |
| | **Florida** | **33,019** | **11,286** | **21,976** | **-243** |

Source: OPPAGA analysis of United States Department of Labor, Bureau of Labor Statistics data.

# CHAPTER 2

## Visit Florida

# BACKGROUND

Florida tourism hit a record high in 2019, with 131.4 million out-of-state visitors spending $91 billion within Florida and supporting over 1.5 million jobs. Between 2010 and 2019, Florida was outpacing several other states concerning tourism employment growth and had a significant competitive advantage in tourism when compared to other states with strong tourism industries—California, Nevada, New York, and Texas.[10]

OPPAGA conducted economic analyses to assess tourism in Florida relative to other competing states and the national economy. To examine industry-related job growth in these states, OPPAGA analyzed state and national tourism employment between 2010 and 2019. We examined 17 sectors classified by the North American Industry Classification System (NAICS).[11,12] (See Appendix A for additional detail about our industry analyses.)

**Florida's tourism industry is growing, and its employment levels exceeded national trends**. Between 2010 and 2019, Florida's employment grew by 417,392 jobs in all tourism sectors except Gift, Novelty, and Souvenir Stores. All Florida tourism industry sectors experienced 34.8% employment growth during the period. Support Activities for Air Transportation and All Other Ground Passenger Transportation experienced the highest growth (at 73.0% and 72.9%, respectively). (See Appendix A, Exhibit A-1 for more information.)

We compared Florida to other states using location quotients to quantify how concentrated a particular tourism sector is in the state as compared to the nation.[13] Florida's location quotient of 1.26 in 2019 indicates that Florida's employment level exceeds the national level of employment in the tourism industry. Florida's percentage change in location quotient of 1.0% between 2010 and 2019 indicates that the industry's growth in Florida was minimal relative to the industry's growth nationwide. Florida's growth rate between 2010 and 2019 was similar to Texas but slightly less than California and New York. While Nevada had the highest location quotient of all competitor states, at 2.02 in 2019, its industry experienced a 14.3% decline relative to industry nationally between 2010 and 2019. (See Exhibit 2-1.)

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[10] We chose states that rank among the top five tourism states in the U.S. and, with the exception of Nevada, are similar in population to Florida.

[11] NAICS is the standard used by federal statistical agencies in classifying business establishments for the purpose of collecting, analyzing, and publishing statistical data related to the U.S. business economy.

[12] The 17 tourism sectors are Accommodation; Amusements, Gambling, and Recreation; Convention and Trade Show Organizers; Food and Beverage Stores; Food Services and Drinking Places; Gift, Novelty, and Souvenir Stores; Museums, Historical Sites, Zoos, and Parks; Passenger Car Rental; Performing Arts Companies; Promoters of Performing Arts and Sports; Scenic and Sightseeing Transportation; Scheduled Passenger Air Transportation; Spectator Sports; Support Activities for Air Transportation; Taxi and Limousine Service; All Other Ground Passenger Transportation; and Travel Arrangement and Reservation Services.

[13] This approach provides an indicator of the relative strength of a particular industry sector and is computed as the percentage of state employment in a particular industry sector divided by the percentage of national employment in that industry sector.

**Exhibit 2-1**
**Florida's Tourism Industry Employment Was Higher Than National Levels in 2019 but Had Similar Growth Between 2010 and 2019**

| State | Location Quotient (2019) | Change in Location Quotient (2010 to 2019) |
|---|---|---|
| New York | 0.94 | 3.0% |
| California | 1.02 | 1.9% |
| Texas | 1.00 | 1.2% |
| **Florida** | **1.26** | **1.0%** |
| Nevada | 2.02 | -14.3% |

Source: OPPAGA analysis of U.S. Department of Labor, Bureau of Labor Statistics data.

To assess whether the employment changes were attributable to the national economy, state competitiveness, or the industry itself, we conducted a shift-share analysis. (See Appendix A for more information.) The results of our shift-share analysis show that all five states' tourism industries were positively impacted by growth in the national economy and overall growth in these industries. Our shift-share analysis also indicates that Florida's, California's, New York's, and Texas's total tourism industries experienced employment growth because of their competitive position in this industry, while Nevada's competitive position had a negative effect on its tourism industry.

# Visit Florida

The Florida Legislature established VISIT FLORIDA in 1996 to serve as the state's official tourism marketing corporation. The Florida Tourism Industry Marketing Corporation, aka VISIT FLORIDA (VF), is a 501(c)(6) not-for-profit corporation and serves as Florida's statewide destination marketing organization representing the state's entire tourism industry.[14] VF's mission is to promote travel and drive visitation to and within Florida. Although VF was scheduled to sunset July 1, 2020, recent legislation extended the sunset date to October 1, 2023.[15]

VF is a direct support organization of Enterprise Florida, Inc., a public-private partnership created by the Legislature to serve as the state's principal economic development organization.[16] VF has a contractual agreement with the Department of Economic Opportunity that includes performance measures and standards. Enterprise Florida, in conjunction with the Department of Economic Opportunity, appoints VF's 31-member board of directors. The board, which meets three times per year, provides guidance, input, and insight into the evolution and development of VF programs, processes, and messages; acts as a steering council for various committees; and works directly with VF executive staff to guide strategy.

[14] Section 288.1226, *F.S.*
[15] Chapter 2020-16, *Laws of Florida*
[16] Sections 288.901 through 288.923, *F.S.*

VF's primary activities include

- administering domestic and international marketing campaigns;
- conducting domestic and international marketing activities;
- coordinating marketing efforts with local tourism marketing organizations;
- managing the state's welcome centers;
- conducting research on tourism and travel trends; and
- administering marketing activities for Veterans Florida and marketing to assist the state following critical events, such as storms.

During the review period, VF also administered a number of small grant programs that provided organizations, state agencies, and local governments funding for certain tourism-related activities. (See Appendix B for more information about the grant programs.)

## VISIT FLORIDA depends primarily on state funds to support its operations; recently, it has made several changes to address funding decreases and COVID-19

VF receives revenues from public and private sector sources. During the review period, combined annual public and private revenues ranged from $90.3 million to $111.4 million, with an average of $97.5 million. Total revenues decreased by 18% from Fiscal Year 2016-17 to Fiscal Year 2018-19. State funds compose the majority of all revenues at 79% on average and decreased by $2.5 million (3%) during the review period. (See Exhibit 2-2.)

**Exhibit 2-2**
**The Majority of VISIT FLORIDA's Budget Is Its State Allocation**

| | Fiscal Year | | |
|---|---|---|---|
| Source of Funding | 2016-17 | 2017-18 | 2018-19 |
| State Allocation | $78,499,784 | $75,999,152 | $75,994,680 |
| Private Sector Cash Revenues | | | |
| Industry Co-Operative Advertising Value | 23,096,921 | 8,255,068 | 8,326,411 |
| Trade Show and Event Revenue | 3,709,221 | 2,259,002 | 2,523,202 |
| Partnership Fees | 2,445,314 | 1,508,456 | 1,282,654 |
| Advertising Revenue | 1,869,148 | 1,341,626 | 1,982,992 |
| Other (Citrus Revenue, Interest, Misc.) | 788,453 | 217,259 | 228,140 |
| Welcome Center Revenue | 476,730 | 414,473 | 368,210 |
| Publication Revenue | 212,874 | 195,936 | 179,750 |
| Website Revenue | 201,910 | 22,523 | 8,300 |
| Research Revenue | 100,290 | 59,640 | 65,480 |
| Total Private Sector Cash Revenues | $32,900,861 | $14,273,983 | $14,974,139 |
| **Combined Public and Private Cash Revenues** | **$111,400,645** | **$90,273,135** | **$90,968,819** |
| **Industry Contributed Promotional Value** | **$95,656,412** | **$106,224,614** | **$90,455,292** |

Source: OPPAGA analysis of VISIT FLORIDA revenue data.

VF revenues from the private sector represent an average of 21% of all revenues and decreased by $18 million (54%) during the review period. The decrease is largely attributable to a 64% reduction in industry co-operative advertising. According to VF, cooperative advertising declined due to a racing series sponsorship being discontinued that previously generated substantial cooperative revenue, a decline in partner participation in sanctioned print media cooperative advertising programs, and new VF partner financial disclosure and reporting requirements were implemented.[17,18]

As a public-private partnership, VF is expected to obtain public funds with private sector contributions. Specifically, Florida law requires VF legislative appropriations to be matched with private sector support equal to at least 100% of state funding. In-kind contributions are considered private sector contributions toward meeting this statutory requirement and are limited to the actual market value of promotional contributions of partner-supplied benefits to the target audiences and the actual market value of non-partner supplied airtime or print space contributed for the broadcasting or printing of such promotions.[19] VF categorizes this notarized value as industry-contributed promotional value. The amount of industry combined promotional value ranged from $90.5 million to $106.2 million during the review period.

The total support from private sources, including cash revenues and in-kind contributions ("industry-contributed promotional value"), ranged from $105.4 million to $128.6 million per year during the review period, allowing VF to meet the statutory requirement of a one-to-one match of public and private funding.[20] However, most of VF's private sector revenues are industry-contributed promotional value, not cash contributions. Industry-contributed promotional value represented 83%, on average, of all private sector funding over the three fiscal years in our review.

**During the review period, most of VISIT FLORIDA's annual expenditures were for paid media and co-operative advertising with industry partners.** VF breaks down its annual expenditures both by expense category and by functional department. Analysis of its expenditure data over three fiscal years demonstrates that, on average, the organization spent 45% of its annual budget on media, 14% on co-operative advertising, 14% on fees and services, and 13% on salaries and benefits. (See Exhibit 2-3.)

[17] VF reports that it has since incorporated more digital media advertising opportunities.

[18] Chapter 2017-233, *Laws of Florida,* made a number of changes, including the addition of s. 288.1226(13)(c), *F.S.,* which requires any entity that received more than 50% of its revenues from VF or taxes imposed pursuant to ss. 125.0104, 125.0108, or 212.0305, *F.S.,* in the previous fiscal year and that partners with VF or participates in a program, cooperative advertisement, promotional opportunity, or other activity offered by VF to annually report all public and private financial data to the Governor, the President of the Senate, and the Speaker of the House of Representatives and include such a report on its website.

[19] VF contracted with The Nielsen Company to set forth guidelines for determining actual market value of promotions. While there is no single, industry-standard formula used for these estimates, they take into account the total number of impressions made, the type of advertising, and the size of the market.

[20] Total private sector support was calculated by adding the private cash revenues and industry-combined promotional value.

**Exhibit 2-3**
**During the Review Period, the Largest Proportion of VISIT FLORIDA Expenditures Was for Media Buys**

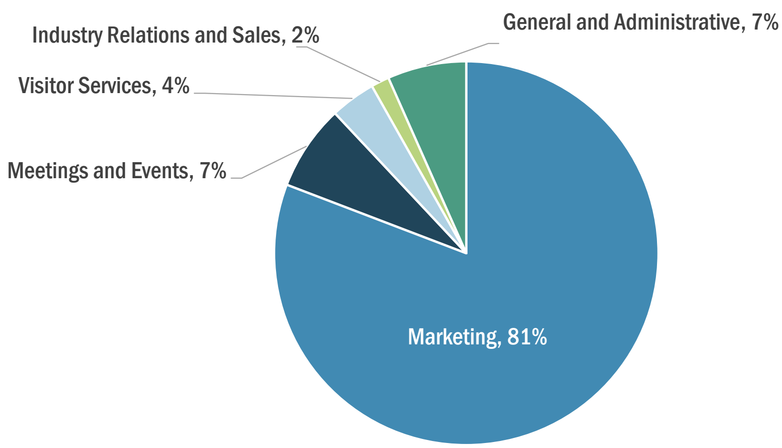
| Category | Fiscal Year 2016-17 | Fiscal Year 2017-18 | Fiscal Year 2018-19 | Average Annual Expenditures | Average Percentage of Expenditures |
|---|---|---|---|---|---|
| Media | $41,797,400 | $42,790,899 | $42,017,879 | $42,202,059 | 45% |
| Industry Co-operative Advertising | 23,096,921 | 8,255,068 | 8,326,411 | 13,226,133 | 14% |
| Fees and Services | 12,822,622 | 12,749,489 | 13,750,345 | 13,107,485 | 14% |
| Salaries and Benefits | 12,398,043 | 11,096,253 | 12,413,618 | 11,969,305 | 13% |
| Office and Admin | 3,791,151 | 4,255,389 | 4,058,583 | 4,035,041 | 4% |
| Production | 3,635,035 | 2,717,220 | 3,249,818 | 3,200,691 | 3% |
| Travel[1] | 2,865,251 | 2,579,866 | 2,748,789 | 2,731,302 | 3% |
| Research | 1,239,385 | 1,587,009 | 1,305,493 | 1,377,296 | 1% |
| Promotions[2] | 1,786,378 | 1,041,568 | 1,227,223 | 1,351,723 | 1% |
| Grants | 617,117 | 268,748 | 2,250,087 | 1,045,317 | 1% |
| Citrus Juice | 198,492 | 196,752 | 186,743 | 193,996 | <1% |
| **Total** | **$104,247,795** | **$87,538,261** | **$91,534,989**[3] | **$94,440,348** | |

Note: Data presented above does not include expenses associated with pass through funds that are included in Exhibit 2-2 data, such as an appropriation for the Florida Restaurant and Lodging Association and Veterans Florida marketing expenses.
[1]VF reports that travel is mostly for non-employees and is expenses for winners of consumer promotional contests.
[2]This category combines VF's business promotion and promotional items line items. VF reports these expenses support VISIT FLORIDA conferences and events, e.g. Florida Huddle.
[3]Fiscal Year 2018-19 expenses were about a half a million dollars more than revenues for this same period; prior year excess funds held in reserve for extraordinary crisis response purposes were used to respond to Hurricane Michael and red tide.
Source: OPPAGA analysis of VISIT FLORIDA revenue data.

VF total expenditures generally decreased by 12% in the review period, which is mostly attributable to a reduction in industry co-operative advertising of 64%. VF cited the same reason that their revenues in this category dropped—they had fewer partners use this service in Fiscal Year 2017-18. However, VF increased spending on grants by about $2.0 million from Fiscal Year 2017-18 to Fiscal Year 2018-19, primarily through the approximately $1.9 million spent on two special grant programs for Hurricane Michael and red tide in Fiscal Year 2018-19.

We also reviewed expenditures by functional business unit. VF has five functional business units: general and administrative, industry relations and sales, marketing, meetings and events, and visitor services. Among the units, the marketing department has the highest expenditures, at 81% of all expenditures. The remaining departments make up a small portion of annual expenditures. (See Exhibit 2-4.)

**Exhibit 2-4**
**Marketing Department Expenditures Constituted the Majority of VISIT FLORIDA's Expenditures**




Note: percentages do not total to 100% due to rounding.
Source: OPPAGA analysis of VISIT FLORIDA expenditure data.

**Since our review period, VISIT FLORIDA has made several changes to address recent funding decreases and COVID-19.** VF's state allocation was reduced from $76 million in Fiscal Year 2018-19 to $50 million in Fiscal Year 2019-20. As a result, VF reduced its full-time staff from 146 to 85. VF reported that it also eliminated its regular, time-intensive grants program because it needed to shift remaining staff toward higher-impact endeavors, which may include marketing campaigns and activities, coordinating with local tourism marketing organizations, managing the state's welcome centers, and conducting research on tourism and travel trends.

In response to COVID-19, VF has also made several changes to its activities and the scale of its marketing. For example, a VF representative serves on the Industry Working Group on Tourism, Construction, Real Estate, Recreation, Retail and Transportation, a workgroup for the Governor's Re-Open Florida Task Force. VF also provides resources and information for businesses on its website, including a data dashboard, tips for reopening, a free small business toolkit, and updated information for each county with local COVID-19 information.

Moreover, in response to the COVID-19 pandemic's impact on Florida tourism and the uncertainty of travel during the pandemic, VF has established a phased approach for rebounding tourism in the state and has made some changes in its budget.[21] VF will have limited messaging and will focus on Florida residents who might travel within the state and those from neighboring states who might drive to Florida. Only when consumers have strong travel considerations will VF initiate a rebound marketing campaign for domestic and international travelers. In the next 12 months, VF will continue scaled-down marketing to Florida's top 10 international markets so that these travelers keep Florida in mind when travel resumes. VF also made some temporary changes to budgeted expenses that include reducing budgeted spending on international advertising and events and removing the annual in-person Florida Huddle and Florida Encounter meetings.

COVID-19 also created some budget shortfalls during the first quarter of 2020 that VF thought would likely extend into subsequent quarters. For example, VF provided relief to partners with membership renewals due; did not receive expected revenues from cancelled events; had fewer welcome center brochure and advertising renewals; and had declining revenue from partner advertising programs.

# FINDINGS

## During the review period, VISIT FLORIDA expanded services and changed some performance measures

Overall, during the review period, VF provided some new services to partners, nearly met or met its performance goals, and addressed OPPAGA's concerns from previous reviews. VF expanded promotional and training opportunities for its partners and added two, one-time grant programs. It also met or exceeded its contractual performance standards and improved its ability to measure performance with new indicators. While VF revised and added additional performance standards in Fiscal Year 2018-19, as we recommended during our previous review, it could make them more ambitious to reflect historical achievements.

**VISIT FLORIDA expanded some services to partners during the review period.** VF expanded promotions and offered free training for businesses in rural counties, free marketing help for small and non-profit businesses, and two, one-time grant programs. For example, VF expanded its promotion

[21] As the Governor declared a state of emergency and required that only essential businesses remain open, first quarter visitation from Quarter 1 of 2020 fell an estimated 10.7% compared to Quarter 1 of 2019. For nearly every week in March and April of 2020, hotel revenues decreased by 70%, and scheduled domestic airline seats for April through August 2020 were down by 42% compared to the same period in 2019.

of two North Florida Department of Economic Opportunity designated Rural Areas of Opportunity (RAO) at international and domestic trade shows, included the South Central RAO, and also included a large-scale consumer Facebook advertising campaign and PR influencer trips. In addition, VF partnered with Adventure Travel and Trade Association to conduct a free, two-module adventure training program in rural counties, attended by 50 small businesses.[22] Starting in 2017, each year, VF also extended the Targeted Marketing Assistance Program to small businesses, offering no-cost benefits to independently-owned small Florida businesses or nonprofits.

VF also added two, one-time special grant programs during the review period of Fiscal Year 2016-17 through Fiscal Year 2018-19. These grants were time-specific and ended in Fiscal Year 2018-19. In 2018, the VF Board of Directors authorized reserve funds to help crisis support for Hurricane Michael ($1.1 million) and red tide ($794,368), available to county destination marketing organizations listed in the Federal Emergency Management Agency major disaster declaration or Governor Scott's executive order.[23]

**VISIT FLORIDA eliminated performance measures related to industry investment but added other outcome measures.** VF had 9 performance measures and standards for Fiscal Years 2016-17 and 2017-18 and 10 for Fiscal Year 2018-19. In Fiscal Year 2018-19, VF negotiated a change in contractual performance standards. Specifically, it eliminated performance measures for number of businesses participating in marketing activities and total industry investment in VF. VF reports that it will continue to track partner participation through the private sector cash and in-kind contributions; however, it is no longer formally reporting it as a performance measure. VF reports that it negotiated this change for several reasons. First, from concern about an issue outside their span of control; specifically that changes to statutory reporting requirements for some entities, such as local destination marketing organizations, would deter these entities from partnering with VF. Next, the contractual partnership count included businesses only participating in VF's free business website listings, a program VF was evaluating for future changes due to concerns about accuracy and quality. Finally, VF reports that partnership is not a condition of service; specifically partnership or participation in cooperative advertising opportunities is not required for VF to promote any Florida community or business. Dropping these measures means that VF performance information on a critical activity may not be as transparent as it has been historically. Understanding that business participation may not entirely be within VF's control, publicly tracking business participation would still help VF and external stakeholders assess whether VF was meeting aspects of its statutory goal.

VF also added new outcome measures about people visiting Florida after seeing VF's marketing. Specifically, VF added percentage increase in likelihood of visiting Florida after exposure to VF's digital marketing among domestic audience, percentage of domestic leisure travelers reporting awareness of VF's marketing, and industry rating of VF's performance in promoting tourism to Florida. For each measure, new and existing, the organization nearly met, met, or exceeded performance standards every fiscal year of the review period. (See Exhibit 2-5.)

[22] The second module was postponed indefinitely due to COVID-19.
[23] Almost 40% of the 378 VF industry partners who responded to our survey said that VF assisted them with disaster-related activities.

Exhibit 2-5
VISIT FLORIDA Changed Its Performance Measures in Fiscal Year 2018-19 and Nearly Met, Met, or Exceeded Standards Each Year of the Review Period

| Annual Performance Measures | FY 2016-17 Standard | FY 2016-17 Actual | FY 2017-18 Standard | FY 2017-18 Actual | FY 2018-19 Standard | FY 2018-19 Actual |
|---|---|---|---|---|---|---|
| Annual market share in traditional feeder markets | 20% | 21% | 20% | 19.71% | No change | 24.27% |
| Annual percentage of domestic visitors to Florida influenced by VISIT FLORIDA's primary marketing programs | 30% | 54% | 30% | 57.60% | 40% | 55.40% |
| Annual share of domestic vacation trips | 15% | 16% | 15% | 16.23% | No change | 17.78% |
| Annual share of international visitor spending | 20% | 20% | 20% | 19.84% | No change | 19.70% |
| Growth in annual market share in emerging markets | 17% | 17% | 17% | 17.65% | No change | 19.08% |
| **NEW:** Industry rating of VISIT FLORIDA's performance in promoting tourism to Florida | NA | NA | NA | NA | 8.0/10 | 8.5/10 |
| **NEW:** Percentage increase in likelihood of visiting Florida after exposure to VISIT FLORIDA's digital marketing among domestic audience | NA | NA | NA | NA | 20% | 41.00% |
| **NEW:** Percentage of domestic leisure travelers reporting awareness of VISIT FLORIDA's marketing | NA | NA | NA | NA | 45% | 49.20% |
| Number of strategies in the Florida Strategic Plan for Economic Development being implemented by VISIT FLORIDA | 4 | 4 | 4 | 4 | No change | 4 |
| Total industry investment in VISIT FLORIDA programs | $76 million | $128 million | $76 million | $120.5 million | Removed | Removed |
| Total number of individual businesses actively participating in VISIT FLORIDA's marketing activities | 12,000 | 12,481 | 12,000 | 12,816 | Removed | Removed |
| Total number of individual businesses located in Rural Areas of Critical Economic Concern-designated communities, participating in VISIT FLORIDA marketing activities/the percentage coverage of the total designated communities[1] | 600/90% | 687/97% | 600/90% | 707/94% | No change | 714/94% |

[1]Rural Areas of Critical Economic Concern, which the Florida Department of Economic Opportunity now refers to as Rural Areas of Opportunity.
Source: OPPAGA analysis of VISIT FLORIDA information.

**VISIT FLORIDA addressed OPPAGA's prior concern that its contractual measures are not directly linked to agency performance; however, measures could have goals that are more ambitious.** The three contractual performance measures VF added in Fiscal Year 2018-19—percentage increase in likelihood of visiting Florida after exposure to VF digital marketing among domestic audience, percentage of domestic leisure travelers reporting awareness of VF's marketing, and industry rating of VF's performance in promoting tourism to Florida—have allowed the organization to measure more directly its specific marketing activities and partner services.

VF also addressed prior OPPAGA concerns that its Direct Influencer Study, which is used to measure consumer awareness of VF marketing, is overly reliant on consumer memory. Specifically, the organization added two studies that limit the issue of consumer memory in assessing marketing effectiveness—the Integrated Marketing Effectiveness Study and Arrivalist Study. The Integrated Marketing Effectiveness Study, added in Fiscal Year 2018-19, determines intent and consideration for Florida travel 12 and 24 months in the future and tracks the difference in trip intent and consideration between those who have seen VF's marketing and those who have not. Rather than ask respondents a generic question about what they recall ever having seen, the new study shows them specific content that they may have been exposed to only within the last month.

The contractual measure that VF added in Fiscal Year 2018-19, percentage increase in likelihood of visiting Florida after exposure to VISIT FLORIDA's digital marketing among domestic audience, is measured with the Arrivalist Study, which examines actual device activity rather than consumer memory. The Arrivalist tool tracks mobile device activity, including computers, mobile phones, and tablets, by placing a code in its digital advertising that allows the tool to gather information about consumers exposed to digital advertising and what actions they take. Arrivalist then uses geolocation data for individuals (tracking across different devices owned by each person) to determine who actually visited Florida. A control group of panelists who were not exposed to VF's digital advertising is then constructed and compared against the group of panelists who did see the advertising to determine the difference in likelihood of taking a trip to Florida for the exposed group compared to the control group.

However, OPPAGA's previous concern that VF's standards do not challenge the organization to improve performance remains. In Fiscal Year 2018-19, VF raised the standard for annual percentage of domestic visitors to Florida influenced by VF's primary marketing programs from 30% to 40%. However, during the review period, actual performance ranged from 54% to 57.60%, well above the established standards. (See Exhibit 2-5 above.) We continue to recommend that VF make this measure and all others more ambitious by using historic performance to set targets that may challenge them beyond what they have previously accomplished.

**VISIT FLORIDA improved its ability to measure performance with new internal indicators**. In Fiscal Year 2018-2019, VF established internal targets for five domestic audiences. These domestic audiences—winter sun seekers, impulse getaways, adventure seekers, experience seekers, and family memory makers—were grouped together based on their common values and behavior rather than demographic characteristics. Results were mixed for Calendar Year (CY) 2018 and Fiscal Year 2018-19, with VF meeting three of the five goals. The two unmet goals were for 6.8% of market share for the impulse getaways and 8.7% for the experience seekers domestic audiences. The organization is now also measuring the difference in trip intent and consideration between those who have seen VF's marketing and those who have not and will set targets after establishing baselines. (See Exhibit 2-6.)

**Exhibit 2-6**
**During the Review Period, VISIT FLORIDA Established Additional Internal, Non-Contractual Indicators**

| | CY 2018 Goal | CY 2018 Actual |
|---|---|---|
| **Domestic Audience Targets** | | |
| Adventure Seekers Visitor Volume by Market Share | 7.2% | 7.7% |
| Experience Seekers Visitor Volume by Market Share | 8.7% | 7.7% |
| Family Memory Makers Visitor Volume by Market Share | 12.5% | 14.3% |
| Impulse Getaways Visitor Volume by Market Share | 6.8% | 6.6% |
| Winter Sun Seekers Visitor Volume by Market Share | 51.6% | 54.1% |
| | **FY 2018-19 Goal** | **FY 2018-19 Actual** |
| **Difference in Trip Intent and Consideration Between Those Who Have Seen VF's Marketing and Those Who Have Not** | | |
| Difference in perceptions between those who are aware of VISIT FLORIDA marketing and those who are not, all markets | NA | 2-13 percentage points |
| Difference in trip intent and consideration between those who have seen VISIT FLORIDA marketing and those who have not, in next 24 months | NA | 9 percentage points |
| Difference in trip intent and consideration between those who have seen VISIT FLORIDA marketing and those who have not, in next 12 months | NA | 13 percentage points |

Source: OPPAGA analysis of VISIT FLORIDA information.

# VISIT FLORIDA partners who retained their membership over time express support for its services

**VISIT FLORIDA solicits feedback from partners and event participants and reports that these stakeholders are satisfied with its services.** VF performs an annual industry survey to gauge partner satisfaction with the organization's services and programs.[24] They use results as an early indicator of areas to explore further through additional research and analysis, conversations with industry stakeholders, and discussion by the Board of Directors and committees. VF survey results from 2019 show that partners were satisfied with how VF promotes visitation to Florida, with an overall average satisfaction rate of 8.52 (on a scale of 1-10, with 10 being most satisfied), the highest score given over the past 10 years, with the exception of 2017, which has an average score of 8.73.

VF also surveys attendees at their signature annual events. During the review period, attendees expressed satisfaction with most of VF's signature annual events.[25] Survey results for the percentage of attendees that would probably or definitely return the next year include an average during the review period of 85% of attendees at Florida Encounter for 2016 and 2017, 90% of the attendees at the Governor's Conference on Tourism for 2018, and 88% of buyers at the Florida Huddle over the three years.[26]

**OPPAGA's survey of VISIT FLORIDA partners indicates that partners supported the organization; however, the respondent sample may be biased in favor of positive responses.** OPPAGA has historically conducted a retrospective partner survey asking about the three-year review period.[27] However, the 2020 contact list OPPAGA obtained from VF was not a full retrospective sample. It was a snapshot in time and did not include contact information for those members who dropped their paid membership during the review period. While nearly 58% of VF partners between Fiscal Years 2016-17 and 2018-19 had paid partnerships during all three years, many dropped or added their paid partnership during that period. As a result, OPPAGA's survey over-represents partners who held paid partnerships for all three years of the review period (70% of those surveyed) and those who added a membership during the study period, and it under-represents partners who dropped their paid partner status. Partners who do not drop their paid partner status or skip years may have more positive perspectives about VF than partners who are no longer active.

OPPAGA's survey of VF's partners shows that they were generally long-time members who expressed support for the agency's activities, with 88% stating that they planned to continue their level of partnership during the next fiscal year. Overall, of those respondents who used a service and had an opinion, an average of 88% reported that the services they used were somewhat successful, successful, or very successful in helping them attract customers. Across the three services that respondents most often rated as successful—general marketing, VF website, and market research —the percentage was even higher, at 95%.

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[24] Contractor Downs & St. Germain conducts the survey in May and June via email and phone. One version of the survey is sent to all paid marketing partners, and the other is sent to all paid web listings and some free web listings. Completion rate for web listings and investment-level marketing partners combined was 23.3%, 22.1%, and 24.4% for Fiscal Years 2016-17, 2017-18, and 2018-19, respectively.

[25] VF said it discontinued welcome center guest surveys because conducting them is expensive, and their outcome is not connected to organizational performance measures and core goals.

[26] Florida Encounter is a showcase that provides an opportunity for meeting professionals to interact with Florida's meetings suppliers. Survey data for meeting planners and suppliers for this measure were unavailable for 2018. The Governor's Conference is an educational conference that brings together attendees to learn more about Florida's tourism industry. Survey data for 2017 for this measure were unavailable, and the Governor's Conference was canceled in 2019 because of a hurricane. Florida Huddle is a travel trade show. Survey data for suppliers for this measure were unavailable for all years.

[27] We sent surveys to 1,650 contacts representing 1,479 entities (our initial contacts included more than one person at each company). Of those, we received completed surveys from 23% of all respondents (31% of entities submitted at least one completed response). Four partnership entities had two different respondents complete the survey. Response rates on the survey varied by partnership type; thus, we weighted survey data by partnership type to represent all entities with a paid partnership at any point between Fiscal Year 2016-17 and Fiscal Year 2018-19.

**VISIT FLORIDA partners generally appreciated its services, but some services were not well used**. Partner opinions varied regarding the importance and utilization of VF services. They viewed VF's general marketing as the most important service, with 83% stating it is important or very important; general marketing was also the service they used most frequently after market research and the partner website, with 64% using the general marketing at least monthly. The level of support for other programs was lower. For example, 49% of partners considered the grants program important or very important, but overall, the grants program did not rank highly—it ranked 6 out of 10 programs in terms of its importance. Partners considered the blog the least important service, with 31% stating it was not at all important. In addition, 85% of partners rarely or never used the industry hotline. VF noted that the value of services may vary by partners' level of engagement with VF; for example, highly active industry partners may call a known contact directly rather than using the industry hotline.

When asked about changes that VF could make to improve services, 234 of 378 partners (62%) responding provided specific ideas. Of these, 46 respondents (20%) made marketing suggestions, including focusing on international travel, having more events, and focusing on arts and culture. Twenty-eight respondents (12%) made suggestions about VF operations, and the most common of these suggestions was to have better communication, including dedicated staff. Another 28 respondents (12%) expressed that they would like VF to focus more on small businesses, such as providing lower-cost services and giving them more attention and opportunities.

**The majority of VISIT FLORIDA's partners surveyed by OPPAGA stated that tourism would decrease without statewide marketing services; however, many partners would continue their own marketing plans and leverage other local and national resources**. As noted above, OPPAGA asked VF partners a range of questions about the organization's value to their business. These included asking stakeholders to assess how their efforts would change if VF resources were not available to them.[28] Fifty-nine percent of OPPAGA survey respondents said that visits to their organization would decrease without statewide tourism marketing services.

However, when asked how they would proceed if statewide tourism marketing services were unavailable, 49% of survey respondents said they would proceed as planned or on a larger scale, 28% would proceed on a smaller scale, and only 3% would cancel planned marketing activities. Partners reported that they could leverage existing marketing resources if there were no statewide marketing services. For example, partners reported that they might turn to entities such as local destination marketing organizations (convention and visitors bureaus and local chambers of commerce) for domestic marketing. There are currently 36 offices that conduct tourism-marketing activities for counties or cities in Florida. At the national level, Brand USA is available to tourism entities for general U.S. international marketing assistance. Currently, Brand USA partners with 32 organizations in Florida, which are all city or county destination marketing organizations except for Sea World Parks and Entertainment, Universal Orlando Resort, Walt Disney Parks and Resorts, Clearwater Marine Aquarium, and VF itself.

[28] A study on the impact that the loss of a state tourism office has on tourism shows detrimental impact but has been criticized as not transparent or independent: "What Happens When You Stop Marketing? The Rise and Fall of Colorado Tourism." Longwoods International, March 2009. For criticism of the study, see "An Analysis of State Funded Tourism Promotion." Mackinac Center for Public Policy, 2016.

# APPENDIX A

## Tourism Industry Analysis

**In 2019, Florida's tourism sector employment sizes were generally consistent with the nation's tourism sector sizes.** Exceptions were Accommodation and Amusement, Gambling, and Recreation, which were larger tourism sectors in Florida than in the U.S. as a whole, and Food Services and Drinking Places, which was a larger tourism sector in the U.S. than in Florida. In 2019, the Food Services and Drinking Places sector had the highest employment within Florida, at 50.7% of Florida's tourism industry; this is lower than the sector size at the national tourism level (57.5%). While Accommodation was 12% of Florida's tourism employment, it was 9.9% at the national tourism level, and while Amusements, Gambling, and Recreation were 11.8% of Florida's tourism employment, it was 8.4% at the national tourism level. (See Exhibit A-1.)

**Exhibit A-1**
**Employment Size in Tourism Sectors Is Similar for Florida and the Nation**

| | Florida Employment (2019) | Florida Sector Size (2019)[1] | U.S. Sector Size (2019)[2] |
|---|---|---|---|
| Food Services and Drinking Places | 820,956 | 50.7% | 57.5% |
| Food and Beverage Stores | 230,371 | 14.2% | 14.7% |
| Accommodation | 194,585 | 12.0% | 9.9% |
| Amusements, Gambling, and Recreation | 190,214 | 11.8% | 8.4% |
| Scheduled Passenger Air Transportation | 39,343 | 2.4% | 2.2% |
| Travel Arrangement and Reservation Services | 32,096 | 2.0% | 1.0% |
| Support Activities for Air Transportation | 28,383 | 1.8% | 1.1% |
| Spectator Sports | 18,392 | 1.1% | 0.7% |
| Passenger Car Rental | 13,559 | 0.8% | 0.6% |
| Promoter of Performing Arts and Sports | 10,633 | 0.7% | 0.7% |
| Gift, Novelty, and Souvenir Stores | 10,025 | 0.6% | 0.7% |
| Performing Arts Companies | 8,257 | 0.5% | 0.6% |
| Museums, Historical Sights, Zoos, and Parks | 8,634 | 0.5% | 0.8% |
| Taxi and Limousine Services | 3,270 | 0.2% | 0.4% |
| Scenic and Sightseeing Transportation | 2,909 | 0.2% | 0.2% |
| All Other Ground Passenger Transportation | 2,951 | 0.2% | 0.2% |
| Convention and Trade Show Organizers | 3,907 | 0.2% | 0.3% |

[1]These percentages show the size of a sector's employment relative to tourism employment in Florida.
[2]These percentages show the size of a sector's employment relative to tourism employment in the nation.
Source: OPPAGA analysis of United States Bureau of Labor Statistics data.

**Between 2010 and 2019, Florida's employment grew in all tourism sectors except Gift, Novelty, and Souvenir Stores.** All Florida sectors experienced 34.8% employment growth during the period. Support Activities for Air Transportation and All Other Ground Passenger Transportation experienced the highest growth, at 73.0% and 72.9%, respectively. (See Exhibit A-2.)

**Exhibit A-2**
**Florida's Employment Grew in Most Tourism Industry Sectors Between 2010 and 2019**

| Tourism Sector | Florida Employment Change | Percentage Change |
|---|---|---|
| Support Activities for Air Transportation | 11,978 | 73.0% |
| All Other Ground Passenger Transportation | 1,244 | 72.9% |
| Promoters of Performing Arts and Sports | 4,289 | 67.6% |
| Scheduled Passenger Air Transportation | 14,021 | 55.4% |
| Museums, Historical Sights, Zoos, and Parks | 2,852 | 49.3% |
| Passenger Car Rental | 4,367 | 47.5% |
| Food Services and Drinking Places | 235,853 | 40.3% |
| Amusements, Gambling, and Recreation | 46,220 | 32.1% |
| Convention and Trade Show Organizers | 870 | 28.6% |
| Accommodation | 43,185 | 28.5% |
| Scenic and Sightseeing Transportation | 606 | 26.3% |
| Food and Beverage Stores | 43,756 | 23.4% |
| Travel Arrangement and Reservation Services | 5,408 | 20.3% |
| Spectator Sports | 2,651 | 16.8% |
| Taxi and Limousine Services | 444 | 15.7% |
| Performing Arts Companies | 668 | 8.8% |
| Gift, Novelty, and Souvenir Stores | -1,020 | -9.2% |
| **Florida Tourism Industry Total** | **417,392** | **34.8%** |

Source: OPPAGA analysis of United States Bureau of Labor Statistics data.

OPPAGA conducted a shift-share analysis to gain a better understanding of how Florida is performing relative to the national economy and certain qualified target industry sectors. The shift-share represents how much of the employment growth or decline in a state's industry was due to the national economy, the employment trend within the particular industry, and the state's competitive advantage or lack thereof. Shift-share is composed of three components, with the change in employment between two years (e.g., between 2010 and 2019) equal to the sum of the components.

- National Growth Share is the change in employment due to the growth of the overall national economy. If the national economy is growing, then one may expect to see a positive change in each industry in the state.
- Industry Mix Share is the change in employment in the state's industry, based on the industry's national growth (or decline).
- Regional Shift, also referred to as competitive share, is the change in employment due to the region's competitive advantage. The competitive advantage can be generated by factors such as geography, legislation, population characteristics, or natural resources. It is often the most important component. A positive regional shift indicates the state industry is outperforming the national trend. A negative shift indicates that the state industry is underperforming compared to the national trend and does not have a competitive advantage.

Exhibit A-3 shows the results of our shift-share analysis for five states for 2010 and 2019. All states had positive employment growth due to national, industry, and regional employment trends; however, Nevada's growth was not attributable to its competitive position. Florida ranked third in employment growth among the five states. The national economy had the largest effect on employment growth for all five states. Florida's tourism industry growth can be partly attributed to the state's competitive advantage in this industry.

**Exhibit A-3**
**Florida's Employment Grew and the State Had a Competitive Advantage for the Tourism Industry Between 2010 and 2019.**

| State | Employment Change (2010-2019) | National Growth Share | Industry Mix Share | Regional Shift |
|---|---|---|---|---|
| California | 619,536 | 363,362 | 76,289 | 179,885 |
| **Florida** | **417,392** | **227,391** | **47,742** | **142,259** |
| Texas | 444,915 | 250,300 | 52,551 | 142,064 |
| New York | 251,934 | 189,515 | 39,789 | 22,630 |
| Nevada | 55,737 | 68,055 | 14,288 | -26,606 |

Source: OPPAGA analysis of United States Bureau of Labor Statistics data.

# APPENDIX B

## VISIT FLORIDA Administered Four Grant Programs for Industry Stakeholders and Partners

VISIT FLORIDA is statutorily required to administer the Advertising Matching Grant Program and the Minority Convention Grant Program. VF has also established two other grant programs—the Cultural, Heritage, Rural, and Nature Tourism Grant and the Small Business Grant. Purpose and funding amount varies by program, with grants ranging from $2,500 to $40,000.[29] (See Exhibit B-1.) These programs were eliminated in Fiscal Year 2019-20.

**Exhibit B-1**
**State Agencies, Local Governments, and Other Entities Received VISIT FLORIDA Grants**

| Grant Program | Type of Support | Grant Amount |
|---|---|---|
| Advertising Matching Grant[1] | • Awarded to local governments and nonprofits for tourism advertising efforts<br>• Grants must be matched by non-state dollars | Up to $2,500 |
| Cultural Heritage, Rural, and Nature Grants | • Intended to promote cultural heritage and rural nature tourism in Florida<br>• Grants must be matched by non-state dollars | Up to $5,000 |
| Minority Convention Grant[2] | • Intended to attract new national minority conferences to Florida; grants may not be used to subsidize existing events<br>• Funds must be used for advertising the event | Up to $40,000 |
| Small Business Grant Program | • Assists Florida small businesses with marketing their goods and services<br>• Applicants must be current VISIT FLORIDA small business partners, have a gross income of less than $1.25 million per year, or be a 501(c)(3) organization<br>• Grants must be matched by non-state dollars | Up to $5,000 |

[1]Section 288.017, *F.S.*, specifies a maximum $40,000 annual funding limit.
[2]Section 288.124, *F.S.*, specifies a maximum $40,000 annual funding limit.
Source: VISIT FLORIDA.

During Fiscal Years 2016-17 through 2018-19, VF awarded 323 grants for a total of $1.2 million. (See Exhibit B-2.) Grants awarded during this period went to entities in rural counties and those already known as major tourist destinations. (See Exhibit B-3.) Some counties received grants each fiscal year. When awarding grants, VF verifies the grant recipient's actual expenditures following the event or advertising effort and reimburses based on documentation provided by the grantee. VF evaluates its grant program by requiring grantees to submit a post-marketing plan and return on investment report and by soliciting feedback about the program.

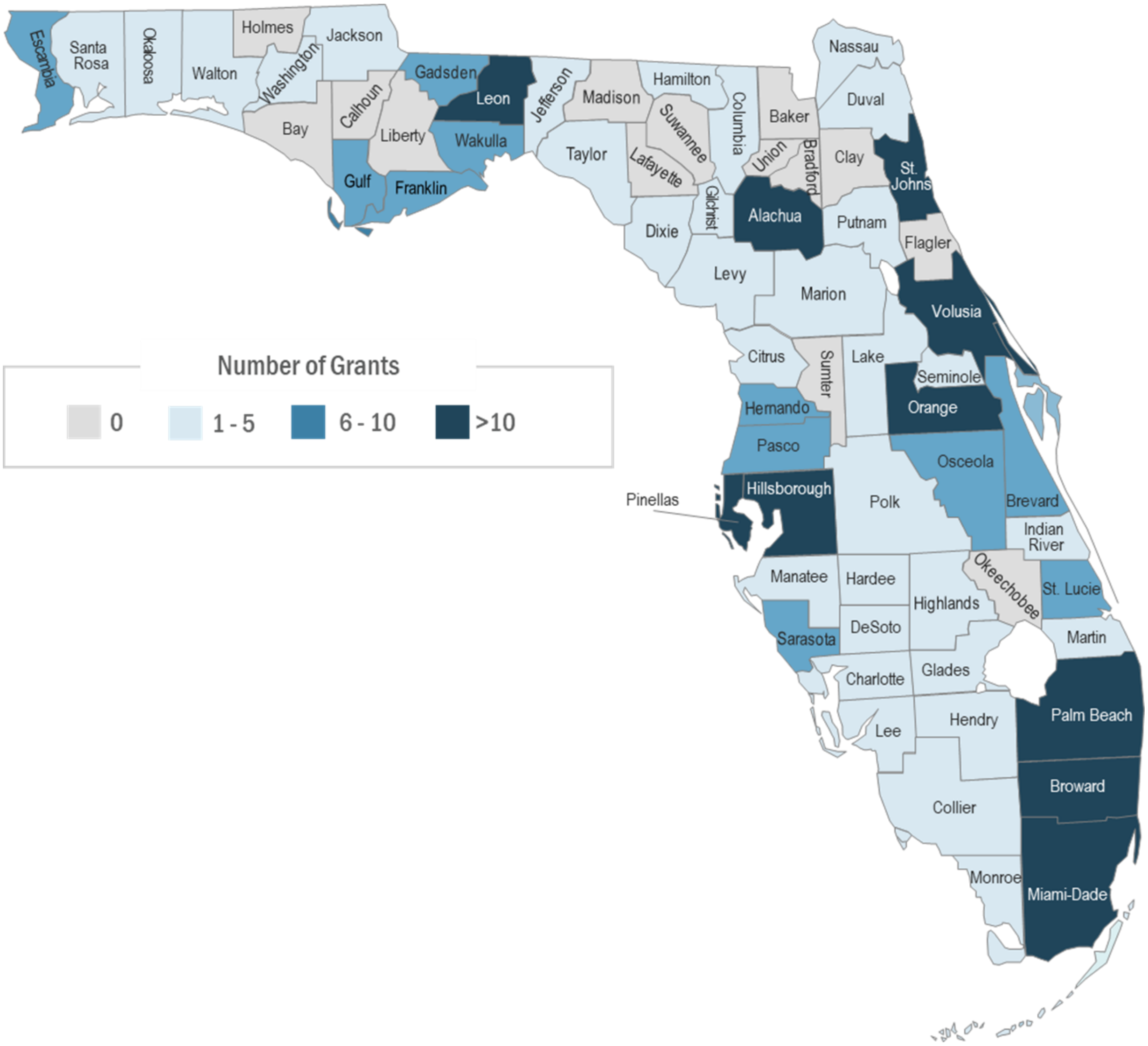
[29] Discussion of VISIT FLORIDA grants excludes one-time, special grants for red tide and Hurricane Michael.

### Exhibit B-2
### VISIT FLORIDA Awarded 323 Grants Across Four Grant Programs; Small Business Grants and Cultural, Heritage, Rural, and Nature Grants Were Most Frequently Utilized by Industry Partners

| | Fiscal Year | | | | | |
|---|---|---|---|---|---|---|
| | 2016-17 | | 2017-18 | | 2018-19 | |
| Grant Type | Number Awarded | Amount Paid | Number Awarded | Amount Paid | Number Awarded | Amount Paid |
| Advertising Matching | 17 | $33,432 | 17 | $30,988 | 15 | $25,000 |
| Minority Convention | 2 | 40,000 | 3 | 35,055 | 2 | 25,000 |
| Cultural Heritage, Rural, and Nature | 54 | 184,299 | 36 | 105,752 | 37 | 132,142 |
| Small Business | 55 | 202,077 | 41 | 152,167 | 44 | 191,213 |
| **Totals** | **128** | **$459,807** | **97** | **$323,963** | **98** | **$373,355** |

Source: OPPAGA analysis of VISIT FLORIDA data.

### Exhibit B-3
### VISIT FLORIDA Grants Were Awarded to Entities Across 53 Counties During Fiscal Years 2016-17 Through 2018-19; 21 Counties Received More Than Five Grants*




*Three additional grants were awarded to out-of-state entities
Source: OPPAGA analysis of VISIT FLORIDA data.

# CHAPTER 3

# Florida Sports Foundation and Professional Sports Facility Funding

## INTRODUCTION

Florida is home to 11 major professional sports franchises in five national sports leagues: Major League Baseball (MLB), the National Basketball Association (NBA), the National Football League (NFL), the National Hockey League (NHL), and Major League Soccer (MLS). Florida also hosts 15 of the MLB teams for spring training, is home to 12 Florida State League Baseball teams, and hosts two Southern League Baseball Clubs. In addition, the state is home to the Association of Tennis Professionals, three NASCAR racetracks, the Professional Golfers' Association (PGA) of America, the Ladies Professional Golf Association, and the World Golf Hall of Fame. Florida also has over 70 colleges and universities and 34 Florida Sports Foundation industry partners that host various amateur sporting events.[30]

**In 2019, the sports industry in Florida was estimated to be a $57.4 billion industry that supported over 588,000 jobs.** In the same year, Florida's sports economy attracted more than 16 million non-resident visitors, accounting for approximately 12% of the state's total tourism economy.[31]

Employment that supports sports activities and events is an important indicator of the economic benefits generated by Florida's sports industry. To determine how Florida compares to other states with regard to sports-related jobs, OPPAGA assessed the state's position in employment between 2010 and 2019 relative to other states with sports industries. Comparison states included Arizona, California, New York, and Texas.[32] We examined 10 industries classified by the North American Industry Classification System (NAICS).[33,34]

Florida's sports sector sizes were consistent with the nation's sizes, except the Golf Courses and Country Clubs industry was relatively larger in Florida. Overall, total sports industries made up a small proportion of all industry employment in Florida (1.9%) and the United States (1.6%). However, Golf Courses and Country Clubs had the highest employment among these industries within Florida at 0.60%; this was higher than the industry size at the national level (0.29%). Fitness and Recreational Sports Centers was the largest sports industry at the national level at 0.53%, which is comparable with the industry size in Florida (0.49%).

**Between 2010 and 2019, Florida's employment grew in all of the sports industry sectors.** All Florida sports sectors experienced 29.0% employment growth during the period. Six of the sports sectors' growth—Spectator Sports, Sports and Recreation Instruction, All Other Amusement and Recreation Industries, Sporting Goods Stores, Sporting Goods Merchant Wholesalers, and Sporting and

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30 The count of colleges and universities includes private and public institutions. The industry partners are local sports tourism entities representing municipalities or regions of the state recognized by the Florida Sports Foundation to apply for grant funding.

31 Florida Sports Foundation, *Florida Sports Fast Facts*, January 1, 2020, and VISIT FLORIDA Visitor Estimates 2019.

32 We chose Arizona because, like Florida, the state has Major League Baseball spring training facilities. We chose the three remaining states because of the variety and extent of college and professional sports teams in these states.

33 NAICS is the standard used by federal statistical agencies in classifying business establishments for the purpose of collecting, analyzing, and publishing statistical data related to the U.S. business economy.

34 The 10 industries are Spectator Sports; Golf Courses and Country Clubs; Scenic and Sightseeing Transportation on Water; Recreational and Vacation Camps; Fitness and Recreational Sports Centers; All Other Amusement and Recreation Industries; Sporting and Athletic Goods Manufacturing; Sporting Goods Merchant Wholesalers; Sporting Goods Stores; and Sports and Recreation Instruction.

Athletic Goods Manufacturing—were higher than the national growth rate. The sports sector with the greatest employment growth between 2010 and 2019 was Sports and Recreation Instruction at 102.8%. This growth was higher than the growth in this sector across the U.S., which was 89.6%. (See Exhibit 3-1.)

**Exhibit 3-1**
**Florida's Employment Grew in All Sports Industry Sectors Between 2010 and 2019**

| Sports Industry | Florida Employment Change | Percentage Change |
|---|---|---|
| Sports and Recreation Instruction | 4,118 | 103% |
| All Other Amusement and Recreation Industries | 4,217 | 55% |
| Sporting Goods Stores | 4,510 | 36% |
| Sporting Goods Merchant Wholesalers | 1,094 | 35% |
| Sporting and Athletic Goods Manufacturing | 277 | 33% |
| Fitness and Recreational Sports Centers | 7,858 | 26% |
| Golf Courses and Country Clubs | 8,252 | 22% |
| Scenic and Sightseeing Transportation, Water | 359 | 20% |
| Spectator Sports | 2,651 | 17% |
| Recreational and Vacation Camps | 29 | 5% |
| **Florida Sports Industry Total** | **33,365** | **29%** |

Source: OPPAGA analysis of United States Bureau of Labor Statistics data.

We conducted additional analyses of Florida's sports industry employment between 2010 and 2019. These analyses show that Florida's sports industry did not grow as fast in Florida as it did in the national economy during this period. Further, Florida's sports industry growth between 2010 and 2019 was attributable to the general and industry economy nationally rather than because of the state's competitive position. (See Appendix A for sports industry analyses.)

**Some competitor states provide state-level sports funding similar to Florida.** We examined the state-level funding or incentives in competitor states in the following categories: Youth and Amateur Sports, Spring Training, Professional Sports Facilities, One-Time Events, and Other Professional Sports Facilities such as headquarters or Hall of Fame. Florida offers state-level incentives for each of these categories, followed by Arizona and New York with state-level incentives for four categories. (See Exhibit 3-2).

**Exhibit 3-2**
**Sports Funding Program Types Are Similar in Florida, Arizona, and New York**

| State-Funded Activities | Florida | Arizona | California | New York | Texas |
|---|---|---|---|---|---|
| Amateur and Youth Sports | ✓ | ✓ | ✓ | ✓ | ✓ |
| Spring Training | ✓ | ✓ | | | |
| National Sports League Facilities | ✓ | ✓ | | ✓ | |
| One-Time Events[1] | ✓ | ✓ | | ✓ | ✓ |
| Other Sports Facilities | ✓ | | | ✓ | ✓ |

[1]One-Time Events refers to funding for events that do not occur regularly in the state, such as a Super Bowl or NCAA tournament.
Source: OPPAGA analysis of state incentives programs.

The amount and type of state funding for sports activities varies by state.

- The Florida Sports Foundation provides small market grants up to $5,000 and major grants over $50,000 for these types of sport events.
- Arizona has a grant program of $5,000 for youth sports.
- Texas offers a sales and franchise tax exemption for youth sport organizations.
- New York and California provide over $15 million in direct funding for youth sports facilities and programs.

# FLORIDA SPORTS FOUNDATION

## Background

Recognizing the value of a vibrant amateur and professional sports industry, the 1989 Legislature created the Florida Sports Foundation, Inc. The foundation is a 501(C)(3) nonprofit corporation serving as the Sports Industry Development Division of Enterprise Florida, Inc.[35,36] During Fiscal Years 2016-17 through 2018-19, the foundation operated out of a contract with the Department of Economic Opportunity (DEO). The foundation has a board of directors appointed by Enterprise Florida, Inc. The board's role is to share sports industry expertise and give input that will assist in the growth and success of the foundation's mission. There are currently 21 board members who represent industries including professional sports, auto racing, and recreational marine and sports.

The foundation's primary activities consist of providing grants to industry partners to assist them in conducting professional, college, and amateur sports events to bring in out-of-state visitors and organizing the Florida Senior Games and the Sunshine State Games. Further, the foundation produces annual golf, fishing and boating, and baseball spring training guides and markets the sports industry in Florida. The foundation also assisted in screening and certifying applicants for state funding of major professional sports facilities, including the Major League Baseball spring training facilities. (See Exhibit 3-3.)

[35] Enterprise Florida, Inc., is a public-private partnership created by the Legislature to serve as the state's principal economic development organization.

[36] Chapter 2011-142, *Laws of Florida.*

**Exhibit 3-3**
**Florida Sports Foundation Activities Primarily Focus on Grants, Games, and Technical Support and Marketing**

| Activity | Description |
|---|---|
| Grants | • **Major Grants** must be for events that generate over $5,000,000 in out-of-state economic impact and at least 4,000 out-of-state room nights.<br>• **Regional Grants** must be for events that generate over $500,000 in out-of-state economic impact and at least 600 out-of-state room nights.<br>• **Small Market Grants** assist events that normally do not exceed $500,000 in out-of-state economic impact by offering a grant award not to exceed $5,000.<br>• **Sports Industry Conference Assistance Program Grants** assist communities in hosting events such as tradeshows, conferences, or association meetings whose attendees include legitimate event rights holders willing to conduct business in Florida |
| Games | • **Sunshine State Games** is an Olympic-style sports festival intended to provide quality competition for Florida's amateur athletes and is administered by the foundation.<br>• **Florida Senior Games** provides athletes age 50 and older with the opportunity to compete in multiple-sport festivals at the local, state, and national levels. The foundation supports annual local games, which serve as the qualifiers for the state championships. |
| Technical Support and Marketing | The foundation assisted in screening and certifying applicants for state funding of major professional sports facilities. The foundation also provides technical assistance to sports organizations (e.g., industry partners) and markets Florida's sports industry |

Source: Florida Sports Foundation.

The foundation's grant program is operated through its Sports Industry Partnership program, which encompasses all regions of the state of Florida. Only approved industry partners can submit grant applications, so event holders are encouraged to contact one of the partners directly. These industry partners are organizations that promote and develop sports in their local areas. Foundation staff summarizes each application and provides this summary and the application to a five- to six-member grant committee appointed by the board. The grant committee meets quarterly to review each application and recommend an award amount. The board then reviews the committee's recommendations and approves or adjusts award amounts at the quarterly board meeting.

When awarding grants, the foundation emphasizes out-of-state visitor economic impact, community support, and return on investment to the state. The foundation disburses awards as a reimbursement after receiving proof of financial activity and documentation evidencing the event's direct impact; documentation must include information on the number of attendees and accommodation room nights. The foundation pays awarded grants in full if the applicant meets at least 80% of the projected economic impact of the event. If the final economic impact is less than 80% of the projected impact, then the foundation adjusts the award amount to that percentage of the original award.[37]

**Foundation grants help support amateur, collegiate, and professional sporting events.** The foundation's Major Grant, Regional Grant, and Small Market Grant Programs assist communities and host organizations in attracting sports events, with the intent that these events will have significant economic impact generated by out-of-state visitors. Events that are considered for grant funding include amateur sports, professional sports, or other types of athletic events.

During Fiscal Years 2016-17 through 2018-19, the foundation awarded $8.5 million in grants for 387 events. During this time, four grantees received 55% of the funding for major and regional grants awarded: Broward County Convention Center Sports Development; Florida Citrus Sports & Events,

[37] For example, if an award was $5,000, but final impact was 64% of the projection, then the final payment would be 64% of $5,000, or $3,200.

Inc.; Palm Beach County Sports Commission; and Tampa Bay Sports Commission. The Tampa Bay Sports Commission received the most grant funds during this period, with approximately $1.8 million. (See Exhibit 3-4.)

**Exhibit 3-4**
**During Fiscal Years 2016-17 Through 2018-19, Amateur Events Were Awarded $8.5 Million in Florida Sports Foundation Grants[1]**

| | Number of Grants | | | | |
|---|---|---|---|---|---|
| Grant Recipient | FY 2016-17 | FY 2017-18 | FY 2018-19 | Total Grants | Total Dollars |
| Tampa Bay Sports Commission | 2 | 5 | 4 | 11 | $1,762,405 |
| Florida Citrus Sports & Events, Inc. | 3 | 1 | 1 | 5 | $1,280,000 |
| Broward County Convention Center Sports Development | 20 | 20 | 23 | 63 | $847,913 |
| Palm Beach County Sports Commission | 18 | 19 | 17 | 54 | $730,034 |
| Miami Marlins | | 1 | | 1 | $400,000 |
| Central Florida Sports Commission | 11 | 13 | 4 | 28 | $353,521 |
| Greater Miami Convention & Visitors Bureau | 5 | 3 | 4 | 12 | $335,731 |
| Jacksonville Sports Council | 2 | | 1 | 3 | $284,650 |
| Bradenton Area Sports Commission | 7 | 8 | 5 | 20 | $281,600 |
| Orange Bowl Committee | | | 1 | 1 | $250,000 |
| Experience Kissimmee | 4 | 4 | 2 | 10 | $210,173 |
| Sarasota County Sports Commission | 8 | 9 | 7 | 24 | $203,371 |
| Polk County | 6 | 8 | 7 | 21 | $173,174 |
| Greater Orlando Sports Commission[2] | | | 11 | 11 | $159,825 |
| Ocala Marion County Sports Commission | 4 | 3 | 3 | 10 | $158,839 |
| Panama City Beach Convention and Visitors Bureau | 1 | 1 | 2 | 4 | $155,000 |
| Visit Orlando Sports | 1 | 1 | 1 | 3 | $150,000 |
| Treasure Coast Sports Commission | 6 | 5 | 5 | 16 | $118,015 |
| Lee County Sports Development | 3 | 2 | 1 | 6 | $109,500 |
| Pasco County Sports Commission | 2 | 3 | 9 | 14 | $84,100 |
| St. Pete-Clearwater Sports & Events | | 2 | 1 | 3 | $69,000 |
| Pensacola Sports | 7 | 6 | 7 | 20 | $51,325 |
| Punta Gorda/Englewood Beach Visitor & Convention Bureau | | 4 | 5 | 9 | $50,000 |
| Daytona Beach Area Convention & Visitors Bureau | 2 | 2 | 2 | 6 | $43,625 |
| Kissimmee Sports Commission | | | 6 | 6 | $41,350 |
| Leon County Tourism Development (Visit Tallahassee) | 4 | 1 | | 5 | $31,625 |
| Space Coast Sports Promotions | 2 | 2 | | 4 | $27,586 |
| Florida's Space Coast Office of Tourism | 1 | 1 | 3 | 5 | $23,210 |
| Gainesville Sports Commission | 3 | 1 | 2 | 6 | $22,300 |
| Naples, Marco Island, Everglades Convention and Visitors Bureau | | | 1 | 1 | $20,600 |
| Charlotte Harbor Visitor & Convention | 3 | | | 3 | $14,315 |
| Tallahassee Sports Council | | | 1 | 1 | $4,230 |
| Emerald Coast Sports Development Office | | | 1 | 1 | $2,000 |
| **Total** | **125** | **125** | **137** | **387** | **$8,448,990** |

[1]This exhibit counts grants awarded to events occurring during each fiscal year.
[2]The Central Florida Sports Commission's name changed to Greater Orlando Sports Commission in Fiscal Year 2018-19.
Source: Florida Sports Foundation.

**License plate fees are the foundation's primary funding source.** The Florida Sports Foundation receives its funding from three sources: specialty license plate programs, general revenue, and private contributions. The foundation's primary source of revenue is the sale of specialty license plates for 12 Florida professional sports teams or associations. The foundation pays a monthly royalty to the MLB and NBA leagues. Fifty-five percent of the funds and any remaining revenue generated by professional sports license plates are deposited into the Professional Sports Development Trust Fund within DEO. The foundation uses these funds to attract and support major sports events in the state.[38]

Half of the funding generated by the Florida United States Olympic Committee license plate supports the Sunshine State Games, with the other half distributed to the committee.[39] The foundation uses Florida NASCAR license revenues to support regional grants, attract events, and market motorsports-related tourism; remaining funds are distributed to NASCAR.[40] Lastly, the majority of U.S. Tennis Association license plate funds are directed to the U.S. Tennis Association Florida Section Foundation.[41]

During Fiscal Years 2016-17 through 2018-19, revenues from specialty license plate sales accounted for most of the foundation's annual revenues, averaging about $2.9 million over the three years. Revenues derived from general revenue amounted to $1.7 million each fiscal year. (See Exhibit 3-5.)

**Exhibit 3-5**
**Florida Sports Foundation Annual Revenues Ranged From $5.5 Million to $5.8 Million During the Review Period**

| Revenues | FY 2016-17 | FY 2017-18 | FY 2018-19 |
|---|---|---|---|
| Professional Sports Teams License Plates | $2,794,807 | $2,874,910 | $3,000,000 |
| General Revenue | 1,700,000 | 1,700,000 | 1,700,000 |
| Private Contributions/Other Income | 1,075,847 | 687,073 | 988,140 |
| U.S. Olympic Committee License Plate | 45,775 | 44,602 | 43,114 |
| NASCAR License Plate | 94,006 | 91,809 | 89,319 |
| USTA License Plate | 90,319 | 89,302 | 95,421 |
| **Total Revenues** | **$5,800,754** | **$5,487,696** | **$5,915,993** |

Source: Florida Sports Foundation.

The foundation's expenditures are primarily for grant awards, which vary depending on the number of events and estimated economic impact of these events. For example, in years that the foundation has assisted localities wishing to bid on a large sporting event (e.g., a Super Bowl or NCAA championship), grant expenditures are higher. (See Exhibit 3-6.)

[38] Section 320.08058(9), *F.S.*
[39] Section 320.08058(6), *F.S.*
[40] Section 320.08058(57), *F.S.*
[41] Section 320.08058(61), *F.S.*

**Exhibit 3-6**
**From Fiscal Years 2016-17 Through 2018-19, Florida Sports Foundation Annual Expenditures Decreased by $669,146**

| Florida Sports Foundation Expenditures | FY 2016-17 | FY 2017-18 | FY 2018-19 |
|---|---|---|---|
| Florida Sports Foundation Grants Programs[1] | $3,917,243 | $2,983,684 | $2,612,558 |
| Administrative Costs[2] | 709,633 | 788,779 | 1,090,441 |
| Amateur Sports Programs[3] | 1,030,290 | 1,014,857 | 1,198,116 |
| Florida Sports Foundation, Other Programs[4] | 657,542 | 700,070 | 744,477 |
| **Total Expenditures** | **$6,314,738** | **$5,487,390** | **$5,645,592** |

[1]Florida Sports Foundation Grants Programs expenditures include the awards, payments, and fund transfers associated with the grant programs' administration.
[2]Administrative costs include management, employee expenses, and professional fees; operating, general, and administration; advertising and marketing; and travel.
[3]Amateur sports programs include the Sunshine State Games, the Senior Games, Ambassadors for Aging Day, and other programs involving Amateur Sports Program Development.
[4]Other programs include a statewide study of the economic impacts of sports, Grapefruit League grant administration, the golf and fishing/boating industry promotion program, special events, conferences and conventions, USOC expenses, NASCAR license plate expenses, tennis license plate expenses, pro sports teams royalties, and pro sports teams charities.
Source: Florida Sports Foundation.

# Findings

## The foundation is meeting performance goals, and industry partners are generally satisfied; stakeholders suggest improvements to grant application and economic impact calculation processes

During the review period, the Florida Sports Foundation generally met its contractual performance requirements and reported that sporting events receiving foundation grants attracted over 2.1 million out-of-state visitors generating over $2.1 billion in economic activity. Overall, amateur sports industry stakeholders are satisfied with the foundation's programs and grant application process and believe that the industry significantly benefits from foundation grant programs. The foundation reported that since OPPAGA's prior report, it has moved its online grant application and reporting platform from an external vendor to a platform that is managed in-house.

**In general, the Florida Sports Foundation met contractual performance requirements during the review period; the foundation reports that grant-funded events generated economic activity.** The foundation's contract with the Department of Economic Opportunity contains a number of performance measures and related standards. These performance requirements include awarding at least eight grants to Florida industry partners per quarter, hosting and promoting the Florida Senior Games and the Sunshine State Games, and reporting on economic impact and attendance for the grants and events. During the review period, the foundation met contractual requirements.

From Fiscal Years 2016-17 through 2018-19, the Florida Sports Foundation provided $8.5 million in grants to industry partners to support 387 sporting events. Post-event economic reports provided by the foundation estimate that these events contributed to attracting over 2.1 million out-of-state visitors. The foundation estimated that these visitors generated a total out-of-state economic impact of over $2.1 billion over the three-year period. Some of the major events that occurred during the review period included the 2017 National College Football Championship in Tampa, the 2018 National Football League Pro Bowl in Orlando, and the 2018 Orange Bowl in Miami.

In addition, according to the foundation, both the Florida Senior Games and Sunshine State Games attract a number of Florida athletes and spectators who generate economic activity.[42] From Fiscal Year 2016-17 through Fiscal Year 2018-19, the foundation reported that the Sunshine State and Senior Games had an average of 51,791 participants for each of the three years. During the same period, the reported economic activity generated by event participants and spectators increased from $8.6 million in Fiscal Year 2016-17 to $11 million in Fiscal Year 2018-19.

**Industry partners are satisfied with the foundation's performance and consider the foundation integral to Florida's sports industry.** OPPAGA surveyed Florida Sports Foundation industry partners to determine the nature of their interactions and satisfaction with the foundation.[43] Industry partners seek a variety of services from the foundation and are generally satisfied with foundation's programs and services. Industry partners reported that they contact the foundation for assistance with grant programs (95%) and education programs (59%).

All respondents reported that foundation grants are important to the successful operation of amateur and recreational sporting events in their region. When asked why the foundation's support is important, industry partners reported that grants allow them to bid on or host more events, especially large scale, high-impact events that they otherwise would be unable to host. Seventy-three percent of respondents reported that without the foundation's support, they would host fewer events.

In addition, 82% of respondents reported that beyond hosting events, they would be affected in other ways without the foundation. Specifically, industry partners reported that the foundation is important for marketing and professional relationships. Some industry partners reported that the foundation helps them gain national credibility and provides advocacy at the state level.

**According to the foundation, its grant administration process has improved, but industry partners report that enhanced access to online tools would be helpful.** Overall, industry partners responding to our survey were generally satisfied with the foundation's grant process. Ninety-one percent of respondents were satisfied with the application process, while 86% were satisfied with the reimbursement process.

During 2018, the foundation moved its application and reporting process to an online, in-house platform. The foundation reported that in the old platform, economic impact was determined by a set of static metrics that did not account for the type or location of events. OPPAGA's 2017 review reported that industry partners used a wide variety of data sources and methodologies to gather the information used to complete post-event reports. According to the foundation, the new platform incorporates the Destinations International Event Impact calculator, which provides localized metrics on the value of an event. Use of the calculator allows for increased consistency in reporting economic impacts.

Industry partners suggested improvements to the new platform. For example, some industry partners suggested centralizing the online platform to provide one login to each organization to access all grant applications in progress. Currently, each grant application has its own account, so if an industry partner is applying for multiple grants, they need to login separately for each application. Further, one industry partner suggested allowing access to the economic impact calculator before applying for a grant to estimate the potential grant amount partners could receive. At present, industry partners can access the economic impact calculator only after starting an application. Accessing the calculator without having to start a new application would allow the industry partners to assess their potential

[42] These events attract few out-of-state visitors because they are designed for Floridians.
[43] OPPAGA surveyed 34 local and regional sports commissions; 21 responded, for a response rate of 62%.

grant awards in initial stages of planning. A few industry partners explained that the foundation's grant funding estimate is incorporated into their bids or proposals during event planning. Some industry partners may be using a different economic impact calculator in their preliminary planning, and this amount could affect their expectations of the future grant award and overall planning for the event.

Without access to the foundation's calculator, industry partners may use a different calculator to estimate the grant award amount and may not accurately present the foundation's contribution to their event in bid packages. When presented with the issue, the foundation reported that their vendor could make a change to facilitate easier logins and access to the calculator pre-application.

# FLORIDA PROFESSIONAL SPORTS INCENTIVES

## Background

Several state laws authorize programs through which professional sports franchises in Florida may be certified to receive state funding to pay for the acquisition, construction, reconstruction, or renovation of a facility for a new or retained professional sports franchise or other facility. Local governments, nonprofit, and for-profit entities may apply to these programs. However, a unit of local government must be responsible for the construction, management, or operation of the professional sports franchise facility or hold title to the property on which the professional sports franchise facility is located. The Department of Economic Opportunity is responsible for screening and certifying applicants for state funding.

Certification criteria vary by type of facility. (See Appendix B for information on the certification criteria.) Since 1994, state funding has been allocated for the construction or renovation of 8 professional sports facilities, 14 spring training facilities, and 2 other sports facilities.[44,45,46] Twenty-two entities representing 21 teams currently receive state funding. (See Appendix B for more information on state-funded sports facilities.) The certification is tied to the facility, so if the professional sports franchise or spring training team moves to a different facility, the original facility continues to receive the funding.

### Certification and Funding

**Five programs provide state funds for sports facilities, but several programs currently have no certified facilities.** Three state programs providing funding for professional sports facilities do not currently have any certified facilities: Motorsports, International Game Fish Association (IFGA) World Center, and Sports Development. (See Exhibit 3-7.) The Motorsports Entertainment Complex has had no applicants or funds dispersed since program inception. Similarly, the Sports Development program has had no certified entities and no funds have been disbursed. In contrast, the International Game Fish Association World Center Facility received $15 million over 14 years, with a final monthly payment in February 2014.

[44] Each professional sports franchise facility may only be certified once.
[45] The certification is tied to the facility and certified entity rather than the team. Four facilities are not occupied by the same team that was present at time of certification. Two facilities continue to be certified (Holman Stadium at Jackie Robinson Training Complex and Hard Rock Stadium), and two do not (Osceola County Stadium and Fort Lauderdale Stadium).
[46] One of the two other sports facilities, the International Game Fish Association World Center, stopped receiving state payments in 2014.

**Exhibit 3-7**
**Several Programs Allow for State Funding of Certified Professional Sports Facilities; Three Programs Do Not Currently Have Certified Facilities**

| Program | Certified Facilities as of April 15,2020 | Certifying Statute(s) | Year Program Created | Funding Purpose |
|---|---|---|---|---|
| Professional Sports | 8 | s. 288.1162, *F.S.* | 1988 | New or professional sports facilities |
| Spring Training[1] | 6 | s. 288.1162, *F.S.* | 1988 | New or retained professional sports facilities |
| | 1 | s. 288.11621, *F.S.* | 2010 | New spring training facilities |
| | 6 | s. 288.11631, *F.S.* | 2013 | Retention of spring training facilities |
| Professional Golf Hall of Fame | 1 | s. 288.1168, *F.S.* | 1993 | Construction or renovation of the golf hall of fame facility in the state |
| Motorsports | 0 | s. 288.1171, *F.S.* | 2006 | Construction or expansion of motorsports entertainment complexes |
| International Game Fish Association World Center[2] | 0 (Currently not certified) | s. 288.1169, *F.S.* | 1996 | Construction or renovation of the IGFA World Center facility |
| Sports Development | 0 | s. 288.11625, *F.S.* | 2014 | Construction or renovation of a professional sports facility |

[1]One of the certified spring training facilities hosts two Major League Baseball teams.
[2]The IGFA World Center received state funds from March 2000 through February 2014.
Source: OPPAGA analysis of Florida statutes and Department of Economic Opportunity data.

**Payments for professional sports facilities remained constant during the review period; no facilities received funding through the Sports Development Program.** State funding for professional sports facility construction or renovation is distributed to the certified entities from the Department of Revenue (DOR) according to statutorily established schedules. For example, for a period of up to 30 years, DOR distributes $166,667 monthly ($2 million annually) to applicants certified as new or retained professional sports franchises. (See Exhibit 3-8.)

**Exhibit 3-8**
**The State of Florida Establishes Payment Schedules for Professional Sports Facilities**

| Professional Sports Entity (Number of Facilities) | Monthly Distribution per Facility | Annual Distribution per Facility | Maximum Number of Years for Distribution |
|---|---|---|---|
| Professional Sports Franchises (8) | $166,667 | $2,000,004 | 30 |
| World Golf Hall of Fame (1) | 166,667 | 2,000,004 | 25 |
| Retention of Major League Baseball Spring Training Franchises, Multiple Franchises at One Location (1) | 166,667 | 2,000,004 | 25 |
| Retention of Major League Baseball Spring Training Franchises, Single Franchise at One Location (5) | 83,333 | 999,996 | 20 |
| Major League Baseball Spring Training Franchises (7) | 41,667 | 500,004 | 30 |

Source: OPPAGA analysis of ss. 212.20(6)(d)6.b., 212.20(6)(d)6.c., 212.20(6)(d)6.d., and 212.20(6)(d)6.e., *F.S.*

As of August 31, 2020, cumulative payments for professional sports facilities totaled approximately $523 million. During the three-year review period, the payments totaled $92 million, with annual payments remaining fairly constant at approximately $30 million per year. (See Exhibit 3-9.) Also during the review period, four teams received new certifications.[47] (See Appendix B for information about payment schedules and lease terms for individual teams.)

**Exhibit 3-9**
**Payments for Professional Sports Facilities Remained Fairly Constant From Fiscal Year 2016-17 Through Fiscal Year 2018-19**

| Facility Type | FY 2016-17 | FY 2017-18 | FY 2018-19 | Total Paid Through August 31, 2020 |
|---|---|---|---|---|
| Professional Sports | $16,000,032 | $16,000,032 | $16,000,032 | $370,000,740 |
| Spring Training Facilities | 8,447,899 | 11,000,022 | 12,333,350 | 94,035,716 |
| World Golf Foundation | 2,000,004 | 2,000,004 | 2,000,004 | 44,000,088 |
| International Game Fish Association | 0 | 0 | 0 | 14,999,940 |
| **Total** | **$26,447,935** | **$29,000,058** | **$30,333,386** | **$523,036,484** |

[1]The IGFA World Center received state funds from March 2000 through February 2014.
Source: Department of Revenue.

Additional facilities funding is available through the Sports Development Program. Created by the 2014 Legislature, the program authorizes distributions of state sales tax revenue to fund professional sports franchise facilities, up to an annual cap of $13 million for all certified applicants.[48,49] DEO is responsible for screening program applicants. Applicants certified under the program must submit any information required for the department to submit an annual report to the Legislature. Additionally, every five years, the department must verify that the applicants demonstrate compliance with program requirements.[50,51] DEO staff reported that no applications were submitted in Fiscal Years 2017-18 and 2018-19; as of April 15, 2020, no applications had been received for Fiscal Year 2019-20. Since the program's inception, the department has received eight applications, but no funds have been issued to date.

## Statutory Requirements

State-funded sports facilities are subject to a variety of statutory requirements. All facilities must provide concession opportunities for minority businesses; additionally, professional sports franchises must cooperate with the county to provide shelter services at their facilities during emergencies. The provisions also include annual reporting for spring training franchises and annual attendance and sales tax revenue requirements for the World Golf Hall of Fame.

**MLB spring training facilities that have been certified for state funding are required to submit annual reports to DEO.** Reporting requirements include providing a copy of the most recent annual audit; a detailed report of all local and state funds expended to date; a cost-benefit analysis of the team's impact on the community; and evidence that the certified applicant continues to meet certification criteria.[52]

[47] The New York Yankees, New York Mets, Toronto Blue Jays and Atlanta Braves were new certifications.
[48] Sections 212.20(6)(d)6.f. and 288.11625, *F.S.*
[49] The cap was $7 million in Fiscal Year 2014-15 only.
[50] Section 288.11625(9), *F.S.*
[51] No new facilities have been certified, and therefore, no facilities have been subject to this reporting requirement.
[52] Sections 288.11621(4) and 288.11631(4), *F.S.*

**Facilities supported with state funds are subject to requirements related to homeless shelters and concessions.** Section 288.1166, *Florida Statutes*, requires any professional sports facility constructed using state funds to be designated as a shelter site for the homeless in accordance with the criteria of locally existing homeless shelter programs.[53] In addition, s. 288.1167, *Florida Statutes*, requires any applicant who receives funding pursuant to the provisions of s. 212.20, *Florida Statutes*, to demonstrate that a certain percentage of food and beverage and related concessions contracts are awarded to minority business enterprises.

**The World Golf Hall of Fame must meet certain statutory requirements.** The facility, located in St. Augustine, Florida, was certified as the professional golf hall of fame facility in 1998; it is the only such facility in the U.S. recognized by the PGA. Every 10 years, the facility must be recertified by demonstrating that it is open, continues to be the only professional golf hall of fame recognized by the PGA, and is meeting at least one of the minimum projections established at the time of original certification—over 300,000 annual visitors or at least $2 million in annual sales tax revenue.[54] The facility also has an annual required advertising contribution of $2.5 million, $500,000 of which must be allocated to generic Florida advertising as determined by DEO. Each year, DEO convenes a meeting to review the annual advertising requirement. The Professional Golf Hall of Fame statute, s. 288.1168, *Florida Statutes,* will sunset on June 30, 2023.

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[53] Exceptions to the requirement include when the facility is otherwise contractually obligated for a specific event or activity, the facility is designated or used by the county that owns the facility as a staging area, or the county that owns the facility also owns or operates homeless assistance centers determined to meet sheltering needs.

[54] Sections 288.1168(6), 288.1168(2)(d), and 288.1168(2)(e), *F.S.*

# Findings

## Professional sports franchises value state funding for facilities; additional accountability mechanisms are needed to ensure compliance with statutory requirements

Entities receiving state funding for facilities reported that the funding is very important for the operation of the professional sports franchise facilities in their regions and reported that loss of funding would lead to an inability to fulfill contracts with professional sports teams, to cover maintenance or operating expenditures, or to make debt repayments. Most professional sports facility operations and franchises reported that they met statutory reporting requirements, and most certified entities are aware of statutory requirements for facilities in their regions regarding homeless shelters and concessions. However, no entity ensures compliance with these requirements.

**Certified entities and professional sports franchises reported that state funding is very important for maintaining operational costs and retaining teams in Florida.** To assess the perceived value of state facility incentives and to learn about their activities, OPPAGA surveyed certified entities—organizations or local governments who apply on behalf of the sports franchise facilities and receive the state funding.[55] Ninety-two percent of certified entity respondents reported that facility certification funding is very important to the operation of the professional sports franchise facilities in their regions. Many entities reported that the funding is important for facility construction or renovations, for debt payments on bonds, and for fulfilling contract requirements.

Further, 92% of the certified entity respondents noted that if funding received through the facility certification was no longer available, it would have a major effect on professional sports franchise facility operations. When asked what kind of effect it would have, many entities responded that loss of funding would impair contractual obligations to teams; lead to defaulting on bonds; lead to loss of teams to other states; and create an inability to pay for facility renovations, maintenance, or operating expenditures.

OPPAGA also interviewed six professional sports stakeholders to further assess the importance of the facility certification funding to the sports industry.[56] Four of the six interviewed reported that the funding is important for facility maintenance or renovation and that it would be difficult or impossible to remain in the state without the funding. In addition to public funding, four stakeholders reported that community partnership is an important factor in the decision to locate teams in particular regions.

**During the review period, most certified entities and franchises receiving state funding for sports facilities reported that they met reporting requirements and were aware of statutory provisions related to homeless shelters and concessions; however, no entity ensures statutory compliance.**[57] Each year, the Department of Economic Opportunity is required to publish the annual reports of entities certified to receiving funding for Major League Baseball spring training facilities.[58] From Fiscal Years 2016-17 through 2018-19, DEO published its annual report containing information

[55] OPPAGA surveyed 17 certified entities representing the currently operating state-funded professional sports franchise facilities; 13 responded, for a response rate of 76%.
[56] OPPAGA interviewed six professional sports franchise representatives.
[57] The World Golf Hall of Fame met annual requirements during the review period. From Fiscal Years 2016-17 through 2018-19, DEO determined that the facility met advertising spending requirements. However, in the 10-year recertification review in 2019, DEO determined that the facility did not meet either the annual attendance requirement or the sales tax revenue requirement outlined in statute.
[58] Section 288.11631(4)(b), *F.S.*

from the spring training facilities about their funding usage. The certified entities are responsible for providing accurate and sufficient information. Although DEO cannot attest to the accuracy or guarantee completeness or usefulness of the cost-benefit information in the reports, some of this information may be subject to an audit.[59]

In addition, OPPAGA surveyed the certified entities that receive facility payments on behalf of the sports franchises about their facility funding and compliance with the homeless shelter provision in state law. Spring training franchises are not subject to this requirement. A couple of eligible survey respondents reported that there is an arrangement in place with the county to provide homeless shelter services in times of emergency. Only one entity was unaware of any arrangement. Further, all four eligible franchise representatives that OPPAGA interviewed reported that they were aware of this provision.

OPPAGA also surveyed the certified entities about their compliance with providing contract opportunities for minority businesses. Of the 13 respondents, 11 reported that the professional sports franchises manage the services. Two certified entities were not aware of how the sports franchise(s) met the requirement. Further, of the six professional sports franchise representatives that we interviewed, three were unaware of this provision.

While most of the professional sports franchise stakeholders and certified entities were aware of the homeless shelter and concession provisions, state law does not designate an entity to oversee compliance. Further, Department of Economic Opportunity staff reported that while the department is statutorily required to maintain documentation regarding this provision, statute does not grant the department oversight authority. DEO's only nexus is that spring training teams must submit annual reports with evidence that they meet the statutory requirements. In their 2017, 2018 and 2019 reports, some certified entities included information on their franchises' compliance with the minority business contracting requirements; a few noted that the certified entity itself did not have contracts in place. Including this information in these reports is not explicitly required in state law, and other professional sports franchises are not subject to annual reporting requirements under sections 288.1162 and 288.11631, *Florida Statutes*. Therefore, the level of compliance with the homeless shelter and minority concessions provisions is unverified. The Legislature could consider establishing an oversight function and assigning that to a state entity. Such an entity could review whether or how professional sports franchises meet those statutory requirements.

[59] The Auditor General may conduct audits as provided in s. 11.45, *F.S.* to verify that the distributions under this section are expended as required. Sections 288.11631(7) and 288.11621 (9), *F.S.*

# APPENDIX A

## Sports Industry Analyses

### Location Quotient Analysis

OPPAGA calculated location quotients to compare statewide and national employment in the sports industry. A location quotient is computed as the percentage of state employment in an industry divided by the percentage of national employment in that industry. A location quotient exceeding 1.0 indicates that state levels of industry employment are higher than the national level. A positive change in location quotient indicates that the industry is growing relative to the nation.

However, a negative change in location quotient between 2010 and 2019 indicates that Florida's sports industry is not growing as fast as the industry nationwide. Florida's sports industry concentration relative to the nation declined at a greater rate than in Arizona, California, New York, and Texas.[60] (See Exhibit A-1.)

**Exhibit A-1**
**Sport Industry Growth in Florida, California, and Arizona Was Less Than National Growth Between 2010 and 2019**

| State | Location Quotient ( 2019) | Change in Location Quotient (2010 to 2019) |
|---|---|---|
| Texas | 0.84 | 7% |
| New York | 0.97 | 1% |
| Arizona | 1.14 | -2% |
| California | 0.98 | -7% |
| **Florida** | **1.22** | **-9%** |

Source: OPPAGA analysis of United States Bureau of Labor Statistics data.

### Shift-Share Analysis

To assess whether the employment changes were attributable to the national economy, state competitiveness, or the industry itself, we conducted a shift-share analysis. The shift-share represents how much of the employment growth or decline in a state's industry was due to the national economy, the employment trend within the particular industry, and the state's competitive advantage. Shift-share is composed of four components, with the change in employment between two years (e.g., between 2010 and 2019) equal to the sum of the components.

- National Growth Share is the change in employment due to the growth of the overall national economy. If the national economy is growing, then one may expect to see a positive change in each industry in the state.
- Industry Mix Share is the change in employment in the state's industry, based on the industry's national growth (or decline).
- Regional Shift, also referred to as the competitive effect, is the change in employment due to the region's competitive advantage. The competitive advantage can be generated by factors such as geography, legislation, population characteristics, or natural resources. It is often the most important component. A positive regional shift indicates the state industry is outperforming the national trend. A negative shift indicates that the state industry is underperforming compared to the national trend and does not have a competitive advantage.

[60] Florida's 2019 location quotient is greater than the other states' location quotients, but the magnitude of negative change in Florida's location quotient from 2010 through 2019 was greater than that of the other states' change.

Our shift-share analysis shows that Florida's sports industry employment grew between 2010 and 2019. (See Exhibit A-2.) The growth is attributable to the general and industry economy nationally rather than because of the state's competitive position. Additionally,

- all five states' sports industries were positively impacted by growth in the national economy;
- all five states' growth in their total sports industries were because of overall growth in these industries; and
- Arizona's, New York's, and Texas's total sports industries experienced employment growth because of their competitive position in this industry, and Florida's and California's sports industries underperformed compared to the national trend and did not have a competitive advantage.

**Exhibit A-2**
**Florida's Employment Grew but the State Lacked a Competitive Advantage in the Sports Industry Between 2010 and 2019**

| State | Employment Change (2010-2019) | National Growth Share | Industry Mix Share | Regional Shift |
|---|---|---|---|---|
| Texas | 45,905 | 17,591 | 9,398 | 18,916 |
| Arizona | 11,981 | 6,134 | 3,277 | 2,750 |
| New York | 27,703 | 17,887 | 9,555 | 261 |
| **Florida** | 33,365 | 21,807 | 11,650 | -93 |
| California | 49,604 | 34,279 | 18,312 | -2,987 |

Source: OPPAGA analysis of U.S. Department of Labor, Bureau of Labor Statistics data.

# APPENDIX B

## Professional Sports Facility Certification Criteria

**Exhibit B-1**
**Certification Criteria Vary by Type of Facility**

| Type of Professional Sports Facility | Certification Criteria |
|---|---|
| Major League Baseball Spring Training Facilities | • The franchise will use the facility for at least 20 years.<br>• There is a local financial commitment to provide at least 50% of funds for acquisition, construction, or renovation of facilities.<br>• The franchise will attract an annual attendance of at least 50,000 patrons.<br>• The facility is located in a county that levies a tourist development tax.<br>• Ten additional evaluation criteria must be met for competitive evaluation of applications, including<br>○ projected economic impact;<br>○ local matching funds;<br>○ potential for the facility to serve multiple uses;<br>○ intended use of funds by the applicant;<br>○ length of time a spring training franchise has been under an agreement to conduct spring training activities in the applicant's jurisdiction;<br>○ length of time an applicant's facility has been used by one or more spring training franchises;<br>○ term remaining on a lease;<br>○ length of time a franchise agrees to use an applicant's facility;<br>○ net increase of total active recreation space owned by the applicant; and<br>○ location of the facility in a brownfield, enterprise zone, community redevelopment area, or other area of targeted development or revitalization. |
| Facilities for New or Retained Professional Sports Franchises | • A unit of local government is responsible for the construction, management, or operation of the facility or holds title to the property on which the facility is located.<br>• The applicant has a signed agreement with a new professional sports franchise for the use of the facility for a term of at least 10 years, or in the case of a retained professional sports franchise, for a term of at least 20 years.<br>• The applicant has evidence authorizing the location of the professional sports franchise in this state.<br>• The applicant has projections, verified by DEO, that demonstrate that the franchise will attract a paid attendance of over 300,000 annually.<br>• The jurisdiction in which the facility is located has certified by resolution after a public hearing that the application serves a public purpose.<br>• The applicant has demonstrated that it can provide more than one-half of the costs related to the improvement and development of the facility.<br>• An applicant previously certified under any of the above provisions who has received funding under such certification is not eligible for an additional certification. |

| Type of Professional Sports Facility | Certification Criteria |
|---|---|
| Professional Golf Hall of Fame | • The facility is the only professional golf hall of fame in the United States recognized by the PGA Tour, Inc.<br>• Applicant is a unit of local government or private sector group contracted to construct/operate the facility on land owned by local government.<br>• The jurisdiction in which the facility is located has certified by resolution, after a public hearing, that the application serves a public purpose.<br>• There are existing projections that the facility will attract a paid attendance of over 300,000 annually.<br>• There is evidence that the facility will generate at least $2 million annually in local taxes from the use and operation of the facility.<br>• The applicant agrees to provide $2 million annually in national and international media promotion of the Professional Golf Hall of f=Fame facility, Florida, and Florida tourism.<br>• The applicant has provided, is capable of providing, or has financial or other commitments to provide more than one-half of the costs of improving or developing the facility.<br>• The application is signed by an official senior executive of the applicant and is notarized according to Florida law. |
| International Game Fish Association World Center[1] | • The facility is the only fishing museum, hall of fame, and international administrative headquarters in the United States recognized by the International Game Fish Association, and one or more private sector concerns have committed to donate to the facility's land upon which the facility will operate<br>• The applicant is a not-for-profit Florida corporation that has contracted to construct and operate the facility.<br>• The jurisdiction in which the facility is located has certified by resolution, after a public hearing, that the application serves a public purpose.<br>• There are projections that the project will attract an attendance of over 1.8 million annually.<br>• There is evidence that the project will generate at least $1 million annually in local taxes from the use and operation of the facility.<br>• There are projections that the project will attract more than 300,000 out-of-state visitors annually.<br>• The applicant agrees to provide $500,000 annually in national and international media promotion of the facility.<br>• The applicant has provided, is capable of providing, or has financial or other commitments to provide more than one-half of the costs of improving or developing the facility.<br>• The application is signed by senior officials of the International Game Fish Association and is notarized according to Florida law. |
| Retention of Major League Baseball Spring Training Franchises | • The applicant is responsible for the construction or renovation of the facility for a spring training franchise or holds title to the property on which the facility for a spring training franchise is located.<br>• The applicant has a certified copy of a signed agreement with a spring training franchise for a term that is, at minimum, equal to the length of the term of the bonds issued for constructing or renovating the spring training facility or a term of at least 20 years if no such bonds are issued. The agreement cannot be signed more than four years before the expiration of any existing agreement, except in cases where the applicant has never received state funding for the facility as a spring training facility, and the facility was constructed before January 1, 2000. The agreement must also require the franchise to reimburse the state for state funds expended if the franchise relocates before the agreement expires. In |

| Type of Professional Sports Facility | Certification Criteria |
| --- | --- |
| | addition, if bonds were issued to construct or renovate the spring training facility, the reimbursement must equal the total state distributions expected to be paid from the date the franchise breaks its agreement through the final maturity of the bonds.<br>• The applicant has made a financial commitment to provide 50% or more of the funds required by an agreement for the construction or renovation of the facility for a spring training franchise.<br>• The applicant demonstrates that the facility for a spring training franchise will attract a paid attendance of at least 50,000 persons annually to the spring training games.<br>• The facility for a spring training franchise is located in a county that levies a tourist development tax under s. 125.0104, *F.S.*<br>• The applicant is not currently certified to receive state funding for the facility as a spring training franchise under this section.<br>• Nine additional evaluation criteria must be met for competitive evaluation of applications, including<br>o projected economic impact;<br>o local matching funds;<br>o potential for the facility to serve multiple uses;<br>o intended use of funds by the applicant;<br>o length of time a spring training franchise has been under an agreement to conduct spring training activities in the applicant's jurisdiction;<br>o length of time an applicant's facility has been used by one or more spring training franchises;<br>o term remaining on a lease;<br>o length of time a franchise agrees to use an applicant's facility; and<br>o location of the facility in a brownfield, enterprise zone, community redevelopment area, or other area of targeted development or revitalization. |
| Sports Development | • The applicant or beneficiary is responsible for the construction, reconstruction, renovation, or improvement of a facility and obtained at least three bids for the project.<br>• If the applicant is not a unit of local government, a unit of local government holds title to the property on which the facility and project are, or will be, located.<br>• If the applicant is a unit of local government in whose jurisdiction the facility is, or will be, located, the unit of local government has an exclusive intent agreement to negotiate in this state with the beneficiary.<br>• A unit of local government in whose jurisdiction the facility is, or will be, located supports the application for state funds. Such support must be verified by the adoption of a resolution, after a public hearing, that the project serves a public purpose.<br>• The applicant or beneficiary has not previously defaulted or failed to meet any statutory requirements of a previous state-administered sports-related program under ss. 288.1162, 288.11621, 288.11631, *F.S.*, or 288.11625, *F.S.* Additionally, the applicant or beneficiary is not currently receiving state distributions under s. 212.20, *F.S.*, for the facility that is the subject of the application, unless the applicant demonstrates that the franchise that applied for a distribution under s. 212.20, *F.S.*, no longer plays at the facility that is the subject of the application. |

| Type of Professional Sports Facility | Certification Criteria |
|---|---|
| | • The applicant or beneficiary has sufficiently demonstrated a commitment to employ residents of this state, contract with Florida-based firms, and purchase locally available building materials to the greatest extent possible.<br>• If the applicant is a unit of local government, the applicant has a certified copy of a signed agreement with a beneficiary for the use of the facility. If the applicant is a beneficiary, the beneficiary must enter into an agreement with the department. The beneficiary must reimburse the state for state funds that will be distributed if the beneficiary relocates or no longer occupies or uses the facility as the facility's primary tenant before the agreement expires. The beneficiary must pay for signage or advertising within the facility.<br>• The project will commence within 12 months after receiving state funds or did not commence before January 1, 2013.<br>• Thirteen additional evaluation criteria must be met for competitive evaluation of applications, including<br>  ○ proposed use of state funds;<br>  ○ length of time that a beneficiary has agreed to use the facility;<br>  ○ percentage of total project funds provided by the applicant and the percentage of total project funds provided by the beneficiary;<br>  ○ number and type of signature events the facility is likely to attract during the duration of the agreement with the beneficiary;<br>  ○ anticipated increase in average annual ticket sales and attendance at the facility due to the project;<br>  ○ potential to attract out-of-state visitors to the facility;<br>  ○ length of time a beneficiary has been in this state or partnered with the unit of local government;<br>  ○ multiuse capabilities of the facility;<br>  ○ facility's projected employment of residents of this state, contracts with Florida-based firms, and purchases of locally available building materials;<br>  ○ amount of private and local financial or in-kind contributions to the project;<br>  ○ amount of positive advertising or media coverage the facility generates;<br>  ○ expected amount of average annual new incremental state sales taxes generated by sales at the facility above the baseline that will be generated as a result of the project; and<br>  ○ size and scope of the project and number of temporary and permanent jobs that will be created as a direct result of the facility improvement. |
| Motorsports Entertainment Complex | • A unit of local government holds title to the land on which the motorsports entertainment complex is located or holds title to the motorsports entertainment complex.<br>• The municipality in which the motorsports entertainment complex is located, or the county if the motorsports entertainment complex is located in an unincorporated area, has certified by resolution, after a public hearing, that the application serves a public purpose. |

[1]The International Game Fish Association World Center received its final payment from the state in 2014. While the association's headquarters remains in Dania Beach, Florida, the Hall of Fame was relocated to Springfield, Missouri.
Source: Sections 288.116212, 288.11624, 288.116255, 288.116312, 288.11682, 288.11692, and 288.11713, *F.S.*

# APPENDIX C

## State Funding Payment Schedules and Lease Terms for Professional Sports Facilities

**Exhibit C-1**
**Spring Training Facilities for Major League Baseball Franchises[1]**

| Team | Facility | Location Certified Entity, Certification Date, & Certification Statute | Monthly Distribution, Number of Years Bonded, & Total State Payment | First Payment & Final Payment | Total Payments as of August 31, 2020 | Team's Lease Expires |
|---|---|---|---|---|---|---|
| Atlanta Braves (New Certification) | CoolToday Park | Venice<br>West Villages Improvement District November 2017<br>s. 288.11631, *F.S.* | $83,333<br>20 years<br>$20 million | January 2018<br>December 2037 | $2,499,990 | 2048 |
| Baltimore Orioles | Ed smith Stadium | Sarasota<br>City of Sarasota<br>December 2006<br>s. 288.1162, *F.S.* | $41,667<br>30 years<br>$15 million | March 2007<br>March 2037 | $6,666,720 | 2039 |
| Detroit tigers[2] | Joker Marchant Stadium | Lakeland<br>City of Lakeland<br>April 2015<br>s. 288.11631, *F.S.* | $83,333<br>20 years<br>$20 million | November 2016<br>October 2036 | $3,666,652 | 2036 |
| Houston Astros & Washington Nationals[3] | FITTEAM Ballpark of the Palm Beaches | West Palm Beach<br>Palm Beach County<br>October 2015<br>s. 288.11631, *F.S.* | $166,667<br>25 years<br>$50 million | October 2016<br>September 2041 | $7,500,015 | 2048 |
| Los Angeles Dodgers[4] | Holman Stadium at Jackie Robinson Training Complex | Vero Beach<br>Indian River County<br>January 2001<br>s. 288.1162, *F.S.* | $41,667<br>30 years<br>$15 million | March 2001<br>February 2031 | $9,666,744 | N/A |
| Minnesota Twins | Hammond Stadium at CenturyLink Sports Complex | Fort Myers<br>Lee County<br>August 2012<br>s. 288.11621, *F.S.* | $41,667<br>30 years<br>$15 million | July 2013<br>June 2043 | $3,500,028 | 2048 |
| New York Mets | Clover Park | Port St. Lucie<br>St. Lucie County<br>December 2006<br>s. 288.1162, *F.S.* | $21,985<br>30 years<br>$7 million | March 2007<br>March 2017 | $2,660,241 | 2016 |
| New York Mets (New Certification) | Clover Park | Port St. Lucie<br>St. Lucie County<br>March 2017<br>s. 288.11631, *F.S.* | $83,333<br>20 years<br>$20 million | June 2017<br>May 2037 | $3,083,321 | 2042 |
| New York Yankees (New Certification) | George M. Steinbrenner Field | Tampa<br>Tampa Sports Authority<br>December 2016<br>s. 288.11631, *F.S.* | $83,333<br>20 years<br>$20 million | January 2017<br>December 2036 | $3,499,986 | 2046 |
| Philadelphia Phillies | Spectrum Field | Clearwater<br>City of Clearwater<br>December 2006<br>s. 288.1162, *F.S.* | $41,667<br>30 years<br>$15 million | March 2001<br>February 2031 | $9,666,744 | 2023 |
| Pittsburgh Pirates | LECOM Park | Bradenton<br>City of Bradenton<br>December 2006<br>s. 288.1162, *F.S.* | $41,667<br>30 years<br>$15 million | March 2007<br>March 2037 | $6,666,720 | 2037 |
| Tampa Bay Rays | Charlotte Sports Park | Port Charlotte<br>Charlotte County<br>December 2006<br>s. 288.1162, *F.S.* | $41,667<br>30 years<br>$15 million | March 2007<br>March 2037 | $6,666,720 | 2028 |

| Team | Facility | Location Certified Entity, Certification Date, & Certification Statute | Monthly Distribution, Number of Years Bonded, & Total State Payment | First Payment & Final Payment | Total Payments as of August 31, 2020 | Team's Lease Expires |
|---|---|---|---|---|---|---|
| Toronto Blue Jays | TD Ballpark | Dunedin<br>City of Dunedin<br>January 2001<br>s. 288.1162, *F.S.* | $41,667<br>20 years<br>$10 million | March 2001<br>February 2023 | $9,666,744 | 2019 |
| Toronto Blue Jays (New Certification) | TD Ballpark | Dunedin<br>City of Dunedin<br>July 2018<br>s. 288.11631, *F.S.* | $83,333<br>20 years<br>$20 million | September 2018<br>August 2038 | $1,833,326 | 2043 |

[1]The Boston Red Sox, Miami Marlins, and St. Louis Cardinals also hold spring training in Florida but do not currently receive state funding for their facilities.
[2]The Detroit Tigers' facility also had a prior certification and received payments from March 2001 through February 2016.
[3]The Houston Astros moved their spring training operations from Osceola County to Palm Beach County in 2015. They share the certified facility with the Washington Nationals.
[4]This facility was previously occupied by the Los Angeles Dodgers until the Dodgers moved their spring training facility to Arizona in 2008. The facility currently hosts college and youth sports as well as social events and meetings
Source: Department of Economic Opportunity and Department of Revenue.

## Exhibit C-2
## Professional Sports Facilities for Major League Baseball, National Football League, National Hockey League, and National Basketball Association Franchises

| Team/League | Facility | Location, Certified Entity, & Certification Date | Monthly Distribution, Number of Years Bonded, & Total State Payment | First Payment & Final Payment | Total Payments as of August 31, 2020 |
|---|---|---|---|---|---|
| Florida Panthers NHL | BB&T Center | Sunrise<br>Broward County<br>June 1996 | $166,667<br>30 years<br>$60 million | August 1996<br>July 2026 | $47,833,429 |
| Jacksonville Jaguars NFL | TIAA Bank Field | Jacksonville<br>City of Jacksonville<br>April 1994 | $166,667<br>30 years<br>$60 million | June 1994<br>May 2024 | $52,166,771 |
| Miami Dolphins NFL[1] | Hard Rock Stadium | Miami<br>South Florida Stadium Corp.<br>May 1993 | $166,667<br>30 years<br>$60 million | June 1994<br>June 2023 | $54,000,108 |
| Miami Heat NBA | American Airlines Arena | Miami<br>Basketball Properties, LTD<br>February 1998 | $166,667<br>30 years<br>$60 million | March 1998<br>March 2028 | $44,500,089 |
| Orlando Magic NBA | Amway Center | Orlando<br>City of Orlando<br>November 2007 | $166,667<br>30 years<br>$60 million | February 2008<br>January 2038 | $24,833,383 |
| Tampa Bay Buccaneers NFL | Raymond James Stadium | Tampa<br>Hillsborough County<br>November 1996 | $166,667<br>30 years<br>$60 million | January 1997<br>December 2026 | $47,000,094 |
| Tampa Bay Lightning NHLs | AMALIE Arena | Tampa<br>Tampa Bay Sports Authority<br>July 1995 | $166,667<br>30 years<br>$60 million | September 1995<br>August 2025 | $49,666,766 |
| Tampa Bay Rays MLB | Tropicana Field | St. Petersburg<br>City of St. Petersburg<br>July 1995 | $166,667<br>30 years<br>$60 million | July 1995<br>June 2025 | $50,000,100 |

[1]The Florida Marlins, now known as the Miami Marlins of the MLB, occupied this facility until 2012. The Hard Rock Stadium was formerly named Sun Life Stadium. The Miami Dolphins are the main occupant, and the facility is privately owned.
Source: Department of Economic Opportunity and Department of Revenue.

**Exhibit C-3**
**Professional Golf Hall of Fame Facility**

| Facility | Location | Monthly Distribution, Number of Years Bonded, & Total State Payment | First Payment & Final Payment | Total Payments as of August 31, 2020 |
|---|---|---|---|---|
| Professional Golf Hall of Fame | St. Augustine | $166,667<br>25 years<br>$50 million | July 1998<br>June 2023 | $44,000,088 |

Source: Department of Economic Opportunity and Department of Revenue.

# AGENCY RESPONSES

**Ron DeSantis**
GOVERNOR

FLORIDA DEPARTMENT of ECONOMIC OPPORTUNITY

**Dane Eagle**
EXECUTIVE DIRECTOR

December 21, 2020

Mr. R. Philip Twogood
Coordinator
Office of Program Policy Analysis and
Government Accountability
111 West Madison Street, Room 312
Tallahassee, Florida 32399-1475

Dear Mr. Twogood:

Pursuant to Section 11.51(2), Florida Statutes, this letter represents our response to the preliminary report titled: ***Florida Economic Development Program Evaluations- Year 8.***

We thank you and your staff for the review and detailed analysis of the state's economic development programs.

If you have any questions or need additional information, please contact Mr. James E. Landsberg, Inspector General, at (850) 245-7141.

Sincerely,

Dane Eagle
Executive Director

Florida Department of Economic Opportunity | Caldwell Building | 107 E. Madison Street | Tallahassee, FL 32399
850.245.7105 | www.FloridaJobs.org
www.twitter.com/FLDEO |www.facebook.com/FLDEO

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December 18, 2020

Dr. R. Philip Twogood, Coordinator
Office of Program Policy and Government Accountability
111 West Madison Street
Tallahassee, Florida 32399

Dear Dr. Twogood:

The Florida Sports Foundation appreciates the efforts of the Office of Program Policy Analysis and Government Accountability (OPPAGA) to ensure a thorough review of our program. As you've noted, we have committed significant resources to improving the experience of our industry partners as it relates to applying to our grant program.

We acknowledge our industry partners' comments related to the appetence for the grant application's additional functionality. While improvements have been made, including bringing the application development and maintenance "in-house", and most recently enhancing our impact calculator, we will continue to work with our partners to improve their experience. All of the enhancements made are intended to add value to our partners and ultimately increase economic activity in the area of sports tourism and recreation for the State of Florida.

Thank you,

Angela Suggs
President and CEO
Florida Sports Foundation

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OPPAGA

Office of Program Policy Analysis and Government Accountability

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OPPAGA supports the Florida Legislature by providing data, evaluative research, and objective analyses that assist legislative budget and policy deliberations. 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), 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).

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Project conducted by Alex Regalado, Daphne Holden, Isabelle Puppa
R. Philip Twogood, Coordinator