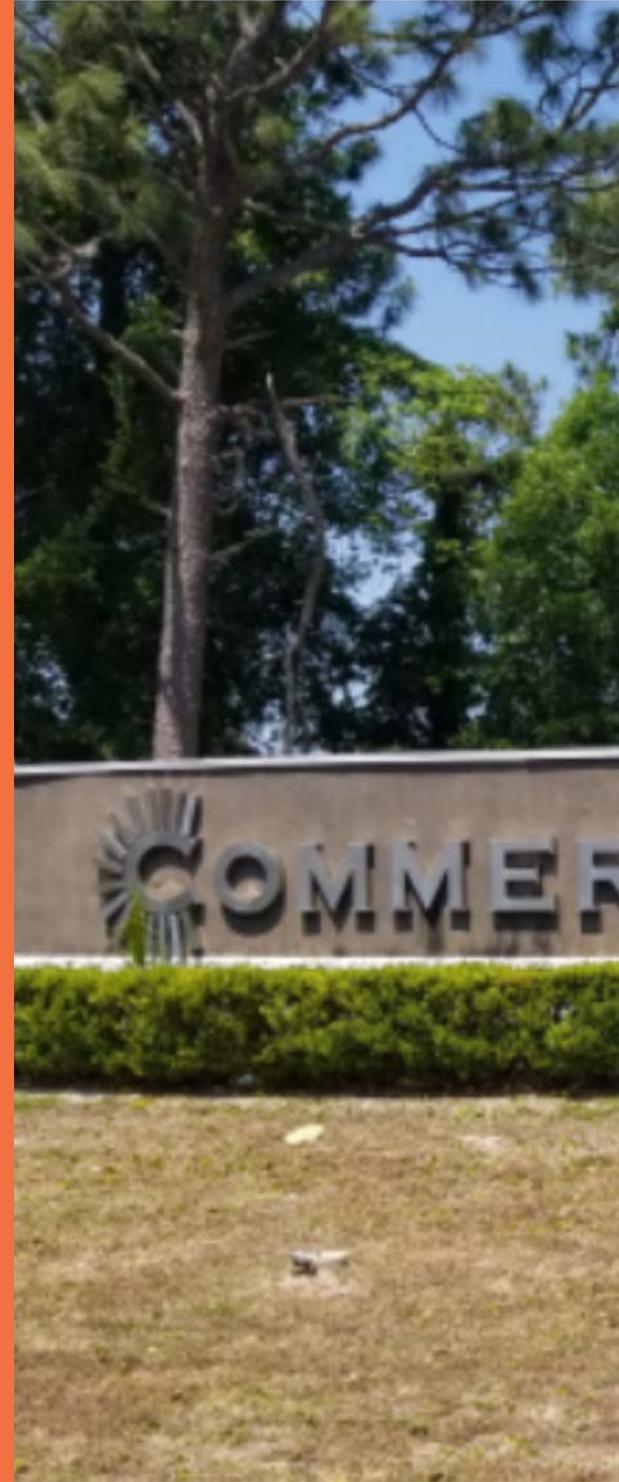


# FUNDING



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## POTENTIAL CTP INCENTIVES

Given the population densities, character of surrounding counties, non-military and non-tourism economic base activity in the County and surrounding counties, and the focus of some of the proposed activity for the CTP, it may be possible that application can be made for resources available to both rural and urban economic development initiatives at the Federal and State levels. Also, the recent hurricane could open additional funding related to recovery. Therefore, related programs are included.

## FEDERAL

**Federal Emergency Management Agency** established the National Disaster Recovery Framework (NDRF) to facilitate coordinated interagency capacities across all disaster-related mission areas: Prevention, Protection, Mitigation, Response, and Recovery. The NDRF established six RSF (Recovery Support Functions) to facilitate interagency and intergovernmental “problem solving, improve access to resources, and foster coordination among State and Federal agencies, nongovernmental partners and stakeholders.” Each RSF is led by a Coordinating Agency, with direct assistance from primary and support agencies to execute the RSF mission. Of the six RSFs, the following three are most appropriate based on the defined opportunities.

- Economic
- Infrastructure Systems
- Natural and Cultural Resources

Specific industry sector considerations identified for the CTP follow.

- Advanced Manufacturing
- Financial Services
- Information Technology
- Transportation, Logistics, and Distribution

The Economic Development Administration's (EDA's) mission is to lead the Federal economic development agenda by promoting innovation and competitiveness, preparing American regions for economic growth and success in the worldwide economy. EDA fulfills this mission through strategic investments and partnerships that create the regional economic ecosystems required to foster globally competitive regions throughout the United States. EDA's Public Works and EAA programs provide communities and regions with comprehensive and flexible resources to address a wide variety of economic needs. Projects funded by these programs include the creation and retention of jobs and increased private investment, advancing innovation, enhancing the manufacturing capacities of regions, providing workforce development opportunities and growing ecosystems. Through these programs, EDA supports regional assets to spur economic growth and resiliency.

EDA solicits applications from applicants in order to provide investments that support construction, non-construction, planning, technical assistance, and revolving loan fund projects under EDA's Public Works program and Economic Adjustment Assistance (EAA) programs. Grants and cooperative agreements made under these programs are designed to leverage existing regional assets and support the implementation of economic development strategies that

advance new ideas and creative approaches to advance economic prosperity.

This year, Economic Development Administration (EDA) has published funding opportunities for the *Regional Innovation Strategies Program i6 Challenge* and the *Seed Fund Support (SFS) Grant Competition*. The programs are intended to support the creation of centers for innovation and entrepreneurship that increase the rate at which innovations, ideas, intellectual property, and research are translated into products, services, viable companies, and jobs, and under the SFS Grant Competition to support the creation, launch, or expansion of equity-based, cluster-focused seed funds that invest regionally-managed risk capital in regionally-based startups with a potential for high growth.

In addition, EDA's *University Center Economic Development Program* enables higher education institutions and consortia of institutions to establish and operate University Centers specifically focused on using university assets to build regional economic ecosystems that support innovation and high-growth entrepreneurship. Encouraged is the submission of applications that will create and nurture regional economic ecosystems through science, technology, engineering and math (STEM) skill development, workforce training opportunities, applied research and development, technology commercialization, and targeted activities that cultivate entrepreneurship and improve regional economic development.

The **U.S. Department of Agriculture**, through its Rural Development mission area, provides financial resources and support for

rural communities, residents and businesses.

*Infrastructure Investment* - The Rural Utilities Service provides critical infrastructure investments to help rural communities thrive. Whether it's water or wastewater, or broadband and telecommunications connectivity, or rural electrification, they help rural communities build the foundation for long-term growth. Since 2009 they have invested in new and improved broadband service to nearly seven million residents, 364,000 businesses, and 32,000 community facilities, creating or saving more than 25,000 jobs in the process. The water and environmental investments have helped safeguard the health of more than 6,700 water and wastewater infrastructure projects.

They have helped improve and modernize electric infrastructure for more than 25 million residents and businesses with funding for more than 91,000 miles of electric transmission lines. They also invested in renewable energy, smart grid technology and air quality improvement technology.

*Rural Development Loan and Grant Assistance* - USDA Rural Development forges partnerships with rural communities, funding projects that bring housing, community facilities, business guarantees, utilities and other services to rural America. USDA provides technical assistance and financial backing for rural businesses and cooperatives to create quality jobs in rural areas. Rural Development promotes the President's National Energy Policy and ultimately the nation's energy security by engaging the entrepreneurial spirit of rural

America in the development of renewable energy and energy efficiency improvements.

**Rural Development Broadband Program** -

The USDA Rural Development Broadband Program provides loans and loan guarantees to fund the cost of construction, improvement, or acquisition of facilities and equipment for the provision of broadband service in eligible rural communities. Regulation 7 CFR Part 1738 prescribes the types of loans available, facilities financed, and eligible applicants, as well as minimum credit support requirements to be considered for a loan.

The **Community-Oriented Connectivity Broadband Grant Program** is designed to provide financial assistance in the form of grants to eligible applicants that will provide currently un-served areas, on a "community-oriented connectivity" basis, with broadband transmission service that fosters economic growth and delivers enhanced education, health care, and public safety services.

The **Small Business Administration** ([www.sba.gov](http://www.sba.gov)) and Small Business Development Centers provide technical assistance with business plans, marketing and other components and training essential to enhance economic activity.

The SBA also has various loan programs. Loans guaranteed by the SBA range from small to large and can be used for most business purposes, including long-term fixed assets and operating capital. Lenders and loan programs have unique eligibility requirements. In general, eligibility is based on what a business does to receive its income, the character of its ownership, and where the business operates. Normally, businesses must meet size standards,

be able to repay, and have a sound business purpose. Even those with bad credit may qualify for startup funding

**SBA7(a)** loans are the most common type of SBA loan. A maximum of \$5 million can be used for working capital, refinancing debt or creating a new business, purchasing real estate/buildings or equipment necessary for business operations. Two specific types of loans, the SBA Express Loan and SBA Advantage Loan, nested within the 7(a) loan program. These loans are the typical ones that are referenced due to the wide variety of assets it can be used to acquire. SBA loans are popular because of the ability finance long-term and the ability to improve the cash flow of the business.

One drawback of the standard SBA 7(a) loan is that the application process can take months. In order to address this problem, the SBA offers an expedited processing service called the SBA Express Loan, which guarantees a response to an application from the SBA within a day and a half. (Note: this means the SBA will notify your lender within 36 hours if your application has been approved, but it may take significantly longer for your lender to process and fund your loan.)

The SBA Express Loan generally follows the same guidelines as the standard SBA 7(a) loan, but the maximum loan amount is \$350,000. The SBA guarantees a maximum of 50 percent for SBA Express loans, which means the interest rates on an SBA Express loan can be a bit higher than other 7(a) loans however generally have an easier to use line of credit and fast turnaround.

The **CDC/SBA 504 loan (504 Loan SBA)** program specifically allows small businesses looking to buy or construct, renovate or

purchase furniture/equipment. The program pairs two lenders together to fund these projects, a bank or traditional lender and a CDC (Certified Development Company) which is the SBA's community partner for issuing 504 loans. The bank lends up to 50 percent, and the CDC typically lends up to 40 percent while the remaining project cost comes out of pocket for the borrower.

CDC/SBA 504 loans are generally using the project assets as collateral for the loan, with additional guaranties of 20% or more from the owner. Additionally, businesses will need to create or keep one job for every \$65,000 guaranteed by the SBA, while smaller manufacturing businesses see that same guaranteed amount requirement increase up to \$100,000.

The SBA CAPLines Program consists of four programs that are nested under the overall program which provides up to \$5 million for relief in short-term and recurring capital needs. These programs come in handy for those that have a need for more flexibility in recurring payments and unforeseen emergency costs.

There are four options for applying for a CapLines loan, each with specific qualifications and use of proceeds. They are:

- Seasonal Line of Credit Loan Program
- Contract Line of Credit Loan Program
- Builders Line of Credit Loan Program
- Working Capital (Asset-Based) Line of Credit Loan Program

The SBA Microloan Program (Microloans) aids small businesses and some non-profit childcare centers with start-up and

expansion costs , typically averaging only about \$13,000. Uses for the microloan include but are not limited to working capital, furnishings or equipment and inventory/supplies. While interest rates vary, they will be between 8 and 13 percent. Upon application, some may be required to complete certain training programs or planning requirements before the loan is finalized. The training or planning is intended to assist the business or non-profit with initial start up logistics or expansion details.

SBA Disaster loans (Disaster Loan)are applied for when a natural or economic disaster has occurred and adversely affected the business. FEMA or other government entities, such as the Department of Agriculture typically partner with the SBA to aid and to declare which events may be categorized as a disaster. Renters as well as homeowners may borrow up to \$40,000 for repair or replacement of personal property while up to \$200,000, by homeowners only, may be borrowed for repair or replacement of their place of residence.

## FLORIDA

Potential sources of funds and incentives provided by the State of Florida include those that follow.

**Qualified Target Industry Tax Refund (QTI):** The Qualified Target Industry Tax Refund incentive is available for companies that create high wage jobs in targeted high value-added industries. This incentive includes refunds on corporate income, sales, ad valorem, intangible personal property, insurance premium, and certain other taxes. Pre-approved applicants who create jobs in Florida receive tax refunds of \$3,000 per net

new Florida full-time equivalent job created; \$6,000 in a Rural Community (county). For businesses paying 150 percent of the average annual wage, add \$1,000 per job; for businesses paying 200 percent of the average annual salary, add \$2,000 per job; businesses falling within a designated high impact sector or increasing exports of its goods through a seaport or airport in the state by at least 10 percent in value or tonnage in each year of receiving a QTI refund, add \$2,000 per job; projects locating in a designated Brownfield area (Brownfield Bonus) can add \$2,500 per job. The selected local community contributes 20 percent of the total tax refund. No more than 25 percent of the total refund approved may be taken in any single fiscal year. New or expanding businesses in selected targeted industries or corporate headquarters are eligible.

**Capital Investment Tax Credit (CITC):** The Capital Investment Tax Credit is used to attract and grow capital-intensive industries in Florida. It is an annual credit, provided for up to twenty years, against the corporate income tax. Eligible projects are those in designated high-impact portions of the following sectors: advanced manufacturing, clean energy, biomedical technology, financial services, information technology, silicon technology, transportation equipment manufacturing, or be a corporate headquarters facility. Projects must also create a minimum of 100 jobs and invest at least \$25 million in eligible capital costs. Eligible capital costs include all expenses incurred in the acquisition, construction, installation, and equipping of a project from the beginning of construction to the commencement of operations. The level of investment and the project's Florida corporate income tax liability for the 20

years following commencement of operations determines the amount of the annual credit.

**Quick Response Training (QRT):** Quick Response Training is an employer-driven training program designed to assist new value-added businesses and provide existing Florida businesses the necessary training for expansion. A state educational facility – community college, area technical center, school district or university – is available to assist with application and program development or delivery. The educational facility will also serve as fiscal agent for the project. The company may use in-house training, outside vendor training programs or the local educational entity to provide training.

Reimbursable training expenses include: instructors' and trainers' wages, curriculum development, and textbooks/manuals. This program is customized, flexible, and responsive to individual company needs.

**Incumbent Worker Training Program (IWT):** Incumbent Worker Training is a program that provides training to already employed workers to stay competitive in a time of globalization and to keep existing businesses within Florida. Businesses that have been in operation for at least one year prior to application and require skills upgrade training for existing employees and are located within Florida are eligible. Priority is given to businesses in targeted industries, HUB Zones, Inner City Distressed areas, Rural Counties and areas, and Brownfield areas. For additional information on the QRT and IWT program contact CareerSource.

**Brownfields:** Florida offers incentives to businesses that locate on a brownfield site

with a Brownfield Site Rehabilitation Agreement (BSRA). The Brownfield Redevelopment Bonus Refund is available to encourage Brownfield redevelopment and job creation. Cleanup of brownfield sites in Florida is generally easier, quicker, and cheaper than brownfield sites in many other parts of the country as Florida sites tend not be as contaminated as elsewhere in the country. Businesses that cleanup and redevelop an existing brownfield site are provided with financial incentives, regulatory benefits, technical assistance, and liability protection. A few of the advantages of brownfield sites include:

\$2,500 Job Bonus Refund for each new job created in a brownfield area by an eligible business

Highly attractive business locations with existing infrastructure

Voluntary cleanup tax credits

Cleanup liability protection

Low-interest loans for assessment and cleanup

Increased State Loan Guarantee can improve lending opportunities

Expedited Permitting for Brownfield projects

<https://www.enterpriseflorida.com/why-florida/business-climate/incentives/brownfield-incentives/>

### **Special Opportunity Incentives:**

Rural Incentives: Florida encourages growth throughout the state by offering increased incentive awards and lower wage qualification thresholds in its rural counties. Additionally, a Rural Community Development Revolving Loan Fund and Rural Infrastructure Fund exist to meet the special needs that businesses encounter in rural counties.

Urban Incentives: Florida offers increased incentive awards and lower wage qualification thresholds for businesses locating in many urban core/inner city areas that are experiencing conditions affecting the economic viability of the community and hampering the self-sufficiency of the residents.

## LOCAL

Other incentives come from the indicated programs in the plan.

**R&D Resource Pooling:** Fundamental to R&D recruitment activity is the establishment of a “blue ribbon” committee composed of national or international business interests from the CTP, established agricultural interests, natural resource interests, the area’s higher education institutions, and other interests involved with defined areas of research. This methodology and partnership is a created incentive by pooling resources in a cost effective manner.

**Creative Non-government Funding for Marketing or Recruitment Effort and Investment in CTP;** Several non-government funding sources could be fostered but controlled by the private sector that would likely be successful in the CTP. One would be an “economic development capital fund” with shared risk by a composite of investors; the other would be “crowdfunding” at the local level. Both would be expected to earn returns to the contributors.

Additional Local Incentives include:

- Tax abatement in addition to noted other noted abatement options
- Funding of infrastructure based on private investment
- Funding of amenities based on private investment
- Revolving loan created through local resources, Community Development Block Grant Funds and other identified resources matched by local resources.
- Assistance with property acquisition
- Incentive zoning to increase density of development while enhancing design

### **Florida Department of Economic Opportunity**

The Florida Department of Economic Opportunity (DEO) invests in the prosperity of all Floridians and their communities. DEO combines economic development initiatives, workforce support and training and community development efforts to fuel job creation around the state. The state and federal programs administered by DEO help support local businesses, engage talented job seekers and enhance our state’s diverse communities. DEO’s vision is for Florida to be the best place in the world to live, learn, play, work and do business.

### **University of Florida Institute of Food and Agricultural Science**

"The Mission of UF/IFAS is to develop knowledge in agricultural, human and natural resources and to make that knowledge accessible to sustain and enhance the quality of human life."

The University of Florida’s Institute of Food and Agricultural Sciences (UF/IFAS) is a federal-state-county partnership dedicated to developing knowledge in agriculture, human and

natural resources, and the life sciences, and enhancing and sustaining the quality of human life by making that information accessible. While extending into every community of the state, UF/IFAS has developed an international reputation for its accomplishments in teaching, research and Extension. Because of this mission and the diversity of Florida's climate and agricultural commodities, IFAS has facilities located throughout Florida. IFAS provides research and development for Florida's agricultural, natural resources and related food industries, which made value-added contributions of \$123.2 billion to the gross domestic product of the state economy in 2013.

Schools and departments include Agricultural and Biological Engineering, Agricultural Education and Communication, Agronomy, Animal Sciences, College of Agricultural and Life Sciences, College of Veterinary Medicine, Entomology and Nematology, Environmental Horticulture, Food and Resource Economics, Food Science and Human Nutrition, Horticultural Sciences, Microbiology and Cell Science, Plant Pathology, School of Forest Resources and Conservation, School of Natural Resources and Environment, Soil and Water Science, and Wildlife Ecology and Conservation

*Brownfield sites are defined as real property, the expansion, redevelopment, or reuse of which may be complicated by actual or perceived environmental contamination.*

#### **RELATED LINKS**

- **Department of Environmental Protection**  
[www.dep.state.fl.us/waste/categories/brownfields/default.htm](http://www.dep.state.fl.us/waste/categories/brownfields/default.htm)
- **Florida Brownfields Association**  
[www.floridabrownfields.org](http://www.floridabrownfields.org)