

SITE SELECTION MAGAZINE

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The Life and Death of Enterprise Florida

For three decades, Florida looked to EFI to lead economic development.
What went wrong?



Sarasota Marina is emblematic of the coastal lifestyle that people think of when they think of Florida. Will it be enough to keep lucrative economic development flowing to the Sunshine State? Photo courtesy of Sarasota County Economic Development Corp.

by RON STARNER

The grand experiment that was Enterprise Florida officially came to an end on May 31 when Gov. Ron DeSantis signed into law a bill terminating the organization's three-decade-long run as the state's chief economic development agency.

House Speaker Paul Renner, a Palm Coast Republican, championed HB 5 that shifts economic development contracts and 20-plus state programs to the Florida Department of Economic Opportunity, which will now go by the name of Florida Department of Commerce.

Although the momentum to dismantle Enterprise Florida grew quickly once Renner passed his bill on April 28, the effort to undo the agency had been in the works for more than a decade.

It began in April 2012 when a government watchdog group known as Integrity Florida released a report critical of Enterprise Florida (EFI). That report cited a number of “corruption risk indicators” that it said included: EFI’s emphasis on confidentiality; the fact that board members could be eligible to receive incentives; secret meetings; and selling seats on the board for \$50,000 each.

The pro-union group Good Jobs First followed up that report with a highly critical report of its own on October 23, 2013, blasting not just EFI but a number of private statewide organizations leading economic development efforts around the country. The report by GJF and In the Public Interest was titled “Creating Scandals Instead of Jobs: The Failures of Privatized State Economic Development Agencies.”

That report took aim at EFI and other more recent efforts to privatize economic development in Indiana, Ohio, Arizona, Wisconsin and Rhode Island. The report also cited an earlier report by the Florida Department of Economic Opportunity — for which EFI was a vendor — that said only about one-third of the incentive deals signed by EFI over the previous decade had delivered their promised results in job creation.

The effort to dismantle EFI, however, did not pick up steam in earnest until four years later, when then-House Speaker Richard Corcoran spearheaded an effort to kill both Enterprise Florida and Visit Florida. He called them both ineffective organizations that had outlived their original intent.

How Pitbull Played a Role

Visit Florida gained notoriety when it was revealed that the organization had paid pop star Pitbull a million-dollar contract to promote the state as a tourist destination. That move ultimately cost the executive director of Visit Florida his job in 2017.

Corcoran’s larger effort to kill both agencies failed, however, when then-Gov. Rick Scott went to bat for the two beleaguered agencies and saved them during the spring 2017 Florida legislative session. EFI, though, had been mortally wounded.

According to people interviewed for this article, the effort to kill off Enterprise Florida never fully went away. Instead, it quietly gained momentum as elements of the Republican Party drifted rightward and began to paint all economic development incentives as “corporate welfare,” often couched in the terminology of “government picking winners and losers.”

In that context, what happened this spring could be seen as almost inevitable. House Speaker Renner essentially summed it up when he said, “Florida’s economy is the envy of the nation. Economic incentives and corporate welfare are nowhere near the top reasons why people and companies are choosing Florida over 49 other states. Jobs, capital and families are coming to Florida because we have a great business climate, excellent schools and a roaring economy, not because of Enterprise Florida.” That same day, the House voted to pass HB 5.

When Governor and now presidential candidate Ron DeSantis signed it into law on May 31, he said, “Florida continues to be the nation’s top destination for new businesses, workforce development and tourism, and streamlining our economic development programs in the Florida Department of Commerce will further support Florida’s thriving economy.”

“I hope that by this action, economic development in Florida will no longer be caught in the crosshairs. I hope that the state can now move forward as a collaborative unit for economic development.” – Laura DiBella, outgoing Enterprise Florida CEO and Florida Commerce Secretary

For now, DeSantis has named his chief of staff, J. Alex Kelly, as the new Florida Department of Commerce secretary, replacing the outgoing Laura DiBella just four months after her appointment.

John A Boyd Jr., principal of The Boyd Company Inc., a prominent site selection consulting firm with offices in Princeton, New Jersey and Boca Raton, Florida, said the move to consolidate the state’s economic development efforts under one state agency umbrella could actually strengthen Florida’s long-term position.

“Moving from Enterprise Florida — a state/private sector combination — to the new Florida Department of Commerce consolidates power within state government, and further enables Governor DeSantis — along with future governors — to more fully put their stamp on the program,” Boyd says. “Moves to a public/private template have been a trend in recent years by a number of state and local economic development organizations, largely as a means to raise larger promotional war chests and have more flexibility in how those funds are spent. In the case of Florida, with its winning track record and positive business climate — and where economic development is embraced by the state Legislature and the office of the governor — raising sufficient funds to compete with other high-powered winning states should not be a problem. The additional oversight coming with being a state agency will also reduce the risk of controversial missteps like the [contract] with Pitbull.”



Outgoing Florida Commerce Secretary and Enterprise Florida CEO Laura DiBella speaks at a recent BAE Systems groundbreaking event in Jacksonville. Photo courtesy of Enterprise Florida

Where Does Florida Go from Here?

Others see the closure of Enterprise Florida as part of a wider political effort to limit the influence of economic developers on business. Jeff Finkle, former longtime president of the International Economic Development Council, says that “some of the conservative members of the Florida

Legislature just don't like the notion of helping businesses. This has been an ongoing refrain. Previously, there was legislation proposed to limit the amount of money paid to economic developers. The thing that states always have to worry about is: Have they politicized their economic development agencies? When they have had turnover, have they tried to get the very best or did they become an agency that lost its mission focus?"

Gray Swoope, who served as Enterprise Florida CEO from 2011 to 2015, says, "There has been a shift in public trust in government and its ability to get things done. These same issues are being raised in other states. It is not uncommon."



Gray Swoope served as CEO of Enterprise Florida from 2011 to 2015. Today, he leads Vision First Advisors, a site selection and economic development consulting firm in Tallahassee. Photo courtesy of Vision First Advisors

Swoope says the recent legislation continues a trend of dismantling economic development tools in Florida. "Florida's Qualified Target Industry Tax Refund Program (QTI) went away two years ago," he says. "That was one of the most lucrative deal-closing funds the state ever had. Florida has not unilaterally disarmed, but it has lost one of its best deal-making tools."

Outgoing Commerce Secretary and EFI President DiBella says, "I am hopeful that this move will give us the ability to form a stronger economic development organization for Florida." She also says it's a relief to finally have the battles over EFI's fate settled.

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Finkle says it will be imperative for economic development leaders at the regional and local level in Florida to step up. “Florida has strong people at the local and regional level. Everybody else is going to have to take on some of what EFI did,” he adds.

Swoope, who now runs Vision First Advisors, a site selection and economic development consulting firm in Tallahassee, says the choice to put Alex Kelly in charge of the new Florida Department of Commerce is a good one. “He has a background in education. Florida is leading with education and workforce. That makes a strong case,” Swoope says. “He was the chief of staff for Richard Corcoran when Corcoran was the Florida education secretary. He also worked for Jeb Bush.”

For now, about 85 EFI employees will go from being privately employed to being state workers if they choose to remain in their jobs. What happens after that remains to be seen.