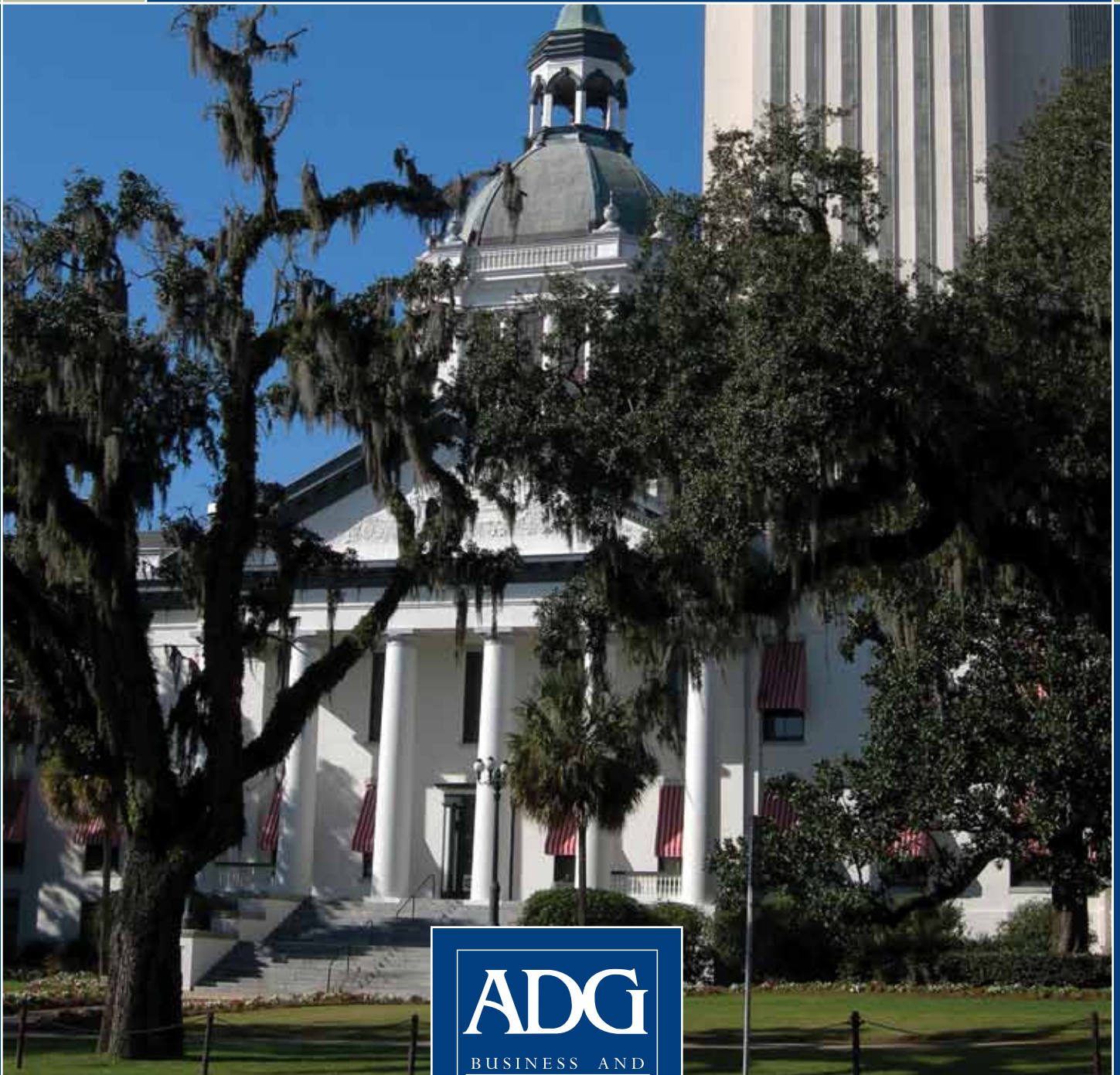


2010
Summer

Florida

Business and Political Climate



ADG

BUSINESS AND
GOVERNMENTAL
CONSULTANTS



Business Climate

Florida's Economy

The State of Florida is home to the fourth largest economy in the United States (U.S.), and is famously known as “The Gateway to The Americas” due to its unique trading position in relation to other Western Hemisphere countries. Characteristic of this fact, Florida maintains fourteen deep water ports and expedites a large portion of import and export trade for the U.S. In terms of GDP, Florida ranks as the 20th largest economy in the world.

Florida's tremendous economic growth during the past several decades was largely a function of an explosion in population growth. From 1990 through 2007, Florida experienced a 41% increase in population growth. Population trends in 2009 revealed the state had a net loss of population— a trend unprecedented since the mid-1940's. However, Florida is expected to surpass New York's population in the near-term.

According to the Tax Institute, Florida ranks fifth overall in their index of business tax climates (unchanged from last year) and particularly benefits from its lack of a personal income tax. The Institute also noted that Florida is one of just four states to rank in the top half on all five tax-specific indices and treats all industries fairly.

While Florida has a stable and moderate business tax environment (6% sales tax, 5.5% corporate tax), it suffers from a reputation of having burdensome permitting processes. Additionally, highly localized environmental concerns and development requirements have proven to slow business relocation and expansion efforts. In addition to the regulatory environment, oversupplies of housing and increasing unemployment contributed significantly to a volatile business climate that has extended into 2010.

Further, property tax and property insurance issues have remained contentious and with serious business and policy implications. Property insurance reform is closely linked to Florida's hurricane season. With a large number of hurricanes projected for 2010, the potential to expose the Florida Hurricane Catastrophe Fund significantly increases. Another issue which could undermine a core economic driver is the extent to which the Deepwater Horizon catastrophe in the Gulf of Mexico will impact Florida's tourism and fishing industries. Growth and development—another economic driver of Florida's economy—may also be destabilized by a 2010 ballot initiatives. The adoption of Hometown Democracy (Amendment 4) would confuse an already laborious growth management process and would likely bring development in Florida to a crawl. The state's traditional growth model continues to be challenged, forcing both the public and private sector to look towards new directions in the 21st Century.

Despite years of economic struggle, there are indications that the economy is slowly regrouping as the unemployment rate improved for the first time in four years and housing sales are increasing in parts of the state. New approaches to economic growth have emerged such as investing in infrastructure, the development of alternative energy markets, refocusing development to the urban cores, and reforming antiquated business recruitment practices and assembling venture capital.

Underlying these new strategies will be the need for transportation infrastructure. The same international factors that make Florida a major transshipment hub— 14 deep water ports, numerous hemispheric trading partners, proximity to Latin American countries, and an unambiguous legal environment— provide a strong foundation for policy debates about investing in the state's hard infrastructure. The Legislature showed its commitment towards this end by adopting proposals during a fall 2009 Special Session that established a framework for high-speed and commuter rail systems. Additionally, Governor Crist signed a 2010 Session bill that increases the competitiveness of Florida's ports nationally and internationally.

The federal stimulus act continues to have an impact on Florida as the Executive Office of the Governor continues to try and maximize the flow of dollars to the state while investing for the future and revitalizing the state's communities. Concurrently, growth management, economic development, and community revitalization will remain a focal point as the state and its counties and cities try to craft comprehensive policies to ensure a business friendly environment. The current global economy presents an opportunity for Florida to change its economic paradigm and align policies ranging from the education/workforce continuum, inciting targeted industries to augment private investment, and addressing housing foreclosure concerns faced by the banking and realty sectors.

Legislatively, poor economic conditions portend a creative and collaborative process in crafting provisions to restore a balanced and productive economy. Leadership will be charged with developing comprehensive policies that ensure a friendly business environment is created, balancing the need for short-term economic stimulation with long-term sustainability. Specifically, the incoming House Speaker and Senate President for are committed to reducing government and its spending, as well as job creation.

Business Activity in Florida

| Indicator | Value | Period | Change from Previous Period | Annual Growth |
|--|-----------|------------|-----------------------------|---------------|
| Gross Domestic Product (billions) | \$747.1 | Q1 2010 | 2.5% | 2.2% |
| Total Personal Income (billions) | \$703.573 | Q4 2009 | 1.0% | -1.6% |
| Index of Economic Activity | 23,147.1 | Feb 2010 | 5.6% | 0.6% |
| Statewide Sales Tax Receipts (millions) | \$1,329.8 | March 2010 | 5.0% | -0.4% |
| Florida Consumer Confidence | 77 | April 2010 | +6 | +5 |
| Economy.com Probability of Recession (percent) | 27 | May 2010 | -4 | N/A |
| Venture Capital (millions) | \$22.8 | Q1 2010 | -41.8% | -58.9% |
| Total Residential Building Permits Issued | 4,358 | March 2010 | 31.1% | 33.7% |
| Tourists Visiting Florida (millions) | 22.7 | Q1 2010 | N/A | +2.7 |

Source: Enterprise Florida, Inc. as of 5-24-2010 – Primary Data: Various standard published government and non-government sources

Florida's Labor Market

| Indicator | Value | Period | Change from Previous Period | Annual Growth |
|--|---------|------------|-----------------------------|---------------|
| Total Labor Force (thousands) | 9,282 | April 2010 | 0.1% | 1.0% |
| Total Employment (thousands) | 8,169 | April 2010 | 0.5% | -1.3% |
| Unemployed Floridians (thousands) | 1,113 | April 2010 | -2.3% | 22.2% |
| Unemployment Rate | 12.0% | April 2010 | -0.3% | +2.1% |
| Unemployment Insurance Claimants | 105,124 | April 2010 | 2.5% | -12.2% |
| Worker Adjustment and Retraining Notification (WARN) Notices | 971 | April 2010 | -14.2% | -66.0% |

Source: Enterprise Florida, Inc. as of 5-24-2010 – Primary Data: Various standard published government and non-government sources

Florida's International Trade

| Indicator | Value | Period | Change from Previous Period | Annual Growth |
|------------------------------------|--------|---------|-----------------------------|---------------|
| Total Merchandise Trade (billions) | \$28.7 | Q1 2010 | -1.1% | 18.4% |
| Merchandise Exports (billions) | \$16.3 | Q1 2010 | -2.6% | 12.4% |
| Merchandise Imports (billions) | \$12.4 | Q1 2010 | 0.9% | 27.4% |
| Florida-Origin Exports (billions) | \$12.5 | Q1 2010 | -2.8% | 10.3% |
| Services Exports (billions) | \$7.4 | Q1 2010 | 2.0% | 9.3% |

Source: Enterprise Florida, Inc. as of 5-24-2010 – Primary Data: Various standard published government and non-government sources

Selected National Indicators (USA)

| Indicator | Value | Period | Change from Previous Period | Annual Growth |
|--|------------|------------|-----------------------------|---------------|
| Gross Domestic Product (billions) | \$14,601.4 | Q1 2010 | 3.2% | 2.5% |
| Total Employment (thousands) | 139,455 | April 2010 | 0.4% | -1.0% |
| Unemployment Rate | 9.9% | April 2010 | +0.2% | +1.0% |
| Jobless Claims, last week of month (thousands) | 439 | April 2010 | -6.4% | -34.4% |
| Job Cuts Announcements (Challenger Report) | 38,326 | April 2010 | -43.3% | -71.1% |
| ISM Manufacturing Index | 60.4 | April 2010 | +0.8 | +20.3 |
| ISM Non-Manufacturing Business Activity Index | 55.4 | April 2010 | 0.0 | +11.7 |

Source: Enterprise Florida, Inc. as of 5-24-2010 – Primary Data: Various standard published government and non-government sources



Political Climate

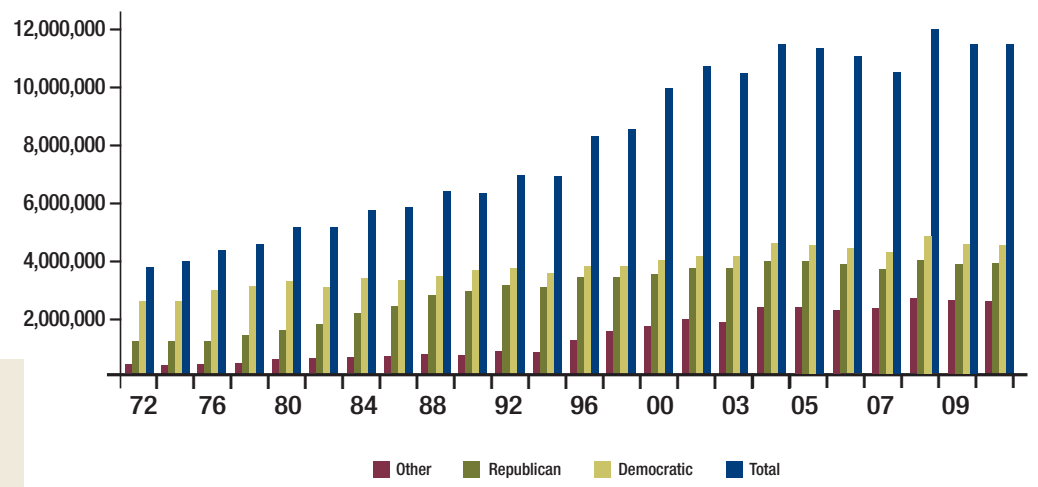
With the announcement of Governor Charlie Crist (R) following the 2009 Regular Session that he would be running for the U.S. Senate seat, the political calculus in Florida became unwieldy as a series of office holders announced their intentions to seek other offices. This created open seats in the Florida Cabinet, Florida's Congressional delegation, and the Florida House and Senate. It has also affected local government leadership throughout the state. The 2010 political cycle continues to be influenced by ever-changing variables and many races will be decided in the 11th hour. The presence of contentious Constitutional amendments on the 2010 ballot will also play an important role in shaping the political climate by increasing voter turnout.

Compounding the complexities of the 2010 political cycle is the 2010 U.S. Census and its implications for redistricting and reapportionment. The goal of the 2010 Florida Census is to maximize population counts to ensure the state receives its fair share of Congressional representation and allocation of federal dollars; the outcome also directly affects state House and Senate districts. Two proposed Constitutional amendments on the 2010 ballot (Amendments 5 and 6) would substantially increase the criteria from which Congressional and Legislative districts are drawn. The proposal is highly unpopular with Legislative leadership. In response, House Joint Resolution 7231 was adopted during the 2010 Session. The legislation creates an additional Constitutional amendment that complements Amendments 5 and 6. Critics argue it will weaken Amendments 5 and 6 and confuse voters.

On the heels of an unsuccessful effort to allow oil drilling off of Florida in 2009, the Deepwater Horizon catastrophe has ended any hope of gaining political momentum for pro-drilling interests. The extent of the disaster and the ensuing public outrage will undoubtedly affect the strategies of campaigning parties for the November elections. There is also a renewed interest in developing a stronger policy framework for alternative energy sources as a result of the oil disaster. Governor Crist is attempting to build on the anti-drilling sentiment by publicly threatening a Special Session to adopt a proposed Constitutional amendment to ban offshore drilling or help businesses recover. He is being met with significant opposition.

Democrats have a higher percentage of voter registrants (42%) than do Republicans (36%) in Florida. However, the Senate and House have a Republican majority and three of the four statewide elected cabinet members are Republican; as are the majority of the Florida Congressional delegation. The Republicans are more motivated to turnout. In addition, there are an ever-increasing number of voters registering as Independents. Their voter turnout and performance for either party will be a major factor in the outcome of the 2010 general election.

Voter Registration in Florida
1972 - Current



| Party Affiliation | |
|----------------------|-----|
| Democrat | 42% |
| Republican | 36% |
| No Party Affiliation | 19% |
| Minor | 3% |

Source: Florida Department of State, Division of Elections (data is reflected through March 2010)

US Senate

The Democrats won control of the U.S. Senate in the 2006 Mid-Term Elections with a gain of nine seats. Florida is represented by Bill Nelson (D-FL) and Senator George LeMieux (R-FL). After a seemingly insurmountable lead in Republican primary polls, Governor Crist found himself behind former Speaker of the House, Marco Rubio. Governor Crist subsequently changed his party affiliation to the Independent Party to ensure his participation in the general election. U.S. Congressman Kendrick Meek (D-Miami Gardens) is currently the frontrunner in the Democratic primaries; he is challenged by billionaire executive Jeff Green (D) and former Miami Mayor, Maurice Ferre (D). Mr. Green has spent substantial sums to close the gap and may well be the Democratic nominee.

In January 2010, Senate Democrats lost super-majority with the special election of Senator Scott Brown (R-MA), who replaced the late Edward Kennedy (D-MA). Most recently, the Senate primaries reflected a general anti-incumbent attitude as long time Senator Arlen Specter (D-PA) lost his seat and Senator Blanch Lincoln (D-AK) was forced into a primary runoff. Tea Party member Rand Paul's victory in the Kentucky primary indicates some momentum gained in the Tea Party's favor; the movement's legitimacy will truly be tested in general elections and it remains to be seen whether it will benefit the heavily conservative Rubio.

The three party general election stands as one of the most intriguing national races and the Obama Administration will be closely monitoring its outcome.

US House

Florida's delegation is comprised of sixteen Republicans and nine Democrats. There will be several hotly contested seats during the 2010 election cycle which is a critical Mid-term election for the Obama Administration and the Democratic Party. U.S. Representatives Suzanne Kosmas (D-New Smyrna Beach), Allen Boyd (D-Monticello), and Alan Grayson (D-Orlando) are the most vulnerable incumbents and represent opportunities for the GOP to add to their majority. Seats vacated by Congressmen Adam Putnam (R-Bartow) and Mario Diaz-Balart (R-Miami) will also alter the make-up of Florida's Congressional delegation.

The composition of the U.S. House changed as a result of the 2008 election with a net gain of 24 Democratic seats. An anti-establishment sentiment has also emerged in the Congressional primaries this spring, including the loss of Idaho GOP-favorite, Vaughn Ward (R), who failed to win the nomination against state Representative Raul Labrador (R).



Florida's Cabinet

Florida Governor

Charlie Crist's (R) announcement to vacate the Governor's seat created an opportunity for the current Chief Financial Officer, Alex Sink (D), and Attorney General, Bill McCollum (R). Emerging as a threat in the Republican primary is Tampa businessman Rick Scott (R) who has surprisingly undermined the McCollum campaign on a number of fronts and gained in recent polls. Also adding intrigue to the Governor's race is the recent introduction of Bud Chiles—son of former Florida Governor Lawton Chiles—as an Independent. Democrats are concerned his participation will draw votes away from Sink in the general election.

Each candidate will be campaigning on principles that reflect their respective backgrounds. Sink will focus on streamlining state government, demanding accountability, promoting openness and transparency, and protecting consumers. McCollum's priorities are job creation, litigation reform, fighting the federal healthcare bill, and creating safer and stronger communities. Rick Scott has branded himself as a conservative outsider who will fight for higher government accountability standards. Similarly, Bud Chiles' platform is to challenge the traditional two-party system and fight for ordinary citizens.

Florida Chief Financial Officer

The seat will be open for the 2010 election cycle. Current Senate President Jeff Atwater (R-Palm Beach) is the lead Republican candidate. The Democratic frontrunner is former Representative Lorraine Ausley, who has emerged as a legitimate contender in projected general election polls against President Atwater. However, both campaigns have expended little financial resources to date; President Atwater holds a significant financial and name recognition advantage.

Florida Attorney General

This seat will be open for the 2010 election cycle. Current Lieutenant Governor Jeff Kottkamp is leading by a slim margin, but is being closely challenged in the primary by Pam Bondi (R) and Holly Benson (R). The Democratic contenders are both state Senators from South Florida, Dave Aronberg (D-Greenacres) and Dan Gelber (D-Miami Beach). Both primaries are wide open as a large portion of voters remain undecided (over 70%). The election outcome will be largely determined by the efficient and targeted use of campaign resources as well as the ability to effectively communicate respective agendas.

Florida Agriculture Commissioner

Agriculture Commissioner Charles Bronson (R) is term limited in 2010, ensuring that all four Cabinet seats are open. The leading Republican candidate is Congressman Adam Putnam (R-Bartow). The leading Democrat is Scott Maddox, former Mayor of Tallahassee; he will be challenged in the primary by former state Representative Rick Minton (D-Boynton Beach). The winner of that contest will face former Congressman Adam Putnam, (R-Polk). Current polls project a marginal lead by Maddox over Putnam for the general election. However, Putnam enjoys a significant advantage in campaign resources and the support of the state's significant agricultural interests, a factor that will likely play an important role in the final outcome.



Florida Senate Leadership

2009-2010

President- Jeff Atwater- Palm Beach (R-25)
 President Pro Tempore- Mike Fasano, New Port Richey (R-11)
 Majority Leader- Alex Diaz de la Portilla, Miami (R-36)
 Minority Leader- Al Lawson, Tallahassee (D-6)

2011-2012²

President- Mike Haridopolos, Melbourne (R-26)
 Minority Leader- Nan Rich, Sunrise (D-34)

2013-2014³

President- Don Gaetz, Fort Walton Beach (R-4)



Photo courtesy of Mark Foley

2010 Election Cycle- Florida Senate

| Senator | Party | District | Termed Out | 2010 Candidate(s)/ Opponent(s) |
|---------------------------|-------|----------|------------|---|
| Constantine, Lee | R | 22 | 2010 | Simmons, David (R) Myre, Matt (D) |
| Crist, Victor | R | 12 | 2010 | Ambler, Kevin (R) Norman, Jim (R) |
| Diaz de la Portilla, Alex | R | 36 | 2010 | Diaz de la Portilla, Miguel (R) Robaina, Julio (R) |
| Garcia, Rodolfo | R | 40 | 2010 | Garcia, Rene (R) |
| Lawson, Al | D | 6 | 2010 | Shaw, John (R) Montford, Bill (D) Richardson, Curtis (D) Abrams, David (NPA) Arencibian, Harrison (NPA) |
| Peaden, Durell | R | 2 | 2010 | Evers, Greg (R) Hill, Mike (R) |
| Villalobos, Alex | R | 38 | 2010 | Flores, Anitere (R) Rivera, David (R) Gerson, Les (D) |

Source: Florida Department of State, Division of Elections ² Future leadership anticipated ³ Future leadership anticipated



2010 Election Cycle- Florida Senate (continued)

| Senator | Party | District | Termed Out | 2010 Candidate(s)/ Opponent(s) |
|-------------------------------|-------|----------|------------|--|
| Aronberg, Dave ⁴ | D | 27 | 2012 | Benacquisto, Lizbeth (R) Burkett, Peter (D) Merchant, Sharon (R) Rader, Kevin (D) |
| Atwater, Jeff ⁵ | R | 25 | 2012 | Bogdanoff, Ellyn (R) Domino, Carl (R) Loeb, Nick (R) Skidmore, Kelly (D) |
| Baker, Carey | R | 20 | 2012 | Bakich, Michael (R) Hays, Alan (R) Garbutt, Eunice (D) |
| Justice, Charlie ⁶ | D | 16 | 2014 | Hayden, Nina (D) Latvala, Jack (R) |
| Gelber, Dan | D | 35 | 2016 | Margolis, Gwen (D) |

Florida House Leadership

2009-2010

Speaker- Larry Cretul, Ocala (R-22)
 Speaker Pro Tempore- Ron Reagan, Bradenton (R-67)
 Majority Leader- Adam Hasner, Del Ray Beach (R-87)
 Minority Leader- Franklin Sands, Weston (D-98)

2011-2012⁷

Speaker- Dean Cannon, Winter Park (R-35)
 Minority Leader- Ron Saunders, Key West (D-120)

2013-2014⁸

Speaker- Will Weatherford, Wesley Chapel (R-61)



⁴ Vacating seat ⁵ Vacating seat ⁶ Vacating seat ⁷ Future leadership anticipated ⁸ Future leadership anticipated

2010 Election Cycle- Florida House



| Representative | Party | District | Termed Out | 2010 Candidate(s)/ Opponent(s) |
|-------------------|-------|----------|------------|--|
| Adams, Sandra | R | 33 | 2010 | Bland, Scott (R) Brodeur, Jason (R) Cruz, Leo (D) DeCocq, James (R) Heriot, Karen (R) Paul, Ellen (LIB) Perez, Franklin (LIB) Sterling, Alice (R) |
| Ambler, Kevin | R | 47 | 2010 | Aderhold, Tom (R) Blair, Brian (R) Grant, James William (R) Guy, Irene (R) Reidy, Richard (R) Steinberg, Michael (D) |
| Anderson, Thomas | R | 45 | 2010 | Calvo, Fabian (R) Corcoran, Richard (R) Starkey, Kathryn (R) Folkman, Carl (R) |
| Brandenburg, Mary | D | 89 | 2010 | Brandenburg, Peter (D) Clemens, Jeff (D) Rosenblum, Steven (R) |
| Cretul, Larry | R | 22 | 2010 | Deakins, John (R) Johannesen, Chad (R) Martello, Sarah (D) Perry, Keith (R) Samarrai, Remzey Paul (R) |
| Culp, Faye | R | 57 | 2010 | Frank, Stacey (D) Marks, Todd (R) Matthews, AJ (R) Molloy, Dan (R) Young, Dana (R) |
| Domino, Carl | R | 83 | 2010 | Arena, Tony (D) Cardone, Nancy (R) Lew, Gary (D) Marciano, Mark (D) Rodriguez, Francisco (R) Rooney Jr., Patrick (R) |
| Evers, Greg | R | 1 | 2010 | Brown, Greg (R) Broxson, Douglas Vaughn (R) Early, Jeremy (R) Perritt, Ricky (R) Salomon, Ferdinand (R) Venditto, Mathias (NPA) |
| Galvano, Bill | R | 68 | 2010 | Boyd, Jim (R) |
| Gibson, Audrey | D | 15 | 2010 | Fullwood, Reggie (D) Smith, Randall (R) |

Source: Florida Department of State, Division of Elections



2010 Election Cycle- Florida House (continued)

| Representative | Party | District | Termed Out | 2010 Candidate(s)/ Opponent(s) |
|---------------------|-------|----------|------------|--|
| Hasner, Adam | R | 87 | 2010 | Hager, Bill (R) Holzhauer, Hava (D) Rawlins-Blum, Laura (D) |
| Homan, Ed | R | 60 | 2010 | Blair, Daniel (R) Cano, Christopher (D) Harrison, Shawn (R) Patterson, Russ (D) Stroud, Ramon (R) Wendt, Joseph (R) |
| Llorente, Marcelo | R | 116 | 2010 | Amador, Francisco (R) Bermudez, Whilly (R) Cevallos, Christian (NPA) Cruzet, Alex (D) Manrique, Carlos (R) Trujillo, Carlos (R) |
| Murzin, Dave | R | 2 | 2010 | Bentley, Zane (NPA) Ingram, Clay (R) Karasek, David Martin (R) |
| Patterson, Pat | R | 26 | 2010 | Champion, Vince (R) Costello, Fred (R) Huth, Timothy (D) McDonell, Nathan Daniel (R) |
| Planas, Juan-Carlos | R | 115 | 2010 | Ascencio-Savola, Carla (R) Diaz, Jose (R) Solomon, Jeffrey (D) |
| Poppell, Ralph | R | 29 | 2010 | Dale, Robert (R) Freeman, Eddie (D) Goodson, Tom (R) Grall, Erin (R) Shealy, Roger (R) |
| Reagan, Ron | R | 67 | 2010 | Guccione, Jeremiah (R) Hafeez, Z. J. (D) McCann, Robert (R) Steube, Greg (R) Studebaker, John (NPA) |
| Rivera, David | R | 112 | 2010 | D'Arce, Juan (R) Van Name, Robert (NPA) Farias, Johnny (D) Guerrero, James (R) Nunez, Jeanette (R) Ruiz, Sandra (D) |

Source: Florida Department of State, Division of Elections



2010 Election Cycle- Florida House (continued)

| Representative | Party | District | Termed Out | 2010 Candidate(s)/ Opponent(s) |
|--------------------------------|-------|----------|------------|---|
| Robaina, Julio | R | 117 | 2010 | Alliegro, Ana (R) Bileca, Michael (R) Rosado, Ralph (R) Martinez Jr., Ernesto (R) Lesperance, Lisa (D) Pazos, Jose (R) Rivchin Jr., Marcus (R) Robaina, Juan Carlos (R) Flinn, Eugene (D) |
| Roberson, Yolly | D | 104 | 2010 | Etienne, Michael (D) Julien, John Patrick (D) Maloy, Marilyn (D) Hepburn, Michael (D) Kon, Joshua (R) Simon, Dominique (D) Tisdol, Matthew (D) |
| Troutman, Baxter | R | 66 | 2010 | Albritton, Ben (R) Baccus, Chevon (R) Newberry, Gary (R) Reed, Leviticus (R) |
| Zapata, Juan | R | 119 | 2010 | Artiles, Frank (R) Edwards, Katie (D) Denny, Graziella Renee (NPA) |
| Bogdandoff, Ellyn ⁹ | R | 91 | 2012 | Maymon, David (R) Postelnik, Yomin (R) Moraitis Jr., George (R) Stern, Barbra (D) |
| Flores, Anitere | R | 114 | 2012 | Blanco, Robert (D) Fugon, William (R) Wood, Denny (NPA) Diaz, Rafael (R) Logan, Ana (R) Navarro, Lubby (R) Gonzalez-Eilert, Anjenys (D) Herrera, Millie (D) |
| Hays, Alan | R | 25 | 2012 | Metz, Larry (R) Wood, Frank (D) Joyce, Rick (R) |
| Hukill, Dorothy | R | 28 | 2012 | Valedes, Theresa (R) |
| Skidmore, Kelly | D | 90 | 2014 | Klasfeld, Sheldon (D) Slosberg, Irving (D) |

Source: Florida Department of State, Division of Elections ⁹ Vacating seat

Conclusions

Business

Florida has experienced a “tectonic shift” in its economic foundation, challenging every economic paradigm which supports its budgetary structure, as well as the assumptions on which our tax structure rests, such as tourism and real estate development, sales tax, and property insurance.

The extent to which Florida can efficiently and sustainably recover relies on addressing a number of core problem areas. In particular, significant policy reforms must address housing foreclosures and the significant excess in housing supply; regulatory and workforce support systems must be integrated and aligned with statewide economic development goals and objectives; and federal stimulus dollars must be more efficiently utilized. The state’s FY 2011-2012 budget will force leadership to direct limited resources to a strict set of priorities. Efforts to increase state revenue such as the compact with the Seminole Indians and the allowance of offshore drilling have proven difficult. Agency cuts, partial policy development, and frugal spending are negative outcomes of a constrained budget, which directly undermine Florida’s business environment.

Even in light of political uncertainty, government will continue to react quickly and efficiently— more than ever— in creating a more business-friendly environment for job

creation and private investment opportunities. The Legislature’s Select Committees on Florida’s Economy will continue to provide the Legislature direction with projects and policies that specifically address immediate economic needs. Also important will be Amendment 4 on the 2010 ballot, which could significantly impact Florida’s future business and land use growth model. The relationship between stimulating growth and balancing its impacts on quality of life is a particularly important and highly complex issue. This relationship sits squarely at the intersection of business and government and its relevance will continue to grow as we craft Florida’s 21st Century economy.

In this dynamic business climate, the need for sound, economic policy continues to be at a premium more than ever. The regulatory environment must become more business friendly and incent investment in existing and new companies. The state’s success over time can only be measured by its ability to efficiently develop and implement short-term policies that stop the economic downturn and lead us out of the recession, mid-term strategies to ensure positive growth, and a long-term economic model that reduces vulnerability and ensures prolonged sustainability.



Political

President Obama’s ambitious agenda has been tested through a highly partisan and increasingly anti-establishment sentiment. The new administration was immediately charged with leading American citizens out of a recession and back into economic prosperity. The response was the American Recovery and Reinvestment Act of 2009, which remains highly contested and difficult to accurately assess. Regardless, Florida’s economy as well as the national economy is demonstrating tangible signs of revitalization. The passing of the healthcare bill was also historical, yet its implementation is far from being realized and will remain a highly contentious issue. Environmental issues arising from the BP oil spill, financial reform addressing the economic meltdown related to housing, immigration reform stemming from controversial legislation passed in Arizona (and a potential for mass migration events relative to Cuba and Haiti as well as an active hurricane season), and a reemergence of alternative energy will be the focus of political debates leading up to November 2. The outcomes of the 2010 Mid-term elections will largely determine the extent to which President Obama can further his agenda, and ultimately, his chances for a second term.

Florida’s change during the 2008 Presidential election from a Republican to a Democratic voting state was significant and will set the backdrop for the state’s 2010 Gubernatorial,

Congressional, and Legislative races. The dynamism and breadth of these races portend a shuffled political landscape affecting policy directions for core issues such as regulatory structure, environmental regulation, property tax and insurance, and statewide economic revitalization initiatives; all issues critical to business. Further, the outcome of the 2010 Census will determine the size of Florida’s Congressional delegation, Florida’s allocation of federal funding for at least ten years after the Census, and the shape and make up of Florida House and Senate districts. There are several ballot questions on the redistricting process and related issues that are sure to increase voter turnout and effect election outcomes. Each of these factors are significant; taken together however, these issues create a politically volatile period between now and November 2, 2010.

Out of crises emerge leadership and opportunity. As political uncertainty begins to take form, the direction of substantive policy in core issues will also crystallize, creating opportunities for elected officials to demonstrate sound, bipartisanship leadership that improves the quality of life for Florida’s citizens and fosters a healthier and more dynamic business environment. The challenges are immense and it will require creative and collaborative efforts from all levels of Florida’s government.



“Crafting innovative solutions to issues facing business and government”

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Florida Business and Political Climate

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