



# **BUSINESS CLIMATE Advisory Committee**

**Meeting #1**

**April 5, 2017 3:30 ET**

# Today's Agenda

- **Introductions**
- **Project Overview**
- **Recap of March meeting**
- **Pillar Issues and Needs**
- **Pillar Priorities**
- **Next Steps and Action Items**

# Pillar Advisory Committee Introductions

Name

Organization

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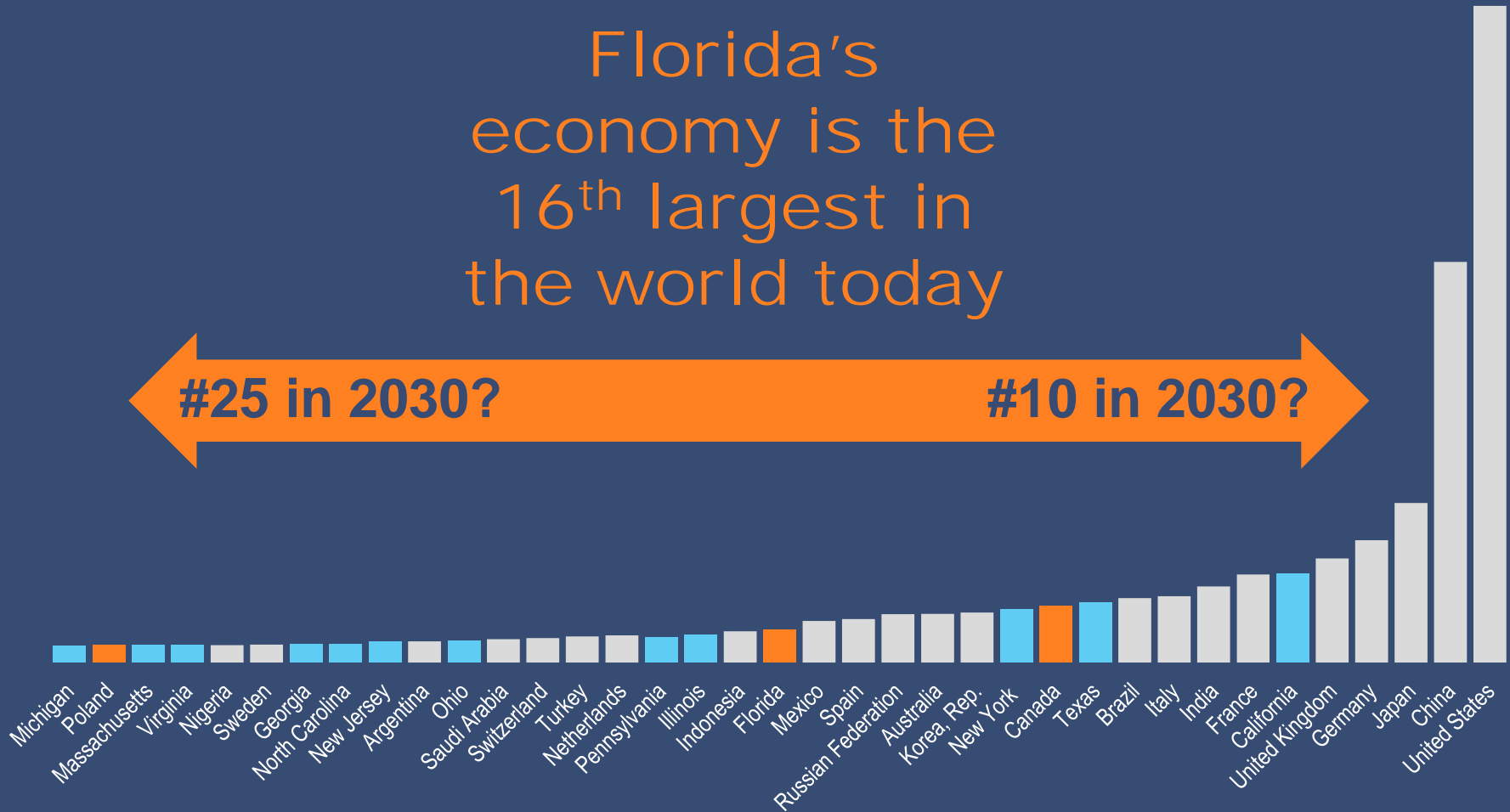
“We must plan better for the next 6 million Floridians than we did for the last 6 million”

# Where Will We Be?

Florida's  
economy is the  
16<sup>th</sup> largest in  
the world today

#25 in 2030?

#10 in 2030?



Source: World Bank, 2015

Florida Chamber Foundation Trustees

Florida 2030  
Executive Steering  
Committee

Stakeholder,  
Association, and  
Agency Partners

Talent Supply &  
Education  
Advisory  
Committee

Innovation &  
Economic  
Development  
Advisory  
Committee

Infrastructure &  
Growth  
Leadership  
Advisory  
Committee

Business Climate  
&  
Competitiveness  
Advisory  
Committee

Civic &  
Governance  
Systems  
Advisory  
Committee

Quality of Life &  
Quality Places  
Advisory  
Committee

Caucus Members

Caucus Members

Caucus Members

Caucus Members

Caucus Members

Caucus Members

# Anticipated Committee Work Plan

| Date                        | Activity  |
|-----------------------------|---|
| March 22-23                 | Kickoff meeting   |
| April 5                     | Webconference to review initial research results                                  |
| April 18                    | Joint call of all committees  |
| May 9                       | Webconference to review additional research results                               |
| May 16 (tentative)          | Joint call of all committees  |
| June 14-15,<br>Orlando      | In person meeting to begin identifying 2030 targets and strategies                |
| July-August                 | Additional webconferences as needed to refine 2030 targets and strategies         |
| September 27-29,<br>Orlando | Future of Florida Forum– in person meeting to review draft Pillar research report |
| Early 2018                  | Rollout of Florida 2030 report  |





# Today's Presenters



**Chris Engle**



**John Rees**



# Introductions: Pillar Research Lead

## Avalanche Consulting

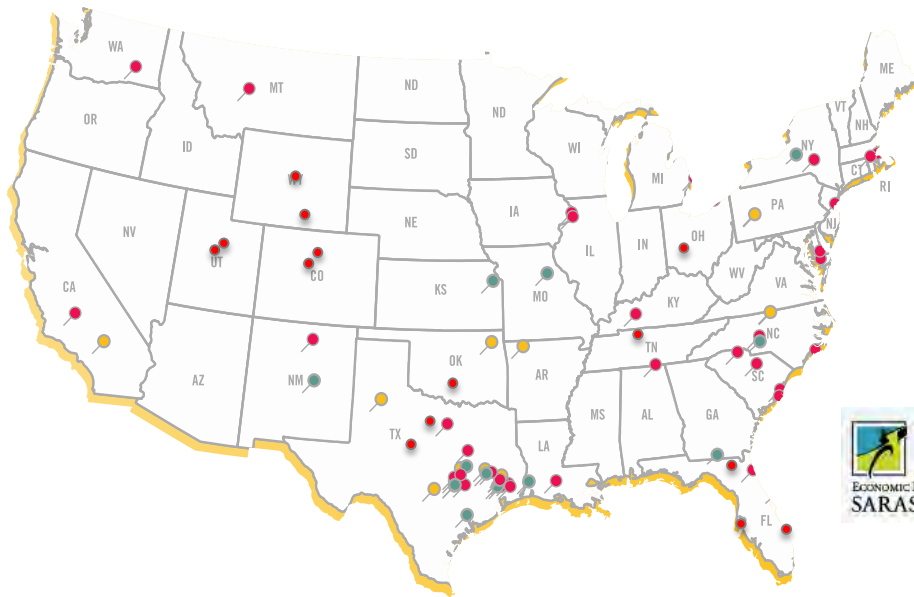
- Economic Analysis
- Strategic Planning
- Industry Research



**Chris Engle**  
Vice President



**John Rees**  
Dir. of Research



Florida Clients (Last 5 Years)

tampaBAY  
partnership



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# March 23 Committee Meeting Recap

- **Discussion on the Future of Jobs in Florida**
- **Presentation / Feedback on Business Climate Conditions**
- **Discussion on Economic Development**
- **Futur(istic) Industries**

# March 23 Committee Meeting Recap

- **Discussion on the Future of Jobs**

- *How do we position ourselves for where the jobs will be?*
- *We need realistic expectations of technology and how fast it is moving*
- *Disruptive probably isn't a big enough word.*
- *Need more focus on startup cluster, not top-down / elephant hunting*
- *Sales tax exemptions have had a big impact on manufacturing*
- *How can we leverage our retired executive workforce?*
- *Students need to learn entrepreneurial skills. Some WIBs are starting to teach this as a backdoor to upskill workforce.*

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# Commercial Insurance / Workers Comp.

## Strengths

- Fairly low workers comp rates and thresholds (19th lowest rate in US)
- Competitive unemployment ins. rates

## Weaknesses

- Among highest auto and property insurance rates in the US

## Concerns

- Swings between Citizens and private property insurers create risk for the state
- Growing impact of climate change / hurricane risk
- Legal decisions increase uncertainty and may contribute to rising costs.

# Taxes

## Strengths

- State ranks 4th best business tax environment in US by Tax Foundation

## Weaknesses

- Local tax climate ranks in bottom half of states due to high property tax rates
- Corporations shoulder a disproportionate level of the state's tax burden

## Concerns

- Shift to sharing economy and 1099 workforce may reduce tax revenue
- Aging population may create imbalances in tax revenue
- Underfunding of local pensions may force future tax hikes
- Growth has historically fueled tax revenue - what if growth slows? How do we “right-size” the tax base to match a changing economic base?



# Regulation / Permitting / Property Rights

## Strengths

- Strong property tax rights with protections from costly regulations
- State ranks well in Small Biz/Startup Regulations (Top 20% of states)

## Weaknesses

- Permitting is difficult and time consuming, with extensive requirements

## Concerns

- Local gov't liability for its planning decisions has slowed down permitting process
- Land use regulations become less clear and costly
- Rapid urbanization and slow permitting cause costs to escalate

# Legal Reform / Employer Mandates

## Strengths

- Right-to-Work status is a strength
- Past legislative actions show reform is possible

## Weaknesses

- Low, declining ranking of legal climate by US Chamber (44/50 states); lack of fairness
- Tort Liability Environment ranks poorly in multiple studies for large and small businesses

## Concerns

- Without tort reform, liability costs and lawsuits continue to increase
- Occupational Licensing requirement could restrict supply of new workers
- Growing Knowledge Economy constrained by lack of skilled workers
- Court system funding levels are insufficient to meet demand



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# Business Climate & Competitiveness Pillar & Zones

## 1. Commercial Insurance

- Property & Casualty
- Workers Compensation
- Unemployment Compensation

## 2. Taxes

## 3. Regulation

## 4. Permitting

## 5. Property Rights

## 6. Legal Reform

## 7. Workplace Issues

- Employer Mandates
- Right to Work Threats

**Which issue will be most important in 2030?**

**Are we prepared for 2030?**

**What are we missing in this list?**

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# Share Your Thoughts

- The Avalanche team would like to offer individual interviews for all Committee members. If you are interested, please contact us:

**Chris@AvalancheConsulting.com**

- What additional existing research, studies, and plans we should review?
- Who else should be on our interview list?
- Other partners who should be at the table?

## Upcoming Dates

- Joint committee call: **April 18, 10 am to 12 noon Eastern**
- Business Climate Pillar Advisory Committee call: **May 9, 3:00-4:30 PM Eastern**
- In person meetings: **June 14-15, Orlando**



**1,000s** of Floridians

**6** Pillars

**2** Years

**1** Plan

**FL 2030 @FLChamber.com**