



MELBOURNE **regional**
CHAMBER of East
Central Florida

2017 Legislative Agenda

Adopted by the MRC Board of Directors 14 Dec 16

About this Agenda

This document outlines the general policy positions of the Melbourne Regional Chamber of Commerce as it relates to local, state, and federal legislative issues and actions and their impact on our regional business community.

Our Guiding Priorities for This Agenda:

- Fiscal Conservatism
- Transportation Infrastructure
- Indian River Lagoon Restoration and Maintenance
- Support for Space and Aerospace Industry in Brevard
- Support for Military Presence in Brevard
- Ad Valorem Tax Abatement
- Reduce Legislation That Imposes Increased Costs to Employers
- Streamlined Government Policy and Procedures to Support Business Growth

Local Issues

SUPPORT FISCAL CONSERVATISM FOR LOCAL GOVERNMENT MILLAGE RATES

Just as businesses must prudently manage expenses to ensure they remain in line with available revenues, local governments must be willing to make tough decisions when required to ensure municipal budgets are aligned to core priorities and avoid wasteful spending. The Chamber encourages governmental fiscal constraint, efficient and trim budgets, and regulatory relief to avoid impediments to business growth and expansion.

SUPPORT EFFORTS TO RESTORE AND MAINTAIN THE INDIAN RIVER LAGOON

The Indian River Lagoon is a diverse, shallow-water estuary stretching across 40 percent of Florida's east coast. Spanning 156 miles from Ponce de Leon Inlet in Volusia County to Jupiter Inlet in Palm Beach County, the lagoon is an important commercial and recreational fishery and economic resource. The total estimated annual economic value of the lagoon is \$3.7 billion, supporting 15,000 full and part-time jobs and providing recreational opportunities for 11 million people per year.

The Chamber supports the Indian River Lagoon Council and the Indian River Lagoon National Estuary. We urge the County to look for opportunities to leverage the half-cent sales tax revenue with partners, the State, and the Federal Government to restore the lagoon and to improve long-term research and management of the lagoon system.

SUPPORT TRANSPORTATION INFRASTRUCTURE FUNDING AS A PRIORITY

A core function and responsibility of government is to build and maintain the transportation infrastructure within its jurisdiction. Failing to fund, maintain and/or adequately meet the community's transportation infrastructure needs will have a compounding negative impact on the economic vitality of our area making it more difficult for companies to grow and expand in our area.

The Chamber encourages our local government authorities to prioritize transportation funding. If not able to identify adequate resources within the existing budget through reprioritization to meet the identified needs, then the Chamber supports the Blue Ribbon Advisory Board for Transportation Infrastructure recommendations to the County Commission in relation to funding for infrastructure.

SUPPORT AD VALOREM TAX ABATEMENT PROGRAMS

The Chamber recognizes that there are only a few primary ways to increase available revenue for our local government authorities to meet obligations to its citizens: increased property values, new taxes, increased existing tax rates, or increased net payers into the tax base.

The Chamber believes that the best way to generate additional revenues required is by adding net new payers into the tax base. This creates new revenues without increased tax rate burden on the existing tax payers.

Therefore when a business chooses to make an investment in our community by building a new facility or expanding an existing facility that will ultimately add new taxes to the tax base. The Chamber supports providing partial and temporary tax abatement against the new property tax revenue given that the business meets certain new employment and pay requirements.

BUSINESS DEVELOPMENT INCENTIVE PROGRAMS

The Chamber understands the compounding value our community realizes when a new business is recruited to locate in Brevard. We further acknowledge that the recruitment of new businesses to our area can be very competitive, and that in many cases those businesses are offered variety of incentives to encourage them to choose to locate in one location over the other. Given that each situation is unique, the Chamber believes that each incentive opportunity must be individually evaluated for return on investment to our community and that any time tax payer money is going to be provided as part of an incentive program, there should be great care and diligence exercised.

SUPPORT THE INCLUSION OF AGRICULTURE IN PLANNING DECISIONS

In the comprehensive planning process, support keeping agricultural interests involved in the updating of Brevard's Comprehensive Plan; and support policy-makers addressing impacts to agriculture when making growth and development decisions.

State Issues

OPPOSE UNFUNDED MANDATES

Support legislation that reduces or eliminates unfunded mandates previously imposed on local governments by the State of Florida.

SUPPORT EFFORTS TO CONTROL WORKERS COMPENSATION COSTS

After many years of work by the Legislature and the business community to manage what had previously become out of control costs of workers compensation insurance for Florida business, the Chamber is very concerned over the recent rulings that would appear to provide a major setback for Florida employers. We encourage the Legislature to work diligently and quickly to identify ways to protect Florida's businesses from once again experiencing rapidly spiking workers compensation premiums that make it difficult to remain competitive and hire additional employees.

SUPPORT EFFORTS TO RESTORE AND MAINTAIN THE INDIAN RIVER LAGOON

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The Citizens of Brevard County have stepped up in a big way to fund restoration of the lagoon system by approving a local half-cent sales tax. The Chamber is asking the Legislature to support efforts to leverage local funding with Amendment 1 revenues to improve the long-term research and management of the lagoon system. This is an outstanding opportunity for the State to partner with a local County that has taken the first steps toward addressing a key local and regional issue.

OPPOSE ALLOWING STATE TRANSPORTATION TRUST FUND TO BE USED FOR OTHER PURPOSES

Funding for the Florida Department of Transportation's operations comes from the State Transportation Trust Fund. The sources of revenue for this trust fund include state fuel taxes, motor vehicle fees, and federal apportionments and grants. Turnpike projects are funded by toll collections, concession revenues, and bond revenue proceeds.

The Chamber asks legislators to protect the State Transportation Trust Fund and Transportation Disadvantaged Trust Fund - In the long term; taking money from trust funds for non-transportation uses degrades the state's transportation system and impairs the state's economic competitiveness, public safety and quality of life.

SUPPORT FUNDING THE TRANSPORTATION REGIONAL INCENTIVE PROGRAM (TRIP)

TRIP funds come from documentary stamps to provide matching funds (up to 50%) for improvements to regionally significant transportation facilities. The Chamber encourages the continued funding of TRIP.

SUPPORT FUNDING REGIONAL TRAILS THAT EXPAND ACCESS TO PUBLIC LANDS

The Chamber encourages the allocation of up to 10% of Amendment 1 documentary stamp funds to build a statewide regional trail system that will provide public access to Florida's natural resources and to expand eco-tourism.

SUPPORT CONSIDERATION FOR LOCAL PRIORITIES FOR FLEXIBLE TRANSPORTATION FUNDING

New federal guidelines allow increased state discretion for use of transportation funds. The state's transportation funding policies need to address local comprehensive transportation system needs and successful programs such as Complete Streets and Safe Routes to School.

SUPPORT WORKFORCE DEVELOPMENT

The Chamber understands the importance of building a workforce that is ready to meet the needs to today's employers and supports the efforts to prepare and enhance the workforce including the programs of Career Source Brevard.

SUPPORT CURRENT SCHOOL START DATE

The Chamber will support the state law that currently mandates that public schools start no later than 14 days before Labor Day to starting no earlier than 21 days before Labor Day.

SUPPORT INVESTMENTS IN SPACE TRANSPORTATION INFRASTRUCTURE – Continue to prioritize and fund spaceport projects in the Strategic Intermodal System five year plan. Incorporate spaceports into all long-range transportation plans and programs with specific policies and procedures for spaceport development.

SUPPORT AEROSPACE, SPACE, AND TECHNOLOGY DEVELOPMENT

The Chamber will support policies, investments, and advocacy for economic development, employment, research, and education activities that advance Space and related high-tech industries that will clearly identify Florida as the best location for the next generation of civil and military Space and Aerospace programs and emerging commercial Space and Aerospace opportunities. We support Enterprise Florida, and the Economic Development Commission of Florida's Space Coast efforts to invest in this area, and the Space Florida Budget priorities.

SUPPORT ORLANDO MELBOURNE INTERNATIONAL AIRPORT INFRASTRUCTURE IMPROVEMENTS

The Chamber supports the high priority funding requests of the Orlando Melbourne International Airport (MLB). The Airport serves Brevard County and surrounding areas accommodating nearly 500,000 passengers annually on five commercial airlines. The airport is self-sustaining, does not receive any ad valorem taxes to operate, and has more than a \$2 billion economic impact on the Space Coast Region.

The airport is home to aerospace titans such as the Harris Corporation headquarters; Embraer Executive Jets North America; as well as Department of Defense contractors' Northrop Grumman, Satcom Direct, GE Transportation, Rockwell Collins, and other highly respected aviation and aerospace entities. MLB is fortunate to have U.S. Customs and Border Protection services to clear flights from International destinations and is part of Foreign Trade Zone #136.

As the closest airport to Port Canaveral and Kennedy Space Center, MLB regularly accommodates some of the world's largest aircraft, including the Antonov 225. MLB is building on its reputation as "America's fastest growing Aviation/Aerospace Center" but must compete for transportation and other available grants to facilitate its continued success.

SUPPORT INVESTING IN PORTS

The Chamber will support growth opportunities for Port Canaveral and support prioritized, strategic investments in critical infrastructure needs based on the promotion of efficient connectivity among related transportation modes and facilities and the enhancement of Florida's ability to compete in the global marketplace.

SUPPORT REDUCING THE COMMERCIAL LEASE SALES TAX

Florida is the only state that imposes a specific business rent tax. Florida charges 7 percent on the total rent paid for any commercial property including storefronts, offices and warehouses.

This excessive tax is hampering economic recovery for employers and especially small businesses; subjecting Florida businesses to disproportionate regulatory burdens; creating instances of double taxation; and sacrificing our competitiveness in securing more corporate headquarters and other employers into the state – ultimately costing Florida jobs.

SUPPORT CURRENT MINIMUM WAGE ACT

Florida adjusts the state minimum wage annually based on the Consumer Price Index (CPI) as part of the Minimum Wage Act. The Chamber supports the current minimum wage as established by the constitution and law.

OPPOSE USE OF TOURIST DEVELOPMENT TAX FOR OTHER PURPOSES

The Chamber opposes legislation which would expand the legal use of Tourist Development Tax beyond the current statute; including uses for lifeguards, public safety, roads and infrastructure.

SUPPORT EXPANDING VENTURE CAPITAL

The Chamber will support legislation designed to foster Florida's entrepreneurial talent by bringing more venture capital dollars to Florida, and the East Central Florida Region, for investment in innovative enterprises and research, especially in high technology sectors.

SUPPORT STREAMLINING ROLE OF REGIONAL PLANNING COUNCILS

The Chamber will support efforts to streamline the role of regional planning councils and reduce duplicative regulatory processes to help facilitate heightened competitiveness in job creation and development opportunities that enhance the tax base.

SUPPORT A REGIONAL WATER STRATEGY

The Central Florida Regional Growth Vision Plan called for the development of regional strategies to provide sufficient water and ensure that the water supply is in place to support new development. It also recommended the development of a regional water resources plan that includes strategies for reducing consumption, sharing available water sources, and developing alternative water sources. Another goal is to avoid the use of public money to litigate over water. The Chamber supports report recommendations for:

- Developing interconnected supply systems that use diverse sources of water. Efficiently managing and distributing water throughout the region.
- Creating an equitable framework of regulatory/statutory incentives that promotes mutually beneficial agreements and encourages areas with available water to partner with areas of need to share resources.
- Enforcing growth management and conservation policies that promote water use efficiency by all participating jurisdictions.

SUPPORT MILITARY PRESENCE IN BREVARD COUNTY AND CENTRAL FLORIDA – FDSTF FUNDING

A major issue on the near term horizon is the possibility of another round of Base Realignment and Closure (BRAC). Given the level of funding, the Joint Chiefs of Staff have previously been convinced they must rid their services of unnecessary and unaffordable infrastructure. To do so requires another round of BRAC which must be approved by both houses of Congress. If BRAC occurs, Naval Support Activity

Orlando and all the federal government commands & agencies in the Research Park will be vulnerable to realignment (to somewhere else) or closure. Team Orlando Commands generate \$5B in contract opportunity each year which translates to \$8B in sales activity for the State of Florida.

Florida is out in front of this issue, has appointed a Florida Defense Support Task Force (FDSTF) and appropriated money to help them develop mitigation strategies to protect the 33 military installations in Florida. The Chamber encourages lawmakers to support and fund FDSTF efforts and their support to the communities where the infrastructure is located.

The Melbourne Regional Chamber supports the following:

- Enterprise Florida Legislative Agenda
- VISIT Florida's 2016-2017 funding request
- Central Florida Partnership Regional Priorities
- Florida Chamber's Business Agenda

Federal Issues

SUPPORT ENCOURAGING COMMUNITY BANKS TO LEND TO SMALL BUSINESSES

Although they were not responsible for the 2008 financial crisis, community banks have been adversely impacted by the Dodd-Frank Act – and its 22,000 plus pages of regulations – passed in response to the crisis. This mountain of paperwork has made lending to small businesses more difficult as resources are diverted to ensure compliance with the maze of rules coming from Washington.

As a member of the Financial Services Committee, Congressman Posey has been a strong advocate for lifting the regulatory burden placed on our community financial institutions. Community banks provide vital services to our communities and small businesses. They account for 75 percent of agricultural loans and the largest share of small business loans.

The Chamber supports the fight to reduce the regulatory burden on our community banks and the impact it is having on local economies across the country by reforming the Dodd-Frank Act.

SUPPORT EXPANDING INTERNATIONAL TRADE

As the world's principal commercial gateway to Latin American & Caribbean markets, Florida is a leading global trade hub. The Chamber supports continued growth of Florida-origin exports. Methods through which this can be achieved include planning for an integrated statewide network of trade gateways, manufacturing and logistics centers, and transportation corridors; and supporting Enterprise Florida's budget for international trade and marketing activities. It is essential Florida's business climate and

infrastructure is well positioned to capitalize on Free Trade Agreements with Colombia, Panama and South Korea as well as the ascent of developing economies like Russia's and Brazil's.

SUPPORT ALLOWING FULL BOARD QUORUM FOR EXPORT IMPORT BANK (ExIm)

Congress enabled the completion of a multiyear reauthorization of the ExIm Bank last fall. However, the House and Senate must now pass the ExIm Bank quorum provisions found in both the House and Senate versions of the FY 17 State and Foreign Operations appropriations measures.

This language would restore the Bank's ability to authorize proposed transactions over \$10 million and would clear a backlog of more than 30 export sales with a total value of more than \$20 billion. Failure to act on quorum with ExIm delays opportunities for hundreds of small and medium sized businesses in the aerospace and defense supply chain as well as the millions of people they employ.

SUPPORT PRESENCE LEADING IN MODELING, SIMULATION AND TRAINING IN CENTRAL FLORIDA

The Chamber will support the retention of Central Florida as a major center for modeling, simulation and training (MS&T) development and work to reinforce the state's position as a leader for MS&T industries including aviation, digital media, education, medical and military simulation.

SUPPORT MILITARY PRESENCE IN BREVARD COUNTY AND CENTRAL FLORIDA

The Chamber supports funding streams to ensure the safety and operability of our local military as presented by the branches in the Military Construction (MILCON) budget requests.

SUPPORT PUBLIC/PRIVATE SPACE COLLABORATION

The Chamber supports fostering better collaboration between NASA, Space Florida, the Air Force and private-sector space companies to enable easier private-sector access to NASA and Air Force Resources while preserving safety and national security. While much progress has been made in this area in recent years, there is still room for improvement. Senator Nelson and Rep. Posey worked together to include language in the U.S. Commercial Space Launch Competitiveness Act to require agencies to work together to reduce duplicative regulations.

SUPPORT CUSTOMS PERSONNEL FOR USER FEE AIRPORTS

U.S. Customs and Border Protection (CPB) has unilaterally changed its practice and no longer provides supplemental personnel to User Fee Airports (such as Orlando-Melbourne International) to service large jet charter and seasonal flights. Until recently, it was the practice of Customs to provide the additional necessary agents to process the flights with the requirement that all costs for overtime, travel and lodging would be reimbursed to CBP.

The Chamber urges Customs to allow the regional Airports affected to hire one new agent and permit them to work daily in Port Canaveral, Tampa, or Orlando-Sanford, with the commitment that when an international flight was scheduled to arrive, a full complement of agents and supervisors would be available to work the flight. With this assurance MLB can work to secure various charter flights to boost our tourist and business economy. If Florida's airports do not aggressively reach out to capture new international service, the alternative is for the international passengers to vacation in other countries.

SUPPORT EQUITABLE ONLINE TRAVEL INTERMEDIARY TAXATION

Hotels collect sales and occupancy taxes on behalf of states and municipalities. Such taxes are paid by the guests, collected by the hotels and remitted to tax authorities based on the retail rates guests pay for the use of rooms. Online Travel Companies (i.e., Expedia, Orbitz and Travelocity) remit such fees based on the wholesale rates they pay hotels for rooms and not on the retail markup they charge customers. This results in a loss of tax revenue and also creates an unfair business advantage.

The Chamber will continue to oppose the OTCs' legislative efforts to gain preferential tax treatment because of the negative impact such legislation would have on hotels and the communities where we do business. Where needed, the Chamber, in support of the lodging industry, will also push for updates to existing tax laws to create tax equality and ensure all hotel bookings, regardless of channel, are taxed in the same manner.

SUPPORT SPACE LAUNCH AND COMMERCIAL SPACE DEVELOPMENT

The Space Coast has undergone a dramatic, positive transformation since the retirement of Space Shuttle operations. NASA KSC is evolving into a Multi-User Spaceport. Excess government buildings, launch pads and landing facilities have shifted to the private sector supporting commercial spacecraft assembly and future space launch operations. Rocket and satellite manufacturing capabilities are being constructed introducing entirely new opportunities for high-tech jobs and space commerce leadership. The leadership of NASA KSC and Space Florida, supported by the Governor and State Legislature, have led the way in making this transformation possible in ways unimaginable just a few short years ago. In addition, Cape Canaveral has become the busiest spaceport in the world with launches regularly supporting science, commercial and national security payload missions. The potential to grow market share and overall launch operations is on the verge of exploding with some projecting space launches expanding to 200 or more annually over the next several years.

The Chamber strongly supports the direction of this transformation has gone and encourages NASA, the AF and Space Florida to continue to look for opportunities to fully leverage existing capabilities and to further grow space launch, space payload processing and space systems manufacturing capacity in the Space Coast.

SUPPORT HUMAN SPACE EXPLORATION

Tremendous progress has been made by NASA and its industry contractor team (both at the prime contractor level and with the support of a broad-based network of smaller suppliers in Florida and across the US) in developing the systems that will ultimately take humans to Mars. The journey to Mars entails a multi-faceted range of programs that stretches from low-Earth orbit, to lunar and cis-lunar missions, to the moons of Mars and the planet Mars, itself. The human spaceflight elements of that journey are also complemented by multiple robotic precursor missions paving the way for future exploration. Elements of NASA's program include: commercial cargo and crew to support International Space Station in low-Earth orbit; International Space Station to enhance our experience and operations in long-duration human space flight; and Space Launch System (SLS) for both human and deep space science missions, with the Orion spacecraft as the core vehicle for human deep space transportation.

The new Administration of President Trump should build upon the progress that has been achieved and resist proposals to open up America's space exploration plans for a complete review or overhaul. Space exploration cannot be reinvented every four or eight years. There is plenty of room for additional detail to be added and additional capability developed in support of our journey to Mars that will serve as a complement to existing program elements that have major progress milestones to accomplish over the course of the next 4-8 years. The Chamber urges the Administration and Congress to provide sufficient budget resources to NASA, with an emphasis on its unique role in human space exploration, and consistent policy support to avoid the self-defeating, stop-start dynamics of prior space projects and ensure US future leadership in space for the benefit of all humankind.