

Does Gov. Scott take credit for 600 jobs in Martin County? Bet on it

By Eve Samples  
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The Vegas odds had to be against this one.

The governor who never stops talking about job creation made the biggest jobs announcement of his political career right here in Martin County — a place hardly known for business recruitment.

Gov. Rick Scott didn't mind taking credit either.

"My goal is 700,000 jobs. So I think I have, what, about 1,100 more of these to go?" Scott told the crowd that assembled Thursday at Indian River State College in Stuart for the announcement. Members of the audience chuckled politely while doing the math in their heads.

It was a little disingenuous of Scott.

The deal to expand American Custom Yachts — purportedly bringing 600 new jobs to Martin County in less than five years — was in the works long before Scott's "Let's get to work" mantra became part of Florida's vernacular.

It started when Tequesta resident Philip Catsman picked up a phone book 2 years ago and started looking for marine companies he could partner with to manufacture single-piece blades for small wind turbines and submerged water turbines.

"I opened the yellow pages looking for boat builders, and I found American Custom Yachts. And I didn't get a chance to get to B, C," Catsman told me Thursday after the deal was announced.

Why boat builders? Catsman said he knew many were facing economic headwinds and would be interested in diversifying.

Martin County-based American Custom Yachts certainly fell into that category.

The company fired or laid off 50 percent of its workforce because of the economic downturn, according to documents it filed with the state. The remaining 158 workers in Martin County took 20 percent pay cuts, records show.

If the expansion goes as planned, 600 workers will be hired by the end of 2015 at a new affiliate of American Custom Yachts known as American Energy Innovations.

"We've got orders. We've been holding back," said Catsman, now director of operations at American Energy Innovations.

In exchange for the jobs, American Custom Yachts will receive \$435,000 from Martin County and \$3.51 million from Florida in the form of tax breaks and cash. The deal was put together by the Business Development Board of Martin County and Enterprise Florida, the state's economic development agency.

It's a much smaller incentive package than those received by biotech institutes and other companies in Palm Beach and St. Lucie counties — but that doesn't make it any more palatable to some Martin County residents who see it as a taxpayer subsidy.

"It would seem if a project were a really valuable commodity, investors would be standing in line, looking at future return," Gregg Burdick, owner of the boat servicing business Stuart Yacht, wrote in an email to Martin County commissioners. "The return from taxpayer investment will not generate profit for the taxpayer."

American Custom Yachts had been considering opening the new turbine-parts plant at its existing (but under-used) North Carolina facility — but the \$4 million in incentives tipped the scales for Martin County.

"We were close to losing the deal because they were under pressure from their customers to go into production, and the due diligence required during the incentive process was stretching out their ability to make a decision on location," said Crystal Stiles, co-director of the Business Development Board of Martin County.

A phone call from Gov. Scott convinced the company that it would get \$4 million.

So he did play a small role — but it didn't have much to do with the campaign promises he made for creating 700,000 jobs in seven years.

Those jobs, Scott claimed, would come primarily from lifting regulations on businesses, expediting permitting and eliminating Florida's corporate income tax.

Yet Martin County's permitting process is notoriously cumbersome. Its development regulations are among the most stringent in the state. The corporate income tax still exists here and in Florida's other 66 counties, too.

And 600 new jobs are still on the way. They didn't stem from Scott's plan for creating 700,000 jobs — but you can bet they will be counted on his ledger.

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