

Disclosure Items
Florida Department of Commerce Umbrella Agreement #E2227

On July 23, 2025, the State of Florida Department of Commerce (“FloridaCommerce”) informed Broward County that it would not consider modifications to the Agreement despite the County Attorney’s Office’s request to address several clerical errors and the issues outlined below. While several provisions are excessively strict or administratively burdensome, the overall risk of exposure remains low based on prior experience with this Agreement.

Page 17, Section 23.B, Repayments:

- B. For County’s noncompliance resulting in additional costs or monetary loss to FloridaCommerce, FloridaCommerce could potentially recoup such costs or losses from unrelated agreements between the County and any State entity. This is unlikely to pose a significant risk to the County.
- C. The indemnification clause exposes the County to theoretically unlimited liability, beyond sovereign immunity. However, the practical risk under this Agreement is considered minimal.

Page 23, Section 29.C, Legal Authorization: The requirement for the County to disclose (on an ongoing basis) all ongoing civil or criminal litigation, investigations, arbitration, or administrative proceedings to FloridaCommerce is not only excessively burdensome but also unusual for contracts with public entities. This requirement extends to the County’s officers and directors when the proceeding relates to the officers’ and directors’ business or financial activities. This provision imposes an overly broad and continuous reporting obligation on the County, including matters unrelated to the Agreement.

This requirement has been included in prior versions of the Agreement, and the County has never provided FloridaCommerce with all proceedings in which the County is involved. While failure to provide the information is a potential breach of the Agreement, we believe the risk of repercussions is low.

Page 24, Section 32.B, Interest of Members, Officers, or Employees of Subrecipient, Members of Local Governing Body, or Other Public Officials: This provision exceeds the requirements under Florida law (i.e., material interest) by prohibiting any direct or indirect interest in any contract or subcontract connected with the Agreement with no mechanism for the board member to disclose the conflict and abstain from voting on the item. Also, it prohibits any board member, officer, or employee from receiving any remuneration or gift in any amount. This is unlikely to pose a significant risk to the County.

Page 42, Section 2.A(5): Although the County has historically not been obligated to complete the Attachment, FloridaCommerce has declined to clarify that **Attachment G (Total Compensation for Executive Leadership)** applies exclusively to nonprofit organizations, not public entities like the County. The Attachment is based on IRS Form 990 data, which does not pertain to public entities. While failure to complete this Attachment may result in a potential breach, we do not believe noncompliance will result in negative consequences, considering the County has not completed the form in prior years.

Page 47, K: FloridaCommerce has declined the County's request to limit the reach of the **Hatch Act's** restrictions on political activity by the County or employees. The provision does not differentiate between employees who are subject to the Act and those who are not, nor does it connect the prohibitions to the programs or funds outlined in the Agreement. While this may seem overly broad, it is not anticipated to have a significant negative impact on the County when considered alongside the provisions of the Hatch Act.

Page 67: Attachment F, Transparency Requirements: This Attachment includes requirements that go beyond the standard practices typically found in contracts with the public sector. For instance, it mandates a "Notice of all meetings at least seven (7) business days in advance," but it does not specify which County meetings are included under this requirement, resulting in ambiguity due to the multiple boards referenced in the Agreement. Moreover, the Attachment asks for extensive information without clear relevance to the Agreement, including: 1) employee positions and salaries; 2) contracts exceeding \$35,000 with both private and public entities; and 3) comprehensive lists of all board members, including their employment affiliations and terms of service.

While these requirements surpass what is typically found in contracts with public entities, the County has not previously encountered issues related to these requests.

Venue: Leon County, Florida.