Technology enterprise zone sought to create a Miami 'Silicon Valley'

Week of September 9th, 2010

By Jacquelyn Weiner

Miami may reign as Latin America's gateway to the US, but there's one area where it has fallen behind: technology.

Latin American tech firms looking to build US ties are flocking to areas like Boston and Silicon Valley — something one City of Miami commissioner aims to change by creating an area technology enterprise zone.

Commissioner Francis Suarez envisions "a Silicon Valley here in Miami," spurred by an enterprise zone offering technology companies incentives to add Miami operations or expand in the city.

Lures being mulled include tax breaks and making the zone tax-free for a short-term period to "defray the start-up costs," he said.

While the idea is in its early stages, Mr. Suarez said he is researching funding sources and seeking advice from the private sector.

Enterprise-zone boundaries have yet to be decided, he said, but would probably include downtown Miami.

Among proponents of creating a technology enterprise zone is Manny Medina, CEO of Terremark Worldwide. Mr. Suarez said it was Mr. Medina who first suggested the idea.

Mr. Medina says Miami has huge untapped potential in recruiting Latin American technology firms.

"We have always been the capital of Latin America for a number of things," he said. "And we can be the capital of Latin America for technology."

There is a "significant amount of interest" with the growth of areas like cloud computing and cyber security, Mr. Medina said.

Latin America is a hotbed for technology growth, Mr. Medina said, but its business is being drawn to areas like Silicon Valley, Boston, Virginia and Dallas. While Terremark is headquartered in Miami, Mr. Medina said its largest growth is in Dallas and Virginia.

Governments in those areas have recognized the potential of the technology industry, he said, adopting tech-friendly laws like expedited permitting, tax rebates and start-up grants.

"Everybody understands that these very high-paying jobs come with our industry," he said. "They really lay out the carpet for you."

Because of Miami's proximity to Latin America and its already-strong technology community, adding incentives would make the region an easy sell.

A technology enterprise zone would be "phenomenal for our community," Mr. Medina said. The payoff would be "immense."

Chip Casanave, former president of the South Florida Technology Alliance and CEO of Miami-Dade-based Data Access Worldwide, echoed the notion that Miami is already well-poised for technology-sector growth.

His main point: Miami is home to the Network Access Point (NAP) of the Americas.

Mr. Medina, whose company houses the access point, described it as "the digital airport" that connects Latin America, the Caribbean and Europe.

Miami is one of six US cities with a network access point.

There are points in New York, San Francisco, Dallas, Chicago and Virginia, Mr. Medina said, but "very rarely do you have an interconnection point like this one [Miami's] that connects three continents."

Another area draw for the technology industry is the University of Miami's under-construction Life Science & Technology Park, said Kevin Levy, chairman of the Greater Miami Chamber of Commerce's Technology and Bioscience Committee.

The first of five buildings at the park is under construction, he said, and that building alone is bigger than The Scripps Research Institute in Palm Beach County.

Area universities can also help draw in tech firms, Mr. Levy said, pointing out that US technology hubs like Boston and Silicon Valley are also home to great universities.

Higher-education institutions attract professors and researchers, he said, and offer pools of prospective hires.

"If you can educate people in technology, you can keep them in technology," he said.

Technology jobs are relished for their enticing salaries: Deborah Vazquez, CEO of PROTECH, said the national average wage for technology jobs is $84,800. That's 86% more than the average private sector wage, said Ms. Vazquez, whose firm provides employee-placement services for tech companies.

In Florida, according to TechAmerica Foundation's Cyberstates 2010 report, high-tech workers earned an average wage of $68,200, or 72% more than the state's average private-sector wage.

While there is a significant technology presence in South Florida, she said, most of the businesses are in

the small- to medium-size market.

Florida is ranked No. 4 among states for the number of technology companies headquartered there, she said, following California, New York and Texas.

"We do have a very high rate of employment here for technology people," she said.

The technology industry has also been one of the areas least by the recession, Ms. Vazquez said.

According to the Cyberstates 2010 report, Florida high-tech employment increased 0.4% from 2007-2008 by 1,100 jobs. In comparison, according to the report, Florida's overall private-sector employment fell 4.1% in 2008.

Because the technology industry is faring better than most, Commissioner Suarez said he thinks the timing is right to show that Miami's welcome mat is out — with kickbacks to boot.

"Because prices are down and the market's down, now is the time to invest," Mr. Suarez said. "Those companies could be the ones to be able to invest right now."