



Taxation, Revenue, and Utilization of Expenditures (TRUE) Commission

Wes Benwick, Chair

Robert Jones, Vice Chair

Joe Andrews, Secretary

Meeting Minutes
December 3, 2009

4:00 p.m.

Attendance: Wes Benwick (Chair), Greg Anderson, Thomas Martin, Joe Andrews, Mark Cowart, Mike McCollum

Excused: Jason Fischer, Robert Jones, Ruth Arnold, Louvenia Tippins, Marcella Lowe, Ryan Jones

Absent: Nicole Lester, Randy Deen

The meeting convened at 4:07 p.m. without a quorum present.

Minutes

Lacking a quorum, approval of the minutes of the November 5, 2009 commission meeting was deferred until the next meeting.

Invited presenter: Ron Barton - Jacksonville Economic Development Commission

Chairman Benwick introduced Ron Barton, Executive Director of the JEDC, to make a presentation on the agency's economic incentive tools and the performance of companies receiving incentives. Mr. Barton handed out copies of a PowerPoint presentation describing the JEDC's "tool kit" of possible incentives and describing their uses. Of the 11 types of possible incentives listed, only 4 are currently funded and in use: 1) Downtown Historic Preservation and Revitalization Trust Fund (HPTF); 2) Residential Recapture Enhanced Value; 3) Recapture Enhanced Value (REV); and 4) Qualified Targeted Industries/Qualified Defense Contractors (QTI). The REV grant program acts like a property tax abatement but is not a direct exemption or rebate. Rather, it is a grant in an amount equal to a percentage of the property taxes generated by a development, typically 35 to 50% over a period of 5 to 10 years based on the number of jobs created/preserved and the amount of capital investment. The QTI program is a state incentive for industries that create high wage jobs paying more than the local or state average, with the state paying 80% of the benefit and the city matching 20%. There are bonuses available in the QTI process for companies that locate within a designated Enterprise or Empowerment Zone or a brownfield.

Jacksonville's budget for economic development incentives was just over \$5 million for FY08 - \$4.3 million for REV grants and \$856,000 for QTI matches. Jacksonville's incentives tend to be back-loaded, with developers not receiving incentive grants until after they have created jobs and/or made the requisite capital investment and begun paying property taxes on the project. If the company doesn't hire the employees or pay the taxes, it doesn't get the promised incentive. Mr. Barton explained the reasoning behind the pending Lerner Building incentive revision ordinance, using it as an example of the multiple factors that affect what the City is willing to do and the factors it considers in structuring a deal.

In response to a series of questions, Mr. Barton indicated that the City does not discount the sale price of City-owned land if a company is looking at multiple properties within Jacksonville, but will consider a land discount if a City-owned site is in competition with other cities or states in an incentive-heavy deal. The crafting of an incentive proposal is as much art as science, depending largely on the JEDC's ability to look a client in the eye and judge what they *really* need to make a deal work that is advantageous to the City. He explained that the Cornerstone arm of the Chamber of Commerce is the Northeast Florida region's marketing and project prospecting entity. The JEDC doesn't become involved with a potential project until a prospect gets serious about considering Jacksonville as a location and wants to talk about permitting and incentives. The JEDC is particularly active in facilitating projects for downtown and Cecil Commerce Center.

Committee Reports

Legislative Tracking Committee – Commissioner Andrews distributed the committee issues matrix of issues considered at the last meeting and reported briefly on items of interest.

Performance Committee – Commissioner Anderson reported that the Budget Office has unveiled a new City budget web page incorporating many of the suggestions made by the Performance Committee and, while it is still a work in progress, the initial results are very positive and should be much more citizen-friendly.

The committee met just before the full Commission meeting and had a discussion of indigent care funding with Kim Taylor of the Council Auditor's Office, Inspector General Pam Markham, and Penny Thompson of Shands Jacksonville medical center. The committee feels that an audit of contract compliance by Shands Jacksonville with the terms of the indigent care funding agreement is in order since the contract has not been audited since 2006. The committee will continue the discussion in two months. Mayor's Chief of Staff Adam Hollingsworth has been invited to the next meeting to discuss the budget outlook for 2010.

Auditor's Report

Council Auditor Kirk Sherman reported that his office had released two reports since the last commission meeting – the Auditor's office annual report and a synopsis of the FY09-10 budget adoption process. He also noted that several of his junior auditors are assisting the City's external auditor with the preliminary work on the FY09 audits for both the City and the JEA. This provides his employees with good field experience in auditing very large and complex budgets. The RFP for the City's new independent auditor has been finalized and will be issued in January for a company to enter into a 3-year contract.

Chair's Comments

Chairman Benwick stated that he will be in contact with the Mayor's Office to arrange a meeting with the Mayor to discuss the TRUE Commission's role and potential projects. He briefly described the new commission orientation meeting held in November and noted that a commissioner "handbook" resulted from the meeting. Finally, he understands that the City is looking at all of its citizen boards and commissions in general to determine their function and worth, and the TRUE Commission is included in that review.

Old Business

None

New Business

None

Commissioner Comments

Commissioner Andrews expressed the feeling that a better system needs to be developed for the TRUE Commission to take quicker action on pending City Council agenda items and wondered if an e-mail circulation system of pending legislation and a “virtual voting” system could be implemented? Jeff Clements stated that electronic meetings and virtual voting would violate the Government in the Sunshine law and therefore was not a possibility.

Public Comments

Tony Bates of Concerned Taxpayers of Duval County stated that the TRUE Commission should follow up with Shands Jacksonville on the effectiveness of their collection efforts and enforcement of indigent care eligibility criteria. There needs to be a more concerted effort to see that only eligible persons take advantage of the City-paid indigent car services. He also recommended following up with the JEDC on the costs and benefits of all of their previous incentive and non-incentive redevelopment deals.

Next meeting

The next meeting is scheduled for Thursday, January 7th at 4:00 p.m.

There being no further business, the meeting was adjourned at 5:05 p.m.

Posted 1.6.10
5:00 p.m.

c.c. cityc@coj.net
City Council electronic files
Media box