



JEDC General Meeting
City Hall, 4th Floor (Suite 400)
Mayor's Large Conference Room

Thursday, September 9, 2010 – 9:00 a.m.

MEETING MINUTES

Commissioners Present: Chair Z. Boulos, C. Gibbs, R. Helms, B. Moore, H. Rowan, and R. Shoemaker

JEDC Staff Presenting: Ron Barton, Lindsey Ballas, and Karen Nasrallah

Representing Office of General Counsel: John Germany

Representing City Council: Connie Holt for Council Member Ray Holt, Council District 11

I. CALL TO ORDER

Chair Boulos called the meeting to order at 9:01 a.m.

II. ACTION ITEMS

APPROVAL OF THE AUGUST 12, 2010 JEDC MEETING MINUTES

THE AUGUST 12, 2010 JEDC MEETING MINUTES WERE APPROVED UNANIMOUSLY 6-0.

MPS GROUP, INC. (ADECCO GROUP NORTH AMERICA) – Lindsey Ballas

Ms. Ballas provided an overview of the project recommending the Commission authorize the introduction of legislation to the Jacksonville City Council which: 1) recommends that Adecco be approved as a Qualified Target Industry business; and 2) states that the commitments of local financial support for the Qualified Target Industry Tax Credit necessary for the target industry business exist and will be appropriated in the not to exceed amount of \$60,000.

Ms. Ballas mentioned that Adecco made the business decision when they purchased MPS that in their new business model the downtown location was not in that model. Unfortunately for downtown, there is the decision that was made a long time ago by the company to relocate to the Southside; however, the opportunity exists to add more jobs to the area and we want to take advantage of those opportunities.

Ms. Ballas introduced Tyra Tutor, Senior Vice President of Corporate Development for Adecco who answered questions from the Commission.

There were no adverse comments regarding the project from the Commission.

Chair Boulos excused himself from voting since his company has done business with MPS dating back to AccuStaff.

A MOTION WAS MADE BY COMMISSIONER MOORE AND SECONDED BY COMMISSIONER SHOEMAKER AUTHORIZING A RESOLUTION OF THE JACKSONVILLE ECONOMIC DEVELOPMENT COMMISSION (“JEDC”) SUPPORTING AN ECONOMIC DEVELOPMENT AGREEMENT (“AGREEMENT”) AMONG MPS GROUP, INC. (“COMPANY”), THE CITY OF JACKSONVILLE (“CITY”) AND THE JEDC, REQUESTING THE CITY COUNCIL TO ENACT LEGISLATION: (1) RECOMMENDING THAT THE COMPANY BE APPROVED BY THE STATE OF FLORIDA’S OFFICE OF TOURISM, TRADE AND ECONOMIC DEVELOPMENT AS A QUALIFIED TARGET INDUSTRY (“QTI”) BUSINESS PURSUANT TO SECTION 288.106, FLORIDA STATUTES AND (2) EVIDENCING A COMMITMENT OF CITY SUPPORT IN AN AMOUNT NOT TO EXCEED \$60,000 AS THE LOCAL FINANCIAL SUPPORT UNDER THE QUALIFIED TARGET INDUSTRY TAX REFUND PROGRAMS (PAYABLE OVER MULTIPLE YEARS PER GUIDELINES SET BY THE STATE OFFICE OF TOURISM, TRADE AND ECONOMIC DEVELOPMENT); AUTHORIZING THE EXECUTIVE DIRECTOR OF THE JEDC, OR HIS DESIGNEE, TO EXECUTE AND DELIVER DOCUMENTS AND TAKE FURTHER ACTION TO EFFECTUATE THE PURPOSE OF THIS RESOLUTION; PROVIDING AN EFFECTIVE DATE. THE MOTION PASSED UNANIMOUSLY 5-0-1. (Chair Boulos excused himself from voting since his company has done business with MPS dating back to AccuStaff.)

NORTH AREA ACTION PLAN TO THE JIA/CRA – Karen Nasrallah

Ms. Nasrallah provided an overview of the North Jacksonville Action Plan recommending introduction to City Council to expand the existing boundary by 755 acres and for the approval of the North Area Action Plan.

The following were relative comments from the Board:

- Asked Ms. Nasrallah to explain the road structure.

Mr. Barton provided some historical context commenting that this CRA is a good example of taking a tool and using it to implement both economic development strategies and also growth management strategies for the community. The Northside in the early 90’s was very isolated, and the residential boom had not begun. A part of the community had a deficiency of services and employment opportunities and was not a beneficiary of growth and expansion. In about 1993, when the CRA was enacted, we first primed the pump from an employment perspective. If you look at the sequence of how the dollars were applied, there were some infrastructure, but there were also job creation incentives that the CRA funded. A number of the companies that are there today are a product of that seeding through incentives. As you transition over some period of time we decided through this tool to address the lack of services. This CRA was the tool for River City Market Place. The TIF dollars that actually are encumbered and will be for a number

of years to come were a part of a public/private package that enticed the developer to develop the River City Market Place adding that he believes the project is very successful and that most residents on the Northside are very proud of it as well. It has been a catalyst of change because almost simultaneously you saw a residential boom that started to occur on the Northside. Mr. Barton asked them to think about how the tool has been used since inception – job creation so you did not have to leave the northside for jobs and begin to get credibility. One important point to remember why the geography was chosen is that the airport is a catalyst of change. We wanted to use the real estate around the airport but not necessarily owned by the aviation authority to be an economic driver. Drive opportunities through the airport and its portal, seek businesses first and then we shifted to seek services, which has been very successful and now the third generation of the redevelopment plan, in which we think the best use of funds in terms of leveraging and catalyst is to leverage them in needed transportation improvements.

For a CRA that is so large in acreage and not your traditional downtown CRA, Mr. Barton likes to think that it is a good case study of success, but you have to evolve and we actually have evolved to maybe three different objectives over its tenure. What you see before you now is a rewriting of the plan to pursue this.

Mr. Barton added that obviously the stress of tax reform that the state pursued a few years back that began to squeeze government resources and the economy on top of that has impacted the CRA. In regards to the CRA unencumbered funds, the ones that are not already encumbered to a deal structure/contract, the Administration has advised to not plan anything, because by law if it is not used by the end of the year you can rake that account if you don't chose to build a fund balance into the general fund and the City Council can do what they wish related to those monies. That is what happens mechanically. The monies have to go into an account even if the Council decides to use it to balance the budget it is basically floated because the monies are not available until the end of the fiscal year. They are raked into the general fund to balance the budget. That is what has happened.

- Referring to page 7 of the Plan, last sentence asked if the TIF revenue funding of \$115,000,000 over 20 years could realistically be accomplished.

Mr. Barton replied to Mr. Helms that he does not know the answer adding that they have talked with Council Member Hold, the Council Member for the northside. The reason we wanted to do what we have done today is that if we don't begin to build a case for what you get you are never going to get Council to change. Right now it is a necessary evil to rake this money and balance the budget, but he considers it the black hole. Where is the return for \$4.5 million dollars going into the general fund and we would like to build a case here in where we can show the investment of \$4.5 million, or more over time and how these road based improvements can generate return on investment. The reason you see a fairly brief report is because he made an executive decision that they were not going to write a 100 page intellectual document about the need to do this unless we can begin to get some traction. The predicate has been set of what we can accomplish and how we would do it. He thinks it is clear the kind of revenue streams that can be generated to accomplish them. If we begin to get traction you can guess the next thing we should do is an economic base analysis that shows the return on investment. He does not believe

that it is going to happen soon, but if we can turn the discussion into one on investment and a return on investment than we have a chance.

- Referring to Exhibit C, Priority 1 asked what the return from that was, what is the thought process of making that a priority one. Why is it important for the Commission to approve exactly what they are being asked to approve.

Mr. Barton replied that for the prioritizations there is a set of criteria that was used to prioritize the projects and go anywhere from traditional transportation analysis (where there is stress in the system), which an example would be the interchange at Airport. Additionally, economic development is a criteria and you can make the case for the interchange as well because if that interchange becomes dysfunctional then your drivers which are River City Market Place, employers in the area and the airport, become dimensioned in their capabilities. To the point on the north access road, it is two things: first and foremost it begins to open up another area of the CRA for development that is sitting fallow at this point. There is a mindset that we have to all understand, which is we are not trying to calculate this plan in the context of today's crisis, but recognize that over time opening up additional property is going to be valuable. Secondly, for priority one, the DOT has acquired right-of-way and done preliminary designs, and it is a reliever to the airport road congestion. It is both an economic criteria that led us to prioritize it, but also transportation specific criteria that DOT has been very focused on.

If you were to have all of the agencies in the room and we were a benefit of that conversation I think where we landed was the north access road and the interchange are equal, but to implement the interchange is \$60 million plus. Do you try to implement something as massive as the interchange or recognizing DOT's investment in right-of-way and design go ahead and move the north access road to priority one versus 1A or 1B. As the dollars free up, we would pursue the two lane version of the north access road and then start detailed design and engineering of the interchange because it is going to take a lot of time, money and effort.

In summary, there was a set of criteria from economic development to tax creation. As we come out of cycle we want to see the opportunity of internal investment. Are we going to see additional capital investment brought to the area with road improvements, which enter into the TIF growth equation. He added that it feeds back to the actual NATS Study (Exhibit B). These road projects were driven out of about a year long study effort with all of the agencies (FDOT, TPO, JAA, TPO and the Jacksonville Port Authority). That is how we picked components of this plan and prioritized within the district. The difference being the NAT Study was all of the north side and looked at roads on the port side as well and we had to take the overall analysis and prioritize them within the context of the roads that are within the CRA itself.

Ms. Holt Referring to Exhibit C (purple shown coming off of Main Street) is referred to as Park Avenue and connects to Pecan Park Road. It dead ends into a large piece of undeveloped property that goes over to Yellow Bluff, which the majority of is owned by the Braddock family adding that there was recently a land use change which includes that road (nothing will be built there). There is an imaginary place where the road is proposed to go. Her concern is for the small community where there are homes on both side of the road, people own horses and it is an older smaller community next to Pine Lakes and those people would be impacted. The people in the community were very vocal when the land use change came up regarding how the current two lane road being converted to four lanes would impact their small community. Mrs. Holt noted that she was aware they were going to widen the road, but was not aware as to the extent.

- Referencing Exhibit C, Priority 1 and Priority 6 that both stop on Pecan Park short of 95 asked if the connection from that point from 95 would be a part of Priority 1.

Ms. Nasrallah responded that it would be a part of Priority 1.

- Asked if the yellow (Priority 1) should continue onto Pecan Park/95 it will not stop there at the small Road.

Ms. Nasrallah concurred.

- Thought that at some point Priority 6 (the Braddock extension) was a part of the DRI requirement for public DRI's in there and asked if that had been abandoned?

Mr. Barton replied no adding that Priority's 4, 5 and 6 are road projects that are going to be driven by the development pattern seen in the future. Whereas the purple project on Exhibit C is going to be pursued as a part of an overall private development package. Braddock Road is the same thing; it was predicated on a number of DRI developments along the whole stretch. It is still anticipated that at a future date residential development is still going to occur.

- Thought that they were now industrial. Ask if they were reformatted.

Ms. Nasrallah replied that they were changed to industrial due to the economy

- Did not know in that process if the requirement to extend Braddock was abandoned or if it was still a requirement of the private DRI's.

Ms. Nasrallah replied that it was her understanding that due to the economy it was changed to more industrial uses.

- Asked that in that change did the requirement to extend Braddock remain with the DRI (refunded), or did that DRI get reworked.

Mr. Barton replied that he could not answer specifically; however he did know that Braddock Road is still predicated on the fair share relationship with the developers because that is DOT who has been at all of the meetings and the Planning Department. Every conversation with them ties back to the development orders of the private development projects. Brown (priority 4 and 5) and purple (priority 6) are clearly tied to the development pace in those areas. Given that sequencing between the north access road, by pass the interstate and Main Street, you are looking at a lot of years out unless you get a pretty rapid pace of development again.

Due to the extent of the conversation and questions Mr. Barton suggested that they could come back to the Commission with analysis and invite a representative from the FDOT (James Bennett) to speak as well. The Commission agreed to defer the motion

A MOTION WAS MADE BY COMMISSIONER SHOEMAKER AND SECONDED BY COMMISSIONER GIBBS TO DEFER ACTION ON THE NORTH AREA ACTION PLAN TO THE JIA/CRA. THE MOTION PASSED UNANIMOUSLY 6-0.

III. INFORMATION/DISCUSSION ITEMS

EXECUTIVE DIRECTOR'S REPORT – Ron Barton

No report.

IV. OLD BUSINESS

No old business was discussed.

V. NEW BUSINESS

No new business was discussed.

VI. PUBLIC COMMENTS

There were no comments from the public.

VII. ADJOURNMENT

There being no further business, Chair Boulos adjourned the meeting at 10:14 a.m.

The next JEDC General Meeting is scheduled for Thursday, October 14, 2010 at 9:00 a.m.

Witness

Jacksonville Economic Development Commission

Print Name: _____

Zimmerman Boulos, Chairman

Print Name: _____

Vote: **In Favor:** __ **Opposed:** __ **Abstained:** _