

OFFICE OF THE COUNCIL AUDITOR

FY 2025/2026 PROPOSED BUDGET

FINANCE COMMITTEE MEMBERS

Raul Arias - Chair
Nick Howland - Vice Chair
Joe Carlucci
Rory Diamond
Will Lahnen
Ju'Coby Pittman
Ron Salem



Meeting #4
August 15, 2025

**COUNCIL AUDITOR’S OFFICE
TABLE OF CONTENTS
MEETING #4**

| | |
|---|----|
| Downtown Vision Inc. | 3 |
| Downtown Investment Authority | 6 |
| Downtown Economic Development Fund..... | 8 |
| Public Parking | 9 |
| Tax Increment Districts..... | 12 |
| Office of Economic Development | 28 |
| Cecil Field Trust Fund | 30 |

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2025/26 BUDGET
DOWNTOWN VISION, INC. (DVI)**

BACKGROUND:

Downtown Vision Inc. (DVI) is a not-for-profit 501(c)(6) organization whose mission is to build and maintain a healthy and vibrant downtown community and to promote downtown as an exciting place to live, work and visit. A public hearing on the DVI Budget will be held August 19, 2025, at the regular City Council Finance Committee meeting.

DVI operates an affiliate 501(c)(3) organization called Downtown Vision Alliance (DVA) to attract donated dollars. The budget for DVA is not included in the FY 2025/26 Mayor's Proposed Budget.

| | | | | | | Proposed FY 2025/26 | Council Adopted FY 2024/25 | Change | Change in % |
|----------------------------------|--|-------------------------------|--|--------------------------------------|-------------------------|-----------------------------------|----------------------------------|-------------------|----------------|
| <u>ESTIMATED REVENUES</u> | | | | | | | | | |
| | | | | | | | | | |
| Assessed Properties | | | | | | \$ 2,116,340 | \$ 2,107,621 | \$ 8,719 | 0.4% |
| City of Jacksonville | | | | | | 804,877 | 804,877 | 0 | 0.0% |
| Other Sources | | | | | | 138,269 | 154,389 | (16,120) | (10.4%) |
| | | | | | | | | | |
| Total Estimated Revenues | | | | | | <u>\$ 3,059,486</u> | <u>\$ 3,066,887</u> | <u>\$ (7,401)</u> | <u>(0.2%)</u> |
| | | | | | | | | | |
| | | | | | | | | | |
| <u>APPROPRIATIONS</u> | | | | | | | | | |
| | | | | | | | | | |
| | | Clean, Safe and Attractive | Marketing, Promotions, Special Projects | Business & Stakeholder Support | Management & General | Mayor's FY 2025/26 Proposed | Council Adopted FY 2024/25 | Change | Change in % |
| Personnel Services | | \$ 179,801 | \$ 607,152 | \$ 372,346 | \$ 111,705 | \$ 1,271,004 | \$ 1,123,120 | \$ 147,884 | 13.2% |
| Operating Expenses | | 1,511,972 | 186,457 | 45,026 | 45,027 | \$ 1,788,482 | 1,943,767 | (155,285) | (8.0%) |
| | | | | | | | | | |
| Total Appropriations | | <u>\$ 1,691,773</u> | <u>\$ 793,609</u> | <u>\$ 417,372</u> | <u>\$ 156,732</u> | <u>\$ 3,059,486</u> | <u>\$ 3,066,887</u> | <u>\$ (7,401)</u> | <u>(0.2%)</u> |
| | | | | | | | | | |

ESTIMATED REVENUES:

1. Assessed Properties:

- DVI's main source of revenue is a 1.1 mill special assessment of downtown commercial and residential non-homestead property owners (with limited exemptions) within the designated boundary. The budgeted assessment is estimated to be \$2,116,340.

2. City Contribution:

- The amount of \$804,877 is the City's contribution to DVI. The proposed amount remains flat at the request of the DIA board of directors. The City typically contributes the

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2025/26 BUDGET
DOWNTOWN VISION, INC. (DVI)**

equivalent of 1.1 mills of the City's assessed property value within the designated boundary with no early payment discount. Based on this calculation, the City's contribution would have been \$826,813, but if the City received the 4% discount the amount needed would only be \$793,740.

3. Other Sources:

- The decrease of \$16,120 is mainly due to a decrease in sponsorships and revenue from events which is now recognized by DVI's affiliated 501c3 organization (DVA) and assessments no longer being paid on federally owned property.

APPROPRIATIONS:

1. Personnel Services:

- The increase of \$147,884 is mainly due to an increase in salaries and benefits, from salary increases during the year, employee turnover resulting in higher costs, and the addition of an Assistant to the CEO position within the Management & General segment bringing the total number of full time employees to 11.

2. Operating Expenses:

- The decrease of \$155,285 is primarily due to decreases in the Marketing, Promotions, Special Projects, Business & Stakeholder Support, and Management & General segments resulting from costs being shifted to DVI's affiliated 501c3 organization (DVA) to balance the budget and because of the personnel increases noted above.

Note - The proposed budget does not include rent for DVI's location in the Duval Street Parking Garage. The lease agreement between DVI and the City allows DVI to satisfy the lease payment requirements with the value of services provided.

SERVICE LEVEL CHANGES:

The reduction in services previously provided by DVI are anticipated to be provided by DVA.

RECOMMENDATIONS:

1. We recommend amending Section 8.3 of the Budget Ordinance to correct the anticipated revenue from the Assessment Roll to \$2,116,340. This will have no impact on Special Council Contingency.
2. We recommend attaching Revised Schedules AD and AE to correct a footing error.

**BUSINESS IMPROVEMENT DISTRICT
(DOWNTOWN VISION)
JACKSONVILLE, FLORIDA
BUDGET – FISCAL YEAR 2025-2026**

ESTIMATED REVENUES

Assessed Properties (1)
City of Jacksonville (2)
Other Sources (3)
Total Estimated Revenues

DVI PROPOSED

\$ 2,116,340
\$ 804,877
\$ 138,269
\$3,059,486

Revised Schedule AD

APPROPRIATIONS

| | Clean, Safe and Attractive (4) | Marketing, Promotions, Special Projects (5) | Business & Stakeholder Support (6) | Management & General (7) | Total |
|-----------------------------|--------------------------------------|--|--|-----------------------------|---------------------------|
| Personnel Services | \$179,801 | \$607,152 | \$372,346 | \$111,705 | \$1,271,004 |
| Operating Expenses | \$1,511,972 | \$186,457 | \$45,026 | \$45,027 | 1,788,482 |
| | | | | | |
| Total Appropriations | <u>\$1,691,773</u> | <u>\$793,609</u> | <u>\$417,372</u> | <u>\$156,732</u> | <u>\$3,059,486</u> |

- (1) Commercial and residential property owners in DVI's Downtown district pay 1.1 mils of their property's assessed value to DVI, subject to residential property exemptions
- (2) This reflects a contribution from the City of Jacksonville equal to 1.1 mils of the value of the City's owned property in the assessment district.
- (3) This represents all other income for Downtown Vision Inc, including fee-for-service contracts & other revenue
- (4) These contracted services include a team of Clean & Safe Ambassadors, a supervising project manager, uniforms, supplies and equipment. This line item includes 50% of the Chief Operating Officer salary plus 25% of administrative budget
- (5) Includes salaries for Director of Marketing, Communications Manager, Director of Events, Events Manager, Vice President of Placemaking and includes 25% of the admin budget.
- (6) Includes salary for Director of Research, Director of Stakeholder Support Manager, 50% of Chief Operating Officer, and 25% of admin budget.
- (7) This represents 25% of the admin budget. The admin budget includes the CEO, Director of Administration and Assistant to the CEO positions..

Revised Schedule AE

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2025/26 BUDGET
DOWNTOWN INVESTMENT AUTHORITY
GENERAL FUND / GENERAL SERVICES DISTRICT (FUND 00111)**

PROPOSED BUDGET BOOK - Page # 105-107

BACKGROUND:

The Downtown Investment Authority (DIA) was created in 2012 to revitalize Jacksonville's urban core by utilizing community redevelopment area (CRA) resources to spur economic development. The DIA is governed by Chapter 55 of the Municipal Code and is granted oversight for the Downtown Northbank CRA, the Southbank CRAs, and the City Parking Garages. This portion of the department's budget only includes the General Fund/General Services District activities.

REVENUE:

1. Miscellaneous Revenue:

- The proposed amount of \$6,000 includes fee revenue for applications that are submitted to the Downtown Development Review Board.

EXPENDITURES:

1. Salaries:

- The increase of \$181,472 is mainly due to the increase for the new CEO's salary and the FY 2024/25 and the proposed FY 2025/26 salary increases as well as some increases due to employee turnover.

2. Pension Costs:

- The increase of \$10,648 is mainly the result of the salary increase noted above.

3. Pension Costs – Defined Benefit UAAL:

- The decrease of \$38,044 is the result of the method of allocating unfunded liability costs being changed and the cost being moved to a non-departmental line item.

4. Internal Service Charges:

- The decrease of \$94,014 is predominantly due to a decrease of \$84,928 in legal charges based on recent usage and \$15,371 in Computer System Maintenance & Security resulting from a decrease in overall budget for the Technology Solutions Department.

5. Professional and Contractual Services:

- This amount represents various contractual and professional services such as appraisals, environmental monitoring, transcription services, audits, and special projects. The \$50,000 decrease is in consulting services.

Continues on Next Page

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2025/26 BUDGET
DOWNTOWN INVESTMENT AUTHORITY
GENERAL FUND / GENERAL SERVICES DISTRICT (FUND 00111)**

PROPOSED BUDGET BOOK - Page # 105-107

6. Other Operating Expenditures:

- This amount includes \$125,000 for event contributions as shown on the table below.

| Description of Event | FY 2024/25 Approved Budget | FY 2025/26 Proposed Budget |
|-----------------------------|---|---|
| Downtown Concert Series | \$ 36,000 | \$ 0 |
| Jazz Festival | \$ 0 | \$ 45,000 |
| Various Events | \$ 35,000 | \$ 35,000 |
| DVI - Sip N Stroll | \$ 54,000 | \$ 45,000 |
| | <u>\$ 125,000</u> | <u>\$ 125,000</u> |

7. Supervision Allocation:

- This amount represents the administrative costs of the Downtown Investment Authority for the supervision of Public Parking (Fund 41102) and the CRA activities. The increase in the amount allocated is due to the salary increases and an increase in the percentage of costs being allocated to the other funds.

FOOD AND BEVERAGE EXPENDITURES:

| Amount | Description of each Service/Event that requires the purchase of food/beverage | Explanation that the Service/Event serves a public purpose |
|---------------|--|---|
| \$1,000 | Downtown Investment Authority Public Meetings | Water, coffee, tea associated with holding Public Meetings. |

EMPLOYEE CAP CHANGES:

No Change

SERVICE LEVEL CHANGES:

None

RECOMMENDATIONS:

None

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2025/26 BUDGET
DOWNTOWN INVESTMENT AUTHORITY
DOWNTOWN ECONOMIC DEVELOPMENT FUND (FUND 00116)**

PROPOSED BUDGET BOOK - Page # 67-68

BACKGROUND:

The Downtown Economic Development Fund is governed by Section 55.112(a) of the Municipal Code and *“shall consist of all donations and contributions of money, including gifts and grants received by the City, for use in furthering the goals of the DIA, as well as funds as may be appropriated from time to time by Council.*

- (i) All sums placed into the Fund, which shall include all interest and investment pool earnings earned or accrued thereon, shall be accounted for in a separate account and shall not lapse at the close of any fiscal year but instead shall carry over to the next fiscal year.*
- (ii) The DIA shall supervise and administer the Fund for purposes established in the BID Plan, as amended from time to time, for Projects and Programs located within the Downtown. The DIA shall review, approve and administer the Fund consistent with the Council-appropriated budget and no additional approval shall be required from the Council for expenditure of funds in accordance with the Council appropriated budget.*

REVENUES:

1. Debt Funding: Debt Management Fund:

- This represents \$39,000,000 in proposed borrowing to fund the escrow account required to be funded by November 1, 2025 to preserve all of the protections outline in the redevelopment agreement approved by Ordinance 2024-748-E with RD River City Brewery, LLC.

EXPENDITURES:

1. Other Uses – Debt Funded:

- The \$39,000,000 will be placed in an escrow account to be paid out of the escrow account pari-passu during the vertical construction phase.

EMPLOYEE CAP CHANGES:

There are no authorized positions in this subfund.

SERVICE LEVEL CHANGES:

None.

CONCERN/RECOMMENDATION:

The City should not be issuing debt to pay economic incentives. The debt service cost could run from \$3 to \$6 million if payback was over 3 to 5 years. Based on the discussion at the first Finance Committee Budget Hearing, we recommend removing the \$39 million from the budget (revenue and expense). Additionally, we recommend that any debt authorizing schedules within the Budget Ordinance be adjusted accordingly to remove debt authorization.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2025/26 BUDGET
DOWNTOWN INVESTMENT AUTHORITY
PUBLIC PARKING (FUND 41102)**

PROPOSED BUDGET BOOK - Page # 108-110

BACKGROUND:

The Office of Public Parking is a part of the Downtown Investment Authority. The agency manages:

- Parking lots (Bay/Ocean Street, Catherine/Bay Street, Liberty Street Kiosk, and five parking lots in the Southbank area)
- Garages (Ed Ball, Main Library, St. James Building, Water Street, and Yates Building)
- Single-space Parking meters (582 digital meters and 451 mechanical meters)
- 38 multi-space parking meter kiosks on Adams and Forsyth Street for on-street parking.

Revenues are generated through daily and monthly parking fees, as well as other fines and forfeitures.

Note: Separately, under the Northbank CRA, DIA also manages the Arena Garage, Sports Complex Garage, and the Courthouse Garage (MPS Garages).

REVENUE:

1. Permits and Fees:

- This amount represents permits for scooters and on-street parking placards, as well as wrecker and towing firm fees for vehicles left unattended after 24 hours. The net decrease of \$19,690 is due to an anticipated decrease in revenue based on current year actuals.

2. Charges for Services:

- The net increase of \$14,899 is mainly due to an increase in monthly parking fees that is offset partly by a decrease in daily parking fees. Included in this line is the 50% contribution by the City to cover the City employee discount (\$531,300).

3. Fines and Forfeits:

- The \$448,826 represents the parking fines net of the portions to the Police and Fire Pension Fund and Disabled Trust Fund. The slight decrease is based on current trends.

4. Transfers from Fund Balance:

- The budgeted amount in FY 2024/25 was a one-time transfer from fund balance to cover capital needs.

EXPENDITURES:

1. Salaries:

- The increase of \$206,601 is mainly due to the FY 2024/25 and the proposed FY 2025/26 increases, and some additional salary raises and the impact of employee turnover.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2025/26 BUDGET
DOWNTOWN INVESTMENT AUTHORITY
PUBLIC PARKING (FUND 41102)**

PROPOSED BUDGET BOOK - Page # 108-110

2. Calculated Vacancy Rate Contra Expense:
 - This reflects an estimated salary and benefit lapse based on the average turnover ratio and estimated number of vacancies in FY 2025/26.
3. Pension Costs:
 - The increase of \$18,074 is primarily due to the salary increases noted above.
4. Pension Costs – Defined Benefit UAAL:
 - The increase of \$33,101 in general employees defined benefit unfunded liability is primarily due to a change in the allocation methodology.
5. Employer Provided Benefits:
 - The increase of \$24,875 is due to an increase in health insurance based on plan elections made by employees.
6. Internal Service Charges:
 - The decrease of \$48,910 is mainly due to a decrease of \$32,600 in IT charges and a decrease of \$20,286 in building maintenance costs based on prior year actuals.
7. Insurance Costs and Premiums – Allocations:
 - The net decrease of \$90,677 is mainly due to a decrease of \$51,963 in miscellaneous insurance costs attributable to a reduction in property insurance premium to be allocated and a decrease of \$38,714 in general liability insurance driven by a decrease in actual claim experience.
8. Professional and Contractual Services:
 - This represents the costs of contracted maintenance services for the Southbank lots in Downtown.
9. Other Operating Expenses:
 - The net increase of \$48,591 is primarily due to an increase of \$116,436 in repairs to buildings and equipment such as power washing, wayfinding, and painting for the Yates Garage and the Duval Street Garage. This was somewhat offset by a decrease of \$50,800 in other operating supplies based on current year usage.
10. Capital Outlay:
 - The amount in FY 2024/25 represents a one-time enhancement request to make software and hardware upgrades to the parking access and revenue control system.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2025/26 BUDGET
DOWNTOWN INVESTMENT AUTHORITY
PUBLIC PARKING (FUND 41102)**

PROPOSED BUDGET BOOK - Page # 108-110

11. Supervision Allocation:

- This represents the share of the departmental administration costs from the Downtown Investment Authority which are allocated to this fund.

12. Indirect Cost:

- This is an allocation of costs to operate central services of the City (e.g., employee, accounting, and procurement services) as calculated by the City's independent consulting firm.

13. Transfers to Other Funds:

- The amount in FY 2024/25 represented a one-time \$1million transfer to the Ed Ball Parking Garage Maintenance CIP project and \$60,000 to the Parking Capital Improvement fund for the Ed Ball and Duval Street garages design studies. There are no transfers to capital projects proposed in FY 2025/26.

EMPLOYEE CAP CHANGES:

There are no changes to the employee cap.

CAPITAL OUTLAY CARRYFORWARD:

There is a total capital outlay carryforward request of \$490,000 on Schedule AF in the Budget Ordinance for the purchase of specialized equipment that has not yet been encumbered.

SERVICE LEVEL CHANGES:

None.

RECOMMENDATIONS:

None.

**COUNCIL AUDITOR'S OFFICE
CITY OF JACKSONVILLE
DOWNTOWN NORTHBANK CRA TRUST (FUND 10801)
2025/26 MAYOR'S PROPOSED BUDGET**

BUDGET BOOK REFERENCE - PAGE #53 - 55

| | 2024/25 APPROVED BUDGET | 2025/26 PROPOSED BUDGET | INCREASE/ (DECREASE) | F/N |
|--|-------------------------------|-------------------------------|-------------------------|-----|
| REVENUES | | | | |
| Property Taxes - Northeast USD1-C | \$ 4,929,557 | \$ 5,906,637 | \$ 977,080 | (A) |
| Property Taxes - Northwest USD1-B | 9,048,021 | 9,401,868 | 353,847 | (A) |
| Interest Income | 1,175,423 | 1,193,093 | 17,670 | (B) |
| Adams Street Garage - MPS | 675,000 | 750,000 | 75,000 | (C) |
| Courthouse Garage - MPS | 200,000 | 275,000 | 75,000 | (C) |
| Courthouse Garage Tenant Lease - MPS | 99,640 | 116,473 | 16,833 | (C) |
| Sports Complex Garage - MPS | 975,000 | 1,200,000 | 225,000 | (C) |
| North Florida Land Trust Lease (DIA Resolution 2017-05-01) | 38,243 | - | (38,243) | (D) |
| Johnson Commons | 44,000 | 50,000 | 6,000 | (E) |
| Debt Repayment (Lynch /11E) | 800,000 | 11,350,329 | 10,550,329 | (F) |
| Debt Repayment (Carling Loan) | 506,487 | 11,256,114 | 10,749,627 | (G) |
| Total Revenues: | \$ 18,491,371 | \$ 41,499,514 | \$ 23,008,143 | |
| EXPENDITURES | | | | |
| Administrative Expenditures | | | | |
| Supervision Allocation | \$ 960,427 | \$ 1,399,415 | \$ 438,988 | (H) |
| Annual Independent Audit | 2,500 | 2,500 | - | |
| Total Administrative Expenditures: | \$ 962,927 | \$ 1,401,915 | \$ 438,988 | |
| Financial Obligations | | | | |
| Recaptured Enhanced Value (REV) grants | | | | |
| Fidelity National Information Services (leg: 2019-596) | \$ 1,200,000 | \$ 1,127,706 | \$ (72,294) | |
| Fincantieri (DIA Res. 2022-04-10) | 87,000 | 64,000 | (23,000) | |
| Hallmark / 220 Riverside (leg: 2012-270) | 506,000 | 475,000 | (31,000) | |
| Lofts at Brooklyn (DIA resolution 2018-09-01) | 73,212 | 48,500 | (24,712) | |
| Lofts at Jefferson Station (DIA resolution 2017-10-05) | 69,056 | 33,000 | (36,056) | |
| Park View Plaza (leg: 2015-037) | 151,422 | 157,000 | 5,578 | |
| Pope & Land / Brooklyn (leg: 2012-703 amend: 2013-288) | 480,000 | 410,000 | (70,000) | |
| Vista Brooklyn (leg: 2012-703) | 605,000 | 502,000 | (103,000) | |
| Economic Incentives | | | | |
| Other Core Private Redevelopment Incentives | - | 2,435,336 | 2,435,336 | (I) |
| Riverfront Plaza Pad B Incentives | - | 12,000,000 | 12,000,000 | (J) |
| Snyder Historic Renovation Incentives | - | 3,500,000 | 3,500,000 | (K) |
| MPS Downtown Garages | | | | |
| Operating Lease - Leaseholder Improvements | 25,000 | 25,000 | - | (L) |
| Miscellaneous Insurance | 323,309 | 288,458 | (34,851) | (M) |
| Debt Service Principal - Debt Defeasance (leg. 2022-137) | 1,500,000 | 1,500,000 | - | (N) |
| Debt Service Interest - Debt Defeasance (leg. 2022-137) | 485,676 | 485,709 | 33 | (N) |
| Garage Operations - Arena (Adams Street) | 200,000 | 200,000 | - | (L) |
| Garage Operations - Courthouse | 400,000 | 400,000 | - | (L) |
| Garage Operations - Sports Complex | 250,000 | 250,000 | - | (L) |
| Lynch Bldg. Loan Repayment | 800,000 | 5,910,957 | 5,110,957 | (O) |
| Total Financial Obligations: | \$ 7,155,675 | \$ 29,812,666 | \$ 22,656,991 | |

**COUNCIL AUDITOR'S OFFICE
CITY OF JACKSONVILLE
DOWNTOWN NORTHBANK CRA TRUST (FUND 10801)
2025/26 MAYOR'S PROPOSED BUDGET**

BUDGET BOOK REFERENCE - PAGE #53 - 55

| | 2024/25 APPROVED BUDGET | 2025/26 PROPOSED BUDGET | INCREASE/ (DECREASE) | F/N |
|---|--|--|---------------------------------|------------|
| Future Years Debt Reduction | | | | |
| Future Debt Reduction | \$ 150,000 | \$ - | \$ (150,000) | (P) |
| Total Future Years Debt Reduction: | \$ 150,000 | \$ - | \$ (150,000) | |
| Plan Authorized Expenditures | | | | |
| Capital Projects | | | | |
| LaVilla Heritage Trail & Gateway Entrances | \$ 500,000 | \$ - | \$ (500,000) | (Q) |
| Riverfront Plaza Restaurant | 1,000,000 | - | (1,000,000) | (R) |
| Riverwalk Enhancement and Signage | - | 250,000 | 250,000 | (S) |
| Two Way Conversion - Forsyth & Adams | 6,500,000 | 5,000,000 | (1,500,000) | (T) |
| Laura / Hogan Core Streetscape - Art and Lighting | - | 500,000 | 500,000 | (U) |
| Professional Services | 250,000 | 350,000 | 100,000 | (U) |
| Retail Enhancement Program | - | 1,000,000 | 1,000,000 | (U) |
| River and Tributary Access | - | 50,000 | 50,000 | (U) |
| Streetscape | - | 500,000 | 500,000 | (U) |
| Urban Art | 250,000 | 100,000 | (150,000) | (U) |
| Waterfront Enhancements | - | 50,000 | 50,000 | (U) |
| Wayfarer Signage | 500,000 | 500,000 | - | (U) |
| Unallocated Plan Authorized Expenditures | 1,222,769 | 1,984,933 | 762,164 | (V) |
| Total Plan Authorized Expenditures: | \$ 10,222,769 | \$ 10,284,933 | \$ 62,164 | |
| Total Expenditures: | \$ 18,491,371 | \$ 41,499,514 | \$ 23,008,143 | |

Revenue

(A) The corrected proposed ad valorem tax revenue is calculated as follows:

| | Northbank West USD1B 1981 | Northbank East USD1C 1984 | |
|--|---------------------------------|---------------------------------|-------|
| Base Year | | | |
| Preliminary Taxable Values | \$ 1,089,142,977 | \$ 692,636,227 | |
| Less Taxable Value in Base Year | 214,636,423 | 201,743,546 | |
| Taxable Value Incremental Increases | \$ 874,506,554 | \$ 490,892,681 | |
| Taxable Value Percentage Changes | 407.4% | 243.3% | |
| Operating Millage Rates | 11.3169 | 11.3169 | mills |
| Collection Rate | 95.0% | 95.0% | |
| Total Ad Valorem Revenue | \$ 9,401,868 | \$ 5,277,614 | |

The amount included in the Mayor's Proposed budget is overstated by \$629,023, based on the preliminary tax roll.
See Recommendations below.

- (B) This represents estimated interest earnings based on the City's anticipated rate of return provided by Treasury.
- (C) This represents the anticipated revenue from the City's operation of the Arena Garage, Courthouse Garage, and Sports Complex Garage (MPS Garages) net of the contractors operating costs. The increases are based on actuals and anticipated increases.

**COUNCIL AUDITOR'S OFFICE
CITY OF JACKSONVILLE
DOWNTOWN NORTHBANK CRA TRUST (FUND 10801)
2025/26 MAYOR'S PROPOSED BUDGET**

BUDGET BOOK REFERENCE - PAGE #53 - 55

- (D) The annual lease fee of the former Brewster Hospital building is \$71,100. The prior lease credit ended in March 2025 but lease revenue is not appropriated for FY 2025/26 because DIA Board and North Florida Land Trust are in negotiations for a new lease credit.
- (E) This amount represents anticipated penalty revenue for delayed construction based on current progress and anticipated distribution of net sales revenue.
- (F) This amount represents the annual payment on the Lynch/11E Building redevelopment loan pursuant to the amortization schedule approved by Ord. 2023-313-E. The loan is scheduled to mature in March 2026 with a balloon payment from the developer.
- (G) This amount represents the annual payment on the Carling Building redevelopment loan pursuant to the amortization schedule approved by Ord. 2014-280-E. The loan is scheduled to mature in March 2026 with a balloon payment from the developer.

Expenditures

- (H) This amount represents the administrative costs of the CRA which are allocated from the DIA General Fund/General Services District. The increase is due to an increase in the percentage and amount of costs being allocated.
- (I) Funds will be used to incentivize redevelopment for residential, retail, restaurants, and other uses to increase vitality within the Downtown Core.
- (J) These funds are being set aside in anticipation of a future development incentive associated with the Riverfront Plaza Pad B Development. Funds are not anticipated to be payable until FY 2028/29.
- (K) These funds will be used as incentives for the renovation of the Snyder Memorial Methodist Episcopal Church.
- (L) These items represent costs associated with the MPS Garages (excluding the operator costs), including rent, utilities, repairs, and maintenance.
- (M) This amount represents the insurance premiums on the MPS Garages.
- (N) These amounts represents the principal and interest due on the bonds issued related to the acquisition of the MPS Garages.
- (O) This amount represent a passthrough of the Lynch loan payment to the Self-Insurance fund (56101). The CRA borrowed \$17,816,000 from the City's Self-Insurance fund to finance the project.
- (P) This account is used to periodically set funds aside to pay future financial obligations. No funding planned in FY 2025/26.
- (Q) FY 2024/25 funds were appropriated for construction of the Gateway Entrances for the LaVilla Trail.
- (R) These funds were placed into a designated contingency as part of the FY 2024/25 budget review process.
- (S) This will bring the total CRA appropriations to date for this project to \$2 million. DIA intends to implement a phased construction approach and is in the process of putting the initial phase out to bid. The additional CRA funds are needed for further construction. Improvements will include expansion of the existing Riverwalk, addition of planters and trees, and lighting replacement.
- (T) Total CRA appropriations to date for this Project will be \$21 million. This will fund the widening of sidewalks, increased landscaping and hardscaping, and additional street furnishings.
- (U) These amounts represent funding for programs from the updated BID and/or CRA Plan approved by Ord. 2022-372-E.
- (V) This amount represents the balance of budgeted revenue in excess of budgeted expenditures, which can be reallocated by the CRA Board at a future date.

Recommendation

- (1) We recommend that the Property Tax revenue for the Northbank CRA be reduced by \$791,165 (\$629,023 due to an error in the proposed budget and \$162,142 due to the reduction in ad valorem revenue approved in meeting 1) and Unallocated Plan Authorized Expenditures be reduced by the same amount. This is to base expected revenue on the preliminary tax roll. This has no impact on the Special Council Contingency.
- (2) We recommend that Schedule V (the Budget Schedule in the Budget Ordinance for the Northbank) be amended to remove the FY 2024/25 approved amount column from the schedule and reflect the reduced property tax revenue and reduced unallocated Plan Authorized Expenditures. This will have no impact on the Special Council Contingency.

DOWNTOWN NORTHBANK CRA TRUST
FUND 10801

| REVENUES | FY26 Proposed |
|--|----------------------|
| Property Taxes - Northeast USD1-C | 5,219,320 |
| Property Taxes - Northwest USD1-B | 9,298,020 |
| Interest Income | 1,193,093 |
| Adams Street Garage | 750,000 |
| Courthouse Garage | 275,000 |
| Courthouse Garage Tenant Lease | 116,473 |
| Garage - Sports Complex | 1,200,000 |
| Northflorida Land Trust Lease (DIA Res. 2017-05-01) | - |
| Johnson Commons | 50,000 |
| Debt Repayment (Lynch /11E) - Principal | 11,184,025 |
| Debt Repayment (Lynch /11E) - Interest | 166,304 |
| Debt Repayment (Carling Loan) - Principal | 11,178,377 |
| Debt Repayment (Carling Loan) - Interest | 77,737 |
| Total Revenues: | <u>40,708,349</u> |
| EXPENDITURES | FY26 Proposed |
| Administrative Expenditures | |
| Supervision Allocation | 1,399,415 |
| Annual Independent Audit | 2,500 |
| Total Administrative Expenditures: | <u>1,401,915</u> |
| Financial Obligations | |
| Recaptured Enhanced Value (REV) grants | |
| Fidelity National Information Services (2019-596) | 1,127,706 |
| Fincantieri (DIA Res. 2022-04-10) | 64,000 |
| Hallmark / 220 Riverside (leg: 2012-270) | 475,000 |
| Lofts at Brooklyn (DIA resolution 2018-09-01) | 48,500 |
| Lofts at Jefferson Station (DIA resolution 2017-10-05) | 33,000 |
| Park View Plaza (Leg: 2015-037) | 157,000 |
| Pope & Land / Brooklyn (leg: 2012-703 amend: 2013-288) | 410,000 |
| Vista Brooklyn - 200 Riverside (leg: 2012-703) | 502,000 |
| Economic Incentives | |
| Other Core Private Redevelopment Incentives | 2,435,336 |
| Riverfront Plaza Pad B Incentives | 12,000,000 |
| Snyder Historic Renovation Incentives | 3,500,000 |
| MPS Downtown Garages | |
| Operating Lease - Leaseholder Improvements | 25,000 |
| Miscellaneous Insurance | 288,458 |
| Debt Service Principal - Debt Defeasance (leg. 2022-137) | 1,500,000 |
| Debt Service Interest - Debt Defeasance (leg. 2022-137) | 485,709 |
| Adams Street Garage | 200,000 |
| Courthouse Garage | 400,000 |
| Sports Complex Garage | 250,000 |
| Lynch Bldg. Loan Repayment | 5,910,957 |
| Total Financial Obligations: | <u>29,812,666</u> |
| Future Years Debt Reduction | |
| Future Debt Reduction | - |
| Total Future Years Debt Reduction: | <u>-</u> |

DOWNTOWN NORTHBANK CRA TRUST
FUND 10801

| EXPENDITURES | FY26 Proposed |
|---|----------------------|
| Plan Authorized Expenditures | |
| Capital Projects | |
| Riverwalk Enhancement and Signage | 250,000 |
| Two Way Conversion - Forsyth & Adams | 5,000,000 |
| Laura / Hogan Core Streetscape - Art and Lighting | 500,000 |
| Professional Services | 350,000 |
| Retail Enhancement Program | 1,000,000 |
| River and Tributary Access | 50,000 |
| Streetscape | 500,000 |
| Urban Art | 100,000 |
| Waterfront Enhancements | 50,000 |
| Wayfarer Signage | 500,000 |
| Unallocated Plan Authorized Expenditures | 1,193,768 |
| Total Plan Authorized Expenditures: | 9,493,768 |
| Total Expenditures: | 40,708,349 |

**COUNCIL AUDITOR'S OFFICE
CITY OF JACKSONVILLE
DOWNTOWN SOUTHBANK CRA TRUST (FUND 10802)
2025/26 MAYOR'S PROPOSED BUDGET**

BUDGET BOOK REFERENCE - PAGE #56 - 58

| | 2024/25 APPROVED BUDGET | 2025/26 PROPOSED BUDGET | INCREASE/ (DECREASE) | f/n |
|--|-------------------------------|-------------------------------|-------------------------|-----|
| REVENUES | | | | |
| Property Taxes | \$ 7,140,385 | \$ 6,488,353 | \$ (652,032) | (A) |
| Interest Income | 613,409 | 647,887 | 34,478 | (B) |
| Total Revenues: | \$ 7,753,794 | \$ 7,136,240 | \$ (617,554) | |
| EXPENDITURES | | | | |
| Administrative Expenditures | | | | |
| Supervision Allocation | \$ 344,708 | \$ 452,075 | \$ 107,367 | (C) |
| Annual Independent Audit | 2,500 | 2,500 | - | |
| Total Administrative Expenditures: | \$ 347,208 | \$ 454,575 | \$ 107,367 | |
| Financial Obligations | | | | |
| Recaptured Enhanced Value (REV) grants | | | | |
| Home Street Apartments (DIA Resolution 2017-08-03) | \$ 250,000 | \$ 213,000 | \$ (37,000) | |
| Southbank Apartment Venture (leg: 2018-658) | 360,000 | 312,000 | (48,000) | |
| Strand (leg: 2001-1329 amend: 2002-755 & 2006-1131) | 625,000 | 572,000 | (53,000) | |
| JEA Southside Gen Station Public Infrastructure Improvements | 3,500,000 | - | (3,500,000) | (D) |
| Debt Service Interest - Strand Bonds 2014 Special Rev | 125,856 | 102,976 | (22,880) | |
| Debt Service Principal - Strand Bonds 2014 Special Rev | 240,000 | 146,592 | (93,408) | |
| Total Financial Obligations: | \$ 5,100,856 | \$ 1,346,568 | \$ (3,754,288) | |
| Future Years Debt Reduction | | | | |
| Future Debt Reduction | \$ 40,000 | \$ - | \$ (40,000) | (E) |
| Total Future Years Debt Reduction: | \$ 40,000 | \$ - | \$ (40,000) | |
| Plan Authorized Expenditures | | | | |
| Capital Projects | | | | |
| Broadcast Place Park | \$ - | \$ 1,500,000 | \$ 1,500,000 | (F) |
| Flagler Ave. Shared Street | - | 200,000 | 200,000 | (G) |
| Riverwalk Enhancements and Signage | - | 500,000 | 500,000 | (H) |
| Southbank Parking | - | 413,245 | 413,245 | (I) |
| St Johns River Park Restaurant | 1,500,000 | 1,750,000 | 250,000 | (J) |
| Downtown Development Loan | 50,000 | 50,000 | - | (K) |
| Professional Services | 278,984 | 250,000 | (28,984) | (L) |
| Retail Enhancement Program | - | 200,000 | 200,000 | (L) |
| River and Tributary Access | - | 50,000 | 50,000 | (L) |
| Streetscape | - | 150,000 | 150,000 | (L) |
| Unallocated Plan Authorized Expenditures | 436,746 | 271,852 | (164,894) | (M) |
| Total Plan Authorized Expenditures | \$ 2,265,730 | \$ 5,335,097 | \$ 1,569,367 | |
| Total Expenditures: | \$ 7,753,794 | \$ 7,136,240 | \$ (2,117,554) | |

**COUNCIL AUDITOR'S OFFICE
CITY OF JACKSONVILLE
DOWNTOWN SOUTHBANK CRA TRUST (FUND 10802)
2025/26 MAYOR'S PROPOSED BUDGET
BUDGET BOOK REFERENCE - PAGE #56 - 58**

Revenue

- (A) The corrected ad valorem tax revenue is calculated as follows:

| | |
|--|------------------------------|
| Base Year | <u>1980</u> |
| Preliminary Taxable Values | \$ 751,144,237 |
| Less Taxable Value in Base Year | 89,127,781 |
| Taxable Value Incremental Increases | <u>\$ 662,016,456</u> |
| Taxable Value Percentage Changes | 742.8% |
| Operating Millage Rates | 11.3169 |
| Collection Rate | 95.0% |
| Total Ad Valorem Revenue | \$ 7,117,375 |

The amount included in the Mayor's Proposed budget is understated by \$629,023, based on the preliminary tax roll.
See Recommendations.

- (B) This represents estimated interest earnings based on the City's anticipated rate of return provided by Treasury.

Expenditures

- (C) This amount represents the administrative costs of the CRA which are allocated from the DIA General Fund/General Services District. The increase is due to an increase in the costs being allocated and an increase in the percentage of costs being allocated.
- (D) The maximum City contribution for the infrastructure improvements authorized by Ordinance 2018-313-E of \$23 million was fulfilled in FY 2024/25.
- (E) This account is used to periodically set funds aside to pay future financial obligations. No funding is needed in FY 2025/26.
- (F) These funds will go towards a joint project between DIA and Parks Recreation and Community Services for the construction of a park. The CRA's total contribution to the Project is anticipated to be \$4 million.
- (G) This will bring the total CRA appropriations to date for this project to \$1 million. Project is currently in the design phase with construction anticipated to commence in FY 2025/26. Improvements are anticipated to extend from Riverplace Boulevard south to Prudential Drive and include public access connection to the Riverwalk.
- (H) This will bring the total CRA appropriations to date for this project to \$1.6 million. DIA intends to implement a phased construction approach and is in the process of putting the initial phase out to bid. The additional CRA funds are needed for further construction. Improvements will include expansion of the existing Riverwalk, addition of planters and trees, and lighting replacement.
- (I) The funding for this project will go towards the reconstruction of existing public parking under the Acosta Bridge.
- (J) These funds will go towards the engineering and construction of a waterfront restaurant to be available for future leasing. The \$1.5 million appropriated in FY 2024/25 was moved from a construction account into a designated contingency as part of the budget review process. Ordinance 2025-386-E brought this back above the line with total five year cost projected at \$3,780,057.
- (K) This funding will be added to other funding to be used to issue a loan for an affordable housing project.
- (L) These amounts represent funding for programs from the updated BID and/or CRA Plan approved by Ord. 2022-372-E.
- (M) This amount represents the balance of budgeted revenue in excess of budgeted expenditures, which can be reallocated by the CRA Board at a future date.

**COUNCIL AUDITOR'S OFFICE
CITY OF JACKSONVILLE
DOWNTOWN SOUTHBANK CRA TRUST (FUND 10802)
2025/26 MAYOR'S PROPOSED BUDGET**

BUDGET BOOK REFERENCE - PAGE #56 - 58

Recommendations

- (1) We recommend that the Property Tax revenue for the Southbank CRA be increased by \$550,409 (\$629,023 increase due to an error in the proposed budget offset by \$78,614 due to the reduction in ad valorem revenue approved in meeting 1) and Unallocated Plan Authorized Expenditures be increased by the same amount. This is to base expected revenue on the preliminary tax roll. This has no impact on the Special Council Contingency.
- (2) We recommend that the Southbank CRA schedule included in the Budget Ordinance (Schedule V) be amended to remove the FY 2024/25 approved amount column from the schedule and reflect the increase in property tax revenue and the unallocated plan authorized expenditures. This will have no impact on the Special Council Contingency.

DOWNTOWN SOUTHBANK CRA TRUST
FUND 10802

| REVENUES | | FY26 Proposed |
|---|--|-------------------------|
| Property Taxes | | 7,038,762 |
| Interest Income | | 647,887 |
| Total Revenues: | | <u>7,686,649</u> |
| EXPENDITURES | | FY26 Proposed |
| Administrative Expenditures | | |
| Supervision Allocation | | 452,075 |
| Annual Independent Audit | | 2,500 |
| Total Administrative Expenditures: | | <u>454,575</u> |
| Financial Obligations | | |
| Recaptured Enhanced Value (REV) grants | | |
| Strand (leg: 2001-1329 amend: 2002-755 & 2006-1131) | | 213,000 |
| Home Street Apartments (DIA Resolution 2017-08-03) | | 312,000 |
| Southbank Apartment Venture (leg: 2018-658) | | 572,000 |
| The District/JEA Southside Gen Station Pub Infra Improv | | - |
| Debt Service Interest - Strand Bonds 2014 Special Rev | | 102,976 |
| Debt Service Principal - Strand Bonds 2014 Special Rev | | 146,592 |
| Total Financial Obligations: | | <u>1,346,568</u> |
| Future Years Debt Reduction | | |
| Future Debt Reduction | | - |
| Total Future Years Debt Reduction: | | <u>-</u> |
| Plan Authorized Expenditures | | |
| Capital Projects | | |
| Broadcast Place Park | | 1,500,000 |
| Flagler Ave. Shared Street | | 200,000 |
| Riverwalk Enhancements and Signage | | 500,000 |
| Southbank Parking | | 413,245 |
| St Johns River Park Restaurant | | 1,750,000 |
| Downtown Development Loan | | 50,000 |
| Professional Services | | 250,000 |
| Retail Enhancement Program | | 200,000 |
| River and Tributary Access | | 50,000 |
| Streetscape | | 150,000 |
| Unallocated Plan Authorized Expenditures | | 822,261 |
| Total Plan Authorized Expenditures: | | <u>5,885,506</u> |
| Total Expenditures: | | <u><u>7,686,649</u></u> |

**COUNCIL AUDITOR'S OFFICE
CITY OF JACKSONVILLE
JACKSONVILLE BEACH TAX INCREMENT (FUND 10803)
2025/26 MAYOR'S PROPOSED BUDGET
BUDGET BOOK REFERENCE - Page #59-60**

| | USD2A Jax Beach Downtown | USD2B Jax Beach South Bank | 2025/26 PROPOSED BUDGET |
|--|---|---|--|
| TAXABLE VALUES & RATES | | | |
| Base Years | 1983 | 1986 | 1983 & 1986 |
| Preliminary Taxable Values | \$ 1,047,049,158 | \$ 577,414,731 | \$ 1,624,463,889 |
| Less Taxable Value in Base Years | (42,271,886) | (6,518,754) | (48,790,640) |
| Taxable Value Incremental Increases | \$ 1,004,777,272 | \$ 570,895,977 | \$ 1,575,673,249 |
| Taxable Value Percentage Increases | 2376.9% | 8757.7% | 3229.5% |
| Operating Millage Rates (mills) | 8.0262 | 8.0262 | 8.0262 |
| Collection Rate | 95.0% | 95.0% | 95.0% |
| REVENUE | | | |
| Ad Valorem Taxes - GF / GSD | \$ 7,661,317 | \$ 4,353,019 | \$ 12,014,336 |
| EXPENDITURES | | | |
| Contribution to Jacksonville Beach | \$ 7,661,317 | \$ 4,353,019 | \$ 12,014,336 |

Percentage of USD2 Taxes Received by City of Jacksonville

| | <u>Countywide Levy</u> | <u>USD2 Levy</u> |
|--|-------------------------------|-------------------------|
| 2025/26 Jax Beach Preliminary Taxable Values | \$ 6,185,393,797 | \$ 6,185,393,797 |
| Levy | 11.3169 mills | 8.0262 mills (A) |
| Collection Rate | 95.5% | 95.5% |
| Taxes | \$ 66,849,506 | \$ 47,411,173 |
| Less TIF | | (12,014,336) |
| Net Revenue to City | | \$ 35,396,837 |

FOOTNOTES

(A) 8.0262 mills is 3.2907 mills less than the General Services District millage. Per the interlocal agreement, Jacksonville Beach's millage rate shall be 3.2907 mills less than the General Services District rate. The USD2 levy is 70.92% of the 11.3169 mill rate levied county-wide.

NOTE:

During meeting 1, the Jax Beach Downtown and Jax Beach South Bank ad valorem revenue was reduced by \$119,317 and \$67,794, respectively.

**COUNCIL AUDITOR'S OFFICE
CITY OF JACKSONVILLE
KING SOUTEL TAX INCREMENT DISTRICT GSK (FUND 10805)
2025/26 CRA BOARD APPROVED BUDGET
BUDGET BOOK REFERENCE - Pages #61-62**

| | 2024/25 APPROVED BUDGET | 2025/26 PROPOSED BUDGET | INCREASE/ (DECREASE) | Footnote |
|--|-------------------------------|-------------------------------|-------------------------|----------|
| REVENUE | | | | |
| Property Taxes | \$ 3,484,229 | \$ 4,867,417 | \$ 1,383,188 | (A) |
| Interest Income | 206,611 | 253,288 | 46,677 | (B) |
| Total Revenue: | \$ 3,690,840 | \$ 5,120,705 | \$ 1,429,865 | |
| EXPENDITURES | | | | |
| Administrative Expenditures | | | | |
| Permanent Salaries | \$ 34,381 | \$ - | \$ (34,381) | (C) |
| Medicare | 500 | - | (500) | (C) |
| Disability Trust Fund - Employer | 103 | - | (103) | (C) |
| GEPP Defined Contribution - Employer | 4,023 | - | (4,023) | (C) |
| Group Life Insurance | 122 | - | (122) | (C) |
| Group Hospitalization Insurance | 3,354 | - | (3,354) | (C) |
| Professional Services | 1,000 | 1,000 | - | |
| Travel | 3,688 | 4,000 | 312 | |
| Local Mileage | 300 | 500 | 200 | |
| General Liability Insurance | 155 | - | (155) | |
| Advertising and Promotion | 1,000 | 1,000 | - | |
| OGC Internal Service | 10,900 | 10,900 | - | |
| Office Supplies | 500 | 500 | - | |
| Dues, Subscriptions | 175 | 481 | 306 | |
| Employee Training | 988 | 1,000 | 12 | |
| Supervision Allocation | 129,057 | 179,063 | 50,006 | (D) |
| Annual Independent Audit | 2,500 | 2,500 | - | |
| Total Administrative Expenditures: | \$ 192,746 | \$ 200,944 | \$ 8,198 | |
| Financial Obligations | | | | |
| Rev Grants | | | | |
| Pritchard Hospitality (leg. 2022-118-A) | \$ - | \$ 45,000 | \$ 45,000 | (E) |
| Total Financial Obligations: | \$ - | \$ 45,000 | \$ 45,000 | |
| Plan Authorized Expenditures | | | | |
| Unallocated Plan Authorized Expenditures | \$ 3,498,094 | \$ 4,874,761 | \$ 1,376,667 | (F) |
| Total Plan Authorized Expenditures: | \$ 3,498,094 | \$ 4,874,761 | \$ 1,376,667 | |
| Total Expenditures: | \$ 3,690,840 | \$ 5,120,705 | \$ 1,429,865 | |

**COUNCIL AUDITOR'S OFFICE
CITY OF JACKSONVILLE
KING SOUTEL TAX INCREMENT DISTRICT GSK (FUND 10805)
2025/26 CRA BOARD APPROVED BUDGET
BUDGET BOOK REFERENCE - Pages #61-62**

Revenue

(A) Ad valorem tax revenue is calculated as follows:

| | | |
|--|------------------------------|-------|
| Base Year | <u>2008</u> | |
| Preliminary Taxable Values | 523,803,514 | |
| Less Taxable Value in Base Year | <u>71,064,917</u> | |
| Taxable Value Incremental Increases | <u>\$ 452,738,597</u> | |
| Taxable Value Percentage Increases | 637.1% | |
| Operating Millage Rates | 11.3169 | mills |
| Collection Rate | 95.0% | |
| Total Revenue | \$ 4,867,417 | |

(B) This represents estimated interest earnings based on the City's anticipated rate of return provided by Treasury.

Expenditures

- (C) In FY 2024/25, 50% of the salaries and benefits associated with the CRA Coordinator position was included in this fund. In FY 2025/26 the distribution of costs associated with this position are included in the supervision allocation.
- (D) This amount represents the administrative costs of the CRA which are allocated from the Office of Economic Development and 50% of the CRA Coordinator position being allocated from the Renew Arlington CRA (10806).
- (E) This amount represents the anticipated first disbursement on the approved \$290,000 REV grant.
- (F) This amount represents the balance of budgeted revenue in excess of budgeted expenditures, which can be reallocated by the CRA Board at a future date.

Recommendation

- (1) We recommend that the Property Tax revenue be reduced by \$53,763 due to the reduction in ad valorem revenue approved in meeting 1 and Unallocated Plan Authorized Expenditures be reduced by the same amount. This is to base expected revenue on the preliminary tax roll. This has no impact on the Special Council Contingency.
- (2) We recommend that the Budget Ordinance Schedule for the King Soutel CRA (Schedule T) be amended to remove the FY 2024/25 approved amount column from the schedule and reflect the decrease in property tax revenue and the unallocated authorized expenditures. This will have no impact on the Special Council Contingency.

KING/SOUTEL CROSSING CRA TRUST
FUND 10805

| REVENUES | | FY26 Proposed |
|--|-------------------------------------|------------------|
| Property Taxes | | 4,813,654 |
| Interest Income | | 253,288 |
| | Total Revenues: | <u>5,066,942</u> |
| EXPENDITURES | | FY26 Proposed |
| Administrative Expenditures | | |
| Permanent Salaries | | - |
| Medicare | | - |
| Disability Trust Fund - Employer | | - |
| GEPP Defined Contribution - Employer | | - |
| Group Life Insurance | | - |
| Group Hospitalization Insurance | | - |
| Other Professional Services | | 1,000 |
| Travel Expense | | 4,000 |
| Local Mileage | | 500 |
| General Liability Insurance | | - |
| Advertising and Promotion | | 1,000 |
| ISA-OGC Legal | | 10,900 |
| Office Supplies - Other | | 500 |
| Dues and Subscriptions | | 481 |
| Employee Training Expenses | | 1,000 |
| Supervision Allocation | | 179,063 |
| Annual Independent Audit | | 2,500 |
| | Total Administrative Expenditures: | <u>200,944</u> |
| Financial Obligations | | |
| Rev Grants | | |
| Pritchard Hospitality (leg. 2022-118-A) | | 45,000 |
| | Total Financial Obligations: | <u>45,000</u> |
| Plan Authorized Expenditures | | |
| Unallocated Plan Authorized Expenditures | | 4,820,998 |
| | Total Plan Authorized Expenditures: | <u>4,820,998</u> |
| | Total Expenditures: | <u>5,066,942</u> |

**COUNCIL AUDITOR'S OFFICE
CITY OF JACKSONVILLE
RENEW ARLINGTON TAX INCREMENT DISTRICT GSRA (FUND 10806)
2025/26 CRA BOARD APPROVED BUDGET
BUDGET BOOK REFERENCE - Page #63-64**

| | 2024/25 APPROVED BUDGET | 2025/26 PROPOSED BUDGET | INCREASE/ (DECREASE) | Footnote |
|---|-------------------------------|-------------------------------|-------------------------|----------|
| REVENUE | | | | |
| Property Taxes | \$ 2,755,982 | \$ 2,990,509 | \$ 234,527 | (A) |
| Interest Income | 244,505 | 252,353 | 7,848 | (B) |
| Total Revenue: | \$ 3,000,487 | \$ 3,242,862 | \$ 242,375 | |
| EXPENDITURES | | | | |
| Administrative Expenditures | | | | |
| Permanent Salaries | \$ 34,381 | \$ 74,793 | \$ 40,412 | (C) |
| Part-Time Salaries | 101,288 | 166,664 | 65,376 | (D) |
| Special Pay - Pensionable | - | 310 | 310 | (C) |
| Medicare | 1,969 | 3,509 | 1,540 | (C) |
| GEPP Pension Contribution | - | 6,320 | 6,320 | (C) |
| GEPP DB Unfunded Liability | - | 12,022 | 12,022 | (C) |
| Disability Trust Fund - Employer | 103 | - | (103) | |
| GEPP Defined Contribution - Employer | 4,023 | - | (4,023) | |
| Group Dental Plan | - | 180 | 180 | (C) |
| Group Life Insurance | 122 | 266 | 144 | (C) |
| Group Hospitalization Insurance | 3,354 | 6,709 | 3,355 | (C) |
| City Employees Worker's Compensation | - | 121 | 121 | (C) |
| Other Professional Services | 1,000 | 1,000 | - | |
| Travel Expense | 3,688 | 4,000 | 312 | |
| Local Mileage | 300 | 500 | 200 | |
| General Liability Insurance | 610 | 896 | 286 | |
| Advertising and Promotion | 1,000 | 1,000 | - | |
| ISA - Copy Center | - | 148 | 148 | |
| ISA - OGC Legal | 20,000 | 25,000 | 5,000 | (E) |
| Office Supplies - Other | 500 | 500 | - | |
| Dues and Subscriptions | 175 | 481 | 306 | |
| Employee Training Expenses | 988 | 1,000 | 12 | |
| Supervision Allocated | 147,257 | 101,463 | (45,794) | (F) |
| Annual Independent Audit | 2,500 | 2,500 | - | |
| Total Administrative Expenditures: | \$ 323,258 | \$ 409,382 | \$ 86,124 | |
| Financial Obligations | | | | |
| Infrastructure Development Grant | | | | |
| College Park (CRA-2021-02) | \$ 400,000 | \$ 400,000 | \$ - | (G) |
| Total Administrative Expenditures: | \$ 400,000 | \$ 400,000 | \$ - | |

**COUNCIL AUDITOR'S OFFICE
CITY OF JACKSONVILLE
RENEW ARLINGTON TAX INCREMENT DISTRICT GSRA (FUND 10806)
2025/26 CRA BOARD APPROVED BUDGET
BUDGET BOOK REFERENCE - Page #63-64**

Plan Authorized Expenditures

| | | | | | | | |
|--------------------------------------|----|-----------|----|-----------|----|---------|-----|
| Unallocated Plan Authorized Projects | \$ | 2,277,229 | \$ | 2,433,480 | \$ | 156,251 | (H) |
|--------------------------------------|----|-----------|----|-----------|----|---------|-----|

| | | | | | | |
|----------------------------|-----------|------------------|-----------|------------------|-----------|----------------|
| Total Expenditures: | \$ | 3,000,487 | \$ | 3,242,862 | \$ | 242,375 |
|----------------------------|-----------|------------------|-----------|------------------|-----------|----------------|

Revenue

(A) Ad valorem tax revenue is calculated as follows:

| | | | | | |
|--|----|-----------------------|--|--|--|
| Base Year | | 2015 | | | |
| Preliminary Taxable Values | \$ | 488,501,903 | | | |
| Less Taxable Value in Base Year | | 210,342,375 | | | |
| Taxable Value Incremental Increases | | \$ 278,159,528 | | | |
| Taxable Value Percentage Increases | | 132.2% | | | |
| Operating Millage Rates | | 11.3169 mills | | | |
| Collection Rate | | 95.0% | | | |
| Total Revenue | \$ | 2,990,509 | | | |

(B) This represents estimated interest earnings based on the City's anticipated rate of return provided by Treasury.

Expenditures

- (C) In FY 2024/25, 50% of the salaries and benefits associated with the CRA Coordinator position was included in this fund. In FY 2025/26, 100% of the expenditures are included in this fund and the distribution of costs associated with this position are being allocated to the King Soutel CRA through the Supervision Allocation.
- (D) The increase of \$65,376 is due to the addition of 1,248 part-time hours for a professional landscape architect related to the Mandatory Compliance Grant Program resulting from an increase in grant applications.
- (E) The increase of \$5,000 in legal fees is based on recent usage.
- (F) This amount represents the administrative costs of the CRA which are allocated from the Office of Economic Development, net of the cost allocated from this fund to the King Soutel CRA (10805) for the CRA coordinator position. The decrease is due to adding the allocation from this fund to King Soutel CRA (10805).
- (G) In FY 2020/21 the CRA Board approved a \$2,000,000 Infrastructure Development Grant (TID) for 903 University Blvd LLC. to develop mixed-use commercial and residential or hotel property at the former site of the Town and County Shopping Center. The \$400,000 represents the budget for the fifth and final annual installments. Only two of the installment payments have been made to date.
- (H) This amount represents the balance of budgeted revenue in excess of budgeted expenditures, which can be reallocated by the CRA Board at a future date.

Recommendation

- (1) We recommend that the Property Tax revenue be reduced by \$33,031 due to the reduction in ad valorem revenue approved in meeting 1 and Unallocated Plan Authorized Expenditures be reduced by the same amount. This is to base expected revenue on the preliminary tax roll. This has no impact on the Special Council Contingency.
- (2) We recommend that the Renew Arlington CRA Schedule within the Budget Ordinance (Schedule S) be amended to remove the FY 2024/25 approved amount column from the schedule and reflect the decrease in property tax revenue and the unallocated authorized expenditures. This will have no impact on the Special Council Contingency.

RENEW ARLINGTON AREA CRA TRUST
FUND 10806

| REVENUES | | FY26 Proposed |
|--|-------------------------------------|------------------|
| Property Taxes | | 2,957,478 |
| Interest Income | | 252,353 |
| | Total Revenues: | <u>3,209,831</u> |
| EXPENDITURES | | FY26 Proposed |
| Administrative Expenditures | | |
| Permanent Salaries | | 74,793 |
| Part-Time Salaries | | 166,664 |
| Special Pay - Pensionable | | 310 |
| Medicare | | 3,509 |
| GEPP Pension Contribution | | 6,320 |
| GEPP DB Unfunded Liability | | 12,022 |
| Disability Trust Fund - Employer | | - |
| GEPP Defined Contribution - Employer | | - |
| Group Dental Plan | | 180 |
| Group Life Insurance | | 266 |
| Group Hospitalization Insurance | | 6,709 |
| City Employees Worker's Compensation | | 121 |
| Other Professional Services | | 1,000 |
| Travel Expense | | 4,000 |
| Local Mileage | | 500 |
| General Liability Insurance | | 896 |
| Advertising and Promotion | | 1,000 |
| ISA - Copy Center | | 148 |
| ISA - OGC Legal | | 25,000 |
| Office Supplies - Other | | 500 |
| Dues and Subscriptions | | 481 |
| Employee Training Expenses | | 1,000 |
| Supervision Allocated | | 101,463 |
| Annual Independent Audit | | 2,500 |
| | Total Administrative Expenditures: | <u>409,382</u> |
| Financial Obligations | | |
| Infrastructure Development Grant | | |
| College Park (CRA-2021-06) | | 400,000 |
| | Total Financial Obligations: | <u>400,000</u> |
| Plan Authorized Expenditures | | |
| Unallocated Plan Authorized Expenditures | | 2,400,449 |
| | Total Plan Authorized Expenditures: | <u>2,400,449</u> |
| | Total Expenditures: | <u>3,209,831</u> |

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2025/26 BUDGET
OFFICE OF ECONOMIC DEVELOPMENT
GENERAL FUND / GENERAL SERVICES DISTRICT (FUND 00111)**

PROPOSED BUDGET BOOK - Page # 236-238

BACKGROUND:

The Office of Economic Development serves as the economic development agency (outside of downtown) for the City of Jacksonville, implementing policies that result in sustainable job growth, raising personal incomes and creating a broader tax base for the community. The office also oversees the administration of local and state incentives, redevelopment at the Cecil Commerce Center, the Northwest Economic Development Fund, provides staff support to two Community Redevelopment Areas, and includes the Jacksonville Film and Television Office and the Office of Equal Business Opportunity.

EXPENDITURES:

1. Salaries:

- The increase of \$121,861 is due to an increase of \$80,898 in permanent and probationary salaries mainly due to the FY 2024/25 and the proposed FY 2025/26 increases, which was partially offset by a decrease in the employee cap of one vacant position in the Equal Business Opportunity Office. There was also an increase of \$39,454 in part time salaries approved for the Equal Business Opportunity Office during FY2024/25.

2. Pension Costs -Defined Benefit UAAL:

- The decrease of \$388,422 is the result of the method of allocating unfunded liability costs being changed and the cost being moved to a non-departmental line item.

3. Internal Service Charges:

- The decrease of \$128,474 is mainly due to a decrease in computer systems and maintenance mainly due to a decrease in the overall operating budget of the Technology Solutions department.

4. Professional and Contractual Services:

- The \$435,330 in professional and contractual services is mainly made up of \$240,000 for four JSEB Entrepreneurship and Education and Workforce Development Centers within the City, \$35,000 for JSEB Bootcamp services agreement with UNF, and \$128,866 to bring the total JSEB funding excluding salaries and benefits above \$500,000. However, the minimum required funding, excluding personnel costs is now \$750,000 pursuant to Ordinance 2025-411-E. **See Recommendation**

5. Other Operating Expenses:

- The decrease of \$43,908 is mainly due to a decrease of \$32,919 in travel and training costs due to the policy change to move travel and training for mayoral reporting departments to a non-departmental line item to provide an additional level of review and approval. There was also a decrease of \$7,500 in advertising and promotion to align with actual costs.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2025/26 BUDGET
OFFICE OF ECONOMIC DEVELOPMENT
GENERAL FUND / GENERAL SERVICES DISTRICT (FUND 00111)**

PROPOSED BUDGET BOOK - Page # 236-238

6. Grants, Aids, & Contributions:

- This funding is a grant for the UNF Small Business Development Center.

7. Supervision Allocation:

- This amount represents administrative costs that are being allocated to the Cecil Commerce Center Fund (Fund 11312), King/Soutel CRA (Fund 10805), and the Renew Arlington CRA (Fund 10806).

FOOD AND BEVERAGE EXPENDITURES:

| FY 2025/26 Proposed | Description of each Service/Event that requires the purchase of food/beverage | Explanation that the Service/Event serves a public purpose |
|------------------------------------|--|--|
| \$200 | Coffee for meetings with prospects. | To further redevelopment efforts in Jacksonville to promote job creation and private capital investment. |

EMPLOYEE CAP CHANGES:

The employee cap is proposed to decrease by one position within the Equal Business Opportunity Office and 208 part-time hours are proposed to be added to the Equal Business Opportunity Office.

SERVICE LEVEL CHANGES:

None.

RECOMMENDATION:

We recommend one of the following options to address the funding (excluding personnel costs) for the Equal Business Opportunity Office not being a minimum of \$750,000 as required by Section 126.605 of the Ordinance Code (authorized pursuant to Ordinance 2025-411-E.

- a) increase the funding for Professional Services within Equal Business Opportunity Office by \$206,611, which will have a negative impact to Special Council Contingency of \$206,611; or
- b) add a waiver of Section 126.605 of the Budget Ordinance.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2025/26 BUDGET
CECIL COMMERCE CENTER (FUND 11312)**

PROPOSED BUDGET BOOK - Page # 239-240

BACKGROUND:

Established per Ordinance 98-1052-E, all revenues received or earned by the City from the development and operation of the Cecil Commerce Center are deposited into this trust fund. The funds are used for the improvements, repairs, or maintenance costs of the City's facilities at Cecil Commerce Center or other costs of undertaking City obligations, goals, and objectives at Cecil Commerce Center. The Office of Economic Development manages most of the operations except for a portion of the forestry-related activities that are managed by the Parks, Recreation, and Community Services Department. This is an "all years" fund, which means once dollars are appropriated, the appropriation stays in place from year to year rather than lapsing.

Overall Note – Revenue is only budgeted in this fund to cover costs. Annual revenue is typically in excess of \$3 million.

REVENUES:

1. Miscellaneous Revenue:

- The increase of \$709,801 is primarily due to an increase of \$619,618 in gains/loss on the sale of real property related to "all years" adjustments to appropriate actual revenue earned in previous years which is used to balance the fund.

2. Investment Pool/Interest Earnings:

- The proposed amount is based on the anticipated interest earnings in FY 2025/26.

EXPENDITURES:

1. Insurance Costs and Premiums – Allocations

- The decrease of \$31,423 is due to a decrease in miscellaneous insurance due to a decrease in property insurance premium costs being allocated in FY 2025/26 compared to FY 2024/25.

2. Professional and Contractual Services:

- This funding is associated with the building and property maintenance contract at Cecil Commerce Center. The increase of \$1,038,893 is partially attributable to a 3.1% cost of living increase and mainly due to a one-time increase of \$927,731 for repairs and maintenance to include a roof replacement on one of the City buildings.

3. Other Operating Expenses:

- The decrease of \$47,500 is attributable to there being no appropriation of funding for grants needed in FY 2025/26.

4. Supervision Allocation:

- This amount represents the administrative costs of Office of Economic Development staff for the time they spend on activities related to Cecil Commerce Center. The increase of \$35,788 is due to an overall increase in expenses being allocated.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2025/26 BUDGET
CECIL COMMERCE CENTER (FUND 11312)**

PROPOSED BUDGET BOOK - Page # 239-240

5. Indirect Cost:

- This is an allocation of costs to operate central services of the City (e.g., employee, accounting, and procurement services) as calculated by the City's independent consulting firm.

6. Transfers to Other Funds:

- This is \$500,000 in additional funding for the Logistics Lane Road extension capital project. (Note: \$1,000,000 can also be used to fund the Cecil Mega Site Rail Spur capital project that is proposed to be funded with debt. This recommendation will be addressed in the Capital Improvement Plan meeting.)

SERVICE LEVEL CHANGES:

None.

EMPLOYEE CAP CHANGES:

There are no positions in this fund.

RECOMMENDATION:

None.