

STORAGE NAME: h0917a.ca
DATE: April 23, 1997

**HOUSE OF REPRESENTATIVES
COMMITTEE ON
COMMUNITY AFFAIRS
BILL ANALYSIS & ECONOMIC IMPACT STATEMENT - LOCAL LEGISLATION**

BILL #: HB 917

RELATING TO: City of Jacksonville, Duval County (Restructuring)

SPONSOR(S): Representative Fuller and Others

COMPANION BILL(S): SB 2008 (s)

ORIGINATING COMMITTEE(S)/COMMITTEE(S) OF REFERENCE:

- (1) COMMUNITY AFFAIRS YEAS 5 NAYS 0
 - (2)
 - (3)
 - (4)
 - (5)
-

I. SUMMARY:

This bill amends the Charter of the City of Jacksonville to restructure the administration of the City's community and economic development programs. The bill creates the Jacksonville Economic Development Commission (Commission), an autonomous body within the Office of the Mayor. The Commission is designated as the sole community redevelopment agency for the City and as the sole industrial development authority for the City. The Commission will serve as the City's only county wide community redevelopment agency and its only county wide industrial development authority with authority over all economic development functions within the City of Jacksonville.

The bill transfers the powers, duties, functions, liabilities, property and personnel of exiting community and economic development entities to the Commission on July 1, 1997. These entities will continue in existence as advisory bodies to the Commission. The bill provides for a 90 day period of transition during which the operations and functions of all of the City's economic development efforts are to be transferred to the Commission.

According to the attached Economic Impact Statement, the bill will result in no increase or decrease in revenues, and existing revenues will cover anticipated expenses.

II. SUBSTANTIVE ANALYSIS:

A. PRESENT SITUATION:

City of Jacksonville Community and Economic Development Activities

The City of Jacksonville functions under a consolidated government, being a municipal corporation that has jurisdiction both as a municipality and as a county. The government's jurisdiction extends throughout Duval County. The 1992 Legislature enacted chapter 92-341, Laws of Florida, which readopted the entire Charter of the City of Jacksonville, as amended locally and by special acts. The Charter has been amended subsequently in 1993, 1994, 1995 and 1996.

Currently, several entities are responsible for community and economic development activities within the City of Jacksonville. These entities include:

- * the Jacksonville Development Authority (Article 20 of chapter 92-341, Laws of Florida);
- * the Jacksonville Sports Development Authority (chapter 89-509, Laws of Florida);
- * the Jacksonville International Airport Community Redevelopment Authority;
- * the Cecil Field Development Commission; and,
- * the Economic Development Division of the Planning and Development Department, including several boards and commissions concerned with economic development which are staffed by the division.

According to the attached Economic Impact Statement, the combined revenues and expenditures of these program are \$4,745,837 and \$4,641,874 respectively.

Community Redevelopment Agencies

Part III of chapter 163, Florida Statutes, allows a county or municipality to create a community redevelopment agency (CRA) to carry out redevelopment of slum or blighted areas. CRAs are not permitted to levy or collect taxes; however, the local governing body is permitted to establish a community redevelopment trust fund utilizing revenues derived from tax increment financing.

A CRA may be governed by a separate board of commissioners of between five and seven members appointed by the local government governing body or the local government governing body may adopt a resolution declaring itself to be the CRA. A local governing body serving as a CRA may appoint two additional members to serve as members of the CRA. The law also allows a local governing body to confer the redevelopment powers on another body already in existence on July 1, 1977, such as a downtown development authority or board whose purpose is redevelopment. The law provides for the terms of office of appointed members.

CRA's are granted those powers "necessary or convenient to carry out and effectuate the purposes of the act." These powers include the power to issue bonds and acquire property by eminent domain, if approved by the governing body that established the CRA. CRA's also are granted the power to undertake and carry out community redevelopment and related activities within the community redevelopment area.

Industrial Development Authorities

Part III, ch. 159, Florida Statutes, provides for the creation of an industrial development authority in each county. Prior to exercising any power under this part, the county must adopt a resolution declaring the need for an authority to operate in the county. The resolution must designate at least five persons as members of the authority. The law provides for the terms of office of the members of an authority.

Industrial development authorities are empowered to issue revenue bonds and "[t]o exercise all the powers in connection with the authorization, issuance and sale of revenue bonds to finance the cost of projects conferred on counties, municipalities, special districts, and other local governmental bodies by the Florida Industrial Development Financing Act." (part II, chapter 159, Florida Statutes).

B. EFFECT OF PROPOSED CHANGES:

This bill amends the Charter of the City of Jacksonville to restructure the administration of the City's community and economic development programs. The bill creates the Jacksonville Economic Development Commission (Commission), an autonomous body within the Office of the Mayor. The Commission membership, which is to consist of seven members, will include the chairman of the Downtown Development Authority and six members appointed by the mayor and confirmed by the Council, who are residents of the City of Jacksonville.

The Commission is designated as the sole community redevelopment agency for the City according to part III, chapter 163, Florida Statutes, and as the sole industrial development authority for the City according to part III, chapter 159, Florida Statutes. The Commission will serve as the City's only county wide community redevelopment agency and its only county wide industrial development authority with authority over all economic development functions within the City of Jacksonville. The bill appoints several ex officio advisors and technical support advisors to the Commission to assist the Commission in an advisory or fact-finding role so as to effectuate the centralized economic development goals of the commission.

The bill transfers the powers, duties, functions, liabilities, property and personnel of exiting community and economic development entities to the Commission on July 1, 1997. These entities will continue in existence as advisory bodies to the Commission. The entities include:

- (1) the Jacksonville Development Authority;
- (2) the Jacksonville Sports Development Authority;

- (3) the Economic Development Division of the Planning and Development Department, including all boards and commissions concerned with economic development which are staffed by the division;
- (4) the Jacksonville International Airport Community Redevelopment Authority. The
- (5) the Cecil Field Development Commission.

On July 1, 1997, all of the employees of the above organizations, both appointed and within the classified civil service or the City, are transferred to the Commission and become appointed employees of the Commission. Transferred employees will not retain any civil service status they may have had prior to becoming an employee of the Commission, unless an employee elects to retain their civil service status.

The bill provides for a 90 day period of transition during which the operations and function of all of the City's economic development efforts are to be transferred to the Commission.

C. LAWS OF FLORIDA/FLORIDA STATUTES AFFECTED:

Chapter 92-341, Laws of Florida, as amended, and chapter 89-509, Laws of Florida.

D. APPLICATION OF PRINCIPLES:

1. Less Government:

a. Does the bill create, increase or reduce, either directly or indirectly:

(1) any authority to make rules or adjudicate disputes?

No.

(2) any new responsibilities, obligations or work for other governmental or private organizations or individuals?

No.

(3) any entitlement to a government service or benefit?

No.

b. If an agency or program is eliminated or reduced:

(1) what responsibilities, costs and powers are passed on to another program, agency, level of government, or private entity?

This bill consolidates all existing community and economic development functions of the City of Jacksonville within the newly created Jacksonville Economic Development Commission.

- (2) what is the cost of such responsibility at the new level/agency?

According to the attached Economic Impact Statement, current revenues, which are transferred to the Jacksonville Economic Development Commission, exceed anticipated expenditures.

- (3) how is the new agency accountable to the people governed?

The Jacksonville Economic Development Commission will be an autonomous body within the Office of the Mayor.

2. Lower Taxes:

- a. Does the bill increase anyone's taxes?

No.

- b. Does the bill require or authorize an increase in any fees?

No.

- c. Does the bill reduce total taxes, both rates and revenues?

No.

- d. Does the bill reduce total fees, both rates and revenues?

No.

- e. Does the bill authorize any fee or tax increase by any local government?

No.

3. Personal Responsibility:

- a. Does the bill reduce or eliminate an entitlement to government services or subsidy?

No.

- b. Do the beneficiaries of the legislation directly pay any portion of the cost of implementation and operation?

The bill is intended to enhance the community and economic development efforts of the City of Jacksonville, and it is presumed the citizens of Jacksonville will benefit from these efforts. The City's community and economic development activities are largely funded through local revenues.

4. Individual Freedom:

- a. Does the bill increase the allowable options of individuals or private organizations/associations to conduct their own affairs?

No.

- b. Does the bill prohibit, or create new government interference with, any presently lawful activity?

No.

5. Family Empowerment:

- a. If the bill purports to provide services to families or children:

- (1) Who evaluates the family's needs?

Not applicable.

- (2) Who makes the decisions?

Not applicable.

- (3) Are private alternatives permitted?

Not applicable.

- (4) Are families required to participate in a program?

Not applicable.

- (5) Are families penalized for not participating in a program?

Not applicable.

- b. Does the bill directly affect the legal rights and obligations between family members?

No.

- c. If the bill creates or changes a program providing services to families or children, in which of the following does the bill vest control of the program, either through direct participation or appointment authority:

(1) parents and guardians?

Not applicable.

(2) service providers?

Not applicable.

(3) government employees/agencies?

Not applicable.

E. SECTION-BY-SECTION ANALYSIS:

Section 1. This section states the facts stated in the whereas clauses are found and declared to be true.

Section 2. Article 24 is added to chapter 92-341, Laws of Florida. Section 24.01 creates the Jacksonville Economic Development Commission (Commission), an autonomous body within the Office of the Mayor. The Commission is designated as the sole community redevelopment agency for the City according to part III, chapter 163, Florida Statutes, and as the sole industrial development authority for the City according to part III, chapter 159, Florida Statutes. The Commission is to serve as the City's only county wide community redevelopment agency and its only county wide industrial development authority with authority over all economic development functions within the City of Jacksonville.

Section 24.02 provides definitions for the following terms: "Commission," "City," "Council," "Mayor," "Executive Director," and "Code."

Section 24.03 provides for the membership of the Commission, which is to consist of seven members. The membership will include the chairman of the Downtown Development Authority and six members appointed by the mayor and confirmed by the Council, who are residents of the City of Jacksonville. The section provides terms of office for Commission members and limits members to three consecutive terms. Commission members will serve as the members of the community redevelopment agency and also as the members of the industrial development authority. The section requires all business of the Commission to be conducted at meetings with at least four members of the Commission present and voting.

Section 24.04 appoints several ex officio advisors to the Commission to assist the Commission in an advisory or fact-finding role so as to effectuate the centralized economic development goals of the commission. An ex officio member may not serve as an appointed member of the Commission.

Section 24.05 appoints several technical support advisors to assist the Commission to effectuate the centralized economic development goals of the commission.

Section 24.06 provides for the chief executive officer of the Commission to be its executive director, who is to be appointed by the mayor after consultation with the

Commission. The section provides specified duties of the executive director, including employing personnel to administer and operate the commission. The mayor, after consultation with the Commission, must set the executive director's salary.

Section 24.07 provides for the Commission's scope of authority. The Commission is granted all the powers and authority of a community redevelopment agency under part III, chapter 163, Florida Statutes, and as an industrial development authority under part III, chapter 159, Florida Statutes. The Commission is authorized to function throughout all of the territorial limits of the City of Jacksonville as its only community redevelopment agency and only industrial development authority. The Commission is to be the successor to and exercise all authority, power and responsibility previously vested by resolution or ordinance of the council in either the Jacksonville Downtown Development Authority or the Jacksonville International Airport Community Redevelopment Authority. The Commission must secure council approval consistent with those powers and duties specifically retained by council in Section 30.705 of the code and as required by part III of chapter 159 and part III of chapter 163, Florida Statutes.

Section 24.08 provides for the powers, duties, functions, liabilities, property and personnel of specified entities to be transferred to and become the responsibility of the Commission on July 1, 1997. The section states intent that these entities become advisory bodies to the Commission. These entities include:

- (1) the Jacksonville Development Authority, except for its advisory and fact-finding responsibilities;
- (2) the Jacksonville Sports Development Authority created under chapter 89-509, Laws of Florida, except for its advisory and fact-finding responsibilities;
- (3) the Economic Development Division of the Planning and Development Department as set forth in the Jacksonville City Code, including, but not limited to, chapter 30, part 7, including all boards and commissions concerned with economic development which are staffed by the division;
- (4) any existing authority, functions or personnel held by the Jacksonville International Airport Community Redevelopment Authority. The Jacksonville International Airport Community Redevelopment Authority is to continue to function as an advisory and fact-finding body to the Commission.
- (5) Any existing authority, functions or personnel held by the Cecil Field Development Commission, including any personnel under the authority of the mayor who are similarly assigned. The Cecil Field Development Commission is to continue to function as an advisory and fact-finding body to the Commission.

On July 1, 1997, all of the employees of the above organizations, both appointed and within the classified civil service or the City, are transferred to the Commission and become appointed employees of the Commission. Transferred employees will not retain any civil service status they may have had prior to becoming an employee of the Commission unless an employee elects to retain their civil service status.

Section 24.09 provides that the 90 calendar days immediately following the effective date of this act or as soon after as is practicable, to be a period of transition during

which the operations and function of all of the City's economic development efforts are to be transferred to the Commission.

Section 24.10 grants the Commission fiscal and budgetary functions subject to the following limitations:

- (1) The fiscal year of the Commission shall begin on October 1 of each year and end on the following September 30.
- (2) The Commission is to submit its proposed budget to the mayor. The Commission's budget is to be included within the annual budget of the general government and must be submitted in accordance with Section 106.204 of the Ordinance Code.
- (3) Tax increment revenues may be used only for the purposes for which such funds are raised. The section requires a full and separate annual accounting for each tax increment fund, which must be reserved for economic initiatives with no charges for the City's Full Cost Allocation Plan (indirect costs).

Section 24.11 provides for the execution of instruments and the examination of claims.

Section 24.12 requires the Commission to utilize the central services of the City and pay for them on a cost-accounted basis, unless otherwise provided by the Council. The Commission is authorized to utilize other services of the City as may be mutually agreed upon. The Commission is required to purchase all supplies, contractual services, capital improvement and professional services in compliance with the same ordinances and regulations that apply to the City. The Commission must use the legal services of the City, except when the chief legal officer of the City determines the legal staff cannot provide legal services in the required legal area.

Section 3. Subsection (c) of section 17.06 of chapter 92-341, Laws of Florida, as amended, is amended to exempt all persons employed by the Commission from the civil service system.

Section 4. Section 20.01 of Article 20 of chapter 92-341, Laws of Florida, is amended to change the status of the Jacksonville Downtown Development Authority from a "body politic and corporate" and "independent agency of the City of Jacksonville" to that of an advisory board to the Commission.

Section 5. Section 20.02 of Article 20 of chapter 92-341, Laws of Florida, as amended, is amended to change the definition of "Jacksonville Downtown Area," define "Commission," and delete definitions of "Planning department" and "Former Authority."

Section 6. Section 20.03 of Article 20 of chapter 92-341, Laws of Florida, as amended, relating to the Jacksonville Downtown Development Authority (Authority), is repealed, and a new section 20.03 is created. The section provides for the Commission to assume all powers, duties and functions formerly held by the Authority, and the Commission is declared to be the legal successor to such powers, duties and functions. All functions of the Authority which were performed by it under any law, resolution, contract, rule, or regulation which remain unfulfilled as of July 1, 1997, shall be performed by the Commission.

The Authority's assets, liabilities, contracts, property, records and unexpended balances of appropriations are transferred to the Commission. Subject to the council-approved budget and accounting code of the City, the mayor is authorized to make determinations regarding incidental dispositions as may be necessary to accomplish an orderly transfer.

The section provides that all plans, programs, projects, recommendations, contract agreements, rules and regulations made, approved or undertaken by the authority prior to July 1, 1997, are ratified and confirmed and shall continue in effect according to their terms until modified, terminated, superseded or revoked. The Commission is to be substituted for the Authority in all plans, programs, projects, recommendations, contracts, agreements, rules and regulations and will have full power in connection with such.

Section 7. Section 20.05 of Article 20 of chapter 93-341 Laws of Florida, as amended, relating to the powers and duties of the Jacksonville Downtown Development Authority (Authority), is repealed, and a new section 20.05 is created. The new section declares that all powers and duties formerly exercised by the Authority pursuant to this section shall survive and be transferred to the Commission as provided in Sections 24.07 and 24.08 of this charter. After July 1, 1997, the Authority is to function as an advisory body to the Commission, will perform the initial review, analysis and negotiation of downtown development projects, and shall have and perform such duties and responsibilities as assigned to it by the Commission. The Commission is responsible for providing the Authority all resources necessary for it to effectively achieve its duties and responsibilities.

Section 8. Sections 20.06, 20.07, 20.08, and 20.09 of Article 20 of chapter 92-341, Laws of Florida, relating to the Jacksonville Downtown Development Authority's fiscal and budgetary functions, utilization of central services, employees, and execution of instruments and examination of claims, are repealed.

Section 9. Section 1 of chapter 89-509, Laws of Florida, as amended, relating to the creation of the Jacksonville Sports Development Authority, is repealed, and a new Section 1 is created. The new section creates the Jacksonville Sports Development Authority as an advisory board to the Commission.

Section 10. Section 3 of chapter 89-509, Laws of Florida, relating to the powers of the Jacksonville Sports Development Authority (Authority), is repealed, and a new section 3 is created. The new section provides for the Commission to assume all powers, duties and functions formerly held by the Authority. All functions of the Authority which were performed by it under any law, resolution, contract, rule, or regulation which remain unfulfilled as of July 1, 1997, shall be performed by the Commission. The Authority's assets, liabilities, contracts, property, records and unexpended balances of appropriations are transferred to the Commission. Subject to the council-approved budget and accounting code of the City, the mayor is authorized to make determinations regarding incidental dispositions as may be necessary to accomplish an orderly transfer.

The section provides that all plans, programs, projects, recommendations, contract agreements, rules and regulations made, approved or undertaken by the Authority prior to July 1, 1997, are ratified and confirmed and shall continue in effect according to their terms until modified, terminated, superseded or revoked. The Commission is to be substituted for the Authority in all plans, programs, projects, recommendations,

contracts, agreements, rules and regulations and will have full power in connection with such.

Section 11. Section 4 of chapter 89-509, Laws of Florida, as amended, relating to bonds of the Jacksonville Sports Development Authority (Authority), is repealed, and a new section 4 is created. The section declares that on July 1, 1997, all powers and duties formerly exercised by the Authority shall survive, be transferred to and become the powers and duties of the Commission as provided in section 24.08 of this charter. Thereafter, the Authority is to serve as an advisory body to the Commission to make findings of fact and render advice and assistance concerning sports-related facilities, organizations, and events for the citizens of the City of Jacksonville. This purpose is deemed to be a public purpose, including the procurement of sports franchises. The Authority is assigned specified duties, and the Commission is responsible for providing the Authority with all resources necessary for the Authority to effectively achieve its duties and responsibilities.

Section 12. Sections 5, 6, and 7 of chapter 89-509, Laws of Florida, as amended, relating to the Jacksonville Sports Development Authority's utilization of central services, fiscal and budgetary functions, and execution of instruments and examination of claims, are repealed.

Section 13. This section provides a severability clause.

Section 14. This section provides for the provisions of this act to be liberally construed in order to effectively carry out the purposes of the act.

Section 15. This section provides all laws or parts or laws, both general and special, in conflict herewith are, to the extent of such conflict, hereby repealed (See "Amendments" section).

Section 16. An effective date of July 1, 1997, is provided.

III. NOTICE/REFERENDUM AND OTHER REQUIREMENTS:

A. NOTICE PUBLISHED? Yes No

IF YES, WHEN? November 1, 1996

WHERE? Financial News & Daily Record, Duval County

B. REFERENDUM(S) REQUIRED? Yes No

IF YES, WHEN? Not applicable.

C. LOCAL BILL CERTIFICATION FILED? Yes, attached No

D. ECONOMIC IMPACT STATEMENT FILED? Yes, attached [X] No []

IV. COMMENTS:

HOUSE RULE 92(a)

House Rule 92(a), provides that "if a committee determines that a local bill may be enacted into law under the authority of a local governing body, that committee shall not report the bill to the Clerk."

While several of the provisions of this bill could be accomplished locally, the exemptions from both part III, chapter 163, Florida Statutes, relating to community redevelopment agencies, and part III, chapter 159, Florida Statutes, relating to industrial development authorities, could not be accomplished locally.

HOUSE RULE 92(b)

House Rule 92(b), provides that "if a committee determines that a local bill provides only an exemption from general law, it shall be reintroduced as a general bill."

This bill provides for the appointment and terms of office of members of the Commission that are exemptions from both part III, chapter 163, Florida Statutes, relating to community redevelopment agencies, and part III, chapter 159, Florida Statutes, relating to industrial development authorities. However, the bill includes numerous additional provisions that do not create exemptions from general law.

V. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

On March 27, 1997, the Committee on Community Affairs passed HB 917 with two amendments.

Amendment 1

On page 15, line 28, on page 17, line 15, and on page 18, line 14, directory language refers to chapter 89-509, Laws of Florida, as amended. Chapter 89-509, Laws of Florida, has never been amended. The amendment strikes the words: "as amended".

Amendment 2

On page 18, lines 24-26, section 14 of the bill repeals all general and special laws, or parts thereof, in conflict with this act. The amendment strikes this language and provides that in the event the provisions of this act conflict with other laws, both general and special, the provisions of the act shall control.

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VI. SIGNATURES:

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