

HOUSE OF REPRESENTATIVES LOCAL BILL STAFF ANALYSIS

BILL #: CS/HB 1253 City of Jacksonville, Duval County
SPONSOR(S): Community & Military Affairs Subcommittee and Ray
TIED BILLS: **IDEN./SIM. BILLS:**

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Community & Military Affairs Subcommittee	12 Y, 0 N, As CS	Gibson	Hoagland
2) Economic Affairs Committee	15 Y, 0 N	Gibson	Tinker

SUMMARY ANALYSIS

The bill amends the Charter of the City of Jacksonville, ch. 92-341, L.O.F., as amended, to authorize the City to amend or repeal Article 24 of its charter relating to the Jacksonville Economic Development Commission by ordinance and provides that such ordinance will become effective without approval by referendum of the electors or further action by the Legislature. The authorization to amend or repeal Article 24 is granted notwithstanding any other provision in the charter to the contrary.

The Economic Impact Statement indicates that the bill has no fiscal impact on the City of Jacksonville.

The bill takes effect upon becoming a law.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Current Situation:

The City of Jacksonville and Duval County merged in 1968,¹ creating a single consolidated governmental entity (City) governing all of Duval County with the exception of the beach communities (Atlantic Beach, Neptune Beach and Jacksonville Beach) and Baldwin. The City government operates under a mayor as head of the administrative branch and the City Council as the legislative branch.

The Charter of the City of Jacksonville provides that the City Council may repeal or amend any provision of the City Charter, and adopt other provisions of the charter, by ordinance, to the same extent as could be done by the Legislature except that the following subjects may not be acted upon:

1. municipal annexation of unincorporated territory, merger of municipalities, and exercise of extraterritorial powers by municipalities;
2. any subject expressly prohibited by the Florida Constitution;
3. any subject expressly preempted to state government by the Constitution or general law;
4. any subject affecting the powers, rights, duties, and abilities of the Cities of Jacksonville Beach, Atlantic Beach, and Neptune Beach and the Town of Baldwin.²

Further, the City Charter provides that certain changes made by ordinance cannot become effective unless approved by referendum of the electors as provided in s. 166.031, F.S.³ Ordinances that must be approved through a referendum in order to become effective include any change in the charter that affects the creation or existence of a municipality, the terms of elected officers and the manner of their election, the distribution of powers among elected officers, matters prescribed by the charter relating to appointive boards, matters prescribed by the charter relating to the office of general counsel, matters prescribed by the charter relating to the council auditor's office, the form of government, or any rights of municipal employees.

Jacksonville Economic Development Commission

The Jacksonville Economic Development Commission (Commission) was created by special act of the Legislature in 1997.⁴ According to the "whereas" clauses in that legislation, economic development was an issue addressed by many agencies, authorities, departments and other entities in the City. The Commission was created to provide a focal point for economic development in the City that would result in centralization of economic development programs under one "umbrella" agency, ensuring a more efficient and practical means of addressing the goals, objectives, and strategies for economic development in the City. According to its website, the main objectives of the Commission are to recruit and expand higher wage job opportunities, leverage investment in economically distressed areas within the Enterprise and Empowerment Zone areas, and to promote a healthy and vibrant downtown.⁵ The Commission also serves as the liaison between the City and its entertainment facilities manager SMG.⁶ In 2011, the total budget including Other Funds and Enterprise Funds for the Commission was more than \$43 million.⁷

¹ Ch. 67-1320, L.O.F.

² See s. 3.01, City of Jacksonville Charter, ch. 92-341, L.O.F., as amended.

³ *Id.*

⁴ See ch. 97-339, L.O.F.

⁵ See Jacksonville Economic Development Commission, <http://www.coj.net/my-jax-budget/city-budget/departmental-budgets/jacksonville-economic-development-commission.aspx> (last accessed Feb. 10, 2012).

⁶ *Id.* Managed facilities include EverBank Field, Jacksonville Veterans Memorial Arena, the Baseball Grounds of Jacksonville, Times-Union Center for Performing Arts, the Prime Osborn Convention Center and the Jacksonville Equestrian Center.

⁷ See Jacksonville Economic Development Commission, <http://www.coj.net/my-jax-budget/city-budget/departmental-budgets/jacksonville-economic-development-commission.aspx> (last accessed Feb. 10, 2012).

Article 24 of the City Charter governs the Commission. The Commission is an autonomous body within the Office of the Mayor and is designated as the sole community redevelopment agency for the City under ch. 163, F.S., and as the sole industrial development authority for the City under ch. 159, F.S., with authority over all economic development functions within the City.

The Commission is governed by nine members⁸ who must be residents of the City and who are appointed by the mayor and confirmed by the city council. Each Commission member serves a 2-year term or until a successor is appointed. Commission members serve as commissioners of the community redevelopment agency under pt. III, ch. 163, F.S., and as members of the industrial development authority under pt. III, ch. 159, F.S.

In December 2011, a report released by the Council Auditor's Office looked at Commission activity from 2007 to 2010 and concluded that the Commission has been lacking in its administration and oversight of economic incentive agreements, as well as operations at Cecil Field.⁹ The report found that the lack of basic internal controls and procedures has resulted in financial losses for the City of Jacksonville.¹⁰ In order to correct this issue, the report recommended that the Commission develop and enforce detailed standard operating procedures, provide proper training and increase management's oversight.¹¹ In response to the audit, the Jacksonville mayor has created a task force to examine the City's economic development efforts and the structure and budget of the Commission.¹²

Effect of the Bill:

The bill amends the Charter of the City of Jacksonville, ch. 92-341, L.O.F., as amended, to authorize the City to amend or repeal Article 24 of its charter relating to the Jacksonville Economic Development Commission by ordinance and provides that such ordinance will become effective without approval by referendum of the electors or further action by the Legislature. The authorization to amend or repeal Article 24 is granted notwithstanding any other provision in the charter to the contrary.

The Economic Impact Statement indicates that the bill has no fiscal impact on the City.

The bill takes effect upon becoming a law.

B. SECTION DIRECTORY:

Section 1: amends ch. 92-341, L.O.F., as amended, to provide that the Consolidated Government of the City of Jacksonville may amend or repeal any portion of Article 24 of the city's charter, which relates to the Jacksonville Economic Development Commission, by ordinance without approval of electors at a referendum or further action by the Legislature.

Section 2: provides that the bill takes effect upon becoming a law.

II. NOTICE/REFERENDUM AND OTHER REQUIREMENTS

A. NOTICE PUBLISHED? Yes [X] No []

IF YES, WHEN? December 6, 2011, and February 6, 2012.

⁸ Ch. 2006-321, L.O.F., amended the Charter to change the number of members from seven to nine.

⁹ See Council Auditor Report #711: Jacksonville Economic Development Commission Audit, Dec. 21, 2011, *available at*:

<http://www.coj.net/City-Council/Docs/Council-Auditor/Report-711-FINAL-with-exec-summ.aspx> (last accessed Feb. 10, 2012).

¹⁰ *Id.*

¹¹ *See id.*

¹² See Steve Patterson, Thomas J. Gibbons, *Mayoral Task Force to Take Close Look at JEDC*, THE FLORIDA TIMES UNION, Jan. 18, 2012, *available at*: <http://jacksonville.com/news/metro/2012-01-18/story/mayoral-task-force-take-close-look-jedc> (last accessed Feb. 10, 2012).

WHERE? FINANCIAL NEWS AND DAILY RECORD, a newspaper published in Duval County.

B. REFERENDUM(S) REQUIRED? Yes No

IF YES, WHEN?

C. LOCAL BILL CERTIFICATION FILED? Yes, attached No

D. ECONOMIC IMPACT STATEMENT FILED? Yes, attached No

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

Article III, s. 10 of the Florida Constitution, provides that no special law shall be passed unless notice of intention to seek enactment thereof has been published in the manner provided by general law, unless the law only becomes effective upon approval by vote of the electors of the area affected. Section 11.02, F.S., implements the constitutional notice requirement and provides that the notice for a special law must state the substance of the contemplated law, as required by the Constitution.

The description of the substance of the bill in the notice of intent to seek local legislation filed on December 6, 2011, made no reference to the portion of the bill that states that an ordinance amending or repealing Article 24 of the City Charter becomes effective without approval by referendum of the electors. On February 6, 2012, a new notice of intention to seek local legislation was published that included a reference to this portion of the bill.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

On February 13, 2012, the Community & Military Affairs Subcommittee adopted an amendment that specified an ordinance repealing or amending Article 24 of the City Charter will take effect without approval by referendum of the electors *and* without further action by the Legislature. The analysis has been updated to reflect this amendment.