

**HOUSE OF REPRESENTATIVES
FINAL BILL ANALYSIS**

BILL #:	CS/HB 1253	FINAL HOUSE FLOOR ACTION:	
SPONSOR(S):	Community & Military Affairs Subcommittee; Ray	113 Y's	0 N's
COMPANION BILLS:	None	GOVERNOR'S ACTION:	Approved

SUMMARY ANALYSIS

CS/HB 1253 passed the House on March 5, 2012, and subsequently passed the Senate on March 9, 2012. The bill amends the Charter of the City of Jacksonville, ch. 92-341, L.O.F., 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 was approved by the Governor on April 19, 2012, ch. 2012-255, Laws of Florida. The bill is effective upon becoming a law.

I. SUBSTANTIVE INFORMATION

A. EFFECT OF 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; and
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 Mar. 13, 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 Mar. 13, 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 part III, ch. 163, F.S., and as members of the industrial development authority under part 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 Changes:

The bill amends the Charter of the City of Jacksonville, ch. 92-341, L.O.F., 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 is effective upon becoming law.

II. NOTICE/REFERENDUM AND OTHER REQUIREMENTS

A. NOTICE PUBLISHED? Yes No

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

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

B. REFERENDUM(S) REQUIRED? Yes No

IF YES, WHEN?

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 Mar. 13, 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 Mar. 13, 2012).

C. LOCAL BILL CERTIFICATION FILED? Yes No

D. ECONOMIC IMPACT STATEMENT FILED? Yes No