



JEDC

JACKSONVILLE
ECONOMIC DEVELOPMENT
COMMISSION

**INCENTIVE POLICY OF THE CITY
OF JACKSONVILLE, FLORIDA**

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OBJECTIVE

The primary objective of this document is to set forth the policies and procedures related to the City of Jacksonville's review, evaluation and approval of City assistance to projects (as such projects are further defined herein) to expand or locate within the City. This policy was approved by City Council Resolution 2002-652-A, which Resolution became effective as of July 29, 2002.

PUBLIC PURPOSE

The incentive policy [“incentive policy” or “incentive(s)”] of the City and JEDC are founded upon numerous public purpose findings by the Federal, State, and City governments that relate to the importance of the economic health of the community and the many undesirable impacts of slum, blight, and unemployment. The term “incentives,” as generally used and further described herein, are financial resources or economic benefits made available by the City - whether funded in whole or in part by the City or made available by action of the City/JEDC - which promote the public purposes derived from specified economic redevelopment. It is important to note that in undertaking this incentive policy the City does not utilize or impact the ad valorem tax revenues (or any other revenues) of the Duval County School Board or any other taxing authority. The City’s confirmation of the importance of public purpose is set forth in numerous areas including, but not limited to, the following:

1. The Community Redevelopment Plans for the City’s Community Redevelopment Areas (hereinafter described);
2. The Downtown Master Plan (Adopted by Ordinance 2000-321-E as hereinafter described);
3. City Ordinance 2000-1078-E concerning the City’s Community Redevelopment Areas, which established City Code Chapter 500 and sets forth various goals and objectives related to said areas, including downtown development;
4. The Northwest Jacksonville Area Fund (hereinafter described);
5. The City legislation approving redevelopment agreements for various Projects;
6. Numerous City Ordinance Code provisions and City ordinances for targeted objectives such as historical renovation/preservation, redevelopment at Cecil Commerce Center, etc.

The City also confirms the importance of the following public purpose: The extraordinary importance and value to the citizens and businesses of Jacksonville of technological infrastructure and the continued support of such technology to continue the planning, development, and deployment of same throughout the City.

The City is a municipal corporation, and is a consolidated city and county (Duval) which enjoys the full legal authority given municipalities and counties under the laws of the State of Florida. Such diversity in utilizing both municipal and county legal authority is essential, as Jacksonville is a diverse City in many ways, including the ethnic composition of its citizens and the range of neighborhoods that exist in its massive 840 square miles.

While the success of the JEDC/City’s efforts to advance the economic health of the City can be measured in many ways, certain objective criteria can be considered in analyzing the results of such efforts. As of December 1, 2001, the State of Florida’s

Qualified Targeted Industry (QTI) & Qualified Defense Contractors (QDC) Tax Refund Programs' data on the average wage information for the 64 counties of the State indicate that Duval County has the 4th highest average wage at \$32,220, well above the statewide average of \$30,038. Similarly, according to the February 2002 report from the Florida Department of Labor Market Information, Labor & Unemployment Statistics, the City's unemployment rate is 5.1%, which is below the State's unemployment rate of 5.3% and the national unemployment rate of 5.5%. The American Chamber of Commerce Researchers Association (ACCRA), a non-profit organization founded in 1961, reports the cost of living for 314 urban areas within the United States (excluding the impact of state and local taxes). According to their third quarter 2001 report, the City's composite index of 91.3 is the lowest of the 14 areas reported for the State of Florida and one of the lowest in the United States.

In January 2002, *Expansion Management* magazine, a national trade publication targeting top corporate executives who plan to expand or relocate their companies, designated Jacksonville as the nation's "hottest city" for corporate relocation and business expansion. Polling more than 75 of the nation's leading corporate site selection consultants, the magazine named Jacksonville as its number one (1) choice for the second time since it began its "hottest cities" issue four years ago. However, such statistics and ratings can change dramatically without ongoing effort to meet the challenges of competition both within the State, the United States, and worldwide.

(NOTE: THE PROGRAMS DESCRIBED HEREIN INCLUDE CERTAIN STATE AND FEDERAL PROGRAMS WHICH MAY BE AMENDED FROM TIME TO TIME. IT IS INTENDED THAT THE CITY'S PARTICIPATION IN SAID STATE/FEDERAL PROGRAMS WILL BE GOVERNED BY SAID AMENDMENTS, WITHOUT THE NEED FOR SPECIFIC MODIFICATION TO THIS POLICY BY ACTION OF THE CITY COUNCIL. JEDC WILL UPDATE THIS POLICY AS NECESSARY TO REFLECT SUCH AMENDMENTS AND WILL FILE A REVISED COPY OF THIS POLICY WITH THE COUNCIL PRESIDENT AND THE COUNCIL AUDITOR. NEW STATE OR FEDERAL PROGRAMS MAY BE ADDED TO THIS INCENTIVE POLICY UPON APPROVAL BY THE CITY COUNCIL.)

PROCEDURES/ELIGIBILITY/REQUIREMENTS, ETC.

PROCEDURES:

Prior to receiving incentives from the City, a company or developer (“company” or “developer” is herein defined to include any corporation, individual or other legal entity) must confirm that but for the incentive(s), it would not undertake the project [“Project(s)”] to expand or locate in the City, or the company or developer must demonstrate that receipt of the incentives is a material factor in its decision to expand or locate in the City. All exceptions to the foregoing requirement must be noted herein for the specific incentive program (e.g. enterprise zone programs, industrial revenue bonds, etc.) or must be approved by the City Council in legislation approving a Project.

Incentives for the Project may be considered if the project is compatible with the City’s current infrastructure and budgetary capacity. The JEDC will utilize **Attachment “A”-Procedures Outline** (attached hereto) in reviewing the Project. To ensure that a Project complies with the requirement set forth in the preceding paragraph, the JEDC shall obtain a letter (see **Attachment “B” “But for/Material Factor” letter**, attached hereto) from the company seeking an incentive, in which the company either (i) states that without such incentive assistance the company would not proceed with the Project, or (ii) sets forth its justification for claiming that the incentive is a material factor in its decision to expand or locate in the City. The company shall have the burden of proof for showing that the incentive is a material factor. Project Redevelopment Agreements shall include similar recitations as to the necessity or materiality of the incentive(s) for the Project. Incentives shall be considered for Projects only where it is determined by the JEDC that one of these requirements has been met.

Waivers increasing the stated number of years or the stated percentages for certain programs may be requested if a Project creates a large regional impact, impacts an area with substandard amenities, or advances other public purposes as set forth in a waiver request statement to be included in the City Council legislation authorizing the Project. A company which has a potential large regional impact, a significant impact on an area of the community where amenities are substandard, or advances other public purposes as set forth in the waiver request statement may be eligible for enhanced incentives over and above those normally provided if the JEDC’s evaluation indicates the Project will not occur without the enhanced incentive. For a Project to qualify as having a significant impact on a community with substandard amenities, it must economically impact areas such as the Enterprise Zone and/or other targeted areas for redevelopment.

ELIGIBILITY:

To address the concerns and objectives as set forth in the JEDC Resolution dated March 26, 1998, (copy attached hereto as **Attachment “C”-JEDC Resolution**) incentives, funded in whole or in part with City funds, shall not be utilized for Projects in the southern and eastern areas of the City with the exception of: (1) incentives for Projects that result in traffic improvements; (2) Projects located in a State designated urban job tax credit area; or (3) Projects located in the Southbank of the Downtown District. This limitation on incentives shall in no way apply to diminish development opportunities in the eastern and southern areas of the City and in no way affects permitting or other development procedures pertaining thereto.

To be considered for an economic incentive program, the Project should provide significant and tangible public benefits for the City and its citizens, recognizing that frequently there will be a need for a case by case analysis taking into account the location of the Project, community needs, and existing development in the area of the Project. Where a project involves a company relocating from one location within the City to another location within the City, such analysis will include a consideration of the impacts on both locations and include a statement describing the factors considered and the support for the conclusions reached.

A company may be eligible to receive incentives for its Project if it is relocating or expanding in a designated targeted area for economic growth and development (e.g. Enterprise Zone, within the Urban Jobs Tax Credit boundaries, Mayor’s Designated Neighborhoods, Tax Increment Districts, and/or areas north and west of the St. Johns River, Federal Empowerment Zone, within the Downtown boundaries, etc.). The city’s desired Projects include, but are not limited to, the following:

1. Companies which meet the Targeted Industry Study objectives.
2. Manufacturing Companies.
3. Companies which have a potential large regional impact. (e.g. Downtown Shipyard’s Project)
4. Existing companies expanding with new full-time jobs, which do not exceed level of service capacity of associated infrastructure (i.e. roads, water and sewer, electrical lines, etc.).
5. Companies fulfilling a growth management objective, such as providing increased capacity to affected roads by the addition of lanes or signalization, or installation of water and sewer lines that provide connection opportunities for adjacent properties.
6. Residential projects in the downtown area as described in the “Downtown” section immediately below.

DOWNTOWN

A company meeting the above criteria may be eligible to receive incentives to expand or locate in the downtown area (defined herein to be the City’s Northbank and Southside Community Redevelopment Areas as described in City Code Chapter 500) if:

