



Beaver Street Enterprise Center
1225 W. Beaver Street
Wednesday, April 21, 2010 – 1:00 p.m.

MEETING MINUTES

Board Members Present: Chair, Philip Elson, William Cesery, Riyan Jackson, Christina Salvatore, Dolly Sedwick and Paul Tutwiler

Board Members Absent: Broderick Green, Kevin Gay, Elizabeth Means, Carol Hladki Kimberly Scott, and Cheryl Taylor

JEDC Staff Members Present: Joe Whitaker and Karen Underwood

I. CALL TO ORDER

Chairman Elson called the meeting to order at 1:00 p.m.

II. ACTION ITEMS

Approval of the January 20, 2010 Meeting Minutes

The January 20, 2010 Meeting Minutes could not be approved due to a lack of a quorum.

Joseph Whitaker informed the board that the Empowerment Zone Performance Report was emailed out to all members.

Paul Tutwiler inquired about the Hyundai Dealership bankruptcy and asked what the city's position is on their development. He noted that there were some Northwest Trust Fund dollars and other types of funds in it and asked how we can make good on the job creation intent. Joe Whitaker responded that the Hyundai Dealership (Onyyx Group, LLC) purchased the property and the developer that owned the property (Hope Inc of Jacksonville LLC, Development), received the Northwest Fund assistance. Hope Inc. had taken the proceeds from that land sale and paid the city back for the land purchased. The city and the Northwest Fund were not exposed on that particular property.

III. INFORMATION/DISCUSSION ITEMS

Comparison of EZ Activity for 2nd Quarter FY 09-10 versus FY 08-09& Summary of Job Credit Activities for 2nd Quarter

Mr. Whitaker presented the Enterprise Zone Development Agency Second Quarterly Report Summary. During this reporting period, the business development staff processed a 107 percent increase in private capital investment but a 40 percent reduction in the tax credits

because the purchases that were made exceeded the \$85,000 maximum. The maximum you can receive on an application is \$5,000. There was a 95 percent reduction in job creation from the first quarter of 2010 versus the first quarter of 2009. Economic activity has increased but the job creation activities are not following along. In our area, in December, the unemployment rate was 11.8 percent. We thought it would decrease but it slightly increased to 12.3 percent. Due to the economy, businesses are still shedding jobs.

Summary of Machinery & Equipment, building Materials tax credit applications for 2nd Quarter

Mr. Whitaker also provided the second quarter activity summary of EZ Machinery applications processed and Sales Tax Credits. Mr. Whitaker pointed out that LPS, Swisher and The Lofts on Main Street are major users of the Machinery Equipment. He stated that he met a resident of the Lofts undergoing proton beam treatment.

William Cesery stated that five families were moved from the Ronald McDonald House because of an outbreak of the chicken pox. They had to transfer them to his company because they are the only other housing approved by the American Cancer Society for patient housing. He advised that they have processed their application for Building Material Tax Credits.

Lender Processing Services (LPS) will be on the next quarterly report. They went through the City Council process for QTI approval. They are proposing to create 350 new jobs at an average annual wage of \$45,000. LPS provides services to the mortgage industry. They do not service the mortgages; they provide IT tool for the lenders to be able to service the mortgages. Most of the 350 jobs will be IT positions.

Chairman Elson asked where LPS was located. Mr. Whitaker responded 601 Riverside Avenue. They employ 8,900 people nationwide and 2,100 in Jacksonville. They employ more people than Fidelity.

Chairman Elson asked if there were any new EZ Machinery & Equipment Applications being processed and any limitations on them. Mr. Whitaker responded that they are mostly returned users and there are no limits. The only limit is the \$5,000 maximum and as long as they meet the criteria, they are eligible.

Paul Tutwiler stated that they have gone through the city legislation to become tax credit eligible but have not formally been approved by the state. Chairman Elson asked if non profits have to be approved first. Paul Tutwiler responded after City Council approval, you then apply to the state and register. Joe Whitaker asked Paul Tutwiler if he applied for the Building Material Sales Tax for the Enterprise Zone. Paul Tutwiler responded that they have not done that yet.

Chairman Elson inquired about the matrix of performances; he asked if the new applicants were measured. Joe Whitaker replied that we are looking for new businesses in the zone but not necessarily measuring new users of programs.

Dolly Sedwick asked Joe Whitaker if he knows who the new businesses are when he is approaching other businesses. Joe Whitaker responded that he is always searching for them and the problem is finding the right database to be able to identify them. He can identify them as a first time user but there are many new businesses that are created in the Enterprise Zone and he does not have access to the data. Dolly Sedwick clarified that when Joe Whitaker does his report he would know who is new because they are added to his list.

Dolly Sedwick asked if the new marketing campaign was to attract new businesses. Joe Whitaker responded that it is more of an informational marketing tool to let people know that they are in the Enterprise Zone and make them aware of the programs. He also stated that administering this program is about trying to identify the target markets and get the information to them in a timely manner so that they can take advantage of it. Often times they find out about the program after the window of time has expired.

Christina Salvatore asked if we ever target tax preparers. Joe Whitaker responded yes, most of them are already aware of the zone and others have clients in the zone.

Chairman Elson suggested maybe adding something as it relates to reporting by separating the new from the old and adding what marketing activities occurred during the last quarter.

Joe Whitaker stated that he did not get much response by visiting the Gateway Mall. Paul Tutwiler stated that it is tough at that facility right now.

Chairman Elson asked about the SBA office in the Gateway Mall. Joe Whitaker responded that the Chamber of Commerce has moved their small business development center downtown to their main office.

Joe Whitaker is thinking about working closely with Worksource to educate the person that is looking for employment that lives in the Enterprise Zone. He works closely with Monique Gillins at Operation New Hope because they also work with many people that receive the Work Opportunity Tax Credit and the businesses that are seeking employees have to be processed in advance to get the person that is eligible. They know when they are interviewed if the employer comes with tax credits. Chairman Elson stated that is great.

William Cesery asked Joe Whitaker if there were any people in the Beaver Street Enterprise Center building that have employees. Joe Whitaker responded yes, and added that he works very closely with this group because he is on the board of directors with Fresh Ministries. In order for a job tax credit to do a business any good, either they have to be a Florida C Corporation or a Florida corporate tax payer or they have to collect sales tax. Most of the businesses here are service related so they do not collect sales tax.

Paul Tutwiler advised the board to be mindful of the dozens of positions that were added through Project New Ground, the city's effort to clean up ash in the Urban Core Neighborhoods. He is a part of that program and they are advocating for job creation in the Urban Core. If the contractors entering this community are bidding five to eleven million dollars to come in and remove the ash, it does not require much education. Part of that initiative was that they hired several people but in reality, that has only happened within the last six months. The orientations that he presented to the people were to receive credit where they can for those new positions. Browns Dump area completed their first orientation and started development about two months ago. Joe Whitaker asked who the contact person was. Paul Tutwiler replied that Howard Conner with the City of Jacksonville would put you in touch with the appropriate person.

Chairman Elson stated that England Thims and Miller is the program manager for the ash cleanup and they produce the bidding and hiring of contractors. Paul Tutwiler commented that he would like to receive the job activity numbers of whom they have hired so they can create a certain number of jobs in the Enterprise Zone. Joe Whitaker stated tax credits for construction workers are probably too few for all the effort. Chairman Elson pointed out that the local college has a training program with grant funding to train people prior to hiring, which is beneficial to the contractors.

Joe Whitaker noted that the EPA has a pilot program that they are developing in Jacksonville, which will be unique because of his participation.

Enterprise Zone & Empowerment Zone Florida Legislation Update

Joe Whitaker presented the updates on the Enterprise & Empowerment Zone Florida Legislation. The Empowerment Zone program has been extended until December 31, 2010. Presently in the Florida legislature, there is an Enterprise Zone Bill that has been introduced by Senator Wise and Mia Jones. Florida House Bill --- and Senate Bill 2098, entitled the Enterprise Zone Stimulus Legislation, never made it out of the Finance or Tax committee.

The legislation was designed to allow businesses located in the Zone to hire a zone resident and receive a job tax credit and without increasing the job cap i.e. replacement job. The current program only allows you a job tax credit to an Enterprise Zone business creates that new job.

The other change was to lower the threshold for receiving for a Machinery Equipment Sales Tax Refund from \$5,000 per unit or \$500, which was the original intent of the Enterprise Zone legislation in 1995.

Chairman Elson asked what we could do for Senator Wise and Mia Jones for attempting to change the EZ program. Joe Whitaker replied that we pass a resolution or send them a letter of thanks.

There is a lot involved in lobbying the State legislature and the suggestion was made to find a bill with a lot of support and have it included as opposed to having a separate piece of legislation.

IV. OLD BUSINESS

EZ Spring Tour

Chairman Elson commented that The Office of General Counsel would not allow another bus tour due to the issue with the Florida Sunshine Law.

Joe Whitaker noted that all we need is another organization to conduct a tour. Paul Tutwiler, Executive Director of the Northwest Community Development Corporation asked if the Empowerment/Enterprise Zone Board could tour the Enterprise Zone with a sponsor. William Cesery asked if Housing and Neighborhoods could sponsor, Joe Whitaker responded no because they are a government entity and it has to be a non government entity. Joe Whitaker commented that he could probably have the bus donated by JTA.

Paul Tutwiler pointed out that it would give them a chance to discuss the developments that are planned for the area. He stated that he is not too familiar with their project but Grace and Truth is planning to do something with the school. He commented that we could talk about the things that are happening with the Enterprise Zone and he would be happy to sponsor it and would plan to discuss this in our meeting in July.

Mr. Tutwiler advised the Board that a new redevelopment project known as Project New Ground was beginning to take place arriving law suit that the city was engaged in with the community resulting from ash that was dumped in the 1930's and 1940's and ultimately homes and elementary schools were built on those landfills. The community sued the City of Jacksonville and a settlement approved by the U.S. E.P.A. is currently in the implementation stage. They are going to move two feet of top soil and bring in two feet of clean soil. There were some jobs created from that process and some other commercial developments may come out of it.

V. NEW BUSINESS

William Cesery stated that they are still trying to get the Old Hayden Burns Library project going, which is in the Zone, and they have created a draft business plan. There is being considered a night club and a fresh market on the ground floor. In the basement, there would be a music complex with some band rehearsal spaces, a recording studio, a venue for them to play and probably a beer and wine spot with pool tables. This new spot would bring a lot of people downtown, generating about 50 – 60 jobs. They are still undecided about what they will do to the upper floor.

Paul Tutwiler asked about the parking spaces. William Cesery replied that there are almost 400 spaces directly across Forsyth Street in the Modis Lot, which is empty at night. The owners of the Modis Lot stated they would be able to park there as long as they are gone by 6 A.M. The parking lot across the street that wraps around London Bridge has 180 surface spaces and they just cleared out the Florida Theater because the Planning Department relocated to the Ed Ball Building. If it happens, the goal will be to begin construction this summer.

Joe Whitaker asked if the City's Wayfinding Signage program was designed to help identify available parking. William Cesery responded that at the Downtown Vision meeting today, they stated one of their eight bullet points was to improve parking resources downtown, educate the public, and conduct signage.

Chairman Elson advised the board that the City of Jacksonville has named their EPA by one of the national environment justice communities and April 29 and 30; they will be coming into town. It has to do with Brownfield's, which is another economic development overlay in the Enterprise and Empowerment Zone. Chairman Elson stated that he would email the flyer to the board members. Paul Tutwiler will be participating with them on April 30.

VI. PUBLIC COMMENTS

None

VII. ADJOURNMENT

There being no further business, Joseph Whitaker adjourned the meeting at 2 p.m. The next JEDC Empowerment/Enterprise Zone Meeting is scheduled for Wednesday, July 21, 2010 at 1:00 p.m.

Witness:

Empowerment/Enterprise Zone Board

Print Name: _____

Philip E. Elson, Chair

Print Name: _____

Vote:

In Favor: _____ **Opposed:** _____ **Abstained:** _____