



Beaver Street Enterprise Center
1225 W. Beaver Street
Wednesday, January 20, 2010 – 1:00 p.m.

MEETING MINUTES

Board Members Present: Chair, Philip Elson, William Cesery, Riyan Jackson, Carol Hladki, Christina Salvatore, Kimberly Scott, Dolly Sedwick, and Cheryl Taylor

Board Members Absent: Broderick Green, Kevin Gay, Elizabeth Means, and Paul Tutwiler

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

The October 21, 2009 Meeting Minutes were approved unanimously 8-0

III. INFORMATION/DISCUSSION ITEMS

Enterprise Zone Annual Report

Mr. Whitaker presented the Enterprise Annual Report. He distributed a copy of the annual report that was sent to the Governor's office, which provides an overview of the activity for the Enterprise Zone during the fiscal year of October 2008 through September 30, 2009. During the reporting period of October through December 2009, the business development staff processed the following Enterprise Zone applications. Mr. Whitaker submitted a letter to Mr. Bur Von Hoff, Executive Office of the Governor.

A draft report was presented and approved by the Jacksonville Enterprise Zone Development Agency Board at their October 21, 2009 meeting. Overall EZ applications processed for the F& 08/09 fiscal increased to 257 from 218 the previous year, an 18 percent increase. Private capital investment associated with the purchase of business machinery, equipment and building materials totaled \$68 million versus \$63 million the previous year, a \$5 million increase.

Job creation activities based upon the job tax credit applications processed totaled 1,286 down from 2,089 for the previous year, a 38 percent decrease in job growth. Of the four remaining measurable EA annual goals and objectives we were successful in reaching out targets in private capital investment, job creation and over 80 new and or substantially renovated housing units were constructed during the year within the E. We exceeded each

goal as identified in Section B of the report with the exception of new business startups within the EZ. Our target was 45 and only 28 new businesses opened within the EZ. We are hopeful the economy will begin to turn around within this current fiscal year. Additionally, the roadway improvements being constructed along north Main Street should be completed no later than the end of the 2nd quarter of this fiscal year bringing many storefronts back on the market and available for new retain activity.

Significant Project Announcements made during FY 08/09 will result in new private capital investment totaling \$385 Million and create up to 746 new economic-base jobs within Jacksonville Enterprise Zone #1601 when completed.

1. Millard Refrigerated Services, an international refrigerated warehouse and distribution company with 35 locations throughout the US and Canada announced it's plan to develop a 185,000 square foot refrigerated warehouse and distribution center within the Enterprise Zone portion of Imeson International Industrial Park creating up to 92 full-time economic base jobs and generating a private capital investment totaling \$ 26 million. The Governor's Office of Trade Tourism and Economic Development approved a Brownfield Redevelopment Bonus Incentive totaling \$230,000. (October 2009).
2. Alexia North America, an Italian aircraft manufacturer leases interim space within Jacksonville's EZ's Cecil Commerce Center until their new aircraft manufacturing facility is constructed. Ultimately, this aviation project will create 300 new full time economic base jobs at an average wage of \$55,000 and result in new private capital investment totaling \$104 million. (November 2009).
3. Imeson Consolidated Services, a Jacksonville based warehouse and Distribution Company proposes to construct a 210,000 square foot refrigerated warehouse on a 24 acre parcel within the Enterprise Zone portion of Imeson International Industrial Park creating 75 new full-time economic-base jobs and generating a private capital investment of \$33 million. The Governor's Office of Trade Tourism and Economic Development approved a Brownfield Redevelopment Bonus Incentive totaling \$150,000 (February 2009).
4. Jacksonville's Enterprise/Empowerment Zone has been designated as a Recovery Zone as established by the American Recovery and Reinvestment Act providing an additional \$40 million in tax exempt bonding capacity (July 2009).
5. SAFT America, Inc, an international battery manufacturer has selected a 12 acre site within Jacksonville's Enterprise/Empowerment Zone at Cecil Commerce Center to construct a manufacturing facility comprising _____square feet costing \$122 million and creating 279 new full-time high wage economic-base jobs.

Cheryl Taylor asked Joe Whitaker about the type of skills and is needed and salary ranges for these jobs. Joe Whitaker responded that salary range was QTI level and are we can find out what the skill levels are and we intend to go with worksource to identify the applicants for the positions. Part of the QTI program project work with worksource and the State of Florida to green jobs. These are high paying jobs in the low 50's.

Cheryl Taylor referenced the Enterprise Zone tour last year, mentioned the Car Dealership, and wanted to know if there was any information on it. Joe Whitaker responded that regrettably automobile dealerships primary source of planning is for vehicles to be sold. As things progressed through the banking system in 2008, all of the sources of funding are no longer available. The Dealership was three quarters of the way finish with construction, the bank called their lines of credit, and floor plan and they did not have the funding to complete the project. It is a sad situation with the changes in the economy and they are not saying that is in foreclosure and repossessed by the lender. There are two manufacturers of automobiles going through bankruptcy.

Riyan Jackson noted that he heard that there is possibility of that dealership was being accompanied by Hyundai to take over and is in litigation.

Chairman Elson asked when the SAFT Battery was supposed to be breaking ground. Joe Whitaker responded this spring and will pay an above average wage and twenty four months before the project constructed and they will probably beginning to recruit and hire six months prior to opening to start the process. Mr. Whitaker suggested emailing out the project summary for SAFT for more information.

Chairman Elson asked Mr. Whitaker if there were any initiatives in the City to go into the line of business with green jobs. Mr. Whitaker replied that Derek Igou, Deputy Chief Administrative Officer, is handling first steps on the city green initiatives. Mr. Whitaker pointed out that the City is beginning to put together strategy for the outreach and does not believe that it was currently in placed.

Empowerment Annual Report

Perms Reporting will be emailed to all board members. The Empowerment Zone was developed based upon a strategic plan that was put together by the community, approved by City Council, the Mayor's office, and sent to Washington, DC to be evaluated and graded. Jacksonville did not meet the first cut under the Clinton administrative. Atlanta was the only community in the southeastern United States that was in the first round. Jacksonville was locked in to report on a strategic plan that did not bring in any funding to make any changes. Our role as the Empowerment Zone has been to work with the different City Departments and Agencies to identify what activities are taking place in the social services and public safety arena so that they can match our strategic plan with others to be able to guide how things change over time. It is hard for us to track the internal revenue service who is the grantor of the tax credits. The IRS will not provide the communities any kind of reporting as to what the activity occurs in those communities.

The Empowerment Zone program was in force and in effect until December 31, 2009. Congress has had an initiative to be able to extend the period for the Empowerment Zone. There is legislation currently pending before the United States Senate to extend that sunset date to December 31, 2010. The House passed the bill in December and the bill number is HR4213 named tax extender legislation. We are in hopes that sometime within this first quarter that the United States Senate is going to approve that bill which will extend the tax credits for the Empowerment Zone Program through 2010 and it will be retroactive to December 31, 2009 so that the businesses would not have an interruption in the tax credit flow. The tax credit opportunities are suspended as of December 31, 2009.

Mr. Whitaker pointed out that we are trying to work the Department of Housing and Urban Development, which is an administrator of the empowerment zone program, so that we can receive input as to what businesses are taking advantage of these programs and which are not. It seems that the IRS guidelines are arbitrary as it relates to some level of reporting. He has concerns with how the IRS could make decisions on whether or not a person lives in the Zone unless they are checking. Tax credits that come before us are verified that the employee's reside in the zone based on their address.

If they want an urban policy, they will have to develop one that makes sense. All we can do is provide them with them with the demographic data that they seek and continue to support the programs that benefit people by creating jobs and rewarding the businesses that are making a private capital investment in hiring.

Chairman Elson asked if we were just monitoring right now, and will see what happened legislatively. Mr. Whitaker asked Senator Nelson on the Finance Committee of the United States Senate to recommend approving.

Dolly Sedwick suggested that the board to not do anything and wait because if we went with the resolution showing that we are being proactive about it and it is receiving attention.

Joe Whitaker made a suggestion the members to pull up HR4213 review all of the provisions in it; you could understand why it takes a long time to review. If the board chooses to review that it would send the message to the congressional delegation we are interested, would like to see it happen and their support would be appreciated. He provided the website www.thomas.gov, put in the bill number to follow federal legislation on the website.

1st Quarter Enterprise/ Empowerment Zone 09/10

Mr. Whitaker presented the Activity Summary of the First Quarter Summary of the Enterprise Zone Activity covering October 1, 2009 – December 31, 2009. For the Quarter the total number of applications processed was 67, resulting in Capital Investment of \$100,897.652. Business benefited from the EZ Tax Credits was \$297,439 and 249 jobs were created in the Enterprise Zone. He also provided the Activity Summary of the First Quarter Summary of EZ Machinery and Applications processed and Sales Tax Credits.

IV. OLD BUSINESS

Chairman Elson informed to the members about our annual tour, which would be discussed at our next meeting. Joseph Whitaker pointed out that we have received information from the Office of the General Counsel that you could not have two board members at the same event unless you notice a public meeting and it has to be in a public place. Dolly Sedwick asked if we would be using a City Bus, Joe Whitaker responded yes. Joseph Whitaker suggested touring Philips highway corridor, and the Cecil Commerce Center.

Cheryl Taylor asked Joe Whitaker if Shands received the residential site that they were seeking for their interns. Joe Whitaker responded that thought they are still negotiating with the Walton Estate. William Cesery stated that some non profits that manage section 8 housing to collaborate with Shands to create a residential site. Project 180 is the name of an apartment project on Kings off Beaver Street. It was one of the worse ones in town, they took it over, and provided all of the services and receive more funding from HUD for the units. This model has worked very well it has no teenage pregnancies, and every kid in the project has graduated from high school. They are currently approaching Shands about trying to use it just for that project.

V. NEW BUSINESS

Corey Craig, JEDC Business Development Specialist has been working to put together a campaign to provide some advertising with the Enterprise Zone and is looking at different publications that we want to target for an ad campaign.

Corey Craig briefed the members on the research process for the ad campaign. They are looking at about eight to ten local publications and planning to place one to three ads per publication depending on how much they would cost. Information is being gathered to go through out approval process to ensure we have the funding. This was requested from one of our City Council members that the Enterprise Zones should conduct more advertising. The ad will have a picture of the map, bullet points, are you in the zone, and the benefits of having your business in the Zone. The ads are being created in the Public Information office. Chairman Elson asked what the budget is. Corey Craig responded that this would be part of our overall JEDC ad budget and will be pulled from Cecil and Downtown advertisement budget. From her research with just the enterprise zone portion will be about ten thousand dollars.

Cheryl Taylor commented about the ad that was previously done. Joe Whitaker responded that was a brochure that was mailed out and so many were returned. Corey Craig commented that we are currently giving out those brochures and they are still current and would like the board members feedback.

Joseph Whitaker stated that the radio spots would be public servant announcements and requested some ideas from the members on what radio stations they prefer to listen. Lara

Tanier asked Corey Craig if she receives the Westside Community Newspaper because the brochure they created for the 10th anniversary at Cecil.

Corey Craig responded no and added that were going have the main Enterprise Zone Area with the three expansion areas at the bottom. She also informed to the board of master list of newspapers of the names of the newspapers they are targeting. The names are as follows: The Times Union, Jacksonville Free Press, the Daily Record, Small Business Advantage Magazine, North side paper, Avondale, Riverside and San Marco and Florida Star.

Chairman Elson stated that in regards to an advertising campaign we would try to target residents and businesses to take advantage of the job tax credits for them being hired if they work in the enterprise zone. . He also mentioned social networking networks. If they are a residential facility, they can receive a sales tax rebate back on the building materials purchased. Corey Craig commented that the social media outlets are blocked and the websites that can be used are linked in and twitter.

The ad draft has not come back and the size ads we are looking at due to the cost of about a quarter page and will loose more of message. It was meant to be some sort of a teaser to have them to contact Joe Whitaker. Riyan Jackson pointed out that some that reside in the zone may not have email or computer access.

Chairman Elson suggested other avenues that could be accessed on the job side. He noted that he would go to all of the churches for newsletters in the areas, community newsletters, first coast manufacturing association, national association of office and industrial properties, real estates and various types of associations that promote a quarterly newsletter should not cost anything.

Kimberly Scott suggested that you could receive a full list of neighborhood associations from the neighborhoods department. Contact Wright Gregor the director for a current list. If you give her the reason, they would update it and send it to you.

Joseph Whitaker handed out report from The Florida Senate Interim Project 2005-1111. Evaluating Florida's enterprise Zone program presents challenges because each community with a zone may view the role of the program in different ways, such as for accomplishing traditional economic development, or for overall zone community improvement. The program itself has general goals of improving zone conditions such as pervasive poverty and unemployment. However, the program lacks measurable goals and outcomes, and lacks the flexibility to tailor its criteria and incentives to the needs of the local zone community. This report evaluates the enterprise zone program. Describes obstacles facing communities with enterprise zones, and in conclusion, recommends that the overall program be reenacted. Additionally, this report offers ideas for greater program accountability and flexibility.

IV. PUBLIC COMMENTS

None

V. ADJOURNMENT

There being no further business, Joseph Whitaker adjourned the meeting at 2:20 p.m. The next JEDC Empowerment/Enterprise Zone Meeting is scheduled for Wednesday, April 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:** _____