

**City of Jacksonville
Office of Economic Development**



**Public Investment Policy
Sub-Committee**

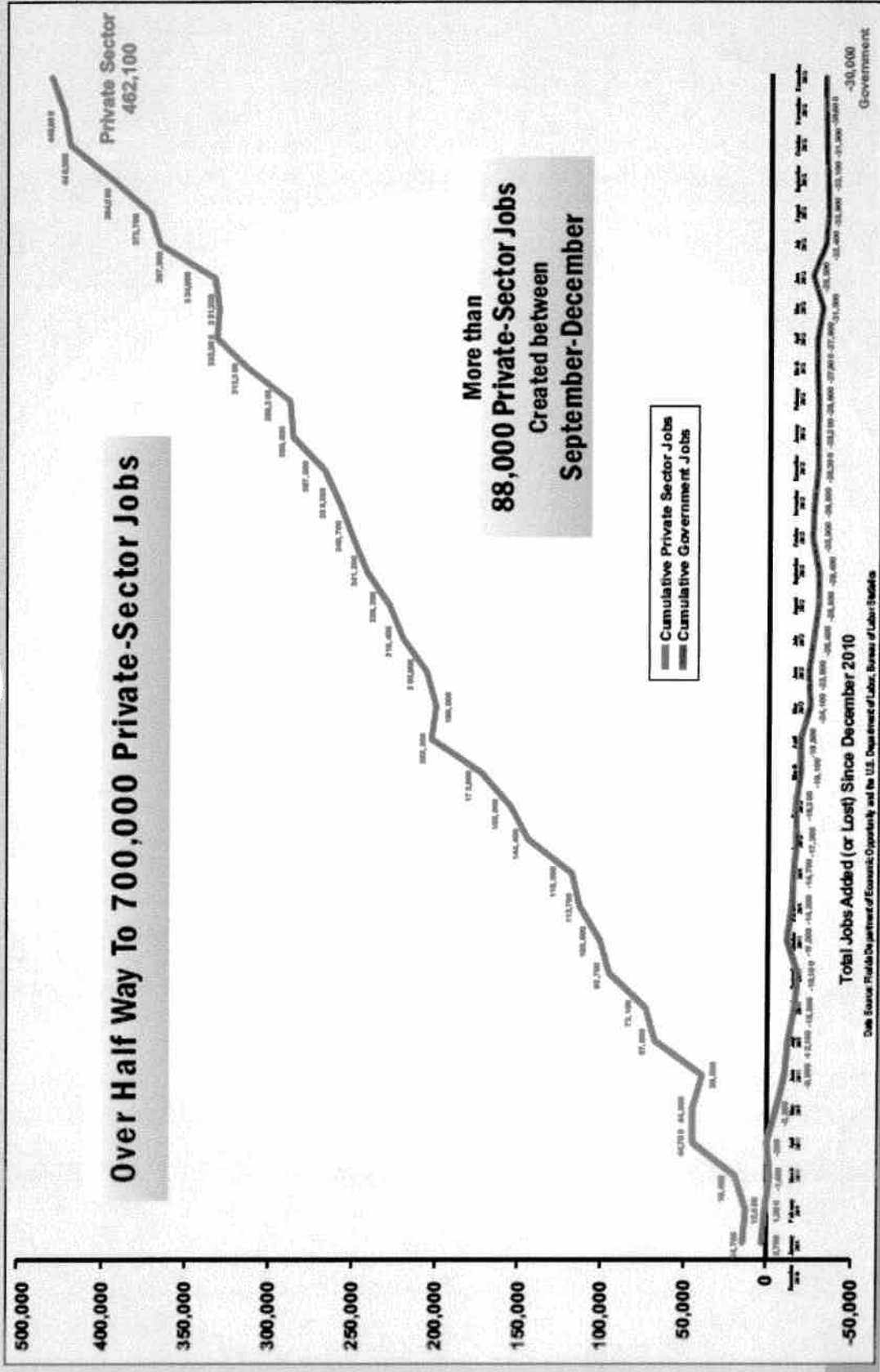
February 25, 2011

Agenda

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- Overview Remarks: Ted Carter – OED
- State Incentive Overview: Aaron Bowman – JAXUSA Partnership
- Compliance Overview: Josh Kelne – OED, Cynthia Solomon – OED
- Introduction of PIP Consultant: Ted Carter
- Discussion – Future Topics: All

It's Working!



Big Projects Announced in Florida

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DIVISION OF
Johnson & Johnson Vision Care, Inc.

ACUVUE Production Facility
Expansion/ Retention
145 Jobs
\$218 million Capital Investment



Air Products and Chemicals
Recruitment
250 Jobs
\$53.6 million Capital Investment



FIRST CLASS SOFTWARE

Klausner Lumber One
Recruitment
350 Jobs
\$130 million Capital Investment



Hertz Corporation Corp. HQ
Recruitment
700 Jobs
\$68.8 million Capital Investment

NORTHROP GRUMMAN

Northrop Grumman
Expansion/ Retention
1000+ Jobs
\$100 million Capital Investment



Bristol-Myers Squibb

North America Capability Center
Recruitment
579 Jobs
\$21.2 million Capital Investment

Enterprise Florida

Three Types of Growth

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Competitive Projects

These are the types of projects EFL works daily

- New Business
- Expansions
- Retention

Facilitated Growth

- Tourism
- International Trade
- Small Business Development Programs
- Entrepreneurial Programs
- Commercialization Programs

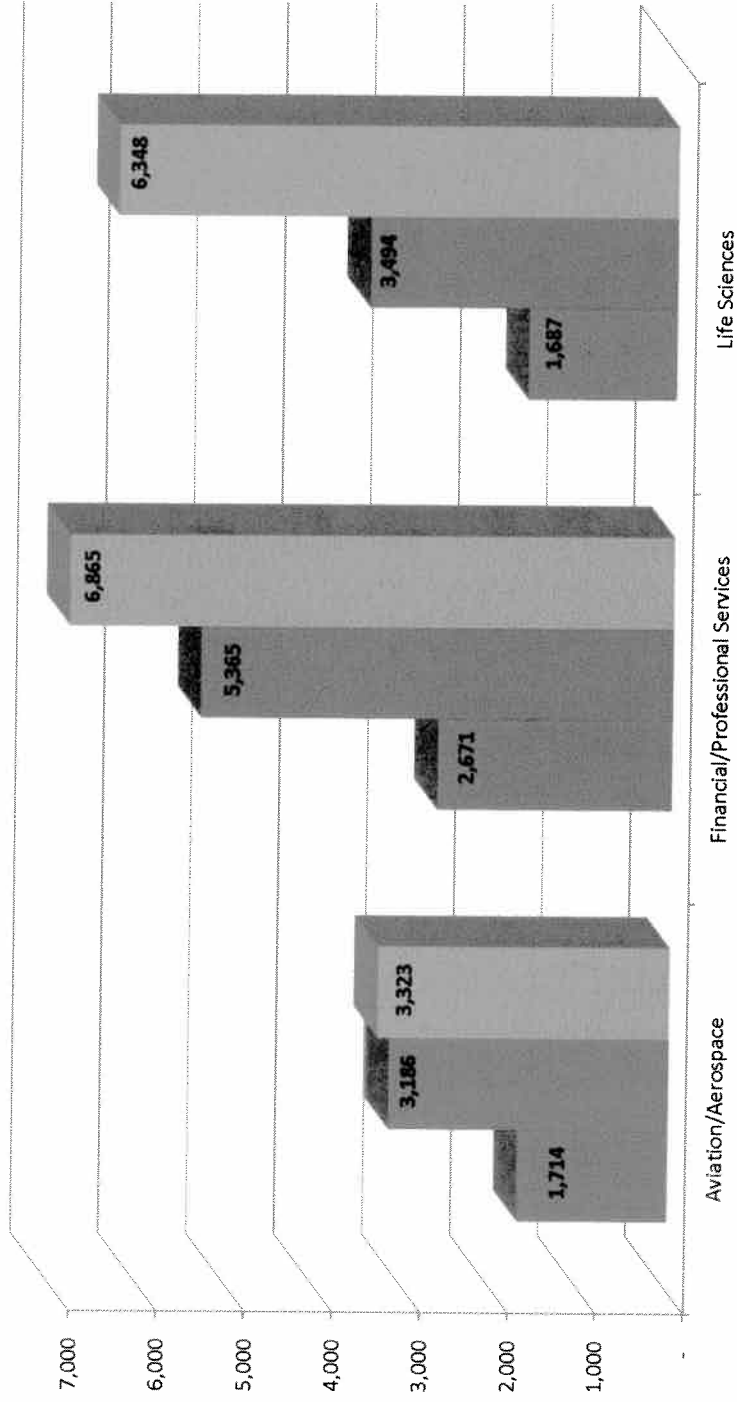
Market Driven Growth

- New Business Start-Ups
- Companies Choosing Markets

7 Years = 700,000 Jobs

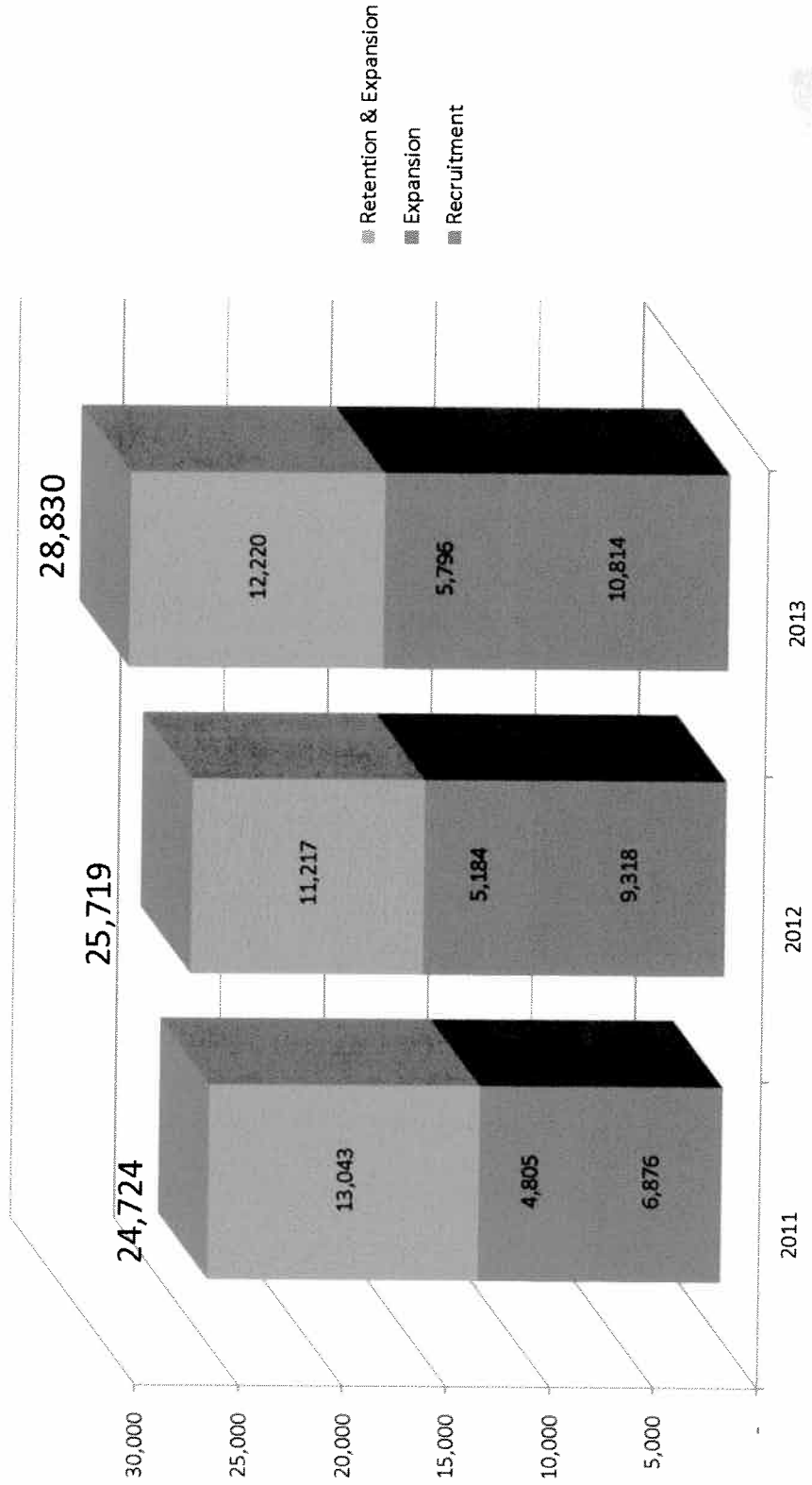
Top 3 Sectors for Job Growth

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Recruitment, Expansion & Retention

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Measuring Our Progress

<i>Florida Sports In 2013</i>	<i>Impact</i>
Total Grants/Events Conducted	59
Total Grant Funding	\$1.01 million
Total Economic Contributions (actual/projected)	\$268 million
Total Visitors (actual/projected)	351,000

<i>International Sales In 2013 (through November 2013)</i>	<i>Impact</i>
Documented Sales	\$775 million
Export Counseling Sessions	5,205
Major Overseas Events	15
Participants in Events	225

OED Dashboard and Metrics

Demographics



Population	Median Age	% Pop. Immigrant	% Pop Age 18-34	Median Income
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Jobs/

Economic Growth



Unemployment	GDP	Export Value	Patents	Startups
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Quality of Life



Per Capita Income	Foreclosure Rate	Median Home Price	Commute Time	Sunshine Hours
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Economic Development Consultant Administrative Award

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- Avalanche Consulting Inc., Amy Holloway, President
- In 2012, completed the JAXUSA Innovate Northeast Florida Strategy as well as a statewide evaluation of incentives for Enterprise Florida.
- Avalanche's process for developing strategic plans is proven, seamless and leads directly into implementation
- National experts on economic development strategy, analysis and marketing
- Skilled strategists: each project leader has nearly 20 years of experience specifically writing economic development strategies
- On the cutting-edge of economic development research
- Strategies are creative and highly customized. Process is designed to seamlessly transition into implementation.

COMPLIANCE OVERVIEW

OED Audit Solutions

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Incorrect incentive payments/lack of job reporting verification process:

Audit Recommendations

- Establish verification controls of recipient job reports
- Conduct random audits and site visits
- Modify reporting requirements to include at least two top management job and wage certification of Annual Job Report

Actions Taken

- Preliminary review has been conducted and policies & procedures drafted
- Completed high level discussions to incorporate random audits/ site visits
- Reporting procedures currently require certification by Sr. Officer/Developer of information accuracy
- Dual level review within OED
- Coordination with Compliance Officer within Finance Department

OED Audit Solutions

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Cecil Commerce Center – Lease Administration/ Compliance Reporting processes:

Audit Recommendations

- Establish procedures for requesting and reviewing expenditure supporting documentation details
- Provide adequate documentation of all contract agreements and reimbursement policy and procedure processes
- RFP should enhance the advertisement process to obtain many competitive bid proposals

Actions Taken

- SOPs are being drafted to ensure payments are processed timely and follow agreed contract terms
- Documentation of invoice payments has been transferred to City Hall Offices for review and easy access
- Process and procedures are being expanded
- Investigating ways to include multiple bids for the Cecil maintenance contract

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Lack of communication with the State on QTI (Qualified Targeted Industries) projects balances:

Audit Recommendations

- Notify State of newly signed Economic Incentive agreements
- Establish SOP to include details for tracking local fund payments and balances
- Establish annual process for comparisons internal records with State information and procedures for reimbursement and/or re-allocation of balances

Actions Taken

- Regular communications occurs with the State prior, during and after Local Financial Support have been provided
- SOP has been drafted to include the handling of QTI administration of payments, annual contact of balances, and applicable re-allocation or reimbursement of funds
- SOP has been established to conduct on-going reconciliation of payments and balances

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Lack of Standard Operating Procedures for departmental operations:

Audit Recommendations

- Establish SOPs to include designation of personnel duties
- Policies should be established for the administration of Cecil Lease agreement to include approval of occupancy, submission of annual financial reports, and proper account administration
- Establish and enforce SOPs to include strong internal controls, timber sales, administration process
- Review calculation formulas to ensure they comply with contract terms

Actions Taken

- Efforts have been made to segregate duties to the extent possible subject to staff and budgeted resources
- Current procedures and SOP's are being reviewed to improve processes for administering lease agreements
- Contract review has become part of SOPs for payment of incentives

**INFORMATION REQUESTED
FROM LAST MEETING**

Incentive Project Waivers FY 11-14

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FY	Company	New Jobs	PCI	Incentive	Waiver
11/12	Kaman Aerospace	200	\$ 28,000,000	QTI / REV	EZ residents
11/12	Medtronic	175	\$ 14,000,000	QTI/REV	PEM Score
12/13	Raillex LLC	310	\$ 105,000,000	QTI/REV	PEM Score
12/13	Bank of America	200	\$ 13,000,000	QTI/REV	PEM Score
13/14	JA-RU	77	\$ 12,000,000	REV	PEM Score / Job Retention
11/12	Caterpillar Work Tools	39	\$ 3,895,000	QTI	Wage rate (100% State Avg Wage MFG)
11/12	Everbank	200	\$ 10,000,000	QTI	EZ residents
11/12	Novitas Solutions	250	\$ 1,000,000	QTI/EZ/BRN	Cap X/ EZ residents
13/14	Airbase Services	50	\$ 1,500,000	QTI/EZ/BRN	Wage rate (100% State Avg Wage MFG)
12/13	L & J Diesel	20	\$ 200,000	CEDF	No program in policy (waiver for grant vs loan)
12/13	Digital Risk II	300	\$ 2,500,000	CEDF	No program in policy
12/13	C2C Solutions	200	\$ 1,000,000	CEDF	No program in policy
13/14	Advent	123	\$ 735,000	CEDF	No program in policy
Number of Projects		13	2,144	\$ 192,830,000	# of Waivers 13
Total Projects		31			% Waivers 42% from total project

Suggested topics for future meetings

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- Port/Logistics Presentation
- Small Business & Start-Up
- Consultant Findings
 - *INCENTIVES FOR DOWNTOWN*

2014 Strategic Priorities



- 1. Attract Companies and Private Capital Investment**
 - Market Cecil Commerce Center
 - Focus on Job Creation and Investment
- 2. Lead Workforce Development & Education Through Partnership**
 - UNF Small Business Development Center | FL State College of Jax | Jacksonville University | Edward Waters College | WorkSource | School Board | Vistakon
- 3. Lead International Trade & Investment; support our partners**
 - Businesses | JAXPORT | JAA | JAXUSA
 - Brookings Global Cities Exchange
- 4. Grow Small Business & Entrepreneurs**
 - UNF Small Business Development Center | FL State College of Jax | Small Business Administration | One Spark |
- 5. Improve and Market Jacksonville's Brand**
 - Attract World Class Sports & Entertainment Events Florida/Georgia | Jaguars in London | Country Music Fest | NCAA Basketball 2015 | One Spark | Jazz Festival | The Players |
 - Partner to Create a Vibrant and Active Downtown