

**OFFICE OF THE CITY COUNCIL**

**RESEARCH DIVISION**

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4TH FLOOR, CITY HALL

JACKSONVILLE, FLORIDA 32202

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**COMMITTEE OF THE WHOLE HYBRID IN-PERSON AND VIRTUAL MEETING ON**

**ORDINANCES 2021-223 (LOCAL OPTION GAS TAX) AND**

**2021-235 (SEPTIC TANK REMEDIATION CIP PROJECT)**

**Meeting Minutes**

**May 12, 2021**

**2:00 p.m.**

**Location:** Hybrid in-person (City Council Chamber) and virtual (via Zoom platform) meeting

**In attendance:** Council Members Tommy Hazouri (President), Danny Becton, Aaron Bowman, Michael Boylan, Matt Carlucci, Kevin Carrico, LeAnna Cumber, Randy DeFoor, Garrett Dennis, Rory Diamond, Al Ferraro, Terrance Freeman, Reggie Gaffney, Joyce Morgan, Sam Newby, Ju’Coby Pittman, Brenda Priestly Jackson (arr. 3:13 p.m.), Ron Salem (dep. 4:50 p.m.), Randy White

**Excused**: none

**Also**: Kim Taylor and Phillip Peterson – Council Auditor’s Office; Jeff Clements and Yvonne Mitchell – Council Research Division; Cheryl Brown – Council Director/Secretary; Jessica Smith – Legislative Services Division; Peggy Sidman Martin, Paige Johnston and John Sawyer – Office of General Counsel; Jordan Elsbury, Leeann Krieg, Rachel Zimmer – Mayor’s Office; John Pappas and Bill Joyce – Public Works Department; Nat Ford and Cleveland Ferguson - JTA

**Meeting Convened**: 2:01 p.m.

President Hazouri convened the meeting and welcomed everyone to this important discussion. He said that another Committee of the Whole will be held if needed, in addition to the 5 at-large area town hall meetings and additional council district town hall meetings.

Council Member DeFoor gave the invocation and led the Pledge of Allegiance. A roll call of the attendees was taken.

President Hazouri reviewed the agenda for the meeting, which includes short presentations by the Mayor’s Office, Council Auditor, JTA, and JEA, and consideration of the list of amendments proposed by council members.

Jordan Elsbury, the Mayor’s Chief of Staff, thanked the Council for their cooperation thus far in the process of considering the two ordinances and in making beneficial amendments. He stressed that the Mayor’s proposal has two main purposes – creation of Jobs for Jax, and fulfillment of long-neglected promises to parts of the community. There will be a robust investment in parks and citywide quality of life improvements, and in downtown revitalization. He said that the JTA has been a great partner of the city government for many decades in financing and constructing projects and sharing gasoline and sales taxes. The JTA now needs the City to be a good partner in helping it achieve its goals.

Council Auditor Kim Taylor distributed a document with points for consideration and some proposed technical amendments. Her staff has reviewed the growth assumptions and finds that the projection of $1 billion in revenue over the life of the tax is not unreasonable. The City would be using all of its maximum gas tax authorization through 2046. Of the $930.2M in projects on the proposed project list, $329.5M is already scheduled in the adopted CIP (including beyond the 5th year); $74.4M of projects on the list are not currently in the CIP; $37.6M in additional funding is proposed to be added to projects already in the CIP. $488.7M in JTA projects are not currently listed on the JTA’s 5-year CIP, of which $328M is for the Ultimate Urban Circulator (U2C). The project listing is a sample of eligible projects, not a definitely committed list. JTA will have the use of $30-40M in additional annual sales tax revenue when the Better Jacksonville Plan (BJP) bonds are paid off between 2033 and 2038. Ms. Taylor expressed her office’s concern about committing all gas tax revenue to a sample project list that is not definitive. She presented a list of 7 proposed technical amendments to the ordinance and associated on file documents.

Council Member Dennis asked that his proposed amendment #1 on the distributed list of council member proposals be taken up first since it deals with employment, which is the main purpose of the Mayor’s bill. President Hazouri declined to change the order of the list. Council Member Cumber asked Assistant Council Auditor Phillip Peterson if the Auditor’s Office is completely satisfied with the responses received from the JTA to a list of previously submitted questions. He said they have not posed any follow-up questions but are still in the process of analyzing several of the detailed studies used to make the case for the economic impact of the proposal. Ms. Cumber asked for clarification of JTA’s additional revenue after the BJP bonds are paid off; Mr. Peterson said that JTA has said it plans to use that revenue to keep its capital assets in a state of good repair and deal with a maintenance backlog. Federal COVID-related funding to JTA consists of $134M through the CARES Act and the American Rescue Plan. The City got $167M from the CARES Act and is eligible for $186M as a county and $153M as a city from the new Rescue Plan. Ms. Cumber said she thinks that funding should be used for septic tank remediation. Kim Taylor clarified that Council Member Salem’s proposed amendment to lock down the gas tax project list also excludes funding for the U2C.

Council Member Bowman asked about the Auditor’s Office’s confidence in the gas tax revenue projections. Mr. Peterson said the projection is for a 1% growth rate for the next 7-10 years, then flat for 10 years, then declining slightly thereafter for the remainder of the term. His office compared the JTA’s projections to federal government projections on fuel sales and the two figures are very close. Mr. Bowman asked if a 2-3% annual city population growth rate is included in those projections. Mr. Peterson said the JTA projections did include population growth. Mr. Bowman asked if the City could use a pay-as-you-go mechanism rather than use the revenue stream to bond for the projects. Mr. Peterson said that was possible, but JTA wants to do the U2C and other projects immediately so prefers to bond the revenue stream for immediate use rather than use the pay-go mechanism.

**Motion** (Freeman): approve the Council Auditor’s 7 proposed technical amendments, rolled into one amendment – **approved unanimously**.

Council Member Proposed Amendments

Freeman #1

Council Member Freeman proposed an amendment to allocate 100% of the revenue from the Ninth Cent gas tax for City LOGT-eligible programs in a newly-defined Urban Core Development Services Area (as recommended by the latest Charter Revision Commission). Mr. Freeman asked for the administration’s reaction to the proposal. Mr. Elsbury said the Mayor and Mr. Freeman are on the same page with regard to fulfilling long-standing promises, but asked for a little more time to work with JTA on reaching a satisfactory solution that gets everyone to the goal of providing certainty for the targeted communities about the future of projects in their areas. **Mr. Freeman withdrew his amendment** pending further work with the administration, but cautioned that he would not be voting in favor of the LOGT if his amendment is not reflected.

Council Member Cumber asked how the projects on the proposed list were chosen. Mr. Elsbury explained that the City’s projects reflect the 5 year CIP, while JTA’s projects are a new priority list recently adopted by the JTA board. Ms. Cumber questioned how projects got in the CIP in the first place. She doesn’t agree with some of the projects programmed for her area and would prefer others that are not listed. Mr. Elsbury said that a few projects in the LOGT proposal are not in the CIP yet but are planned to be added to the next CIP during the budget process this fall. Any changes the Council wants in the CIP can be made during the budget process. Ms. Cumber said that demonstrates that the list as proposed does not have the force of law and can be changed by council action in the future.

Council Member DeFoor said that Riverside and Avondale have extremely old infrastructure, so defining the Urban Services District Area will be very important, as long-standing needs are not limited to the urban core and northwest area of the city.

Council Member Becton said it takes a long time from when projects are approved to when they are actually under construction and finally completed. He asked Mr. Elsbury about how long the projects will realistically take to complete, and if there are sufficient construction companies and workers in the marketplace to accomplish everything that is going to be promised. Mr. Elsbury said the administration was very conservative in its projections and project list assembly and they are confident that what is projected can actually be accomplished. Mr. Becton reiterated that the current state of the economy makes it very unlikely that all of the projects can be built quickly given labor shortages, the rising cost of construction materials, etc.

Council Member Cumber asked about the $343M expected from the federal government, which can be spent on septic tank removal according to the federal guidance. She proposed using $200M for septic tank removals and seeking a portion of the state’s new $2B infrastructure fund for transportation improvements. She said the federal and state governments are currently flush with cash, and advocated for tapping those resources first and not raising the gas tax until absolutely necessary. Mr. Elsbury said they need to wait until the federal guidance becomes clearer to know what is and is not permissible for uses of the new recovery funds. Ms. Cumber said she believes it is very clear from the current guidance documents that the federal funds can be used for septic tank issues.

Council Member Carrico said the proposed project list is a good one, but doesn’t address simple quality of life issues such as getting speed bumps and other basic needs installed in neighborhoods. Mr. Elsbury said that there are many quality of life projects – septic tank remediation, complete streets, park improvements, etc. - in the plan. The administration will be talking to council members in the next few weeks about their specific ideas for needed projects in their districts. Mr. Carrico asked JTA CEO Nat Ford about the U2C reaching Council District 4 as discussed in the last meeting. Mr. Ford said it is not planned to reach District 4.

Council Member Pittman said that many of the current council members will be out of office in a couple of years, so there needs to be a definitive project list that meets current community needs that won’t be changed in a few years as new leaders take office. The community needs certainty that there’s a plan that will definitely be accomplished.

Council Member Morgan asked Mr. Elsbury how the plan can guarantee that the jobs to be created will go to Jacksonville residents, given the difficulty already being seen in filling available jobs. Mr. Elsbury said that great thought has gone into this question and the administration is looking at targeting the local colleges to keep graduates in Jacksonville for these jobs, and Jacksonville’s population is growing rapidly so there is a workforce out there that can fill these jobs. Ms. Morgan said she’s particularly interested in population growth trends in downtown to help her determine how necessary the U2C may be.

Council Member DeFoor expressed interest in 3 areas before she can be comfortable voting on this bill: 1) a detailed, specific spending plan by project; 2) realistic project timing; and 3) loss of trust in government by the community as a result of the JEA privatization and Lot J debates. Mr. Elsbury said the Mayor and administration have been consulting the Council and civic leaders continuously for months so they feel that they are building a sense of trust and they welcome being held accountable. He will go to any community and address any citizen questions to build that trust. The plan is fairly detailed and reflects the recommendations of several groups and individuals who highlighted important areas needing work, and the Council will set the detailed priorities in the upcoming CIP process.

Council Member Dennis asked about the status of drainage studies for all the projects on the list. Bill Joyce, Operations Director for the Public Works Department, said that numerous drainage studies exist and are ready for projects to begin. Full drainage studies aren’t always required for a project based on the nature of what kind of work needs to be done to solve the problems that exist. Mr. Dennis said he is absolutely supportive of the gas tax expansion because of the desperate need for funding for so many long-delayed projects, but wants to be sure that the biggest needs are addressed first by allocating funding to where it’s needed most. Mr. Elsbury said that the Council controls the CIP and can see to it that its priorities are addressed in that document in the next budget process.

Council Member Boylan said downtown is growing rapidly and is projected to grow from 6,000 to 13,000 residents in the next 5 years. He said that there are serious drainage issues citywide and expressed dismay that the Mandarin area is projected to get so little of the drainage funding in the CIP. Bill Joyce said that there are project lists that do impact the Mandarin area. Mr. Boylan echoed Ms. Cumber’s earlier comments about tapping all available federal and state funding resources first before raising local taxes. He said he is supportive of the proposal concept, but is not sure that the timing is right given the current COVID circumstances. Jordan Elsbury said that there will never be a time that the public clamors for a tax increase, and the gas tax will be a diminishing revenue source as years go on and electric vehicles replace gas-fueled vehicles.

Council Member Salem said he is concerned about what next year’s City budget will look like given the COVID impacts and asked City CFO Joey Greive for his views. Mr. Greive said the $167M in CARES Act funding already received was largely a pass-through to third parties; the $343M expected from the new federal Recovery Act will go largely to the City’s coffers to help offset revenue losses from diminished bed tax and sales tax collections, etc. The budget will use the federal funds to meet all the local needs possible.

Council Member Ferraro agreed with the concept of using a majority of the $343M to deal with septic tank remediation without having to raise taxes. He echoed the earlier comments about the lack of trust between citizens and their city government – citizens are not satisfied with the quality or sufficiency of services they are already getting. The Wonderwood Connector, Alta Drive, Kernan Boulevard, and Girvin Road projects were all disasters in various ways, not delivering what was promised. He has heard from constituents that their most important transportation priority is a better bus system, not a downtown U2C. Trust in government to do what it says is very problematic right now.

Council Member Bowman said he has heard almost no support in any venue for the U2C and asked Nat Ford, JTA’s CEO, about what could be done as a demonstration project that is not the full 10-mile U2C that would help to build public trust. Mr. Bowman said he is not opposed to tax increases, but is uncomfortable with committing to one for 30 years. Jacksonville has a history of starting a tax and then continually renewing and extending it for decades. He asked why there’s a need for new tax revenue when there was $329M already programmed to be funded in the CIP and there is the prospect of several hundred million more dollars from the federal government. Jordan Elsbury said the freed-up capacity in City funding from getting other resources will deal with the quality of life issues he discussed earlier.

Council Member Diamond said he is absolutely opposed to a new tax. He thanked the Mayor and his staff, Nat Ford and JTA, and City Council for open and honest discussion on this proposal.

Council Member Carlucci said he is pleased with the way the debate has gone thus far, but thinks it’s time to start considering the list of council members’ amendments.

Council Member Morgan asked what the process would be for taking public input from the town hall meetings and making proposals for additional changes to reflect the public’s suggestions. President Hazouri said that the bill is still open for amendment until the final vote is taken, whenever that may be.

Council Member Cumber asked Mr. Greive for clarification of his earlier remarks about next year’s budget. Mr. Greive said that there is not a “hole” in the budget. Ms. Cumber urged waiting until the full scope of the federal recovery funding is known before making any decisions about raising local taxes. The volume of work being proposed is so large that there’s no way that the full amount could be spent in the next 5 years. There is no need to rush this bill to a final vote.

Salem #1

Council Member Salem moved an amendment to revise the Interlocal Agreement with JTA to remove the $132M allocation for the U2C and to limit JTA’s use of LOGT funds to a specific project list approved by the City Council as Exhibit 1 to the Interlocal Agreement, and to make completion of those projects by JTA compulsory. JTA must also thereafter get City Council approval and amend the Interlocal Agreement Exhibit 1 to change any projects. Council Member Carlucci asked for clarification of the impact of the Salem amendment on his Carlucci #1 amendment to be considered next. Nat Ford said the JTA is committed to seeking all available state and federal sources to fund the Emerald Trail project. Council Member Cumber asked Mr. Ford for clarification of how the removal of $132M would impact the U2C expansion and for clarification of the total project budget. Mr. Ford said that a large part of the $132M is for purchase of Autonomous Vehicles and the operating system needed to make the vehicles work.

Council Member Bowman asked for clarification of Mr. Salem’s proposed amendment regarding future amendment of JTA’s project list and City Council’s role in approving amendments. Deputy General Counsel Peggy Sidman described the language in the ordinance authorizing the use of the LOGT for projects eligible for funding under state law, which does not lock in a specific project list. In response to a question from Mr. Bowman, Mr. Ford said he is not opposed to coming back to City Council for approval of future changes. Council Member Priestly Jackson said she is opposed to the Council micromanaging an independent authority’s governing board and asked if the amendment would violate the JTA’s independence under its charter. Ms. Sidman said it would not. Council Member Becton asked for details of the U2C project, which Mr. Ford said he would provide. He described the conversion of the current elevated Skyway guideway to accommodate the AVs and the proposed extension of the system with AVs running at grade on current streets into neighborhoods surrounding downtown. Mr. Becton asked about any feasibility studies that have found that the change in technology will increase ridership.

President Hazouri asked if the status of the JTA as a state agency with a majority of state-appointed board members impacts the City’s ability to dictate to the board what it can and cannot do. Cleveland Ferguson, CAO of the JTA, confirmed that the JTA is a state-chartered agency, but said that the JTA has a mutual agreement with the City on how its budget is handled because the City funds JTA’s paratransit operation. Although not required, JTA has presented its entire budget to City Council for review and approval because of the symbiotic relationship between the two entities and in the interest of full transparency. Council Member Priestly Jackson advocated for an amendment to the Salem amendment to strike the language requiring City Council approval of any changes to JTA’s adopted priority list.

Council Member Ferraro asked about the maintenance cost of the U2C; Mr. Ford said $15-20M annually for operations and maintenance in the future. Their plan is to contract the operation of the U2C to a private operator. Council Member Cumber said she thinks the public has no interest in investing hundreds of millions into the U2C, but would rather see the funds used for roads and drainage improvements. Council Member Morgan asked how the U2C system relates to the bus system and transportation in the future. Mr. Ford said Jacksonville has the potential to be a national leader in the transit field by its use of AVs and other new technologies that have the potential to expand JTA’s reach and usefulness to citizens. Council Member Becton advocated for taking the U2C funding out of the bill and having a separate, stand-alone discussion about the future of the Skyway/U2C at a later time. Council Member Carrico asked for clarification of the relationship between the Salem #1 and Carlucci #1 amendments. Council Member Salem asked OGC attorney John Sawyer to address Council Member Priestly Jackson’s earlier point about the City Council’s relationship with the JTA board. Mr. Sawyer said that the JTA has entered voluntarily into the Interlocal Agreement to use City-provided funding, so the Council is not infringing on the JTA board’s authority by conditioning the use of the funds.

**The Salem amendment was approved 16-2 (Cumber and Priestly Jackson opposed).**

Council Member Priestly Jackson raised a point of order about the numbering of the amendment just voted on, the ballot having read Amendment #2 but the Freeman amendment was moved and then withdrawn earlier. It was clarified that the Council approved the Auditor’s amendment early in the meeting, which was Amendment #1, and this is the second amendment to be voted on after the withdrawal of the Freeman #1 amendment.

Dennis #1

Council Member Dennis moved his Dennis #1 amendment regarding a 30% JSEB participation mandate for LOGT-funded projects. President Hazouri initially declined to recognize the Dennis motion as being out of order since it was not the next amendment on the distributed list, but a second was offered and the amendment was taken up. Council Member Bowman expressed reservations about mandating a participation rate that might slow down work if there are insufficient JSEBs to participate in all of the contracting opportunities this bill will fund. Mr. Dennis said there is a waiver process should there be insufficient JSEBs to meet the contracting needs. Council Member Freeman asked if the projects will be done under the City’s or JTA’s JSEB program. Mr. Elsbury said he would schedule a meeting with Council Member Freeman, JTA, and the City’s JSEB program administrators to discuss how Mr. Dennis’ amendment applies. Council Member Pittman advocated for using the City’s JSEB program as recently amended by City Council rather than creating a new mandate just for the LOGT program. No action was taken on the Dennis #1 amendment given the lack of time for full discussion.

President Hazouri announced that the next Committee of the Whole will be on Wednesday, May 19th at 9 a.m. The meeting will not be noticed for a hard adjournment time so that discussion can take as long as necessary. Council Member Becton noted that town hall meetings are scheduled for Thursday of next week, although it appears that there is an effort to bring the Committee of the Whole to a final vote on the 19th, which seems to diminish at least the appearance of concern for public participation. President Hazouri reiterated that changes can be made on the floor of the council meeting on the 25th if that is when the council is ready to take final action. Council members expressed varying opinions about the timing of final action on the bill and the ability of the public to react to amendments that are being made during the process such as at today’s meeting. The option of holding a special called meeting was raised as a possibility to take final action on these two bills separate from the regular council meeting on the 25th, after all the town hall meetings are completed. Council Member Cumber recommended taking final action at the council meeting of June 8th since there appears to be no need to rush to a final vote on the bill.

**Meeting adjourned:** 5:10 p.m.

Minutes: Jeff Clements, Council Research Division

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5.12.21 Posted 3:00 p.m.