

Better Jacksonville Plan Rework And Just Cause Analysis

Background

On September 5, 2000, the voters of Duval County approved the Better Jacksonville Plan (BJP) ½ cent infrastructure sales tax for a period of 30 years. The BJP ½ cent sales tax was set to provide \$1.5 billion in capital funding for: improvements such as new, expanded, and widened roads, road resurfacing, drainage, sidewalks, bike paths and landscaping, safety grade crossings and acquisition of rapid transit right of way; environmental land preservation and parks; environmental cleanup and septic tank remediation; economic development; improvements to the Jacksonville Zoo and Cecil Field; and construction of a new main library, library branch improvements, an arena, a baseball park and a county courthouse. The Better Jacksonville ½ Cent Sales Surtax took effect on January 1, 2001, and shall remain in effect no longer than December 31, 2030, subject to earlier termination, which must occur on a December 31 date when The Better Jacksonville Plan has been fully funded and all indebtedness pledging The Better Jacksonville ½ Cent Sales Surtax has been paid.

Ordinance 2000-572-E (the "BJP Ordinance") created, in part, Section 761.102 of the City's Ordinance Code which proposed a plan for targeted economic development, road improvements, growth management, and environmental protection and preservation. The BJP Ordinance proposed the imposition of the one-half cent Infrastructure Sales Surtax, together with an Interlocal Agreement between the City and the Jacksonville Transportation Authority, which restructured the JTA's then current one-half cent transportation tax and the City's constitutional gas tax to further finance the Better Jacksonville Plan. The total cost of The Better Jacksonville Plan was projected to be \$2.25 billion comprised of \$750 million for road projects, \$750 million for vertical projects and \$750 million in road projects funded through the existing ½ cent local option transit surtax.

A list of Projects was attached to the BJP Ordinance and defined as a "Work Program." The BJP Ordinance provides that the Work Program may be amended by the City Council for "just cause only but as is deemed necessary." In 2005, the City provided for a new order of priority and revision to the Work Program via Ordinance 2005-898-E in order to further the cost-efficient construction of the Projects. Due to increased costs over time and other economic conditions throughout the years that the Better Jacksonville Plan has been in effect, the costs to complete all the Projects on the Work Program currently exceed the \$1.5 billion in available Infrastructure Sales Surtax revenues. As set forth in the just cause analysis attached to Ordinance 2005-898-E, the Infrastructure Sales Surtax was not envisioned to be the sole funding source for some Projects.

In February 2023, the City enacted Ordinance 2022-416-E to adjust the planned funding source for projects totaling \$154,869,342.48 from the BJP ½ cent infrastructure sales tax to the debt management fund, thereby setting forth a path to an early sunset of BJP, effectively, transferring projects from being cash-funded to being debt funded with the goal of starting the ½ cent pension surtax earlier than the 2031 start planned by pension reform legislation and approved by voter referendum in 2017. Since the passage of Ordinance 2022-416-E, neither the City, the Board of Pension Trustees, nor the Police and Fire Pension

Fund Board of Trustees has taken any of the financial analysis or legal steps to effect an early sunset of the BJP ½ cent infrastructure sales tax in favor of beginning the flow of pension surtax funds to the pension plans and their unfunded pension liabilities.

Revisions to BJP Work Plan

Mayor Deegan’s Administration believes it is fiscally prudent to leverage the BJP ½ cent infrastructure sales tax for its entire lifespan intended by the City and voters through 2030 for capital project funding. The 2031 start for the pension surtax will facilitate the attainment of fully funded (100%) pension plans, as intended by the City and voters.

This work plan revision proposes: (1) the reversion of the portion of the projects transferred via Ordinance 2022-416-E that have not been funded by a bond issuance and (2) inclusion of previously authorized capital improvement plan (CIP) projects that meet the original BJP voter referendum language contained in Ordinance 2000-572-E as follows.

**BETTER JACKSONVILLE GROWTH MANAGEMENT,
ROAD CONSTRUCTION, ENVIRONMENTAL PRESERVATION,
NEIGHBORHOOD INFRASTRUCTURE
1/2 CENT SALES TAX PLAN
SEPTEMBER 5, 2000**

For The Better Jacksonville Plan to build roads, sidewalks and parks; improve drainage; resurface roads; preserve land for public use and prevent overdevelopment; clean contaminated lands; remediate septic tanks; modernize neighborhood libraries; build a new main library, arena, baseball park and courthouse; and fund targeted economic development in neighborhoods and Cecil Field; shall the City of Jacksonville levy a 1/2 Cent Sales Tax for 30 years or less, subject to independent audit and citizen oversight?

“ _____ FOR the Better Jacksonville 1/2 Cent Sales Tax (YES) ”

“ _____ AGAINST the Better Jacksonville 1/2 Cent Sales Tax (NO) ”

Just Cause Analysis Supporting Project Additions to the BJP Work Plan

The Budget Office CIP Administrator worked closely with the Department of Public Works to analyze the entire body of previously authorized CIP projects to identify any that could qualify under the definition of the 2000 voter-approved referendum language. Such analysis of detailed project plans for each project yielded 77 previously authorized CIP projects totaling \$610,816,728 as eligible for BJP ½ cent infrastructure sales tax funding. Of the 77 projects identified on the accompanying listing, they are classified as follows:

<u>BJP Referendum Description</u>	<u>Project Listing Item #</u>
Build roads	1, 2, 3, 4, 5, 8, 9, 10, 12, 13, 14, 15, 20, 22, 23, 24, 25, 26, 27, 28, 29, 33, 34, 35, 37, 41, 43, 44, 45, 48, 50, 52, 53, 54, 55, 67, 68, 69, 70, 71, 72, 73, 74, 75
Build sidewalks	11, 21, 30, 31, 39, 47, 49, 51, 56, 57, 59, 61, 64
Improve drainage	6, 7, 16, 17, 18, 19, 32, 36, 38, 40, 42, 46, 58, 60, 62, 63, 65, 66
Resurface roads	76, 77

Summary

The proposal to expand the BJP work plan project listing to include qualifying previously authorized CIP projects allows the City to leverage a current revenue source to fund necessary capital projects and mitigate the use of debt totaling \$610,816,728. This fiscally prudent action will deliver cash-funded infrastructure projects to the citizens of Jacksonville in the areas of roadways, sidewalks, and drainage.