Co-Introduced by the Council President at the request of the Mayor & Co-Sponsored by Council Member Dennis and amended on the Floor of Council:

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ORDINANCE 2021-223-E

AN ORDINANCE AMENDING CHAPTER 799 (LOCAL OPTION GAS TAX), ORDINANCE CODE, TO: (1) EXTEND THE SIX-CENT LOCAL OPTION GAS TAX FOR A 10 YEAR PERIOD BEGINNING SEPTEMBER 1, 2036, AND CONTINUING THROUGH AUGUST 31, 2046; (2) PROVIDE FOR THE LEVY OF A FIVE-CENT LOCAL OPTION GAS TAX ("5-CENT LOCAL OPTION GAS TAX") IN DUVAL COUNTY FOR A PERIOD OF THIRTY (30) YEARS COMMENCING JANUARY 1, 2022; (3) PROVIDE FOR THE LEVY OF A ONE-CENT LOCAL OPTION GAS TAX ("9TH-CENT LOCAL OPTION GAS TAX") IN DUVAL COUNTY FOR A PERIOD OF THIRTY (30) YEARS, COMMENCING JANUARY 1, 2022; AND (4) RESTRICTS JTA'S USE OF ITS SHARE OF THE GAS TAX ON THE U.S. DEPARTMENT OF TRANSPORTATION BUILD GRANT; AMENDING SECTION 761.107 (COMMITTEES), CHAPTER 761 (THE BETTER JACKSONVILLE PLAN), ORDINANCE CODE, TO PROVIDE FOR THE BETTER JACKSONVILLE PLAN FINANCIAL ADMINISTRATION COMMITTEE AND PROJECT ADMINISTRATION COMMITTEE TO PROVIDE REPORTING OF REVENUES AND EXPENDITURES REGARDING THE LOCAL OPTION GAS TAXES TO COUNCIL TWICE A YEAR NO LATER THAN APRIL 1 AND OCTOBER 1, EXPANDING THE MEMBERSHIP OF EACH

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DASHBOARD; PROVIDING FOR DIRECT CONTRACTING WITH JSEB OR DBE PARTICIPANTS, AS APPLICABLE, AMOUNT OF AT LEAST \$250 MILLION PROJECTS UTILIZING TAX REVENUE PROCEEDS; APPROVING AND AUTHORIZING THE MAYOR, OR HIS DESIGNEE, AND THE CORPORATION SECRETARY TO EXECUTE: (1) AN INTERLOCAL AGREEMENT BETWEEN THE CITY OF JACKSONVILLE AND THE JACKSONVILLE TRANSPORTATION AUTHORITY FOR ALLOCATION OF THE ADDITIONAL TEN YEARS OF THE SIX-CENT LOCAL OPTION GAS TAX, THE 5-CENT LOCAL OPTION GAS TAX AND THE 9TH-CENT LOCAL OPTION GAS (COLLECTIVELY, THE "LOCAL OPTION GAS TAXES"); (2) AN AMENDED AND RESTATED INTERLOCAL AGREEMENT AMONG THE CITY, THE CITY OF ATLANTIC BEACH, THE CITY OF JACKSONVILLE BEACH, CITY OF NEPTUNE BEACH AND THE TOWN OF BALDWIN TO PROVIDE FOR THE DISTRIBUTION FORMULA FOR DIVIDING THE PROCEEDS OF THE PROPOSED LOCAL OPTION GAS TAXES; PROVIDING FOR POST-EMPLOYMENT RESTRICTIONS; PROVIDING FOR COMPLIANCE WITH STATE ETHICS LAWS; APPROVAL OF ORDINANCE; PROVIDING FOR FILING WITH THE FLORIDA DEPARTMENT OF STATE; PROVIDING AN EFFECTIVE DATE.

COMMITTEE, AND PROVIDING FOR AN ACCOUNTABILITY

BE IT ORDAINED by the Council of the City of Jacksonville:

Section 1. Amending Chapter 799 (Local Option Gas Tax),

Ordinance Code. Chapter 799 (Local Option Gas Tax), Ordinance Code,

is hereby amended to read as follows:

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CHAPTER 799. Local Option Gas Taxes.

Part 1 - Six-Cent Local Option Gas Tax

Sec. 799.101. Tax imposed; limitation.

There is hereby imposed a tax, hereinafter known as the <u>six-cent</u> local option gas tax, in the amount of six cents upon every gallon of motor fuel and special fuel sold in the General Services District and taxed under the provisions of F.S. Ch. 206. This tax shall be effective on September 1, 2016 and shall continue through August 31, 2036 2046.

* * *

Sec. 799.106. Distribution of tax proceeds.

The proceeds of the local option gas tax shall be distributed among the City and Urban Services Districts Two, Three, Four and Five, to the extent that they are each eligible to receive a distribution, based upon the percentage amount calculated by dividing the latest annual population total for each such governmental unit, as calculated and certified annually by the State Department of Administration, by the latest annual population total of Duval County as likewise calculated and certified. This percentage amount shall be revised annually during the term of the tax as the population figures calculated and certified by the Department of Administration are revised. The Council Auditor shall provide the State Department of Revenue with the distribution proportions prior to August 15 on or before October 1 of each year the tax is in effect; if a dispute shall arise with respect to the determination of distribution proportions as provided in F.S. § 336.025(5)(b), the tax proceeds shall be paid into the Local Option Gas Tax Trust Fund without distribution and held in escrow until the dispute is resolved. The City's share of

proceeds from the six-cent local option gas tax shall be distributed between the City of Jacksonville and the JTA pursuant to the Interlocal Agreement between the City and JTA authorized by Ordinance 2021-223-E. In the event none of the local municipalities enter into an Amended and Restated Interlocal Agreement authorized by Ordinance 2021-223-E, the proceeds of the six-cent local option gas tax, as to the August 31, 2036 through September 1, 2046 time frame shall be disbursed based on the transportation expenditures of each eligible local municipality for the immediately preceding 5 fiscal years, as a proportion of the total of such expenditures for the county and all municipalities within the county, consistent with Chapter 336.025, Florida Statutes.

Sec. 799.201. - Tax imposed; limitation.

There is hereby imposed a tax, hereinafter known as the five-cent local option gas tax, in the amount of five cents upon every gallon of motor fuel sold (exclusive of diesel fuel) in the General Services District and taxed under the provisions of F.S. Ch. 206.

This tax shall be effective on January 1, 2022 and shall continue through December 31, 2051.

Part 2. - Five-Cent Local Option Gas Tax.

Sec. 799.202. - Manner of collection.

The five-cent local option gas tax shall be collected by the State Department of Revenue in the same manner as other gas taxes are collected pursuant to F.S. Ch. 206 and, when received by the City, shall be credited to the Local Option Gas Tax Trust Fund created by Section 111.515, Ordinance Code.

Sec. 799.203. - Purpose of tax.

The five-cent local option gas tax shall be utilized only for transportation expenditures, as that term is set forth in F.S. §

336.025(1)(b)(3), as defined in F.S. § 336.025(7) and as appropriated from time to time by the Council.

Sec. 799.204. - Legislative authority.

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This Chapter is enacted pursuant to the authority contained in F.S. § 336.025.

Sec. 799.205. - Territorial application.

This Chapter shall apply throughout the General Services District. The City is exercising its powers as a County in the enactment of this Chapter and the imposition of the five-cent local option gas tax, pursuant to the authority contained in Section 3.01 of the Charter.

Sec. 799.206. - Distribution of tax proceeds.

The proceeds of the five-cent local option gas tax shall be distributed among the City and Urban Services Districts Two, Three, Four and Five, to the extent that they are each eligible to receive a distribution, based upon the percentage amount calculated by dividing the latest annual population total for each such governmental unit, as calculated and certified annually by the State Department of Administration, by the latest annual population total of Duval County as likewise calculated and certified. This percentage amount shall be revised annually during the term of the tax as the population figures calculated and certified by the Department of Administration are revised. The Council Auditor shall provide the State Department of Revenue with the distribution proportions on or before October 1 of each year the tax is in effect; if a dispute shall arise with respect to the determination of distribution proportions as provided in F.S. § 336.025(5)(b), the tax proceeds shall be paid into the Local Option Gas Tax Trust Fund without distribution and held in escrow until the dispute is resolved. In the event the local municipalities do not enter into

- 5 -

an Amended and Restated Interlocal Agreement as authorized by Ordinance 2021-223-E, the proceeds of the five-cent local option gas tax shall be disbursed based on the transportation expenditures of each eligible local municipality for the immediately preceding 5 fiscal years, as a proportion of the total of such expenditures for the county and all municipalities within the county, consistent with Chapter 336.025, Florida Statutes. The City's share of proceeds from the five-cent local option gas tax shall be distributed between the City and the JTA pursuant to the Interlocal Agreement between the City and JTA authorized by Ordinance 2021-223-E.

Sec. 799.207. - Use of City's share of five-cent local option gas tax.

Proceeds from the five-cent local option gas tax shall be used by the City, eligible municipalities within Duval County and JTA only for transportation expenses as authorized and defined in Section 336.025(7), Florida Statutes.

Sec. 799.208. - Use of JTA's share of five-cent local option gas tax.

In addition to the provisions of §799.207, Ordinance Code, proceeds from the five-cent local option gas tax shall be used by the JTA only for transportation expenses as authorized and defined in §336.025(7), Florida Statutes, and for JTA projects post enactment of Ordinance 2021-223-E, in no event shall JTA use proceeds for the US Department of Transportation Build Grant.

Part 3. - 9th-Cent Local Option Gas Tax.

Sec. 799.301. - Tax imposed; limitation.

There is hereby imposed a tax, hereinafter known as the 9th-cent local option gas tax, in the amount of one cent upon every gallon of motor fuel sold in the General Services District and

taxed under the provisions of F.S. Ch. 206. This tax shall be effective on January 1, 2022 and shall continue through December 31, 2051.

Sec. 799.302. - Manner of collection.

The 9th-cent local option gas tax shall be collected by the State Department of Revenue in the same manner as other gas taxes are collected pursuant to F.S. Ch. 206 and, when received by the City, shall be credited to the Local Option Gas Tax Trust Fund created by Section 111.515, Ordinance Code.

Sec. 799.303. - Purpose of tax.

The 9th-cent local option gas tax shall be utilized only for transportation expenditures, as that term is defined in F.S. § 336.025(7) as appropriated from time to time by the Council.

Sec. 799.304. - Legislative authority.

This Chapter is enacted pursuant to the authority contained in F.S. Ch. §§ 206.41, 206.87 and 336.021.

Sec. 799.305. - Territorial application.

This Chapter shall apply throughout the General Services District. The City is exercising its powers as a County in the enactment of this Chapter and the imposition of the 9th-cent local option gas tax, pursuant to the authority contained in Section 3.01 of the Charter.

Sec. 799.306. - Distribution of tax proceeds.

The proceeds of the 9th-cent local option gas tax shall be distributed between the City and JTA on a 50/50 basis, pursuant to the Interlocal Agreement between the City and JTA as authorized by Ordinance 2021-223-E.

Sec. 799.307. - Use of 9^{th} -cent gas tax.

Proceeds from the 9th Cent Gas Tax shall be used by the County and JTA only for transportation expenses as defined in Section

336.025, Florida Statutes.

Sec. 799.308. - Use of JTA's share of 9th-cent local option gas tax.

In addition to the provisions of §799.207, Ordinance Code, proceeds from the 9th-cent local option gas tax shall be used by the JTA only for transportation expenses as authorized and defined in §336.025(7), Florida Statutes, and for JTA projects post enactment of Ordinance 2021-223-E, in no event shall JTA use proceeds for the US Department of Transportation Build Grant.

Section 2. Amending Section 761.107 (Committees), Chapter 761 (The Better Jacksonville Plan), Ordinance Code. Section 761.107 (Committees), Chapter 761 (The Better Jacksonville Plan), Ordinance Code, is hereby amended to read as follows:

CHAPTER 761. THE BETTER JACKSONVILLE PLAN.

* * *

Sec. 761.107. Committees.

* * *

(a) The FAC shall consist of the Managing Director of JEA, the Chief Administrative Officer of the City, or their respective designees, and a citizen within the financial business community of the City who shall not be associated with any of the financial components of The Better Jacksonville Plan, including auditing or bending; in the alternative, a citizen who has had involvement in municipal, County or other governmental financing. In addition, fivetwo private citizens who are residents of the City who are not affiliated with or employed by any business or occupation that would be involved in the implementation of The Better Jacksonville Plan Projects shall serve as members. Such involvement includes financing, planning, real estate, design, construction or other similar businesses or occupations. Two of said citizen members of

the FAC shall be appointed by the Mayor (one of whom shall be the citizen within the financial business community of the City) and confirmed by Council, two shall be appointed by Council, and two shall be recommended by JTA to be confirmed by Council, in each case, for a five-year termAll of said citizen members of the FAC shall be appointed by the Mayor, and confirmed by the Council, for a five-year term with the possibility of serving one additional five-year term in the discretion of the Mayor and confirmation by the Council; provided however, the citizen members shall serve no more than two full terms. The Council Auditor, or designee, shall be a nonvoting member. The FAC shall meet at the call of the Chair or any member, but no less than quarterly. The Chair shall rotate on an annual basis, commencing with the City's Chief Administrative Officer. The Council Auditor, or designee, and the citizen members shall not be eligible to serve as Chair. The FAC shall determine and assess the general conditions of the market for municipal bonds and notes (including opportunities for the efficient use of bond anticipation notes, other bridge financing and refunding bonds), and other appropriate financial markets, including advice regarding advantageous maturities and maturity structures, sinking fund and defeasance provisions, interest rate provisions, redemption provisions, credit enhancement opportunities, interest rate hedging opportunities, method of sale, investment opportunity and similar matters. The FAC shall take into account the effect of the terms of each series to be issued on all of The Better Jacksonville Plan Projects in order that The Better Jacksonville Plan, an entirety, may be efficiently financed. The foregoing sentence shall apply equally to any series of refunding bonds issued to refund any bonds, which refunding bonds may only be issued with the unanimous consent of FAC or the Mayor, as provided as follows: It is intended

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that the issuance of bonds be provided in a manner necessary to provide funds for The Better Jacksonville Plan Projects on a timely basis when such projects are ready to be commenced. The FAC shall meet as determined by the Chair or at the request of an individual member for the purpose of coordinating the respective needs of the City for the issuance of bonds with the intent that each series of bonds be sized and structured in the most efficient manner possible. The timing and amount of each series of bonds shall be as executed by the City to timely construct The Better Jacksonville Plan Projects. Upon dissent of any voting member of the FAC, as to matters involving the issuance of bonds, the final determination, on such issuance, will be made by the Mayor after review of supportive documentation given to the Mayor and any dissenting FAC member.

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The PAC shall consist of the Executive Director of the Jacksonville Transportation Authority, the City's Director of Public Works and the Managing Director of JEA or their respective designees. In addition, sixtwo private citizens who are residents of the City and who are not affiliated with or employed by any business or occupation that would be involved in the implementation of The Better Jacksonville Plan Projects shall serve as members. Such involvement includes financing, planning, real estate, design, construction or other similar businesses or occupations. Two of said citizen members of the PAC shall be appointed by the Mayor and confirmed by Council, two shall be appointed by Council, and two shall be recommended by JTA to be confirmed by Council, in each case, for a five-year term The citizen members of the PAC shall be appointed by the Mayor, and confirmed by the Council, for a fiveyear term with the possibility of serving one additional five-year in the discretion of the Mayor and confirmation by the

Council; provided however, the citizen members shall serve no more than two full terms. The general engineering consultant of Jacksonville Transportation Authority and Public Works Department's general engineering consultant, or their respective designees, shall be nonvoting members. The PAC shall meet at the call of the Chair or any member, but no less than quarterly. The Chair shall rotate on an annual basis among committee members commencing with Jacksonville the Executive Director of the Transportation Authority. The nonvoting member(s) and the citizen members shall not be eligible to serve as Chair. The City shall be primarily responsible for the construction of The Better Jacksonville Plan Projects which are referenced to the City. The PAC shall study The Better Jacksonville Plan Projects with the goal of advising how to construct and complete such projects in the most efficient manner possible and to oversee execution of work of all such projects as each such project is ready to be designed, right-of-way acquired, permitted and constructed.

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(c) The FAC and the PAC shall prepare and present to the City Council, the Mayor and the Jacksonville Transportation Authority Board as necessary a report on the implementation, progress, status and completion of all The Better Jacksonville Plan Projects, including a summary of the financing undertaken, funds expended and planning, design, right-of-way acquisition and construction as of the reporting date. In addition, said committees shall report on the degree of cooperation of the parties hereto, and on areas of concern for the timely and proper completion of The Better Jacksonville Plan Projects. Such reports shall be given on an annual basis, within 90 days after the end of each fiscal year occurring after the effective date of The Better Jacksonville ½ Cent Sales Surtax. The FAC and PAC shall also prepare and present

to the City Council and the Mayor a report twice a year no later than April 1 and October 1, that such taxes are in effect, regarding the revenues received, implementation, progress, status and completion of the projects related to the use of the local option gas taxes set forth in Chapter 799, Ordinance Code.

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(d) An accountability dashboard shall also be created so that following each regular or special meeting of the FAC and the PAC, which shall occur on at least a quarterly basis, in a concise and user friendly format easily accessible to the public through posting on the City of Jacksonville and Jacksonville Transportation Authority websites, including the following information: summary of the progress and status of the local option gas tax projects and a summary of the revenues accumulated for the local option gas tax projects, along with all documents and other information which was presented to or discussed by the FAC and the PAC at their respective meetings. These reports shall have a 3 -year tracking of the previous year, the current year, and the future year for project timelines, anticipated start and finish dates, priorities or timing for future projects, information concerning the bidding for projects and what contractors are ultimately selected (including pertinent information as to JSEB participation levels in the project), and anticipated costs of each project.

Section 3. Manner of Collection. The Local Option Gas Taxes enacted hereby shall be collected by the State of Florida Department of Revenue in the same manner as other gas taxes are collected pursuant to Chapter 206, Florida Statutes and, when received by the City, shall be credited to the Local Option Gas Tax Trust Fund created by Section 111.515, Ordinance Code.

Section 4. Use of Revenues. The 5-cent local option gas tax and the 9^{th} -cent local option gas tax proceeds shall be utilized

for transportation expenditures, as that term is defined and qualified in Section 336.025(7), as appropriated from time to time by Council. Pursuant to Section 336.025, Florida Statutes, and any other applicable law, proceeds of the six-cent local option gas tax and any interest accrued thereto shall be expended by the County, the local municipalities and JTA for transportation expenditures, defined in Section 336.025, Florida Statutes. expenditures for the construction of new roads, the reconstruction or resurfacing of existing paved roads, or the paving of existing graded roads shall be deemed to increase capacity and such projects shall be included in the capital improvements element of an adopted comprehensive plan. The JTA required eligible projects established and attached to the Second Revised On File JTA Interlocal Agreement. A sample of eligible transportation projects is attached hereto as Revised Exhibit 1, labeled as "Revised Exhibit 1, Rev Eligible Projects, May 19, 2021 - COW".

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Section 5. JSEB Direct Contracting for Projects Utilizing Gas Tax Revenue Proceeds. For all projects utilizing Local Option Gas Tax proceeds, the City and JTA, cumulatively, shall designate \$250 million of anticipated gas tax revenues to enter into direct contracts with City certified Jacksonville Small and Emerging Businesses Program (JSEB) participants pursuant to Section 126.615, Ordinance Code, or JTA Disadvantaged Business Enterprise (DBE) participants, as applicable; provided that such awards do not violate state or federal law and provided further that there are JSEBs to perform the work. The Chief of Procurement, consultation with the JSEB Administrator, for the City, and JTA Procurement for JTA, shall work in conjunction to award at least \$250 million of the projects utilizing gas tax revenue proceeds to DBE participants as applicable, through

contracting.

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Agreement with Jacksonville Transportation Authority. There is approved, and the Mayor, or his designee, and Corporation Secretary are hereby authorized to execute and deliver, for and on behalf of the City, the Interlocal Agreement between the City of Jacksonville and the Jacksonville Transportation Authority substantially in the form placed Second Revised On File with the Legislative Services Division, governing the distribution of the five-cent local option gas tax, the 9th-cent local option gas tax, and the final 10 years (from September 1, 2036 through August 31, 2046) of the six-cent local option gas tax.

Section 7. and Authorization for Approval Interlocal Agreement with the City of Jacksonville Beach, the City of Atlantic Beach, the City of Neptune Beach, and the Town of Baldwin for the distribution formula for dividing the proceeds of the proposed local option gas taxes. There is hereby approved, and the Mayor, or his designee, and Corporation Secretary are hereby authorized to execute and deliver, for and on behalf of the City, the Amended and Restated Interlocal Agreement among the City and the City of Atlantic Beach, the City of Jacksonville Beach, the City of Neptune Beach, and the Town of Baldwin, in substantially the form placed Second Revised On File with the Legislative Services Division for the distribution formula for dividing the proceeds of the existing and proposed local option gas taxes among the County and the local municipalities as authorized hereby.

Section 8. Post-Employment Restrictions. Pursuant to the provisions in Section 602.411 (Disqualification of former officers and employees in matters connected with former duties or official responsibilities; disqualification of partners) and 602.412

(Prohibited future employment), which govern City officers and employees, no current City employee or officers shall have or hold an agency, attorney, employee or contractual relationship in such Code provisions with respect to violation of transportation and infrastructure projects encompassed within the proposal for the Local Option Gas Tax project list.

with Section 9. Compliance State Ethics Laws. The provisions of Part III, Chapter 112, Florida Statutes, shall apply to the members of the FAC and the PAC. Specifically, Section 112.313 (Standards of conduct for public officers, employees of agencies, and local government attorneys), Florida Statutes, as to conflicts of interest are applicable to the members of the FAC or the PAC Committees.

Section 10. Approval of Ordinance. Pursuant to Chapters 336.025 and 336.021, Florida Statutes, enactment of this Ordinance requires approval by a majority plus one vote of the Council members present at the Council meeting at which a vote on this Ordinance is taken.

Section 11. Filing with Florida Department of Directing the Legislative Services Division to send an electronic copy of this Ordinance upon enactment to the Secretary of State for the State of Florida in accordance with Section 125.66, Florida Statutes.

Effective Date. This Ordinance shall become Section 12. effective upon signature by the Mayor or upon becoming effective without the Mayor's signature.

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/s/ Margaret M. Sidman

Amended 5/26/21 Enacted 5/26/21

- 1 Office of General Counsel
- 2 Legislation Prepared By: John Sawyer
- 3 GC-#1434862-v1-2021-223-E.docx