2025

Jacksonville Civic Council: Fiscal Modeling Project

FIVE-YEAR PRIMARY GOVERNMENT MODEL

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Executive Summary

Scope: Develop a five-year fiscal model of the City of Jacksonville that equips civic leaders with actionable insights for strategic planning, investment, and reform.

The City of Jacksonville must increase public investment.

1. Taking Jacksonville from First-Class to World-Class

- Jacksonville is already a first-class city, but taking the city's performance—in resident satisfaction, economics, quality of life, human capital, and physical environment—to the next level requires public investment.

2. Paying for Big-Ticket Investments

- The City of Jacksonville has committed to or is considering several big-ticket investments. The City must ensure the revenue capacity to make such investments while continuing to provide quality daily services.

3. Managing Revenue Volatility

- Certain City of Jacksonville revenue streams are highly variable and beyond the city's purview. The city must account for this variability using steady revenue streams to ensure predictable public investment.

The model indicates flat revenue growth under baseline conditions while outlining scenarios in which economic and policy changes could expand revenues.

1. The Scenario-Based Model

- Allows the user to input a variety of economic, demographic, and policy scenarios and evaluate their impact on city revenues over five years.
- Shows 94.5 percent accuracy when trained on 2006 to 2023 data and tested against 2024 actual revenues.

2. The Trend-Based Forecast

- Uses historical data to calculate five years of projected revenues and expenditures with over 95 percent accuracy when tested against 2024 actuals.
- Projects Jacksonville real dollar revenues staying mostly flat: growing by $108 million from FY25 to FY29 (about four percent) with 88 percent of this increase driven by property tax revenue growth. ○ This forecast of small growth with property tax revenues as a major driver continues the following trend from recent years: From FY20 to FY24, Property tax revenue has increased $106 real 2024 dollars per capita while total revenue has increased only $10 real 2024 dollars per capita.

3. The Expenditure Model

- Calculates the necessary total revenues to make desired per capita percent increases in certain expenditure categories in desired demographic scenarios.

For any readers in a hurry, they might start with the motivation section, skip the background and methods section, and peruse the results and conclusions sections.

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List of Abbreviations

ACFR	Annual Comprehensive Financial Report
CBO	Chief Budget Officer
CFO	Chief Financial Officer
CIP	Capital Improvement Plan
FRED	Federal Reserve Economic Data
FY	Fiscal Year
GDP	Gross Domestic Product
JEA	Jacksonville Electric Authority
JCC	Jacksonville Civic Council
JPA or JAXPORT	Jacksonville Port Authority
OLS	Ordinary Least Squares
US	United States

Motivation

A five-year model of the city budget contributes to several strategic goals. These goals include transforming Jacksonville from a first-class to a world-class city; bringing the city's public investment in line with peers; and planning for big-ticket expenditures and variable revenue streams. Five-year budget models can assist decision makers in evaluating the effects of economic shifts and policy changes on total revenue and support strategic and evidence-informed advocacy and planning.

Taking Jacksonville from First-Class to World-Class

A five-year model of the budget can help decision-makers understand exactly how policy levers and economic growth impact Jacksonville's public investment capacity for taking the city from first-class to world-class. With its vibrant economy, many amenities and attractions, and diverse and growing population, Jacksonville is already a first-class city. At the same time, the Jacksonville Civic Council (JCC) is striving to take Jacksonville to world-class by improving the city's standing in the eyes of both experts in city comparison and Jacksonville residents.

To simultaneously measure Jacksonville against other cities and to ensure that Jacksonville's growth stays in line with residents' desires for the city, the JCC is using both the Oxford Economics Global Cities Index ranking and the net promoter score of Jacksonville as reported by residents. First, the Oxford Economics Global Cities Index measures city performance across economics, quality of life, environment, human capital, and governance compared to other global cities.[1] Second, Jacksonville's forthcoming NPS score will evaluate residents' satisfaction with the city and their likelihood to recommend the city to individuals, graduates, families, and businesses. Improving across these dimensions—and at a faster rate than other cities—will require investment.

Part of that investment in Jacksonville must come from the public sector. The city government is uniquely poised to help Jacksonville make gains across these categories as it already contributes to many of the key performance areas. A few examples include: building human capital by partnering with the University of Florida (UF) to build a downtown Jacksonville campus, bolstering the economy by recruiting high-wage jobs

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to the Jacksonville area, and improving quality of life through the construction of parks and roads ("University of Florida Selects LaVilla Site as Location for Graduate Campus in Downtown Jacksonville," 2024; "Office of Economic Development," n.d.). Expanding the capacity for the City to efficiently contribute to resident satisfaction, economics, quality of life, environment and human capital will advance the mission of making Jacksonville world-class.

Contributing to Existing JCC Research: Making Jacksonville a Destination of Choice and Comparative Public Finance Analysis

This fiscal modeling project expands upon existing JCC research calling for increased public investment by modeling investment capacity.

JCC's first whitepaper, *Making Jacksonville a Destination of Choice: Strengths, Weaknesses, and Recommendations,* encourages strategic investments in education, infrastructure, and accessible housing (Gellers, 2024). Projecting future revenues and expenses can help policymakers understand how to raise capital for such investments and how much more capital is needed.

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[1] The JCC also continues to benchmark Jacksonville against Florida peers in its *Comparative Public Finance Analysis.* Jacksonville, as a consolidated city-county, currently has a lower median household income and gross domestic product per capita than other major Florida counties. See Appendix A for more detail.

This project also complements the JCC's *Comparative Public Finance Analysis*, which compares Jacksonville's 2022 fiscal performance to that of peer cities across Florida. That study reveals that Jacksonville collects significantly less revenue per capita and expends significantly less per capita than other peer cities in Florida (Borg & Borg, 2024). This project demonstrates paths for Jacksonville to close the revenue gap and increase investment in arts and culture, public safety, health services, transportation, and debt elimination.

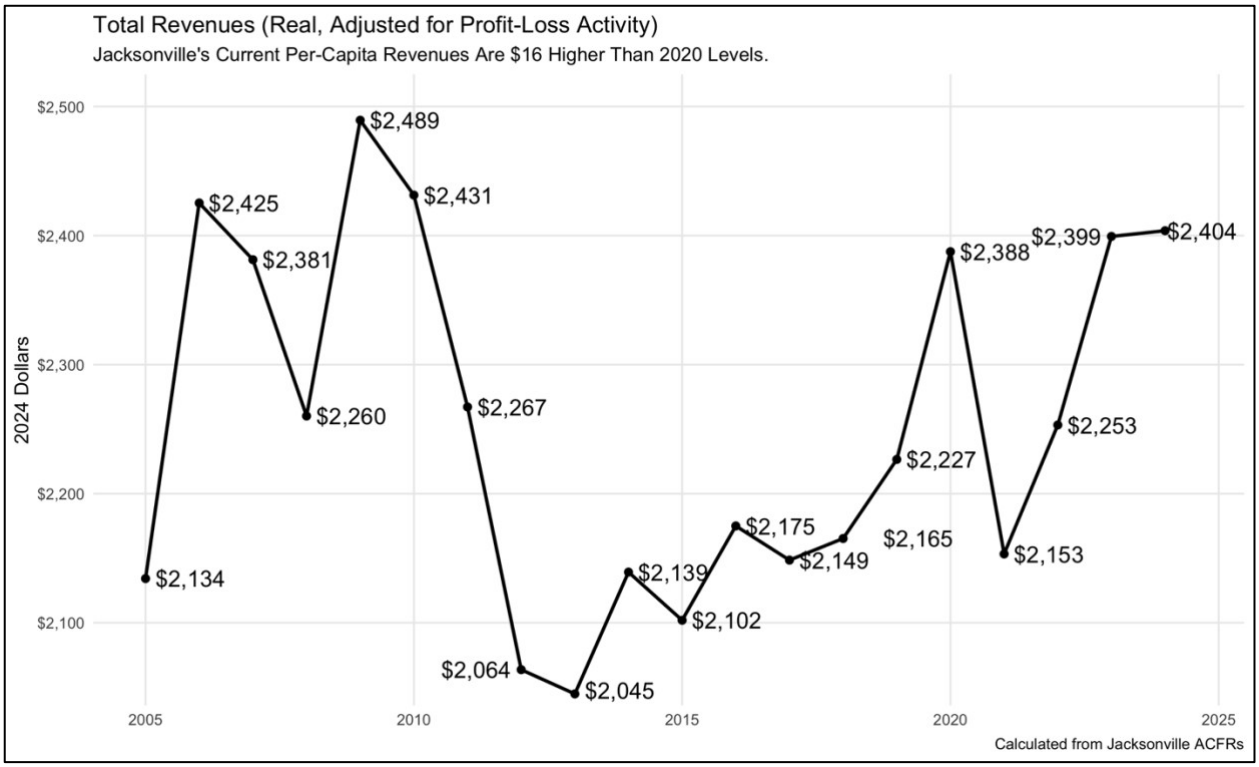


Figure 1. ***Jacksonville's total adjusted revenues per-capita in 2024 dollars from FY05 to FY24.*** *The City of Jacksonville saw $2,404 per capita in FY24 compared to $2,388 per capita in 2020. Jacksonville saw its highest per capita revenues in 2009 due to a slight decline in population and an injection of operating and capital grants and contributions. Jacksonville saw its lowest per capita revenues in 2013, as the city's population grew, grants and contributions declined, and property tax revenues dipped. Another dip in 2021 came from the pandemic, which caused a belated loss of revenue.*

Jacksonville has the lowest per capita revenues and expenditures of Florida peer cities including Tampa, Orlando, Miami, Ft. Lauderdale, St. Petersburg, and Clearwater (Borg & Borg, 2024, Figure 1). The fiscal model demonstrates how Jacksonville might meet other city's levels of public investment.

Paying for Big-Ticket Investments

The fiscal modeling project estimates what revenue is available for the city to achieve its goals of delivering superior daily service while making big-ticket investments in EverBank Stadium, UF's downtown Jacksonville campus, police and fire pay increases, and a potential new jail. In total, these big-ticket investments (excluding pensions[2]) will cost the city at least an additional $1.9 billion on top of normal operations. See Table 1 for a summary. In FY26 compared to FY25, big-ticket investments will cost the city an additional $160 million dollars: $60 million more for EverBank Stadium in FY26 compared to FY25 (Stadium investment is up $190 million from FY24.) and $100 million more for police and fire pensions in FY26 compared to FY25 (Proposed Annual Budget: Fiscal Year 2024-2025, 2024; Proposed Annual Budget: Fiscal Year 2025-2026, 2025;

Proposed Annual Budget: Fiscal Year 2025-2026, 2025). The five-year model can help decision-makers understand how these big-ticket items may or may not fit into the city's current revenue capacity.

Table 1. ***Summary of Jacksonville big-ticket items to cover in addition to normal operations.*** *The conservative total, $1.9 billion does not include the total budget increase from pensions because the total differential before and after 2024 salary negotiations is not currently available.*[3]

[2] This project has not estimated the total cost of 2024 agreements on increasing fire and police pensions.

[3] First, Jacksonville has committed to the renovation of football stadium in exchange for the Jaguars committing to remain in Jacksonville for another 30 years. The city has pledged $150 million on maintenance and repairs and an eventual $625 million in construction costs. City budgets reflect these increasing costs. In the FY26 proposed budget, Jacksonville will spend $210 million on stadium renovations, $60 million more than in FY25 and $190 million more than in FY24 (Proposed Annual Budget: Fiscal Year 2024-2025, 2024; Proposed Annual Budget: Fiscal Year 20252026, 2025; Proposed Annual Budget: Fiscal Year 2025-2026, 2025). The city plans to further extend an already existing half-cent sales tax to pay for the stadium (Anderson, 2024).

Second, Jacksonville is contributing to the construction of a University of Florida downtown Jacksonville campus. In 2023, Jacksonville spent $50 million dollars to initiate this project, and from 2024 to 2029, the City of Jacksonville will commit another $50 million to the project ("University of Florida Selects LaVilla Site as Location for Graduate Campus in Downtown Jacksonville," 2024).

Third, the city of Jacksonville is considering construction of a new jail. While no proposal has been accepted or committed to yet, projected costs start around $1 billion dollars (Harding, 2025).

Finally, the City of Jacksonville reached new pension and salary agreements with the local Fraternal Order of Police and International Association of Firefighters. Police and corrections officers will see between 5-15% salary increases annually from FY25-FY27 (ActionNewsJax.com News Staff, n.d.). Firefighters will see annual salary increases between 5-12% from FY25-FY27 (Gibson, 2024). For example, in FY26, payments for police and firefighter salaries

Item	Additional FY26 Investment Compared to FY25	Total	Timeline
Jacksonville Jaguars Stadium	$60M	$775	2025-2028
University of Florida Downtown Jacksonville Campus	—	$100M	2023-2031
New Jail	—	$1B-$1.2B	—
Police and Fire Pensions and Pay Increases	$100M	—	2025-2060
Total	$160M	$1.9B (not including pensions[1])	2025-2031

Managing Revenue Volatility

While the city of Jacksonville has been able to maintain adjusted per capita revenues at relatively stable levels over time, with a standard deviation in per capita adjusted revenues of about $136 or six percent of the mean, certain revenue sources have high variance, and other revenue sources have both high variance and are out of the city purview. Other more stable areas of the budget might be able to compensate for these high-variance, lower-control revenue sources.

The three revenue areas of highest variance and lowest purview include: capital grants and contributions, operating grants and contributions, and earnings on investments. While these revenue sources are discussed in more detail in the Revenues section of the Background chapter, this section discusses the variance in these revenue sources. From FY05 to FY24, these three categories have had a cumulative standard deviation of $179 million real 2024 dollars, about seven percent of FY24 total adjusted revenues. Operating grants and contributions have had a standard deviation of $88 million real 2024 dollars; capital grants and contributions have a standard deviation of $44 million real 2024 dollars, and investment earnings have a standard deviation of $42 million dollars. See Appendix B for further detail. Jacksonville's recent loss of $147 million in federal grants designated for completing the Emerald Trail highlights the volatility of grants and contributions (Mendenhall, 2025). Furthermore, Jacksonville investment earnings are not always a reliable source of income. For example, in 2022, Jacksonville lost about $78 million in real 2024 dollars in investment earnings. Investment earnings can be difficult to predict because they depend on both the market and the city's cash flow needs. Overall, these are highly variable revenue sources beyond the influence of Jacksonville's economic growth and city policy. This variability makes accurately modeling more stable revenue sources more important.

and pensions will increase by $100 million compared to FY25 (Proposed Annual Budget: Fiscal Year 2025-2026, 2025, p. 9). Overall, the total fire and safety pension deficit rose to over $3 billion dollars in 2025 and is set to be serviced using a half cent sales tax starting in 2031 (Monroe, 2025).

In addition to these volatile income streams, the city of Jacksonville does not turn a profit on its business-type activities like certain other cities. Jacksonville has not made a profit on business-type activities in the 20 years covered by this analysis. In contrast, the city of Charlotte made $275 million net profit in business-type activities in FY24 (Teresa T. Smith & Betty J. Mattos, 2025, p. 25). Furthermore, business-type net loss is variable from year to year with a standard deviation of $23 million in real 2024 dollars.

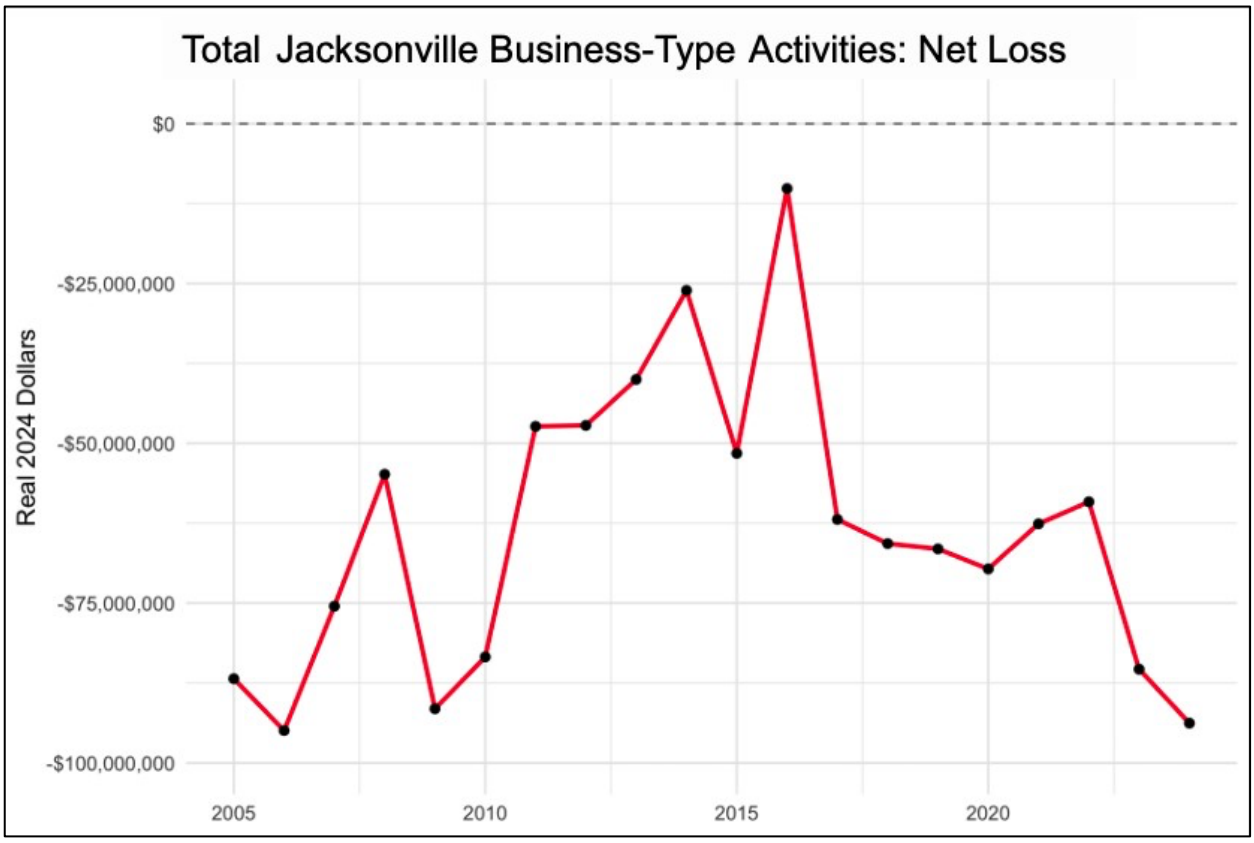
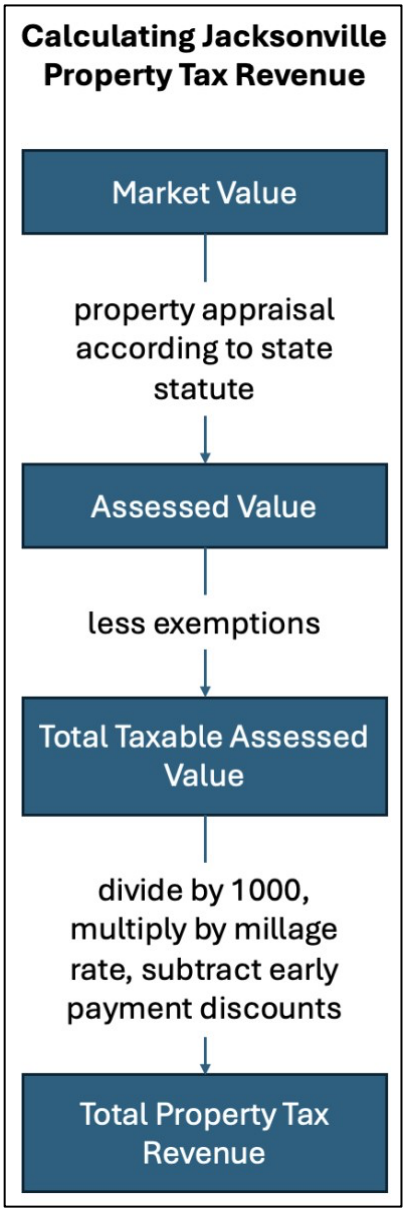


Figure 2. ***The City of Jacksonville has not made a profit on business-type activities in 20 years.*** *Furthermore, the net loss on business-type activities is highly variable. In 2016, Jacksonville lost $10 million dollars in business type activities. In 2017, Jacksonville lost $62 million dollars in business-type activities.*

Background

This chapter discusses Jacksonville's revenue and expenditure categories included in the fiscal model. As listed in the City's Annual Comprehensive Financial Reports (ACFRs), Jacksonville receives revenue from property taxes, utility and communications service taxes, sales and tourist taxes, local business taxes, intergovernmental contributions, JEA's contribution, earnings on investments, franchise fees, miscellaneous revenues, governmental fines and charges for services, and profit or loss on business-type activities. Jacksonville spends money on conducting its business-type activities and on general government, human services, public safety, culture and recreation, transportation, economic environment, physical environment, and interest on long-term debt. Furthermore, the City of Jacksonville has several component units, which are organizations that are related financially related to but legally separate from the city of Jacksonville. While these component units are not included in the fiscal model, they include: Jacksonville Electric Authority (JEA),

Jacksonville Transportation Authority (JTA), Jacksonville Port Authority (JPA), and Jacksonville Housing Finance Authority (JHFA) (Department of Finance Accounting Division, 2023)



Revenue Sources

Ad-Valorem Property Taxes

In FY24, 41 percent of Jacksonville's total adjusted revenues were ad-valorem property taxes. Jacksonville property taxes are levied on an assessed value of total residential, commercial, industrial, personal, centrally assessed, and other property in Jacksonville. That fraction is calculated using the steps described below. (See Figure 3.)

First, the Property Appraiser's Office assesses the value of properties according to directives in Florida Statutes Chapter 193 Section 011. Property assessment is based on its location, size/quantity, cost and improvements, condition, income from property, and net proceeds of sales of the property (Florida Statutes (2023), 2008). Furthermore, assessed homesteaded value cannot increase by more than three percent per year according to the Save Our Homes assessment cap (Morgan, 2025). Notably, these appraisals are intentionally conservative estimates of value. Often, market values are much higher than official appraised values.

Second, properties are subject to various tax exemptions. (See Appendix C). Once these exemptions are applied, the total taxable assessed value has been calculated.

Third, property owners receive discounts for early payments.

Fourth, the total taxable assessed value (minus discounts for early payment) is divided by 1,000 and multiplied by the millage rate. In FY24, Jacksonville's city millage was 11.3169 with additional school and water management district millages imposed on top of this rate (Department of Finance Accounting Division, 2023). Prior to 2023, the city millage had been set at 11.4419 since 2014 (Department of Finance Accounting Division, 2014, 2023).

FigureJacksonville property tax revenues. 3. Steps for calculating

The state sets general limits on the city's millage rates allowing for the millage rate to be increased by certain amounts depending on the City Council's level of consensus. A majority vote, two-thirds vote, or unanimous vote/voter referendum allow for setting low to high rates, respectively (See Appendix D for more details). Furthermore, the city can set special additional millage rates to complete certain projects. For example, a city can add a millage rate to cover children's services (Florida Statutes (2024), 1986). Overall, Jacksonville has a diverse set of options for setting its millage rate.

JEA-Related Revenues

Jacksonville Electric Authority (JEA) is Jacksonville's municipally owned utility, providing electricity, water, and sewage management. JEA and customer spending on JEAcontrolled utilities contribute to several governmental revenues: utility taxes, franchise fees, and revenue contributions. Together, utility taxes, franchise fees, and revenue contributions make up the second largest tax revenue category after property taxes. Understanding these sources is key to modeling the budget.

Public Service Tax / Utility Tax

Under Florida law, municipalities may levy a tax of up to 10 percent on utility purchases, including electricity and water provided by JEA (Florida Statutes (2021), 2000). This tax is paid by the consumer and appears as a line item on utility bills. Jacksonville levies the full 10 percent public service tax on all eligible utilities, excluding those exempted by law or ordinance (Jacksonville Code of Ordinances, Title XXI, Public Service Tax--General, 2002). Several types of utility usage are exempt from the tax, including utilities used for public purposes and some utility consumption by large-volume users under negotiated agreements; Jacksonville also offered a 50 percent exemption for qualifying businesses with significant economic impact until 2015 (*Tax Exemptions for Commercial Utility Customers*, n.d.).

Franchise Fee

As part of its contract as a municipal utility, JEA collects a franchise fee from consumers that it passes to the City of Jacksonville. Duval County residents pay an additional three percent of their bills on electricity, water, sewer, and irrigation (but not reclaimed irrigation) to the City of Jacksonville (*Rates*, 2025). Government buildings are exempt

from the franchise fee (*Tax Exemptions for Commercial Utility Customers*, n.d.). Florida state law does not cap franchise fees at six percent, but many municipalities see six percent as a reasonable cap (Florida Statutes (2025), 2003). Examining other Florida cities reveals that franchise fees often hover between three and six percent (Hanks, 2018). To change the franchise fee, the City Council would have to vote on a proposed new rate.

JEA Contribution in Lieu of Taxes

In lieu of paying state property or income taxes, JEA makes an annual contribution to the city budget as a percentage of electric revenues and water/wastewater revenues as decided upon by a group of JEA and city government leaders (Jacksonville Code of Ordinances, Title V, Part 2: Budgets, 1977). In FY24, the JEA contribution was about five percent of total adjusted revenues.

Sales Taxes

Jacksonville residents pay a 7.5 percent sales tax rate on most goods, excluding groceries, medical products, water, fuel, and other miscellaneous products (Florida Statutes (2012), 1949; *Tax Structure*, 2022). Of that total sales tax rate, six percent are state sales taxes, and 1.5 percent are local option taxes, or additional taxes adopted by the City of Jacksonville.

One third of local option taxes flow to the Better Jacksonville Plan, a special revenue fund dedicated to improving roads, infrastructure, public facilities, environment, and economic development (Bowling & Brosche, 2024; *Projects & Funding: Better Jacksonville Plan*, n.d.). Another third flows into transportation infrastructure (History of Local Sales Tax and Current Rates, 2025). A final third flows to Duval County public schools However, the school system controls these funds, not the City of Jacksonville. Jacksonville has not levied all surtaxes available under Florida statute. However, any additional taxes levied would flow into special revenue funds or trust funds, not the General Fund. See Table 2 for a list of surtax options. The Small County Surtax is excluded from this list because Jacksonville's population exceeds the required maximum of 50,000 people for Jacksonville to levy this tax.

Table 2. ***Surtax Options for the City of Jacksonville*** *(Florida Statutes (2024), 1976).*

Surtax Name	Levy Range	Purpose	Jacksonville Context
Charter County and Regional Transportation System Surtax	0-1%	Transportation development, countywide bus system, transportation operations and maintenance	Jacksonville could levy this tax with a referendum.
Local Government Infrastructure Surtax	0.5% or 1%	Public infrastructure, fixed capital assets	Jacksonville has levied a 0.5% surtax for the Better Jacksonville Plan, but the city could increase the surtax to 1% with a vote.

Indigent Care and Trauma Center Surtax	0.5% or 1%	Healthcare and trauma center funding	Jacksonville could levy this tax with a referendum.
County Public Hospital Surtax	0.5%	Support for public hospitals	Jacksonville could levy this surtax to support UF Health without calling a referendum.

Local Business Taxes

Jacksonville levies a local business tax which does not impose a set rate on property, profit, or income but rather imposes a license fee to allow a business to conduct its operations in Jacksonville. The amount owed depends on a schedule set forth by the Jacksonville Municipal Codes (Jacksonville Code of Ordinances, Title XXII, Taxation, 1980). According to Florida Statues, the Jacksonville City Council may change local business tax rates only after specific conditions are met. First, the city must conduct an equity study commission demonstrating the rational basis and equitable rates for category changes; second, the city must hold at least one public hearing; finally, the city cannot increase rates by more than five percent every two years (Florida Statutes (2021), 1993; Florida Statutes (2024), 1972). A report from the tax collector's office shows that local business tax revenues have been declining because rates have not been increasing, and many businesses are not paying local business taxes (Tax Collector Audit (2019), 2020).

Fines and Charges for Services

The City of Jacksonville levies fines and fees across many categories. Changing these fines and fees or establishing new ones requires collaboration between city departments, financial officers, the Jacksonville City Council, and the public (Brown et al., 2020; Jacksonville Code of Ordinances, Title V, Public Fees, 1985). Jacksonville collects fines and charges for services for general government services[2] and for business-type activities, such as solid waste disposal, use of city venues, stormwater management, parking, and motor vehicle inspections.

Intergovernmental Revenues

Intergovernmental revenues include gas taxes, and alcohol and cigarette taxes, and portions of the six percent state sales tax revenues returned to local governments, as well as pass throughs.

Operating Grants and Contributions

Operating grants and contributions come from federal, state, and private sources. Some examples include a $5.8 million grant from the U.S. Department of the Treasury through the Social Impact Partnerships to Pay for Results Act program ("Jacksonville Awarded $5.8 Million SIPPRA Grant to Strengthen Early Literacy and Family Health," 2025). This grant provides funding to support early childhood literacy and counts as an operational grant because it supports government operations and personnel training and work. In

[2] Licenses, permits, fees and charges for services fall into a variety of categories, ranging from construction licenses to animal shelter fees to home detention services (Taylor, 2025). Therefore, policymakers must look carefully into which fees to alter to avoid either severely regressive taxation or kneecapping growth and construction.

contrast, the $2.8 million dollar grant “to expand electric vehicle charging infrastructure” from the U.S. Department of Transportation Federal Highway Administration counts as a capital grant because the funding contributes to building a long-term asset (“City of Jacksonville, JEA, and FSCJ Receive $2.8 Million Grant to Expand Electric Vehicle Charging Infrastructure,” 2025).

Earnings on Investments

The City of Jacksonville invests money according to Florida statues. Jacksonville invests to insure “safety of capital, liquidity of funds, and investment income, in that order” (Florida Statutes (2025), 2025). Therefore, investments are not designed to necessarily maximize investment income but rather prioritize safety of capital and liquidity of funds.

Current City Budget Five-Year Projections

The Jacksonville Chief Budget Officer (CBO) currently prepares internal projections. The CBO has five-year projections in addition to year-long projections prepared every quarter following the passing of the annual budget. These projections include revenues and expenses per fund for the previous fiscal year in addition to analysis of historical percent changes of revenues and expenses. According to the Chief Financial Officer (CFO), these projections are extremely conservative to ensure a balanced budget, and the projections involve the following methods: the CBO decides on appropriate future percent changes based on historical trends and the CBO’s awareness of state-level changes in policy. Funds have a zero percent expected percent change if the projected percent change is unclear.

This project builds on these efforts by demonstrating the calculations behind potential percent changes in funds. Furthermore, by building a dynamic model, policymakers can adjust inputs and examine how demographic, economic, and policy changes might impact revenues and expenses.

Methods

General Approach

The fiscal modeling project uses three modeling approaches: a per capita expenditure approach, a trend-based revenues approach, and a scenario-based revenue approach. First, the model handles expenditures and revenues separately because the city council decides expenditure allocation while a combination of the growth of the city’s tax bases and policy decisions decides revenues. Second, the model uses trend-based methods to get a highly accurate, short-to-medium-term baseline prediction. Finally, the model uses regressions and scenario-based methods to estimate the effects of economic, demographic, climate, and policy shocks. Together, these methods provide frameworks for a responsive, realistic five-year model.

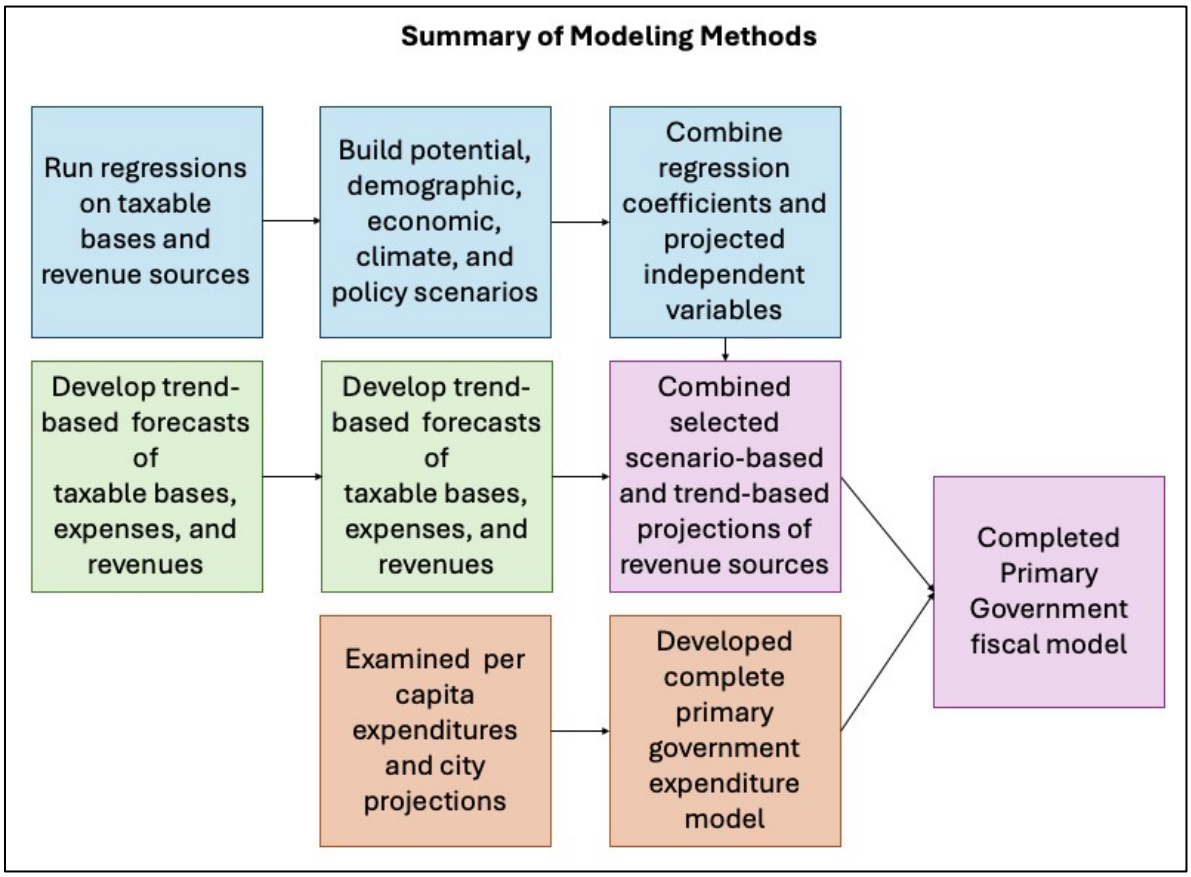


Figure 4. Both regression and scenario-based and trend-based projections fed into the creation of the revenueside model. Taxable bases and total fund revenues are modeled separately and then recombined.

Data

The model incorporates data from local and federal government offices. Local data sources include the Office of the Council Auditor, Jacksonville Annual Comprehensive Financial Reports, Summaries of Annual Budgets, and the Florida Department of Revenue. Federal data sources for the revenue model include the National Weather Service, Freddie Mac, the U.S. Census Bureau, the U.S. Bureau of Economic Analysis, and the U.S. Bureau of Labor Statistics. Due to data availability, the model includes independent variables from 2001 onward, and due to data entry time constraints, the model contains dependent variables from FY05 onward.

The model uses three different approaches for calculating taxable bases for revenue levers available for raising city revenues. First, in the ACFR, the city reports the total assessed taxable value to which property taxes are applied. This number includes residential, commercial, industrial, assessed, and personal property (minus exemptions). This reported total assessed taxable value is used for modeling the total taxable base for property taxes. Second, the model uses the franchise fee revenue, divided by the three percent franchise fee rate for the franchise fee taxable base. Finally, the Florida Bureau of revenues reports local option sales taxes passed to municipal and county governments. This figure, divided by the one percent local option city sales tax rate (excluding the half-cent sales tax for schools) represents the taxable base for sales taxes.

Table 3. ***Summary of methods for calculating taxable bases for later applying policy decisions.*** *While these methods do not capture the nuances of all tax exemptions, they are a best approximation used in the model that assumes a relatively stable exemption rate.*

Tax Revenue	Formula for Calculating Base	Source
Property Taxes	Total Taxable Assessed Value **x** 0.95 (to approximate early payment discounts and collection) **x** millage rate **/** 1000	Jacksonville ACFRs
Local Option Sales Taxes	Local Option Sales Tax Receipts **/** local option sales tax rate	Florida Bureau of Revenues (Department of Revenues, Office of Tax Research, 2025)
Franchise Fees	Franchise Fee Revenue **/** franchise fee rate	Jacksonville ACFRs

Data Cleaning and Transformations

The model first converts all taxable bases, revenues, and expenditures to real 2024 dollars. This keeps units consistent and comparable across years. To perform this conversion, the model uses the consumer price index for real urban consumers, the appropriate index to calculate Jacksonville's inflation-adjusted numbers. Furthermore, when monthly data are available, the model transforms calendar year annual independent variables into Jacksonville City Government fiscal year annual independent variables.

Trend-Based Forecasts

The trend-based model employs Holt's Linear Method with Damping for its trend-based forecasting method. Holt's Method uses exponential smoothing which allows for a high level of accuracy, as demonstrated by expert forecasters to be the qualities of highperforming, non-software-based forecasting methods (Williams & Kavanagh, 2016). Furthermore, while high-performing and accurate, this method can be explained concisely for executives: "The model weights recent trends more heavily than older trends to estimate future growth or decline." Finally, dampening allows the user to adjust the forecasted lines so that trends peter out and do not show runaway growth.

The scenario-based approach employs ordinary least squares (OLS) multiple regression, and Monte Carlo simulation. First, regression is a useful tool for this modeling project because it allows policymakers to understand what levers impact the city budget most. Regression provides detailed insight into how much revenues change as independent variables—like population, interest rates, and Jacksonville Gross Domestic Product (GDP)—change. Furthermore, regression analysis is appropriate for more long-term analysis like this five-year modeling project demands, and regression models can be updated as broader economic trends reveal themselves. Finally, Monte Carlo simulation adds to these methods by quantifying a comparison between two extremely similar scenarios (e.g. by giving the user the ability to say that scenario A revenues beat scenario B revenue in 70 percent of randomized trials).

Regressions of Primary Government Taxable Bases and Revenues

Independent Variable Selection:

The model uses independent variables that must serve two purposes. First, they must be theoretically-sound drivers of Jacksonville revenue growth. Second, projecting the independent variables beyond their latest available value must be both practical and interesting in scenario building. For example, unemployment has an impact on people's spending and sales tax revenue. Furthermore, the city government might be interested in building a budget that is resilient in times of economic downturn and high unemployment.

Modeling Approach:

The model runs regressions of taxable bases and revenue sources. The model does not run regressions for expenditures because expenditures are completely budgeted for and policy-driven rather than revenues, which rely on taking a percentage of a taxable base. The model uses ordinary least squares (OLS) which calculates a trend line through the data and attempts to minimize the sum of squared residuals (or the distance between the fitted and actual values).

Because the data contains so few observations, the modeler attempted to minimize the independent variables used in the regression to no more than three variables and ideally one to two variables. Using fewer independent variables makes the model more interpretable and lessens problems of overfitting.

The modeler attempted to analyze the key structural factors that impact taxable bases and revenues. Because certain factors like interest rates or real median household income often have lagged impacts on house purchasing, construction, or business development the model incorporates lagged variables, which can measure the impact of independent variables from a set number of years in the past on dependent variable outcomes. Furthermore, the model uses the natural logs of many independent variables to calculate the effects of percent changes of independent variables on dependent variable outcomes.

Success Benchmarks:

The model aims for adjusted R-squared values over 0.5, meaning that over 50 percent of the variation in the model can be explained by changes in the independent variables, adjusted for the statistical significance of the independent variables. In addition to striving for an adjusted R-squared of 0.5 for each revenue source, the model attempts to maximize degrees of freedom, minimize residual standard error, and check that residuals (the distance between the actual and fitted points) demonstrate homoscedasticity (uniform errors across larger and smaller values). Please see Appendix E for category-level detail.

Scenario Building

The next step in the modeling process involves building various scenarios that policymakers might be interested in. To build these scenarios, the model projects independent variables five years forward into the future based on various desired percent changes and fixed desired values.

When building the scenarios, one can take several approaches. First, one can look at Jacksonville historical scenarios and replicate those in the future. For example, one can

re-create the most recent growth or decline from the previous year, the average growth or decline over the past five years, or a historical scenario like the 2008 crisis. Second, one can look at historical scenarios for other cities. For example, one can look at Austin or Denver during a period of high growth and replicate those percent changes for Jacksonville. Finally, one can create fake scenarios such as an unprecedented economic downturn, or isolated changes to variables like population, tax rates, or median household growth. When building any scenario, one must understand that many independent variables are collinear, meaning they change together. For example, population and GDP are highly correlated, so these variables are unlikely to shift independently.

While any user of the model can develop and test their own scenarios, the model currently tests preset scenarios (recent percent changes and average percent changes over the past five years) and several carefully developed scenarios to test how Jacksonville revenues and expenditures might respond to various changes in independent variables.

Scenario-Based Regression Projections

To develop the final scenario-based regression projections, the model multiplies the calculated regression coefficients by the five years of forecasted independent variables. The model repeats this multiplication over five years. Then, the model builds total revenues by summing the annual results across all revenue sources. However, there are two caveats to this process.

Modeling Taxable Bases and Policy Changes:

The model incorporates policy changes after incorporating economic and demographic changes. First, the model forecasts taxable bases from economic and demographic scenarios. Then, the model applies the projected tax rates to those taxable bases.

Hybrid Trend- and Regression-Based Scenarios

Several revenue sources did not meet the set threshold for a generalizable regression model (total operating grants and contributions, total capital grants and contributions, miscellaneous general revenues, and city venue revenues). Therefore, when calculating the total primary government revenues in various scenarios, the model uses the Holt's Method forecast for these variables.

Comparing Scenarios

For every scenario, the model produces a point forecast for every revenue source, a total revenues figure (not adjusted for business-type expenditures), and 95 percent confidence intervals. A confidence interval provides the range of uncertainty around an estimated figure using calculated root mean squared errors from the regression-building process. A 95 percent confidence interval means that, if the experiment was hypothetically repeated infinite times, there is a 95 percent chance the actual value falls within the confidence interval.

Monte Carlo simulations help provide a more precise comparison between projected scenarios with close point forecasts or even overlapping confidence intervals. Instead of hypothetically repeated experiments in confidence intervals, Monte Carlo simulations

repeat experiments a set number of times (n = 1,000 in the model) and report the percent of times that revenue estimations in one scenario exceeded the revenue estimations in another scenario.

Results and Discussion

Revenue Capacity

The City of Jacksonville has a limited number of policy-based revenue levers. While increasing the city's prosperity, it's GDP, MHI, tourism, and property values would also increase revenues, the impact of prosperity on revenue capacity is much harder to measure.

Table 4 shows the potential impact of various policy levers on Jacksonville revenues without adjusting for growth. The complete model can demonstrate how incremental policy changes, adjusted for growth, can impact revenues.

Jacksonville's policy levers for increasing growth include fines and charges for services, the millage rate, the local option sales tax rate, JEA contributions, and the franchise fee rate. Fines and charges for services are not included in this table because increasing those revenues would require multiple incremental line-item adjustments, not changing one rate. Business taxes are excluded for the same reason. The table below shows that, with these levers in play, Jacksonville has a maximum revenue capacity of $1,260 million, not adjusted for economic growth. Even conservative rate increases could result in $400 million in increased revenues, not adjusted for economic growth

Table 4. ***Examining maximum and conservative revenue capacity for Jacksonville tax revenue levers:*** *property taxes, local option sales taxes, JEA contribution, and franchise fees.*

	FY2024 Revenue ($M)	**FY2024 Rate**	**Max Rate**	**Max Revenue Increase ($M)**	**Conservative Rate Change**	**Conservative Increase ($M)**	**Method for Change**
Property Taxes	1,068	11.3169 mills	20 mills	813	+2 mills	185	Vote/ Referendum
Local Option Sales Taxes	315	1%*	2%*	315	+0.5%	158	Referendum
JEA Contribution	124	NA	NA	NA	NA	40	Board agreement
Franchise Fees	46	3%	6%	46	+1%	15	Council vote

Certain policy-based revenue levers are more politically feasible than others. For example, the JEA contribution is agreed upon by the JEA board and the mayor,

meaning that the public does not have to vote for tax increases. The $40 million estimated conservative change in JEA revenues represents the agreed upon additional contribution by JEA from FY25 to FY26 (Mike Mendenhall, 2025). In contrast, raising the millage requires a lot of political courage, as, if voters own property, they likely pay a lot of attention to what is probably the largest annual tax they pay.

Scenario-Based Forecasts

Scenario-based forecasts allow the user to input five-year compounding percent changes, annual percent changes, or fixed values for independent variables including policy, economic, demographic, and climate variables. Then, the model outputs revenues by year by category and total revenues. Below are some examples of outputs from test scenarios. These examples are not meant to be normative but rather to illuminate potential use cases for the model.

*Figure 5. With economic growth staying at similar levels as the past five years, the **City of Jacksonville would have approximately $13 million less revenue if it were to cut millage by 1/8 mills** to a rate of 11.1919 compared to if it were to maintain its current millage rate.*

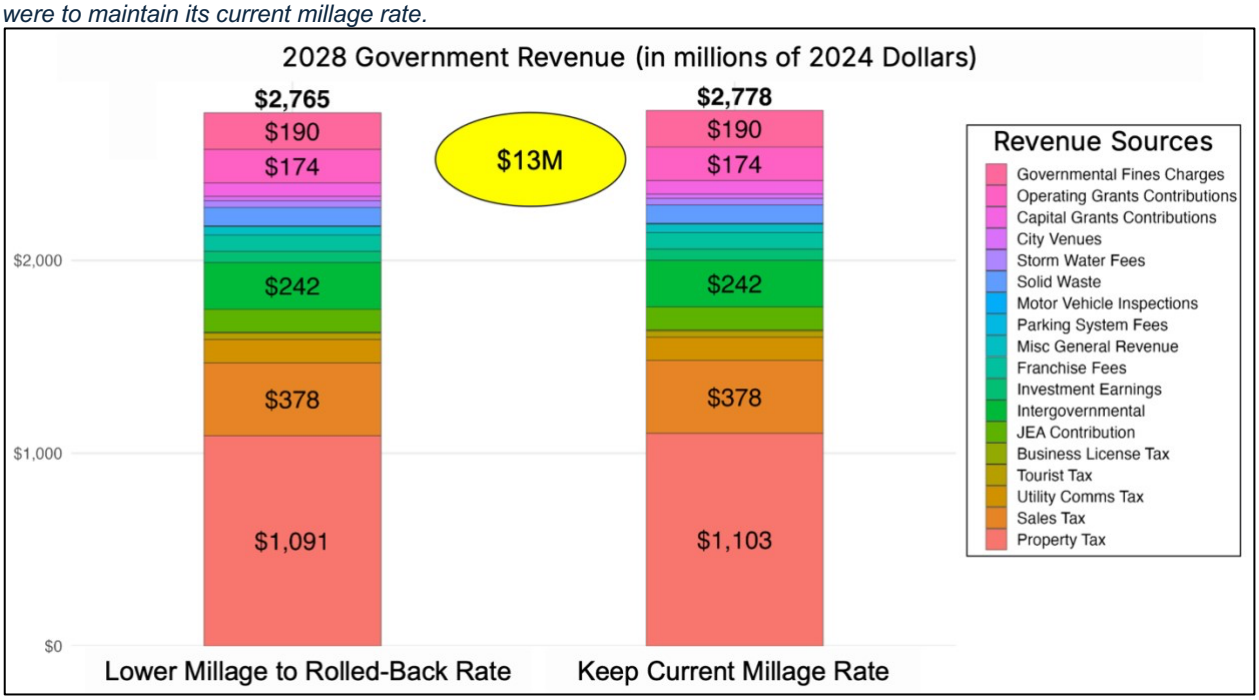


*Figure 6. **The model demonstrates the potential impact of various policy choices under certain economic conditions.** In the figure below, all bars show city revenues under the same economic and demographic conditions: continued average rates of change from the past five years. However, in the middle bar, the city has made some policy changes, including raising the millage by 0.3 mills, the franchise fee by two percentage points, and the sales tax by a half cent. In this scenario, the city could raise an additional $248 million in revenue. In the far-right scenario, policy changes would include raising the millage rate by two mills, raising franchise fees by three percentage points, and raising the sales tax by half a cent. Under this scenario city revenues would increase by $429 million compared to maintaining current millage, franchise fees, and local option sales tax rates.*

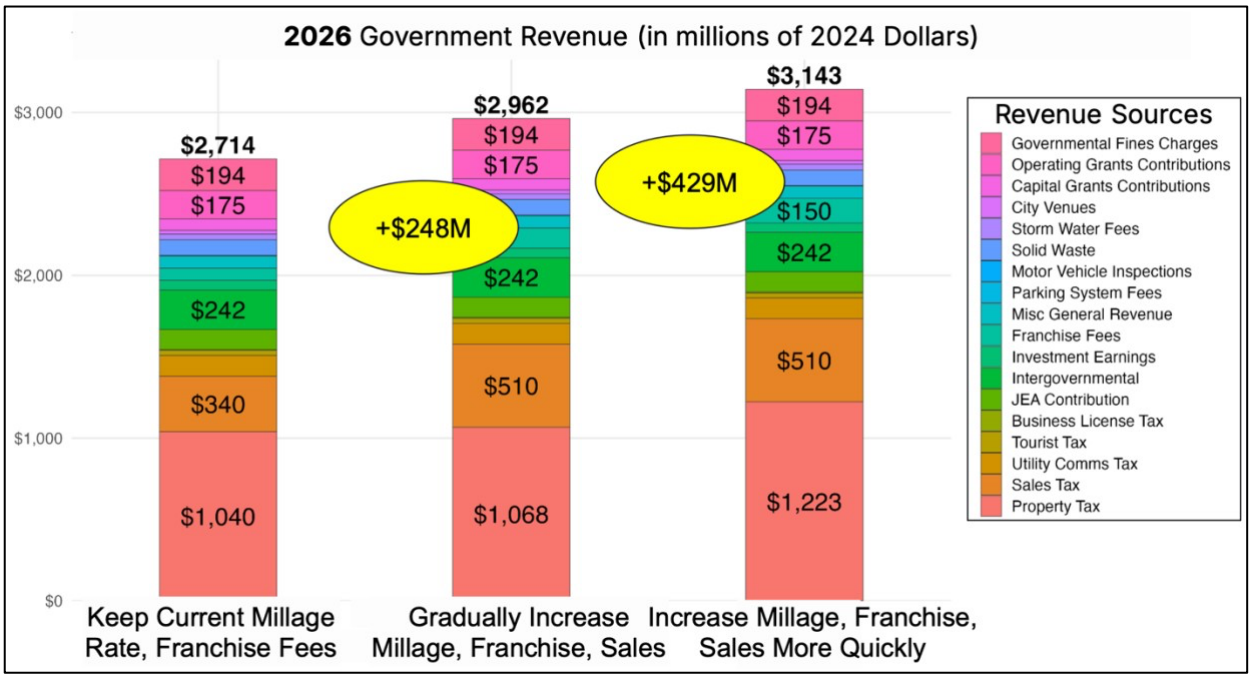


Figure 7. ***The model demonstrates how city revenues might become much more resilient in a recession with an additional half-cent sales tax.*** *In the figure below, the far-left bar shows how revenues might behave in a year like 2010, when the city was recovering from the 2008 recession; MHI was flat, and GDP was just starting to grow slightly. In the far-left scenario, Jacksonville would see $191 million less in revenue compared to a scenario in which Jacksonville maintains its growth rates. However, if the city added a half-cent sales tax, 0.3 mill increase, and two percentage points to the franchise fee, the city would see $52 million more in revenues—even in a recession recovery scenario—compared to the status quo.*

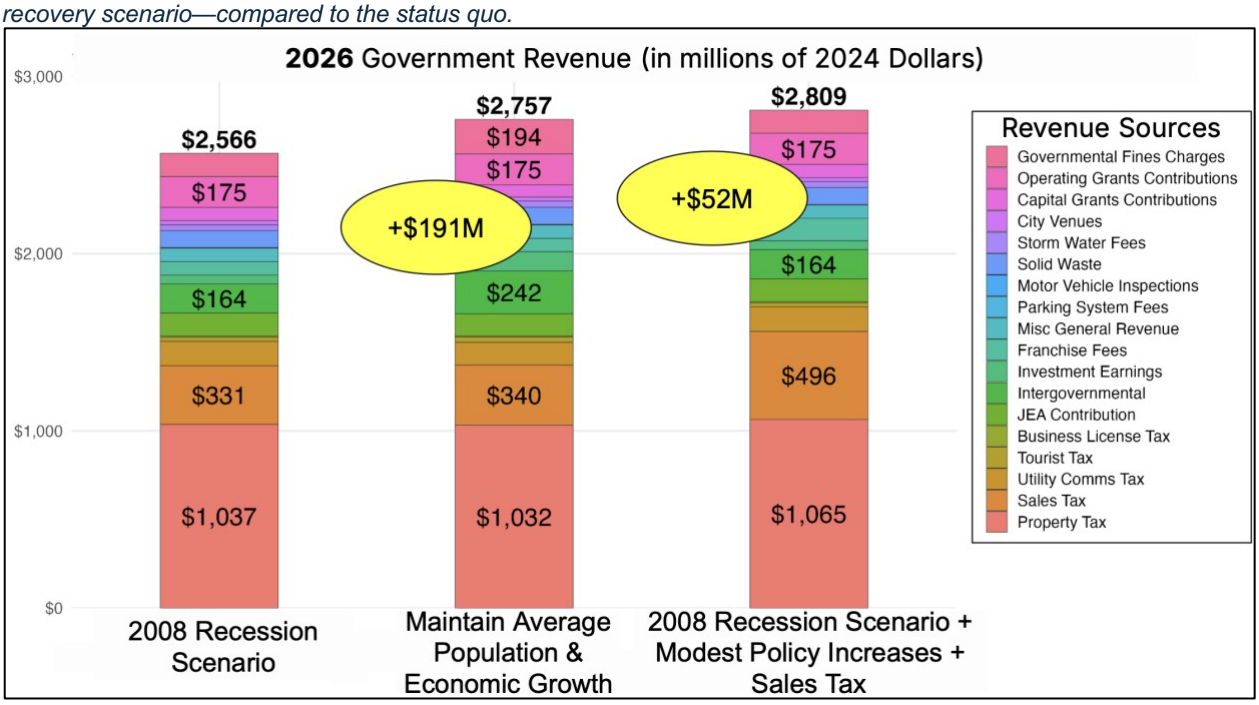


Figure 8. ***Population and economic growth would lead increases in primary government revenues.*** *In the figure below, the bar on the left shows revenues in a scenario where Jacksonville maintains average economic and demographic percent change from the last five years. The bar on the right shows revenues in a scenario in which Jacksonville's population increases by 2.2% per year (+0.2%), MHI increases by 3% per year (+3%), and GDP increases by 5.2% per year (+0.6%). In the higher growth scenario, Jacksonville would see an annual revenue increases of $192 million dollars in 2026.*

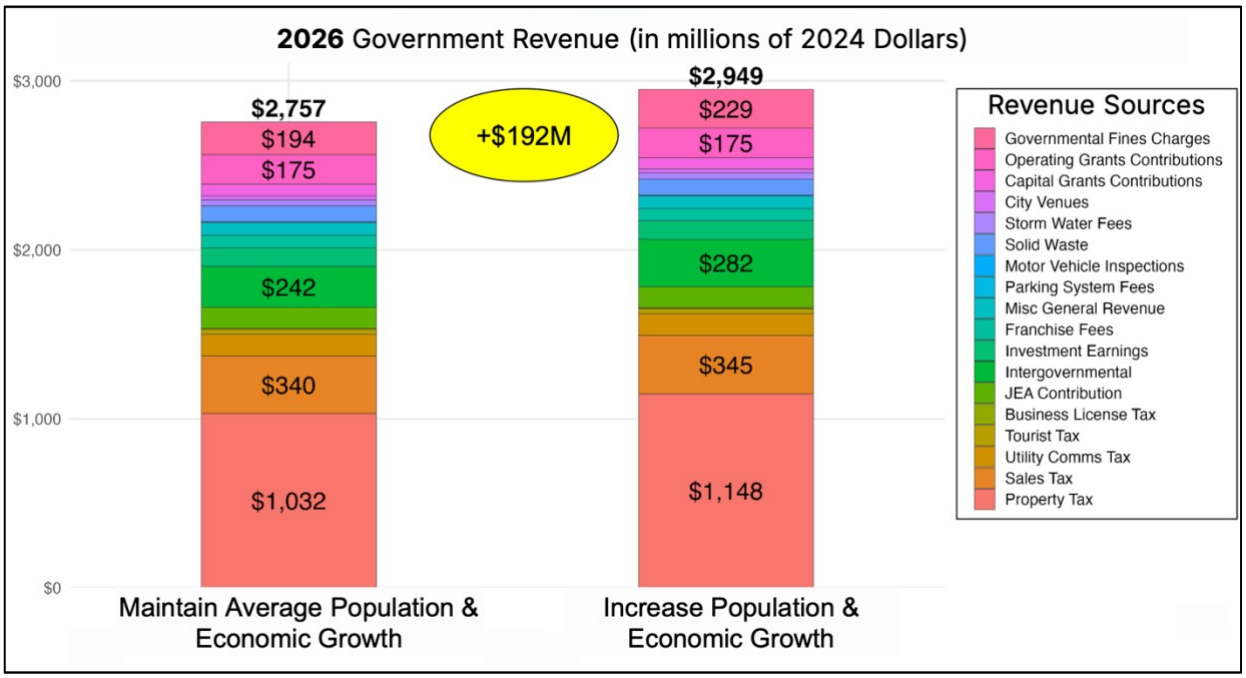
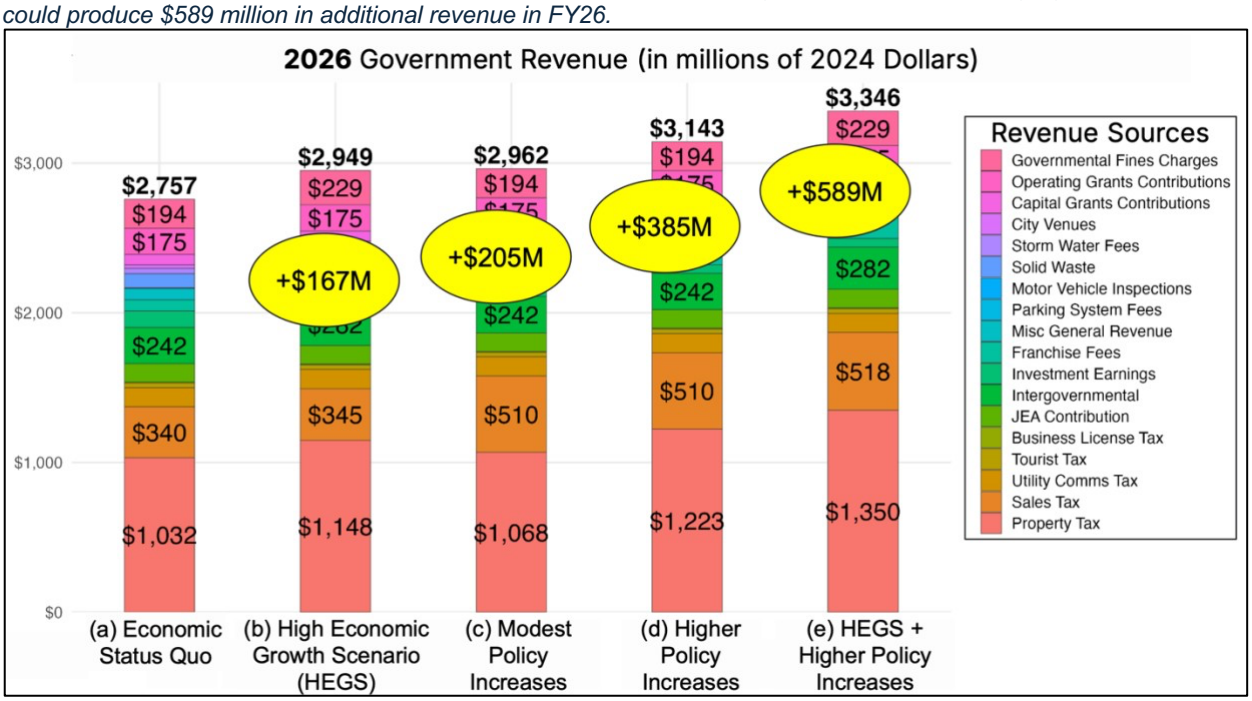


Figure 9. ***Economic and demographic growth combined with policy changes lead to the largest increases in revenues.*** *From left to right are scenarios a) keep average economic and demographic growth from the past five years, b) high growth scenario shown in Figure 8, c) keep the economic growth from scenario a and raise millage by 0.3 mills, add a half-cent sales tax d) keep economic and demographic growth from scenario a, raise millage by two mills, add a sales tax, and double franchise fees e) keep economic growth from scenario b and policy choices from scenario d. When combined with a two mill increase, a sales tax, and higher franchise fees, a high-growth scenario could produce $589 million in additional revenue in FY26.*



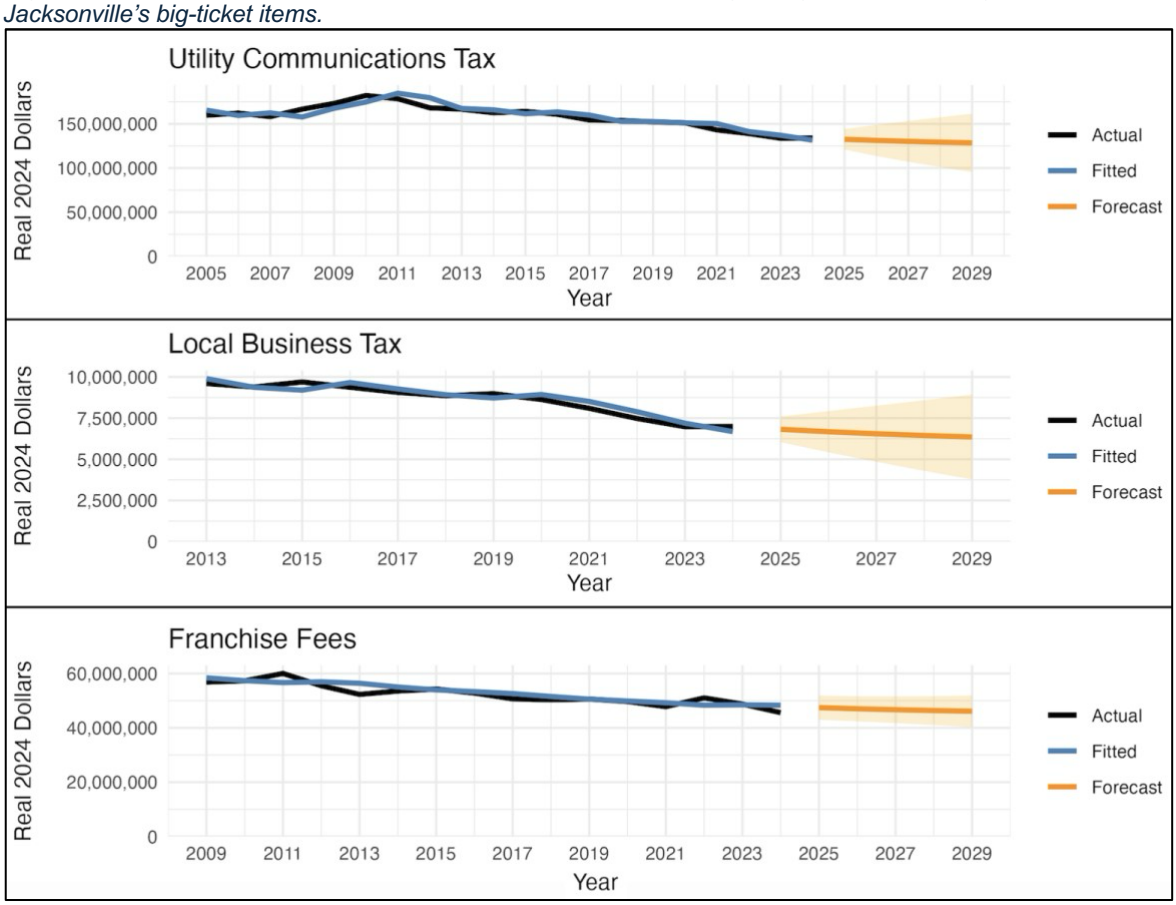
Trend-Based Forecasts

Trend based forecasts show historical patterns of property taxes keeping total revenues relatively stable. While the forecast shows total revenues rising by $108.2 million from FY25 to FY29, 88% ($96.2 million) of this forecasted growth comes from increases in property tax revenues. These findings continue recent trends: from FY20 to FY24, while property tax revenues grew by $107 2024 per capita dollars, total per capita revenues

only increased by $16 2024 per capita dollars, with property taxes compensating for losses in other revenue sources.

Trend-based forecasts allow the user to see models of all revenue categories based on historical trends. While these forecasts can be highly accurate under normal economic conditions, they do not quickly adjust to demographic, economic, and policy shocks.

Figure 10. ***Many revenue sources are projected to fall based on historical trends.*** *Below are a few fee-based revenue sources expected to continue to slightly decline: utility and communications taxes by about $4 million real 2024 dollars, local businesses taxes by about $500,000 real 2024 dollars, and franchise fees by about $1 million real 2024 dollars. While these are small decreases, they are part of broader patterns of declining revenues. Furthermore, slight decreases in revenues cannot support services Jacksonville's growing population alongside investment in Jacksonville's big-ticket items.*



Flat trend lines may pose a problem for Jacksonville. As discussed in the Motivation chapter, Jacksonville is aspiring to be a world-class city, which requires increased public investment. Jacksonville is a growing city but still only spends about half as much as peer cities do per capita (Borg & Borg, 2024). Furthermore, Jacksonville has several big-ticket items that it must tack on to existing expenditures, so keeping revenues flat may not be enough to simultaneously complete big capital projects and maintain quality service delivery for a growing population. Finally, Jacksonville needs to account for volatile and beyond-city-purview revenue sources that may drop below previous levels and cannot be completely captured with this model

Expenditures

The model allows the user to set desired per capita expenditure percent change in the model. Then the model calculates the total annual expenditure needed to meet the specified goals. For example, if the user dictates two scenarios: one, to double

expenditures in all categories except for general government, and two, to maintain all expenditure levels, the model will output annual categorical expenditures across all regression scenarios in the model. Comparing scenario one and scenario two, under economic and demographic growth conditions set at the average level of the past five years, scenario one requires $2.34 billion more 2024 dollars expenditure in 2025, $2.39 billion more 2024 dollars expenditure in 2026, $2.44 billion more 2024 dollars expenditure in 2027, etc. Under a scenario with a higher population growth, scenario one requires $2.36 billion more 2024 dollars expenditure in 2025, $2.42 billion more 2024 dollars expenditure in 2026, $2.48 billion more 2024 dollars expenditure in 2027, etc. Overall, the model allows the user to calculate necessary expenditures by expenditure category, percent change, and economic and demographic conditions.

Model Validation

When trained on FY05 through FY23 data and tested on FY24 data, revenue forecasts generally remain within acceptable errors. For trend-based (Holt's Method) forecasts, the percent accuracy is 97.3 percent for taxable bases, 95.3 percent for governmental revenues and expenditures, and 93 percent accuracy for business-type revenues and expenditures. The accuracy of scenario-based (regression) forecasts depends heavily on the independent variables inputted as scenarios. However, for all revenue sources and taxable bases forecasted in a scenario in which the average percent change of independent variables over the past five years is maintained, the model forecasted revenues at 94.6 percent accuracy. For a combined model that used trend-based methods to forecast stochastic revenue sources and regressions to forecast other revenue sources, the percent accuracy running the model with a "continue growth similar to the past five years scenario," is at 94.5 percent. The model underestimated investment earnings and overestimated grants and contributions.

Table 5. Validation of FY24 forecasted revenues based on scenario using average independent variable percent changes from the past five years.[3] The total forecast using this modeled scenario showed a 5.5% error.

Variable / Revenue Component	Forecasting Method	Error: 2024 actuals vs. scenario with growth like past five years ($)	Percent Error: 2024 actuals vs. scenario with growth like past five years (%)	Within Confidence Interval?
Property Tax	Regression + taxable base calculation	Regression: 8,072,152,385 Calculated: 92,108,510	Regression: -8.2 Calculated: 9.4	1

[3] In the past five years, the population increased by an average of two percent per year, real GDP by an average of 4.6 percent per year, inflation by an average of 4.5 percent per year, permits by an average of 0.6 percent per year, and a thirty-year-fixed mortgage rate by 14.7 percent per year. Real median household income fell by an average of 0.03 percent per year, consumer sentiment fell by an average of nine percent per year, and the millage fell by an average of 0.2 percent per year. (The millage rate

Utility and Communications Tax	Regression	1,184,676	0.7	1
Business License Tax	Regression	-296,411	-4.2	1
JEA Contribution	Regression	5,245,002	4.1	1
Intergovernmental	Regression	-3,967,434	1.6	1
Investment Earnings	Regression	-63,451,896	41	0
Franchise Fees	Regression + taxable base calculation	Regression: 669,589,796 Calculated: 19,966,157	Regression: 44 Calculated: 30	1
Sales Tax	Regression	Regression: -1,280,969,290 Calculated: 13,362,655	Regression: -4.1 Calculated: 4.4	1
Tourist Tax	Regression	-3,596,237	11.4	1
Miscellaneous General Revenue	Holt's Method	17,030,185	18.7	1
General Government Fines and Charges	Regression	-53,239,854	-21.2	1
Parking System Fees	Regression	-876,155	-20	1
Solid Waste	Regression	3,059,454	3.31	1
Motor Vehicle Inspections	Regression	405	0.13	1
Storm Water Fees	Regression	314,315	6.9	1
City Venues	Holt's Method	-6,080,473	5.8	1

dropped one percent from 2022 to 2023: 11.4419 mills to 11.3169 mills.) Other variables, like franchise fees and the sales tax rate for sales taxes directed to the city, held steady.

Capital Grants and Contributions	Holt's Method	16,106,939	35.4	1
Operating Grants and Contributions	Holt's Method	154,000,000	113.7	1
Total	combined	146,709,056	5.5	1

Conclusions

Without action to raise revenues, Jacksonville will struggle both fund its big-ticket commitments and maintain quality day-to-day services. Projected revenue growth is modest, highly dependent on property taxes, and vulnerable to volatility in grants and investment earnings. To avoid falling further behind peer cities and to achieve worldclass status, Jacksonville must pursue gradual, sustained increases in revenues.

To support policymakers in making informed decisions about gradual revenue increases, the fiscal modeling project provides policymakers with three tools: first, scenario-based forecasts that measure the impact of certain demographic, economic, and policy scenarios on city revenues; second, trend-based forecasts that provide a baseline no-shocks projection of city revenues, and finally, an expenditure model that calculates the total budget needed to change spending in certain categories. Policymakers should use these tools to evaluate the impacts of key policy levers including: millage rate, franchise fee rate, local option sales tax rate, and gradual and sustained changes in fees and charges for services.

Future Modeling Directions

Future work on the model might include modeling the impact of homestead exemptions and special tax districts, improving regression generalizability, adding more years of data to the model, and continuing to transform revenue categories to reflect changes in rates for services. With data from the Property Appraiser's office about the number of exemptions and total monetary impact of exemptions over time, future modelers can take existing estimations of the various categories of property, model and subtract exemptions and therefore demonstrate the impact of another important policy lever, the property tax exemption. Furthermore, the model substitutes Holt's Method forecasts for several regressions that were deemed not sufficiently generalizable. Future work may want to explore how to improve these and all other regressions. Additionally, the model may want to incorporate fixed JEA contributions as the JEA board and city officials reach an agreement every five years. As more years of data become available (for example Jacksonville's 2024 GDP and MHI data are set to become available in December), the model user should update and re-run the model. Finally, future work could demonstrate the impact of rate changes for JEA or business-type services on revenues.

Short-Term Recommendations

The model should be updated when new data come out and when the most recent numbers for revenues are released. Furthermore, decision makers should make use of the model to understand potential revenue capacity.

Long-Term Recommendations

To reach world-class status, cover big-ticket expenditures while continuing regular service delivery, and account for variable revenue sources, Jacksonville should explore ways to gradually increase revenues. Increasing revenues will increase public investment capacity.

Future research might examine in-depth how regressive each type of revenue source is in the Jacksonville context and how to mitigate inequitable economic impact. While all of Jacksonville's tax revenue sources are regressive, certain revenue sources are more regressive than others. Certain analyses show that, despite detailed statutes on appraisal techniques, property taxes can be regressive because assessments have been shown to systematically overestimate the value of inexpensive houses (Amornsiripanitch, 2022). However, homestead exemptions and income-based exemptions can lessen inequalities. Sales and consumption taxes are also regressive (Mikesell & Kioko, 2018). Jacksonville only has regressive policy levers available to it, so the city might considering researching and piloting programs that strive to make tax impacts more equitable.

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University of Florida Selects LaVilla Site as Location for Graduate Campus in Downtown

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Appendices

A. Jacksonville Median Household Income and Gross Domestic Product Per Capita Benchmarked Against Florida Peer Counties

The figures below compare Jacksonville against peer counties because city residents may benefit from the property taxes levied on residents of the entire county. Furthermore, the most recent GDP and MHI data available is from 2023, so those comparisons are shown below.

Figure 11. The Jacksonville's GDP per capita is about $5,000 lower than its Florida peer county average.

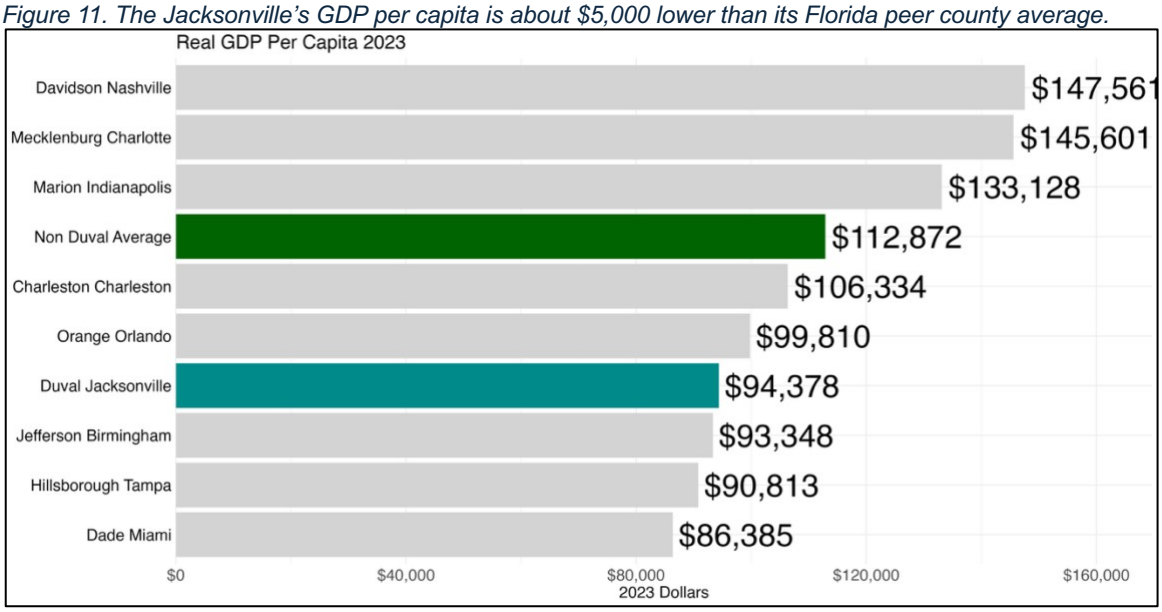


Figure 12. Since 2019, Jacksonville's per capita GDP has grown at a slower rate than peer counties.

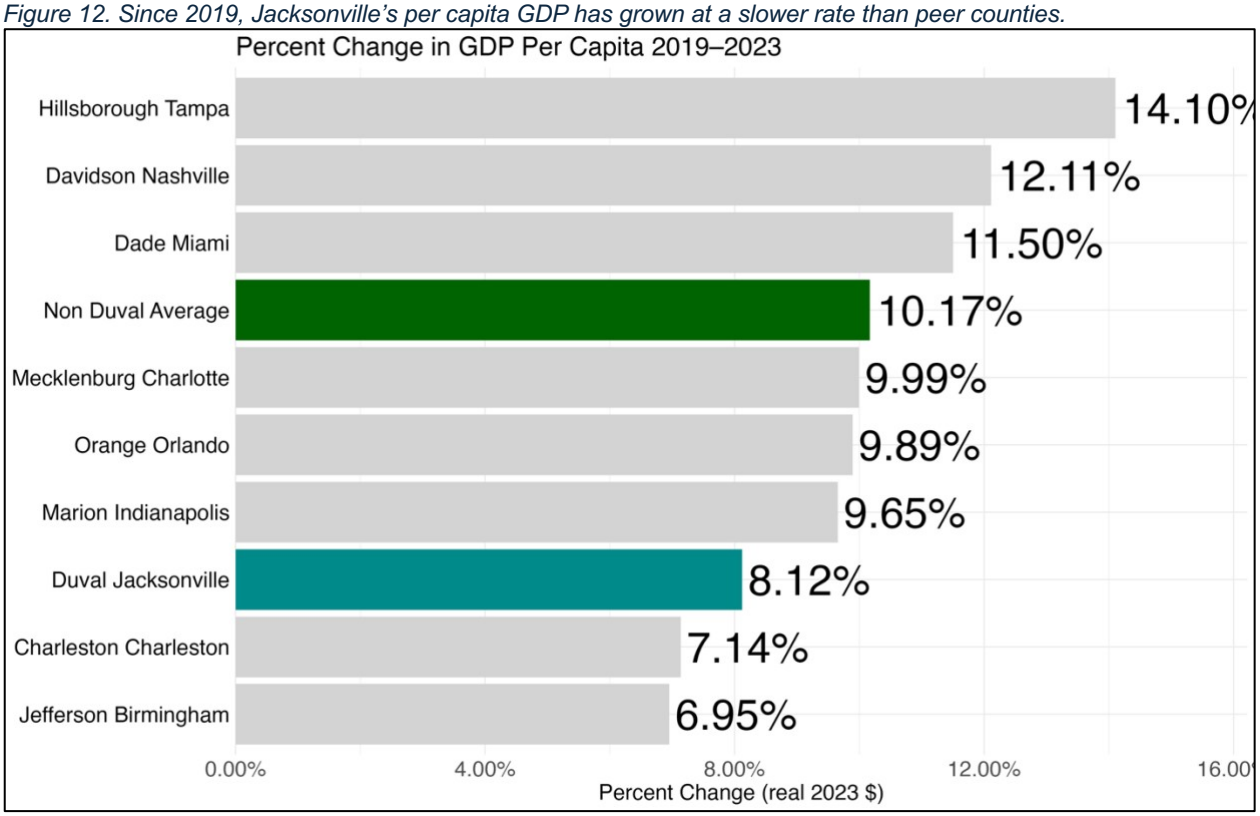


Figure 13. In 2023, Jacksonville median household income was about $7,000 lower than in peer counties.

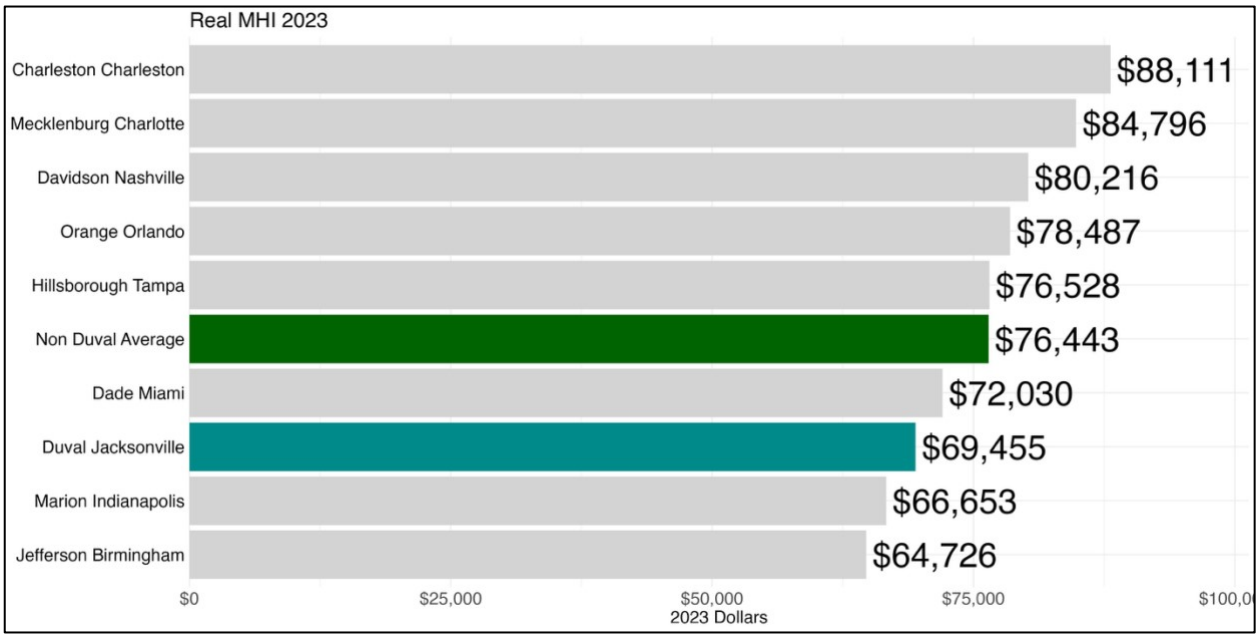
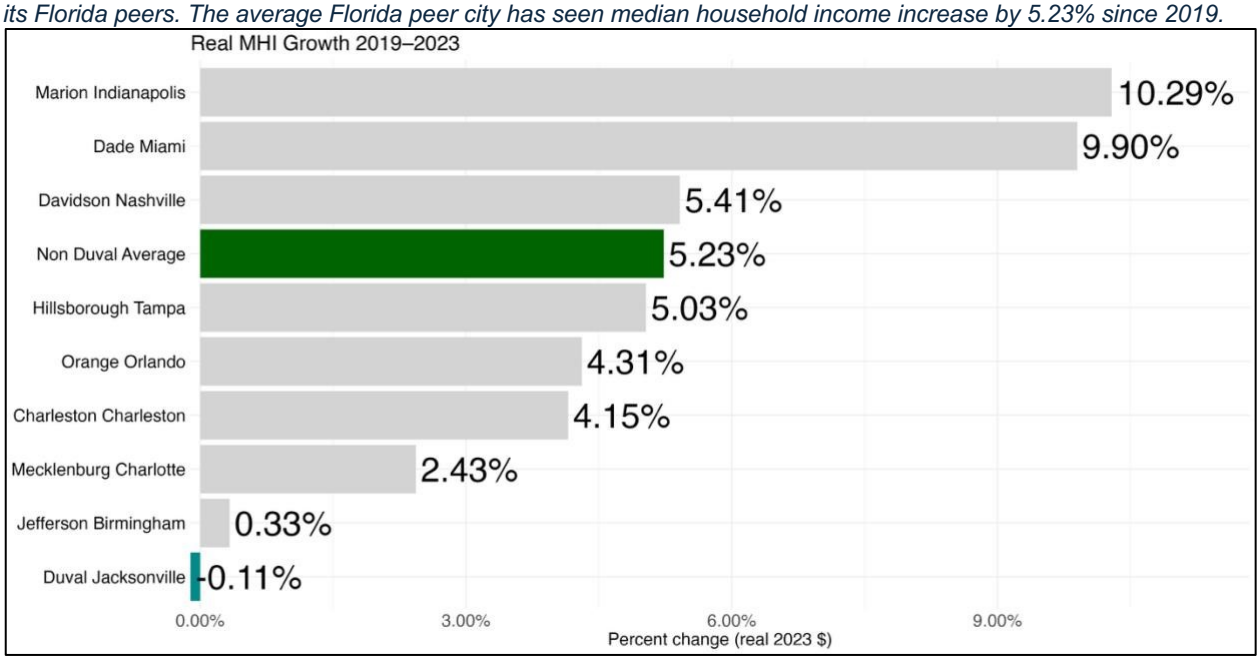
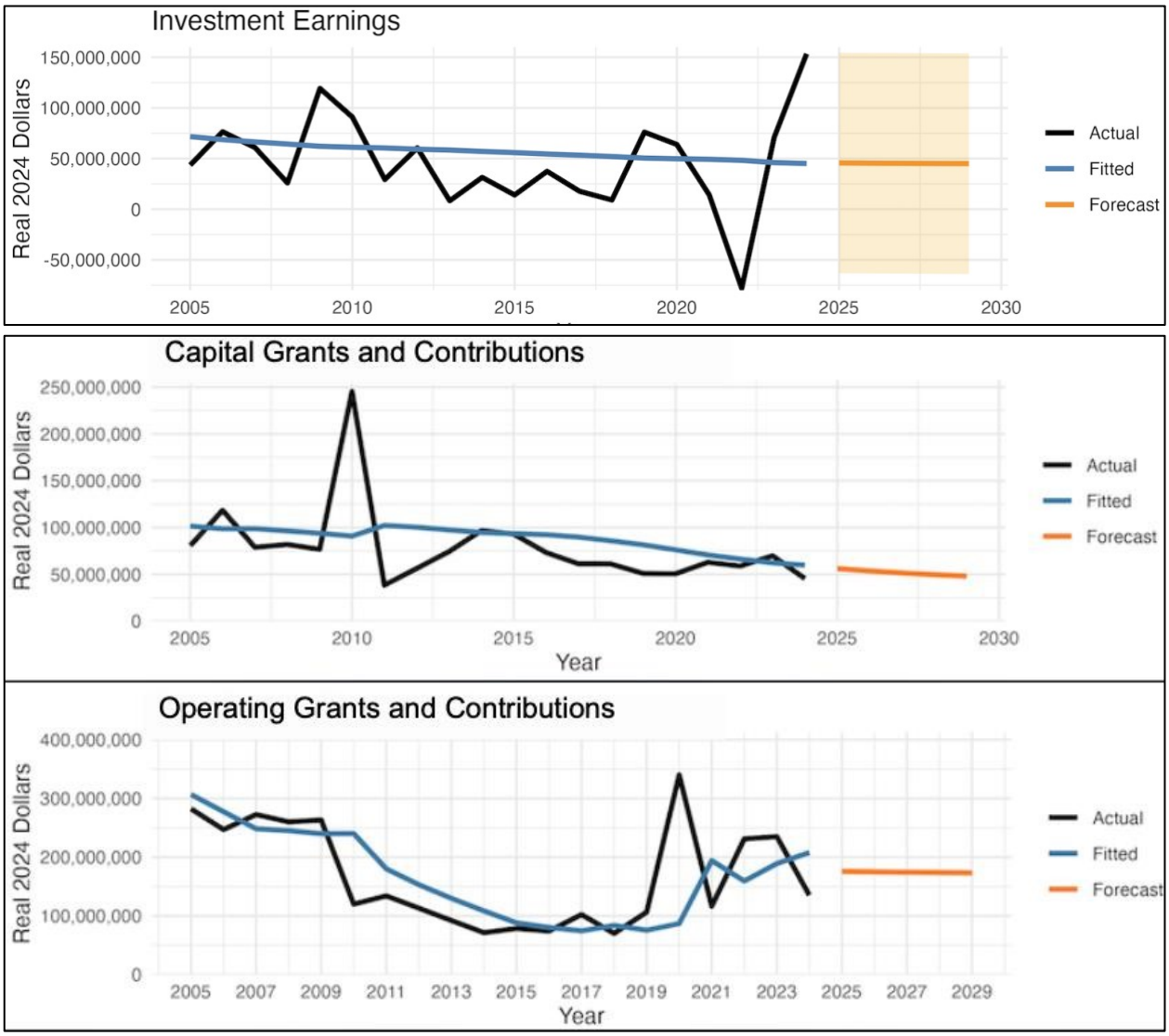


Figure 14. Since 2019, Jacksonville median household income has dropped by 0.11%, the lowest percent change of its Florida peers. The average Florida peer city has seen median household income increase by 5.23% since 2019.



B. Detail on Operating Grants and Contributions and Capital Grants and Contributions

Figure 15. Jacksonville's grants and contributions as well as its investment earnings are highly volatile and thus challenging to forecast. Jacksonville capital grants and contributions surged to $245 million real 2024 dollars in 2010 before dropping to $38 million real 2024 dollars in 2011. Jacksonville operating grants and contributions dipped from $235 million real 2024 dollars to $135 million real 2024 dollars from 2023 to 2024. Overall, operating grants and contributions and capital grants and contributions have a standard deviation of $131,087,126. Additionally, in 2022, Jacksonville lost $78 million real 2024 dollars in investment earnings, but in 2024, Jacksonville earned $154 million dollars in investment earnings.



C. Property Type Definitions and Tax Exemptions

Table 6. The State of Florida makes several property tax exemptions available to homeowners. Future work on the model could incorporate the impacts of policy changes expanding or contracting these exemptions.

Property Type	Examples/Definition	Exemptions

Residential Real Property	Includes “vacant [homes], single family [homes], mobile homes, muti-family [units], condominia, cooperatives, retirement homes” etc.	• Homestead exemption: up to $50,000 reduction in assessed value with Save Our Homes capping assessed values to 3% increase per year • Exemptions for disabled veterans and surviving spouses (§ 196.155, F.S. § 196.092, F.S.)
Commercial Real Property	Includes “stores… supermarkets… office buildings… airports… piers, marinas, restaurants… parking lots, theaters… bars” etc. (Florida Department of Revenue & Property Tax Oversight, 2025)	Potential exemptions: • Historic properties exemption • Economic development exemption • Charitable use exemption (§ 196.1997–1998, F.S. §196.1995, F.S. §196.196, F.S.)
Industrial Real Property	Includes “light manufacturing, small equipment manufacturing plants, small machine shops… heavy industrial, heavy equipment, lumber yards, sawmills… packing plants, warehousing, distribution terminals, trucking terminals… open storage… junk yards” etc. (Florida Department of Revenue & Property Tax Oversight, 2025)	May qualify for economic development exemption (§ 196.1995, F.S.)
Other Real Property (nonhomestead residential)	Includes non-homestead, residential property	Changes from reassessment “may not exceed 10 percent of the assessed value of the property for the prior year” (§ 193.1554, F.S.)

Tangible Personal Property	"Everything other than real estate that has value by itself and is being used in a business or for income-producing purposes. It would include items such as furniture, fixtures, tools, machine leasehold improvements, supplies, leased equipment and any other equipment used in a business or to earn income" (Duval County Property Appraiser, n.d.)	Automatic $25,000 exemption (§196.183, F.S.)
Centrally Assessed Property	"Utility, gas and electricity, telephone and telegraph, locally assessed railroads, water and sewer service, pipelines, canals, radio/television communication" (Florida Department of Revenue & Property Tax Oversight, 2025)	Exempt if used by the government (§196.199, F.S.)

D. Process for Changing City Millage

Table 7. City Council has significant leeway for making annual changes to the millage rate. Understanding the City Council's max majority vote rate can help policymakers and researchers understand the practical time frame for making conservative rate changes.

Step	Calculation	Example (2023-2024)
1. The Property Appraiser's Office calculates the rolledback millage rate.	prior-year ad-valorem revenue **/** prior year's tax bas e	2023 millage: 11.3169 2024 rolled back rate: 10.9600
2. The City Council calculates a maximum majority vote millage.	prior year ad valorem revenue **x** percent change in Florida per capita income **/** current year taxable value	2023 millage: 11.3169 2024 majority vote rate: 11.5836
3. The City Council can vote on a range of millages.	1. **Majority** - up to the max majority vote millage 2. **Two-Thirds Vote** - up to 110% of max majority vote millage 3. **Unanimous Vote/Referendum** - up to 10 county mills + 10 city mills	Hypothetical: The City Council votes by ⅔ majority to raise the rate and sends out a Notice of Proposed Tax Increase.
4. Taxpayers are charged the agreed upon rate in addition to school and water management millages.	(Assessed Value **-** Exemptions) **x** (City of Jacksonville Rate **+** School District Millage **+** Water Management Millage)	2024 City of Jacksonville Combined Rate: 17.8650

E. Regression Statistics

Table 8. The model strives for adjusted R-squared values over 0.5, to demonstrate that the model captures over half of variance, and p-values under 0.05, to demonstrate 95% confidence in a rejection of the null-hypothesis (that the independent variable does not impact the dependent variable).

Dependent Variable	Rsquar-ed	Adjusted Rsquar-ed	Degrees of Freedom	Residual Std. Error	F-statistic	Independent Variables and Coefficients
Total Taxable Property	0.902	0.879	13	3,685,435,128	39.88	ln_population=16256 9063657.713 (p=7.9e-06); ln_real_mhi=101447 603778.174 (p=0.00013);
						ln_unemployment=1 7514916932.024 (p=2e-04)
Franchis e Fee Tax Base	0.513	0.443	14	443,306,627	7.37	ln_cpi_uc=10054098 803.262 (p=0.0019); ln_real_gdp=-6254748104.763 (p=0.0045)
Taxable Sales	0.878	0.862	15	2,621,506,144	54.1	ln_population=95383 448321.108 (p=8e-06); ln_unemployment=-760634527.754 (p=0.74)
Tourist Tax Revenue	0.675	0.654	15	2,982,979	31.19	ln_real_gdp=272721 99.072 (p=5.2 e-05)
Utility & Communications Tax	0.654	0.635	18	8,116,841	34.02	ln_cpi_uc=-82373170.236 (p=1.6e-05)
Local Busines s Tax	0.983	0.982	10	133,316	584.94	ln_cpi_uc=9429346.834 (p=3.3e-10)

Intergovernmental	0.746	0.696	15	25,782,433	14.71	ln_population=15769 830.573 (p=0.93); ln_real_mhi=437141 979.649 (p=0.0028); post2013=54601642.064 (p=0.0086)
JEA Contribution	0.732	0.691	13	4,272,467	17.75	ln_heating_degree_d ays=-13475577.708 (p=0.031); ln_cpi_uc=-66568449.604 (p=5.2e-05)
General Government Total Fines & Charges	0.583	0.531	16	22,277,507	11.2	ln_real_mhi=387982 294.498 (p=0.00025); ln_cpi_uc=45902942.52 (p=0.31)
Total Capital Grants & Contributions	0.728	0.677	16	26,648,763	14.27	unemployment=291333.398 (p=0.91); lagged_real_mhi=596.716 (p=0.71); d2010=183708763.6 27 (p=3.8e-05)
Parking System	0.61	0.561	16	537,990	12.52	ln_real_mhi=333584 9.692 (p=0.11); ln_cpi_uc=5171808.282 (p=0.00018)
Motor Vehicle Inspections	0.906	0.895	17	45,095	82.26	ln_cpi_uc=-882844.534 (p=3.1e-09); d2020=-223998.911 (p=0.00017)
Solid Waste	0.961	0.956	17	3,081,140	209.09	ln_population=67758 28.706 (p=0.57); post2011=30293202. 66 (p=1.7e-12)
Storm Water Services	0.907	0.885	13	3,719,610	42.13	ln_real_mhi=167941 24.448 (p=0.46); ln_cpi_uc=-10117839.243 (p=0.45); post2009=34595881. 706 (p=5.7e-06)

City Venues	0.626	0.54	13	3,658,220	7.26	ln_unemployment=-3504211.625 (p=0.37); ln_real_gdp=16383033.826 (p=0.16); d2021=13202019.051 (p=0.0071)
Investm ent Earnings	0.506	0.448	17	35,829,400	8.71	ln_interest_rate=70610064.646 (p=0.044); d2022=141554452.49 (p=0.0014)