

1 Introduced by the Council President at the request of the Mayor and
2 by Council Members Morgan, Ferraro, Bowman, Wilson, Cumber, Boylan,
3 Gaffney, Pittman, Priestly Jackson, White, Diamond, DeFoor,
4 Freeman, Salem, Carlucci, Newby and Hazouri and Co-Sponsored by
5 Council Members Dennis and Becton:

6
7 **ORDINANCE 2020-201-E**

8 AN ORDINANCE MAKING CERTAIN FINDINGS AND
9 APPROPRIATING \$9,000,000 FROM GENERAL FUND/GSD
10 FUND BALANCE TO ESTABLISH A COVID-19 SMALL
11 BUSINESS RELIEF AND EMPLOYEE RETENTION GRANT
12 PROGRAM ("PROGRAM") FOR ELIGIBLE SMALL
13 BUSINESSES LOCATED IN DUVAL COUNTY, AS
14 INITIATED BY B.T. 20-065, WITH MAXIMUM CITY
15 FUNDING FOR THE PROGRAM ANTICIPATED TO BE
16 \$26,000,000 OVER THE SIX YEAR TERM OF THE
17 PROGRAM; PROVIDING A CARRYOVER OF FUNDS FROM
18 YEAR TO YEAR UNTIL SUCH FUNDS ARE EXPENDED OR
19 LAPSE ACCORDING TO THE AGREEMENT; APPROVING
20 AND AUTHORIZING THE MAYOR OR HIS DESIGNEE AND
21 CORPORATION SECRETARY TO EXECUTE AND DELIVER
22 AN AGREEMENT ("AGREEMENT") WITH VYSTAR CREDIT
23 UNION ("VYSTAR") TO ADMINISTER THE PROGRAM ON
24 BEHALF OF THE CITY IN ACCORDANCE WITH THE
25 AGREEMENT, AND OTHERWISE TAKE ALL NECESSARY
26 ACTION TO EFFECTUATE THE PURPOSES OF THE
27 AGREEMENT AND THIS ORDINANCE; INVOKING THE
28 EXCEPTION OF 126.107(G) (EXEMPTIONS), CHAPTER
29 126 (PROCUREMENT CODE), *ORDINANCE CODE*, TO
30 DIRECT CONTRACT WITH VYSTAR CREDIT UNION;

1 PROVIDING FOR ANNUAL REPORTS TO CITY COUNCIL;
2 REQUESTING THAT THE FINANCE AND ADMINISTRATION
3 DEPARTMENT AND OFFICE OF ECONOMIC DEVELOPMENT
4 OVERSEE THE GRANT PROCESS AND PROGRAM;
5 REQUESTING EMERGENCY PASSAGE UPON
6 INTRODUCTION; PROVIDING AN EFFECTIVE DATE.

7
8 **WHEREAS**, the Novel Coronavirus Disease 2019 ("COVID-19") is a
9 severe, acute respiratory illness that can spread among humans
10 through respiratory transmission and presents with symptoms similar
11 to those of influenza; and

12 **WHEREAS**, the World Health Organization previously declared
13 COVID-19 a public health emergency of international concern; and

14 **WHEREAS**, on March 9, 2020 the Governor of the State of Florida
15 declared a state of emergency exists in the State of Florida in
16 regard of COVID-19; and

17 **WHEREAS**, on March 13, 2020, Mayor Lenny Curry of the City of
18 Jacksonville proclaimed and declared a state of emergency exists in
19 Duval County associated with COVID-19; and

20 **WHEREAS**, also on March 13, 2020, President Donald J. Trump
21 declared a national emergency to combat COVID-19; and

22 **WHEREAS**, as elsewhere in the country, the citizens and
23 businesses of Duval County are suffering severe economic impacts
24 stemming in part from national, state and local measures closing
25 certain businesses, public schools, public beaches, imposing
26 emergency work-at-home requirements and limiting public gatherings
27 (the "Emergency Measures") in an effort to slow the infection rate
28 of COVID-19; and

29 **WHEREAS**, as a result of COVID-19 and the resulting Emergency
30 Measures, the City desires to provide grants to eligible small
31 businesses in Duval County in an effort to assist affected

1 businesses from terminating or furloughing employees, and to assist
2 such businesses in remaining solvent while the state of emergency
3 exists; and

4 **WHEREAS**, VyStar Credit Union ("VyStar") intends to make low
5 cost loans ("COVID-19 Relief Loans") with a fixed interest rate of
6 5.99% to eligible businesses in Duval County, and pursuant to the
7 Agreement authorized hereby between the City and VyStar, VyStar has
8 also agreed to serve as the City's grant administrator for the
9 City's COVID-19 Small Business Relief and Employee Retention Grant
10 Program ("Program"), pursuant to which the City will make certain
11 economic incentive grants to approved small businesses in Duval
12 County (collectively, the "Grants"); and

13 **WHEREAS**, pursuant to the Program, small businesses located in
14 Duval County may apply for a COVID-19 Relief Loan with VyStar and,
15 if approved pursuant to VyStar's underwriting and application
16 requirements, the City will enter into a grant agreement with
17 eligible recipients at loan closing authorizing: (i) a \$250
18 servicing fee for approved grant recipients; (ii) a \$1,000 Relief
19 Grant from the City to the grant recipient upon entering into the
20 VyStar loan documents and City Grant Agreement; (iii) a forgivable
21 interest grant from the City to the grant recipient whereby a grant
22 is made to eligible recipients calculated in an amount equal to the
23 interest due under the loan for all approved applicants in year 1,
24 and in years 2 through 6 of the loan term, provided the grant
25 recipient retains at least fifty percent (50%) employment during
26 such years; and (iv) a principal forgiveness grant applicable to
27 years 2 - 6 of the loan term in an amount equal to 10% of the
28 principal amount outstanding annually, provided such grant
29 recipient retains 100% employment; and

30 **WHEREAS**, disbursement of the grant funds pursuant to the
31 Program is intended to lessen the severe economic impacts of COVID-

1 19 to Duval County small businesses and assist in the economic
2 recovery in Duval County from the impacts of COVID-19; now
3 therefore

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

5 **Section 1. Findings.** It is hereby ascertained,
6 determined, found and declared as follows:

7 (a) The recitals set forth herein are true and correct.

8 (b) By incentivizing the retention of employees and providing
9 grant funds to small businesses within the City, the Program is
10 designed to benefit both individuals and small businesses and will
11 promote and further the public and municipal purposes of the City
12 and serve to limit the severe economic impacts of COVID-19.

13 (c) The Program is designed to provide rapid economic relief
14 to small businesses in order to maintain the viability of such
15 businesses and the employment of individuals thereof, thus
16 maintaining the City's tax base and revenues.

17 (d) Enhancement of the City's tax base and revenues, are
18 matters of State and City policy and State and City concern in order
19 that the State and its counties and municipalities, including the
20 City, shall not continue to be endangered by unemployment,
21 underemployment, economic recession, poverty, crime and disease, and
22 consume an excessive proportion of the State and City revenues
23 because of the extra services required for police, fire, accident,
24 health care, elderly care, charity care, hospitalization, public
25 housing and housing assistance, and other forms of public
26 protection, services and facilities.

27 (e) The Program will provide economic relief to small
28 businesses, thus encouraging ongoing compliance with the Emergency
29 Measures and benefitting the health, safety and welfare of the
30 citizens of Duval County.

31 (f) The provision of the City's assistance as identified in

1 the Agreement is necessary and appropriate to make the Program
2 feasible; and the City's assistance is reasonable and not excessive,
3 taking into account the extent of the public benefits expected to be
4 derived from the Program, and taking into account all other forms of
5 assistance available.

6 (g) VyStar is qualified to implement and administer the
7 Program, in accordance with the Agreement.

8 (h) The authorizations provided by this Ordinance are for
9 public uses and purposes for which the City may use its powers as a
10 county, municipality and as a political subdivision of the State of
11 Florida and may expend public funds, and the necessity in the public
12 interest for the provisions herein enacted is hereby declared as a
13 matter of legislative determination.

14 (i) This Ordinance is adopted pursuant to the provisions of
15 Chapters 163, 166 and 125, Florida Statutes, as amended, the City's
16 Charter, and other applicable provisions of law.

17 **Section 2. Appropriation.** For the 2019-2020 fiscal year,
18 within the City's budget, there are hereby appropriated the
19 indicated sum(s) from the account(s) listed in subsection (a) to
20 the account(s) listed in subsection (b):

21 (B.T. 20-065 attached hereto as **Exhibit 1** and incorporated herein
22 by this reference)

23 (a) Appropriated from:

24 See attached **Exhibit 1** \$9,000,000

25 (b) Appropriated to:

26 See attached **Exhibit 1** \$9,000,000

27 (c) **Explanation of Appropriation:**

28 The funding above is from the General Fund/GSD Fund
29 Balance. The funds will be used to provide economic
30 incentive grants to small businesses located within Duval
31 County.

1 **Section 3. Purpose.** The purpose of the appropriation in
2 Section 2 is to provide grants to eligible small businesses located
3 in Duval County to partially combat the economic impacts of the
4 COVID-19 virus and encourage approved businesses to retain their
5 employees for the duration of the declared emergencies.

6 **Section 4. Carryover.** The funds appropriated herein
7 shall not lapse but shall carryover as appropriated from year to
8 year until such funds are expended or lapse according to the terms
9 of the Agreement and City Grant Agreements.

10 **Section 5. Approving and Authorizing a Grants**
11 **Administration Agreement with VyStar Credit Union.** There is hereby
12 approved, and the Mayor and Corporation Secretary are authorized to
13 enter into a Grant Administration Agreement ("Agreement") between
14 the City and VyStar Credit Union, substantially in the form placed
15 **On File** with the Legislative Services Division. Pursuant to the
16 Agreement, VyStar will provide underwriting and grants
17 administration services to the City relating to the Program, as
18 further detailed in the Agreement.

19 **Section 6. Invoking the exception to Section 126.107(g),**
20 **Ordinance Code.** The City is hereby authorized to enter into the
21 Agreement with VyStar Credit Union for the purposes described in
22 Section 5. Pursuant to Section 126.107(g) (Exemptions), Part 1
23 (General Regulations), Chapter 126 (Procurement Code), *Ordinance*
24 *Code*, such procurement is exempted from competitive solicitation
25 because the supplies or services are to be provided by those
26 specifically prescribed within authorizing legislation that
27 appropriates the same. With the exception of the foregoing, all
28 other provisions of Chapter 126, *Ordinance Code*, shall remain in
29 full force and effect.

30 **Section 7. Annual Report.** The Finance and Administration
31 Department is required to make a report annually to the City

1 Council concerning the use of the funds authorized hereby for the
2 Program, including the number of recipients and dollar amounts of
3 the Grants.

4 **Section 8. Oversight Department.** The Finance and
5 Administration Department and Office of Economic Development shall
6 provide oversight for the Program.

7 **Section 9. Requesting Emergency Passage Upon Introduction**
8 **pursuant to Council Rule 4.901.** Emergency passage of this
9 legislation is requested upon introduction. The nature of the
10 emergency is that the negative health and economic impacts of
11 COVID-19 are ongoing and immediate economic assistance will assist
12 in maintaining the viability of such businesses and associated
13 employment.

14 **Section 10. Effective Date.** This ordinance shall become
15 effective upon signature by the Mayor or upon becoming effective
16 without the Mayor's signature.

17 Form Approved:

18
19 /s/ John C. Sawyer

20 Office of General Counsel

21 Legislation prepared by: John Sawyer

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