

1 Introduced by the Council President at the request of the Mayor and  
2 Co-Sponsored by Council Members Bowman, Salem, Cumber, Freeman,  
3 Pittman, White, Becton, Dennis, R. Gaffney and Newby:  
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6 **ORDINANCE 2020-377**

7 AN ORDINANCE MAKING CERTAIN FINDINGS AND  
8 AUTHORIZING: (1) THE BORROWING FROM THE CITY'S  
9 COMMERCIAL PAPER FACILITY IN THE UP TO,  
10 MAXIMUM AMOUNT OF \$40,000,000; AND (2) THE  
11 APPROPRIATION OF \$35,000,000 OF NET PROJECT  
12 FUNDS AS AUTHORIZED BY ORDINANCE 2020-261-E  
13 AND AS AMENDED HEREBY, TO PROVIDE FUNDING FOR  
14 THE ST. JOHNS RIVER HARBOR DEEPENING PROJECT  
15 AS INITIATED BY B.T. 20-095; AMENDING 2019-  
16 504-E, THE FY 2019-2020 BUDGET ORDINANCE, TO  
17 REPLACE THE SCHEDULE B4 IN ORDER TO ALLOW FOR  
18 "JAXPORT DREDGING" AND "JPA OBLIGATION -  
19 JAXPORT DREDGING"; AMENDING SUPPLEMENTAL BOND  
20 ORDINANCE 2020-261-E (THE "SUPPLEMENTAL BOND  
21 ORDINANCE") TO INCREASE THE NET PROJECT FUNDS  
22 FROM \$120,000,000 TO \$155,000,000 AND ADDING  
23 THE ST. JOHNS RIVER HARBOR DEEPENING PROJECT  
24 TO **EXHIBIT 1** OF THE SUPPLEMENTAL BOND  
25 ORDINANCE; AUTHORIZING THE CITY TO ENTER INTO  
26 AN AGREEMENT WITH THE JACKSONVILLE PORT  
27 AUTHORITY ("JAXPORT") TO PROVIDE CITY FUNDING  
28 FOR THE DREDGING PROJECT IN THE FORM OF A  
29 \$40,000,000 LOAN AND A \$35,000,000 GRANT;  
30 INVOKING THE EXCEPTION OF 126.107(G)  
31 (EXEMPTIONS), CHAPTER 126 (PROCUREMENT CODE),

1           ORDINANCE CODE, TO DIRECT CONTRACT WITH  
2           JAXPORT; REQUESTING THAT THE FINANCE AND  
3           ADMINISTRATION DEPARTMENT ADMINISTER THE  
4           AGREEMENT AUTHORIZED HEREIN; REQUESTING ONE-  
5           CYCLE EMERGENCY PASSAGE; PROVIDING AN  
6           EFFECTIVE DATE.

7           **WHEREAS**, the City Council of the City of Jacksonville, Florida  
8           (the "Council") previously enacted Ordinance 2006-888-E, as amended  
9           and supplemented (the "Special Revenue Bond Ordinance"), including  
10          by Ordinance 2020-261-E (the "Supplemental Bond Ordinance")  
11          providing for the issuance of additional bonds to refund certain  
12          bonds described in the Supplemental Bond Ordinance, and also to  
13          finance and refinance the acquisition and construction of certain  
14          capital equipment and improvements for the City, as described in  
15          the Supplemental Bond Ordinance; and

16          **WHEREAS**, the Jacksonville Port Authority ("JAXPORT"), pursuant  
17          to the contract entered into between JAXPORT and the United States  
18          Army Corps of Engineers ("ACOE") (the "PPA") is the local sponsor  
19          of the Jacksonville St. Johns River harbor deepening project  
20          pursuant to which the navigation channel of the St. Johns River is  
21          being deepened from 40 to 47 feet and to also provide for a new  
22          vessel turning basin and other improvements (collectively, the  
23          "Project"); and

24          **WHEREAS**, the Project, through Phase C, is projected to have an  
25          overall cost of approximately \$484,000,000, with such costs having  
26          been funded to date by the United States Government, the Florida  
27          Department of Transportation ("FDOT"), private sector contributions  
28          and funds provided directly by JAXPORT; and

29          **WHEREAS**, the upcoming Phase C of the Project (the "Phase C  
30          Project") is anticipated to have a project cost of \$223,823,200,  
31          and JAXPORT has entered into a Public Transportation Grant

1 Agreement (as amended, the "FDOT Grant Agreement") pursuant to  
2 which the FDOT has agreed to partially fund on a reimbursement  
3 basis the Phase C Project in the up-to amount of \$46,103,589 (the  
4 "FDOT Grant Funds"); and

5 **WHEREAS,** the Project will provide significant economic  
6 benefits to the City and its residents by providing increased  
7 economic activity and high salary jobs in the City of Jacksonville  
8 and thus constitutes a valid governmental undertaking of the City  
9 for municipal purposes and a Project as set forth in the Special  
10 Revenue Bond Ordinance; and

11 **WHEREAS,** JAXPORT has requested and the City has agreed to  
12 provide a \$35,000,000 grant (the "2020 City Grant") to be used  
13 exclusively to partially fund the Phase C Project costs, and the  
14 City has agreed to include in its fiscal year 2020-21 budget,  
15 subject to Council approval, a minimum of an additional \$25,000,000  
16 (the "2021 City Grant" and collectively with the 2020 City Grant,  
17 the "City Grants") to be used exclusively to fund the costs of the  
18 Phase C Project, with any Phase C Project costs in excess of the  
19 City Grants and the City Loan Funds (defined below) the  
20 responsibility of JAXPORT; subject to Council approval the 2021  
21 City Grant may be increased by up to \$10,000,000 depending on the  
22 dredging bids received by the ACOE for the construction of the  
23 Phase C Project; and

24 **WHEREAS,** under the terms of the PPA the ACOE requires JAXPORT  
25 to provide the entirety of the Phase C Project local sponsor costs,  
26 in the estimated amount of \$104,783,624, at the time of contract  
27 award for the Phase C Project and prior to commencement of the  
28 work, which will require JAXPORT to borrow approximately  
29 \$46,103,589 in order for the Phase C Project to be fully funded;  
30 and

31 **WHEREAS,** the City is willing to provide JAXPORT a bridge loan

1 in the amount of \$40,000,000 (the "City Loan Funds") pursuant to  
2 the terms and conditions of the Agreement authorized herein to  
3 ensure the Phase C Project is funded and completed in a timely  
4 manner, which will be repaid to the City on a periodic basis as  
5 work on the Phase C Project proceeds and JAXPORT is reimbursed  
6 therefore from the FDOT Grant Funds, with JAXPORT providing the  
7 entirety of such reimbursed FDOT Grant Funds to the City within ten  
8 (10) days of receipt by JAXPORT; and

9 **WHEREAS,** the Project is in the public interest and the  
10 financial assistance contemplated herein take into account and give  
11 consideration to the long-term public interests and public interest  
12 benefits to be achieved by the City; and

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

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

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

17 (b) The Project will promote and further the public and  
18 municipal purposes of the City.

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

29 (d) The provision of the City's assistance as identified in  
30 the Agreement is necessary and appropriate to make the Project  
31 feasible; and the City's assistance is reasonable and not

1 excessive, taking into account the extent of the public benefits  
2 expected to be derived from the Project, and taking into account  
3 all other forms of assistance available.

4 (e) JAXPORT is qualified to carry out and complete the  
5 construction and equipping of the Project, in accordance with the  
6 Agreement and PPA.

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

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

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

20 (The account information is attached hereto as **Exhibit 2** and  
21 incorporated herein by this reference)

22 (a) Appropriated from:

23 See B.T. 20-095 \$75,000,000

24 (b) Appropriated to:

25 See B.T. 20-095 \$75,000,000

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

27 The funding above appropriates \$35,000,000 of bond  
28 proceeds that will be provided to the JAXPORT in the form  
29 of a grant, and \$40,000,000 from the City's Commercial  
30 Paper Facility that will be provided to the JAXPORT as a  
31 bridge loan, in each case to be used to provide the

1 City's share of funding for the St. Johns River harbor  
2 deepening project.

3 **Section 3. Purpose.** The purpose of the appropriation in  
4 Section 2 is to provide: (1) a \$35,000,000 grant to the  
5 Jacksonville Port Authority pursuant to the Agreement authorized  
6 herein to provide a portion of the City funding for the Project;  
7 and (2) a \$40,000,000 bridge loan to JAXPOPRT to be disbursed in  
8 accordance with the Agreement authorized herein to provide funding  
9 for the Project. The \$40,000,000 tranche of City funding are  
10 matching funds and will be repaid to the City on a periodic basis  
11 after JAXPORT receives its reimbursement of funds from the State of  
12 Florida Department of Transportation during construction of the  
13 Project, with the issuance and interest cost thereon being  
14 reimbursed to the City by JAXPORT.

15 **Section 4. Amending 2019-504-E, the FY 2019-2020 Budget**  
16 **Ordinance, to replace the Schedule B4 to allow funding for the St.**  
17 **Johns River harbor deepening project.** 2019-504-E, the FY 2019-2020  
18 Budget Ordinance, is hereby amended to replace Schedule B4,  
19 entitled "FY 19-20 Debt Management Fund Detail," in order to allow  
20 for the funding by the City of the St. Johns River harbor deepening  
21 project as authorized herein. The Revised Schedule B4 is attached  
22 hereto as **Exhibit 3**.

23 **Section 5. Amending Supplemental Ordinance 2020-261-E to**  
24 **increase the net project funds amount and replace Exhibit 1 to**  
25 **authorizes funding for the Project.** Ordinance 2020-261-E is hereby  
26 amended to: (i) increase the authorized amount of net project funds  
27 for the financing and refinancing of the Series 2020 Project from  
28 \$120,000,000 to \$155,000,000; and (ii) add the Project to the  
29 Series 2020 Project list and replace **Exhibit 1** of the Supplemental  
30 Bond Ordinance with the **Revised Exhibit 1** attached hereto and  
31 incorporated herein.

1           **Section 6.           Authorizing the Borrowing and Appropriation of**  
2 **Funds from the City's Commercial Paper Program.** The City is hereby  
3 authorized to borrow an additional maximum amount of up to  
4 \$40,000,000 under its Commercial Paper Program and such funds are  
5 hereby appropriated to fund a portion of the Project.

6           **Section 7.           Authorizing the City to enter into an**  
7 **agreement with the Jacksonville Port Authority.** The City is hereby  
8 authorized to enter into an Agreement with the Jacksonville Port  
9 Authority ("Agreement") in substantially the form placed **On File**  
10 with the Legislative Services Division for the purposes described  
11 in Section 3.

12           **Section 8.           Invoking the exception to Section 126.107(g),**  
13 **Ordinance Code.** The City is hereby authorized to enter into the  
14 Agreement with the Jacksonville Port Authority for the purposes  
15 described in Section 3. Pursuant to Section 126.107(g)  
16 (Exemptions), Part 1 (General Regulations), Chapter 126  
17 (Procurement Code), *Ordinance Code*, such procurement is exempted  
18 from competitive solicitation because the supplies or services are  
19 to be provided by those specifically prescribed within authorizing  
20 legislation that appropriates the same. With the exception of the  
21 foregoing, all other provisions of Chapter 126, *Ordinance Code*,  
22 shall remain in full force and effect.

23           **Section 9.           Oversight Department.** The Finance and  
24 Administration Department shall provide oversight for the Agreement  
25 authorized herein.

26           **Section 10.          Requesting one-cycle emergency passage**  
27 **pursuant to Council Rule 4.901 Emergency.** One-cycle emergency  
28 passage of this legislation is requested. The nature of the  
29 emergency is that JAXPORT is required to have local sponsor funds  
30 for the Phase C Project in the amount of \$104,783,624 to the Army  
31 Corp of Engineers by no later than August 20, 2020 or the Phase C

1 Project will suffer significant cost increases.

2       **Section 11.       Effective Date.** This Ordinance shall become  
3 effective upon signature by the Mayor or upon becoming effective  
4 without the Mayor's signature.

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8 Form Approved:

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10       /s/ John Sawyer      

11 Office of General Counsel

12 Legislation prepared by: John Sawyer

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