

CITY COUNCIL RESEARCH DIVISION LEGISLATIVE SUMMARY



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Bill Type and Number: Ordinance 2020-377

Introducer/Sponsor(s): Council President at the request of the Mayor and co-sponsored by Council Members Bowman, Salem and Cumber

Date of Introduction: June 23, 2020

Committee(s) of Reference: NCSPHS, TEU, F, R, Jax Waterways Commission

Date of Analysis: June 25, 2020

Type of Action: Borrowing authorization; appropriation; budget ordinance amendment; authorization of interagency agreement; invocation of Procurement Code direct contracting authorization; designation of oversight agency; request for one-cycle emergency approval

Bill Summary: The bill authorizes the borrowing of up to \$40 million via the City's commercial paper facility for the purpose of loaning funds to the Jacksonville Port Authority to fund the harbor dredging project. It amends Ordinance 2020-261-E to increase the bond issue net proceeds by an additional \$35 million (from \$120 million to \$155 million) to be allocated to the dredging project. The bill appropriates the \$40 million loan and \$35 million grant to Jaxport. It amends the FY19-20 budget ordinance (2019-504-E) to replace Schedule B4 (Debt Management Fund Detail) to reflect the allocation of these funds to the dredging project. It authorizes the City to enter into an interlocal agreement with Jaxport for the loan and grant. It invokes the direct contracting authorization in the Procurement Code to exempt the appropriation for the dredging from a competitive procurement process. The Finance and Administration Department is designated as the City's oversight agency for this transaction and one-cycle emergency approval is requested.

Background Information: The total cost of the harbor dredging project (three phases) is estimated at \$484 million. To date Jaxport has funded Phases A and B through a combination of federal, state, Jaxport, and private contributions. The upcoming Phase C has an estimated cost of \$223,823,200 and Jaxport has requested City participation in funding the next phase of the project. Jaxport has an agreement with the Florida Department of Transportation to fund \$46,103,589 on a reimbursement basis. Through this bill the City will provide \$40 million in funding to pay for the up-front dredging cost in anticipation of receiving reimbursement from Jaxport when the FDOT grant is eventually received (including interest and bond issuance costs). The other \$35 million contribution will be in the form of a grant.

The bill's preamble states that the City commits to funding an additional \$25 million grant to the dredging project in the FY20-21 budget, with the understanding that that grant amount could be increased by up to an additional \$10 million with further Council approval depending on the bids received by the Army Corps of Engineers for Phase C of the project. Emergency approval on one committee cycle is requested because Jaxport is required to have the local sponsor share of the funds for Phase C committed by August 20, 2020 or face significant cost increases.

Policy Impact Area: Jaxport harbor dredging project

Fiscal Impact: The bill appropriates a \$35 million grant and \$40 million loan to the dredging project, and expresses the City's commitment to appropriating an additional \$25-35 million in the FY20-21 budget.

Analyst: Clements