

CITY COUNCIL RESEARCH DIVISION LEGISLATIVE SUMMARY



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Bill Type and Number: Ordinance 2022-874

Introducer/Sponsor(s): Council President at the request of the Mayor and by Council Member Salem

Date of Introduction: November 22, 2022

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

Date of Analysis: November 24, 2022

Type of Action: Authorizing commercial paper borrowing; authorizing loan of borrowed funds, authorizing revolving line of credit; authorizing grant of funds to be appropriated in the future; amending budget ordinance attachments; authorizing execution of loan and grant agreements; invoking Procurement Code direct contracting exemption; designating oversight agency

Bill Summary: The bill appropriates \$17.5 million in commercial paper borrowing and authorizes a \$12.5 million loan to the Jacksonville Port Authority and a \$5 million revolving line of credit to be used toward the completion of the Fulton Cut Power Line Raising project. The funds are authorized to carry-over to fiscal year 2025-26. It also states the City's commitment to provide \$10 million in grant funds to the project in future fiscal years, subject to Council appropriation. The FY22-23 budget ordinance is amended to replace Second Revised Schedule B-4 (FY22-23 Debt Management Fund Detail) with a Third Revised schedule to reflect the funding for this project. The bill authorizes the negotiation and execution of an agreement between the City and Jaxport for the loan, grant and revolving line of credit. It invokes the Procurement Code exemption to allow direct contracting with Jaxport to perform the project without a competitive bidding process. The Finance and Administration Department is designated as the oversight agency for the project.

Background Information: The estimated cost of the project is between \$42.5 and \$45 million. Jaxport has secured a multiyear commitment from the Florida Department of Transportation for up to \$22.5 million and the City commits to fund up to \$22.5 million. Any costs in excess of the City's \$22.5 million commitment will be borne by Jaxport. The City's \$12.5 million loan will carry a 10-year term at 3.5% and the revolving line of credit will carry an interest rate equal to the City's then-cost of its commercial paper program. The loan term will commence no sooner than FY24-25 and after it is funded in full, the loan will amortize over 10 years with bi-annual payments of principal and interest. The grants are contemplated as 3 consecutive grants in the amounts of \$3.5 million, \$4 million and \$2.5 million beginning in FY23-24. The City will only provide funding after receiving disbursement requests from Jaxport with appropriate supporting documentation.

Policy Impact Area: Economic development; Jaxport operational improvement

Fiscal Impact: The City commits to providing up to \$27.5 million via a combination of loans and grants over multiple fiscal years.

Analyst: Clements