

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**

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;  
31 PROVIDING FOR ANNUAL REPORTS TO CITY COUNCIL;

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

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

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

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

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

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

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

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

1 such businesses in remaining solvent while the state of emergency  
2 exists; and

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

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

29 **WHEREAS**, disbursement of the grant funds pursuant to the  
30 Program is intended to lessen the severe economic impacts of COVID-  
31 19 to Duval County small businesses and assist in the economic

1 recovery in Duval County from the impacts of COVID-19; now  
2 therefore

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

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

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

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

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

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

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

30 (f) The provision of the City's assistance as identified in  
31 the Agreement is necessary and appropriate to make the Program

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

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

7 (h) 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 public  
11 interest for the provisions herein enacted is hereby declared as a  
12 matter of legislative determination.

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

22 (a) Appropriated from:

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

24 (b) Appropriated to:

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

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

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

31 **Section 3. Purpose.** The purpose of the appropriation in

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

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

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

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

29 **Section 7. Annual Report.** The Finance and Administration  
30 Department is required to make a report annually to the City  
31 Council concerning the use of the funds authorized hereby for the

1 Program, including the number of recipients and dollar amounts of  
2 the Grants.

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

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

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

16 Form Approved:

17  
18 /s/ John C. Sawyer

19 Office of General Counsel

20 Legislation prepared by: John Sawyer

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