

Amended 7/28/20

Enacted 7/28/20

1 Introduced by the Council President at the request of the Mayor and
2 Co-Sponsored by Council Members Bowman, Salem, Cumber, Freeman,
3 Gaffney, Newby, White, Becton, Dennis and Pittman and amended by
4 the Neighborhoods, Community Services, Public Health and Safety
5 Committee:

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8 **ORDINANCE 2020-377-E**

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

1 \$40,000,000 LOAN AND A \$35,000,000 GRANT;
2 INVOKING THE EXCEPTION OF 126.107(G)
3 (EXEMPTIONS), CHAPTER 126 (PROCUREMENT CODE),
4 ORDINANCE CODE, TO DIRECT CONTRACT WITH
5 JAXPORT; REQUESTING THAT THE FINANCE AND
6 ADMINISTRATION DEPARTMENT ADMINISTER THE
7 AGREEMENT AUTHORIZED HEREIN; REQUESTING ONE-
8 CYCLE EMERGENCY PASSAGE; PROVIDING AN
9 EFFECTIVE DATE.

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

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

28 **WHEREAS**, the Project, through Phase C, is projected to have an
29 overall cost of approximately \$484,000,000, with such costs having
30 been funded to date by the United States Government, the Florida

1 Department of Transportation ("FDOT"), private sector contributions
2 and funds provided directly by JAXPORT; and

3 **WHEREAS**, the upcoming Phase C of the Project (the "Phase C
4 Project") is anticipated to have a project cost of \$223,823,200,
5 and JAXPORT has entered into a Public Transportation Grant
6 Agreement (as amended, the "FDOT Grant Agreement") pursuant to
7 which the FDOT has agreed to partially fund on a reimbursement
8 basis the Phase C Project in the up-to amount of \$46,103,589 (the
9 "FDOT Grant Funds"); and

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

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

29 **WHEREAS**, under the terms of the PPA the ACOE requires JAXPORT
30 to provide the entirety of the Phase C Project local sponsor costs,
31 in the estimated amount of \$104,783,624, at the time of contract

1 award for the Phase C Project and prior to commencement of the
2 work, which will require JAXPORT to borrow approximately
3 \$46,103,589 in order for the Phase C Project to be fully funded;
4 and

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

14 **WHEREAS**, the Project is in the public interest and the
15 financial assistance contemplated herein take into account and give
16 consideration to the long-term public interests and public interest
17 benefits to be achieved by the City; and

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

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

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

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

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

1 housing and housing assistance, and other forms of public
2 protection, services and facilities.

3 (d) The provision of the City's assistance as identified in
4 the Agreement is necessary and appropriate to make the Project
5 feasible; and the City's assistance is reasonable and not
6 excessive, taking into account the extent of the public benefits
7 expected to be derived from the Project, and taking into account
8 all other forms of assistance available.

9 (e) JAXPORT is qualified to carry out and complete the
10 construction and equipping of the Project, in accordance with the
11 Agreement and PPA.

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

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

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

25 (The account information is attached hereto as **Revised Exhibit 2,**
26 labeled as "Revised Exhibit 2, Revised B.T. 20-095, July 20, 2020 -
27 NCSPHS" and incorporated herein by this reference)

28 (a) Appropriated from:

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

30 (b) Appropriated to:

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

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

2 The funding above appropriates \$35,000,000 of bond
3 proceeds that will be provided to the JAXPORT in the form
4 of a grant, and \$40,000,000 from the City's Commercial
5 Paper Facility that will be provided to the JAXPORT as a
6 bridge loan, in each case to be used to provide the
7 City's share of funding for the St. Johns River harbor
8 deepening project.

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

21 **Section 4. Amending 2019-504-E, the FY 2019-2020 Budget**
22 **Ordinance, to replace the Schedule B4 to allow funding for the St.**
23 **Johns River harbor deepening project.** 2019-504-E, the FY 2019-2020
24 Budget Ordinance, is hereby amended to replace Schedule B4,
25 entitled "FY 19-20 Debt Management Fund Detail," in order to allow
26 for the funding by the City of the St. Johns River harbor deepening
27 project as authorized herein. The Revised Schedule B4 is attached
28 hereto as **Revised Exhibit 3**, labeled as "Revised Exhibit 3, Rev
29 Schedule B4, July 20, 2020 - NCSPHS".

30 **Section 5. Amending Supplemental Ordinance 2020-261-E to**
31 **increase the net project funds amount and replace Exhibit 1 to**

1 **authorizes funding for the Project.** Ordinance 2020-261-E is hereby
2 amended to: (i) increase the authorized amount of net project funds
3 for the financing and refinancing of the Series 2020 Project from
4 \$120,000,000 to \$155,000,000; and (ii) add the Project to the
5 Series 2020 Project list and replace Exhibit 1 of the Supplemental
6 Bond Ordinance with the Revised Exhibit 1 attached hereto as
7 **Revised Exhibit 1**, labeled as "Revised Exhibit 1, 2020-261-E Rev Ex
8 1, July 20, 2020 - NCSPHS" and incorporated herein.

9 **Section 6. Authorizing the Borrowing and Appropriation of**
10 **Funds from the City's Commercial Paper Program.** The City is hereby
11 authorized to borrow an additional maximum amount of up to
12 \$40,000,000 under its Commercial Paper Program and such funds are
13 hereby appropriated to fund a portion of the Project.

14 **Section 7. Authorizing the City to enter into an**
15 **agreement with the Jacksonville Port Authority.** The City is hereby
16 authorized to enter into an Agreement with the Jacksonville Port
17 Authority ("Agreement") in substantially the form placed **Revised On**
18 **File** with the Legislative Services Division for the purposes
19 described in Section 3.

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

31 **Section 9. Oversight Department.** The Finance and

1 Administration Department shall provide oversight for the Agreement
2 authorized herein.

3 **Section 10. Requesting one-cycle emergency passage**
4 **pursuant to Council Rule 4.901 Emergency.** One-cycle emergency
5 passage of this legislation is requested. The nature of the
6 emergency is that JAXPORT is required to have local sponsor funds
7 for the Phase C Project in the amount of \$104,783,624 to the Army
8 Corp of Engineers by no later than August 20, 2020 or the Phase C
9 Project will suffer significant cost increases.

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

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14 Form Approved:

15
16 /s/ Paige H. Johnston

17 Office of General Counsel

18 Legislation prepared by: John Sawyer

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