



OFFICE OF THE CITY COUNCIL

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JACKSONVILLE SMALL & EMERGING BUSINESS SPECIAL COMMITTEE

April 17, 2025
9:00 am

Location: City Council Chamber

In attendance: Council Members Arias (Chair), Amaro, and Johnson

Also: Gregory Grant – JSEB; Shannon MacGillis – Office of General Counsel; Trista Carraher – Council Auditor’s Office; Brandon Russell – Council Research

Meeting Convened: 9:03 am

Chair Arias requested a review of the last meeting and outstanding business from the Office of General Counsel. Shannon MacGillis, Office of General Counsel, stated that no outstanding motions needed to be resolved. She said there was unfinished discussion of the data sharing agreement and that phrasing for legislation needed to be finalized. Council Member Johnson stated that database sharing on the B2Gnow platform could be accomplished through a rules change without legislation.

Council Member Amaro asked if the disparity study issue was resolved. Brittany Norris with the Administration stated they are reviewing the requirements for the study before suggesting a new home for it. Chair Arias confirmed that the disparity study is not going away and will remain with JSEB until a different department or agency is identified. Ms. MacGillis, OGC, clarified that the study can contain race and gender and is triggered by a need, but must be backed up with data. She also noted that the cost of a disparity study can range from \$250,000 for a single entity to \$750,000 for multiple entities.

The Committee transitioned to the final initiative, increasing capital access. Mr. Grant stated that expanding capital access for businesses will help them grow and create more jobs. He said that \$1 million is currently available for business loans but would like to see that expanded to \$5 million. Chair Arias asked how long the original \$1 million had been available and how long it took to be spent. Mr. Grant stated he believed the money had been there for around eight years and was spent in just a few months.

Action: Councilmember Johnson moved to increase funding from \$1 million to \$5 million with an interest rate of 4% or below, and the maximum loan amount would increase from \$100,000 to \$250,000.

Council Member Amaro asked Mr. Grant how long it had been at \$1 million and why it had been used so quickly. Mr. Grant could not explain why it had been there for so long, but once he became aware of it, he marketed its availability, and businesses applied for it. Council Member Amaro asked what could be accomplished with the increase in funds. Mr. Grant said, regardless of the threshold, he anticipates it will be loaned out quickly. He also noted that Tier 3 businesses are underrepresented because they operate at a higher level and would need loans of more significant amounts. Chair Arias reiterated that the motion to increase the maximum loan amount to \$250,000 was in response to this need.

Council Member Johnson also clarified that the increase to \$5 million would not be a recurring expense because the money would be replenished over time as loans were paid back. He then asked Mr. Grant how repayments were progressing for businesses that received loans. Mr. Grant stated that out of 13 loans, one company has completely repaid their loan, and all but one have paid their installments on time.

Ms. Norris, Administration, stated that increasing the budget for capital access to \$5 million may be challenging and requested that the language be aspirational or that the money come from reserves. Chair Arias noted they were looking for \$4 million and recommended that the administration take a deeper look at the budget. He said that JSEB had been neglected for a long time and that there is a demand for expanded funding. He also stated his concern with the upcoming budget process and securing the funding needed for expanded capital access. Chair Arias also said he would like the repayment plans to have rates set at 5% and change the duration of loans to less than 60 months to prevent funds from running out all at once. Mr. Grant stated he was open to that and could submit a plan to the committee and the Administration.

Chair Arias asked Mr. Grant if he wanted this to be a one-time injection of funds or a loan to be paid back. Mr. Grant stated that he was expecting to repay the money. Ms. Norris, Administration, invited Ed Randolph, Office of Economic Development, to explain some concerns with the potential use of the capital access dollars. Mr. Randolph stated that they have not seen the best returns, and due to the nature of small businesses, they could not expect it all to be paid back on time. He understood the desire to have more short-term loans for newer businesses but again stated that finding the \$4 million to expand capital access would be challenging for the administration. Chair Arias suggested doing a pilot program with a smaller amount of money. Ms. Norris stated that the administration saw the current \$1 million disbursement of funds as a pilot program and suggested assessing repayments of the current loans at the end of the year to determine efficacy. Mr. Grant stated that \$650,000 was left over from task force legislation that could be used as a pilot program.

Chair Arias asked how much money had been paid out that had not been repaid. Mr. Grant stated that \$887,000 is left to be repaid, and if repaid on time, it would be repaid in two years, except for two loans, which would be repaid in five years. Chair Arias agreed with Ms. Norris that this current disbursement be used as a pilot program until next year to see how repayment progresses on the original \$1 million. Chair Arias asked the Administration if an additional \$500,000 could be given to JSEB in the interim to provide more loans to businesses this year. Ms. Norris said she would see what options existed.

Council Member Amaro disagreed with the term pilot program but agreed with what had been discussed. He also questioned the security of the loans. Mr. Grant stated they have a heavy vetting process when disbursing the loans via an RFP process. Council Member Amaro recommended some collateral for larger loans. Chair Arias agreed and suggested that Mr. Grant consider ways to secure loans in the future. Chair Arias noted that the increase to \$5 million for capital access funding did not appear likely, nor did an increase in loan amounts to \$250,000.

Action: Council Member Johnson moved to withdraw his original motion to expand capital access, which passed unanimously.

Action: Council Member Johnson then moved to inject \$500,000 into the JSEB Access to Capital Program Trust Fund and to recommend that the rates, terms, and maximum eligibility remain in a tier system. Specifically, it was recommended by the committee that the rates for the loans be between 4-5%, the maximum terms be reduced from 60 months to 36 months, and that the maximum eligibility remain at \$100,000. The motion passed unanimously. Chair Arias urged Mr. Grant to disburse that injection as microloans to more JSEBs.

The committee revisited the reciprocity pilot program, and Chair Arias asked for an update from Mr. Grant. Mr. Grant stated he was open to tabling the program for now while they collect more information and work through the monitoring committee. Chair Arias asked what had changed. Mr. Grant said he would like to gather more information and clarification from other counties before proceeding. Chair Arias noted that the proposed legislation would not compel JSEB to do a pilot program, and he did not understand the hesitation. Mr. Grant stated he was okay with proceeding as Chair Arias described it. Council Member Amaro asked if there was something already in place. Mr. Grant said he has had conversations with other counties and the program would be modeled after JTA's Local Small Business Enterprise (LSBE). Ms. Norris stated that they wanted to ensure JSEB was equipped for the increase in workload and recommended coming back later in the year with a more fleshed-out plan. Council Member Johnson agreed to wait until JSEB was more prepared for a reciprocity program.

Chair Arias stated that the committee had worked through each item and asked OGC to review the actions. Ms. MacGillis stated that she was working on legislation to increase minimum program funding, refocus reporting on payments to JSEB contractors, and expand the JSEB Prime Program. The JSEB reciprocity program and disparity study were deferred. The database sharing and increase in capital access would be handled internally, with the injection of \$500,000 into capital access funding manifesting as a recommendation from the committee.

Mr. Grant said he was happy with the outcomes and thanked the committee. Mr. Randolph agreed.

Chair Arias revisited the JSEB Center discussion, specifically the center proposed on Golfair Boulevard, and stated the community was now on board with opening the center. Mr. Grant said the center is meant to be used by JSEBs and community members for workforce development and educational purposes. Chair Arias emphasized the need to communicate transparently with communities and believes the Brentwood community is still owed a community center.

Mr. Grant recognized the different agencies, including Duval County Public Schools, Jacksonville Transportation Authority, Jacksonville Port Authority, Jacksonville Aviation Authority, and Jacksonville Energy Authority, for the work they do together regularly. Mr. Amaro said capitalization is one of the biggest struggles when starting a business. He asked Mr. Grant if there was an educational component for individuals who want to start a business. Mr. Grant said some partners assist with education, and educational requirements are attached to their capital access program. Chair Arias adjourned the meeting.

Public Comment:

John Nooney spoke about his excitement for the reciprocity agreement and highlighted Jacksonville's waterways as a key attraction.

Gabe Hamda stated he was encouraged by the committee's willingness to listen to new ideas. He was also impressed by the JSEB's closeness to the community. He encouraged continued collaboration between JSEB and the business community in problem-solving.

Lydia Bell, President of Metro Gardens Neighborhood Association, thanked the committee for speaking with them and reiterated the need for a community center. She stated that she had provided a proposal earlier for a potential location.

Tina Pham thanked the special committee and provided suggestions for improving the capital access program for small businesses, including programs and resources for people looking to start a business. She also suggested different loan amounts and durations to support businesses with various needs.

Meeting adjourned: 10:07 am.

Minutes: Brandon Russell, Council Research
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