

CITY OF JACKSONVILLE
NORTHWEST JACKSONVILLE ECONOMIC DEVELOPMENT FUND (NWJEDF)

ANNUAL REPORT
FISCAL YEAR 2021



TABLE OF CONTENTS

PROGRAM OVERVIEW_____ 3

NWJEDF ANNUAL REPORTING_____ 3

NWJEDF BOUNDARY AREA _____ 3

NWJEDF ADVISORY COMMITTEE _____ 4

FINANCIAL POSITION AND FUNDS AVAILABLE _____ 4

ON-GOING PROJECTS AND PROGRAMS _____ 4

PROJECTS AND PROGRAMS APPROVED DURING FY 2021_____ 6

OTHER ACTIONS DURING FY2021 _____ 7

LOAN STATUS_____ 7

PROJECTS BEING MONITORED BY THE OFFICE OF ECONOMIC DEVELOPMENT _____ 11

PROGRAM OVERVIEW

The Northwest Jacksonville Economic Development Fund (NWJEDF) is a public fund accessible by existing and prospective businesses in the Northwest Jacksonville area. The goals of the NWJEDF are to:

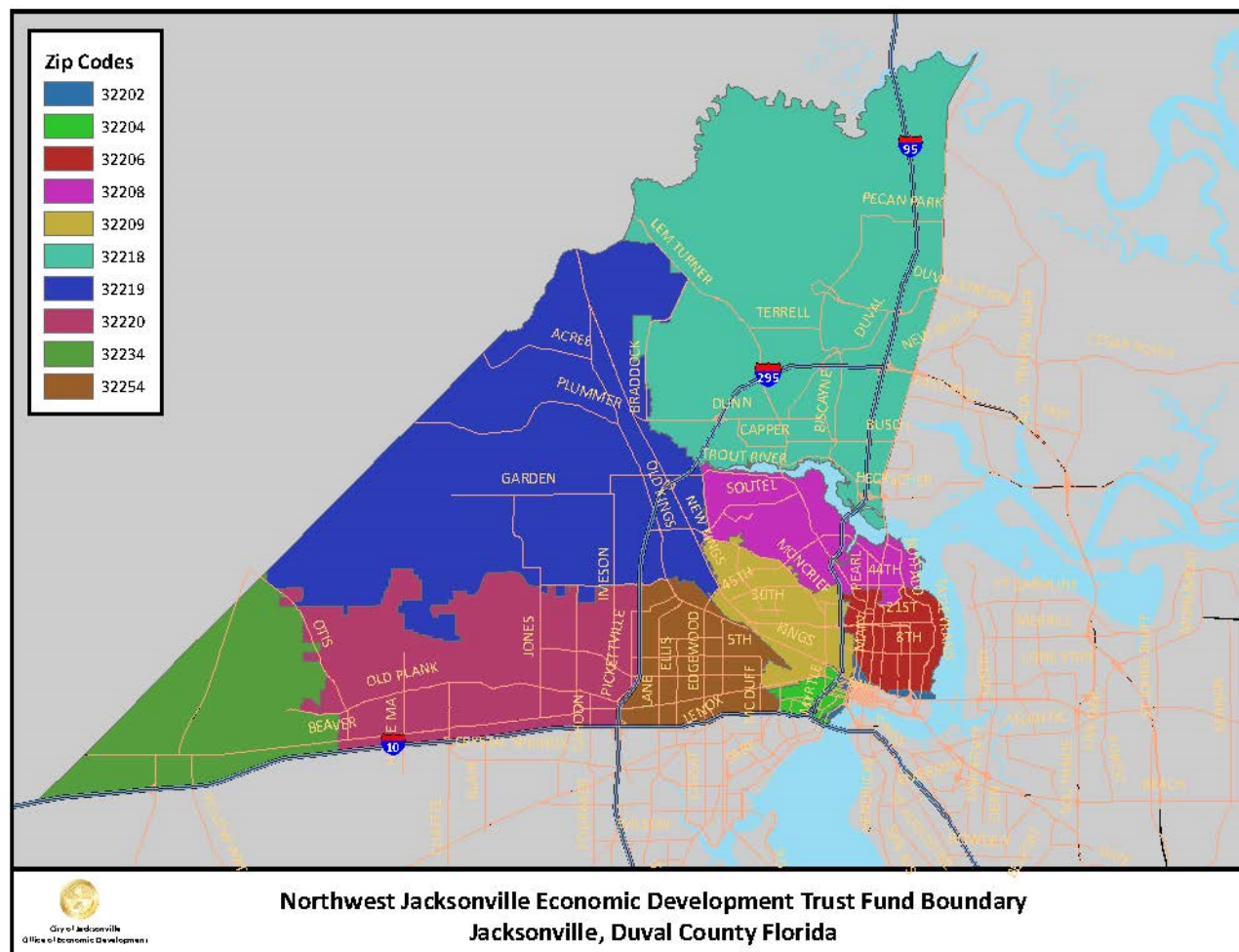
- Create access to jobs for area residents.
- Support the expansion of existing businesses within the Northwest area and encourage the creation of new service and retail businesses to service the needs of the community.
- Encourage redevelopment of vacant and underutilized buildings within the Northwest area.
- Stimulate new investment within the Northwest area, adding to the commercial tax base.

NWJEDF ANNUAL REPORTING

Pursuant to Ordinance 2001-1164-E, the Office of Economic Development (OED) is responsible for administering the NWJEDF. The OED is required to submit an annual report of program activities for the immediately preceding fiscal year.

NWJEDF BOUNDARY AREA

The current boundary area was made effective through Executive Order 2014-05. A map of the boundary area is below:



NWJEDF ADVISORY COMMITTEE

Members of the Advisory Committee are appointed by the Mayor pursuant to Executive Order No. 2019-04. The Advisory Committee is comprised of seven (7) members as follows:

- Category 1: Two (2) small business owners;
- Category 2: One (1) person with knowledge of the construction industry (builder, developer, architect, etc.);
- Category 3: Two (2) persons with knowledge of the financial industry (bankers, accountant, etc.);
- Category 4: One (1) person with knowledge of workforce preparation (educator, etc.); and
- Category 5: One (1) person of varied background.

All committee members must reside or be employed in the Northwest Jacksonville area or have a stated interest in economic development activity in the Northwest Jacksonville area.

Current members of the Advisory Committee include:

- Chair: Fred Atwill, Jr., ATWILL, LLC.
- Vice Chair: John Allmand, JAA Architecture
- George Barnes, George A. Barnes Realty
- Amber Cabrera, Young President's Organization (YPO)
- Tillery Durbin, 121 Financial Credit Union
- Cedrick Gibson, Florida State College at Jacksonville
- Valerie Jenkins, Wells Fargo

FINANCIAL POSITION AND FUNDS AVAILABLE

The initial funding source for the NWJEDF was the Construction Fund established by the Excise Taxes Revenue Bond Series 1986A authorized by Ordinance 86-487-211. The NWJEDF also received \$25M in Better Jacksonville Plan (BJP) proceeds in 2001. The BJP funds were set aside to encourage economic opportunities in the target area with the provision that repayments and interest be reinvested for future use within the boundaries. As of today, the balance of the NWJEDF is comprised of Capital Project Funds, BJP funding, and the Northwest OED Fund.

As of September 30, 2021, the balance of the NWJEDF was \$7,946,353. This includes encumbrances of \$1,856,658 and appropriations totaling \$2,225,932 for approved projects, leaving an available balance of \$5,720,421. Average monthly revenue for FY 2021 was \$24,755. Average monthly principal return for FY 2021 was \$17,647.

ON-GOING PROJECTS AND PROGRAMS

Non-Residential Septic Tank Repair and Replacement and Sewer Connection Grant Program. Ordinance 2018-196-E appropriated \$1,000,000 from the NWJEDF to establish a grant program to aid businesses with the costs associated with repairing or replacing failing septic systems and/or connection to JEA's sewer system. Ordinance 2021-385-E amended the eligibility criteria to include non-residential properties, including commercial and not-for-profit businesses, provided the property is not homesteaded. The program provides grants of up to \$30,000 to eligible businesses in the

NWJEDF boundary area. Eligible projects may include: repair or replacement of septic tanks and drain fields for businesses whose systems are in failure as determined by the Florida Department of Health or identified by a qualified person as per subsection 64E-6.004(3), Florida Administrative Code (F.A.C.); or connect to existing sewer. Properties cannot have any pending zoning or building code violations, pending liens, unpaid taxes, or environmental contamination.

The OED reports bi-annually to the City Council regarding the use of grant funds, including the grant recipient, address and amount of the grant and status of the grant for each application. As of September 30, 2021, 14 agreements were executed for a total of \$414,735. Further, 8 projects have been completed as of fiscal year end 2021. A total of \$277,425 has been disbursed for septic system repair/replacement or connection to JEA sanitary sewer. One agreement expired and \$9,348 was repaid to the City.

Supermarkets and Healthy Food Programs. In FY 2018 the City Council approved Ordinance 2018-195-E and authorized \$3,000,000 to engage a consultant and incentivize new supermarkets and healthy food programs in the Northwest area. In FY 2019 the OED worked with T. Brown Consulting Group, LLC to assist with recommending and developing incentive programs that would further the goal of improving health outcomes within the NWJEDF area through the provision of greater access to, affordability of, and education concerning healthy food choices. City Council approved Ordinance 2019-245-E, which accepted the consultant's report, adopted the Full-Service Grocery Store Program, and authorized the development of the following Food Desert Pilot Programs:

- Transportation Program;
- Mobile Market Program;
- Delivery Initiatives Program; and
- Expanded Inventory Offerings Program.

A total of \$105,000 was spent on the consultant's contract.

In FY 2021 the City Council authorized the following grants:

Program	Legislation	Company	Amount	Status
Transportation	2021-046-E & 2021-140-E	Jacksonville Transportation Authority (JTA)	\$50,000	2 nd year of Door to Store Program underway. First installment of \$25,000 paid. Final installment due around 10/15/2021.
N/A	2021-597-E	Overflow Health Alliance, Inc.	\$25,000	Payment due to Company by 11/2/2021 to assist with ceiling repairs, a/c repairs and purchase of additional food inventory for Making Ends Meet Grocery Store.

As of September 30, 2021, a total of \$1,975,100 was expended on the various programs and there was a working balance of \$980,667 to address food desert matters. OED continues to receive interest from providers regarding the programs and available funding.

PROJECTS AND PROGRAMS APPROVED DURING FY 2021

Ring Power Corporation (Phoenix Products, LLC) is a manufacturer of custom generator enclosures, fuel tanks and fueling systems for standby power, prime power, and peak shaving power applications. The company was founded in 1991 and was purchased by Ring Power Corporation in 2006. The company plans to expand its Jacksonville facility, including construction of a new administrative building and reconfiguring their existing site to improve the efficiency, assembly and manufacturing capacity. The project site is constrained by existing development. To construct the new administrative building, they plan to purchase and demolish an existing building located at 1544 E. 8th Street. Additional infrastructure improvements including utility upgrades, storm water improvements, and an expanded assembly/staging area within the existing confines of the site to meet their needs. The City Council approved Ordinance 2020-0587-E, authorizing a \$100,000 business infrastructure grant to offset a portion of the infrastructure improvements. The Project is anticipated to result in an estimated \$2,144,000 in private capital investment, as well as the creation of 12 full-time equivalent (FTE) jobs over the next five (5) years.

Eastern Wire Products, Inc. manufactures steel wire and related products. The Company offers single and double loop bale ties, galvanized Hi-tensile tying, ceiling, and automatic tying wire. Their customer base is primarily located east of the Mississippi River. The Company was founded in 1971 and currently employs 42 people. Eastern Wire Products has been leasing a portion of a multi-tenant building in Northwest Jacksonville for the last 30 years and is looking to expand into a new facility. The building they are negotiating to purchase is located at 5415 Longleaf Street, within a Level 2 Economically Distressed Area. The building requires significant updating to meet the current building code requirements and to retrofit the interior for manufacturing. The City Council approved Resolution 2021-0437-A, authorizing a \$100,000 business infrastructure grant and a 10-year, \$150,000 loan to help offset the costs associated with the Project. The Project is anticipated to result in an estimated \$4,461,905 in private capital investment, as well as the creation of 10 FTE jobs over a three-year period.

Regional Food Bank of Northeast Florida, Inc. (d/b/a Feeding Northeast Florida) is a 501(c)(3) nonprofit organization whose mission is to provide food to children and families in need. As a member of Feeding America, the Company is part of a nationwide network of food banks. Feeding Northeast Florida (FNEFL) currently operates in Northwest Jacksonville. FNEFL plans to expand into a vacant 26,000 square foot building located adjacent to the Jacksonville Farmer's Market. Following completion of site renovations and redevelopment, the building will serve as a commercial kitchen which will produce meals that can be distributed to those facing hunger in our community. The meals will be prepared as part of a job training program in conjunction with Goodwill and the restaurant community. The space created will include community cooking classes and a portion of the building will be dedicated to indoor vendors and small business incubation. A garden providing opportunities for community members to learn skills for use in their neighborhoods, will also be on site. FNEFL's vision is to establish the Jacksonville Farmer's Market as the community hub for wholesale and retail sale of locally grown fruits and vegetables and seasonal produce providing a robust variety of foods that will serve residents, local restaurants, and institutions year-round. The City Council approved Ordinance 2021-504-E, which appropriated \$1 million from the City's General Fund and \$200,000

from the NWJEDF, which will allow for development of the Farmer's Market and Resource Center. The Project is estimate to cost over \$2 million.

OTHER ACTIONS DURING FY2021

Concept Development, Inc. (CDI) is a full-service real estate development company specializing in build to suit projects for long term clients such as Firestone Auto Care Centers, Tractor Supply, Sleep Number, Race Trac, Verizon Wireless and Dollar General. CDI proposes to redevelop the site generally located at East 8th Street & Phoenix Avenue as a Dollar General store. The site has been vacant since 1986, when American Celcure Preservation Corporation ceased operations and is designated as a superfund site by the Environmental Protection Agency. Perfect Score Realty Group, II, LLC is the property owner, who has been working with CDI. The Company plans to remediate the entire 3.53-acre site in accordance with the Brownfield Site Rehabilitation Agreement (BSRA). Once the site is cleaned, CDI plans to purchase the western 1.37-acre parcel and construct a 10,640 square foot building to be leased to Dollar General. The balance of the site (2.13-acres) will remain available for future development by the property owner Perfect Score Realty Group II, LLC. The estimated costs associated with the environmental clean-up and construction is \$2,119,864. The NWJEDF Advisory Committee approved a \$300,000 business infrastructure grant to fund the financing gap necessary to remediate the Project site. Resolution 2021-0704-A was in process as of 9/30/2021; however the legislation was approved by City Council on 10/12/2021.

LOAN STATUS

As of September 30, 2021, the following NWJEDF loans are being serviced by the Office of Economic Development:

NWJEDF Loan Status as of 9/30/2021

Borrower	Loan Origination Date	Original Principal Amount	Loan Terms (Years)	Interest Percent (%)	Principal Balance (as of 9/30/2021)	Payment Status	Comments
Moncrief Plaza (Urban Core Enterprises, Inc.)	07/31/2003	\$2,100,000	20	0.00%	\$517,563	Current	COVID-19 Payment Waiver granted for period 3/1/2020-8/31/2020
The Laundry Station (fka Soap Bubbles Laundromat)	05/2/2003	\$122,359	19	3.00%	\$7,130	Current	Maturity date extended through 5/2/2022
Jessie & Rosa Wilcox/For Your Child Only	05/30/2003	\$240,000	20	3.00%	\$35,842	Current	Maturity date extended through 2/1/2024
Third & Main	09/26/2008	\$850,000	16	3.00%	\$742,622	Current	COVID-19 Payment Waiver granted for period 3/1/2020-8/31/2020
First Coast No More Homeless Pets, Inc. (Loan 1)	03/06/2009	\$211,325	25	3.00%	\$116,389	Current	Maturity date extended to June 1, 2034.
Fresh Ministries	05/23/2011	\$392,265	10	3.00%	\$318,204	Current	COVID-19 Payment Waiver granted for period 6/1/2020-11/30/2020

Borrower	Loan Origination Date	Original Principal Amount	Loan Terms (Years)	Interest Percent (%)	Principal Balance (as of 9/30/2021)	Payment Status	Comments
North Point Town Center	01/27/2012	\$527,579	10	3.00%	\$488,284	Current	COVID-19 Payment Waiver granted for period 6/1/2020-11/30/2020
First Coast No More Homeless Pets, Inc. (Loan 2)	08/28/2015	\$397,040	15	3.00%	\$311,171	Current	
Liquid Proof, LLC (Four Fathers Distillery)	5/9/2018	\$61,000	5	3.00%	\$53,476	Current	

NWJEDF Loan Files at the Office of General Counsel at 9/30/2021

Borrower	Loan Origination Date	Original Principal Amount	Loan Terms (Years)	Interest Percent (%)	Principal Balance (as of 9/30/2021)	Payment Status	Comments
Mr. G's Hair Depot	11/15/2002	\$63,560	20	3.00%	\$44,988	Default	Final Judgement of \$63,966 granted in favor of City on 8/17/2018.

Borrower	Loan Origination Date	Original Principal Amount	Loan Terms (Years)	Interest Percent (%)	Principal Balance (as of 9/30/2021)	Payment Status	Comments
Shoppes of Norfolk	11/23/2007	\$877,429	30	3.00%	\$438,715	Default	Settlement payment received from Evelyn Greer on 7/3/2017. Summary judgement issued against remaining guarantors.
Cedar Grove Corporation	06/24/2009	\$125,000	20	3.00%	\$116,232	Default	Default judgement issued against the Company and recorded on 7/21/2017.
Cowealth	02/16/2012	\$380,000	25	3.00%	\$346,431	Default	KJB filed bankruptcy on 3/20/2017 and Joann Brown filed bankruptcy on 5/16/2017. City has filed claims against the guarantors, but it is subject to the Subordination Agreement. Payments are past due for KJB's Chapter 11 Reorg Plan.

PROJECTS BEING MONITORED BY THE OFFICE OF ECONOMIC DEVELOPMENT

As of September 30, 2021, the following NWJEDF projects are being monitored by the Office of Economic Development:

Project Name	Project Address	Project Description	Project Assistance	Projected New Full-Time Jobs	Projected Private Capital Investment	Bill #
Moncrief Plaza Shopping Center	3000 Moncrief Rd.	Water & sewer infrastructure improvements	Construction loan of \$2.1 million & infrastructure grant of \$718,000	60	\$3,600,000	<u>2001-1114</u>
Soap Bubble Laundromats, Inc.	8110 Lem Turner Rd.	Infrastructure improvements. Loan Modification done to re-amortize the loan and extend maturity date	Construction loan of \$122,359 & grant of \$127,641	22	\$1,343,000	<u>2002-0431</u> <u>2018-0235</u>
Mr. G's Hair Depot	1492 Kings Rd.	Onsite infrastructure & building improvements	Construction loan of \$63,560 & grant of \$10,000	4	\$68,500	<u>2002-0832</u>
For Your Child Only Day Care Center	6101 Avenue B	Acquisition of land & building. Loan Modification done to re-amortize the loan and extend maturity date	Construction loan of \$240,000	15	\$311,000	<u>2003-0300</u> <u>2017-0019</u>
Shoppes at Norfolk	Corner of Soutel Dr. & Norfolk Blvd.	Renovation and construction of site as new commercial, retail development	Construction loan of \$877,429 & grant of \$584,952	50	\$4,387,144	<u>2007-0255</u>
First Coast No More Homeless Pets, Inc.	6817 Norwood Ave.	Acquisition & renovation of building for animal medical facility. Loan modification done to re-amortize the loan and extend maturity date	Construction loan of \$211,325 & grant of \$117,800	54	\$987,390	<u>2008-1036</u> <u>2019-0332</u>

Project Name	Project Address	Project Description	Project Assistance	Projected New Full-Time Jobs	Projected Private Capital Investment	Bill #
Cedar Grove Truck Wash	3317 Edgewood Ave. N.	Construction of commercial truck wash, with office and retail space	Loan of \$125,000 & grant of \$75,000	18	\$1,070,445	<u>2009-0185</u>
Fresh Ministries Beaver Street	728 Blanche St.	Onsite infrastructure & building improvements	Construction loan of \$392,265 & infrastructure grant of \$100,000	95	\$601,109	<u>2010-0367</u>
North Point Town Center	3416 Moncrief Rd.	Mixed use retail/office facility	Construction loan of \$527,579 & grant of \$351,719	17	\$1,881,800	<u>2010-0750</u>
Cowearth, LLC	5638 Commonwealth Ave.	Acquisition of building & purchase of equipment/ machinery	Loan of \$380,000 & infrastructure grant of \$210,550	56	\$2,430,000	<u>2011-0290</u>
L & J Diesel	2345 Harper St.	Relocate to larger facility, which will serve as Company's manufacturing facility.	Construction Loan of \$200,000 & grant of \$200,000	20	\$2,600,000	<u>2012-0682</u>
First Coast No More Homeless Pets, Inc.	464 Cassat Ave.	Low cost, full-service animal hospital	Construction loan of \$400,000 and grant of \$183,587	47	\$1,750,761	<u>2015-0014</u>
Church's Chicken	1855 Dunn Ave.	Fast food restaurant	Infrastructure grant of \$58,200	20	\$1,000,000	<u>2015-0015</u>
Sea Breeze	3807 Edgewood Dr. & 3744 Keen Rd.	Food service distributor	Infrastructure grant of \$238,909	5	\$238,909	<u>2015-0224</u>

Project Name	Project Address	Project Description	Project Assistance	Projected New Full-Time Jobs	Projected Private Capital Investment	Bill #
Jacksonville Farmers Market	1810 Beaver St. W.	Local produce market	Improvements to market grant of \$150,000	20	\$410,000	<u>2016-0067</u>
The Lofts on Main, LLC (Third and Main, LLC)	1303 Main St.	Housing & retail development project	Extension of \$850,000 loan	12	\$6,012,308	<u>2016-0334</u>
Hans-Mill Corp	5406 W. 1st St.	Manufacturing facility	Grant of \$200,000	23	\$11,799,000	<u>2016-0403</u>
Mixon Studios (2385 Corbett Street, LLC)	2385 Corbett St.	Event facility and artist studios	Infrastructure grant of \$34,000	6	\$557,173	<u>2017-0018</u>
LiquidProof, LLC d/b/a Four Fathers Distillery, Inc.	2917 Borden St.	Sprinkler System installation and water line extension to the building	Construction loan of \$61,000 & infrastructure grant of \$25,000	5	\$436,000	<u>2017-0448</u>
C&S Wholesale Grocers, Inc.	5050 Edgewood Ct.	Expansion of existing warehouse and distribution facility	Economically Distressed Area Targeted Industry Program (EDATIP) Grant of \$40,000	40	\$400,000	<u>2018-0223</u>
Clara White Mission - White Harvest Farms	4850 Moncrief Rd.	Prepare and develop an approx. 9-acre site to include design, permitting, and construction of Capital Improvements related to White Harvest Farms	Grant of \$1.5 million		\$1,500,000	<u>2018-0509</u>

Project Name	Project Address	Project Description	Project Assistance	Projected New Full-Time Jobs	Projected Private Capital Investment	Bill #
Lineage Logistics / Preferred Freezer Services of Jacksonville, LLC	5459 Doolittle Rd.	Off-site and on-site infrastructure improvements for construction of a cold storage food warehouse	Infrastructure grant of \$100,000	40	\$46,700,000	<u>2019-0086</u>
DPC Jax, LLC (dba Driver Performance Center)	Intersection of Broward Rd., Interstate Center Dr., and Zoo Pkwy.	Construction of automotive training, handling and testing center	Infrastructure grant of \$80,000	10	\$4,087,000	<u>2019-0651</u>
A A Auto Parts, Inc.	6641 Beaver St. W.	Infrastructure improvements needed to install a metal shredding system	Construction loan of \$150,000 & infrastructure grant of \$100,000	5	\$5,154,850	<u>2019-0652</u>
Flying W Plastics	109 Stevens St.	Infrastructure Improvements	Infrastructure grant of \$100,000	28	\$8,000,000	<u>2020-0312</u>
Ring Power Corporation	1727 Bennett St.	Infrastructure Improvements	Infrastructure grant of \$100,000	12	\$2,144,000	<u>2020-0587</u>
Eastern Wire Products	5415 Longleaf St.	Infrastructure Improvements	Construction loan of \$150,000 & infrastructure grant of \$100,000	10	\$4,461,905	<u>2021-0437</u>
Regional Food Bank of Northeast Florida (dba Feeding Northeast Florida)	1824 Beaver St. W.	Site renovations and redevelopment as Farmer's Market and Resource Center	Grant of \$200,000 (plus \$1 million from general fund)		\$2,000,000	<u>2021-0504</u>