

CITY OF JACKSONVILLE  
NORTHWEST JACKSONVILLE ECONOMIC DEVELOPMENT FUND (NWJEDF)

ANNUAL REPORT  
FISCAL YEAR 2022



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## 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:

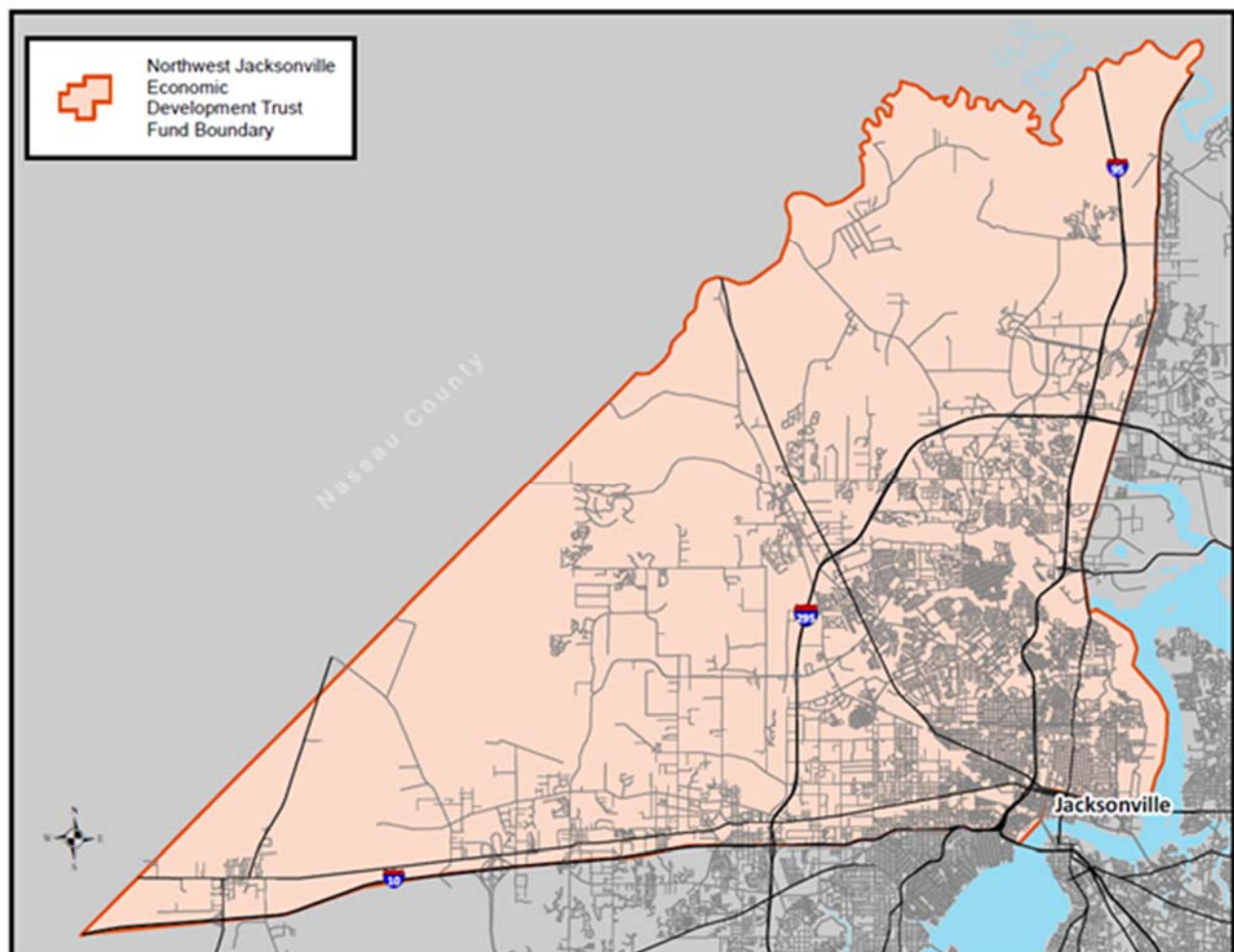
- Create access to jobs for area residents.
- Support the expansion of existing businesses within the Northwest area and encourage the creation of new service and retail businesses to service the needs of the community.
- Encourage redevelopment of vacant and underutilized buildings within the Northwest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

As of September 30, 2022, the members of the Advisory Committee included:

- 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, 2022, the balance of the NWJEDF was \$6,013,728. This includes encumbrances of \$2,580,855 and appropriations totaling \$697,247 for approved projects, leaving an available balance of \$5,316,481. Average monthly loan revenue for FY 2022 was \$83,160. Average monthly principal return for FY 2022 was \$77,471.

## 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, 2022, 23 agreements were executed for a total of \$619,267. Further, 12 projects have been completed as of fiscal year end 2022. A total of \$420,502 has been disbursed for septic system repair/replacement or connection to JEA sanitary sewer. One agreement expired and \$6,500 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 various Food Desert Pilot Programs.

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

In FY 2022 the City Council authorized the following grants:

Program	Legislation	Company	Amount	Status
Transportation	2022-0135-E	Jacksonville Transportation Authority (JTA)	N/A - no cost extension	3 <sup>rd</sup> year of Door to Store Program underway. No cost extension through the earlier of the date the remaining program funds are expended or September 30, 2023.
Full Service Grocery	2022-0029-E	Lift Jax, Inc.	\$650,000	In progress. To restore and expand the historic building at 1478 Florida Avenue, which was operated as Debs Store for over 90 years. Deadline of January 1, 2024 for completion.

As of September 30, 2022, a total of \$2,025,100 was expended on the various programs and \$650,000 remains encumbered. There was a working balance of \$330,667 at fiscal year end to address food desert matters.

## PROJECTS AND PROGRAMS APPROVED DURING FY 2022

**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 8<sup>th</sup> 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 City Council approved Resolution 2021-0704-A, authorizing a \$300,000 business infrastructure grant to fund the financing gap necessary to remediate the Project site.

**USA Big Mountain Paper Inc. (Nateen)** is a manufacturer of various paper products used in both medical and residential settings. Nateen was founded in Belgium in 2009 and has products available in over 60 countries. The Company proposes to lease the facility at 2160 W. 33<sup>rd</sup> Street in Northwest Jacksonville, which will serve as a paper products manufacturing facility. The Jacksonville facility would become the company's first U.S. manufacturing facility and serve as its U.S. headquarters. The City Council approved Resolution 2022-0087-A, authorizing a \$200,000 large scale economic development fund grant to help offset costs associated with infrastructure and building improvements needed to complete the Project. The Project is anticipated to result in an estimated \$5,300,000 in private capital investment, as well as the creation of 50 FTE jobs by 2024.

**Florida Mechanical Systems, Inc. (FMS)** is a privately held property and rental management, crane and mechanical equipment rental and fleet management business established in 1968. FMS owns the real property located at 524 Stockton Street and plans to construct a two story, 49,200 sq. ft. office and administrative building, which will be leased by W. W. Gay Mechanical Contractor. The City Council approved Resolution 2022-0277-A, authorizing a \$500,000 large scale economic development fund grant to help offset infrastructure and construction costs associated with the Project. The Project is anticipated to result in an estimated \$15,313,339 in private capital investment, as well as the creation of 60 FTE jobs by 2028.

**Fruit of Barren Trees, LLC (FOBT)** is a real estate development firm that was established in April of 2020 with the goal to revitalize distressed neighborhoods through real estate development. The firm also provides urban planning and business support services to expand business opportunities within distressed communities. FOBT proposes to acquire and renovate the vacant building located at 3202 N. Myrtle Avenue to serve as their office, office rental space to other tenants on the first floor, and market rate residential units on the second floor. The City Council approved Resolution 2022-0278-A, authorizing a 4-year, \$135,000 small business development initiative loan to help offset costs associated with the Project. The loan will have an interest rate of three percent (3%) per annum and

will be secured by a Second Mortgage on the property. Project is anticipated to result in an estimated \$670,000 in private capital investment, as well as the creation of 7 FTE jobs by 2026.

## OTHER ACTIONS DURING FY 2022

**Clara White Mission, Inc. (CWM)** was founded in 1904 and is dedicated to serving the needs of the less fortunate in the community. The City of Jacksonville entered into a \$1,500,000 Grant Agreement with Clara White Mission, Inc. on May 2, 2019, as authorized by Ordinance 2018-509-E, to support the development of the White Harvest Farms & Market Project. Construction of the improvements is underway, however, the Project has experienced delays due to supply chain interruptions and labor shortages resulting from the COVID-19 pandemic, as well as unanticipated cost increases. In order to allow for completion of the Project, the Company requested for the City to provide an additional \$247,090 and an extension to complete the Project. The City Council approved Ordinance 2022-561-E, extending the completion deadline through December 31, 2022 and authorizing \$247,090 of additional grant funds for the Project.

**AA Auto Parts, Inc.** is engaged in the sale of used automobile parts and ferrous and non-ferrous metal recycling. The Company is in the process of expanding their business, located at 6641 W. Beaver Street, to incorporate a metal shredding operation. Ordinance 2019-652-E, approved on October 22, 2019, appropriated \$250,000 from the Northwest Jacksonville Economic Development Fund (NWJEDF) to support the Company's expansion, which includes additional infrastructure improvements needed to install the metal shredder system on the property. The Project is currently under construction but has experienced delays due to environmental issues identified during the completion of the site work and the COVID-19 Pandemic, delaying construction and delivery of needed building materials. As a result, the Company requested an extension to complete the Project. The City Council approved Ordinance 2022-560-E, extending the completion deadline through December 31, 2022.

**Ferrosorce, LLC** is a global procurement and distribution company focused on supply chain and risk management in the ferrous metals market. They procure, distribute, and customize a variety of steel products for domestic users of hot and cold rolled steel, pipe, tube and long products such as wire, rebar, wire rods, tubes, steel bar and steel sections. The Company proposes to lease space at 1011 Blanche Street, which will serve as a metal fabricating facility to support their customer's needs. Additionally, they propose to create within their facility a free trade zone to import and store steel before it's fabricated into structural steel parts and rebar. The Project will have an estimated capital investment of \$2.5 million and will create up to 15 new jobs. The NWJEDF Advisory Committee approved a \$100,000 business infrastructure grant to offset a portion of the infrastructure costs needed to complete the Project site. Resolution 2022-0717-A was in process as of 9/30/2022; however, the legislation was approved by City Council on 10/11/2022.

## LOAN STATUS

As of September 30, 2022, the following NWJEDF loans are being serviced by the Office of Economic Development:

NWJEDF Loan Status as of 09/30/2022

Borrower	Loan Origination Date	Original Principal Amount	Loan Terms (Years)	Maturity Date	Interest Percent (%)	Principal Balance (as of 9/30/2022)	Payment Status	Comments
Moncrief Plaza (Urban Core Enterprises, Inc.)	07/31/2003	\$2,100,000	20	08/1/2026	0.00%	\$412,563	Current	Repayment began 8/1/2006
The Laundry Station (fka Soap Bubbles Laundromat)	05/2/2003	\$122,359	19	04/30/2026	3.00%	\$0	Current	Paid in Full
Jessie & Rosa Wilcox/For Your Child Only	05/30/2003	\$240,000	20	02/01/2024	3.00%	\$21,670	Current	Original term of 10 yrs. Modified to re-amortize and extend maturity date through 2/1/2024
Third & Main	09/26/2008	\$850,000	16	04/30/2026	3.00%	\$0	Current	Paid in Full
First Coast No More Homeless Pets, Inc. (Loan 1)	03/06/2009	\$211,325	25	06/01/2034	3.00%	\$108,812	Current	Original term of 10 yrs. Modified to re-amortize and extend maturity date through 6/1/2034.

NWJEDF Loan Status as of 09/30/2022

Borrower	Loan Origination Date	Original Principal Amount	Loan Terms (Years)	Maturity Date	Interest Percent (%)	Principal Balance (as of 9/30/2022)	Payment Status	Comments
Fresh Ministries	05/23/2011	\$392,265	10	04/01/2025	3.00%	\$304,154	Current	Repayment began 4/1/2015
North Point Town Center	01/27/2012	\$527,579	10	12/22/2025	3.00%	\$479,259	Current	Repayment due 15 yrs from date of Execution (12/22/2010), w/interest only payments for the earlier of 5 yrs or until 95% occupancy.
First Coast No More Homeless Pets, Inc. (Loan 2)	08/28/2015	\$397,040	15	10/01/2032	3.00%	\$284,93	Current	Repayment began 6/1/2017
Liquid Proof, LLC (Four Fathers Distillery)	05/09/2018	\$61,000	5	06/01/2023	3.00%	\$51,406	Late for September	Repayment began 7/1/2018

## PROJECTS BEING MONITORED BY THE OFFICE OF ECONOMIC DEVELOPMENT

As of September 30, 2022, 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 #
<b>Moncrief Plaza Shopping Center</b>	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>
<b>Mr. G's Hair Depot</b>	1492 Kings Rd.	Onsite infrastructure & building improvements <i>*Final judgement of \$63,966 granted in favor of City on 8/17/2018</i>	Construction loan of \$63,560 & grant of \$10,000	4	\$68,500	<u>2002-0832</u>
<b>For Your Child Only Day Care Center</b>	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>
<b>Shoppes at Norfolk</b>	Corner of Soutel Dr. & Norfolk Blvd.	Renovation and construction of site as new commercial, retail development <i>*Settlement payment of \$438, 715 received from Evelyn Greer. Summary judgement issued against remaining guarantors.</i>	Construction loan of \$877,429 & grant of \$584,952	50	\$4,387,144	<u>2007-0255</u>

Project Name	Project Address	Project Description	Project Assistance	Projected New Full-Time Jobs	Projected Private Capital Investment	Bill #
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>
Cedar Grove Truck Wash	3317 Edgewood Ave. N.	Construction of commercial truck wash, with office and retail space  <i>*Default judgement issued against Company and recorded 7/21/2017.</i>	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  <i>*Claims filed against guarantors in 2017. Chapter 11 Reorg plan in place for KJB and Joann Brown. Restitution payments due pursuant to USA vs. Katrina Brown et al.</i>	Loan of \$380,000 & infrastructure grant of \$210,550	56	\$2,430,000	<u>2011-0290</u>

Project Name	Project Address	Project Description	Project Assistance	Projected New Full-Time Jobs	Projected Private Capital Investment	Bill #
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>
Hans-Mill Corp	5406 W. 1st St.	Manufacturing facility	Grant of \$200,000 for infrastructure	23	\$11,799,000	<u>2016-0403</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>

Project Name	Project Address	Project Description	Project Assistance	Projected New Full-Time Jobs	Projected Private Capital Investment	Bill #
<b>Clara White Mission - White Harvest Farms</b>	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 \$1,747,090 to complete project		\$1,747,090	<u>2018-0509</u> <u>2022-0561</u>
<b>Lineage Logistics / Preferred Freezer Services of Jacksonville, LLC</b>	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>
<b>A A Auto Parts, Inc.</b>	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> <u>2022-0560</u>
<b>Flying W Plastics</b>	109 Stevens St.	Infrastructure Improvements for piping products manufacturing facility	Infrastructure grant of \$100,000	28	\$8,000,000	<u>2020-0312</u>
<b>Ring Power Corporation (Phoenix Products)</b>	1727 Bennett St.	Infrastructure Improvements for metal fabricating facility	Infrastructure grant of \$100,000	12	\$2,144,000	<u>2020-0587</u>
<b>Eastern Wire Products</b>	5415 Longleaf St.	Infrastructure Improvements for steel and wire manufacturing facility	Construction loan of \$150,000 & infrastructure grant of \$100,000	10	\$4,461,905	<u>2021-0437</u>

Project Name	Project Address	Project Description	Project Assistance	Projected New Full-Time Jobs	Projected Private Capital Investment	Bill #
<b>Regional Food Bank of Northeast Florida (dba Feeding Northeast Florida)</b>	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>
<b>Concept Development</b>	1040 E. 8 <sup>th</sup> St.	Environmental remediation and development of site as Dollar General	Infrastructure grant of \$300,000		\$2,119,864	<u>2021-0704</u>
<b>USA Big Mountain Paper (Nateen)</b>	2160 W. 33 <sup>rd</sup> St.	Renovations and infrastructure improvements for paper medical products manufacturing facility	Grant of \$200,000 for infrastructure and building improvements	50	\$5,300,000	<u>2022-0087</u>
<b>Florida Mechanical Systems, Inc. (FMS)</b>	524 Stockton St.	Construction, infrastructure improvements and equipment for new building to serve as administrative facility for W.W. Gay Mechanical Contractors, Inc.	Grant of \$500,000 for infrastructure and construction	60	\$15,313,339	<u>2022-0277</u>
<b>Fruit of Barren Trees, LLC</b>	3202 N. Myrtle Ave.	Renovation of building to serve as office and leased space	Construction loan of \$135,000	7	\$670,000	<u>2022-0278</u>