



**NORTHWEST JACKSONVILLE ECONOMIC DEVELOPMENT FUND
(NWJEDF) ADVISORY COMMITTEE
CITY HALL AT ST. JAMES
117 WEST DUVAL STREET, 3RD FLOOR, CONFERENCE ROOM C
JACKSONVILLE, FL 32202
TUESDAY, MARCH 22, 2022 AT 3:30 P.M.**

MEETING MINUTES

Location: City Hall at St. James, located at 117 West Duval Street, 3rd Floor, Conference Room C, Jacksonville, FL 32202

Advisory Board Members Present: Chair Fred Atwill, Jr., Vice-Chair John Allmand, George Barnes, Cedrick Gibson and Tillery Durbin

Advisory Board Members Absent: Amber Cabrera and Valerie H. Jenkins

Office of Economic Development Staff Present: Kirk Wendland, Paul Crawford, Wendy Khan, Joe Whitaker and Corey Craig

Representing the Office of General Counsel: John Sawyer

Representing City Council: None

Members of the Public: Christy Grant, Fruit of Barren Trees; Rebecca Johnson, Fruit of Barren Trees; Heather Rollinsun, Fruit of Barren Trees; and Stanley Scott, African American Economic Recovery Think Tank

I. CALL TO ORDER

Chair Fred Atwill, Jr. called the NWJEDF Advisory Committee meeting to order at @ 3:32 p.m. Around the table introductions were made. A quorum was established.

II. ACTION ITEMS

APPROVAL –DECEMBER 14, 2021 MEETING MINUTES

BOARD MEMBER BARNES MOVED THAT THE DECEMBER 14, 2021 MEETING MINUTES BE APPROVED AS SUBMITTED. THE MOTION WAS SECONDED BY BOARD MEMBER GIBSON. A VOTE OF THE BOARD WAS TAKEN AND THE DECEMBER 14, 2021 MEETING MINUTES WERE UNANIMOUSLY (5-0) APPROVED BY THE MEMBERS PRESENT.

PROJECT: FRUIT OF BARREN TREES (FOBT) - PRESENTED BY JOE WHITAKER, PROJECT MANAGER, OED

Fruit of Barren Trees, LLC (FOBT) is a real estate development firm, wholly owned and operated by Ms. Rebecca Johnson. Established in April of 2020, FOBT was created 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 has selected Jacksonville to establish its business. FOBT seeks to provide real estate development services in Jacksonville, Fla., Birmingham, Ala., Detroit, Mich. and Baltimore, Md. FOBT is registered in the state of Florida and designated as a Foreign Limited Liability Company.

A Northwest Jacksonville Economic Development Fund application was submitted by FOBT to acquire and renovate an existing building located at 3202 N. Myrtle Ave., Jacksonville, FL 32209. FOBT has acquired and proposes to renovate the building for their offices and provide additional office rental space to other tenants on the first floor and renovate the second floor for market rate residential units.

The sources and uses of funds associated with the expansion and renovation of the building and adjacent lots to support the overall development is summarized as follows:

<u>Uses</u>	
Acquisition	\$105,000
Renovations	480,000
Architectural, Engineering and Soft Costs	<u>85,000</u>
Total Uses of Funds	\$670,000

<u>Sources</u>	
LISC	\$470,000
NW SBDI 2 nd Mortgage	135,000
Owner Equity	<u>65,000</u>
Total Sources of Funds	\$670,000

Local Initiatives Support Corporation’s (LISC) first mortgage loan is approved for \$470,000 at an interest rate of 5.5% and amortized over 25 years with a call at the end of the fourth year. The recommendation is for a Northwest Small Business Development Initiative (SBDI) loan for \$135,000 at an interest rate of 3% based upon a 20-year amortization with a call at the end of the fourth year. The loan balance at the end of the term would be \$114,057. Monthly payments of \$748.71 would be due and payable on the first day of each month for 48 months after disbursement upon completion of project renovations and issuance of a certificate of occupancy. Security for the SBDI loan would be a second mortgage on the building subordinate to the first mortgage lender –LISC, second interest in the assignment of leases, and personal guaranty of FOBT’s Managing Director, Rebecca Johnson.

The NW SBDI loan requested is a material factor for FOBT to complete the project and support the revitalization of this portion of the North Myrtle corridor within this designated Level 2 Economically Distressed Area.

# of Jobs To Be Created	Capital Investment	Intangibles
The developer FOBT will create 7 new jobs @ an average wage of \$34,700, no later than Dec. 31, 2026.	Estimated to be \$670,000 in real property improvements.	Supports the expansion of a real estate development firm and begin the revitalization of the North Myrtle Avenue Corridor within a Level 2 Economically Distressed Area in the Northwest Jacksonville Economic Development Fund boundary area.

Project Rationale & Benefits:

1. Supporting FOBT will support the expansion of a newly formed real estate development firm focusing on revitalizing distressed neighborhoods, creating 7 new jobs, and returning a vacant building to a productive use generating new office and residential units within the North Myrtle Avenue neighborhood.

2. The project will result in new private capital investment of \$670,000 within a Level 2 Economically Distressed Area in the Urban Core and Northwest Jacksonville.

Project Incentives:

The City of Jacksonville proposes to provide:

- FOBT is seeking public investment through the Northwest Jacksonville Economic Development Fund Small Business Development Initiative (SBDI) Loan Program in the amount of \$135,000 to offset a portion of the development costs associated with the project.
- The project has an ROI of 1.58 : 1, for the City of Jacksonville.

The total amount of City funding to be repaid within a 48-month period would be \$135,000, plus interest.

Rebecca Johnson, President, Fruit of Barren Trees, distributed marketing materials to the Advisory Committee.

Public Comment: Stanley Scott with the African American Economic Recovery Think Tank asked about project receivables.

Discussion:

Board Member Barnes commented that this is a much needed project, and added that the project location has always been a vibrant place up until the last 10 years.

Mr. Wendland mentioned that Ms. Johnson is putting a lot of equity in the project.

Board Member Durbin asked how long it was going to take to complete the renovations. Ms. Johnson replied that the project will begin in April and is scheduled to be completed in October of this year.

A MOTION WAS MADE BY BOARD MEMBER ALLMAND TO APPROVE A SMALL BUSINESS DEVELOPMENT INITIATIVE (SBDI) LOAN IN THE AMOUNT OF \$135,000 FROM THE NORTHWEST JACKSONVILLE ECONOMIC DEVELOPMENT FUND, FOR FRUIT OF BARREN TREES, LLC. THE MOTION WAS SECONDED BY BOARD MEMBER BARNES. A VOTE OF THE BOARD WAS TAKEN, AND THE SMALL BUSINESS DEVELOPMENT INITIATIVE (SBDI) LOAN IN THE AMOUNT OF \$135,000 FOR FRUIT OF BARREN TREES, LLC WAS APPROVED UNANIMOUSLY BY THE MEMBERS PRESENT (5-0).

PROJECT: FLORIDA MECHANICAL - PRESENTED BY JOE WHITAKER, PROJECT MANAGER, OED

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 to be redeveloped for W. W. Gay Mechanical Contractor, Inc. as the primary tenant of the proposed new building. The president of W. W. Gay Mechanical Contractor, Inc., Mr. Paul Jones is also the president of FMS. FMS and W. W. Gay Mechanical are both registered Florida for Profit Corporations in the State of Florida.

FMS submitted a Northwest Jacksonville Economic Development Fund application to support the construction of a two story 49,200 sq. ft. office and administrative building at 524 Stockton St., Jacksonville, FL 32204. The development cost is estimated to be \$15.3 million and will result in the creation of up to 60 new full-time jobs within five years after project completion at an average wage of \$83,700 plus a generous

benefit package. The building is being constructed by FMS for lease to W. W. Gay Mechanical Contractor to replace their corporate headquarters which was destroyed by fire in August 2020. Project site location is within a designated Level 2 Economically Distressed Area within Northwest Jacksonville.

The costs associated with constructing the building within an urban infill site is designed to meet the current building code and accommodate the needs of W. W. Gay to serve as their corporate headquarters. W. W. Gay desires to remain a tenant within FMS's 20-acre campus. The proposed building fronts Stockton Street and is bounded by the CSX rail-line, Acosta Street, Edison Avenue and adjacent to I-10. The costs associated with the construction and renovation is estimated to be \$15,313,339 and summarized as follows:

• Building Construction	\$ 10,458,700
• Renovations	1,441,153
• Site Development	622,700
• Furniture & Fixtures	2,369,950
• Contingency	<u>420,836</u>
Total	\$ 15,313,339

FMS is requesting City of Jacksonville support to reconstruct the corporate headquarters for W. W. Gay Mechanical Contractor and retain this business and support its expansion within the Rail Yard District Area. The incentives requested are a material factor for W. W. Gay to relocate their corporate headquarters within this Level 2 Economically Distressed Area.

# of Jobs To Be Created	Capital Investment	Intangibles
The tenant W. W. Gay will create 60 new jobs @ an average wage of \$83,700, no later than Dec. 31, 2028.	Estimated to be \$15.3 million comprised of \$12.9 million R/E and \$2.4 million, furniture and fixtures, etc.	Supports the retention of a corporate headquarters within a Level 2 Economically Distressed Area in the Northwest Economic Development Fund boundary area.

Project Rationale & Benefits:

1. Supporting FMS will assist in retaining and supporting the expansion of the corporate headquarters of W. W. Gay Mechanical Contractor, Inc. and create 60 new full-time high wage jobs generating an annual payroll of an additional \$5 million per year, plus benefits. W. W. Gay Mechanical, Inc. currently employs over 600 employees in Jacksonville.
2. The project will result in new private capital investment of \$15.3 million within a Level 2 Economically Distressed Area in the Urban Core and Northwest Jacksonville.

Project Incentives:

The City of Jacksonville proposes to provide:

- FMS is seeking public investment through the Northwest Jacksonville Economic Development Fund Large Scale Economic Development Fund (LSEDF) Grant in the amount of \$500,000 to offset a portion of the site development costs associated with the project.
- The company is also seeking public investment through the City of Jacksonville Recapture Enhanced Value (REV) Grant at the level of 50% of the net increase in real and tangible property taxes based upon the net private capital investment of \$15.3 million for the first ten years after completion of the 49,200 sq. ft. headquarters and administrative facility to support W. W. Gay

Mechanical Contractor, Inc. The REV Grant requires a minimum \$10 million capital investment in the project site no later than December 31, 2023. Project location is within Northwest Jacksonville. The REV Grant is capped at \$700,000 over the ten-year REV Grant period.

- The project has an ROI of 1.34 : 1, for the City of Jacksonville.

The total amount of City incentives would be up to \$1,200,000.

Mr. Wendland added that the company is being recruited by others.

Discussion:

Board Member Allmand asked if \$500,000 was the largest grant ever issued by the NWJEDF. Mr. Wendland replied that no, within the policy guidelines, grants can go up to \$600,000 for projects of this magnitude.

Board Member Durbin asked about the other City incentives proposed for the project. Mr. Wendland explained the REV grant also being proposed.

Chair Atwill, Jr. made the comment that this is an urban infill project, in a distressed area, and would most likely act as a catalyst project for the area.

Public Comment: Stanley Scott with the African American Economic Recovery Think Tank made comments and asked how many people from the community worked for the company.

A MOTION WAS MADE BY BOARD MEMBER DURBIN TO APPROVE A LARGE-SCALE ECONOMIC DEVELOPMENT FUND (LSEDF) GRANT IN THE AMOUNT OF \$500,000.00, FROM THE NORTHWEST JACKSONVILLE ECONOMIC DEVELOPMENT FUND, FOR FLORIDA MECHANICAL SYSTEMS, INC. THE MOTION WAS SECONDED BY BOARD MEMBER GIBSON. A VOTE OF THE BOARD WAS TAKEN, AND A LARGE-SCALE ECONOMIC DEVELOPMENT FUND (LSEDF) GRANT IN THE AMOUNT OF \$500,000.00, FOR FLORIDA MECHANICAL SYSTEMS, INC. WAS APPROVED BY THE MEMBERS PRESENT (4-0-1 ALLMAND).

III. INFORMATION/DISCUSSION ITEMS

CHAIR ATWILL, JR. RECOGNIZED BOARD MEMBER TILLERY DURBIN FOR BEING AWARDED THE JACKSONVILLE BUSINESS JOURNAL'S 40 UNDER 40.

NWJEDF FINANCIALS UPDATE – PRESENTED BY WENDY KHAN, OED FINANCE & COMPLIANCE MANAGER

NWJEDF Summary Statement: the current available/unappropriated balance as of February 28, 2022, was approximately \$5.4 million.

NWJEDF Outstanding Loans: all nine active loans are current. The current principal balance due is \$2,494,597.

Files at Office of General Counsel: there were no changes with the files that are in the Office of General Counsel for processing: Mr. G's Hair Depot; Cowealth, LLC; K Mack, LLC Shoppes at Norfolk; and Cedar Grove Corp.

UPDATE – ON-GOING PROGRAMS PRESENTED BY PAUL CRAWFORD, OED DEPUTY DIRECTOR

Food Desert Program:

- LIFT JAX has moved forward with the Debs Store project at 1478 Florida Avenue and will commence construction in the middle part of 2022.
- JTA Door to Store Program has been extended to September 2023.

IV. OLD BUSINESS

No old business was discussed.

V. NEW BUSINESS

No new business was discussed.

VI. PUBLIC COMMENTS

Stanley Scott with the African American Economic Recovery Think Tank made comments and asked what economic development has done to change the landscape of the community.

VII. ADJOURNMENT

There being no further business, Chair Atwill, Jr. adjourned the meeting at approximately 4:08 p.m.

The next quarterly NWJEDF Advisory Committee meeting date is TBD.

The written minutes for this meeting are only an overview of what was discussed. For verbatim comments, an audio file of the meeting is available upon request. Please contact Corey Craig at (904) 255-5445, or by email at ccraig@coj.net.

FORM 8B MEMORANDUM OF VOTING CONFLICT FOR COUNTY, MUNICIPAL, AND OTHER LOCAL PUBLIC OFFICERS

LAST NAME—FIRST NAME—MIDDLE NAME <i>Allmond John Anderson</i>	NAME OF BOARD, COUNCIL, COMMISSION, AUTHORITY, OR COMMITTEE <i>NWEDC</i>
MAILING ADDRESS <i>3750 Oak St.</i>	THE BOARD, COUNCIL, COMMISSION, AUTHORITY OR COMMITTEE ON WHICH I SERVE IS A UNIT OF: <input type="checkbox"/> CITY <input checked="" type="checkbox"/> COUNTY <input type="checkbox"/> OTHER LOCAL AGENCY
CITY COUNTY <i>Jacksonville Duval</i>	NAME OF POLITICAL SUBDIVISION:
DATE ON WHICH VOTE OCCURRED <i>3.22.22</i>	MY POSITION IS: <input type="checkbox"/> ELECTIVE <input checked="" type="checkbox"/> APPOINTIVE

WHO MUST FILE FORM 8B

This form is for use by any person serving at the county, city, or other local level of government on an appointed or elected board, council, commission, authority, or committee. It applies equally to members of advisory and non-advisory bodies who are presented with a voting conflict of interest under Section 112.3143, Florida Statutes.

Your responsibilities under the law when faced with voting on a measure in which you have a conflict of interest will vary greatly depending on whether you hold an elective or appointive position. For this reason, please pay close attention to the instructions on this form before completing the reverse side and filing the form.

INSTRUCTIONS FOR COMPLIANCE WITH SECTION 112.3143, FLORIDA STATUTES

A person holding elective or appointive county, municipal, or other local public office **MUST ABSTAIN** from voting on a measure which inures to his or her special private gain or loss. Each elected or appointed local officer also is prohibited from knowingly voting on a measure which inures to the special gain or loss of a principal (other than a government agency) by whom he or she is retained (including the parent organization or subsidiary of a corporate principal by which he or she is retained); to the special private gain or loss of a relative; or to the special private gain or loss of a business associate. Commissioners of community redevelopment agencies under Sec. 163.356 or 163.357, F.S., and officers of independent special tax districts elected on a one-acre, one-vote basis are not prohibited from voting in that capacity.

For purposes of this law, a "relative" includes only the officer's father, mother, son, daughter, husband, wife, brother, sister, father-in-law, mother-in-law, son-in-law, and daughter-in-law. A "business associate" means any person or entity engaged in or carrying on a business enterprise with the officer as a partner, joint venturer, coowner of property, or corporate shareholder (where the shares of the corporation are not listed on any national or regional stock exchange).

ELECTED OFFICERS:

In addition to abstaining from voting in the situations described above, you must disclose the conflict:

PRIOR TO THE VOTE BEING TAKEN by publicly stating to the assembly the nature of your interest in the measure on which you are abstaining from voting; *and*

WITHIN 15 DAYS AFTER THE VOTE OCCURS by completing and filing this form with the person responsible for recording the minutes of the meeting, who should incorporate the form in the minutes.

APPOINTED OFFICERS:

Although you must abstain from voting in the situations described above, you otherwise may participate in these matters. However, you must disclose the nature of the conflict before making any attempt to influence the decision, whether orally or in writing and whether made by you or at your direction.

IF YOU INTEND TO MAKE ANY ATTEMPT TO INFLUENCE THE DECISION PRIOR TO THE MEETING AT WHICH THE VOTE WILL BE TAKEN:

- You must complete and file this form (before making any attempt to influence the decision) with the person responsible for recording the minutes of the meeting, who will incorporate the form in the minutes. (Continued on other side)

APPOINTED OFFICERS (continued)

- A copy of the form must be provided immediately to the other members of the agency.
- The form must be read publicly at the next meeting after the form is filed.

IF YOU MAKE NO ATTEMPT TO INFLUENCE THE DECISION EXCEPT BY DISCUSSION AT THE MEETING:

- You must disclose orally the nature of your conflict in the measure before participating.
- You must complete the form and file it within 15 days after the vote occurs with the person responsible for recording the minutes of the meeting, who must incorporate the form in the minutes. A copy of the form must be provided immediately to the other members of the agency, and the form must be read publicly at the next meeting after the form is filed.

DISCLOSURE OF LOCAL OFFICER'S INTEREST

John Allard, hereby disclose that on 3.22, 2022.

(a) A measure came or will come before my agency which (check one)

- inured to my special private gain or loss;
- inured to the special gain or loss of my business associate, _____;
- inured to the special gain or loss of my relative, _____;
- inured to the special gain or loss of _____, by whom I am retained; or
- inured to the special gain or loss of _____, which is the parent organization or subsidiary of a principal which has retained me.

(b) The measure before my agency and the nature of my conflicting interest in the measure is as follows:

A client works for the applicant.

3.22.22
Date Filed

[Signature]
Signature

NOTICE: UNDER PROVISIONS OF FLORIDA STATUTES §112.317, A FAILURE TO MAKE ANY REQUIRED DISCLOSURE CONSTITUTES GROUNDS FOR AND MAY BE PUNISHED BY ONE OR MORE OF THE FOLLOWING: IMPEACHMENT, REMOVAL OR SUSPENSION FROM OFFICE OR EMPLOYMENT, DEMOTION, REDUCTION IN SALARY, REPRIMAND, OR A CIVIL PENALTY NOT TO EXCEED \$10,000.