



**NORTHWEST JACKSONVILLE ECONOMIC DEVELOPMENT FUND
(NWJEDF) ADVISORY COMMITTEE
CITY HALL AT ST. JAMES
117 WEST DUVAL STREET, 2ND FLOOR, CONFERENCE ROOM C
JACKSONVILLE, FL 32202
TUESDAY, AUGUST 24, 2021 AT 3:30 P.M.**

MEETING MINUTES

Location: City Hall at St. James, located at 117 West Duval Street, 2nd Floor, Conference Room C, Jacksonville, FL 32202

Advisory Board Members Present: Chair Fred Atwill, Jr., Vice-Chair John Allmand, George Barnes, Tillery Durbin, Cedrick Gibson, and Valerie H. Jenkins (on phone)

Advisory Board Members Absent: Amber Cabrera (excused)

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: The Honorable Reggie Gaffney, District 7 (arrived at 3:48 p.m.)

Members of the Public: Jackie Lattimore, Perfect Score Realty Group, II/Destined for a Change; Seth Lane, Concept Companies; Lucius Lattimore II, Perfect Score Realty Group, II; Stanley Scott; and Nahshon Nicks.

I. CALL TO ORDER

Chair Fred Atwill, Jr. called the NWJEDF Advisory Committee meeting to order at @ 3:30 p.m. Around the table introductions were made. A quorum was established.

II. ACTION ITEMS

APPROVAL –JUNE 15, 2021 MEETING MINUTES

VICE-CHAIR ALLMAND MOVED THAT THE JUNE 15, 2021 MEETING MINUTES BE APPROVED AS SUBMITTED. THE MOTION WAS SECONDED BY BOARD MEMBER BARNES. A VOTE OF THE BOARD WAS TAKEN AND THE JUNE 15, 2021 MEETING MINUTES WERE UNANIMOUSLY (5-0) APPROVED BY THE MEMBERS PRESENT.

CONCEPT DEVELOPMENT, INC. PROJECT - PRESENTED BY JOE WHITAKER, PROJECT MANAGER, OED

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 provides a full range of real estate development services to meet the clients' specific needs. The project proposed is the development of a Dollar General store on East 8th Street & Phoenix Avenue.

The project site is located at 1040 E. 8th Street, 32206. The site was designated a superfund site by the Environmental Protection Agency (EPA). The business closed and the site has been vacant since 1991 due to the environmental contamination. Perfect Score Realty Group, II, LLC is the property owner. CDI

proposes to clean up the entire 3.53-acre site in accordance with the BSRA Agreement in place with the various regulatory agencies. Once the site is cleaned in accordance with the BSRA, CDI proposes 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 of the proposed 10,640 square foot commercial retail development is estimated to be \$2,119,864. The costs are summarized as follows:

• Site Acquisition (1.37 acres)	\$ 108,000
• Site Development Costs	534,500
• Building Construction	570,535
• Architectural/Engineering and Legal Fees	324,135
• Environmental Remediation	<u>582,694</u>
Total	\$2,119,864

Dollar General currently employs 161 full-time and 211 part-time persons in Jacksonville. The average wage is \$26,000 (\$12.54 hr.) Part-time employees earn an average wage of \$9.75 per hour, plus benefits. The proposed project will create four full-time and one part-time jobs. This project is located within Census Tract 174, a Level 2 Distress Area. The median annual household income for Census Tract 174 as of 2020 is \$23,381.

Site Conditions:

The proposed project site has been vacant since 1986 when American Celcure Preservation Corporation ceased operations. American Celcure Preservation Corporation had operated a wood preservative business at 1074 E. 8th Street since 1949. They manufactured a Celcure Dry Mix, a collection of chemicals utilized to preserve wood. Additionally, they treated railroad ties with the Celcure Dry Mix for sale to railroads, contractors, builders etc. The Celcure chemicals were toxic, and the site was heavily contaminated and declared a superfund site by the Florida Department of Environmental Regulation. In 1987, the Department of Environmental Regulation filed a civil suit against the owner of American Celcure. The net result was the business closed and the site vacated. The site was placed on the Florida Department of Environmental Regulation clean up list in 1993. The site remained contaminated, and several cleanup initiatives were embarked upon over the last 25 years. To redevelop the site, the remaining contaminants have to be removed and disposed of off-site in accordance with the BSRA. The remaining cost of the cleanup is estimated to be \$582,694.

Project Assistance: Concept Development, Inc. has requested a Northwest Economic Development Fund Business Infrastructure Grant (BIG) in the amount of \$300,000 to fund the financing gap necessary to remediate the project site. The level of Northwest assistance requested exceeds the maximum grant amount of \$100,000 and maximum funding amount of \$250,000, resulting in the need to waive the Public Investment Policy to fund this project. Due to the unusual nature of the contaminants remaining within the soil and the high cost associated to remove and properly dispose of the contaminated soil this site cannot be developed without financial assistance from the Northwest Jacksonville Economic Development Fund Business Infrastructure Grant (BIG).

Return on Investment: In order to determine an adequate return on investment based upon the costs associated and income stream associated with the project it will be necessary to extend the time frame for calculating the Return on Investment from the current standard of 10 years to 20 years. The breakeven point to achieve a 1:1 ROI is 16 years. The ROI calculations are as follows:

Estimated ROI for 10 years is .73: 1.

Estimated ROI for 20 years is 1.61: 1.

Other Factors to Be Considered:

In order to comply with proper zoning and permitting requirements, the Developer will have to obtain a Zoning Exception to permit a retail use for the property presently zoned IL.

The property owners, Perfect Score Realty Group II, LLC received a \$60,000 Brownfield Cleanup Loan from the City of Jacksonville Planning & Development Department in 2011. There is a remaining balance outstanding of \$47,500 which needs to be considered when finalizing this request. The property owners are requesting that the outstanding loan balance be waived by the City to move forward with the project. Council Member Gaffney has indicated a willingness to request the loan balance be waived to move the project forward.

Discussion:

Mr. Wendland commented that the existing loan was issued by the EDA and is a pass-through loan, through the City of Jacksonville. There is a mechanism by which the City can waive the loan.

Chair Atwill, Jr. commented that the property needs to be rezoned from IL to CCG2, to allow for the proposed use. Seth Lane, Concept Companies, replied that they have applied for a special exception to allow for retail use under the current zoning category (vs. applying to rezone the property).

Board Member Barnes asked for further clarification of what uses are acceptable under an IL zoning. Chair Atwill, Jr. replied that a full listing of uses can be found in the City's Ordinance Code.

Board Member Jenkins asked if anyone has reached out to LISC or any other community organizations to see if a Dollar General is needed in the community.

Mr. Lucius Lattimore, Perfect Score Realty Group, II, responded that yes, he has received positive feedback from many community members who are looking forward to the development.

Ms. Jackie Lattimore, Perfect Score Realty Group, II/ Destined for a Change, echoed that they have been working on this project since 2012, and seeking input from community members.

Council Member Gaffney commented that the Lattimore's have been working on this project for a long time. He expressed his support for the project, particularly since the area is considered a food desert.

Board Member Jenkins asked if there was anything in place to ensure the business would be properly maintained, both inside and outside of the building, wondering whether four full-time and one-part time employees would be sufficient.

CM Gaffney responded, commenting that nobody wanted to settle for a Dollar General, but they are willing to take a risk and come into a community where so many other businesses choose not to. He went on to say that he feels the community will take pride in the store and keep the area clean.

Mr. Lane commented that design changes now allow newer stores to store recyclable items inside (vs. outside which was a common source of debris). He went on to say that none of the stores are franchised, they are all corporately owned/operated. He attended a corporate meeting last year and maintenance issues are being addressed.

Board Member Durbin asked if adjacent properties were going to be cleaned/environmentally remediated.

Mr. Lane responded that they must clean up the entire contaminated area, not just the Dollar General site.

Board Member Barnes commented that any improvement to the site will be an improvement to the area.

Vice Chair Allmand expressed his support of the project and asked if there was a storm water pond on the site plan.

Mr. Lane replied that yes, there is a storm water pond on the site plan, and it ties into the remediation of the property.

Stanley Scott with the African American Economic Recovery Think Tank. The community has been there for many years in the urban core with very little economic development. The proposed business is going to bring the property value down in that community. It is a shame when you have other areas where you can move the location. In the urban core, there is not economic development. There are a lot of issues in that community that haven't been addressed.

CM Gaffney commented that this isn't an ideal project for the area, but you cannot make a Winn Dixie, Publix or the like locate there. It is the only project that has expressed interested in the community.

BOARD MEMBER BARNES MOVED THAT A NORTHWEST JACKSONVILLE ECONOMIC DEVELOPMENT FUND BUSINESS INFRASTRUCTURE GRANT (BIG) IN THE AMOUNT OF \$300,000.00 BE APPROVED FOR CONCEPT DEVELOPMENT, INC., WAIVING THE PUBLIC INVESTMENT POLICY. THE MOTION WAS SECONDED BY VICE CHAIR ALLMAND. A VOTE OF THE BOARD WAS TAKEN AND THE NORTHWEST JACKSONVILLE ECONOMIC DEVELOPMENT FUND BUSINESS INFRASTRUCTURE GRANT (BIG) IN THE AMOUNT OF \$300,000.00 WAS UNANIMOUSLY (5-0) APPROVED BY THE MEMBERS PRESENT.

INFORMATION/DISCUSSION ITEMS

FEEDING NORTHEAST FLORIDA - PRESENTED BY KIRK WENDLAND, OED EXECUTIVE DIRECTOR

OED has been working on a project with Council President Newby, which was added to the proposed city budget.

Project Summary: Feeding Northeast Florida (FNEFL) has worked out a long-term lease for the Farmer's Market on Beaver Street, which includes taking over an adjacent existing facility formerly occupied by Premier Meats.

The proposed funding request is for FNEFL to renovate and redevelop a 26,000 square foot long-unoccupied building, which will become a commercial kitchen that 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.

Furthermore, FNEFL will be taking over the operations of the adjacent Farmer's Market. The 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 total project cost is \$2.4 million. The request is for the City to pay for half of the total costs as a reimbursement grant. The funding will be through the budget ordinance (general fund), up to \$1,000,000. The balance of \$200,000 is to be funded from the Northwest Jacksonville Economic Development Fund. The total funding will be up to \$1,200,000.

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

NWJEDF Summary Statement: the current available/unappropriated balance as of July 31, 2021, was approximately \$5.87 million.

NWJEDF Outstanding Loans: all nine active loans are current. The current principal balance due is: \$2,625,696.

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.

The Project Tracking summary was updated to include Eastern Wire Products.

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

Septic Grant Program: there are no new projects to report. Mr. Crawford mentioned that legislation was recently passed amending the eligibility criteria to include non-residential properties, including commercial and not-for-profit businesses to apply, provided the property is not homesteaded (Ordinance 2021-385-E). Program balance is approximately \$585,000.

Food Desert Program: in addition to the Feeding Northeast Florida project mentioned, legislation was recently introduced for a \$25,000 grant for Making Ends Meat, a small community-based grocery store located on Moncrief Road, operated by Overflow Health Alliance. The \$25,000 grant would be used to make improvements to the store, and to provide produce for them to give away to the community. Program balance is just below \$1 million.

IV. OLD BUSINESS

There was no old business discussed.

V. NEW BUSINESS

Newly appointed NWJEDF Advisory Committee Member Tillery Durbin introduced herself.

VI. PUBLIC COMMENTS

Stanley Scott with the African American Economic Recovery Think Tank. Mr. Scott said he's been coming to City Hall for almost 40 years. He will be reaching out soon to the director of Economic Development. He mentioned that he covers the whole United States for African American concerns and is a native of Jacksonville. Mr. Scott expressed his concern that a lot of money has been spent but nothing has changed in the urban core. He is not seeing economics equity for all people. He will be reaching out with ideas to change the community. Leadership is the difference between a good community and a great community.

VII. ADJOURNMENT

There being no further business, Chair Atwill adjourned the meeting at approximately 4:18 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.