



**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, OCTOBER 11, 2022 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., George Barnes, Tillery Durbin, Cedrick Gibson and Amber Cabrera

Advisory Board Members Absent: Vice-Chair John Allman and Valerie H. Jenkins

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

Representing the Office of General Counsel: John Sawyer

Representing City Council: None

Members of the Public: Stanley Scott, African American Economic Recovery Think Tank; Denise Turner-Baker and Brian Baker, Bob's Famous BBQ

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 – AUGUST 16, 2022 MEETING MINUTES

BOARD MEMBER DURBIN MOVED THAT THE AUGUST 16, 2022 MEETING MINUTES BE APPROVED AS SUBMITTED. THE MOTION WAS SECONDED BY BOARD MEMBER GIBSON. A VOTE OF THE BOARD WAS TAKEN AND THE AUGUST 16, 2022 MEETING MINUTES WERE UNANIMOUSLY (5-0) APPROVED BY THE MEMBERS PRESENT.

ELECTION OF OFFICERS

BOARD MEMBER DURBIN NOMINATED FRED ATWILL JR. TO SERVE AS CHAIR OF THE NWJEDF ADVISORY COMMITTEE. BOARD MEMBER GIBSON SECONDED THE MOTION. A VOTE OF THE BOARD WAS TAKEN, AND THE MOTION TO NOMINATE FRED ATWILL JR. AS CHAIR OF THE NWJEDF ADVISORY COMMITTEE WAS APPROVED UNANIMOUSLY (5-0) BY THE MEMBERS PRESENT.

BOARD MEMBER BARNES NOMINATED CEDRICK GIBSON TO SERVE AS VICE-CHAIR OF THE NWJEDF ADVISORY COMMITTEE. BOARD MEMBER DURBIN SECONDED THE MOTION. A VOTE OF THE BOARD WAS TAKEN, AND THE MOTION TO NOMINATE CEDRICK GIBSON AS VICE-CHAIR OF THE NWJEDF ADVISORY COMMITTEE WAS APPROVED UNANIMOUSLY (5-0) BY THE MEMBERS PRESENT.

PROJECT: ADDIX SPORTS LLC - PRESENTED BY JOE WHITAKER, PROJECT MANAGER, OED

Background:

Sports Addix, LLC is a Michigan Limited Liability Company providing screen-printing, embroidery and apparel manufacturing. The business was started in 2006 in Lowell, Michigan and was acquired by Mr. Steve Dean in 2019, who is relocating the business to Jacksonville, Fla. In April of 2022 Sports Addix purchased Great Atlantic Outfitters, a similar screen-printing business formerly located in the Arlington area of Jacksonville. The Company leased a vacant 25,300 sq. ft. warehouse building located at 1708 Marshall Street and is in the process of renovating the building, including upgrading the electrical infrastructure, reroofing and other improvements sufficient to meet the current building code requirements. The Company seeks to expand their sports apparel business and proposes to retain their existing 43 employees and create another 25 new full-time jobs within 24 months after the renovations are completed.

The costs associated with the project are estimated to be \$679,000 and summarized as follows:

• Leasehold & Infrastructure Improvements	\$ 366,000
• Machinery & Equipment	276,000
• Furniture, Fixtures & Equipment (F F & E)	<u>37,000</u>
Total	\$ 679,000

Sports Addix plans to retain 43 existing employees at an average wage of \$38,854 (\$18.67 hr) and proposes to create an additional 25 new full-time equivalent jobs at an average wage of \$51,000 (\$24.51 hr) plus benefits. Annual payroll of the new jobs to be created is \$1,275,000 per year.

Sports Addix is requesting City of Jacksonville support to offset a portion of the renovation and infrastructure improvements needed to provide the manufacturing infrastructure to create a multi-line screen-printing and apparel manufacturing facility to support its growing customer base. The incentive requested is a material factor in their decision to relocate their screen-printing and apparel manufacturing company to Jacksonville. Sports Addix is locating its proposed screen-printing and manufacturing facility within a Level 1 Economically Distressed Area.

# of Jobs To Be Created	Capital Investment	Intangibles
Sports Addix will retain 43 jobs and create 25 new jobs @ an average wage of \$51,000, no later than 24 months after renovations are complete.	Estimated to be \$679,000 comprised of Leasehold Improvements (\$366,000), Machinery & Equipment (\$276,000), and F F & E (\$37,000)	Supports the attraction of a new screen-printing and apparel manufacturing business within a Level 1 Economically Distressed Area in the Northwest Jacksonville Economic Development Fund boundary area.

Project Rationale & Benefits:

1. Supporting Sports Addix, LLC will assist in relocating a new screen-printing and apparel manufacturing business to Jacksonville and lease a vacant industrial building within the Northwest Jacksonville Economic Development Fund area, create 25 new jobs generating an annual payroll of \$1,275,000 per year plus benefits within 24 months of completion of improvements.
2. The project will result in new private capital investment of \$679,000 within a Level 1 Economically Distressed Area in the urban core and Northwest Jacksonville and tenant a formerly vacant building within the Talleyrand area of the urban core.

Project Incentives:

The City of Jacksonville proposes to provide:

- Sports Addix, LLC is seeking public investment through the Northwest Jacksonville Economic Development Fund Small Business Development Initiative (SBDI) Grant Program in the amount of \$50,000 to offset a portion of the infrastructure costs associated with the conversion of a former prefab metal warehouse building constructed in 1973 into a multi-line screen-printing and apparel manufacturing facility meeting the current building code requirements.
- The project has an ROI of 1.65:1, for the City of Jacksonville.

The total amount of City incentives would be up to \$50,000.

Discussion:

Chair Atwill Jr. asked how long the term of the lease was. Mr. Whitaker responded that it was at least 10 years.

Public Comment:

Stanley Scott, African American Economic Recovery Think Tank, made comments expressing some concerns he has about the project.

Board Member Barnes commented that the project is not located in Northwest Jacksonville.

Chair Atwill Jr. replied that while it is not in Northwest Jacksonville, it is within the program boundary for the Northwest Jacksonville Economic Development Fund.

A MOTION WAS MADE BY BOARD MEMBER GIBSON TO APPROVE A SMALL BUSINESS DEVELOPMENT INITIATIVE (SBDI) GRANT IN THE AMOUNT OF \$50,000.00 FROM THE NORTHWEST JACKSONVILLE ECONOMIC DEVELOPMENT FUND, FOR ADDIX SPORTS LLC. THE MOTION WAS SECONDED BY BOARD MEMBER BARNES. A VOTE OF THE BOARD WAS TAKEN, AND A SMALL BUSINESS DEVELOPMENT INITIATIVE (SBDI) GRANT IN THE AMOUNT OF \$50,000.00 FROM THE NORTHWEST JACKSONVILLE ECONOMIC DEVELOPMENT FUND FOR ADDIX SPORTS LLC WAS APPROVED UNANIMOUSLY BY THE MEMBERS PRESENT (5-0).

III. INFORMATION/DISCUSSION ITEMS

NWJEDF FINANCIALS UPDATE – PRESENTED BY WENDY KHAN, OED DIRECTOR OF OPERATIONS

NWJEDF Summary Statement: the current available/unappropriated balance as of Fiscal Year End (September 30, 2022), was approximately \$5.4 million. That is up significantly from the last report given in August, because OED received a payoff of approximately \$723,000 for the Third & Main Project (The Lofts on Main, LLC).

NWJEDF Outstanding Loans: All loans are current except for LiquidProof, and they are working with OED to make their payment. The current principal balance due is \$1,810,035.

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.

IV. OLD BUSINESS

Mr. Wendland gave an update on Project Fender, that was approved by the NWJEDF Advisory Committee on September 28, 2021. The project did not move forward with City Council review at that time, for various reasons. They are now ready to move forward with their project, and it should go before City Council in November. The terms of the deal did not change.

V. NEW BUSINESS

No new business was discussed.

VI. PUBLIC COMMENTS

Denise Turner-Baker, owner of Bob's Famous BBQ, made comments regarding her NWJEDF application submitted in April. She expressed frustrations with the application and review process.

She questioned why a project like the one that was just approved was considered for funding and hers was not. She asked the board if they would please consider her project.

Stanley Scott, African American Economic Recovery Think Tank, made general comments regarding the NWJEDF programs and board.

Board Member Barnes spoke in support of trying to help Bob's Famous BBQ. Mr. Wendland replied that the project is still in review- OED staff has been working to review additional information.

VII. ADJOURNMENT

There being no further business, Chair Atwill, Jr. adjourned the meeting at approximately 4:04 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.