



ONE CITY. ONE JACKSONVILLE.

**OFFICE OF ECONOMIC DEVELOPMENT  
CITY OF JACKSONVILLE, FL**

**NORTHWEST JACKSONVILLE ECONOMIC DEVELOPMENT FUND (NWJEDF) –  
ANNUAL REPORT FISCAL YEAR 2018**

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 tax base.

Financial Position and Funds Available

As of September 30, 2018, the balance of the NWJEDF was \$10,591,823. This includes encumbrances of \$40,000 and appropriations totaling \$5,495,765 for approved projects, leaving an available balance of \$5,056,058. Average monthly loan revenue for FY 2018 was \$20,865. Average monthly principal return for FY 2018 was \$17,229.

Projects and Programs Completed During FY 2018

**Liquid Proof, LLC (dba Four Fathers Distillery)** was founded by Tim and Sandra Daniels in September of 2013. The purpose of the corporation was to create a distillery to manufacture limited production quantities of a variety of authentic craft spirits, private label production and private barrel aging for consumers. Mr. Daniels purchased the 8,000 square foot facility at 2917 Borden Street in May of 2015 to create the distillery. The NWJEDF Advisory Board and City Council approved a \$25,000 infrastructure grant to offset a portion of the cost to extend the 6” water line to the building necessary to operation the sprinkler system. The NWJEDF Advisory Board and City Council also approved a \$61,000 loan for a term of 60 months at an interest rate of 3 percent per annum to help pay for installing the sprinkler system and remaining cost for the extension of the water line. The final Certificate of Completion was issued on October 27, 2017. OED conducted a site visit on January 8, 2018. Invoices, proof of final payment and lien release were received from the Company on March 26, 2018. Both the loan and grant were disbursed, in full, on May 9, 2018. The loan is secured by a second mortgage and the Project requires the creation of 5 new FTE’s within 18 months of grant disbursement.

### Projects and Programs Approved During FY 2018

**C&S Wholesale Grocers, Inc.** is a wholesale distributor of food and grocery store items with a presence in numerous states. The Company is expanding its existing facility located at 5050 Edgewood Court, which will serve as a warehouse and distribution facility. The NWJEDF Advisory Board and City Council approved a \$40,000 Economically Distressed Area Targeted Industry Program (EDATIP) Grant, calculated as \$1,000 per new FTE, for up to 40 employees, payable in 25 percent increments over 4 years, beginning in 2020. A minimum of 20 percent of the new FTE's must reside within the NWJEDF area boundary. If the Company fails to retain 130 existing jobs and meet at least 80 percent of the new FTE requirement at an average annual wage of \$30,100 by December 31, 2019, the grant will be terminated.

**Non-Residential Septic Tank Repair and Replacement and Sewer Connection Grant Program.** The City Council approved \$1,000,000 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. The program provides grants of up to \$30,000 to businesses with a commercial zoning 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 septic tank contractor, certified plumber or other 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 must report bi-annually to the City Council concerning the use of the grant funds, including the grant recipient, address and amount of the grant and status of the grant for each application. As of September 30, 2018, 1 agreement was executed and \$4,235 was disbursed for engineering and permitting fees.

**Supermarkets and Healthy Food Programs.** The City Council approved \$3,000,000 to engage a consultant and incentivize the new operation of supermarkets and healthy food programs in the Northwest Area. The OED is required to engage a consultant to assist with recommending and developing Supermarket Incentive programs and other incentive programs, that would further the goal of improvement of health outcomes through the provision of greater access to, affordability of, and education concerning healthy food choices. The program will be developed within 270 days of the effective date of Ordinance 2018-195-E and delivered to City Council for approval. The OED is required to provide the City Council Finance Committee with quarterly reports on the progress of the consultant engagement and program development. The first quarterly report was submitted to the City Council Finance Committee on July 30, 2018. As of September 30, 2018 the OED had defined the scope of services, completed the RFP process, and entered into a contract with T. Brown Consulting Group, LLC for \$105,000.

**Clara White Mission, Inc. - White Harvest Farms Project.** Clara White Mission (CWM) has been serving veterans, low income and the homeless for more than 100 years. White Harvest Farms is an approximately 9 acre site, located at 4850 Moncrief Road, that will be developed as a sustainable farm that will offer fresh, healthy produce to an underserved community. The City Council approved a \$1,500,000 Northwest Business Infrastructure Grant to offset the costs associated with Improvements to include an educational facility/classrooms, fencing, market area, irrigation, parking areas, greenhouse, processing center, and pedestrian bridge. Upon receipt of evidence that the Company has completed and paid for the eligible work, funds will be disbursed, on a reimbursement basis, in increments of no less than \$50,000. The deadline to complete the Improvements is December 31, 2020. The grant agreement will be secured with a mortgage to protect the City's interests in the event of default. A Grant Agreement has been

drafted and OED is awaiting the requisite documentation necessary to meet the baseline requirements identified as part of the Agreement.

#### Other Approvals During FY 2018

**The Laundry Station (fka Soap Bubbles Laundromats)** was developed by Dimitri and Alfred Young as a full-service, coin-operated laundry facility. Ordinance 2002-431-E authorized a loan and appropriated \$122,400 from the NWJEDF for the renovation of an existing 12,000 square foot building located at 8110 Lem Turner Road to accommodate an expansion of the current operation to include a dry cleaning plant. The Project was successfully completed and the facility remains in operation. A total of \$122,359 was disbursed to the Company. The loan was set to mature on May 2, 2018, at which time a balloon payment was due for the remaining balance. The NWJEDF Advisory Board and City Council approved a request to re-amortize the remaining loan balance of \$37,667 over a 4 year period (48 months) at an interest rate of 3 percent in order to keep the monthly loan payments close to the original amount while allowing a successful business in Northwest Jacksonville to continue to meet their obligations. Ordinance 2018-235-E was enacted on May 8, 2018, thereby extending the maturity date of the loan to May 2, 2022.

#### Loan Status

As of September 30, 2018, the following NWJEDF loans are being serviced by the Office of Economic Development:

<b>NWJEDF Loan Status as of 9/30/2018</b>							
<b>Borrower</b>	<b>Loan Origination Date</b>	<b>Original Principal Amount</b>	<b>Loan Terms (Years)</b>	<b>Interest Percent (%)</b>	<b>Principal Balance (as of 9/30/2018)</b>	<b>Payment Status</b>	<b>Comments</b>
<b>Moncrief Plaza (Urban Core Enterprises, Inc.)</b>	07/31/2003	\$2,100,000	20	0.00%	\$832,563	Current	
<b>The Laundry Station (fka Soap Bubbles Laundromat)</b>	05/2/2003	\$122,359	19	3.00%	\$34,865	Current	Maturity date extended through 5/2/2022
<b>Jessie &amp; Rosa Wilcox/For Your Child Only</b>	05/30/2003	\$240,000	20	3.00%	\$75,301	Current	Maturity date extended through 2/1/2024
<b>Third &amp; Main</b>	09/26/2008	\$850,000	16	3.00%	\$817,016	Current	
<b>First Coast No More Homeless Pets, Inc. (Loan 1)</b>	03/06/2009	\$211,325	15	3.00%	\$151,953	Current	
<b>Fresh Ministries</b>	05/23/2011	\$392,265	10	3.00%	\$352,782	Current	
<b>North Point Town Center</b>	01/27/2012	\$527,579	10	3.00%	\$513,967	Current	
<b>First Coast No More Homeless Pets, Inc. (Loan 2)</b>	08/28/2015	\$397,040	15	3.00%	\$381,387	Current	Note: balance includes accrued interest from time of loan disbursement per Agreement
<b>Liquid Proof, LLC (Four Fathers Distillery)</b>	5/9/2018	\$61,000	5	3.00%	\$60,441	Current	

<b><u>Files at Office of General Counsel</u></b>							
<b>Borrower</b>	<b>Loan Origination Date</b>	<b>Original Principal Amount</b>	<b>Loan Terms (Years)</b>	<b>Interest Percent (%)</b>	<b>Principal Balance (as of 9/30/2018)</b>	<b>Payment Status</b>	<b>Comments</b>
<b>Mr. G's Hair Depot</b>	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. Settlement negotiations in process.
<b>Shoppes of Norfolk</b>	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.
<b>Cedar Grove Corporation</b>	06/24/2009	\$125,000	20	3.00%	\$116,232	Default	Default judgement issued against the Company and recorded on 7/21/2017.
<b>Cowealth</b>	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 up-to-date for KJB's Chapter 11 Reorg Plan.