



ONE CITY. ONE JACKSONVILLE.

City of Jacksonville, Florida

Lenny Curry, Mayor

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Fruit of Barren Trees, LLC Project Summary March 9, 2022

Company:

Fruit of Barren Trees, LLC
10964 Raley Creek Dr., S
Jacksonville, FL 32225

Background:

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 Fruit of Barren Trees (FOBT), LLC 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:

Uses

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

Sources

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.