

CITY COUNCIL RESEARCH DIVISION LEGISLATIVE SUMMARY



JEFFREY R. CLEMENTS
Chief of Research
(904) 255-5137

117 West Duval Street
City Hall, Suite 425
Jacksonville, FL 32202
FAX (904) 255-5229

Bill Type and Number: Resolution 2022-278

Introducer/Sponsor(s): Council President at the request of the Mayor

Date of Introduction: April 12, 2022

Committee(s) of Reference: F, R

Date of Analysis: April 14, 2022

Type of Action: Appropriation; authorizing economic development agreement; designation of oversight agency; affirming compliance with NWJEDF guidelines; affirming compliance with Public Investment Policy

Bill Summary: The bill appropriates \$135,000 from Northwest Jacksonville Economic Development Fund (NWJEDF) – Fund Balance to make a Small Business Development Initiative Loan to Fruit of Barren Trees, LLC to assist the company in the renovation of a building on North Myrtle Avenue to provide quality rental office/commercial space to that area as part of an overall redevelopment effort for the neighborhood. The bill approves the execution of an economic development agreement with the company and designates the Office of Economic Development as the City's oversight agency for the project. It affirms that the incentive being offered conforms to the NWJEDF guidelines and to the City's Public Investment Policy. Fast-track approval on two readings (one committee cycle) is requested.

NOTE: Due to the fact that this bill appropriates funds, it may need to be converted from a resolution to an ordinance pursuant to the Council Rules and Ordinance Code.

Background Information: Fruit of Barren Trees, LLC is a real estate development firm that helps revitalize distressed neighborhoods through real estate development and also provides urban planning and business support services. The company proposes to renovate a vacant building at 3202 North Myrtle Avenue (at the corner of W. 22nd Street) at a total cost of \$670,000, which includes a first mortgage loan from the Local Support Initiatives Corporation (LISC), \$65,000 in private equity, and the \$135,000 NWJEDF loan. The loan will be a second mortgage loan for a 20-year term at 3% interest with a call at the end of the fourth year. The developer anticipates the creation of 7 new full-time equivalent jobs within 3 years after project completion at an average wage of \$34,700. The Office of Economic Development calculates the City's return on investment at 1.58:1.

Policy Impact Area: Economic development

Fiscal Impact: The City will provide a Small Business Development Initiative Loan of \$135,000.

Analyst: Clements