



ONE CITY. ONE JACKSONVILLE.

# City of Jacksonville, Florida

*Lenny Curry, Mayor*

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## **Concept Development, Inc. Summary August 26, 2021**

### **Company:**

Concept Development, Inc.  
3324 W. University Ave., Unit 151  
Gainesville, FL 32607  
Jacksonville, FL 32206

### **Background:**

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 8<sup>th</sup> Street & Phoenix Avenue.

The project site is located at 1040 E. 8<sup>th</sup> Street, JF 32206. The site was designated a superfund site by the Environmental Protection Agency. 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>
<b>Total</b>	<b>\$2,119,864</b>

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. 8<sup>th</sup> 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 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 ten years to twenty years. The breakeven point to achieve a 1:1 ROI is 16 years. The ROI calculations are as follows:

Estimated ROI for ten years is .73: 1.

Estimated ROI for twenty 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 in order move forward with the project. Council Member Gaffney has indicated a willingness to request the loan balance be waived in order to move the project forward.