



Board of County Commissioners

State of Florida

March 20, 2018

Honorable Don Gaetz, Chairman
Triumph Gulf Coast, Inc.
Attn: Susan Skelton, Executive Director
P.O. Box 12007
Tallahassee, FL 32317

RE: Okaloosa County Project Application-Highway 90 East Water & Sewer Main Extensions

Dear Mr. President:

Please find the enclosed application for the above project. This project has been approved by the Board of County Commissioners (Board) for official submission to Triumph Gulf Coast, Inc. and is hereby presented for your consideration.

The Board appreciates your service and commitment to the statutory mission of Triumph, and your thoughtful project deliberations as our long-term partner in providing economic recovery, diversification and enhancement of the eight disproportionately affected counties.

Recognizing Triumph's goal to leverage available funds for transformational projects within impacted communities, the County is providing this project submission as the follow-up for the initial pre-application previously approved. Having carefully evaluated the benefits to the local economy, job creation potential, already having expended \$1,443,171 in County funds and committed \$1,260,000 in future in-house labor costs, the Triumph match of \$1,500,000 requested will finish out the project to completion.

Thank you in advance for your consideration of the above-mentioned project. Should you have any questions or need further information, please contact Jane Evans, Grants and Restore Manager at (850)651-7521 or jevans@co.okaloosa.fl.us.

Sincerely,

A handwritten signature in blue ink, appearing to read "Graham W. Fountain".

Commissioner Graham W. Fountain
Chairman



**TRIUMPH GULF COAST, INC.
FUNDING PROPOSAL**

**HIGHWAY 90 EAST WATER AND SEWER
MAIN EXTENSIONS**

(Reference: #43 Pre-application)

**Application submitted by
Okaloosa County Board of County Commissioners**

March 2018

Applicant Information

1. Name of Entity/Organization: Okaloosa County Board of County Commissioners

2. Background of Applicant Individual/Entity/Organization:

Okaloosa became the 52nd county in Florida on September 7, 1915 and was created from part of Santa Rosa and Walton Counties. The purpose of Okaloosa County Government is to be responsive to citizens in providing an appropriate level of accessible services on a cost-effective basis. Critical County values include the following: continual improvement of infrastructure; health safety, and well-being of the citizens; preservation of natural resources; responsible economic development; leadership; and stewardship.

Retrieved from <https://www.co.okaloosa.fl.us/>

3. Federal Employer Identification Number: 59-6000765

4. Contact Information:

Primary Contact Information: Jane Evans

Title: Grants & RESTORE Manager

Mailing Address: 1250 North Eglin Parkway, Suite 102
Shalimar, FL 32579

Phone: 850-651-7521

Email: jevans@co.okaloosa.fl.us

Website: www.myokaloosa.com

5. Total amount of funding requested from Triumph Gulf Coast: **\$1,500,000**

6. Has the applicant in the past requested or applied for funds for all or part of the proposed project/program?

Yes

If yes, please provide detailed information concerning the prior request for funding, including:

- Feb 2015 – State of Florida Water Project Appropriation Request for FY2015-16
- Funding was not received
- Dec 2015 – State of Florida Water Project Appropriation Request for FY2016-17
- Funding was not received
- Aug 2016 – RESTORE Act Pot 2 via FDEP portal
- Funding is uncertain

- Aug 2016 – RESTORE Act Pot 3 via Gulf Consortium’s State Expenditure Plan (SEP) Project Nomination Form
- Funding was not received for the water main extension
- Funding for the sewer main extension is included in the Draft SEP. This funding is scheduled for year 10 and is not guaranteed. Funding for this project is needed before then.
- Jan 2017 – State of Florida Water Project Appropriation Request for FY2017-18
- Funding was not received

7. Describe the financial status of the applicant and any co-applicants or partners:

Please find the 2016 Comprehensive Annual Financial Reports (CAFR) at the Okaloosa County website, <http://www.co.okaloosa.fl.us/bcc/budget>. The 2017 report will be posted at this site when available.

8. Has the applicant or any co-applicants, partners or any associated or affiliated entities or individuals filed for bankruptcy in the last ten (10) years?

No

Eligibility

1. From the choices below, please check the box that describes the purpose of the proposed project or program (check all that apply):

- ☒ Public infrastructure projects for construction, expansion, or maintenance which are shown to enhance economic recovery, diversification, and enhancement of the disproportionately affected counties

2. Provide the title and a detailed description of the proposed project or program, including the location of the proposed project or program, a detailed description of, and quantitative evidence demonstrating how the proposed project or program will promote economic recovery, diversification, and enhancement of the disproportionately affected counties, a proposed timeline for the proposed project or program, and the disproportionately affected counties that will be impacted by the proposed project or program.

a. Project Title:

Highway 90 East Water & Sewer Main Extensions for Okaloosa County Water & Sewer (OCWS)

b. Project Manager:

Mark Wise – Water & Sewer Deputy Director
Okaloosa County
(850) 685-0297
mwise@co.okaloosa.fl.us

c. Project Description & Location:

The Highway 90 East portion of Okaloosa County contains thousands of undeveloped acres that is currently being primed for industrial, residential, and commercial growth, including the Shoal River Ranch “megasite”. With this area being adjacent to Interstate 10, U.S. Hwy 90, the CSX Railroad, and the Shoal River, the opportunities for economic growth and job creation are enormous. This project will extend the existing potable water main 4.3 miles to the east, along Hwy 90, from Shoffner Blvd to Jericho Rd. In addition, it will extend existing sanitary sewer force main 3.0 miles to the east, along Hwy 90, from Clint Mason Rd to Jericho, and a portion along the Fairchild Rd corridor to the Bob Sikes Water Reclamation Facility. The coordinates of this intersection are 30° 43'05.01"N and 86° 27'14.70"W. Pending final design, the water main extension would have an approximate capacity of 1.5 million gallons per day (MGD), governed by a velocity of 6 feet per second (fps) and pumping 12 hours a day. Pending final design, the sewer force main would have an approximate capacity of 0.8 MGD, governed by the capacity availability at the Bob Sikes Water Reclamation Facility.

To pave the way for economic development projects to occur in areas throughout the unincorporated Okaloosa County service area east of Crestview, FL, access to public potable water and wastewater infrastructure must be expanded. This includes future development of the Bob Sikes Industrial Park, residential/commercial growth west of the Shoal River and north of Airport Road, residential/commercial/industrial growth east of the Shoal River, and a potential future industrial park at the Shoal River Ranch. To be proactive and posture for this growth, the overall goal of the planned project is to expand the service area for both water and sewer availability to potential large residential, commercial, and industrial developments in the unincorporated area east of Crestview, particularly to the 10,000+ acre Shoal River Ranch property that fronts Hwy 90 and straddles Interstate 10. The property has immense economic development potential which would be amplified by the availability of public water and wastewater facilities, while protecting the environment by preventing the installation of hundreds (possibly thousands) of septic tanks. There are other large parcels of undeveloped land in the area that could benefit by having public water and sewer mains extended to the region. With potential access to Interstate 10 (via an interchange) and the CSX railroad, this area is being primed for industrial growth.

The wastewater facility that will serve the needs of the proposed area has been previously upgraded to increase capacity to 1.17 MGD and the effluent disposal expansion for the facility has been designed, permitted and is ready for construction as the need arises, and funding becomes available. In addition, OCWS has constructed a total of seven wells in the central Okaloosa County area to serve both local and coastal customers, including some capacity for customers in the proposed expansion area. Property has been acquired for another well within the footprint of the Shoal River Ranch property for additional water supply. Also, OCWS has previously constructed the required bores for the water and sewer main extensions under Shoal River at a cost of \$1,443,171 of internal funds.

This expansion of water and wastewater infrastructure capacity eastward along Hwy 90 will support local economic activities (particularly DOD-related industries) at and around the rapidly growing industrial park, as well as other industrial, commercial, and residential development throughout

OCWS' Mid County Service Area. With extended wastewater mains, this project opens the door for future wastewater collection system improvements to be built or upgraded, which will in turn protect the delicate local ecosystem by discouraging the installation of thousands of individual septic tanks. The extension of water mains to the area will preclude the installations of multitudes of private wells.

Additionally, this project would support the goals established by the Northwest Florida Greenway Project, which represents the partnership between military, government, and non-profit organizations for the enhancement of the military mission in Northwest Florida while enhancing the local economy and conserving ecosystems. In addition, investing proactively in centralized public water and sewer is the responsible approach in keeping the environment and water supply sustainable, preempting the installation of thousands of septic tanks and individual water wells spread throughout the area, particularly in the watershed of the Shoal River which traverses across Okaloosa and Santa Rosa Counties before eventually emptying into the Gulf of Mexico in Escambia County.

The request from Triumph for \$1.5 M is 35.7% of the total project cost of \$4,203,171 for the complete extension project, \$1,260,000 of which will be provided by OCWS in manpower and equipment for installation of the pipelines. In addition, \$1,443,171 has already been spent by OCWS from internal funding for planning, design, permitting and construction of the first phase of the project, which included the necessary bores for both pipelines under Shoal River.

d. Economic Recovery, Diversification and Enhancement Description:

With locational advantages already proven to be of considerable value to the manufacturing sector, Shoal River Ranch and surrounding properties present a compelling opportunity to accommodate large scale, high value economic development project – opportunities that stand to be effectively unlocked with the provision of adequate water/sewer infrastructure.

The state and specifically, Northwest Florida has placed an increased emphasis on the manufacturing industry as a targeted sector for economic diversification. In fact, manufacturing employment percentages in Florida (3.9%) and the region (3.3%) currently lag the nation as a whole – where manufacturing represents 7.9% of overall employment. For an area heavily dependent on military and tourism employment, this lack of economic diversity was glaringly apparent in the wake of the Deepwater Horizon Oil Spill in 2010 followed by defense Sequestration in 2013 for an area heavily dependent on military and tourism. The need to diversify the economy continued to be a priority of Okaloosa County and its neighbors. In fact, the Economic Development Council (EDC) of Okaloosa County submitted 4 manufacturing-related applications to the Industry Recruitment Retention and Expansion Fund (an initiative created by Senator Don Gaetz, which set aside \$30 million for economic development projects within the eight disproportionately affected counties over three years).

According to the Manufacturing Institute, Manufacturing's multiplier effect is stronger than that of other sectors. The backward linkage (or multiplier effect) shows that "Every dollar in final sales of manufactured products supports \$1.33 in output from other sectors—this is the largest multiplier of any sector. Manufacturing plants, therefore, have a powerful and positive impact on economic development."

The positive impact of manufacturing jobs is also illustrated in the Northwest Florida Forward Strategic and Technical Reports authored by TIP Strategies and spearheaded by Florida's Great Northwest. According to Policom Corporation, 500 manufacturing jobs create another 1,938 jobs in the restaurant, healthcare, retail, real estate, finance and construction industries. Monetarily, it would create more than \$164 million in community payrolls, support 1,967 households, generate \$17.5 million in local and state taxes and causes more than \$420 million in economic transactions within the community.

e. Proposed Project Timeline:

Phase I – Complete (funded by OCWS at a total cost of \$1,443,171)

Phase II

- Planning – Complete
- Design and Permitting – 6 months (including final survey of route)
- Material Procurement – 4 months
- Construction – 10 months (including a match from OCWS of \$1,260,000 in labor and equipment to construct the mains)
- Contract Closeout – 2 months

All above durations are approximate

f. Disproportionately Affected Counties:

Okaloosa
Santa Rosa
Escambia

3. Explain how the proposed project or program is considered transformational and how it will affect the disproportionately affected counties in the next ten (10) years.

Okaloosa County is an important working-class community. The people who live in the County support the military mission, members of the armed forces, and thriving nearby tourist industries. The activities of Bob Sikes Airport, Bob Sikes Industrial Park (BSIP), and the surrounding areas provide a significant portion of the local economy, particularly in the area north of Eglin AFB. Modern, public water and wastewater infrastructure in the area is important, given increasing DOD contracts and USAF partnerships. Providing for these partnerships is leading to heightened demand for water and wastewater infrastructure in the unincorporated County service area east of Crestview, including the multimodal Hwy 90/I-10/CSX railroad corridor, stretching to the Walton County line. Improvements to the availability, capacity, efficiency, and reliability of water and wastewater infrastructure for this growth area will not only affect commercial and industrial

expansion but provide further opportunities for residential development that will follow increased business opportunities.

Florida's economy is deeply intertwined with its airport system and aviation industry. Okaloosa County serves as an important element of this system due to its aviation investments that support tourism, local endeavors, and the military. Okaloosa's gross economic impact is \$8.8 billion, providing over 71,780 jobs. The Bob Sikes Airport, serviced by Bob Sikes Water Reclamation Facility, houses an 8,000-foot runway. Although the Boeing C-17 Globemaster III routinely utilizes the Bob Sikes Airport, the airport's runway can facilitate any aircraft in the U.S. Air Force's inventory. Additionally, the Air Force and Navy use the airport for extensive flight training purposes due to its Instrument Landing System. In Okaloosa County, defense-related spending exceeds \$3.1 billion dollars—73% of economic activity. Bob Sikes is a key player for the local community, providing over 2,700 jobs, which host a total payroll of about \$108M per year. These impacts come from the airport itself, its tenants, and visitors utilizing general aviation aircraft. These visitors alone generate an indirect impact of \$1.85M per year to the community. Infrastructure improvements to the BSIP service area along the Hwy 90 corridor will help to ensure long-term financial stability for the community and region. Fitting with Northwest Florida FORWARD goals, completion of this project would help to keep Florida's infrastructure state-of-the-art and further improve Florida's diverse and vibrant economy throughout the next 10 years and beyond.

4. Describe data or information available to demonstrate the viability of the proposed project or program.

The Hwy 90 East Water and Sewer Main Extensions are considered viable and feasible with respect to the ability to: 1) obtain necessary permits; 2) construct the project within the proposed budget; and 3) effectively operate and maintain the project components over the long term. Construction of the water and sewer mains have been completed along part of the route eastward on Hwy 90, including the large bores required under Shoal River (at the expense of OCWS). Extending the potable water main 4.3 miles to the east, along Hwy 90, from Shoffner Blvd to Jericho Rd and the sanitary sewer force main 3 miles to the east, from Clint Mason Road to Jericho Road (as well as a portion on Fairchild Road to the Bob Sikes WRF) is a straightforward pipe laying construction project that will be completed by Okaloosa County Water & Sewer (OCWS) in-house forces. This use of experienced in-house staff represents an investment of ~\$1,260,000 of resources from Okaloosa County into the project. The construction will occur in public rights-of-way and easements that have already been obtained. Permits will be obtained from the Florida Department of Transportation (FDOT), Florida Department of Environmental Protection (FDEP), and Okaloosa County Public Works. OCWS is very familiar with these permitting processes, and permits can be obtained in less than 60 days once submitted. Once the project is completed and infrastructure online, OCWS will own and maintain the pipelines via its annual budget derived from the enterprise fund.

The project is endorsed by the Okaloosa County Board of County Commissioners and supported by the Okaloosa County Economic Development Council (EDC). The EDC is regularly

soliciting economic opportunities for the properties east of Crestview, especially in the Shoal River Ranch area and a future land use-designated industrial park.

The project will be an expansion of existing facilities using common, modern technology that has worked well for water and wastewater transmission throughout the industrialized world for decades.

5. Describe how the impacts to the disproportionately affected counties will be measured long term.

The request for the Hwy 90 Main Extensions directly tie in with the Northwest Florida Forward recommendation found within the “Infrastructure” Goal – specifically, Goal 3.3.3 – “Explore other promising industrial megasites, such as Shoal River Ranch in Okaloosa County, that are located near interstates, ports, airports and rail.” The addition of water and sewer infrastructure to a megasite that offers immediate access to rail, interstate, and highway will poise the location for advanced consideration. In terms of impact measurements, impacts will be derived through enhanced opportunities for economic development success, resulting in new, high wage jobs, increased economic activity that stems from these payrolls and capital investment made by companies locating within the Shoal River Ranch megasite. Simply put, the impacts of this project will be measured by enumerating the new jobs created and summing the up-front capital investments, not just by this project, but by the other future development projects that will develop through doors opened by this critical project.

6. Describe how the proposed project or program is sustainable. (Note: Sustainable means how the proposed project or program will remain financially viable and continue to perform in the long-term after Triumph Gulf Coast, Inc. funding.)

The proposed extensions will become part of the OCWS system and will be maintained with OCWS budgeted with Operations and Maintenance funds throughout its lifespan, serving the described area for decades to come.

7. Describe how the deliverables for the proposed project or program will be measured.

The proposed extensions will be completed with a combination of Triumph funding and OCWS match and will become part of the OCWS system, expanding the availability of public water and sewer infrastructure to thousands of acres of undeveloped property.

Priorities

1. Please check the box if the proposed project or program will meet any of the following priorities (check all that apply):

☒ Leverage or further enhance key regional assets, including educational institutions, research facilities, and military bases.

- ☒ Partner with local governments to provide funds, infrastructure, land, or other assistance for the project.
- ☒ Benefit the environment, in addition to the economy.
- ☒ Provide outcome measures.
- ☒ Are recommended by the board of county commissioners of the county in which the project or program will be located.

2. Please explain how the proposed project meets the priorities identified above.

This project will increase water and wastewater capacity to surrounding areas in the Mid County service area (which includes the Shoal River Ranch property on Hwy 90 East). Investing in this public utility infrastructure project will facilitate new private sector land development and thus, job creation. This industrial park is already a key regional asset, as Department of Defense research and industrial development occurs. Other land in the Bob Sikes WRF service area is regularly identified by the Okaloosa County Economic Development Council as key to the region and is marketed as a future industrial park.

Okaloosa County Water and Sewer (OCWS) has previously constructed the required bores for the water and sewer main extensions under Shoal River at a cost of \$1,443,171 as well as planning and preliminary design for this expansion project.

Investing proactively in centralized public water and sewer is the responsible approach in keeping the environment and water supply sustainable, preempting the installation of thousands of septic tanks and individual water wells spread throughout the area, particularly in the watershed of the Shoal River

The impacts of this project will be measured by enumerating the new jobs created and summing the up-front capital investments, not just by this project, but by the other future development projects that will develop through doors opened by this critical project.

Documentation of the recommendation for this project by the BCC is included elsewhere in this application

3. Please explain how the proposed project or program meets the discretionary priorities identified by the Board.

The Okaloosa County BCC has regularly endorsed this project and approved it for grant funding. Specifically, on Nov. 13, 2017, the BCC approved this project to be submitted to Triumph Gulf Coast, Inc. For the reasons explained above, it is a high priority by the BCC.

4. In which of the eight disproportionately affected county/counties is the proposed project or program located?

Okaloosa County

5. Was this proposed project or program on a list of proposed projects and programs submitted to

Triumph Gulf Coast, Inc., by one (or more) of the eight disproportionately affected Counties as a project and program located within its county?

Yes

If yes, list all Counties that apply: Okaloosa County

6. Does the Board of County Commissioners for each County listed in response to question 5, above, recommend this project or program to Triumph?

Yes

Approvals and Authority

1. If the Applicant is awarded grant funds based on this proposal, what approvals must be obtained before Applicant can execute an agreement with Triumph Gulf Coast, Inc.?

Okaloosa County Board of County Commissioner's approval through publicly held Board Meetings

2. If approval of a board, commission, council or other group is needed prior to execution of an agreement between the entity and Triumph Gulf Coast:
- a. Provide the schedule of upcoming meetings for the group for a period of at least six months.

Regular Board Meetings occur every 1st and 3rd Tuesdays of each month. Currently scheduled meetings are as follows, for further meeting dates please refer to the following website:

<http://okaloosacountyfl.iqm2.com/Citizens/Calendar.aspx>

April 3, 2018
April 17, 2018
May 1, 2018
May 15, 2018
June 5, 2018
June 19, 2018

- b. State whether that group can hold special meetings, and if so, upon how many days' notice.

Yes, with 7 days' notice

3. Describe the timeline for the proposed project or program if an award of funding is approved, including milestones that will be achieved following an award through completion of the proposed project or program.

- Planning for Final Phase – Complete

- Design and Permitting – 6 months (including final survey of route)
- Material Procurement – 4 months
- Construction – 10 months
- Contract Closeout – 2 months

Funding and Budget

1. Identify the amount of funding sought from Triumph Gulf Coast, Inc. and the time period over which funding is requested.

\$1.5 M is requested over a two-year period

2. What percentage of total program or project costs does the requested award from Triumph Gulf Coast, Inc. represent? (Please note that an award of funding will be for a defined monetary amount and will not be based on percentage of projected project costs.)

\$1.5 M is 35.7% of the total project cost of \$4,203,171 for the complete extension project, \$1,260,000 of which will be provided by OCWS in manpower and equipment for installation of the pipelines. In addition, \$1,443,171 has already been spent by OCWS from internal funding for planning, design, permitting and construction of the first phase of the project, which included the necessary bores for both pipelines under Shoal River.

3. Please describe the types and number of jobs expected from the proposed project or program and the expected average wage.

The megasite at Shoal River Ranch has been a top contender of major opportunities for high-impact and high-wage projects. However, the lack of existing water and sewer infrastructure continues to be a reason cited for elimination.

In the last two years, the Shoal River Ranch megasite competed for two projects in the Manufacturing and Aerospace, Aviation and Construction Materials industries for a combined 1,703 jobs and over \$1.15 billion in capital investment. Both projects included site visits, and both were eliminated due to the site lacking infrastructure / not being “shovel ready”.

Furthermore, Northwest Florida lost out on the opportunity to compete for a high profile automotive manufacturing project expected to create 4,000 new jobs with \$1.6 billion in capital investment. The lack of existing infrastructure to the site was, once again, cited as the ultimate cause for disqualification. Had Okaloosa County and Shoal River Ranch landed this company, the average wage would have been approximately \$50,000 or 124% of the average wage in Okaloosa.

The above examples are opportunities that Northwest Florida missed out on. Once this critical project is completed, the Hwy 90 East area will be postured for the creation of thousands of new

jobs in manufacturing, aerospace, construction materials, and other industrial/commercial developments.

The types of companies that traditionally locate in Greenfield sites vary but the average wage tends to be approximately \$47,000 or 118% of the average wage in Okaloosa County. However, Shoal River Ranch has been a contender for projects with average wages of \$62,500 or 155% of the average wage in Okaloosa County.

4. Does the potential award supplement but not supplant existing funding sources? If yes, describe how the potential award supplements existing funding sources.

Yes

There are no funds available in OCWS' Capital Improvement Plan for at least the next five years to complete the proposed project. The grant funds will supplement the \$1,443,171 that OCWS has previously expended to plan, design, and permit and construct the bores under Shoal River and the \$1,260,000 OCWS will provide an in-house labor and equipment to complete the extensions.

5. Please provide a Project/Program Budget. Include all applicable costs and other funding sources available to support the proposal.

- a. Project/Program Costs:

Construction	\$3,796,105
Design & Engineering	\$395,066
Permit Fees	\$12,000
Total Project Costs:	\$4,203,171

- b. Other Project Funding Sources:

County	\$2,703,171
Total Other Funding:	\$2,703,171

Total Amount Requested: \$ 1,500,000

- c. Provide a detailed budget narrative, including the timing and steps necessary to obtain the funding and any other pertinent budget-related information.

As noted previously, the first portion of the project (the bores under Shoal River) was planned, designed, permitted and constructed, all at the expense of OCWS for a total of \$1,443,171. Upon award of the grant from Triumph funding, the only necessary step will be approval by the OC BCC for the Chairman to execute the grant agreement. This can occur quickly as the BCC meets twice monthly throughout the calendar year. Upon grant agreement execution, the project can

move immediately into the following schedule, as defined earlier in this application:

- Planning for Final Phase – Complete
- Design and Permitting – 6 months (including final survey of route)
- Material Procurement – 4 months
- Construction – 10 months
- Contract Closeout – 2 months
- All above durations are approximate

Applicant understands that the Triumph Gulf Coast, Inc. statute requires that the award contract must include provisions requiring a performance report on the contracted activities, must account for the proper use of funds provided under the contract, and must include provisions for recovery of awards in the event the award was based upon fraudulent information or the awardee is not meeting the performance requirements of the award.

☒ Yes ☐ No

Applicant understands that awardees must regularly report to Triumph Gulf Coast, Inc. the expenditure of funds and the status of the project or program on a schedule determined by Triumph Gulf Coast, Inc.

☒ Yes ☐ No

Applicant acknowledges that Applicant and any co-Applicants will make books and records and other financial data available to Triumph Gulf Coast, Inc. as necessary to measure and confirm performance metrics and deliverables.

☒ Yes ☐ No

Applicant acknowledges that Triumph Gulf Coast, Inc. reserves the right to request additional information from Applicant concerning the proposed project or program.

☒ Yes ☐ No

ADDENDUM FOR INFRASTRUCTURE PROPOSALS:

1. Program Requirements

a. Is the infrastructure owned by the public?

Yes

b. Is the infrastructure for public use or does it predominately benefit the public?

Yes

c. Will the public infrastructure improvements be for the exclusive benefit of any single company, corporation or business entity?

No

d. Provide a detailed explanation of how the public infrastructure improvements will connect to a broader economic development vision for the community and benefit additional current and future businesses.

This expansion of water and wastewater capacity will support local economic activities (particularly DOD-related industries) at and around the rapidly growing industrial park, as well as other industrial, commercial, and residential development throughout OCWS' Mid County Service Area including the Shoal River Ranch "megasite". With extended water and wastewater infrastructure, this project opens the door for future wastewater collection system improvements to be built or upgraded, which will in turn protect the delicate local ecosystem by discouraging the installation of thousands of individual septic tanks. In addition, the availability of public water supply will preclude the installation of hundreds (possibly thousands) of individual wells.

e. Provide a detailed description of, and quantitative evidence demonstrating how the proposed public infrastructure project will promote:

- Economic recovery,
- Economic Diversification,
- Enhancement of the disproportionately affected counties,
- Enhancement of a Targeted Industry.

With locational advantages already proven to be of considerable value to the manufacturing sector, Shoal River Ranch presents a compelling opportunity to accommodate large scale, high value economic development project – opportunities that stand to be effectively unlocked with the provision of adequate water/sewer infrastructure.

The state and specifically, Northwest Florida has placed an increased emphasis on the manufacturing industry as a targeted sector for economic diversification. In fact, manufacturing employment percentages in Florida (3.9%) and the region (3.3%) currently lag the nation as a

whole – where manufacturing represents 7.9% of overall employment. For an area heavily dependent on military and tourism employment, this lack of economic diversity was glaringly apparent in the wake of the Deepwater Horizon Oil Spill in 2010 followed by defense Sequestration in 2013 for an area heavily dependent on military and tourism. The need to diversify the economy continued to be a priority of Okaloosa County and its neighbors. In fact, the EDC of Okaloosa County submitted 4 manufacturing-related applications to the Industry Recruitment Retention and Expansion Fund (an initiative created by Senator Don Gaetz, which set aside \$30 million for economic development projects within the eight disproportionately affected counties over three years).

According to the Manufacturing Institute, Manufacturing’s multiplier effect is stronger than that of other sectors. The backward linkage (or multiplier effect) shows that “Every dollar in final sales of manufactured products supports \$1.33 in output from other sectors—this is the largest multiplier of any sector. Manufacturing plants, therefore, have a powerful and positive impact on economic development.”

The positive impact of manufacturing jobs is also illustrated in the Northwest Florida Forward Strategic and Technical Reports authored by TIP Strategies and spearheaded by Florida’s Great Northwest. According to Policom Corporation, 500 manufacturing jobs create another 1,938 jobs in the restaurant, healthcare, retail, real estate, finance and construction industries. Monetarily, it would create more than \$164 million in community payrolls, support 1,967 households, generate \$17.5 million in local and state taxes and causes more than \$420 million in economic transactions within the community.

2. Additional Information

a. Is this project an expansion of existing infrastructure project?

Yes

b. Provide the proposed beginning commencement date and number of days required to complete construction of the infrastructure project.

Project will be ready for material procurement approximately 6 months after the execution of grant agreement between Triumph and OC BCC with anticipated construction of the project complete within two years of grant agreement execution.

c. What is the location of the public infrastructure? (Provide the road number, if applicable.)

This project will extend the existing potable water main along Hwy 90 4.3 miles to the east, from Shoffner Blvd to Jericho Rd. In addition, it will extend existing sanitary sewer force main 3.0 miles to the east, also along Hwy 90, from Clint Mason Rd to Jericho, and a portion along the Fairchild Road corridor to the Bob Sikes Water Reclamation Facility. The coordinates of Hwy 90 and Jericho Road are 30° 43'05.01"N and 86° 27'14.70"W.

d. Who is responsible for maintenance and upkeep? (Indicate if more than one are applicable.)

Okaloosa County Water and Sewer System, a department of Okaloosa County, FL

- e. What permits are necessary for the infrastructure project?

FDEP Construction Permits, FDOT Right-of-Way (ROW) Permit, and Okaloosa County ROW permit

Detail whether required permits have been secured, and if not, detail the timeline for securing these permits. Additionally, if any required permits are local permits, will these permits be prioritized?

The FDEP and FDOT permits should be received with 30-60 days of design completion. The local Okaloosa County ROW permit should be received within two weeks of design completion and will be prioritized by the Public Works Department.

- f. What is the future land use and zoning designation on the proposed site of the Infrastructure improvement, and will the improvements conform to those uses?

Both water and wastewater mains will be built in public ROWs for which the construction of public utilities is an acceptable use.

- g. Will an amendment to the local comprehensive plan or a development order be required on the site of the proposed project or on adjacent property to accommodate the infrastructure and potential current or future job creation opportunities? If yes, please detail the timeline.

No

- h. Does this project have a local match amount? If yes, please describe the entity providing the match and the amount.

Yes

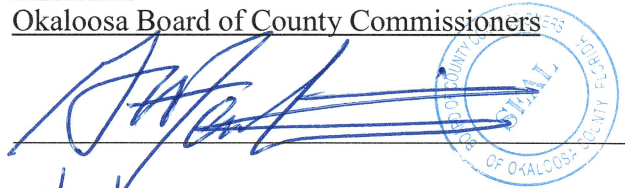
Okaloosa County Water and Sewer (OCWS) has provided \$1,443,171 in internal funds to design, permit and construct the initial phase of this project and will provide \$1,260,000 in in-house labor and equipment to complete the water and sewer mains along Hwy 90 E. This constitutes a total of \$2,703,171 of OCWS funding (64.3% of total project costs)

I, the undersigned, do hereby certify that I have express authority to sign this proposal on my behalf or on behalf of the above-described entity, organization, or governmental entity:

Name of Applicant: Okaloosa County Board of County Commissioners

Name and Title of Authorized Representative: Commissioner Graham W. Fountain
Chairman
Okaloosa Board of County Commissioners

Representative Signature:



Signature Date:

3/12/18



Board of County Commissioners

State of Florida

March 20, 2018

Triumph Gulf Coast, Inc.

RE: Delegation of Authority

To Whom It May Concern:

The current Okaloosa County authorizing official is Commissioner Graham W. Fountain. Chairman Fountain was nominated and approved to serve as the 2018 Chairman of the Okaloosa County Board of County Commissioners on December 5, 2017; replacing the 2017 Chairman (Carolyn N. Ketchel).

Please accept this as our formal delegation of authority letter.

Sincerely,

A handwritten signature in blue ink that reads "Jane Evans".

Jane Evans
Grants and RESTORE Manager

Enclosure

location, background, and reason for the change request on the subject property.

No one from the public came forward to speak on this request and the Public Comments portion was closed.

Mr. Fountain made motion, seconded by Mr. Goodwin, to approve the Future Land Use Map designation change. 4 years.

ORDINANCE 17-25

Mr. Fountain made motion, seconded by Mr. Goodwin to approve the rezoning request of the same subject property. 4 years.

ORDINANCE 17-26

* NEW BUSINESS - SELECTION OF BOARD CHAIRMAN AND VICE CHAIRMAN FOR CALENDAR YEAR 2018

Mr. Goodwin made motion, seconded by Mr. Boyles, nominating Mr. Fountain, who is current Vice Chairman, as Chairman of the Board for the 2018 calendar year. Mr. Fountain accepted the nomination. 5 years.

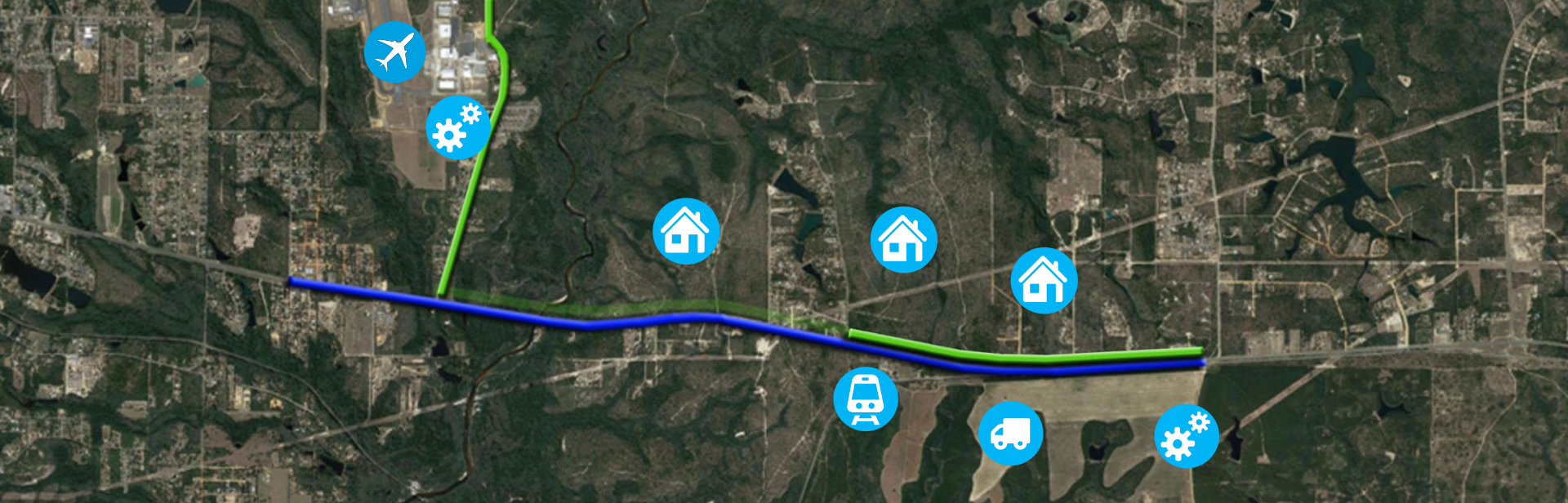
Mr. Boyles made motion, seconded by Mr. Fountain, to nominate Mr. Windes as Vice Chairman to the Board for the 2018 calendar year. Mr. Windes accepted the nomination. 4 years, 1 nay (Goodwin).

PUBLIC COMMENTS

Mr. Tripp Tolbert, Destin, stated as President of the Okaloosa Island Leasehold Association, he would like to bring attention to the problem with non-resident boat drivers not adhering to the no-wake zones in the County. He also spoke on the issue of floating structures during the non-season and where they are parking these structures.

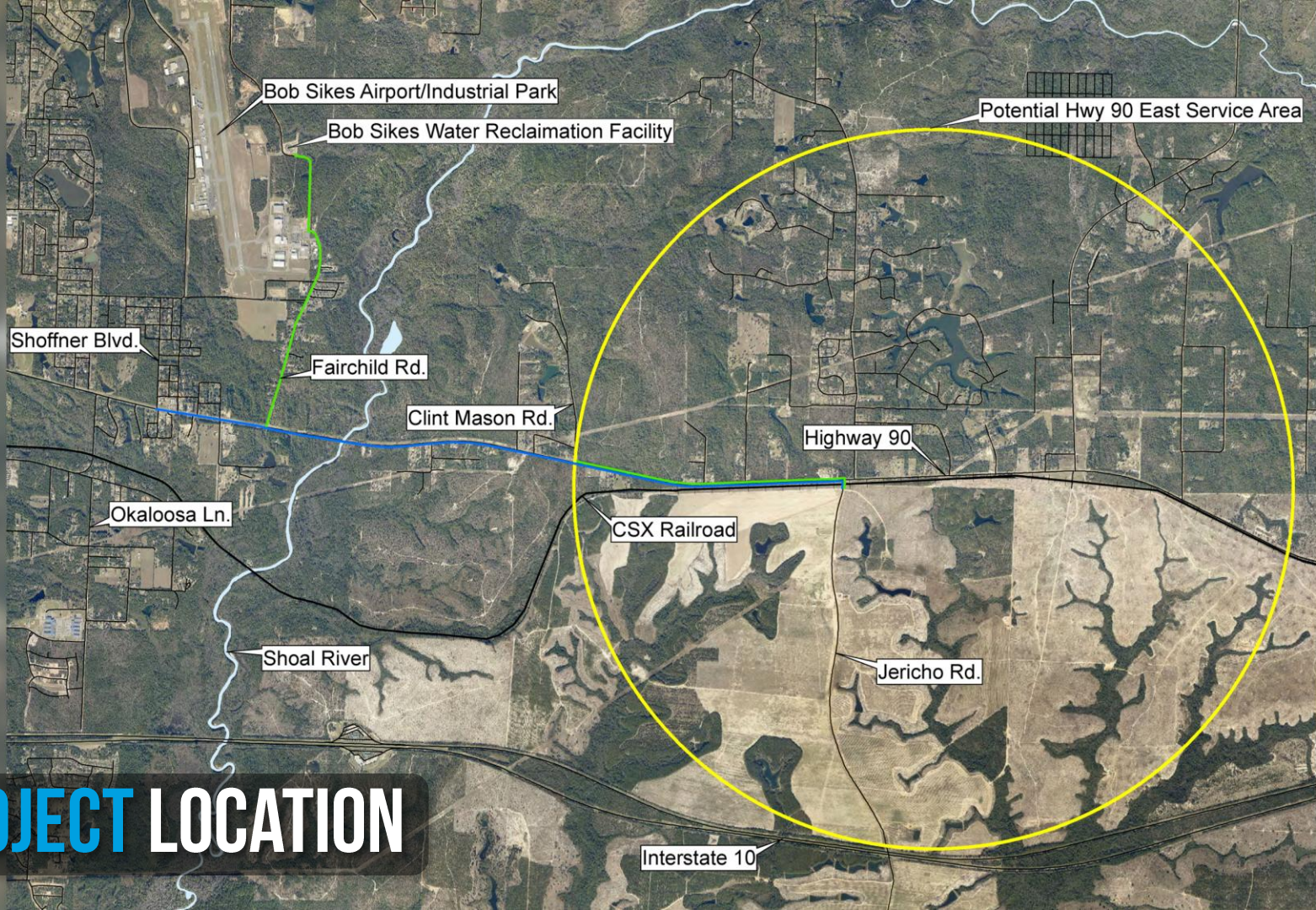
Mr. Tolbert, then advised aside from his business affiliation he would like to address the Board as a resident. Mr. Tolbert commented on the beach sand quality issues as well as beach re-nourishing.

Mr. Steve Hancock, Ft. Walton Beach, spoke about the Christmas decorations that have recently been put up in his area and encouraged the Board Members to come out and see them. He added



TRIUMPH GULF COAST, INC. TRUST FUND APPLICATION FOR FUNDS HIGHWAY 90 EAST WATER & SEWER MAIN EXTENSIONS

The Highway 90 East portion of Okaloosa County contains thousands of undeveloped acres that is currently being primed for industrial, residential, and commercial growth, including the Shoal River Ranch “megasite”. With this area being adjacent to Interstate 10, U.S. Hwy 90, the CSX Railroad, and the Shoal River, the opportunities for economic growth and job creation are enormous.



PROJECT LOCATION





THE INVESTMENT WILL STIMULATE THE ECONOMY...

Supports the goals of the NWF Greenway Project, which represents the partnership between military, government, and non-profit organizations for the enhancement of the military mission in NWF while enhancing the local economy and conserving ecosystems.





...WHILE PROTECTING THE ENVIRONMENT

Investing proactively in centralized public water and sewer is the responsible approach in keeping the environment and water supply sustainable, preventing the installation of thousands of septic tanks and individual water wells spread throughout the area, particularly in the watershed of the Shoal River which traverses Okaloosa and Santa Rosa Counties before emptying into the Gulf of Mexico in Escambia County (3 of the 8 disproportionately affected Counties).



BIG BANG FOR TRIUMPH BUCKS

FUNDING REQUEST: \$1.5 M

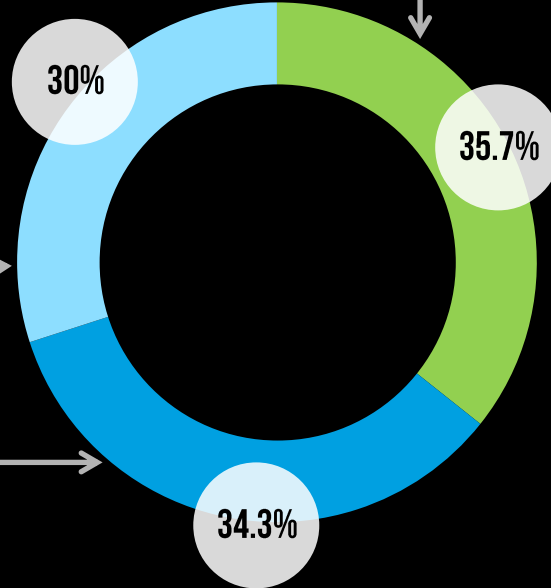
The requested \$1.5 M is only 35.7% of the total project cost

LABOR & EQUIPMENT : \$1.26 M

\$1.26M will be provided by OCWS in labor and equipment during construction

PHASE ONE: \$1.4 M+

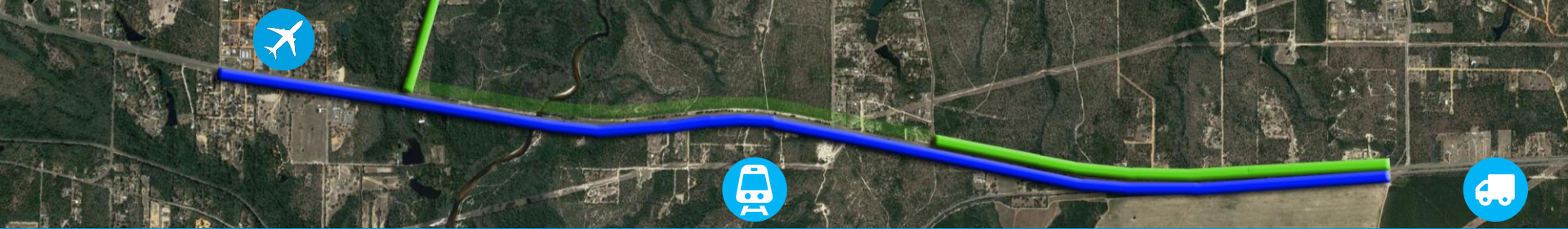
\$1.4M+ has been expended by OCWS for planning, design, permitting and construction of the first phase of the project.



**TOTAL PROJECT
COST IS \$4.2
MILLION**

The requested
\$1.5 M is only
35.7% of the total
project cost





A “MEGA” OPPORTUNITY

The Highway 90 Main Extensions directly tie in with the NWF Forward recommendation found within the “Infrastructure” Goal – specifically, Goal 3.3.3 – “Explore other promising industrial megasites, such as Shoal River Ranch in Okaloosa County, that are located near interstates, ports, airports and rail.” The addition of water and sewer infrastructure to a megasite that offers immediate access to rail, interstate, and highway will poise the location for advanced consideration.



OPPORTUNITIES LOST

The megasite at Shoal River Ranch has been a top contender of major opportunities for high-impact and high-wage projects. However, the lack of existing water and sewer infrastructure continues to be a reason cited for elimination.



Two projects in the Manufacturing and Aerospace, Aviation and Construction Materials industries included site visits, and both were eliminated due to the site lacking infrastructure/not being “shovel ready”. A loss of combined 1,703 jobs and over \$1.15 billion in capital investment.



The lack of existing infrastructure to the site was cited as the ultimate cause for disqualification for a high profile automotive manufacturing project expected to create 4,000 new jobs with an average wage of \$50K (124% of the average Okaloosa County wage) with \$1.6 billion in capital investment.



The site has been a contender for multiple other projects with average wages of \$62.5K (155% of the average Okaloosa County wage).

