

Application Score Sheet

Proposed Project: Highway 90 East Water & Sewer Main Extensions, Okaloosa County Water & Sewer (OCWS) #43

Proposed Project/Program County: Okaloosa County

Board of County Commission Support: Yes

Total Projected Project Cost: \$4,203,171

Match Provided: \$2,703,171

Triumph Funds Requested: \$1,500,000 (35.7%)

Triumph Funds Recommended:

Score: A

Triumph Board Approval: Yes/No

Date:

Economic Advisor Review

The Okaloosa County Board of County Commissioners (BOCC) Proposal describes improvements to water and sewer systems intended to improve the site readiness for industrial development of acreage it controls in the Shoal River Ranch immediately north of I-10 and east of Crestview. The Triumph request of \$1.5 million represents 36 percent of total project cost.

The Okaloosa BOCC has options to purchase several thousand acres of prime industrial land in the Shoal River Ranch. To make the Shoal River “megasite” shovel-ready for potential new tenants, and thus able to progress to the final stages of site selection decisions, site improvements need to be completed. Among those projects that have considered the site as a finalist but then decided on another location in the last two years have been high wage employers with credible commitments of over 1,700 jobs and \$1.15 billion in capital investment. While a County would normally be expected to provide water and sewer as part of its basic package of services, the population density surrounding this large rural area is insufficient to move the project to the top of the water/sewer priority list. Industrial site preparation will easily advance the high-wage job attraction process for the County and the surrounding laborshed.

Because of the large job creation potential of the site upon attaining shovel-ready status, it is reasonable to expect that the benefit/cost ratio for the proposed improvements will be very high. Good increases in wages can be expected given the types of businesses that will use the industrial site. It is reasonable to expect that there is a better than 50 percent probability that 500 net new jobs will be committed to locating on the site within 5 years of completion of the project. Once the water and sewer enhancements are completed, the operations and maintenance expenditures that will be necessary to maintain site readiness will be handled by Okaloosa County.

For these reasons, staff rate this program “A” in terms of economic impact to Okaloosa County.

Project Summary *based on information provided by applicant*

Okaloosa is requesting \$1,500,000 in Triumph funds to extend water and sewer mains along Highway 90 East to an area with thousands of undeveloped acres that is currently being primed for industrial, residential, and commercial growth, including the Shoal River Ranch "megasite". The area is adjacent to Interstate 10, U.S. Hwy 90, the CSX Railroad, and the Shoal River.

The funds are requested to extend the existing potable water main 4.3 miles to the east, along Hwy 90, from Shoffner Blvd to Jericho Rd. In addition, the existing sanitary sewer force main would be extended 3 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.

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.

For economic development projects to occur in areas throughout the unincorporated Okaloosa County service area east of Crestview, FL, access is needed to public potable water and wastewater infrastructure. 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.

The 10,000+ acre Shoal River Ranch property 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. Additionally, 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 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 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. Shoal River Ranch has been a contender for projects with average wages of \$62,500 or 155% of the average wage in Okaloosa County.

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 projects. Opportunities that stand to be effectively unlocked with the provision of adequate water/sewer infrastructure.

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

In terms of impact measurements, the application proposes that 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. 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.

Funding and Budget *as provided by the applicant*

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

A. Project/Program Costs:

Example Costs (Note: Not exhaustive list of possible Cost categories.)

| | |
|-----------------------|-------------|
| Construction: | \$3,796,105 |
| Design & Engineering: | \$395,066 |
| Permit Fees: | \$12,000 |

Total Project Costs: \$4,203,171

B. Other Project Funding Sources:

\$1,260,000 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.

Total Other Funding \$2,703,171

Total Amount Requested: \$1,500,000

Letters of Support

Okaloosa Board of County Commissioners