

Triumph Gulf Coast, Inc. Trust Fund Application for Funds

Proposal Instructions: The Triumph Gulf Coast, Inc. Trust Fund Grant Application (this document) must be completed by the entity applying for the grant and signed, as applicable, by either the individual applying for funds, an individual authorized to bind the entity applying for funds, a chief elected official, the administrator for the governmental entity or their designee. Please read the Application carefully as some questions may require a separate narrative to be completed. In addition, please complete all Addendums that may be applicable to the proposed project or program.

Triumph Gulf Coast, Inc. will make awards from available funds to projects or programs that meet the priorities for economic recovery, diversification, and enhancement of the disproportionately affected counties. Triumph Gulf Coast, Inc. may make awards for:

- Ad valorem tax rate reduction within disproportionately affected counties;
- Local match requirements of s. 288.0655 for projects in the disproportionately affected counties;
- Public infrastructure projects for construction, expansion, or maintenance which are shown to enhance economic recovery, diversification, and enhancement of the disproportionately affected counties;
- Grants to local governments in the disproportionately affected counties to establish and maintain equipment and trained personnel for local action plans of response to respond to disasters, such as plans created for the Coastal Impacts Assistance Program;
- Grants to support programs that prepare students for future occupations and careers at K-20 institutions that have campuses in the disproportionately affected counties. Eligible programs include those that increase students' technology skills and knowledge; encourage industry certifications; provide rigorous, alternative pathways for students to meet high school graduation requirements; strengthen career readiness initiatives; fund high-demand programs of emphasis at the bachelor's and master's level designated by the Board of Governors; and, similar to or the same as talent retention programs created by the Chancellor of the State University System and the Commission of Education; encourage students with interest or aptitude for science, technology, engineering, mathematics, and medical disciplines to pursue postsecondary education at a state university or a Florida College System institution within the disproportionately affected counties;
- Grants to support programs that provide participants in the disproportionately affected counties with transferable, sustainable workforce skills that are not confined to a single employer; and
- Grants to the tourism entity created under s. 288.1226 for the purpose of advertising and promoting tourism and Fresh From Florida, and grants to promote workforce and infrastructure, on behalf of all of the disproportionately affected counties.

Pursuant to Florida Law, Triumph Gulf Coast, Inc. will provide priority consideration to Applications for projects or programs that:

- Generate maximum estimated economic benefits, based on tools and models not generally employed by economic input-output analyses, including cost-benefit, return-on-investment, or dynamic scoring techniques to determine how the long-term economic growth potential of the disproportionately affected counties may be enhanced by the investment.
- Increase household income in the disproportionately affected counties above national average household income.
- 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.
- Partner with K-20 educational institutions or school districts located within the disproportionately affected counties as of January 1, 2017.
- Are recommended by the board of county commissioners of the county in which the project or program will be located.
- Partner with convention and visitor bureaus, tourist development councils, or chambers of commerce located within the disproportionately affected counties.

Additionally, the Board of Triumph Gulf Coast, Inc. may provide discretionary priority to consideration of Applications for projects and programs that:

- Are considered transformational for the future of the Northwest Florida region.
- May be consummated quickly and efficiently.
- Promote net-new jobs in the private sector with an income above regional average household income.
- Align with Northwest Florida FORWARD, the regional strategic initiative for Northwest Florida economic transformation.
- Create net-new jobs in targeted industries to include: aerospace and defense, financial services/shared services, water transportation, artificial intelligence, cybersecurity, information technology, manufacturing, and robotics.
- Promote industry cluster impact for unique targeted industries.
- Create net-new jobs with wages above national average wage (*e.g.*, similar to EFI QTI program, measured on graduated scale).
- Are located in Rural Area of Opportunity as defined by the State of Florida (DEO).
- Provide a wider regional impact versus solely local impact.
- Align with other similar programs across the regions for greater regional impact, and not be duplicative of other existing projects or programs.
- Enhance research and innovative technologies in the region.
- Enhance a targeted industry cluster or create a Center of Excellence unique to Northwest Florida.
- Create a unique asset in the region that can be leveraged for regional growth of targeted industries.

- Demonstrate long-term financial sustainability following Triumph Gulf Coast, Inc. funding.
- Leverage funding from other government and private entity sources.
- Provide local investment and spending.
- Are supported by more than one governmental entity and/or private sector companies, in particular proposed projects or programs supported by more than one county in the region.
- Provide clear performance metrics over duration of project or program.
- Include deliverables-based payment system dependent upon achievement of interim performance metrics.
- Provide capacity building support for regional economic growth.
- Are environmentally conscious and business focused.
- Include Applicant and selected partners/vendors located in Northwest Florida.

Applications will be evaluated and scored based on compliance with the statutory requirements of the Triumph Gulf Coast legislation, including but not limited to the priorities identified therein and the geographic region served by the proposed project or program.

Applicant Information

Name of Individual (if applying in individual capacity):

N/A

Name of Entity/Organization:

City of Milton, Florida on behalf of the North Santa Rosa Regional Water Reclamation Facility (formerly East Milton Water Reclamation Facility).

Background of Applicant Individual/Entity/Organization:

The City of Milton, Florida is a municipal corporation located in Santa Rosa County, Florida. The City operates a 1984 wastewater utility system under a franchise area that extends across a broad section of central Santa Rosa County. This area includes the City of Milton, the Berryhill area, the East Milton area, NAS Whiting Field and large unincorporated areas north of the City of Milton. The service area also consists of all industrial parks and economic development site acreage currently available in Santa Rosa County. The system also serves a number of parcels proposed for future economic development purposes, including Whiting Aviation Park and a number of parcels along the I-10 corridor.

The current wastewater treatment facility in downtown Milton is permitted for a maximum discharge capacity of 2.5 million gallons per day (MGD). Under the existing permit, treated sanitary effluent is discharged directly into the Blackwater River. Additional expansion(s) at existing site are not feasible for expansion due to regulatory constraints and site conditions. With existing flows in the 2.1 MGD range, the plant is nearly at capacity ***with no opportunity*** for expansion. However, the County's population and household count continue to increase at a substantial rate.

Substantial investments were made at the existing plant by the Federal Emergency Management Agency (FEMA) and the City of Milton to protect and fully utilize the 2.5 MGD permitted discharge. Over the past decade, almost \$21 million was invested in the program. Despite these investments, current projections indicate the existing 2.5 MGD plant capacity will be ***fully consumed*** by 2024. Once this remaining plant capacity is used up, the City of Milton will not be able to accept new projects or wastewater flows in the franchise area. Should adequate funding for this project not be received, City officials will be closely scrutinizing all future requests for sanitary sewer service that will focus on benefits the service has to the Milton and surrounding communities.

Construction of the first phase of a new wastewater plant in East Milton will provide an ***additional 2.0 MGD*** of wastewater capacity for the overall system; ***bringing the total permitted system capacity up to 4.5 MGD***. This additional capacity is a critical infrastructural asset. This additional capacity is necessary to support new development and projects within the franchise area – including future projects associated with local and

regional economic development programs. Simply said, little to no transformational or long-term economic growth will be possible without this project.

Federal Employer Identification Number:

59-6000377

Contact Information:

Primary Contact: Randy Jorgenson
Title: City Manager
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Website: www.miltonfl.org

Identify any co-applicants, partners, or other entities or organizations that will have a role in the proposed project or program and such partners' proposed roles.

FEMA, the state of Florida, Santa Rosa County and the City of Milton have allocated funds to the Milton wastewater program in recent years, as follows:

- FEMA has participated with \$12,000,391 in grants to protect and enhance the existing wastewater facility.
- The state of Florida has participated with a \$562,500 legislative appropriation in the FY 2017-18 for pipeline connections between the existing plant and the proposed new plant.
- Santa Rosa County has participated with a \$2,000,000 allocation for new plant construction.
- The City of Milton has participated with a \$6,442,847 investment to protect and enhance the existing wastewater plant; \$1,778,464 for new plant design and permitting; and an \$8,000,000 financial commitment for new plant construction.

The portion of the funds and grants from all agencies that have not been expended will be applied to the work described herein.

Total amount of funding requested from Triumph Gulf Coast:

\$20,000,000.

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

☒ Yes

☐ No

See Table 1

TABLE 1: Summary of Requests for Funding

| FUNDING REQUESTS | | | |
|---|--------------------------------------|--|-----------------------------|
| PROJECT DESCRIPTION | DATE FUNDING REQUEST WAS MADE | SOURCE TO WHICH REQUEST/APPLICATION FOR FUNDING WAS MADE | STATUS OR AWARD |
| North Santa Rosa Regional Water Reclamation Facility* | 2018 | Santa Rosa County | \$2,000,000 |
| East Milton Wastewater Treatment Facility | 2017 | Florida Legislature | \$562,500 |
| East Milton Wastewater Treatment Facility | 2017 | Department of Economic Opportunity (DEO) Florida Job Growth Grant Fund | Under Review - \$21,437,500 |
| East Milton Wastewater Treatment Facility | 2016 | Florida Legislature | No Award |
| East Milton Wastewater Treatment Facility | Prior to 2016 | Florida Legislature | No Award |
| East Milton Wastewater Treatment Facility Phase 1 and Phase 2 | 2014 | Restore Act | No Award |
| East Milton Wastewater Treatment Facility Phase 1 and Phase 2 | 2014 | Gulf Environmental Benefit Fund Confirmation (NFWF) | No Award |
| East Milton Wastewater Treatment Facility Phase 1 and Phase 2 | 2014 | Santa Rosa County | No Award |
| East Milton Wastewater Treatment Facility Phase 1 and Phase 2 | 2014 | Natural Resource Damage Assessment Confirmation | No Award |
| Reconstruct Existing WWTP | 2006 | Federal Emergency Management Agency (FEMA) | \$12,000,391 |

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

- **the date the request/application for funding was made;**
- **the source to which the request/application for funding was made,**
- **the results of the request/application for funding, and**
- **projected or realized results and/or outcomes from prior funding.**

Future funding requests will be made of the state of Florida through Legislative appropriation as well as an additional application to the Florida DEO Job Growth Grant Fund.

**In recognition of the regional impact of the facility, it has been recently renamed to the North Santa Rosa Regional Water Reclamation Facility.*

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

The financial status of the City of Milton is sound. The net position of the City of Milton is currently at \$38.4 million. This includes \$26.2 million capital assets, \$5.1 million restricted for future obligations and \$7.1 million in unrestricted funds. Currently, the General Fund has approximately \$3.4 million or six months of operating expenditures.

There are no co-applicants associated with this request.

In a separate attachment, please provide financial statements or information that details the financial status of the applicant and any co-applicants or partners.

Please see **Attachment A**. There are no co-applicants associated with this request.

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?

☐ Yes

☒ No

If yes, please identify the entity or individual that filed for bankruptcy and the date of filing.

Eligibility

Pursuant to Section 288.8017, Triumph Gulf Coast, Inc. was created to make awards from available funds to projects or programs that meet the priorities for economic recovery, diversification, and enhancement of the disproportionately affected counties. The disproportionately affected counties are: Bay County, Escambia County, Franklin County,

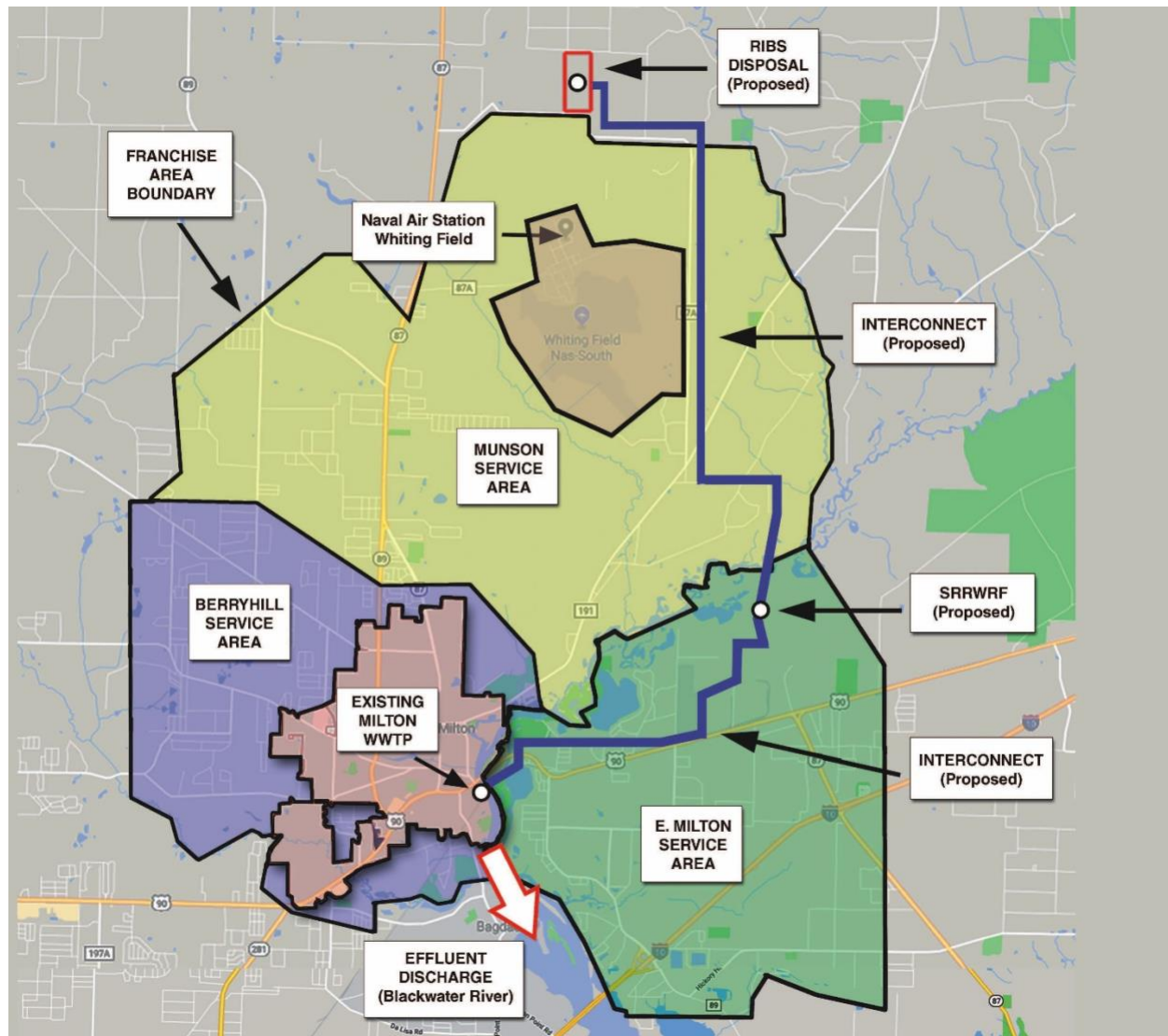
Gulf County, Okaloosa County, Santa Rosa County, Walton County, or Wakulla County. See, Section 288.08012.

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

- ☐ **Ad valorem tax rate reduction within disproportionately affected counties;**
- ☐ **Local match requirements of s. 288.0655 for projects in the disproportionately affected counties;**
- ☒ **Public infrastructure projects for construction, expansion, or maintenance which are shown to enhance economic recovery, diversification, and enhancement of the disproportionately affected counties;**
- ☐ **Grants to local governments in the disproportionately affected counties to establish and maintain equipment and trained personnel for local action plans of response to respond to disasters, such as plans created for the Coastal Impacts Assistance Program;**
- ☐ **Grants to support programs that prepare students for future occupations and careers at K-20 institutions that have campuses in the disproportionately affected counties. Eligible programs include those that increase students' technology skills and knowledge; encourage industry certifications; provide rigorous, alternative pathways for students to meet high school graduation requirements; strengthen career readiness initiatives; fund high-demand programs of emphasis at the bachelor's and master's level designated by the Board of Governors; and, similar to or the same as talent retention programs created by the Chancellor of the State University System and the Commission of Education, encourage students with interest or aptitude for science, technology, engineering, mathematics, and medical disciplines to pursue postsecondary education at a state university or a Florida College System institution within the disproportionately affected counties;**
- ☐ **Grants to support programs that provide participants in the disproportionately affected counties with transferable, sustainable workforce skills that are not confined to a single employer; and**
- ☐ **Grants to the tourism entity created under s. 288.1226 for the purpose of advertising and promoting tourism and Fresh From Florida, and grants to promote workforce and infrastructure, on behalf of all 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.**

The City of Milton has been operating a wastewater system in Santa Rosa County since the 1960s. At over 43,000 acres (67 square miles), the Milton water and wastewater franchise area covers the entire central region of the county. This area includes a number of key regional economic assets (discussed in more detail below), the Naval Air Station Whiting Field, the City of Milton and the I-10 corridor.



Santa Rosa County is one of the fastest growing counties in Florida. This growth has continued to stress existing wastewater infrastructure, such that the City's Wastewater Treatment Plant (WWTP) is nearing capacity. This 1984 wastewater facility is located in downtown Milton and discharges treated effluent directly into the Blackwater River. As one of Florida's outstanding waterways, the current permitted discharge limit of 2.5 MGD (million gallons per day) into the river is capped. This fixed upper limit to "permissible" discharge has increasingly become an economic development issue. As the central part of the county has continued to grow, the lack of additional wastewater treatment capacity has become a pressing concern and has already begun to stifle economic growth.

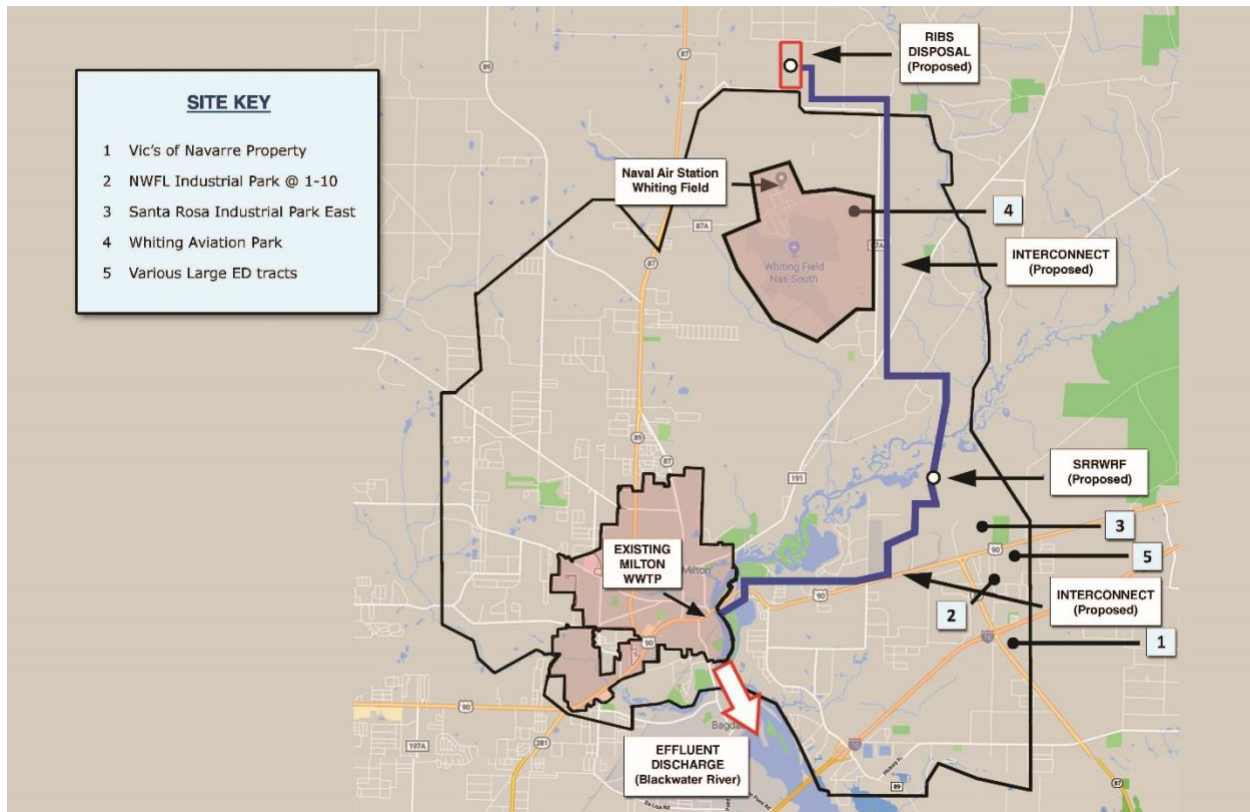
Santa Rosa County currently has over 2,100 acres of planned or available economic development acreage along the I-10 corridor in East Milton, with nearly another 1,000 acres included in the area anticipated for industrial growth in the County's Future Land Use Plan. This acreage includes several county-owned industrial parks, the Whiting Aviation Park and a number of large privately-owned tracts. In recent years, as the Santa Rosa Economic Development Office responded to economic development opportunities, it has become increasingly clear the lack of wastewater treatment capacity will soon begin to restrict placement of new projects in these critically important industrial parks. In several recent cases, the City was simply not able accommodate the projected wastewater flows associated with economic development opportunities.

Because of this wastewater capacity limitation, the City commissioned the design and permitting of a new wastewater treatment facility in 2009 in East Milton. The **North Santa Rosa Regional Water Reclamation Facility (NSRRWRF)** is shovel-ready; designed to fully support new community growth and critical economic development projects in the central Santa Rosa County area. As discussed in more detail below, current analysis confirms the impacted industrial site inventory will provide for substantial capital investment, direct and indirect employment and wages, ad valorem taxes, wastewater usage fees, and other economic benefits.

Project Location

The project is centrally located in Santa Rosa County. It is directly adjacent to or in the immediate vicinity of several important Industrial Parks owned by Santa Rosa County, including the NWFL Industrial Park at I-10, the Vics of Navarre site (also known as the Highway 87 Industrial Park), and the Santa Rosa Industrial Park East, all of which are Florida First Certified Sites with "ready-to-go" capability. The new NSRRWRF site has been selected to support the full development of these Industrial Parks, the new Whiting Aviation Park, and general commercial and community expansion along the I-10 corridor in the East Milton area.

Wastewater collection, transmission and effluent re-use elements of the project extend from downtown Milton to an effluent disposal site located adjacent to the Whiting Aviation Park.



Project Justification

The logistical advantages of I-10 and developing markets in coastal Alabama, Mississippi and Louisiana are key regional economic development assets. For example, the site inventory enhanced by this project is the closest to the new Airbus Aviation OEM facility in Mobile, Alabama. In fact, Santa Rosa County currently has the largest western I-10-based economic development site inventory in Florida. In Escambia County, there are no accessible economic development sites directly adjacent to the I-10 corridor. For this reason, much of the proposal activity associated with interstate-based economic development opportunities shifted to Santa Rosa County.

When the specifications for a particular opportunity are received, local officials must evaluate infrastructural needs associated with the project. In the future, an increasing number of these opportunities will exceed available wastewater capacities.

Currently, the economic development site inventory supported by the NSRRWRF includes:

Whiting Aviation Park. This unique cooperative effort with the military is a planned 267 acre commercial/industrial park adjacent to Naval Air Station Whiting Field. Through a Limited-Access Use Agreement between Santa Rosa County and the United States Navy, future civilian tenants of the Aviation Park will be able to use the Navy's airfield facilities. Once developed, the park is expected to attract a mixture of aviation-related commercial and industrial development as well as non-aviation development. Manufacturing, maintenance, repair, and overhaul type aviation operations will be primary target activity.



Whiting Aviation Park

Northwest Florida Industrial Park at I-10. This industrial site in Santa Rosa County features **88 acres** of developable property with easy access to major transportation corridors, including I-10. The site has been certified as part of Gulf Power’s “Florida First Sites” program.

Santa Rosa Industrial Park East. This industrial park has 20 acres currently under development. It also has an additional **112.4 acres** of developable property for new tenants with easy access to major transportation corridors, including I-10. The site has been certified as part of Gulf Power’s “Florida First Sites” program.

Vics of Navarre (also known as the Highway 87 Industrial Park). This industrial site at the intersection of Interstate 10 and Highway 87 offers **186 acres** of developable property. The site has I-10 frontage and immediate access at exit 31, making it a strong candidate for the logistics and distribution sector. The site has been certified as part of Gulf Power’s “Florida First Sites” program.

The Santa Rosa County Industrial Park. The County’s original industrial park has 15 two-acre lots remaining. It is the home of many of the County’s major employers who may undergo expansion activity in the future.

Cliff Mo Land. This privately-owned land is actually two parcels. One parcel is 170 acres and the second is approximately 50 acres. Both sites are in the same vicinity as the industrial parks noted above. These sites are zoned Industrial and have access to full utilities and good telecommunication services.

Richard Banklish Land. This 400-acre privately-owned industrial site has full utilities and good telecommunication services. This site also has substantial frontage on the CSX rail line, enabling the County to attract companies requiring rail-served sites.

Other Sites. There are several other privately-owned sites for industrial development shown in the County's Future Land Use Map.



Military Infrastructure

The NSRRWRF project also supports and enhances the vital military presence in the area. NAS Whiting Field currently represents a full third of the Santa Rosa County economy. This critical aviation training facility is located within the Milton Wastewater franchise service area (Munson District). NAS Whiting provides support for the training of Navy, Marine Corps, Air Force, Coast Guard and international (NATO) student aviators. The base is host to Training Air Wing Five which provides 60% of all Navy, Marine and Coast Guard undergraduate flight training and 100% of all USN, USMC and USCG advanced helicopter training. In fact, Whiting Field accounts for over 11% of all Navy and Marine Corps flight hours flown worldwide.

Over 1,200 personnel complete essential flight training at NAS Whiting annually, and the base's impact to the DoD continues to grow in order to meet the rising demand for USN, USMC and USCG helicopter pilots required to support a 350 ship Navy. Additionally, NAS Whiting Field conducts a substantial portion of the training required for the USN and USMC's newest Tilt-Rotor platforms. Between FY17 and FY23, NAS Whiting Field will increase pilot production targets by 16%.

In order to meet this rising fleet demand, NAS Whiting Field has adopted an aggressive personnel and infrastructure growth strategy. The base is currently completing a 44,000 SF, \$10.4 million Flight Operations Building, and is presently designing a \$10 million Control Tower currently included in the FY19 National Defense Authorization Act. Additionally, a Land Exchange with Escambia County will relocate a 600-acre outlying field to Santa Rosa County, further localizing NAS Whiting Field's presence and impact within the NSRRWRF support area. Finally, the Naval Aviation community is in the process of replacing the aging fleet of helicopter trainer aircraft with a larger and more advanced platform and will increase the size of their fleet by 15% to support

growing production targets. Between FY21 and FY27, NAS Whiting Field expects to invest \$80 million - \$100 million in infrastructure enhancements to support this new platform.

As NAS Whiting Field continues to increase its support for the DoD Aviation communities and its growing presence and economic impact within the City of Milton and Santa Rosa County, the need for enhanced community infrastructure support is vital to the military mission. The new **NSRRWRF** is a vital component of this initiative. The **NSRRWRF** will continue to provide exceptional community support, one of the hallmarks of the 75-year partnership between the City of Milton, Santa Rosa County and NAS Whiting Field.

Advantages

On a daily basis, the old 1984 Wastewater Treatment Plant (WWTP) in downtown Milton operates at about 80% or more of its permitted capacity of 2.5MGD. During periods of rainfall or other surge events, the plant will often operate at or above 100% of this limit. Of the remaining available capacity, approximately 20% (100,000 gallons per day) is already committed to approved projects not yet constructed.

Over the years, the City of Milton invested in a variety of improvements to the system aimed at providing additional capacity. These have included items such as buffer tankage and projects to limit groundwater or storm water inflow into the collection system. The objective of each of these investments was to optimize the capacity and lifespan of the existing facility. Nonetheless, the total permitted capacity of this plant will be fully utilized in the not-too-distant future as this portion of Santa Rosa County continues to experience population and economic growth. Current flow projections indicate the existing Milton WWTP will be operating at full capacity by 2024.

As central Santa Rosa County has continued to grow, the wastewater inflows to the Milton WWTP continued to increase. Despite all of the improvements over the years, aimed at optimizing existing plant efficiency, the system essentially reached its capacity to handle additional wastewater inflows. Along with the lack of collection infrastructure in East Milton, this capacity limit led to the installation of numerous septic systems east of the Blackwater River in the East Milton service area. While on-site wastewater disposal (septic) systems are somewhat acceptable for smaller residential developments, they are not equipped to handle larger commercial projects. For heavy commercial or industrial applications, on-site disposal systems are not an option. (A more detailed discussion of capacity limitations and the associated investments is included in **Attachment B**).

To remedy this, the City invested in the design and permitting of the new **NSRRWRF** in East Milton. The project has a number of economic development and diversification advantages, as follows:

1. ***New Infrastructural Capacity.*** The **NSRRWRF** will be a modular design with an initial capacity of 2 MGD. ***This is additional capacity, bringing the total available capacity (existing and new plants) to 4.5 MGD.*** The new **NSRRWRF** plant design allows for the future addition of two 2 MGD modular expansions such that the total available capacity at the new plant will be (up to) 6.0 MGD. This capacity represents a 140% increase over the existing plant and is sufficient to handle robust economic development and growth in central Santa Rosa County for decades.

Economic Development Sites. The project will be centrally located adjacent to the cluster of available industrial sites along the I-10 corridor in Santa Rosa County. The new plant will be able to handle the wastewater effluent from a broad range of industrial processes and sector types and will allow the County to recruit facilities with larger wastewater needs. Currently, this is not possible. This enhanced acreage will support local and regional economic development professionals in attracting diverse, sustainable new businesses, bringing additional employment to the region.

2. ***Industrial Effluent Re-Use.*** The effluent from the **NSRRWRF** will be suitable for industrial process water. The centralized plant location is optimized for advanced industrial re-use water to support the full range of economic development opportunities. Moreover, for many prospects, the availability of re-use technology is a key site selection factor.

Economic Impact

The following is a summary of the major development and economic impacts expected from construction of the NSRRWRF:

- During the first 10 years of development in the East Milton Industrial Area after the NSRRWRF begins providing service, seven construction projects will occur utilizing 56 acres of land in the industrial area.
- This development will result in construction of 245,000 square feet of space at a construction value of nearly \$31 million.
- 1,120 permanent, new direct jobs and 426 new indirect jobs will be created for a total of 1,546 total new jobs over the first 10 years after the North Santa Rosa Regional Water Reclamation Facility is constructed.
- The new direct jobs will initially average \$40,000 per year and will escalate at the rate of 1.5% per year, resulting in more than \$259 million in wages over the 10-year period; the indirect jobs will result in nearly \$83 million in wages. Therefore, total new wages in Santa Rosa County during the initial 10-year period will exceed \$342 million.
- New construction will generate \$30,900 in building permit fees, \$474,600 in ad valorem taxes and \$22,500 in non-ad valorem taxes to Santa Rosa County over the 10-year period.
- New or expanded buildings will generate nearly \$217,000 in wastewater treatment fees to the City of Milton over the 10-year period.
- In addition to the permanent, new direct jobs, during the 18-month construction period of the NSRRWRF, 84 direct jobs will be created per year resulting in 27 indirect jobs per year.
- Construction of the NSRRWRF will result in somewhat more than \$5 million in new direct wages and \$1 million in indirect wages.

It should be noted that these estimated economic impacts are only for the first ten years of development after completion of the North Santa Rosa Regional Water Reclamation Facility. Given the East Milton Industrial area contains more than 3,000 acres of land intended for industrial development, the new wastewater treatment plant, with its planned 6.0 MGD of treatment capacity, will support additional development for many years beyond the first ten. Thus, over a 15-year

period, job creation could be expected to be 2,300, and this would increase to 3,100 over a 20-year period. Similarly, all other economic impacts would continue to increase over time.

Economic Diversification

The East Milton community of Santa Rosa County has a diverse economic base as is evident from a listing of companies currently in the area. Some are “export” industries that sell their product or service outside the area. Some are supply-chain companies serving other businesses in the area. Some are locally focused in the products or services they provide. This range of business types includes manufacturers of aircraft parts and equipment; wood products; various types of metal products; communications and energy wire and cable; signs, physical, engineering and life sciences, research & development; data processing; trucking, distribution and logistics; consulting; and several others. The East Milton Industrial area is also the location of several County facilities and two major prisons. These employers provide several thousand jobs.

The Santa Rosa County Economic Development Organization (EDO) currently has as targets aviation and aerospace, distribution, cyber security and call centers; a new economic development strategic plan adds aviation support services, business services, logistics, agriculture and marine research, and health services/research and medical technology. FloridaWest, serving the greater Pensacola region immediately west of Santa Rosa County, targets companies in the chemical manufacturing, aviation manufacturing, cybersecurity, information technology, professional services/back offices, and offshore vessels sectors. Florida’s Great Northwest includes advanced manufacturing, aerospace and defense, health sciences, renewable energy, and transportation, distribution & logistics as targets for the broader 12-county region including Santa Rosa County. In addition, and as noted elsewhere in this application, the significant military presence in and around Santa Rosa County adds to the County’s economic base.

Taken in sum, both the current mix of employers and the range of targets by the various economic development agencies serving the region, provide a diversification that stabilizes the economy and provides the foundation for significant future growth, which will be needed to provide employment for the increasing population. The key to making this happen will be the development of the new NSRRWRF to assure the current challenge of inadequate wastewater treatment capacity is corrected.

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

The NSRRWRF provides the foundation for Santa Rosa County’s future economic growth. Without additional wastewater treatment capacity, the County’s ability to host more businesses and the jobs they create, or to even support significant expansion of existing businesses, is stymied.

Santa Rosa County is one of the more rapidly growing counties in the country, growing from 151,372 to 174,063 – a growth of 22,691 or 15% – between 2010 and 2017 according to the US Census Bureau. This growth is expected to continue, adding another 32% between now and 2040. This level of population growth requires a concomitant growth in employment opportunities and supports economic growth in other sectors, such as retail and services. A recent analysis prepared

as part of the Florida Chamber Foundation's *Florida 2030* report projects Santa Rosa County will need an additional 20,146 net new jobs by 2030, or an annual job creation of 883.

None of this happens – at least to any substantial degree – without the transformative impacts of developing the new NSRRWRF.

The specific impacts over a 10-year period have been identified in the “Economic Impact” paragraph above.

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

The economic impact analysis prepared for this project drew from the following data and information sources and forms of analysis that demonstrate the viability of the project:

- Primary sites for industrial development currently available or are identified in the County's Future Land Use Plan for industrial use were identified by the Santa Rosa EDO.
- The Santa Rosa EDO provided a master list of “export” businesses or other facilities whose service territories extend beyond the County along with their current employment.
- The County's Property Appraiser's website was used to identify the site and building sizes of each business and the amount of Ad Valorem and Non-Ad Valorem Taxes paid by each one.
- The City of Milton provided information on current wastewater treatment use by each business.
- The Santa Rosa EDO provided a profile of the number of contacts and “real” prospects they service in a typical year along with a breakdown of the types of the real prospects (manufacturing, warehouse/distribution, office, other), the range of and most common site and building sizes, anticipated employment, and any typical special requirements (for instance, rail served sites).
- RIMS II data for the Pensacola-Ferry Pass-Brent Metropolitan Statistical Area (MSA) was procured from the US Bureau of Economic and used to project indirect employment and wages.
- Current wastewater treatment fees were provided by the City of Milton.
- Current Building Permit fees were obtained from the Santa Rosa County GoPermits website.
- Average industrial construction costs were obtained from R.S. Means Company and confirmed by sources active in the construction and engineering industry in the Santa Rosa/Escambia County area.

All the information above was used to calculate average site and facility sizes, employment, and taxes paid. These were used to project future development and job creation. This information was analyzed by an independent consultant to create a projection of anticipated development over a 10-year period that includes estimated construction and construction value; building permit fees; Ad Valorem and Non-Ad Valorem Taxes paid; direct employment and wages; and indirect employment and wages.

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

Long-Term Measurement

The following long-term measures will be used to monitor the impacts of development of the NSRRWRF:

- Direct jobs and wages from new or expanded businesses in the service area of the NSRRWRF
- Indirect jobs and wages from new or expanded businesses in the service area of the NSRRWRF
- Acres of industrial or commercial land developed in the service area of the NSRRWRF
- Facility size of new business development including both new construction and expansions in the service area of the NSRRWRF
- Construction value of new building development in the service area of the NSRRWRF
- Building permit fees paid to Santa Rosa County for new business construction in the service area of the NSRRWRF
- Ad Valorem and Non-Ad Valorem taxes paid to Santa Rosa County by new or expanded business buildings in the service area of the NSRRWRF

Wastewater treatment fees paid to the City of Milton from new business construction in the service area of the NSRRWRF

Financial Sustainability

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.)**

Operation of the City of Milton's wastewater treatment facility is supported by an Enterprise Fund (a governmental expenditure where the costs are covered by a charged fee), typically generates more in revenue than it costs the City to provide the services. The new NSRRWRF will continue this sustainable funding with new revenue opportunities as new facilities are constructed or current ones are expanded. As necessary, wastewater treatment fees would be increased to assure an adequate and sustainable revenue stream.

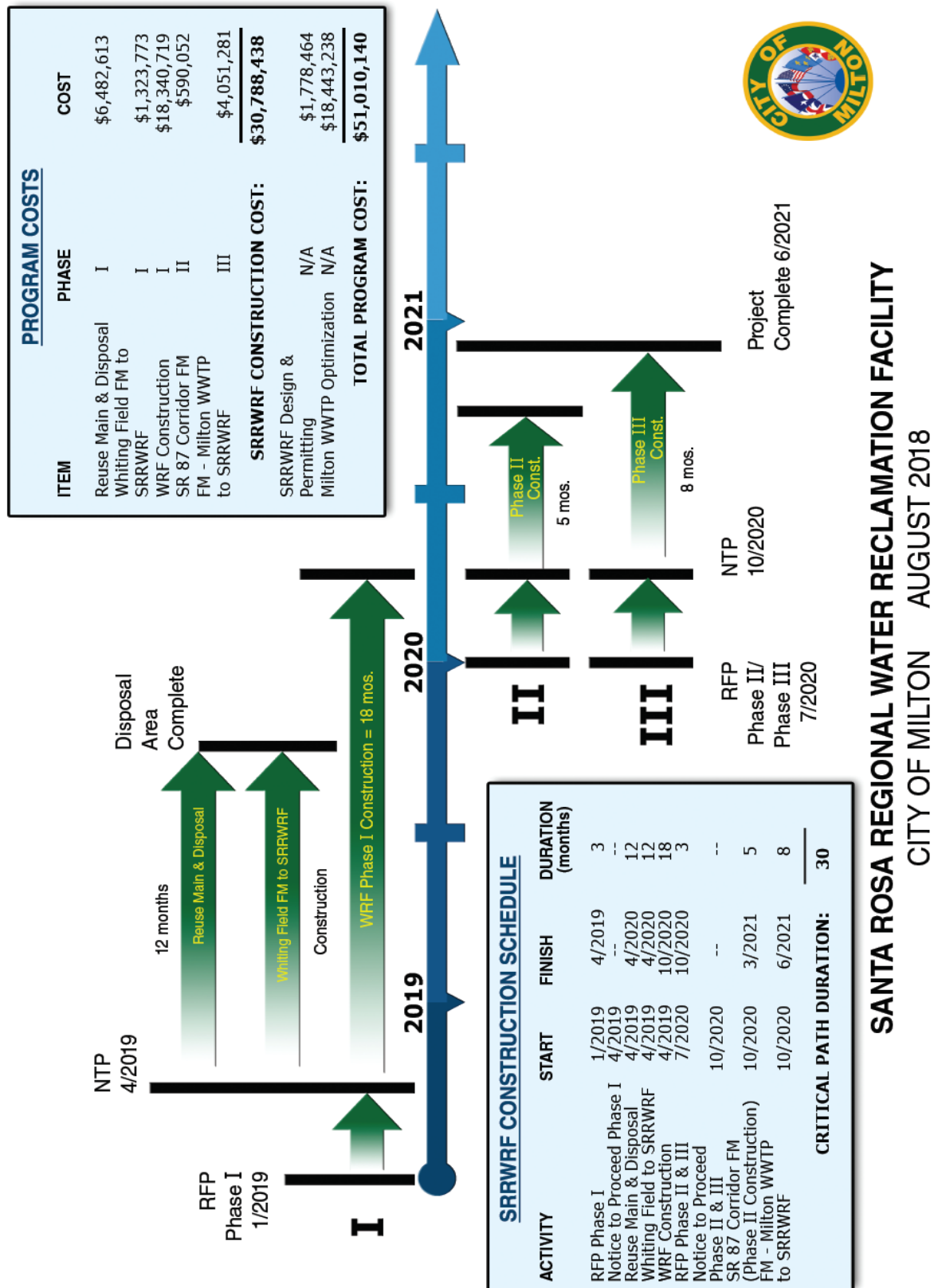
7. **Describe how the deliverables for the proposed project or program will be measured.**

Deliverables

The NSRRWRF has been fully designed and permitted and is ready to advertise for construction. All facilities, reports, estimates, etc., associated with this application will be delivered in accordance with the construction documents, technical specifications and other instructions included in the project bid documents. **Figure 1** shows the various phases of construction associated with the project, and the specific milestones / deliverables for each.

Past, current and future funding commitments and suggested performance metrics for TRIUMPH investment in the NSRRWRF project are detailed in **Attachment B**.

Figure 1 – Project Timeline



Priorities

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

- X Generate maximum estimated economic benefits, based on tools and models not generally employed by economic input-output analyses, including cost-benefit, return-on-investment, or dynamic scoring techniques to determine how the long-term economic growth potential of the disproportionately affected counties may be enhanced by the investment.
- X Increase household income in the disproportionately affected counties above national average household income.
- X Leverage or further enhance key regional assets, including educational institutions, research facilities, and military bases.
- X Partner with local governments to provide funds, infrastructure, land, or other assistance for the project.
- X Benefit the environment, in addition to the economy.
- X Provide outcome measures.
- ___ Partner with K-20 educational institutions or school districts located within the disproportionately affected counties as of January 1, 2017.
- X Are recommended by the board of county commissioners of the county in which the project or program will be located.
- ___ Partner with convention and visitor bureaus, tourist development councils, or chambers of commerce located within the disproportionately affected counties.

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

The following summary items address the specific priorities for grants under the TRIUMPH Gulf Coast, Inc. Trust Fund.

Economic Benefit

The economic impact analysis prepared for this project uses a customized assessment spreadsheet based on a variety of sources of information including the Santa Rosa Economic Development Organization (EDO); the Santa Rosa County Property Appraiser and GoPermit websites; the City of Milton City Manager's Office; R.S. Mean's construction cost data; U.S. Census data; and the U.S. Bureau of Economic Analysis RIMS II economic multipliers. This information was accumulated and analyzed by an independent economic development consultant. The analysis clearly shows the development of a new wastewater treatment plant will not only provide a major stimulus for Santa Rosa County's economic growth – in particular jobs and wages – but is also a necessity if the County is to sustain its current level of economic growth.

Household Income

Santa Rosa County is rapidly growing in population, having added nearly 23,000 people between 2010 and 2017, (a 15% growth). The expanded employment opportunities in the County will provide increased income potential for current and new households in the County. At \$60,652, Santa Rosa County's Median Household Income already exceeds the national average, (\$57,617)

and the types of industries being targeted by the County pay higher wage rates than the current County average that will support further improvement in local income and standard of living.

Regional Assets

Of particular note is the presence of multiple military installations in (Naval Air Station Whiting Field) and around Santa Rosa County (Eglin Air Force Base, Hurlburt Field, NAS Pensacola and others). Some local companies are in the supply chain for NAS Whiting Field. Local businesses also provide employment opportunities for military dependents and retirees. Development of the 267 acre Whiting Aviation Park for a mix of aviation-related commercial and industrial development requires the new wastewater treatment capacity to be provided by the NSRRWRF.

The Santa Rosa County Industrial Park, Highway 87 Industrial Park, NWFL Industrial Park and a wide range of industrial zoned properties are located in the vicinity of the new NSRRWRF. These properties represent some of the best marketable site inventories for new economic development projects in the region. Moreover, these sites complement the regional economic development site inventories in NWFL.

Partners

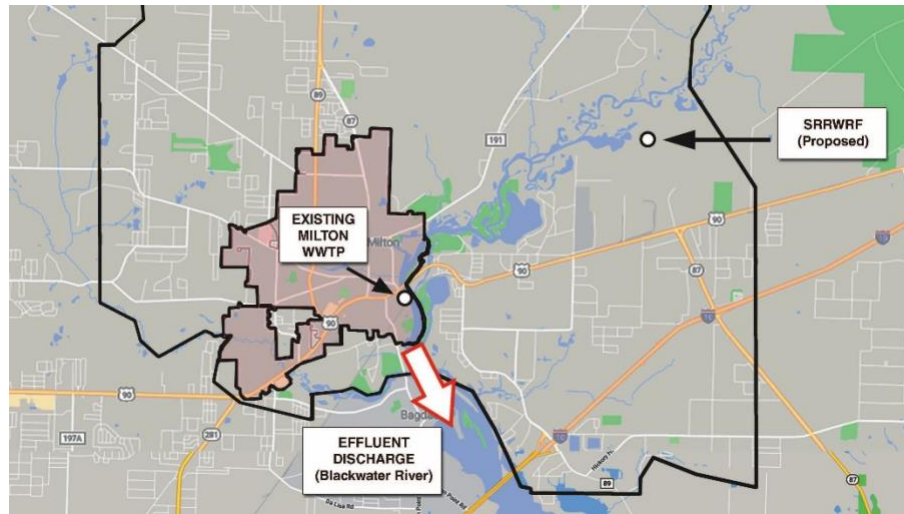
The NSRRWRF initiative is a primary partnership with Santa Rosa County, where the bulk of the developable industrial land is located and that provides the economic development services for the County, and the City of Milton which will provide the necessary wastewater treatment services to support future economic growth.

Environmental Benefits

The NSRRWRF program will serve to enhance and protect the environment in several key ways:

1. The new wastewater plant will be in the vicinity of the wellfield protection zone in East Milton. Fourteen production wells in this zone produce raw water that supplies 70,000 residents of south Santa Rosa County. This water is withdrawn from an unconfined sand-gravel aquifer below an area that is now home to 6,000 residents in central Santa Rosa and western Okaloosa Counties. Because there is no wastewater infrastructure in this area, the 6,000 residential units are all served by individual septic systems. The new NSRRWRF would be in a very favorable location for septic tank abatement; this would result in protection of the water-producing aquifer in the area – and the water customers in the south end of the county.
2. Every day, the Milton WWTP discharges 2.0 – 2.5 million gallons of treated sanitary effluent into the Blackwater River. (See graphic below). A 2005 FDEP water quality study measured nutrient loadings to the Blackwater River system, Blackwater Bay and East Bay from this discharge. Due to the impacts detected in these tests and the “Pristine Sand-Bottom River” classification of the Blackwater River, FDEP capped the permitted effluent discharge capacity at 2.5 million gallons per day. This situation has also been a primary concern for hospitality interests, sportsmen, commercial shell fishermen and a range of environmental interest groups. With the new plant in East Milton, the City will be able to initially reduce and eventually abandon the surface water discharge to the river. This will serve to reduce/eliminate nutrient loadings and the associated biological oxygen demand

in the bay system. This will promote more stable fisheries, aquatic vegetation systems, and (in particular) promote highly favorable oyster farming conditions.



Existing Discharge to the Blackwater River

3. A number of re-use pipelines are part of the infrastructural improvements included under this application. The availability of re-use water is considered an advantage for low-cost process water for manufacturing operations; but is also considered to be an essential “green” technology by many potential economic development clients. As the re-use system is increasingly accessed by commercial and industrial clients, impacts to the surrounding environment will be reduced. The re-use system and NSRRWRF also guarantees new industrial facilities can be located along the I-10 corridor without additional environmental impacts to the East Bay system.

Outcome Measures

As discussed in more detail in the Economic Impact Analysis section of this document, outcome measures include direct and indirect jobs and wages, capital investment and permit fees, wastewater treatment fees, and ad valorem and non-ad valorem taxes.

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

Discretionary Priorities

The following summary addresses the specific discretionary priorities for grants under the TRIUMPH Gulf Coast, Inc. Trust Fund.

Transformational Program

The NSRRWRF provides the foundation for Santa Rosa County’s future economic growth. Without additional wastewater treatment capacity, the County’s ability to host more businesses and the jobs they create, or to even support significant expansion of existing businesses, is stymied.

Santa Rosa County is one of the more rapidly growing counties in the country, growing from 151,372 to 174,063 – a growth of 22,691 or 15% – between 2010 and 2017 according to the US Census Bureau. An additional 32% population growth is expected between now and 2040. This level of population growth requires a concomitant growth in employment opportunities and supports economic growth in other sectors such as retail and services. A recent analysis prepared as part of the Florida Chamber Foundation’s *Florida 2030* report projects Santa Rosa County will need an additional 20,146 net new jobs by 2030, or an annual job creation of 883.

None of this happens – at least to any substantial degree – without the transformative impacts of developing the new NSRRWRF.

Implementation Schedule

The critical path duration for all items of work under this application is 30 months. The details associated with this implementation schedule are shown in **Figure 1**.

Jobs and Income

Development of the NSRRWRF will first support the region’s construction industry and a conservative analysis of impacts projects the creation of an estimated 1,120 direct jobs and nearly \$259 million in wages in the region over the first 10 years after the plant is completed. In addition, there will be substantial indirect (multiplier) jobs and related wages created as a result of the direct jobs resulting in an additional 426 jobs and \$83 million in wages. Given the nature of the industry sectors being targeted by the Santa Rosa EDO, it is likely many of the new jobs will have above average wages. Future phases of expansion of the plant will generate additional construction employment and position the County for continuation of its employment growth.

Northwest Florida FORWARD

This project dovetails closely with the goals of Northwest Florida FORWARD, in particular, improved regional business vitality through targeted recruitment and expansion of existing businesses; improvement of business infrastructure; and promotion of entrepreneurship that will require effective business real estate. The Santa Rosa EDO shares many of the same business targets as Northwest Florida FORWARD.

- Create net-new jobs in targeted industries to include: aerospace and defense, financial services/shared services, water transportation, artificial intelligence, cybersecurity, information technology, manufacturing, and robotics.

Other than water transportation, all of these targeted industries are suitable for a location in the area to be serviced by the NSRRWRF and several are specific targets for the Santa Rosa EDO.

- Promote industry cluster impact for unique targeted industries.

While the current targets of the Santa Rosa EDO are not unique, the vast development potential of the area to be serviced by the NSRRWRF can provide an effective location for many new types of industry sectors and clusters that would be considered targets of opportunity rather than the current targets of intent.

- Create net-new jobs with wages above national average wage (*e.g.*, similar to EFI QTI program, measured on graduated scale).

The NSRRWRF project is part of an infrastructure program focused on supporting sustainable economic growth. A full discussion of wages and job creation is included in the Economic Analysis; please refer to **Attachment C**.

- Are located in Rural Area of Opportunity (RAO) as defined by the State of Florida (DEO).

The DEO has identified the Northwest Florida RAO as: “Calhoun, Franklin, Gadsden, Gulf, Holmes, Jackson, Liberty, Wakulla, and Washington Counties, and the City of Freeport in Walton County.” It should be noted that although Santa Rosa County is not included, the central and northern areas of the county are very similar to other rural communities in the NWFL region.

- Provide a wider regional impact versus solely local impact.

While located in Santa Rosa County, future development of the multiple industrial parks and sites to be serviced by the NSRRWRF will have a broader impact by employing people from multiple counties due to the ease of access on I-10 and US 90. As new companies locate into the area, increased supply chain activity is expected and this is likely to cross county boundaries. The growth of a major industrial area in Santa Rosa County will make the entire Panhandle more competitive and should generate an increased level of interest by industrial prospects and support services firms.

- Align with other similar programs across the regions for greater regional impact, and not be duplicative of other existing projects or programs.

There are currently few similar industrial infrastructure projects and related land development opportunities in the region, particularly to the west of the Panhandle towards Mobile. While new industrial park developments in the region are likely in the future, they will both provide competition for each other as well as increase the overall competitiveness of the region by providing business prospects with more choices for locations.

- Enhance research and innovative technologies in the region.

The industrial and mixed use business areas to be serviced by the NSRRWRF will offer suitable locations for research and technology enterprises, at least one of which is already in operation.

- Enhance a targeted industry cluster or create a Center of Excellence unique to Northwest Florida.

The site inventory associated with the NSRRWRF is suitable for a wide range of industrial, commercial and institutional opportunities. These include the industry clusters identified in the Santa Rosa County EDO Strategic Plan. A detailed discussion of target industry clusters is given in **Attachment C**.

- Create a unique regional asset to be leveraged for growth of targeted industries.

Targeted industries require real estate with full infrastructure. At this time, Santa Rosa County's wastewater treatment capabilities are inadequate due to capacity limitations at the current treatment plant. This project corrects that deficiency and creates the unique asset of several thousand acres of industrial land available for new business development in both targeted and other industries resulting in a diversified and resilient economy.

- Demonstrate long-term financial sustainability following Triumph Gulf Coast, Inc. funding.

Because the new NSRRWRF will be a City of Milton Enterprise Fund, it will have long-term financial sustainability.

- Leverage funding from other government and private entity sources.

Over the past decade, the City of Milton and various state and federal agencies invested over \$20 million in the protection, optimization and expansion of wastewater treatment and effluent discharge capacities in central Santa Rosa County. A more detailed discussion of this investment background has been included in **Attachment A**. Also during this time, the City of Milton has engaged in an aggressive program to develop program funding; a summary of requests for funding from 2006-2018 has been included in Attachment **Table 1**.

- Provide local investment and spending.

Construction of the NSRRWRF will use multiple funding sources including investment by the City of Milton. Supply chain relationships between local and regional companies will result in inter-business spending. Some portion of wages paid to local workers will be spent locally, generating even more local spending through the multiplier effect.

- Are supported by more than one governmental entity and/or private sector companies, in particular proposed projects or programs supported by more than one county in the region.

The NSRRWRF project is supported by a wide range of stakeholders. In the past, governmental agencies at both the state and federal level have participated in funding the program. The City of Milton has invested (and committed to invest) in the program at every stage of development. The project is supported by a wide range of other stakeholders including Santa Rosa County, various chambers, EDO's, advocacy groups, environmental groups, etc. Recommendations from a variety of organizations have been included in **Attachment D**.

- Provide clear performance metrics over duration of project or program.

Development of the NSRRWRF will be monitored in terms of schedule and budget adherence. After the NSRRWRF becomes available, outcome measures will include job creation and wages, capital investment and taxes, and permit and wastewater treatment fees.

- Include deliverables-based payment system dependent upon achievement of interim performance metrics.

The NSRRWRF is a “shovel-ready” infrastructure construction program. As such, any financing under this application would be reimbursements for previously approved progress payments to the contractor(s) performing the work. All work will be completed in accordance with the plans, technical specifications and administrative instructions for the project.

- Provide capacity building support for regional economic growth.

Development of the NSRRWRF is a capacity building project correcting an existing deficiency, (limited wastewater treatment and discharge capacity) allowing development of several thousand acres of industrial land that otherwise would not be possible. This improves the competitiveness of the entire region.

- Are environmentally conscious and business focused.

A primary reason the NSRRWRF needs to be built is to allow additional business development and expansion of those businesses already in the NSRRWRF service territory. A well-developed, dependable and accessible wastewater utility in East Milton is essential to robust commercial and industrial development in the area over time.

The program includes a number of environmental advantages. Most importantly, treatment accomplished at the new NSRRWRF plant in East Milton will amount to a reduction of sanitary effluent discharged into the Blackwater River and the East Bay estuary. In addition, the new NSRRWRF will allow for (over time) fewer on-site septic systems at residential and commercial properties in East Milton. For example, there are currently 6,000 residential septic systems within the Wellfield Protection Zone (WPZ) in East Milton. This zone also includes the 14 wells withdrawing raw water serving 70,000 users in South Santa Rosa County.

- Include Applicant and selected partners/vendors located in Northwest Florida.

Existing business and commercial activity in central Santa Rosa County is largely characterized by local and broader regional supply chain relationships. The NSRRWRF project seeks to both expand on this and help bring new opportunities to the NWFL region. A more detailed discussion of the local economic impact associated with this program is presented in **Attachment C**.

4. In which of the eight disproportionately affected county/counties is the proposed project or program located? (Circle all that apply)

Escambia Santa Rosa Okaloosa Walton Bay Gulf Franklin Wakulla

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?

X Yes ___ No

If yes, list all Counties that apply: Santa Rosa 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?

X Yes ___ No

****Please attach proof of recommendation(s) from each County identified.**

Please see **Attachment E**. This includes a resolution from the Santa Rosa County Board of County Commissioners.

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.?

Any agreement or contract associated with this application must be approved by the City Council for the City of Milton, Florida as detailed in the City's governing documents.

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.

The Milton City Council holds regular meetings on the second Tuesday of every month. Regular City Council meetings for the remaining 2018 include: October 9, November 13 and December 11, 2018.

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

Special meetings can be scheduled at the discretion of the Council subject to the availability of Council members and the standard advertisement rules for public meetings in Florida. The minimum required notice for a special meeting is 7 days.

- 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.**

Please see Figure 1 for the Timeline Graph.

- 4. Attach evidence that the undersigned has all necessary authority to execute this proposal on behalf of the entity applying for funding. This evidence may take a variety of forms, including but not limited to: a delegation of authority, citation to relevant laws or codes, policy documents, etc. In addition, please attach any support letters from partners.**

Please see support letters in **Attachment F**.

Funding and Budget:

Pursuant to Section 288.8017, awards may not be used to finance 100 percent of any project or program. An awardee may not receive all of the funds available in any given year.

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

This application for funds details a \$20,000,000 request from TRIUMPH Gulf Coast, Inc. The project schedule detailed in **Figure 1** describes the required administrative and construction activities. The City projected an RFP for construction could be issued in January 2019, with a notice to proceed for Phase I construction issued in April, 2019. The time for performance for all phases of work under this request is 30 months. Substantial completion of the major new plant construction work is projected for October, 2020. The anticipated project completion date for all work associated with this application (major and minor) is June 2021.

- 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.)**

This application details a total program cost of \$51,010,140. (Refer to Item 5A, below). This includes both previous and new investments. (Refer to Item 5C, below). As such, the City is requesting TRIUMPH Gulf Coast, Inc. participate at 39% of the total program cost.

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

Three types of jobs will be created:

- a. Permanent, transformational jobs in businesses established or those expanded in the East Milton Industrial Area.
- b. Short-term construction jobs – many of which would be required for any transformational project of this size.
- c. Indirect “multiplier” jobs in the region caused by the suppliers to the direct companies and construction contractors and by expenditures by direct job holders and construction workers.

During the 10-year period for which the economic impact analysis for this project was prepared, an estimated 1,120 new, direct, permanent jobs will be created. Many of these jobs will be in target industry sectors identified by a variety of sources including the following:

| Target Sector | Wage Range |
|---|---------------------------------|
| Aviation/Aerospace Manufacturing and Support Services | \$58,570 (Some data suppressed) |
| Distribution and Logistics | \$38,280 - \$80,430 |
| Cyber-Security | \$63,790 - \$74,170 |
| Call Centers | \$27,540 - \$79,440 |
| Business Services | \$50, 940 - \$66,470 |
| Agriculture and Marine Research | \$33,900 - \$48,150 |
| Health Services/Research and Medical Technology | \$41,310 - \$96,860 |

Source: US Bureau of Labor Statistics May 2016 report on Metropolitan and Nonmetropolitan Area Occupational Employment and Wage Estimates for the Pensacola-Ferry Pass-Brent, FL MSA

These new jobs will be in a wide salary range, with an estimated initial average of \$40,000 per year (increasing over time) resulting in nearly \$259 million in wages over the 10-year period. This wage compares with a current Santa Rosa County per capita income of \$28,219 (in 2016 dollars) and a 2016 City of Milton per capita income of \$22,551. [We would note here that use of Santa Rosa County’s median household income (\$60,652 in 2016 dollars) is not a proper comparative measure because it is significantly skewed by the median household income of the /City of Gulf Breeze (\$98,308 according to DataUSA.)]

Indirect jobs attributable to the direct permanent jobs during the 10-year analysis period total 426 receiving \$83 million in wages. These indirect jobs will be in supply chain businesses supporting or as customers of the newly located or expanded direct businesses, as well as in retail and service establishments direct jobs workers will patronize.

In addition to the long-term, permanent jobs to be created, short-term construction jobs will also be created. The timeframe for construction of the North Santa Rosa Regional Water Reclamation Facility is 30 months, with the major plant work being completed in 18-months. During the 18-month major construction period, there will be an estimated 84 full-time equivalent jobs per year paying an average annual wage of \$40,000 or a total of \$5 million. While it is understandable the TRIUMPH board would consider construction jobs temporary, the nature of the construction industry makes construction workers dependent on a series of such “temporary” assignments for full-time, permanent employment.

Indirect jobs caused by construction employment and costs are estimated at 27 annually with \$1 million in total wages during the 18-month period.

Given the amount of industrial land supported by the new North Santa Rosa Regional Water Reclamation Facility, development and related new job creation and wages will continue for many decades beyond the initial 10-year analysis period.

A detailed economic analysis regarding job creation and wages is included in **Attachment C**.

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

X Yes ___ No

The award will supplement both previous and planned investments from the City of Milton as well as local, state and federal agencies. No TRIUMPH Gulf Coast funds will be used to supplant any existing funding resource.

Over recent years, the Federal Emergency Management Agency (FEMA) has invested \$12,000,391 in protecting and maximizing the capacity of the existing wastewater plant. The City of Milton also invested \$6,442,847 in this part of the program. These investments were necessary to ensure the existing plant and system capacity is optimized.

Despite aggressive investments, new wastewater flows are projected to exceed existing system resources by 2024. With existing plant capacity optimized, focus shifted to developing new system capacity via the addition of a new plant in East Milton. Thus far, the City already invested \$1,778,464 to secure the land, permits and design services for the new plant and system expansions. The Florida Legislature has appropriated \$562,500 for FY 2017-18 for new plant pipeline connections. Santa Rosa County committed \$2,000,000 and the City of Milton committed up to \$8,000,000 for new plant construction through project completion.

In addition, the City continues to pursue all other opportunities for additional funding. Requests have been made of the Florida Department of Economic Opportunity Florida Job Growth Grant Fund for \$21,437,500 and appropriations requests will continue to be made

of the Florida Legislature through project completion. In addition, any other qualifying funding resource identified in the future will be engaged by the City to supplement the program.

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

A. Project/Program Costs:

Existing Wastewater Plant:

| | |
|-----------------------|--------------|
| Design & Construction | \$18,443,238 |
|-----------------------|--------------|

New Wastewater Plant:

| | |
|---------------------------------|--------------|
| Design & Permitting | \$1,778,464 |
| Reuse & Disposal Construction | \$6,482,613 |
| Whiting Field SSFM Construction | \$1,323,773 |
| NSRRWRF Plant Construction | \$18,340,719 |
| SR 87 SSFM Construction | \$590,052 |
| Milton to NSRRWRF Connection | \$4,051,281 |

| | |
|---------------------|--------------|
| Total Program Cost: | \$51,010,140 |
|---------------------|--------------|

B. Other Project Funding Sources:

Existing Wastewater Plant:

| | |
|----------------|--------------|
| FEMA Grant | \$12,000,391 |
| City of Milton | \$6,442,847 |

New Wastewater Plant:

| | |
|--|-------------|
| City of Milton (Design-Permit) | \$1,778,464 |
| City of Milton (Construction) | \$8,000,000 |
| Santa Rosa County | \$2,000,000 |
| FL Legislative Appropriation 2017 | \$562,500 |
| FL DEO Grant (Applied) | \$225,938 |
| FL Legislature Appropriations (Future) | TBD |
| FL DEO Grants (Future) | TBD |

| | |
|------------------------|--------------|
| Total (other sources): | \$31,010,140 |
|------------------------|--------------|

Total Amount Requested: \$20,000,000

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

Over the past several decades, both Santa Rosa County and the Milton region have experienced unprecedented growth, which is projected to continue. This growth has required substantial investments in the supporting infrastructural systems. One of the systems vital to this continuous growth is the City of Milton's wastewater utility. Over time, the system has been improved and expanded to support growth across the central portion of the county; this area includes all of the certified industrial sites, commerce parks, NAS Whiting Field and the privately-owned site inventory along the I-10 and US 90 corridors.

There are two major parts of the Milton wastewater program; both are necessary for developing the wastewater infrastructure capacity to support future growth and economic development in the area. The two parts of the program include the existing wastewater plant (Milton WWTP) and the new wastewater plant (NSRRWRF). The Program Budget shown in Part 5.A is segregated into these two program categories for both cost and funding.

The two program objectives (existing and new plants) work together to satisfy projected wastewater flow demands on the system. These objectives were identified during the planning period after Hurricane Ivan delivered a significant storm surge that partially submerged the existing WWTP site in downtown Milton. The two-pronged strategy is being implemented in a phased (chronological) order.

The first step is complete. This involved investing over \$18 million in the existing plant to fully develop 2.5 MGD of wastewater treatment and discharge capacity. Because sanitary effluent from the existing plant discharges directly to the environmentally sensitive Blackwater River, testing, analysis and studies completed during this period determined that the 2.5 MGD regulatory limit is a hard upper limit. The existing plant *does not qualify* for any permitted increase. As such, the first step included substantial investments in optimizing and protecting (armoring) the existing facility to access the full permit capacity. The City of Milton worked with FEMA to fund and complete this critical program objective.

The second step involves adding new wastewater capacity via a new plant in East Milton (NSRRWRF). Flow projections show that the existing system capacity of 2.5 MGD will be completely used up by 2024. The new NSRRWRF will add 2.0 MGD of permitted capacity, *bringing the total system capacity up to 4.5 MGD*. This is an essential system expansion – it will provide adequate treatment and effluent discharge capacity to support growth and economic development well into the future.

The total program cost estimate is approximately \$51 million. The amount already spent implementing the program is approaching \$21 million. The total amount of funding, (past and future) secured for the program thus far is approximately \$31

million. This application details a request to TRIUMPH Gulf Coast for the additional \$20 million in financing required to finish the program.

The City of Milton understands TRIUMPH Gulf Coast is exclusively focused on economic development. Completing the Milton wastewater program is vital to economic growth and expansion. It is absolutely necessary for the development of the acreage associated with the Santa Rosa County Economic Development Program. More importantly, NAS Whiting Field, the Whiting Aviation Park and the certified industrial sites along the I-10 corridor are vital economic development assets in the NWFL region that rely heavily on the completion of this new wastewater infrastructure.

The City is requesting TRIUMPH Gulf Coast, Inc. provide the funding requested as an *investment* subject to economic development performance metrics measured over time. In the attached economic analysis, (**Attachment C**), the City's estimate of investment performance is presented over a 10-year period. Based on the construction schedule, the City proposes performance measurements be initialized when the new NSRRWRF is operational. Specifically, the final agreement would provide for funding that is "forgivable" subject to the economic development program measurements proposed below.

Suggested Performance Criteria

The City of Milton suggests the following as Performance Metrics related to TRIUMPH funding for development of the North Santa Rosa Regional Water Reclamation Facility (NSRRWRF):

In the event the City of Milton fails to achieve at least one (1) of the three (3) following performance metrics in a timely fashion, the TRIUMPH Board shall have the right to require the return of a pro rata share of the total TRIUMPH funds calculated on the basis of the degree of underperformance of the performance metrics as follows:

Performance Metric #1: By the date which is the tenth (10th) anniversary of completion of construction of the portion of the NSRRWRF supported by TRIUMPH funding, at least 500 Net New Jobs (as defined below) shall have been created in the area serviced by the NSRRWRF at wages greater than the Santa Rosa County average wage as of the year the project is completed, and at least 75% of those jobs (375) shall have been in existence for a minimum of three (3) years.

-OR-

Performance Metric #2: By the date which is the tenth (10th) anniversary of completion of construction of the portion of the NSRRWRF supported by TRIUMPH funding, at least 300 Net New Jobs (as defined below) shall have been created in the area serviced by the NSRRWRF at wages at or above 130% of the Santa Rosa County average wage as of the year the project is completed, and at

least 75% of those jobs (225) shall have been in existence for a minimum of three (3) years.

-OR-

Performance Metric #3: By the date which is the tenth (10th) anniversary of completion of construction of the portion of the NSRRWRF supported by TRIUMPH funding, at least \$25 Million (\$25,000,000) of new commercial construction shall have occurred in the area serviced by the NSRRWRF, and at least 75% of that capital investment (\$18,750,000) shall have been in existence and occupied for a minimum of three (3) years.

If during the ten-year period following the completion of construction of the portion of the NSRRWRF supported by TRIUMPH funding, Santa Rosa County is negatively impacted by a national, state or regional recession resulting in a decline in business prospect and/or project activity, the City of Milton and the TRIUMPH Board shall renegotiate the aforementioned Performance Metrics to reach a mutually acceptable set of revised Performance Metrics.

As used herein, a "Net New Job" shall mean a job was (a) created after the completion of construction of the portion of the NSRRWRF supported by TRIUMPH funding; (b) resulted in a net increase in overall employment in the area serviced by the NSRRWRF; and (c) is performed by a full-time employee or a full-time equivalent employee in the area serviced by the NSRRWRF who works at least 35 paid hours per week. Jobs are not considered Net New Jobs if they are (A) moved from other workplaces in Florida, unless the relocated positions are back-filled with net new-to-Florida full-time-equivalent jobs paying at least the wage of the transferred position(s); or (B) temporary construction jobs involved with the construction of the Project; or (C) temporary or seasonal jobs associated with cyclical business activities; or (D) substitute for permanent employees on a leave of absence.

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 ☐ No

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

☒ Yes ☐ No

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

☐ Yes ☒ 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.

Santa Rosa County has recently completed updating its economic development strategic plan. In the competitive assessment portion of this exercise, a shortage of shovel-ready sites, a lack of industrial/commercial facilities, and inadequacy of the wastewater treatment services were all noted as deficiencies and the action plan calls for improvements in these conditions. Construction of the NSRRWRF will allow these corrections, providing fully serviced sites for future businesses and allowing expansion of those businesses already in the area. The strategic plan also adds additional target sectors on which the Santa Rosa Economic Development Organization (EDO) can focus, this will both help further diversify the economy and add above-average wage jobs.

As noted in subsection 3 of the Funding and Budget section of this Application, average wages of jobs created as a result of TRIUMPH funding in support of the

construction of the North Santa Rosa Regional Water Reclamation Facility will far exceed the current (2016) per capita income in both Santa Rosa County and the City of Milton. Increases in per capita income will contribute to an increase in median household income, particularly in and around the City of Milton and in northern Santa Rosa County, which lags behind County averages due to the very high median household income in the City of Gulf Breeze. The significant spending by both new or expanded businesses and their employees will support current and future businesses through the increased purchase of goods and services. It is also likely some City and County residents will be able to increase their disposable incomes by reducing commuting costs to reach more distant places of employment.

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

○ Economic Recovery.

As Santa Rosa County and the City of Milton both continue to rebound from the impacts of the BP oil spill, economic development is a key component in meeting employment needs of the current and future population. A recent analysis prepared as part of the Florida Chamber Foundation's *Florida 2030* report projects Santa Rosa County will need an additional 20,146 net new jobs by 2030, or an annual job creation of 883. Wages from new direct jobs supported by the NSRRWRF will support additional employment growth and wages in other sectors through the multiplier effect. New development will create new sources of tax revenue and building permit fees for Santa Rosa County and additional wastewater treatment fees for the City of Milton.

All of these economic recovery activities and funds are dependent on construction of the new North Santa Rosa Regional Water Reclamation Facility.

○ Economic Diversification.

Development of the North Santa Rosa Regional Water Reclamation Facility will provide adequate wastewater treatment capacity for several thousand acres of business parks and other industrially zoned land. Assuming a continuation of the development patterns demonstrated since the Santa Rosa County Industrial Park was started in 1982, future development will include a wide variety of business types that will provide a diversified economic base. As shown earlier in this application, the County currently has seven target sectors with average wages significantly exceeding current per capita income. In part, this will occur because of the diverse nature of the County's and region's target industries, and in part, will reflect the desirability of the area for many types of businesses not specifically targeted.

Further, assuming the majority of projects will require small to medium size lots, the County's industrial inventory can be expected to last for multiple decades,

during which it is likely new targets and industry sectors will emerge, leading to further diversification.

- Enhancement of the Disproportionately Affected Counties.

The availability of several thousand acres of fully serviced industrial properties will position Santa Rosa County as one of the few locations in Northwest Florida that can offer business prospects this degree of choice in locational opportunities. This will certainly enhance the County's competitiveness in the economic development marketplace.

- Enhancement of a Targeted Industry.

The Santa Rosa County Economic Development Organization (EDO) currently has as targets aviation and aerospace, distribution, cybersecurity and call centers. A newly created economic development strategic plan adds as target sectors aviation support services, business services, logistics, agricultural and marine research, and health services/research and medical technology. FloridaWest, serving the greater Pensacola region immediately west of Santa Rosa County, targets companies in the chemical manufacturing, aviation manufacturing, cybersecurity, information technology, professional services/back offices, and offshore vessels sectors. Florida's Great Northwest includes advanced manufacturing, aerospace and defense, health sciences, renewable energy, and transportation, distribution & logistics as targets for the broader 12-county region.

The County's new economic development strategic plan provides a well thought-out action agenda for promoting the County and region's economic growth. Many of the target sectors noted above are those listed as discretionary priority targets sought by the TRIUMPH Board.

Santa Rosa County and the City of Milton intend the development of the Santa Rosa Regional Wastewater Reclamation Facility (NSRRWRF) to enhance all the target industries listed above. The fact that adequate wastewater treatment capacity will exist in the future for a large land area and for many years will mean any current or future company in the region's target sectors and clusters will meet their wastewater treatment needs in an efficient and cost-effective manner.

For more detailed information, please see **Attachment C** which demonstrates the following:

- During the first 10 years of development in the East Milton Industrial Area after the NSRRWRF begins providing service, seven construction projects will occur utilizing 56 acres of land in the industrial area.
- This development will result in construction of 245,000 square feet of space at a construction value of nearly \$31 million.

- 1,120 Permanent, new direct jobs and 426 new indirect jobs will be created for a total of 1,546 total new jobs over the first 10 years after the North Santa Rosa Regional Water Reclamation Facility is constructed.
- The new direct jobs will initially average \$40,000 per year and will escalate at the rate of 1.5% per year, resulting in more than \$259 million in wages over the 10 year period; the indirect jobs will result in nearly \$83 million in wages. Therefore, total new wages in Santa Rosa County during the initial 10-year period will exceed \$342 million.
- New construction will generate \$30,900 in building permit fees, \$474,600 in ad valorem taxes and \$22,500 in non-ad valorem taxes to Santa Rosa County over the 10-year period.
- New or expanded buildings will generate nearly \$217,000 in wastewater treatment fees to the City of Milton over the 10-year period.
- In addition to the permanent, new direct jobs, during the 18-month construction period of the NSRRWRF, 84 direct jobs will be created per year resulting in 27 indirect jobs per year.
- Construction of the NSRRWRF will result in somewhat more than \$5 million in new direct wages and \$1 million in indirect wages.

2.

Additional Information

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

 Yes X No

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

The information included in **Figure 1** describes a three-phase construction program that begins in January 2019 and continues for 30 months; with final completion in June 2021.

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

All improvements associated with the North Santa Rosa Regional Water Reclamation Facility project are located in central Santa Rosa County along the I-10 corridor and adjacent to NAS Whiting Field. The facilities proposed under this application are within the wastewater utility franchise area for the City of Milton. The specific property for the new plant is currently undeveloped land; the street address for the new plant will be established in the future, (on an extension to Old Stage Coach Road in the East Milton area).

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

The City of Milton is responsible for all maintenance and upkeep associated with all existing and proposed facilities under this application.

E. What permits are necessary for the infrastructure project?

The major environmental permits necessary to advertise and commence construction have been acquired by the City of Milton. A number of specialized and routine permits and notifications are required for the type of facilities proposed, including:

FDEP Wastewater Permit for Domestic Wastewater Facilities
FDEP Notice to Construct a Domestic Wastewater Transmission System
FDEP Notice to Place Domestic Wastewater Transmission System In Service
FDEP Environmental Resource Permit; FDEP Certifications of Completion
FDEP Joint Application for Submerged Land Lease
Santa Rosa County Development Order
Santa Rosa County Conditional Use Permit
Santa Rosa County Building 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?

All environmental permits associated with the wastewater facilities under this application have been acquired from the responsible FDEP regulators as part of the previous design-permitting phase of the project. The project is shovel-ready; the only authorizations necessary to proceed are the routine local construction permits. It is important to note both the City of Milton and Santa Rosa County are committed to ensuring all permits and authorizations necessary to construct the facilities described herein will be expedited.

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?

All parcels are currently zoned to accept the facilities associated with this application. This includes the plant site, disposal site and the associated Industrial Parks indicated in the project narrative. The site proposed for the NSRRWRF is currently zoned M1, Restricted Industrial District.

- 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, explain.**

☒ Yes ☐ No

As indicated above, a Santa Rosa County Development Order will be necessary to proceed with the construction of the facilities included herein. No comprehensive plan amendment is necessary for this project.

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

☒ Yes ☐ No

There are historical, current and future matching funds associated with this request; as follows:

| | |
|--|--------------|
| FEMA (Historical) | \$12,000,391 |
| City of Milton (Historical)* | \$8,221,311 |
| City of Milton (Current) | \$8,000,000 |
| Santa Rosa County (Current) | \$2,000,000 |
| FL Legislative Appropriation 2017 | \$562,500 |
| FL DEO Grant (Applied) | \$225,938 |
| FL Legislative Appropriations (Future) | TBD |
| FL DEO Grants (Future) | TBD |
| Total | \$31,010,140 |

*Note: As outlined in Item 4 of the Application for Funds, the City of Milton previously invested \$6,442,847 in optimizing the existing wastewater plant and \$1,778,464 in design and permitting for the new plant. The total historical program investment for the City is \$8,221,311.

Please refer to **Attachment B** for additional detail.

- I. Provide any additional information or attachments to be considered for this proposal.**

Some of the more prominent economic development advantages of investing in this critical wastewater program are as follows:

- a) A truly transformational project to provide vital infrastructure for 1,120 new direct jobs in NWFL over 10 years and substantially more over a longer timeframe.

- b) The development of vital wastewater infrastructure capacity in the rapidly developing central Santa Rosa area from 2.5 MGD to 4.5 MGD.
- c) Providing critical wastewater capacity to fully “activate” sites and new economic development opportunities for three industrial parks and the Whiting Aviation Park.
- d) Critical infrastructure to support long-term expansion and additional commands at NAS Whiting Field, one of NWFL’s most important military sector economic assets.
- e) The development of industrial-reuse process water as a new infrastructural asset; this advanced manufacturing resource would be located directly adjacent to the certified sites and industrial acreage in Santa Rosa County.
- f) Consideration of Public Private Partnership (P3) investment and appropriate funding.

I, the undersigned, do hereby certify 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: City of Milton, Florida

Name and Title of Authorized Representative: Randy Jorgenson, City Manager

Representative Signature:_____

Signature Date:_____