

## **TRIUMPH GULF COAST, INC. PRE-APPLICATION FORM**

Triumph Gulf Coast, Inc. ("Triumph Gulf Coast") has created a pre-application process to provide initial consideration of eligibility for potential ideas of projects or programs that may seek an award of funding. Applicants are required to participate in the pre-application process. Notwithstanding the response from Triumph Gulf Coast on the pre-application form, an Applicant may still elect to submit an Application.

### **APPLICANT INFORMATION**

Name of Individual/Entity/Organization: [Santa Rosa County Board of County Commissioners](#)

Proposal Title: [Project Runner Infrastructure](#)

Amount of Triumph Funds Requested: [\\$4.5 million](#)

Total Estimated Project Cost: [\\$65,300,000](#)

Brief Description of Individual/Entity/Organization:

[Santa Rosa County is a unit of government established by Florida Law.](#)

#### **Contact Information**

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Names of co-applicants, partners or other entities, organizations that will have a role in the proposed project or program:

[This project is in support of Project Runner, a distribution company desiring to expand into the Blackwater Industrial Park. Project Runner will bring a capital investment of \\$50 million.](#)

### **REQUIRED EXECUTIVE SUMMARY**

In a maximum of two (2) pages, please describe the proposed project or program and anticipated outcomes including (i) the amount of funds being sought from Triumph Gulf Coast; (ii) the amount and identity of other sources of funds for the proposed project or program; (iii) the location of the project or program; (iv) summary description of the proposed program, including how the program will be transformational and promote economic recovery, diversification, and enhancement of the disproportionately affected counties, and (v) a summary timeline for the proposed project or program.

### **IMPORTANT NOTICE**

This pre-application process will **not** result in an award of funding by Triumph Gulf Coast. Rather, this process is designed to facilitate submission of ideas for potential projects or programs before the Applicant expends time and/or resources to complete a full Application. All Applicants for funding are required to complete an Application, which will be reviewed and then considered for award at the discretion of Triumph Gulf Coast Board.

**Please Select the Proposal's Eligibility Category(s)**

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.

**Please Select the Priorities this Proposal's Outcomes will Achieve**

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

- ☒ 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.

1. Title: Project Runner: Industrial Park Infrastructure

\*This is a confidential project pursuant to F.S. 288.075

2. Description: The Santa Rosa Economic Development Office has been engaged with a distribution company seeking to expand their presence in the Southeast. In recent months, discussions have intensified, with the company requesting to move forward on an incentive package for their proposed operations. With competition from Birmingham and New Orleans, it's imperative we provide a competitive incentive package to close this deal.

This project would have a transformational impact on Santa Rosa County in that it would become one of the largest employers in the County at over 125% of the average county wage (EFI State of Florida Incentives Average Wage Requirements). This project would also spur additional growth in our industrial parks, as supply chain suppliers have already begun inquiring about co-locating with the facility.

Approximate Project Parameters:

Number of Jobs: 400 individuals

Average Wage: \$46,000

Capital Investment: \$50 Million

The Triumph funding will be used to complete infrastructure construction to the Blackwater Industrial Park specifically to allow a distribution company to expand into the site with a new 350,000 sq foot warehouse. **Infrastructure improvements would include a road to access the industrial park from Highway 87 along with extending water, sewer, and electrical to the site. All improvements will be on a county owned and maintained easement. All improvements will also benefit future tenants on the remaining 136 acres of the Florida First Site.** Suppliers to the distribution company have already expressed interest in also expanding into this and the adjacent county-owned I-10 Industrial Park to maintain proximity to the distribution company as it expands and better services the southeastern market from New Orleans to Birmingham to Jacksonville. Once the infrastructure is in place, it will be maintained by the county.

3. Location: The company is intending to locate at one of Santa Rosa County's premier industrial parks, strategically located along Interstate 10. The company would utilize 50 acres of a Florida First Site at the Blackwater Industrial Park.

4. How the proposed project promotes economic recovery, diversification and enhancement of the disproportionately affected counties:

a. Economic Recovery: The Santa Rosa Board of County Commissioners has worked for years to bring higher paying jobs to the County. One of the most telling statistics of the county can be seen on the Northwest Florida FORWARD County Snapshots. The net inflow/outflow of commuters is largely outward from Santa Rosa County, which means workers are commuting outside the county to higher paying jobs. They are commuting to the metropolitan core areas of Pensacola or Fort Walton Beach or to Crestview. The downturn of the economy in 2008 and the Deepwater Horizon Oil Spill in 2010 both hit

the county's economy very hard (unemployment rose from 2.8 in 2006 to 9.5 in 2010) because of the reliance on growth in the construction/housing industry and tourism for jobs and revenues.

Years later, the choice among better paying jobs in the county is still limited. As of 2016 according to the Northwest Florida Forward County Snapshots, a publication of Florida's Great Northwest, the top five industry sectors by employment are, in order, elementary and secondary schools, limited service restaurants, full service restaurants, the federal government including military, and local government. Missing from the list are the types of industries that can create an industry cluster around a major consumer of other businesses products.

An analysis by the University of West Florida Haas Center for Business Research and Economic Development shows the economic impact of jobs in the distribution industry. If 400 jobs are created at the industrial park with a \$46,000 average wage, the economic impact over 13 years, 2020 – 2032, would be \$823.7 million in gross county product.

b. Diversification: It is intended that the major distributor at the industrial park will attract not only other distribution businesses but also businesses within the supply chain of the distributor. Santa Rosa County has relied heavily upon military, tourism and agriculture, all of which are subject to unpredicted devastating events that can wipe out expected revenues, such as the Deepwater Horizon Oil Spill, weather conditions and base realignments. Development of the distribution industry will not only diversify the economy but would also provide stability as the need increases nationally and locally for distribution hubs.

c. Enhancement of Disproportionately Affected Counties: Santa Rosa County and the region of disproportionately affected counties will be enhanced:

- i. Distribution and supporting industries will bring jobs with higher pay.
- ii. Aligns with the Northwest Florida FORWARD regional strategic initiative by supporting the manufacturing industry by providing transportation for its products and supporting the water transportation industry by providing land-based logistics.
- iii. Will create net new jobs in support of a targeted industry.
- iv. Provides a wider regional impact as evidenced by the U.S. Cluster Mapping Project, Institute for Strategy and Competitiveness, Harvard Business School, which shows Northwest Florida as a cluster for transportation and logistics.

5. Proposed timeline: This request is complimentary to the Santa Rosa County request for tax rate reduction for Project Runner. It is anticipated that infrastructure improvements will take 24-36 months, with company facility construction beginning immediately thereafter.

6. Disproportionately affected counties impacted by the proposed project: Escambia, Santa Rosa, and Okaloosa Counties since Santa Rosa County lies within two metropolitan statistical areas (MSAs): Fort Walton Beach to the east and Pensacola to the west.

## **Budget**

### **PROJECT RUNNER BUDGET**

#### **INFRASTRUCTURE**

Cap X	\$50,000,000
Triumph Request (current application)	\$4,500,000
EDA Grant	\$1,500,000
<b>TOTAL INFRASTRUCTURE</b>	<b>\$56,000,000</b>

#### **TAX REDUCTION**

Triumph Request (separate application)	\$3,500,000
State QTI	\$960,000
SRC QTI match	\$240,000
EDATE	\$3,400,000
SRC QTI	\$1,200,000
<b>TOTAL INCENTIVE PKG</b>	<b>\$9,300,000</b>

**TOTAL PROJECT BUDGET**            \$65,300,000

Percent of Project Cost (Infrastructure Request) 6.89%

Percent of Project Cost (Tax Reduction Request) 5.36%

**Total Request for infrastructure improvements: \$4,500,000**

11

The project budget shown includes capital investment by the company to construct a 350,000 square foot warehouse, the cost to Santa Rosa County to design and construct necessary infrastructure to the site, and the associated incentive package approved by Santa Rosa County BOCC and The Florida Department of Economic Opportunity.

Santa Rosa County BOCC approved an incentive package for the company in September 2018, which includes property tax exemption for a period of ten years and required State QTI match in the amount of \$240,000. It is anticipated that the BOCC will approve a local QTI in the amount of \$1.2 million. On February 8, 2019, the Department of Economic Opportunity has issued a certification letter that Project Runner is eligible to receive up to \$1.2 million in QTI tax refunds to operate in Florida's qualified target industry – Global Logistics and Trade.



**Project Runner  
50-65 Acre Location  
Northwest Florida Industrial Park  
@ I-10**

