



City of Milton

May 14, 2019

Board of Triumph Gulf Coast,
Inc. Post Office Box 12007
Tallahassee, Florida 32317

RE: North Santa Rosa Regional Water Reclamation

Facility Project Dear Triumph Gulf Coast Board

Members:

The City of Milton's current wastewater facility has become increasingly inadequate to serve the economic development goals and objectives of Santa Rosa County and the Northwest Florida region. In the attached materials we have taken great care to describe the pressing nature of this infrastructural deficiency with respect to developing the local economy. In recent years, the Santa Rosa County Economic Development office has been unable to place a number of opportunities due to the lack of wastewater capacity. In recognition of this, the City of Milton has prepared designs, permits and cost estimates for the addition of a new wastewater treatment plant in the east Milton area that will satisfy these critical community objectives in the future.

The new North Santa Rosa Regional Water Reclamation Facility will be located in a centralized area with convenient access to all of the 2,100 acres of economic development site inventory along the I-10 corridor. This inventory includes a number of certified sites with exceptional physical and logistical advantages for new industries. The new wastewater treatment plant is also convenient to Naval Air Station Whiting Field and Whiting Field Aviation Park. With this new infrastructure, impediments to industry placement, jobs and economic growth in central Santa Rosa County will be removed.

We have taken great care to provide all information necessary to perform the Economic Impact Analysis associated with the North Santa Rosa Regional Water Reclamation Facility initiative. Our cursory analysis indicates this investment will result in the addition of over 1,000 jobs over the next ten years. As such, we believe the project provides a great opportunity for the responsible investment of TRIUMPH funds.

We look forward to working with you on this request. Please contact me directly if I can be of any assistance at (850) 983-5411.

Sincerely,
CITY OF MILTON

Randy Jorgenson, City Manager

TRIUMPH GULF COAST, INC. TRUST
FUND Application for Funds



North Santa Rosa Regional Water Reclamation
Facility (SRRWRF)

TRIUMPH GULF COAST, INC. TRUST FUND APPLICATION FOR FUNDS

Post Office Box 12007
Tallahassee, FL 32317

TRIUMPH GULF COAST, INC. TRUST FUND
Susan Skelton, Executive Director

Board Members:

Senator Don Gaetz, Chairman
Speaker Allan Bense

Mr. Steven Riggs, IV
Mr. Benjamin Lee

Mr. Jason Shoaf
Ms. Pam Dana, Ph.D.



NORTH SANTA ROSA REGIONAL WATER RECLAMATION FACILITY (NSRRWRF)

Submitted by:



CITY OF MILTON
P.O. Box 909
Milton, Florida 32572
Randy Jorgenson, City Manager

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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. The current breakdown of the *daily use* measured by Gallons Per Day (GPD) is: Industrial 45%, Residential 35% and commercial 20%.

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 is at capacity, 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 closely scrutinize all future requests for sanitary sewer service, focusing on benefits the service has to 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
Mailing Address:	P.O. Box 909, Milton, FL 32572
Phone:	850-983-5411
Email:	rjorgenson@miltonfl.org
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. The state of Florida has also approved \$500,000 for FY 2019-20.
- Santa Rosa County has participated with a \$2,000,000 allocation for new plant construction. Recently, Santa Rosa County committed an additional \$4,500,000 for Phase II of the project.
- 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. Thus, the

total historical program investment for the City is \$8,221,311.

- The City has made an additional \$8,000,000 financial commitment for new plant construction. **(Please refer to page 31 for a breakdown of program costs, and historical and future program investment).**
- The City of Milton is planning the construction of a solar array to help reduce energy costs serving the new plant, resulting in an annual operation and maintenance cost reduction forecasted at \$340,000. It is estimated that at a minimum the solar facility would reduce the city's operating costs by approximately \$100,000 per year. Those savings will be used to service a portion of the total project cost of the new wastewater treatment plant. Over 10 years this could contribute \$1,200,000 to the program cost. The program cost of the Solar Array Green Project is not part of the program cost for NSRRWRF.

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: \$9,000,000.

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

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. The City anticipates a request of \$1,000,000 from the Florida Legislature in 2020. Additionally, the City will submit an application for \$2,948,118 to the Florida DEO Job Growth Grant Fund for FY 19-20.

X 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*	2019	Santa Rosa County (Phase II)	\$4,500,000
North Santa Rosa Regional Water Reclamation Facility*	2019	Florida Legislature	\$500,000
North Santa Rosa Regional Water Reclamation Facility*	2019	Department of Economic Opportunity (DEO) Florida Job Growth Grant Fund	*Legislature has appropriated \$40,000,000 for FY 2019-20. Applications will begin July 1, 2019. The City will submit an application for \$2,948,118
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	No Award
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
<i>*In recognition of the regional impact of the facility, it has been recently renamed to the North Santa Rosa Regional Water Reclamation Facility.</i>			

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 X 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

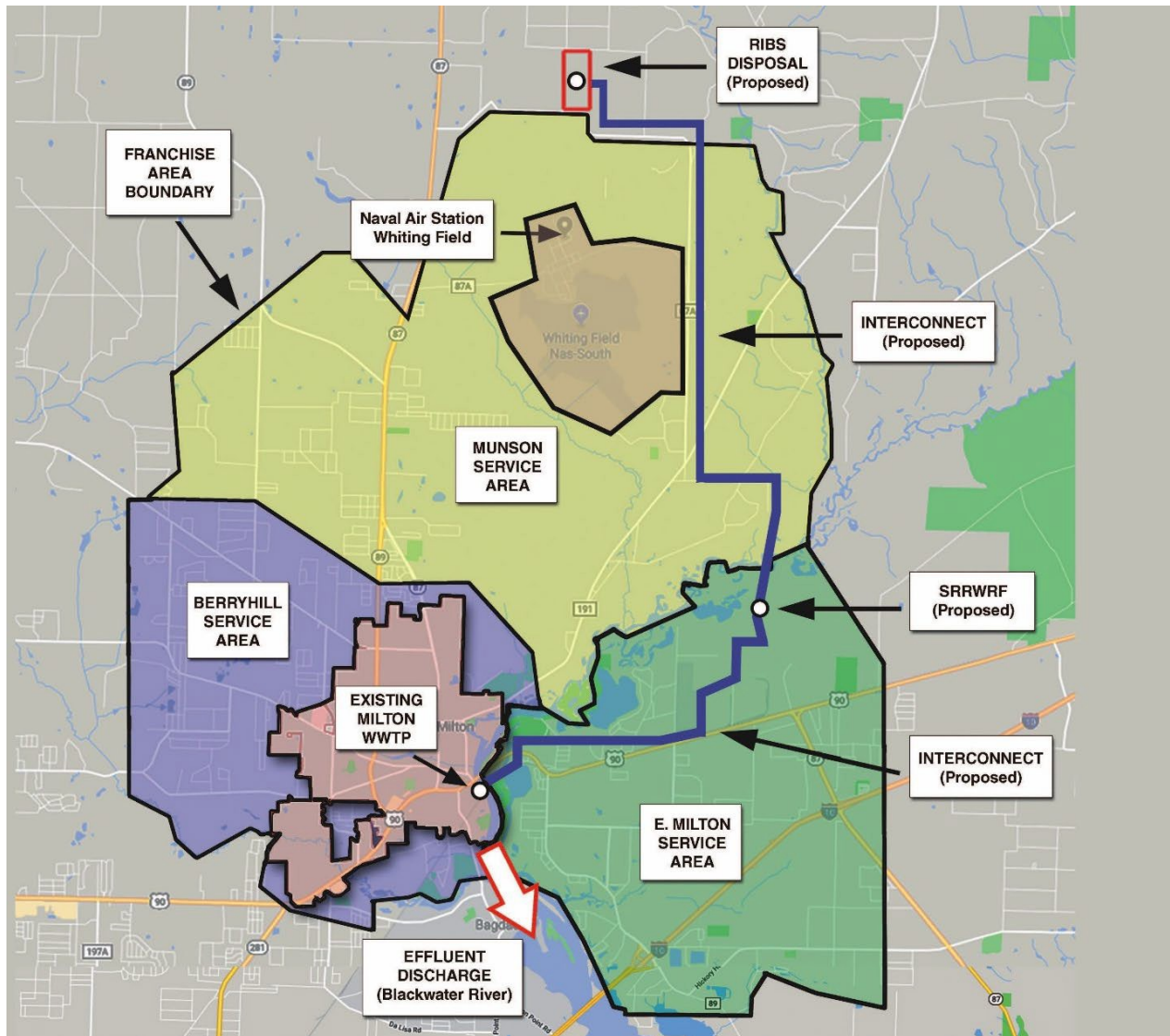
disproportionately affected counties, a proposed timeline for the proposed project or program, and the disproportionately affected counties that will be impacted by the proposed project or program.

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.

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 the 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.

The current breakdown of the *daily use* measured by Gallons Per Day (GPD) is Industrial 45%, (945,000 GPD), Residential 35% (735,000 GPD) and commercial 20% (420,000 GPD). Projections based on land use classifications indicate the *daily percentage* use by commercial, industry and residential is not anticipated to significantly alter. Industrial use would remain at approximately 45% if all sites zoned industrial, residential and commercial within the service area were built out. Additionally, daily commercial use is projected to remain between 15%-20%. Residential use could see a slight percentage increase with a projected daily use of 35%-40%.

The construction of the first phase of the new wastewater plant will provide an additional 2.0 MGD of wastewater capacity. This increases the total capacity of the overall system to 4.5 MGD. In the first 10 years, it is anticipated that the industrial daily use could increase with the availability of sewer service at the Industrial parks located in East Milton. However, as commercial and residential land is developed and connected to the service area; or septic to sewer conversions are completed; the daily percentage use is expected to return to industrial 45%, residential 35% and commercial 20%. With the increased capacity at 4.5 MGD and a projection based on 4.1 MGD, this allows industrial use to be up to 1,845,000 GPD at 45%; commercial usage to 1,435,000 GPD and residential 820,000 GPD.



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

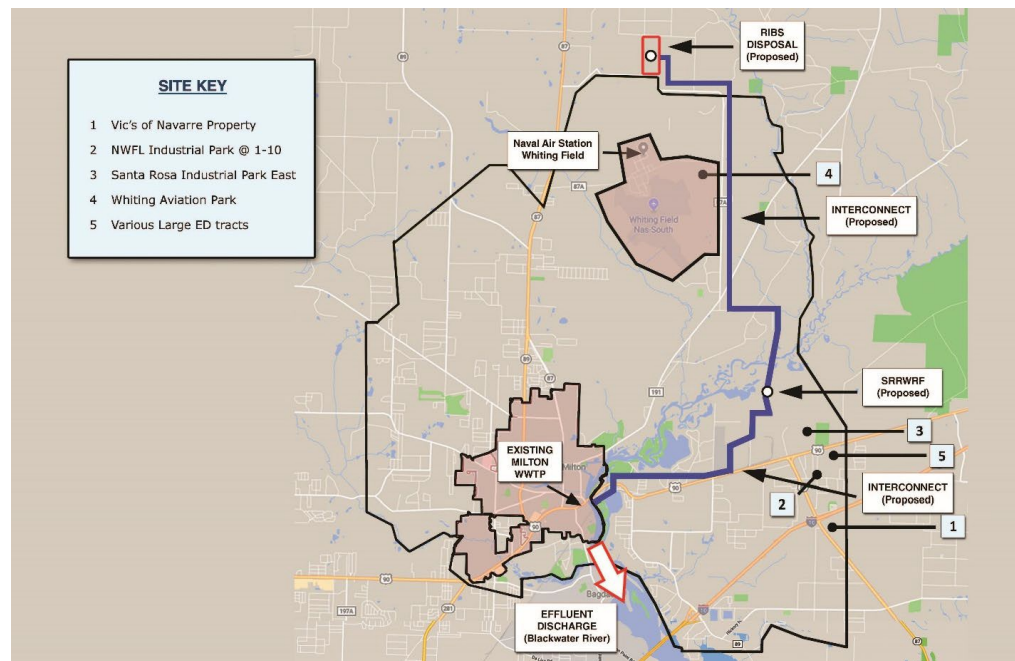
treatment capacity will soon begin to restrict placement of new projects in these critically important industrial parks. In several recent cases, the City was simply not able accommodate the projected wastewater flows associated with economic development opportunities.

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 City of Milton will continue to provide exceptional community support, indicative of the 75-year partnership between the city, 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 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 several 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.
- Projections indicate 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.
- The City of Milton provided a breakdown of its existing treatment plant's GPD flow for commercial, residential and industrial use.
- 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.
5. 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. 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 amenities are expanded. As necessary, wastewater treatment fees would be increased to assure an adequate and sustainable revenue stream.

The new NSRRWRF will expand the service area which will result in an increase in impact fees. The annual average sewer impact fees collected for the existing WWTP is \$267,147 (2010-2019).

It is projected that 50% of the yearly sewer impact fees, approximately \$130,000 could be used to service a portion of the total project cost of the wastewater treatment plant. Over 10 years this could contribute \$1,300,000 to the program cost.

The City of Milton is planning the construction of a solar array to help reduce energy costs serving the new plant, resulting in operation and maintenance cost reduction of a forecasted \$340,000 annually. It is estimated that at a minimum the solar facility could reduce the city's operating costs by approximately \$100,000 per year, at minimum. Those savings will be used to service a portion of the total project cost of the new wastewater treatment plant. Over 10 years this could contribute \$1,000,000 - \$1,600,000 to the program cost. The program cost of the Solar Array Green Project is not part of the program cost for NSRRWRF.

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

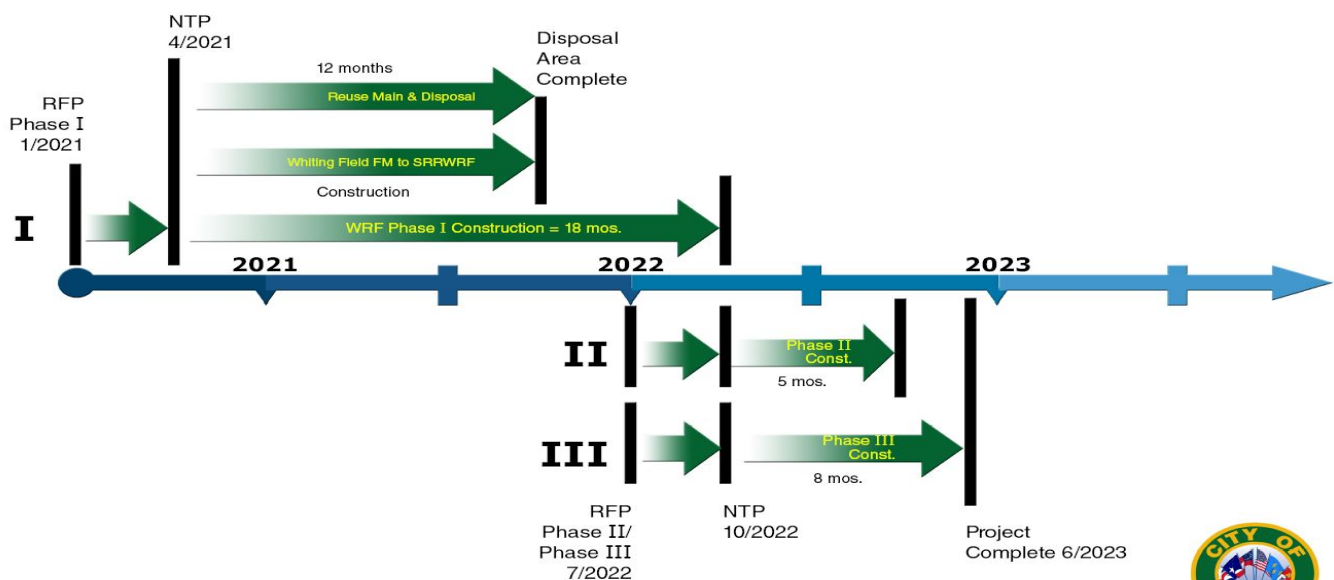
Deliverables

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



SANTA ROSA REGIONAL WATER RECLAMATION FACILITY
CITY OF MILTON MAY 2019

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.
- X 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, (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. The opportunities provided by the type of development generally found in industrial parks is needed more in and around the City of Milton than many other areas of Santa Rosa County. Additionally, the median household income for the City of Milton is \$53,390 and, in the area closest to the proposed NSRRWRF is \$47,314. Also, Santa Rosa County's poverty rate is 10.2% (2018 Census Data) but the city's rate exceeds 15% and in East Milton greater than 20%.

As an avenue of addressing the disparity between household income for Milton and East Milton when contrasted to Santa Rosa County, the community is exploring career and technical educational opportunities that may result from the construction of the facility and post construction of the facility.

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

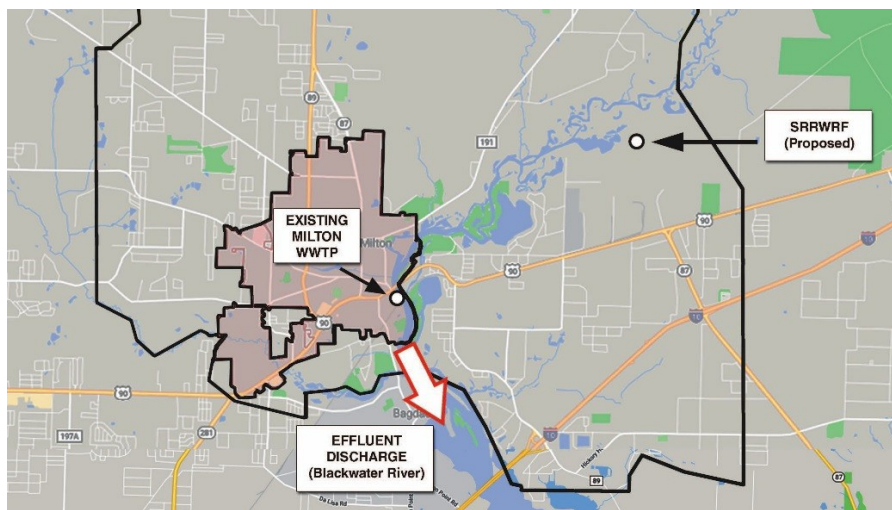
The NSRRWRF initiative is a primary partnership with Santa Rosa County, where the bulk of the developable industrial land is located and that provides the economic development services for the County, and the City of Milton which will provide the necessary wastewater treatment services to support future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

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 up to 1,120 direct jobs and nearly \$259 million in wages in Santa Rosa County 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 up to 426 jobs and \$83 million in wages. Given the nature of the industry sectors being targeted by the Santa Rosa Economic Development Office (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(EDO).

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 2006-2019 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 2019 include: July 9, August 13, September 10, October 8, November 12 and December 10, 2019.

- 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 \$9,000,000 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 2021, with a notice to proceed for Phase I construction issued in April 2021. 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 2022. The anticipated project completion date for all work associated with this application (major and minor) is June 2023.

- 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 \$ 48,958,258. (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 18% 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 \$28,908 (in 2017 dollars) and a 2017 City of Milton per capita income of \$21,101.

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 and \$500,000 for FY 2019-20. In 2018, Santa Rosa County committed \$2,000,000 and in 2019 committed an additional \$4,500,000 for Phase II of the project. 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 in FY 2017-18, FY 2018-19 and FY 2019-20. Appropriations

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
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New Wastewater Plant:

Design & Permitting	\$1,943,375
Reuse & Disposal Construction	\$7,083,725
Whiting Field SSFM Construction	\$1,446,520
NSRRWRF Plant Construction	\$20,041,400
Total Program Cost:	\$ 48,958,258

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
Santa Rosa County Phase II	\$4,500,000
FL Legislative Appropriation 201	\$562,500
Florida Legislative Appropriator	\$500,000
FL DEO Grant	\$225,938
FL Legislature Appropriation Future Request 2020	\$1,000,000
FL DEO Grant (2019 Application Request)	\$2,948,118

Total (other sources):	\$39,958,258
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C. Total Amount Requested from TRIUMPH: \$9,000,000

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 \$ 48.9 million. The amount already spent implementing the program is approaching \$21 million. This application details a request to TRIUMPH Gulf Coast for the additional \$9 million in financing to finish Phases I, II and III.

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 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 \$20 Million (\$20,000,000) of new commercial construction shall have occurred in the area serviced by the NSRRWRF, and at least 75% of that capital investment (\$15,000,000) 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. 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, it is estimated 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.

- The creation of up to 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 ☒ 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 2021 and continues for 30 months; with final completion in June 2023.

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 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)	\$6,500,000
FL Legislative Appropriation 2017	\$562,500
FL DEO Grant (Applied)	\$225,938
2019 Legislative Appropriations**	\$500,000
Subject to Executive Branch Approval	
FL Legislature Appropriation Future Request 2020	\$1,000,000
FL DEO Grant (2019 Application Request)	\$2,948,118
TOTAL:	\$39,958,258

*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.

This amount is subject to Executive Branch approval. 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 p (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:



Date: 5/21/19

TRIUMPH GULF COAST, INC. TRUST FUND
Application for Funds



Santa Rosa Regional Water Reclamation Facility
(NSRRWRF)

CITY OF MILTON, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2017

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 3,709,371	\$ 6,902,453	\$ 10,611,824
Receivables, net	237,188	1,258,068	1,495,256
Due from other governments	594,725	-	594,725
Interfund balances	(200,000)	200,000	-
Inventory	149,850	162,165	312,015
Restricted assets			
Cash and cash equivalents	768,365	4,434,022	5,202,387
Capital assets			
Non-depreciable	3,628,683	3,299,053	6,927,736
Depreciable, net	6,570,323	19,588,946	26,159,269
TOTAL ASSETS	15,458,505	35,844,707	51,303,212
DEFERRED OUTFLOWS OF RESOURCES	2,250,163	353,990	2,604,153
LIABILITIES			
Accounts payable	257,493	296,538	554,031
Accrued liabilities	71,158	40,545	111,703
Compensated absences	375,082	140,780	515,862
Revenue notes payable	332,178	136,723	468,901
State revolving loan payable	-	245,925	245,925
Capital lease payable	47,491	-	47,491
Payable from restricted assets			
Customer deposits	-	649,694	649,694
Non-current liabilities			
Compensated absences	31,583	12,562	44,145
Revenue notes payable	-	2,337,835	2,337,835
State revolving loan payable	-	3,620,232	3,620,232
Capital lease payable	191,851	-	191,851
Net pension liability	5,717,524	689,277	6,406,801
TOTAL LIABILITIES	7,024,360	8,170,111	15,194,471
DEFERRED INFLOWS OF RESOURCES	268,805	21,941	290,746
NET POSITION			
Net investment in capital assets	9,627,486	16,547,284	26,174,770
Restricted			
Debt service	-	477,355	477,355
Public safety	9,096	-	9,096
Community redevelopment	133,750	-	133,750
Capital projects	718,188	3,759,587	4,477,775
Unrestricted (deficit)	(73,017)	7,222,419	7,149,402
TOTAL NET POSITION	\$ 10,415,503	\$ 28,006,645	\$ 38,422,148

See notes to the financial statements.

**CITY OF MILTON, FLORIDA
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

	Major Fund			
	General Fund	Community Redevelopment Agency	Other Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	\$ 2,509,235	\$ -	\$ 193,166	\$ 2,702,401
Licenses, fees, permits, and assessments	906,223	-	-	906,223
Intergovernmental	1,042,138	68,820	1,082,072	2,193,030
Charges for services	103,044	49,011	178,123	330,178
Fines and forfeits	27,454	-	-	27,454
Miscellaneous	275,358	399	1,696	277,453
Total revenues	<u>4,863,452</u>	<u>118,230</u>	<u>1,455,057</u>	<u>6,436,739</u>
EXPENDITURES				
Current				
General governmental	1,358,656	-	-	1,358,656
Public safety	3,552,146	-	177,785	3,729,931
Economic environment	-	80,509	-	80,509
Transportation	988,614	-	-	988,614
Culture and recreation	1,147,185	-	-	1,147,185
Capital outlay				
General governmental	456,556	-	940,030	1,396,586
Economic environment	-	20,040	-	20,040
Debt Service				
Principal	-	-	299,141	299,141
Interest	-	-	19,573	19,573
Total expenditures	<u>7,503,157</u>	<u>100,549</u>	<u>1,436,529</u>	<u>9,040,235</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(2,639,705)</u>	<u>17,681</u>	<u>18,528</u>	<u>(2,603,496)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from capital lease	239,342	-	-	239,342
Transfers in	3,011,374	116,069	352,964	3,480,407
Transfers out	(492,780)	-	(68,069)	(560,849)
Total other financing sources	<u>2,757,936</u>	<u>116,069</u>	<u>284,895</u>	<u>3,158,900</u>
NET CHANGE IN FUND BALANCE	<u>118,231</u>	<u>133,750</u>	<u>303,423</u>	<u>555,404</u>
FUND BALANCE, BEGINNING	<u>3,527,708</u>	<u>-</u>	<u>629,876</u>	<u>4,157,584</u>
FUND BALANCE, ENDING	<u>\$ 3,645,939</u>	<u>\$ 133,750</u>	<u>\$ 933,299</u>	<u>\$ 4,712,988</u>

See notes to the financial statements.

**CITY OF MILTON, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2017**

	Prima!1 Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 3,709,371	\$ 6,902,453	\$ 10,611,824
Receivables, net	237,188	1,258,068	1,495,256
Due from other governments	594,725		594,725
Interfund balances	(200,000)	200,000	
Inventory	149,850	162,165	312,015
Restricted assets			
Cash and cash equivalents	768,365	4,434,022	5,202,387
Capital assets			
Non-depreciable	3,628,683	3,299,053	6,927,736
Depreciable, net	6,570,323	19,588,946	26,159,269
TOTAL ASSETS	15,458,505	35,844,707	51,303,212
DEFERRED OUTFLOWS OF RESOURCES	2,250,163	353,990	2,604,153
LIABILITIES			
Accounts payable	257,493	296,538	554,031
Accrued liabilities	71,158	40,545	111,703
Compensated absences	375,082	140,780	515,862
Revenue notes payable	332,178	136,723	468,901
State revolving loan payable		245,925	245,925
Capital lease payable	47,491		47,491
Payable from restricted assets			
Customer deposits		649,694	649,694
Non-current liabilities			
Compensated absences	31,583	12,562	44,145
Revenue notes payable		2,337,835	2,337,835
State revolving loan payable		3,620,232	3,620,232
Capital lease payable	191,851		191,851
Net pension liability	5,717,524	689,277	6,406,801
TOTAL LIABILITIES	7,024,360	8,170,111	15,194,471
DEFERRED INFLOWS OF RESOURCES	268,805	21,941	290,746
NET POSITION			
Net investment in capital assets	9,627,486	16,547,284	26,174,770
Restricted			
Debt service		477,355	477,355
Public safety	9,096		9,096
Community redevelopment	133,750		133,750
Capital projects	718,188	3,759,587	4,477,775
Unrestricted (deficit)	(73,017)	7,222,419	7,149,402
TOTAL NET POSITION	\$ 10,415,503	\$ 28,006,645	\$ 38,422,148

**CITY OF MILTON, FLORIDA
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

	General Fund	Community Redevelopment Agency	Other Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	\$ 2,509,235	\$	\$ 193,166	\$ 2,702,401
Licenses, fees, permits, and assessments	906,223			906,223
Intergovernmental	1,042,138	68,820	1,082,072	2,193,030
Charges for services	103,044	49,011	178,123	330,178
Fines and forfeits	27,454			27,454
Miscellaneous	275,358	399	1 696	277,453
Total revenues	4,863,452	118,230	1,455,057	6,436,739
EXPENDITURES				
Current				
General governmental	1,358,656			1,358,656
Public safety	3,552,146		177,785	3,729,931
Economic environment		80,509		80,509
Transportation	988,614			988,614
Culture and recreation	1,147,185			1,147,185
Capital outlay				
General governmental	456,556		940,030	1,396,586
Economic environment		20,040		20,040
Debt Service				
Principal			299,141	299,141
Interest			19,573	19,573
Total expenditures	7,503,157	100,549	1,436,529	9,040,235
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	{2,639 ,705	17,681	18,528	{2,603,496
OTHER FINANCING SOURCES (USES)				
Proceeds from capital lease	239,342			239,342
Transfers in	3,011,374	116,069	352,964	3,480,407
Transfers out	{492 ,780)		(68,069}	(ss0,849l
Total other financing sources	2,757,936	116,069	284,895	3,158,900
NET CHANGE IN FUND BALANCE	118,231	133,750	303,423	555,404
FUND BALANCE, BEGINNING	3,527,708		629,876	4,157,584
FUND BALANCE, ENDING	\$ 3,645,939	\$ 133,750	\$ 933,299	\$ 4,712,988

TRIUMPH GULF COAST, INC. TRUST FUND
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Santa Rosa Regional Water Reclamation Facility
(NSRRWRF)

ATTACHMENT B - BUDGET NARRATIVE

Santa Rosa Regional Water Reclamation Facility

(NSRRWRF) Background Summary

Over the past several decades, Santa Rosa County experienced unprecedented growth. This growth has required substantial investments in the supporting infrastructural systems. One of the systems that has been 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, the Whiting Field Aviation Park and privately-owned undeveloped site inventory along the I-10 corridor.

There are two major parts of the Milton wastewater program; both are necessary for developing the wastewater infrastructure capacity to support robust economic development in the area. These include the existing wastewater plant (Milton WWTP) and the new wastewater plant (NSRRWRF). The two parts of the program (existing and new plants) will work together to satisfy the increasing wastewater flow demands on the system which were established during the planning period after Hurricane Ivan in 2005- 2008. The two-pronged strategy was to be implemented in a phased (chronological) succession.

The new plant (NSRRWRF) is the second "step" or phase of a long-term program to develop wastewater infrastructure capacity in the central Santa Rosa County area. The two stages, or "steps" of the program are as follows:

1. Protect and optimize the *existing capacity* of the Milton WWTP.
2. Provide *new capacity* via the NSRRWRF.

Planning for this infrastructure program essentially began after Hurricane Ivan in 2005. As with many communities in the area, this catastrophic event forced the re-evaluation of a wide range of infrastructural facilities and programs. The existing downtown Milton WWTP was inundated with storm surge that peaked at elevation 16.0 above mean sea level (MSL), or approximately 6 feet above the tank inverts for the clarifiers at the existing plant. Subsequent discussions about the need for future capacity to address population growth and economic development objectives prompted city officials to begin investing in the existing downtown Milton WWTP facility and planning for a new NSRRWRF facility in EastMilton.

The existing Milton plant discharges to the Blackwater River. Environmental regulations prohibited FDEP from approving new or enhanced surface water discharge permits for sanitary effluent. This regulatory trend was initially focused on high-quality water bodies including the Blackwater River system. The river is the only riverine system currently classified as a "Pristine Sand-Bottom River" in Florida. In 2006, the City completed a WQBEL (Water-Quality Based Effluent Limitation) analysis for the existing plant. This FDEP regulatory study formally limited discharges to the Blackwater River. These regulatory conditions resulted in a hard permit limit of 2.5 MGD from the existing Milton WWTP. At the time, the plant was operating at about 1.5 MGD, such that protecting the remaining 1.0 MGD capacity became a priority. While the technical options for a new facility were explored, city officials began a program to armor the existing plant in-place. Because the plant was exposed to storm surge during tropical cyclone events, the effort to protect the existing effluent discharge capacity involved partnering with FEMA. The non-reoccurring investments in this phase of the program were as follows:

Table 1. Milton WWTP Investments

Source	Amount¹	Description
FEMA	\$12,000,391	Federal Emergency Management Agency grant (2005).
City of Milton	\$6,442,847	Matching Funds for FEMA grant, financed by the City of Milton. (Loan plus interest).
TOTAL	\$18,443,238	

(1) Non-reoccurring amount for optimizing existing wastewater capacity

This \$18.4 million investment was applied to a series of projects to reconstruct the plant and provide full access to the (FDEP) permitted discharge capacity to the Blackwater River. This included advanced equipment and facilities to upgrade the quality of the effluent from the plant to the highest regulated standard in Florida. Because the discharge is to a protected waterway, the plant is mostly AWT (Advanced Wastewater Treatment) capable; AWT is one of the more challenging regulated effluent standards to comply with in the nation. Additional investments in irrigation re-use systems, tankage and distribution systems in the downtown Milton helped to offset discharges into the river. Stormwater infiltration improvements served to reduce flows coming into the plant. As a result of these improvements, the entire 9.3 acre WWTP site in downtown Milton has been built-out. As these advanced improvements came on-line, the lack of suitable land, topographic and storm conditions, adjacent jurisdictional wetlands and encroaching residential developments increasingly restricted opportunities for additional optimization.

Despite the optimization / armoring program, wastewater effluent discharges into the Blackwater River have continued to increase over time.

Existing Capacity

Daily wastewater flows are currently running at or above 2.10 MGD in the existing Milton WWTP. The permitted capacity of the plant is 2.5 MGD. Projections for additional flows involve three components:

1. Population growth
2. Flows currently obligated by approved development plans
3. Flows projected for the 10-year economic development program

Capacity consumed by population growth (1) and obligated capacity (2) are indicated in the graph below. For the Santa Rosa Economic Development program, the spreadsheet provided in Attachment K conservatively predicts one project of 35,000 square feet of gross building area every 18 months. To estimate the projected flows associated with the development of this site inventory, engineers utilize water usage data for the commercial, institutional and industrial sector based on building area. (American Water Works Association, 2011). These water usage projections are then converted to annualized wastewater

effluent estimates. This AWWA method suggests that the economic development program could generate up to 31,500 GPD of average daily wastewater flow each year. Based on these estimates, and assuming the program is initialized in 2020 - the remaining capacity at the existing plant could be fully consumed as early as 2024.

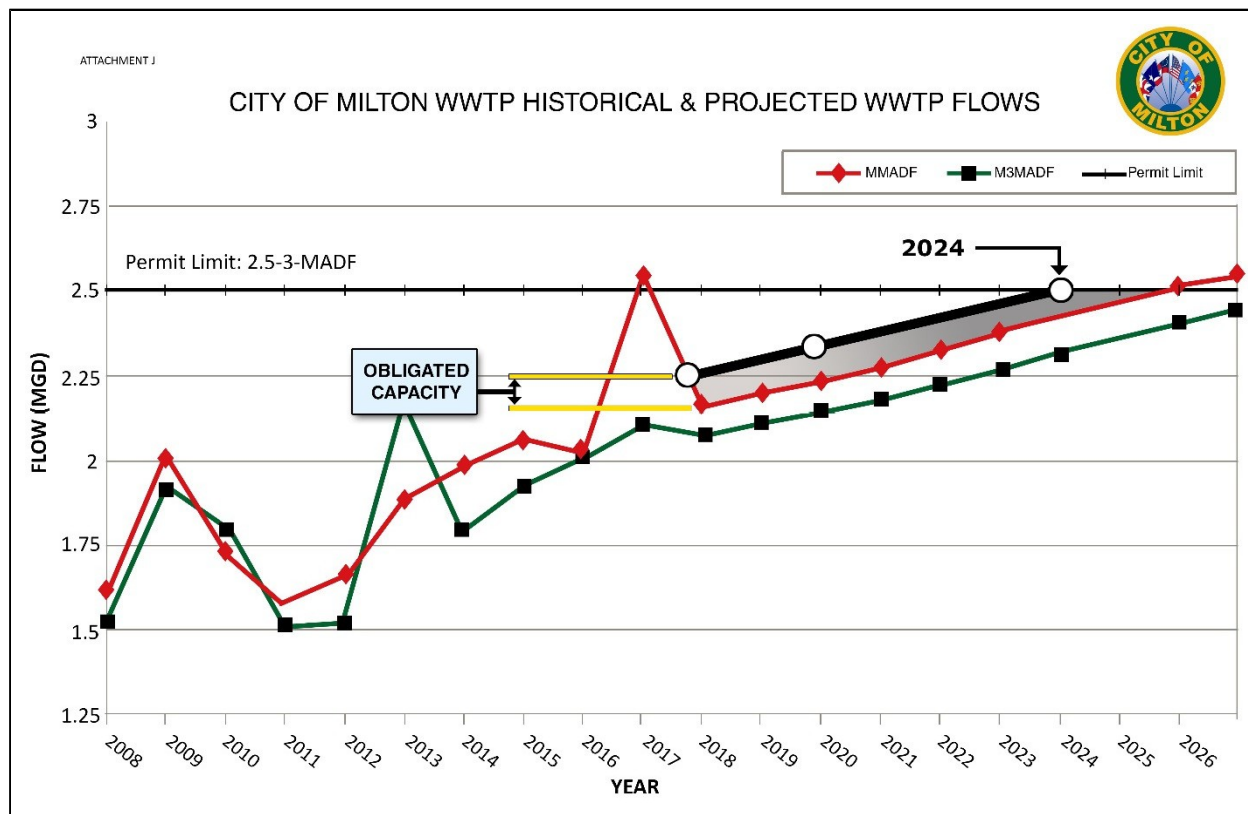


Figure 1. Wastewater Projected Flows

It is important to note that *if 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 community.* For new small projects, the on-site treatment option (septic systems) would likely be cost prohibitive for most prospective economic development projects. For medium-sized projects that cannot absorb the cost of an on-site wastewater package plant, development would be cost prohibitive. Moreover, the high cost of on-site wastewater treatment for larger projects would likely serve as a severe competitive disadvantage.

New Capacity

While the optimization program was underway for the existing downtown WWTP, the City of Milton began to invest in the NSRRWRF in East Milton. Thus far, the City has invested \$1.78 million in the planning, permitting and design of the new facility. There have been additional investments in real property acquisition and a new horizontal directional drill pipeline crossing below the Blackwater River. The initial capacity planned for the NSRRWRF would be 2.0 MGD, bringing *the total system capacity up to 4.5 MGD*. Because the facility is designed as a modular system, the capacity could be easily increased in 2.0 MGD increments in the future – for a maximum of 6.0 MGD of additional capacity at the new NSRRWRF.

Since the NSRRWRF phase of the Milton wastewater program began, an additional commitment of \$10M in construction funding has been secured from the City of Milton and Santa Rosa County. Currently, the commitments supporting this part of the program are as follows:

Table 2. NSRRWRF Funding

Source	Amount	Description
State of Florida	\$562,500	Florida Legislature Appropriation
City of Milton	\$1,778,464	Funding for studies, investigations, planning and design. (Loan plus interest).
DEO	\$225,938	Future Grant Request, Florida Dept. of Economic Opportunity (minimum request).
Florida Legislative Appropriation	\$500,000	Current Florida Leg Appropriation
Santa Rosa County	\$6,500,000	BOCC Commitment
City of Milton	\$8,000,000	Commitment for construction funding for the NSRRWRF
TOTAL	\$17,566,902	

NSRRWRF Budget

As indicated above, the remaining work on the two-phase Milton wastewater program is associated with the construction of the new NSRRWRF. The construction cost estimates for this work were prepared in 2014 and recently updated for unit price escalation for labor, equipment and materials. The major elements of work remaining are as follows:

Table 3. NSRRWRF Cost

Item	Cost¹
NSRRWRF Plant	\$20,041,400
Effluent Reuse Main and Disposal	\$7,083,725
Influent Force Main – NAS Whiting Field	\$1,446,520
Design-Permitting ²	\$1,943,375
TOTAL	\$30,515,020

(1) Estimated Construction Costs have been adjusted to reflect prices in 2018.

(2) Actual cost (2009-2010)

Program Summary

The information included in this application for funds details a total \$48.9million (two plant) program to provide vital wastewater infrastructure to support growth and economic development in central Santa Rosa County. The current phase of work is the NSRRWRF, which carries a total cost of \$30.5 million. Thus far, \$17.5 million in funding has been secured or targeted for this phase of work. The City of Milton requests that TRIUMPH Gulf Coast provide financing for the remaining \$9M required to complete, as follows:

Table 4. Program Summary

Item	Amount
Milton WWTP Cost (Table 1)	\$18,443,238
NSRRWRF Cost (Table 3)	<u>\$30,515,020</u>
Total Program Cost	\$48,958,258
Milton WWTP Funding (Table 1)	-\$18,443,238
NSRRWRF Funding (Table 2)	-\$17,566,902
FL Legislation Request (2020)	- \$1,000,000
FL DEO GRANT Application for FY 19-20	- \$2,948,118
TRIUMPH REQUEST	<u>\$9,000,000*</u>
*This amount represents the required funding necessary to complete Phases I, II, and III NSRRWRF	

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 Twenty Million Dollars (\$20,000,000) of new commercial construction shall have occurred in the area serviced by the NSRRWRF, and at least 75% of capital investment (\$15,000,000) 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 that 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.

TRIUMPH GULF COAST, INC. TRUST FUND
Application for Funds



Santa Rosa Regional Water Reclamation Facility
(NSRRWRF)

Economic Impact Analysis
Santa Rosa Regional Water Reclamation Facility

August 14, 2018

Prepared by
Garnet Consulting Services, Inc.

Economic Impact Analysis

Santa Rosa Regional Water Reclamation Facility

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Economic Impact Analysis

Santa Rosa Regional Water Reclamation Facility

Introduction

This document provides an analysis of primary economic impacts of a proposed new wastewater treatment plant – the Santa Rosa Regional Water Reclamation Facility (NSRRWRF) – to be constructed in East Milton, Florida. The NSRRWRF will be built in phases to a total treatment capacity of 6 million gallons per day (MGD) and will replace a 35 year old treatment plant with a maximum capacity of 2.5 MGD and a current available capacity of less than 0.5 MGD.

This analysis was prepared by Garnet Consulting Services in support of the City of Milton’s application for grant funding from Triumph Gulf Coast, Inc. and other sources to allow development of the first 2 MGD phase of the NSRRWRF.

The NSRRWRF is needed for many reasons; for the purposes of this application, the two most important are:

1. Santa Rosa County is rapidly growing and will quickly use up the remaining treatment capacity in the existing treatment plant. A recently completed economic development strategy prepared for Santa Rosa County by Garner Economics, LLC states “Historical growth rates and the accompanying capacity utilization are projected to place the [existing] plant at capacity by 2023.”
2. The NSRRWRF will be located to serve the County’s major East Milton Industrial Area, which has several thousand acres of planned industrial parks and other sites identified for industrial use. This area is ideally located in the I-10 corridor and is currently the largest industrial area in the western Florida Panhandle. Without additional treatment capacity, the County’s future ability to provide wastewater services to new and expanding industries will be eliminated and the new jobs that would be created for County and regional workers will not occur.

The Research and Analysis Methodology

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

1. An estimate of the construction jobs and wages during the construction period of the first phase of the NSRRWRF was obtained from Baskerville-Donovan, Inc., the firm that designed the facility for the City of Milton.
2. General demographic information about Santa Rosa County’s population growth trends was obtained from the U.S. Census Bureau.
3. Primary sites for industrial development in the East Milton Industrial Area that are currently available or are identified in the County’s Future Land Use Plan for industrial use were identified by the Santa Rosa Economic Development Organization (EDO).

-
4. The Santa Rosa EDO provided a master list of “export” businesses or other facilities located in the East Milton industrial area and whose service territories extend beyond the County along with their current employment. This list was used to create a profile of typical facilities in the East Milton Industrial Area.
 5. The Santa Rosa County Property Appraiser’s website was used to identify the site and building sizes of each business on the list created in Step 4 and the amount of Ad Valorem and Non-Ad Valorem Taxes paid by each one.
 6. The City of Milton provided information on current wastewater treatment use by each business on the list prepared in Step 4.
 7. 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).
 8. The Santa Rosa EDO provided a spreadsheet providing facility and employment characteristics of projects completed in the past few years or currently in the planning or development stage, as well as similar information on “lost opportunities” – that is, projects that seriously considered Santa Rosa County but located their project elsewhere.
 9. RIMS II data for the Pensacola-Ferry Pass-Brent Metropolitan Statistical Area (MSA) was procured from the US Bureau of Economic Analysis and was used to project indirect employment and wages.
 10. Current wastewater treatment fees were provided by the City of Milton.
 11. Current Building Permit fees were obtained from the Santa Rosa County GoPermits website.
 12. Average industrial construction costs were obtained from R.S. Means company data and were confirmed by two firms familiar with construction costs in the Escambia/Santa Rosa Counties area.
 13. All the information above was used to calculate average site and facility sizes, employment, taxes paid, and wastewater generation and fees paid. These were then used to project future development and job creation. This information was analyzed to create a projection of anticipated development over a 10-year period that includes estimated construction and construction value; building permit fees; wastewater treatment fees; ad valorem and non-ad valorem taxes paid; direct employment and wages; and indirect employment and wages.

Relevant Data and Projections

Santa Rosa County Population Growth

The Santa Rosa EDO reports the County is one of the more rapidly growing in the United States. Data obtained from the U.S. Bureau of the Census shows the County's population grew from 151,372 to 174,063 between 2010 and 2017 – a growth of 22,691 or 15%.

This growth is expected to continue with the County's future population projected as shown in Table 1. Table 1 shows Santa Rosa County's population is projected to grow by another 32% between 2017 and 2040, or nearly a total of 50% population growth between 2010 and 2040.

Table 1
Santa Rosa County, FL Population Projections

	Year				
	2020	2025	2030	2035	2040
Population	178,297	192,323	205,334	217,421	229,257

Source: Florida Demographic Estimating Conference, February 2015 and the University of Florida, Bureau of Economic and Business Research, Florida Population Studies, Bulletin 171, April 2015

Implications:

- Continued population growth will require additional wastewater treatment capacity as new housing stock and businesses are added.
- More importantly, new residents and household formations will require growth in primary employment opportunities (e.g., manufacturing, warehouse/distribution, office, R&D) and support employment in retail, service, and other local businesses. 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.
- Santa Rosa County is well positioned to attract new employers and the jobs they will provide – but will not be able to do that without providing wastewater treatment services to the East Milton industrial area.

The East Milton Industrial Area

Current Inventory

Santa Rosa County's East Milton Industrial Area is the location of four existing industrial parks and one in the early stages of development. Table 2 provides summary details on these five industrial parks. It should be noted that while these are referred to as industrial parks because that is the predominant use at this time, the sites and locations are suitable for a broader mixture of uses as would be found in a mixed-use business park.

Table 2
Characteristics of Industrial Parks in the East Milton Industrial Area

Information Category	Santa Rosa County Industrial Park	Santa Rosa Industrial Park East	NWFL Industrial Park @I-10	Vic's of Navarre Site (aka Highway 87 Industrial Park)	Whiting Aviation Park
Year Started	1982	2010	2010	2017	2018
Zoning District(s)	Industrial	M1 Industrial	M2 Industrial	Industrial	Industrial
Total Acreage at Start of Development	820	160	88	186	267
Available Acreage Now	30	112	88	186	267
Number of Lots Currently Available	15 2-acre lots	All 112 acres	All 90 Acres	All 186 Acres	All 267 acres
Largest Available Contiguous Site	30	112	88	186	267
Smallest Available Sub dividable Lot (acres)	2	2	2	2	2

Source: Santa Rosa EDO

Table 2 shows there are 683 acres available in these five parks. The Santa Rosa Industrial Park East, Northwest Florida Industrial Park at I-10, and Vic's of Navarre Site have all been designated as Florida First Project Ready Sites by Gulf Power's Site Certification program, which is intended to increase their marketability.

In addition to these parks, there are three other privately owned tracts in the same area that are zoned for industrial use and are actively on the market. These sites total approximately 620 acres. One has extensive frontage on the CSX rail line and would be an ideal site for rail-served facilities.

There are four other privately owned sites considered by the Santa Rosa EDO as part of their industrial inventory because they are shown in the County's Future Land Use Plan as intended for industrial use. These total more than 800 acres.

Finally, there are four other sites in the same area that are currently zoned for Agricultural or Residential development that may make sense to be rezoned to Industrial because of the likelihood they will be surrounded by or in close proximity to major industrial developments. These sites total 1,200± acres.

In total, the East Milton Industrial Area contains 3,300± acres of land that is currently planned for or suitable for industrial development.

Past Development

As shown in Table 2, the Santa Rosa County Industrial Park was started in 1982 with 820 acres and currently has 30 acres remaining. Therefore, over a 36 year period, 790 acres were developed, for an average of 22 acres per year.

The Santa Rosa Industrial Park East was started in 2010 with 160 acres and currently has 112 acres remaining. Therefore, over an 8 year period, 48 acres were developed, for an average of 6 acres per year.

Implications:

- In terms of available industrial land, Santa Rosa County is well-positioned to capture a substantial amount of new business development that will occur in the Western Florida Panhandle.
- The County's available industrial acreage is currently the largest inventory in Western Florida and is the best located to serve companies that may wish a presence near the growing Mobile aerospace industry but not be located in Alabama.
- The available acreage is suitable for mixed use development including manufacturing, warehouse/distribution, office, and research and development.
- Availability of large contiguous areas with full utilities and excellent access off I-10 position the East Milton Industrial Area portion of Santa Rosa County to be competitive for larger industrial or warehouse/distribution uses.
- The availability of rail service for at least one large available site provides Santa Rosa County with a competitive advantage for projects requiring rail service.
- Future development is expected to result in substantial job creation (see the projections presented later in this document).
- Based on past development levels in the two industrial parks that have had development, an average land absorption of 15 acres a year could be expected. However, improved wastewater treatment capabilities are expected to increase this level as the County has already had to turn down some larger facilities with large wastewater treatment needs.
- None of this will happen without the availability of adequate wastewater treatment services. The NSRRWRF is required to make this happen.

Vacant Buildings

Development of new land occurs in competition with available vacant buildings. There is very little competition from vacant building space in Santa Rosa County, particularly for larger blocks of space. The Santa Rosa EDO's listings of available building space as of late March 2018 showed only three available industrial spaces in the East Milton area; these were of 7,500, 26,500 and 35,000 square feet (Source: Santa Rosa EDO website, Sites/Buildings tab).

Implications:

- There is a very limited inventory of vacant industrial buildings in the East Milton Industrial area or in Santa Rosa County as a whole.
- Occupancy of any vacant building will both create new jobs and require wastewater treatment services, thereby further reducing the currently available capacity.
- The Santa Rosa EDO reports nearly a complete lack of available space for office use and the EDO's available properties listings confirm this. New office space could be developed in any of the existing or future industrial/business parks.

- The new Economic Development Strategy for Santa Rosa County recommends development of a speculative building in the East Milton Industrial Area to address the lack of available buildings in the County. The study recommends a building of no less than 50,000 square feet, expandable to 100,000 square feet.

Profile of East Milton Industrial Area Businesses

The Santa Rosa EDO provided a list of 39 facilities in the East Milton Industrial Area considered to be representative of what future development would look like. This list included several County-owned facilities and three large prisons. It was decided to keep the County facilities in the database for creation of a profile of what future development might look like because the County may need additional facilities in this area in the future (as an example, the County is currently renovating a vacant building in the East Milton Industrial Area for future County use). Additionally, these facilities are of comparable size to what might be expected from private sector development. It was decided to keep the prisons in the database because, while additional prisons may not be developed in this area, the availability of large, contiguous industrial sites in the East Milton Industrial Area may attract larger industrial or warehouse/distribution uses with similar space needs and employment creation.

The profile of the East Milton Industrial Area is as follows:

- The 39 facilities occupy 935 acres or an average of 24 acres per facility.
- The 38 facilities for which sizes were obtained occupy more than 1.8 million square feet or an average of 48,378 square feet per facility. It should be noted that the square footage of the Santa Rosa Correctional Institution, which occupies 241 acres, is not available in the County Appraiser's records. This is a large complex that would significantly raise the total square footage and average size if this information were available.
- The 39 facilities employ a total of 3,048 people or an average of 78 per facility or slightly more than 3.7 employees per acre for occupied facilities. We would note this is a very low figure when compared with other locations around the country and may be due to the past ability to obtain large lots that were then used for smaller buildings with land banking of the undeveloped acreage for future use.
- The 38 occupied facilities generate a daily total of 654,210 gallons of wastewater or an average of 17,479 gallons per day per facility. It should be noted this total and average is skewed by the two prison facilities which have a high number of both employees and inmates. Assuming that only 20% of the wastewater generation from these two facilities is by employees, the average total daily wastewater generation is 15,465 gallons per day by employees in the occupied facilities or an average of 407 gallons per day per facility.
- Ad valorem taxes paid to Santa Rosa County by the 35 taxable properties total \$635,000 annually or an average of \$18,140 per facility. Calculated on a per acre basis for taxable properties, ad valorem taxes are \$1,516 per acre including taxable building space.

- Non-ad valorem taxes paid to the County by the 35 taxable properties total \$32,000 per year or an average of \$912 per facility. Calculated on a per acre basis for taxable properties, non-ad valorem taxes are \$76 per acre.

Santa Rosa County Prospect and Project Information

Santa Rosa EDO Typical Prospect Profile

Table 3 was provided by the Santa Rosa EDO to summarize its estimated, typical prospect activity, based on actual activity in 2017.

Table 3
Average Annual Prospect Summary Report
(Based on 2017 Actual Prospect Activity)

	Mfg.	Dist.	Office	R&D	Other
Total # of Contacts	8 to 10 per month – 100 to 120 per year				
Total # Considered “Real” Prospects *	24	7	6	5	7
% of “Real” Prospects Preferring or Willing to Consider Existing Building	75%	75%	100%	N/A	70%
Size Range of Buildings Sought (Square Feet)	4,000 to 400,000	300,000 to 375,000	2,000 to 75,000	N/A	8,000 to 500,000
Most Common Building Size Sought (Square Feet)	50,000	325,000	75,000	N/A	400,000
% of “Real” Prospects Preferring or Willing to Consider Site for Construction	35%	33%	0%	N/A	80%
Size Range of Sites Sought (Acres)	2 to 500	35 to 50	0	N/A	2 to 200
Most Common Lot Size (Acres)	10 to 30	40	N/A	N/A	50
% of “Real” Prospects willing to consider either Existing Building or Site for Construction	10%	8%	0%	N/A	50%
% Preferring to Own	90%	50%	100%	N/A	45%
% Preferring to Lease	10%	50%	0%	N/A	35%
% Either Lease or Purchase Option	0%	0%	0%	N/A	20%
Total # Jobs to be Created by “Real” Prospects	1,479	790	2,100	150	1,706
Range of Average Annual Wages to be paid by “Real” Prospects	\$23,000 to \$50,000	N/A	\$20,000 to \$30,000	N/A	N/A

*A “Real” Prospect is considered to be one that showed more interest in the location than just making an initial inquiry for general information. At a minimum, there would have been follow-up requesting additional and more specific information and the EDO would have thought there was a reasonable chance of a project developing.

Table 3 demonstrates the following:

- Santa Rosa County receives a healthy amount of initial inquiries (100 to 120 contacts per year) and actual “real” prospect activity (nearly 50) on an annual basis.
- Half of the “real” prospects are looking for a location for manufacturing operations of a wide variety of sizes, but with the most common in the 50,000 square foot range on 10 to 30 acre lots.
- There is a good blend of other types of projects (warehouse/distribution, office, R&D and other types not specified) that also consider Santa Rosa County totaling 25 per year. This indicates the potential for a diversified economy with a range of employment opportunities. These have a wide range of size parameters in terms of both building and lot sizes.
- Substantial job creation is possible, totaling more than 6,200 possible jobs at a wide range of wage rates.
- As is common across the country, the majority of prospects are looking for an existing building, of which Santa Rosa County has few. However, more than a third of the “real” prospects are willing to consider either an existing building or a site on which to construct one, which the East Milton Industrial Area can provide.
- The demand for buildings suggests development of one or more speculative buildings (that is, a building where construction is begun without having an occupant identified) in the East Milton Industrial Area should be considered by Santa Rosa County or private development firms.
- Obviously Santa Rosa County will never capture 100% of its prospect activity. However, the more competitive the East Milton Industrial Area can be made, the higher the success rate will be in converting prospects into projects. Development of the Santa Rosa Region Water Reclamation Facility will be a major step in increasing the County’s competitiveness.

Santa Rosa County Projects and Lost Opportunities

In addition to the typical annual Contact and Prospect activity in the Santa Rosa County (see Table 3), more detailed information was received on projects completed in the past few years, projects that are currently occurring or are in the planning stage, and lost opportunities (that is, projects that seriously considered Santa Rosa County but located their facility elsewhere).

These projects ranged in size from 40,000 to 80,000 square feet and employed between 50 and 800 people.

Future Project Activity and Site Sizes

Based on this historical level of activity and expectations that it will increase when the NSRRWRF comes on line, we estimate that future development in the East Milton Industrial Area will result in 1 project per year for the first 10 years after availability of the plant. These projects will average 45,000 square feet per project. The number of annual projects and size are averages of differing numbers and sizes and include both new construction and expansions of existing buildings.

The average lot size for the facilities in the East Milton Industrial Area is 24 acres. This is a very over-sized lot for the average 45,000 square foot facility that is expected. Exclusive of the Santa Rosa

Correctional Institution complex for which the total square footage of the buildings is not known, the composite lot coverage by buildings of the other 38 facilities in the profile of existing facilities is 6.1%. In typical industrial districts, initial building sizes cover 20-25% of the lot allowing for a future doubling of the building while still remaining within maximum lot coverage allowed by zoning. Santa Rosa County's Zoning Regulations do not have a maximum coverage ratio in the Restricted and General Industrial Districts but do require a minimum of 15% open landscaped area. The County's Planned Industrial Development District has a maximum 50% coverage by buildings and 75% by impermeable surface.

For future planning, an average lot size of 11 acres should be used for an average 45,000 square foot initial building and expansion to at least double that size, with appropriate adjustments made to reflect actual building size.

Future Project Costs

Industrial Construction Costs

Several sources were consulted to obtain an estimate of current construction costs for industrial buildings similar to those in the East Milton Industrial Area. These include the R.S Means Building Costs Manual adjusted for inflation and regional differences; consultation with a local building contractor; and consultation with a local real estate broker specializing in commercial and industrial properties. The consensus was that prevailing industrial construction cost in the Santa Rosa County/Pensacola area for a single-story factory-type or flex-space building is \$85 per square foot plus site development costs of \$25,000 to \$50,000 per acre for storm water management areas, parking lots and driveways.

It should be noted that construction costs have been rising rapidly. The Turner Construction Cost Index shows that construction costs have increased 5.10% between First Quarter 2017 and First Quarter 2018 (see: <http://www.turnerconstruction.com/cost-index>). Continued escalation is expected.

Site Costs

The four industrial parks in the East Milton Industrial Area handled directly by the Santa Rosa EDO are priced at \$50,000 per acre. While prices for land in privately owned parks or tracts are unknown and most likely vary, the prevailing \$50,000 per acre price is expected to set the standard for other properties.

However, Santa Rosa County is aggressive in using an industrial land incentive policy for development on publicly owned land. The incentive is calculated to reflect the estimated economic impact the project will have (see: <http://www.santarosaedo.com/page/incentives/>). Many projects qualify for this incentive rate and therefore pay less than the full \$50,000 per acre.

Future Employment

Permanent Jobs

As discussed in the earlier section on the Profile of the East Milton Industrial Area Businesses, current employment in the 39 facilities evaluated totals more than 3,000, or 78 per facility. This number is skewed somewhat by the large employment at the three prison facilities.

On the other hand, employment by acre is exceptionally low (3.7 per acre of occupied facilities). This is a reflection of the fact that land utilization by buildings is also very low – 6.1% land coverage by buildings for the 38 facilities for which the size is known. More typically, lots in industrial parks or districts are 25 to 40% covered by buildings.

The Institute of Transportation Engineer's *Trip Generation Manual* has historically shown that mixed use business parks such as are developing in the East Milton Industrial Area typically have about 20 employees per acre.

A 2006 Minneapolis Land Use Study and Employment Policy Plan included Table 4, showing that various sources put employment in manufacturing districts at 30 per acre and at 34 per acre for mixed use areas (see: www.ci.minneapolis.mn.us/www/groups/public/@cped/.../convert_273197.pdf).

Table 4

FIGURE 3.6.1 ESTIMATED EMPLOYMENT PER ACRE INDUSTRIAL ZONED INDUSTRIES							
	Assessor/ InfoUSA Data Mpls ¹	Puget Sound Study ²		Portland Study ³	So. California Study ⁴	Rhode Island Study	Final Estimate Mpls
		Round 1	Round 2				
Utilities	42	28	22	35	20	30	40
Construction	30	32	36	27	18	5	30
Manufacturing	27	27	30	23	15	20	30
Wholesale Trade	20	27	33	11	17	6	20
Trans. & Warehousing	14	28	22	5	20	10	15
Information	64	28	22	35	20	40	60
Real Estate, Rental, Leasing	7	26	28	43	33	125	20
Prof. & Tech Svcs.	64	27	26	21	33	62	60
Other Services	50	27	26	21	25	62	50
All Industries	34						34
<ol style="list-style-type: none"> 1. Because of small sample sizes and large outliers, median values are used. Industries do not match exactly; all other studies used SIC coded industries, where this data is NAICS industry coded. 2. Published as square foot per employee; adjusted to employee per acre by Maxfield Research Inc. 3. Published as building square foot per employee; adjusted to employee per acre by Maxfield Research Inc. based on published FARs. 4. Published by land use type; adjusted by Maxfield Research Inc., based on published tables showing land use by industry. 							
Sources: Pfium; Yee and Bradford; Natelson Company Inc.; Rhode Island Statewide Planning Program; Maxfield Research Inc.							

An October 2009 "Land/building Needs Analysis for Targeted Industries" prepared for Ft. Collins, CO (see: <https://www.fcgov.com/planning/pdf/land-bldg-analysis.pdf>) calculated job creation of 30.49 employees per acre for light industrial uses.

An October 2012 "Employment Land Needs and Supply Analysis, City of Portland, OR" calculated 23.33 employees per acre for Industrial Uses (see: www.portlandonline.com/portlandplan/index.cfm?a=392785&c=51427).

Therefore, for the purposes of employment calculations shown later in this document, a job generation factor of 25 per acre is used.

Construction Jobs

In addition to the permanent jobs to be created, there will be 84 annual short-term construction jobs created during the 18 month development of the NSRRWRF (source: Baskerville-Donovan, Inc.).

Wages

Wages from Permanent Jobs

The 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 shows an average annual mean wage for production occupations of \$36,960. This compares with the average annual mean wage for all occupations in the MSA of \$40,220.

Given the lag time before new jobs will be supported by the new treatment plant, and the nature of the jobs to be created (see below) it is estimated that the new, permanent jobs to be created in the East Milton Industrial Area will pay on average \$40,000 - \$45,000 per year. The U.S. Census Bureau reports that the per capita income in Santa Rosa County for the past 12 months was \$28,219 (in 2016 dollars – see: <https://www.census.gov/quickfacts/fact/table/santarosacountyflorida/PST045217>). Therefore, the new jobs to be created can be expected to raise the County's per capita income and median household income. [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.)]

The benefit will be even greater for residents of the City of Milton, where the 2016 per capita income was \$22,551 (see: <http://www.city-data.com/city/Milton-Florida.html>).

The U.S. Bureau of Labor Statistics data shows that manufacturing wages rose 2.28% per year nationally during the January 2008 to January 2018 period (see: https://data.bls.gov/timeseries/CES3000000003?amp%253bdata_tool=XGtable&output_view=data&includegraphs=true).

A combination of Santa Rosa County's existing target industries and new ones recommended in a recently completed economic development strategic plan provides the following composite list of target sectors for business recruitment and development: Aviation/Aerospace Manufacturing and Support Services; Distribution and Logistics; Cyber-Security; Call Centers; Business Services; Agriculture and Marine Research; and Health Services/Research and Medical Technology.

Table 5 shows the following range of annual wages for typical jobs in these target sectors in the previously referenced 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:

Table 5
Santa Rosa County Target Industry Representative Wage Ranges

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

Table 5 demonstrates that while not all new jobs supported by the new Santa Rosa Region Water Reclamation Facility will pay wages exceeding the current Pensacola-Ferry Pass-Brent, FL MSA mean wage rate of \$40,220 for all occupations, a majority of any new jobs in the Santa Rosa EDO's target industries will exceed that number with an unknown number exceeding the current national median household income of \$57,617 in 2016 (source: <https://www.deptofnumbers.com/income/us/>).

Wages from Construction Jobs

Development of the NSRRWRF is expected to put \$5 million in construction wages into the economy (source: Baskerville-Donovan, Inc.).

Multipliers

Current RIMS II (Regional Input-Output Modeling System) employment and wage multipliers were obtained from the U.S. Bureau of Economic Analysis for the Pensacola-Ferry Pass-Brent MSA. There will be two components of jobs and earnings attributable to the NSRRWRF:

1. During the construction period, a 1.3221 jobs multiplier and 1.20503 earnings multiplier will pertain.
2. For permanent jobs in new or expanded projects, given the predominantly industrial nature expected to define future development in the East Milton Industrial Area, a cross section of employment and earnings multipliers were combined into a blended multiplier rate of 1.4603 for jobs and 1.4022 for earnings (wages).

For those unfamiliar with multipliers, the numbers represent the indirect jobs and wages attributable to each direct job. Therefore the multipliers calculated in the prior paragraph mean that each direct job (that is, jobs located in the in the East Milton Industrial Area) will result in .4603 other jobs in the area and each \$1 of direct wages paid to the direct job holders will generate an additional \$.4022 in wages in other jobs.

Wastewater Generation

The current facilities included in the modeling of the East Milton Industrial Area generate 664,000 gallons of wastewater per day. Because three of the facilities are prisons with both large staff and

inmate counts creating wastewater, an attempt was made to adjust usage by assigning 20% to the staff and 80% to the inmates. This results in an estimate of 155,000 gallons of wastewater being created daily by employees, or 4,070 gallons per day per facility.

The City of Milton provides wastewater services to this area. Because the East Milton Industrial Area is located outside the City Limits, wastewater usage fees are \$22.70 for the first 3,000 gallons monthly and \$5.47 for each additional 1,000 gallons.

The average daily use of 4,070 gallons per day per facility equates to 123,380 gallons of wastewater per month per facility, or an average monthly wastewater treatment fee of \$681 per facility.

Exclusive of any other residential, commercial or industrial development that will occur in the service territory of the current wastewater treatment plant, the projected development in the East Milton Industrial Area will consume more than 25% of the remaining treatment capacity of that plant.

Taxes Generated

Santa Rosa County collects both ad valorem and non-ad valorem taxes. For the taxable properties included in the profile of representative businesses in the East Milton Industrial Area, a total of \$635,000 in ad valorem taxes is paid annually and a total of \$32,000 in non-ad valorem taxes is paid. For the taxable properties, this means a payment of \$1,516 per acre in ad valorem taxes and \$76 per acre in non-ad valorem taxes annually. Because of the very low land utilization factor calculated and discussed earlier, it is believed future development, if it limits the purchase of oversized lots, will generate more in ad valorem taxes per acre than is currently occurring.

Santa Rosa County offers an Economic Development Ad Valorem Tax Exemption, which is a local option tax incentive for new or expanding businesses, and may be granted at the sole discretion of Santa Rosa County Commissioners.

Building Permit Fees

Current Building Permit fees were obtained from the Santa Rosa County GoPermits website (See: <http://data1.santarosa.fl.gov/GoPermitsNew/ExteQuote/index.cfm?CFID=12059642&CFTOKEN=82929485>). Table 6 shows fees calculated by that website for a variety of new commercial building sizes.

Table 6
Building Permit Fees Payable to Santa Rosa County

Building Size (SF)	Base Fee	Plan Check	Admin	State Surcharge (DCA & DBPR)	Zoning	Life Safety	Life Safety Review	Total
5,000	\$437.50	\$218.75	\$25.00	\$19.69	\$0.00	\$0.00	\$109.38	\$810.32
10,000	\$795.50	\$398.75	\$25.00	\$35.89	\$0.00	\$0.00	\$199.38	\$1,454.52
20,000	\$1,487.50	\$743.75	\$25.00	\$66.94	\$0.00	\$0.00	\$371.88	\$2,695.07
25,000	\$1,817.50	\$908.75	\$25.00	\$81.79	\$0.00	\$0.00	\$454.38	\$3,287.42

30,000	\$2,207.50	\$1,103.75	\$25.00	\$99.34	\$0.00	\$0.00	\$551.88	\$3,987.47
40,000	\$2,807.50	\$1,403.75	\$25.00	\$126.34	\$0.00	\$0.00	\$701.88	\$5,064.47
50,000	\$3,407.50	\$1,703.75	\$25.00	\$153.34	\$0.00	\$0.00	\$851.88	\$6,141.47
60,000	\$4,187.50	\$2,093.75	\$25.00	\$188.44	\$0.00	\$0.00	\$1,046.88	\$7,541.57
70,000	\$4,727.50	\$2,363.75	\$25.00	\$212.74	\$0.00	\$0.00	\$1,181.88	\$8,510.87
80,000	\$5,267.50	\$2,633.75	\$25.00	\$237.04	\$0.00	\$0.00	\$1,316.88	\$9,480.17
90,000	\$5,807.50	\$2,903.75	\$25.00	\$261.34	\$0.00	\$0.00	\$1,451.88	\$10,449.47
100,000	\$6,347.50	\$3,173.75	\$25.00	\$285.64	\$0.00	\$0.00	\$1,586.88	\$11,418.77

Source: Calculations based on the Santa Rosa County GoPermits website.

A small portion of the total building permit fee (2.5%±) is a state surcharge and will not be kept as revenue by the County.

The total building permit fee for the projected, average 45,000 square foot facility is \$5,602.97 less a \$139.84 state surcharge resulting in \$5,463.13 in revenue to Santa Rosa County.

Assumptions Used in This Analysis

For details on how the Assumptions used in this Economic Impact Analysis were developed, it is necessary to read the earlier Relevant Data portion of this analysis. In developing this analysis, two spreadsheet analyses were prepared.

The assumptions used in the analysis are as follows:

1. The rate of Santa Rosa County's population growth will decline resulting in a smaller available workforce and less need for employment opportunities.
2. The East Milton Industrial Area will continue to be well-positioned to capture future growth but will have competition from new developments in other nearby areas.
3. The mix of uses in the East Milton Industrial Area will continue to be primarily light industrial with a mix of other uses, in particular, warehouse/distribution uses taking advantage of the proximity of I-10. These facilities do not employ as many workers as manufacturing plants of comparable size.
4. Development of several speculative buildings and/or vacancies in existing industrial buildings will reduce the need for other new construction.
5. Future development in the East Milton Industrial Area will average one project every 18 months.
6. Average project size will decline from the past level, averaging 35,000 square foot buildings on 8 acre lots. The actual development may be two projects of 15,000 – 20,000 square feet in one year, followed by no projects the next year, followed by a 70,000 square foot project the next year.

7. Due to the need to become more competitive, the per acre asking price of land controlled by the Santa Rosa County EDO is reduced to \$35,000 per acre and land write-down incentives are used more aggressively. This in turn causes a reduction in asking price of privately controlled industrial land in the area. No attempt was made to predict any future increase in land pricing.
8. An initial construction cost estimate of \$92 per square foot and \$40,000 per acre for site development were used to reflect inflation between 2018 and the time the new NSRRWRF is constructed. Thereafter, construction costs in the area rise at a 6% annual rate, more rapidly than the historic norm, making Santa Rosa County less competitive as a location, resulting in a lower level of development.
9. The total building permit fee for the projected, average 35,000 square foot facility is \$4,525.97 less a \$112.84 state surcharge resulting in \$4,413.13 in revenue to Santa Rosa County. For calculation purposes, this has been rounded to \$4,413.
10. Construction of the first phase of the NSRRWRF will take 18 months and result in 84 construction jobs per year and more than \$5 million in construction wages.
11. A direct (permanent) job generation factor of 20 per acre was used, reflecting a decline in needed human workers due to automation, robotics, and similar factors.
12. Given the lag time between preparation of this analysis and when actual new employment will occur, and the mix of job types that are expected in the East Milton Industrial Area (in particular in the target industries shown in Table 5), an average annual wage of \$40,000 was used in the calculations for year 1 with an annual increase of 1.5% factored in, reflecting a slower growth than the historic average increase (2.28%) during the January 2008 to January 2018 period. This projected annual average wage equals the current average annual mean wage for all occupations in the MSA of \$40,220, but substantially exceeds the County's current per capita income.
13. During the construction period, a 1.3221 jobs multiplier and 1.20503 earnings multiplier will pertain. For permanent jobs, indirect jobs and earnings were calculated using a blended multiplier rate of 1.38 for jobs and 1.32 for earnings (wages) reflecting the mix of new job types anticipated. All multipliers are based on RIMS II data.
14. Water conservation efforts reduce wastewater generation to 3,000 gallons per day per facility (92,250 gallons per month per facility) or an average monthly wastewater treatment fee payable to the City of Milton of \$488 per facility (\$5,858 per facility per year). No attempt was made to predict future increases in wastewater treatment fees.
15. Calculation of future ad valorem taxes uses a factor of \$1,600 per acre in annual ad valorem taxes and \$76 per acre in non-ad valorem taxes payable to Santa Rosa County. This is based on current

taxing policies and rates and does not reflect any changes that may occur in the future. No attempt was made to reflect any tax reduction through the County's Economic Development Ad Valorem Tax Exemption, which is a local option tax incentive for new or expanding businesses, and may be granted at the sole discretion of Santa Rosa County Commissioners.

Economic Impact Analysis

As previously noted, in developing this analysis, two spreadsheet analyses were prepared. The results of the analysis for the first 10 years of development after construction of the NSRRWRF is completed are as follows:

- 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.
- 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 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 for construction workers 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 Santa Rosa Regional Water Reclamation Facility. Given that 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.

ATTACHMENT C - Santa Rosa Regional Water Reclamation Facility Economic Impact Analysis - Construction Period and First 10 Years

	Construction Period 18 Months				Development Period - First 10 Years						
	1	2	3	4	5	6	7	8	9	10	Total
Development Measures											
Construction Projects per Year (See Assumption 5)	1	1	1	1	1	1	1	1	1	1	10
Cumulative Construction Projects	1	2	3	4	5	6	7	8	9	10	
Acres Sold per Year (See Assumptions 5 and 6)	11	11	11	11	11	11	11	11	11	11	110
Cumulative Acres Sold	11	22	33	44	55	66	77	88	99	110	
Building Construction (SF) per Year (See Assumption 6)	45000	45000	45000	45000	45000	45000	45000	45000	45000	45000	450000
Cumulative Building Construction Size	45000	90000	135000	180000	225000	270000	315000	360000	405000	450000	
Building Construction Costs per SF (See Assumption 8)	\$92	\$96	\$100	\$103	\$108	\$112	\$116	\$121	\$126	\$131	
Building Costs this Year	\$4,140,000	\$4,305,600	\$4,477,824	\$4,656,937	\$4,843,214	\$5,036,943	\$5,238,421	\$5,447,958	\$5,665,876	\$5,892,511	\$49,705,283
Site Development Costs per acre (See Assumption 8)	\$40,000	\$41,600	\$43,264	\$44,995	\$46,794	\$48,666	\$50,613	\$52,637	\$54,743	\$56,932	
Site Development Costs this Year (See Assumption 8)	\$88,000	\$91,520	\$95,181	\$98,988	\$102,948	\$107,065	\$111,348	\$115,802	\$120,434	\$125,251	\$1,056,537
Total Building & Site Development Costs	\$4,228,000	\$4,397,120	\$4,573,005	\$4,755,925	\$4,946,162	\$5,144,008	\$5,349,769	\$5,563,760	\$5,786,310	\$6,017,762	\$50,761,821
Project Revenues											
Land Sales per Year (See Assumptions 6 and 7)	\$440,000	\$440,000	\$440,000	\$440,000	\$440,000	\$440,000	\$440,000	\$440,000	\$440,000	\$440,000	\$4,400,000
Cumulative Land Sale Revenue	\$440,000	\$880,000	\$1,320,000	\$1,760,000	\$2,200,000	\$2,640,000	\$3,080,000	\$3,520,000	\$3,960,000	\$4,400,000	
Construction Value per Year (See Assumption 8)	\$4,228,000	\$4,397,120	\$4,573,005	\$4,755,925	\$4,946,162	\$5,144,008	\$5,349,769	\$5,563,760	\$5,786,310	\$6,017,762	\$50,761,821
Cumulative Construction Value	\$4,228,000	\$8,625,120	\$13,198,125	\$17,954,050	\$22,900,212	\$28,044,220	\$33,393,989	\$38,957,749	\$44,744,059	\$50,761,821	
Building Permit Fees Paid to County (See Assumption 9)	\$5,463	\$5,463	\$5,463	\$5,463	\$5,463	\$5,463	\$5,463	\$5,463	\$5,463	\$5,463	\$54,630
Cumulative Building Permit Fees Paid to County	\$5,463	\$10,926	\$16,389	\$21,852	\$27,315	\$32,778	\$38,241	\$43,704	\$49,167	\$54,630	
Ad Valorem Property Taxes Paid to County per Year on Land and Buildings (See Assumption 15)	\$17,600	\$17,600	\$17,600	\$17,600	\$17,600	\$17,600	\$17,600	\$17,600	\$17,600	\$17,600	\$176,000
Cumulative Ad Valorem Property Taxes Paid to County on Land and Buildings	\$17,600	\$35,200	\$52,800	\$70,400	\$88,000	\$105,600	\$123,200	\$140,800	\$158,400	\$176,000	
Non-Ad Valorem Taxes Paid to County per Year (See Assumption 15)	\$836	\$836	\$836	\$836	\$836	\$836	\$836	\$836	\$836	\$836	\$8,360
Cumulative Non-Ad Valorem Taxes Paid to County	\$836	\$1,672	\$2,508	\$3,344	\$4,180	\$5,016	\$5,852	\$6,688	\$7,524	\$8,360	
Wastewater Treatment Fees Paid to City of Milton (See Assumption 14)	\$8,172	\$16,344	\$24,516	\$32,688	\$40,860	\$49,032	\$57,204	\$65,376	\$73,548	\$81,720	\$449,460
Cumulative Wastewater Treatment Fees Paid to City of Milton	\$8,172	\$24,516	\$49,032	\$81,720	\$122,580	\$171,612	\$228,816	\$294,192	\$367,740	\$449,460	

ATTACHMENT C - Santa Rosa Regional Water Reclamation Facility Economic Impact Analysis - Construction Period and First 10 Years

	Construction Period 18 Months	1	2	3	4	Development Period - First 10 Years					8	9	10	Total
						5	6	7						
Job Creation														
SRRWRC Annualized Direct Construction Jobs (See Assumption 10)	84													84
SRRWRC Construction Annualized Indirect Jobs (See Assumption 13)	27													27
Direct Job Creation per Year (See Assumption 11)		275	275	275	275	275	275	275	275	275	275	275	275	2750
Cumulative Direct Job Creation		275	550	825	1100	1375	1650	1925	2200	2475	2750			
Indirect Job Creation per Year (See Assumption 13)		127	127	127	127	127	127	127	127	127	127	127	127	1266
Cumulative Indirect Job Creation		127	253	380	506	633	759	886	1013	1139	1266			
Total Direct and Indirect Job Creation per Year		402	402	402	402	402	402	402	402	402	402	402	402	4016
Cumulative Job Creation		402	803	1205	1606	2008	2409	2811	3213	3614	4016			
Wages														
SRRWRC Direct Construction Wages (See Assumption 11)	\$5,040,000													\$5,040,000
SRRWRC Construction Indirect Wages (See Assumption 13)	\$1,033,351													\$1,033,351
Annual Wages for Direct Jobs (See Assumption 12)		\$45,000	\$45,990	\$47,002	\$48,036	\$49,093	\$50,173	\$51,276	\$52,405	\$53,557	\$54,736			
Wages from Direct Jobs per Year (See Assumptions 11 and 12)		\$12,375,000	\$12,647,250	\$12,925,490	\$13,209,850	\$13,500,467	\$13,797,477	\$14,101,022	\$14,411,244	\$14,728,292	\$15,052,314	\$136,748,406		
Cumulative Direct Wages		\$12,375,000	\$25,022,250	\$37,947,740	\$51,157,590	\$64,658,057	\$78,455,534	\$92,556,556	\$106,967,800	\$121,696,092	\$136,748,406			
Wages from Indirect Jobs per Year (See Assumption 13)		\$4,977,225	\$5,086,724	\$5,198,632	\$5,313,002	\$5,429,888	\$5,549,345	\$5,671,431	\$5,796,202	\$5,923,719	\$6,054,041	\$55,000,209		
Cumulative Indirect Wages		\$4,977,225	\$10,063,949	\$15,262,581	\$20,575,583	\$26,005,470	\$31,554,816	\$37,226,247	\$43,022,449	\$48,946,168	\$55,000,209			
Total Direct and Indirect Wages per Year		\$17,352,225	\$17,733,974	\$18,124,121	\$18,522,852	\$18,930,355	\$19,346,823	\$19,772,453	\$20,207,447	\$20,652,010	\$21,106,355	\$191,748,614		
Cumulative Total Direct and Indirect Wages		\$17,352,225	\$35,086,199	\$53,210,320	\$71,733,172	\$90,663,527	\$110,010,350	\$129,782,802	\$149,990,249	\$170,642,260	\$191,748,614			

TRIUMPH GULF COAST, INC. TRUST FUND
Application for Funds



Santa Rosa Regional Water Reclamation Facility
(NSRRWRF)

May 22, 2018

Senator Don Gaetz, Chairman
Speaker Allan Bense
Mr. Stan W. Connally, Jr.
Pam Dana, PhD.

Mr. Benjamin Lee
Mr. Jason Shoaf
Mr. Stephen Riggs, IV

TRIUMPH Gulf Coast, Inc.
Post Office Box 12007
Tallahassee, FL 32317

Re: Santa Rosa Regional Water Reclamation Facility – City of Milton, FL

Dear Chairman Gaetz and Triumph Gulf Coast Board Members:

On behalf of the Boards of Directors for the Gulf Breeze Area Chamber of Commerce, Navarre Beach Area Chamber of Commerce, Santa Rosa County Chamber of Commerce, Jay Area Chamber of Commerce, Greater Navarre Area Chamber of Commerce, Pace Area Chamber of Commerce, First Place Partners, and the Santa Rosa County Legislative Coalition, our organizations recognize the need Santa Rosa County has for Industrial sites that can be developed quickly to enable us to attract new industrial partners. We believe that having available sites gives us an advantage in bringing new industries and jobs to the area.

We are aware that the current state of the Milton Wastewater Treatment facility is essentially at capacity. This facility serves the Industrial Parks east of Milton which are an important source of jobs for our region. These parks cannot continue to grow and attract employers without the availability of sewage treatment for their tenants.

In closing, the Boards of Directors for our eight organizations fully support the requests of the City of Milton and Santa Rosa County for state funding to help get this project completed, and we respectfully request your continued work towards getting the funding completed.

Sincerely,

Ed Carson
Santa Rosa County Chamber of Commerce & Santa Rosa County Legislative Coalition
2018 Chairman of the Board

On behalf of the Gulf Breeze Area Chamber of Commerce, Navarre Beach Area Chamber of Commerce, Santa Rosa County Chamber of Commerce, Jay Area Chamber of Commerce, Greater Navarre Area Chamber of Commerce, Pace Area Chamber of Commerce, First Place Partners, and the Santa Rosa County Legislative Coalition.



3 West Garden Street Suite 618 Pensacola, FL
P.O. Box 1992 Pensacola, FL 32591
850.898.2201



May 30, 2018

Senator Don Gaetz, Chairman
Speaker Allan Bense
Mr. Stan W. Connally, Jr.
Pam Dana, PhD.

Mr. Benjamin Lee
Mr. Jason Shoaf
Mr. Stephen Riggs, IV

TRIUMPH Gulf Coast, Inc.
Post Office Box 12007
Tallahassee, FL 32317

Dear Chairman Gaetz and Triumph Gulf Coast Board Members

FloridaWest Economic Development Alliance is pleased to support a Triumph funding request for the expansion of the Milton Wastewater Treatment Plant.

FloridaWest, an alliance of more than 100 public and private entities, is the economic development organization located in Pensacola, Florida, wholly dedicated to advancing the economic health and vitality of our region. The proposed project represents an opportunity critical to supporting FloridaWest's partnership with Santa Rosa County and our efforts to attract new industry and jobs to the Northwest Florida.

We are aware that the current state of the Milton Wastewater Treatment facility is essentially at capacity. This facility serves the Industrial Parks east of Milton which are an important source of jobs for our region. These parks cannot continue to grow and attract employers without the availability of sewage treatment for their tenants.

In order to attract business and continue to create sites for industrial growth, we respectfully request your continued support and funding of infrastructure projects that create economic development opportunities.

We are fully committed to the success of this project which aligns with our goal of working collaboratively, and proactively pursuing the most effective, efficient solutions to the needs of business and industry.

Sincerely,

Scott Luth
Chief Executive Officer, FloridaWest



May 15, 2018

Senator Don Gaetz, Chairman
Speaker Allan Bense
Mr. Stan W. Connally, Jr.
Pam Dana, PhD.

Mr. Benjamin Lee
Mr. Jason Shoaf
Mr. Stephen Riggs, IV

TRIUMPH Gulf Coast, Inc.
Post Office Box 12007
Tallahassee, FL 32317

Re: Santa Rosa Regional Water Reclamation Facility – City of Milton, FL

Dear Chairman Gaetz and Triumph Gulf Coast Board Members:

First Place Partners is a private sector organization of 50 local businesses in Escambia and Santa Rosa counties dedicated to supporting economic development in the two-county region. While we have only been in existence for a short period of time, we believe the private sector should have an important voice in helping to move our region's economy forward.

To that end, we strongly support legislation to fund the expansion of the Milton Wastewater Treatment plant for the following benefits:

Environment – Eliminating treated wastewater discharges into the Blackwater River would make the river healthier for fish, oysters and other wildlife, plus improve recreational use of our waterways. Environmental improvements increase the quality of life factor which is so important in attracting new jobs to our area. The expansion would also diminish the use of septic tanks which can pose an especially harmful threat to our ground and surface waters when they leak or fail.

Economic Growth – Because we work closely with the Santa Rosa office of Economic Development, we know that without new wastewater treatment capacity, the recruitment of new industry to Santa Rosa County is dead in the water – pardon the pun. The county has some great sites for industrial growth, but unless we can provide for adequate wastewater treatment, we cannot recruit new, better paying jobs to our community.

Community Development – It will be difficult for Milton to reach its economic potential from a residential and commercial standpoint without a modernized wastewater treatment plant. Who wants to live and do business in a community with inadequate or outdated wastewater treatment? In addition, if a major hurricane were to impact the plant, there could be serious health concerns to contend with.

For these reasons, First Place Partners fully supports the requests from the City of Milton and Santa Rosa County for state funding. Please let us know how we can assist you in moving this funding forward.

Sincerely,

John L. Hutchinson
Director, First Place Partners



July 31, 2018

Senator Don Gaetz, Chairman
Speaker Allan Bense
Mr. Stan W. Connally, Jr.
Pam Dana, PhD.

Mr. Benjamin Lee
Mr. Jason Shoaf
Mr. Stephen Riggs, IV

TRIUMPH Gulf Coast, Inc.
Post Office Box 12007
Tallahassee, FL 32317

Re: Santa Rosa Regional Water Reclamation Facility – City of Milton, FL

Dear Chairman Gaetz and Triumph Gulf Coast Board Members:

On behalf of the Northwest Florida Manufacturers Council (NWPMC), our membership organizations recognize the need Santa Rosa County has for industrial sites that can be developed quickly to enable Northwest Florida to attract new industrial partners to our area. We believe that having available sites gives us an advantage in bringing new industries and jobs to the region.

We are aware that the current state of the Milton Wastewater Treatment facility is rapidly approaching capacity. This facility serves the City of Milton, the Industrial Parks east of Milton and Whiting Field, which are an important source of jobs for our region. These commerce parks cannot grow and attract employers without the availability of water and wastewater treatment for their tenants.

NWPMC would like to express our full support of the request of the City of Milton and Santa Rosa County for Triumph Gulf Coast financial assistance to help get this project completed, and we respectfully request your support for the request.

Sincerely,

Paul Miller

Program Manager

Northwest Florida Manufacturers Council

212 Church Street

Pensacola, FL 32502

PMiller2@uwf.edu

315-759-9254



FLORIDA
RESTAURANT &
LODGING
ASSOCIATION

FLORIDA RESTAURANT & LODGING ASSOCIATION

P.O. Box 1779 • Tallahassee, FL 32302-1779

850-224-2250 • Fax: 850-224-9213 • Toll-Free: 888-372-9119

Senator Don Gaetz, Chairman

Mr. Benjamin Lee

Speaker Allan Bense

Mr. Jason Shoaf

Mr. Stan W. Connally, Jr.

Mr. Stephen Riggs, IV

Pam Dana, PhD.

TRIUMPH Gulf Coast, Inc.

Post Office Box 12007

Tallahassee, FL 32317

Re: Central Santa Rosa Wastewater Treatment Plant Expansion

Dear Triumph Board of Directors,

On behalf of the EscaRosa Chapter of the Florida Restaurant and Lodging Association, our organizations recognize the need Santa Rosa County has for industrial sites that can be developed quickly to enable Northwest Florida to attract new industrial partners to our area. We believe that having available sites gives us an advantage in bringing new industries and jobs to the region.

We are aware that the current state of the Milton Wastewater Treatment facility is essentially at capacity. This facility serves the Industrial Parks east of Milton and Whiting Field, which are an important source of jobs for our region. These parks cannot continue to grow and attract employers without the availability of water and wastewater treatment for their tenants.

In closing, the EscaRosa Chapter of the FRLA fully support the requests of the City of Milton and Santa Rosa County for Triumph Gulf Coast funding to help get this project completed, and we respectfully request your support for the request.

Sincerely,

Corey Mobley

EscaRosa Chapter of the FI Restaurant and Lodging Association

On behalf of the many hotels and restaurants in the Escambia and Santa Rosa County area

Mr. Randy Jorgenson, Acting City Manager
The City of Milton
6738 Dixon Street
Milton, FL 32572

RE: Letter of Support for the relocation of Milton's Domestic Wastewater Treatment Plant (WWTP)

Dear Mr. Jorgenson:

Our communities benefit most when economic and environmental priorities align and these historically opposing groups collaborate. The Milton WWTP relocation is a perfect example. This project has numerous environmental, public health, and economic benefits that will significantly benefit all citizens in the Pensacola Bay system.

The Milton WWTP is located a few hundred feet from the shores of the Blackwater River and discharges its effluent directly into the river. Given its location, the plant is vulnerable to potential severe flooding events and puts downstream recreational and commercial activities and resources at risk. As such, the city's plan to relocate the WWTP should be a priority for funding. Benefits from this project include both economic as well as environmental/public health:

- **Economic:**

- Economic growth is occurring in the area east of Milton where sanitary sewer services are limited due to inability to transport the sewer to the existing plant. If necessary piping were installed, that potential growth would rapidly overwhelm the capacity of the existing WWTP in Milton where there is no available land for expansion. Providing a new plant in this area would remove this current impediment to economic growth.
- The proposed site for the new WWTP is adjacent to one of Milton's industrial parks and in close proximity to four others. This will make it very convenient for wastewater reuse (and provide an incentive for water-based industries) and help protect potable water supplies.
- Re-purposing the old WWTP site as a stormwater park will benefit the surrounding community by providing an amenity for the community, provide a buffer between development and the river and increase property values.
- Relocating the WWTP will eliminate the threat to downstream commercial and recreational fisheries from potential WWTP upsets and help improve water quality.
- Increasing the capacity of the WWTP will help the military mission by providing increased capacity should additional missions locate at Naval Air Station Whiting Field.

- **Environmental/Public Health Benefits**

- During Hurricane Ivan the WWTP facility was submerged which created problems for both public health and the environment. The WWTP relocation would greatly improve the resilience of the community by removing the direct discharge into the river and locating the new facility in a much less flood-prone area.
- Locating the new WWTP near industrial parks will greatly increase the potential for wastewater reuse. This has the potential to protect the area's groundwater for public water supply by converting irrigation and industries to re-use water over potable water.

- Moving the WWTP to the new location will facilitate connections to approximately 5,000 residences that are currently on septic tanks in the Potable Well Protection Zone. This area does not have a confining layer between the septic tanks and the well intakes so getting those residences off septic has tremendous public health benefits for not only Milton, but the majority of Santa Rosa County citizens.
- Re-purposing the old site to create a regional stormwater facility will reduce flooding in the Milton area, improve the treatment of stormwater entering the Blackwater River, provide additional habitat for wildlife and provide a recreational amenity for citizens.

Given the benefits noted above, The Nature Conservancy strongly supports this effort and is looking forward to the ultimate relocation of the Milton WWTP.

Sincerely,



Darryl Boudreau
Watershed Coordinator



National Wildlife Federation

Gulf of Mexico Restoration Program

505 East Huntland Dr., Suite 485 • Austin, TX 78752 • 512-610-7773

3801 Canal St., Suite 305 • New Orleans, LA 70119 • 504-708-5862

April 4, 2018

Triumph Gulf Coast, Inc. Board Members

P.O. Box 12007

Tallahassee, FL 32317

Via email: info@myfloridatriumph.com

RE: Comments on Project Pre-Proposals under Consideration for Triumph Gulf Coast Funding

The National Wildlife Federation (NWF) appreciates the opportunity to comment on projects being considered for funding through Triumph Gulf Coast, Inc. for the recovery, diversification, and enhancement of the eight Northwest Florida counties disproportionately affected by the oil spill. On behalf of our more than six million members and supporters across the United States, we respectfully submit the following comments for your consideration.

With staff on the ground across the Gulf, including in Florida, NWF is deeply committed to the restoration of the Gulf Coast Region, for the benefit of both people and wildlife. We have supported the investment of oil spill-related funds in ecological restoration projects that benefit the Gulf's economy, with an emphasis on estuaries. Whereas Triumph Gulf Coast seeks to select projects and programs that have the potential to generate increased economic activity in the disproportionately affected counties, the enabling legislation identified that priority be given to projects and programs that benefit the environment, in addition to the economy. NWF has reviewed the 135 pre-applications submitted through March 8, 2018 and identified several projects that offer both economic and ecological benefits.

Last year, NWF released a report highlighting 50 projects across the five Gulf States: [*Making the Most of Restoration: Priorities for a Recovering Gulf*](#). This report used ecological stressors in key estuaries across the Gulf to prioritize projects that will make progress towards meeting each system's restoration needs. NWF believes that a significant portion of the Deepwater Horizon restoration dollars should focus on efforts to improve the Gulf of Mexico's estuaries, including two in Florida's panhandle: Pensacola

Uniting all Americans to ensure wildlife thrive in a rapidly changing world.

nwf.org

Bay and Apalachicola River and Bay. Likewise, we focused on a few specific project types that target known stressors: habitat protection, oyster reefs and living shorelines, hydrologic restoration, and coastal wetlands. Whereas this report and the priorities identified within focus on ecological restoration, some of the projects under consideration by Triumph Gulf Coast, Inc. intended to address economic needs will likewise have direct or indirect ecological benefits. We have identified projects in NWF's two panhandle priority estuaries that will provide such benefits.

Pensacola Bay

The Pensacola Bay system is affected by numerous historic and current environmental stressors. Several portions of the watershed are considered "impaired" under the Clean Water Act – largely a result of urban stormwater, agricultural fertilizer runoff and sewage and septic tank overflows. To address system stressors, NWF supports projects in Pensacola Bay that improve coastal wetlands, restore oyster reefs and living shorelines, and restore hydrologic function.

Project #87, City of Milton - N. Santa Rosa Reg. Water Reclamation Facility is a public infrastructure project that will enhance economic recovery. The project will relocate an existing wastewater treatment plant (WWTP), thereby removing effluent currently discharging into the Blackwater River. Implementation of this project will reduce nutrients entering the Blackwater River, improve water quality, and benefit oyster recovery efforts downstream of the existing WWTP, aligning this proposal with a NWF Priority Project (East Bay Oyster Restoration).

Apalachicola River and Bay

The Apalachicola River and Bay system is an area of exceptional ecological importance. It constitutes one of the least polluted, least developed, resource-rich systems left in the U.S. The Apalachicola River and its floodplain are the biological factories that fuel the estuary's productivity. Despite its ecological value, the Apalachicola ecosystem has been severely degraded over recent years from reduced water flows, channel alterations, prolonged drought, and consumptive use. The economy of the region has been historically linked to the health of the river and bay, and is likewise suffering in recent years. Several pre-proposals will improve both the ecology and economy of the region.

Project #69, Apalachicola Bay System Initiative (ABSI; submitted by Florida State University Coastal and Marine Laboratory) uses a multidisciplinary, collaborative approach to develop a restoration strategy for Apalachicola Bay and the oyster fishery throughout Franklin County, with oyster recovery efforts that address both wild and aquaculture oyster production. ABSI will contribute to both economic and environmental recovery and create jobs (including for local oystermen). ABSI will collaborate with other state, federal, and non-governmental institutions working in the region to optimize their

efforts and integrate with existing projects. This project aligns with the NWF Priority of Restoring Oysters and priority estuary Apalachicola Bay.

Two projects address public infrastructure needs that will lead to enhanced economic recovery, benefit the environment, and align with the NWF priority estuary, Apalachicola Bay. Project #25, City of Carrabelle Septic Tank Abatement will remove dozens of septic tanks systems from a community located along banks of St. George Sound and Apalachicola Bay. Placing these homes on central sewer will improve water quality as well as the economy of the area. Project #35, City of Apalachicola Stormwater/Wastewater Improvements will improve stormwater and wastewater facilities, and thereby promote economic development and improve water quality.

NWF urges the Triumph Gulf Coast Board to prioritize and maximize projects that both invest in economic recovery and diversification and also benefit the environment. We also encourage the board to consider efforts that leverage investments from other oil-spill related funding sources, such as projects to improve water quality in Pensacola and Apalachicola Bays. Thank you very much for all of your hard work for Florida and for considering our comments. Please do not hesitate to contact me to discuss further.

Sincerely,

Jessica Bibza
Florida/Alabama Policy Specialist, Gulf of Mexico Program

TRIUMPH GULF COAST, INC. TRUST FUND
Application for Funds



Santa Rosa Regional Water Reclamation Facility
(NSRRWRF)

ATTACHMENT E

Santa Rosa Regional Water Reclamation Facility (SRRWRF)

RESOLUTION NO. 2017-03

WHEREAS, it is the public policy of the State of Florida, the County of Santa Rosa, and the City of Milton that the Gulf Coastal Bays and their tributaries are natural resources of great significance to the State and the nation, and their beauty, their ecological value and their economic impact all reach far beyond any one local jurisdiction; and

WHEREAS, The East Milton Water Reclamation Facility (EMWRF) design begins with a 2MGD plant that is expandable to 8 MGD with an associated effluent disposal area using rapid infiltration basins the results of which would eliminate surface water discharges of wastewater effluent into the Blackwater River and associated water bodies of Pensacola Bay; and

WHEREAS, in an effort to further minimize damage to water quality and natural habitats the proposed City of Milton Water Reclamation Facility will allow hundreds of individual septic systems to be abandoned over time; and

WHEREAS, in addition to the environmental benefits of the project the proposed plant would allow for tremendous economic benefits as the city's current dedicated plant capacity is 80% of total capacity which threatens the areas ability to accommodate desirable and anticipate growth; and

WHEREAS, the County has sited three industrial parks in the existing plants catchment area which are in part dependent on the proposed EMWRF to achieve their desired impact; and

WHEREAS, economic development is a priority of the City of Milton, Santa Rosa County, and the State of Florida;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF SANTA ROSA COUNTY, FLORIDA;

Section 1: That a legislative appropriation request by the City of Milton, is fully supported by the Santa Rosa County Board of Commissioners.

Section 2: That it be further resolved by the County Board, that this information be forwarded to the state's legislative delegation post haste.

Section 3: That this Resolution shall take effect immediately upon its passage.

PASSED AND ADOPTED by the Santa Rosa Board of County Commissioners on a vote of 5 yeas, 0 nays, and 0 absent, in regular session, this 26th day of January 2017.

**BOARD OF COUNTY COMMISSIONERS
SANTA ROSA COUNTY, FLORIDA**


BY: Rob Williamson, Chairman



ATTEST:


Donald C. Spencer, Clerk of Courts

TRIUMPH GULF COAST, INC. TRUST FUND
Application for Funds



Santa Rosa Regional Water Reclamation Facility
(NSRRWRF)

MILTON CITY CHARTER

Division 2. –CITY MANAGER

Sec. 2-91. - Administrative director of city.

The administrative director of the city shall be a city manager who shall execute the laws and administer the city government, subject to the approval of and under the direction of the city council.

(Code 1977, § 2-28; Ord. No. 1278-08, § 1, 4-8-2008)

Sec. 2-92. - Appointment; residency requirement.

- (a) The council shall appoint a city manager who shall be an officer of the city and shall have the powers and perform the duties provided for by this division, or as may be assigned to him by amendments hereto.
- (b) At the time of the manager's appointment the manager need not be a resident of the city or state, but within six months after the manager's appointment, the manager shall become a resident of the county within 15 miles of the city limits.

(Code 1977, § 2-29; Ord. No. 1278-08, § 2, 4-8-2008)

Sec. 2-96. - Powers.

The city manager shall be the chief executive officer and the manager alone shall be responsible to the city council for the proper administration of all city affairs, and to that end the city manager shall have the power to:

- (1) Prepare and submit to the council, as of the end of the fiscal year, a complete report on the finances and administrative activities of the city for the preceding year;
- (2) Keep the council advised of the financial condition and any future needs of the city and make such recommendations as may seem desirable;
- (3) Recommend to the city council from time to time the adoption of such measures as the manager may deem necessary and expedient;
- (4) Consolidate or combine offices, positions, departments or units under the manager's jurisdiction, with the city council's approval;
- (5) Purchase all materials, supplies or equipment for which funds are provided in the budget appropriation, or let contracts for new construction or contracts which cannot be consummated with funds provided in the current budget without approval by the city council. All purchases and sale shall conform to such regulations as the city council may from time to time prescribe, but in any case, when an amount in excess of \$10,000.00 is involved, the opportunity for competition shall be given;
- (6) See that all laws and ordinances are duly enforced;
- (7) Perform such other duties as may be required of the manager by ordinance not inconsistent with this division.

(Code 1977, § 2-33; Ord. No. 1278-08, § 6, 4-8-2008)

TRIUMPH GULF COAST, INC. TRUST FUND
Application for Funds



Santa Rosa Regional Water Reclamation Facility
(NSRRWRF)



www.miltonfl.org