

Application Score Sheet
(Revised 9/2/2020)

Proposed Project: Santa Rosa County Board of County Commissioners, Project Lionheart (#209)
Proposed Project/Program County:
Board of County Commission Support:

Total Projected Project Cost: \$10,316,728
Match Provided: \$6,832,001
Triumph Funds Requested: \$3,484,728 (34%)
Triumph Funds Recommended by Staff: \$3,484,728

Score: A

ROI: \$7.2 in additional wage income for every dollar of Triumph investment over the guarantee period

Economic Impact Analysis and Score

The Santa Rosa County Board of County Commissioners is requesting \$3,484,728 in Triumph funds to construct 2,300 feet of roadway, a retention pond, and sewer system improvements. These improvements will support Project Lionheart, a medical device and pharmaceutical distribution company seeking to expand in that Industrial Park. These improvements will be on county-owned and maintained property or easements, and the improvements will benefit the County and other future tenants. The total project cost presented in the application is \$10,316,729 and the Triumph request represents 33.8 percent of that total project cost (counting land acquisition of eight acres in the industrial park owned by Santa Rosa).

The Triumph funding will be used to complete infrastructure construction to the I-10 Industrial Park specifically to allow a distribution company to expand into the site with a new 100,000 sq foot warehouse. The infrastructure will be maintained by the county. The project application was approved by the Santa Rosa Board of County Commissioners at their regular meeting on October 21, 2019.

The project will guarantee 90 full time jobs paying a before fringe benefits average of \$52,995 annually, which is 150 percent of EFI's 2019 average wage requirement for Santa Rosa County. Total match is \$6,832,001, with the Santa Rosa County BOCC providing \$400,000 in land, the private sector tenant providing \$5,185,586 in building construction, and the State of Florida providing \$1,246,415 from the Economic Development Transportation Fund (EDTF.) It is expected that the project will take 36 months to complete. At that time, the three-year ramp-up period would begin, followed by a three-year job maintenance period.

In terms of return on investment, the present money value of the future wages to be paid over the six-year guarantee period, using average real wage growth and the state's preferred discount rate, is \$25,047,947. Using these figures, the project will yield \$7.2 in additional wage income for

every dollar of Triumph investment over the guarantee period. If the jobs were to endure for the state's standard assumed 10-year period, that additional wage income figure would rise to \$11.35 per Triumph dollar. The cost per job for this project is \$38,719, which is reasonable given the high wages proposed to be paid in one of Florida's targeted industry sectors and if the jobs are permanent. For these reasons, staff score this project as an "A."

Project Summary (based on information provided by the applicant)

The Santa Rosa County Board of County Commissioners is requesting a \$3,484,728 grant from Triumph Gulf Coast for infrastructure improvements at the county's I-10 Industrial Park. The improvements are necessary to win a pharmaceutical and medical device distribution company's expansion into the site where they would create 90 new jobs paying at least \$52,995, 150% of the county's average annual wage. (per EFI/State of Florida Incentives Average Wage Requirements).

The infrastructure improvements using Triumph and County funds would include construction of 2,300 feet of roadway, build-out and finalization of a retention pond, installation of a gravity sewer system, a new lift station and new force main. The company will invest \$6M including the construction of a new 100,000 sq ft warehouse if the site improvements are made.

Santa Rosa County since 2010 is one of the 10 fastest growing counties in Florida and within the top 5% of the fastest growing counties in the US. With a current population of approximately 170,000 and an estimated annual population growth rate of 1.9%, more good paying jobs are needed in the area.

The I-10 Industrial Park is located approximately one half mile south of Interstate 10 on Hwy 87 in Santa Rosa County. Due to the location of I-10 Industrial Park within commuting distance of neighboring Okaloosa and Escambia Counties, it is anticipated that this project will positively impact the three county region.

Santa Rosa County has relied heavily upon the military, tourism and agriculture as drivers for its economy, all of which are subject to unpredicted devastating events that can wipe out expected revenues, such as the Deepwater Horizon Oil Spill and weather conditions. Development of the distribution industry would not only diversify the economy but would also provide stability as the need increases for cargo operations. Government, restaurants, and education are the top jobs held by residents in the county. There is a need for diversification of jobs in other sectors that can provide equal or better pay, training, benefits, and opportunities for upward mobility.

Santa Rosa's strength and challenges arise from its location: it lies between the core cities of two MSA's: Pensacola to the west and Fort Walton Beach to the east. A strength is that Santa Rosa's excellent public school system, low crime, recreational opportunities for residents of all ages, and low cost of living attract workers from Escambia and Okaloosa Counties to make their homes in Santa Rosa County. A challenge is that the lack of jobs within the county results in pockets of poverty especially within the central sections of the county. Triumph funding would help with diversification into the distribution industry, with the development of an anchor tenant

at the Florida First Industrial Park, complemented by the attraction of a skilled and educated labor force.

The modern transportation and distribution industry is geared toward the Interstate Highway system and the ability to shift modes efficiently. Santa Rosa County is well served by I-10 (east/west) connecting Jacksonville to Mobile, New Orleans, and points westward along the southern United States. In addition to road networks, the County is fortunate to have a CSX rail line serving the area and be near both the Pensacola and Mobile ports.

Santa Rosa County is positioned to serve the greater region with its location and transportation assets. Mobile can be easily reached within 90 minutes drivetime. Within three hours drivetime the cities of Tallahassee, Montgomery, and Biloxi are accessible; within five hours drivetime New Orleans can be served and the suburbs of Jacksonville are in sight. Building a regional hub for distribution makes sense for Santa Rosa County's reach.

In 2017, Florida's Great Northwest published Northwest Florida Forward: A Regional Strategy for Economic Transformation. In it, TIP Strategies and the Haas Center identified five industries as target industry clusters that "will transform the region if successfully developed through business recruitment, retention, expansion and entrepreneurial support." One of the target industry clusters was Water Transportation, along with Aerospace and Defense, Financial Services, Water Transportation, Cybersecurity and Advanced Manufacturing.

Additionally, Garner Economics, LLC in its 2018 strategic plan for Santa Rosa County, Building a Better Santa Rosa County: A Five-Year Strategic Blueprint for Economic Development listed many characteristics of Santa Rosa County that support the efficacy of Distribution and Logistics businesses succeeding if locating in the County.

According to the US Census American Community Survey, the median earnings for an individual worker in Santa Rosa County is \$31,333. New distribution jobs with wages of \$52,995 would have a positive impact in average wages in the county.

Funding and Budget (as provided by the applicant)

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

Exhibit A					
PROJECT LIONHEART #209					
Budget					
Estimated construction start date if applicable		Mar-21			
Estimated education component start date if applicable					
	Land Acquisition	Construction	EDTF		Total
Please change year # to actual year					
Project Total					
Calendar Year 1				-	-
2020	400,000.00	350,000.00	1,246,415.00	-	1,996,415.00
2021	-	4,852,521.00	-	-	4,852,521.00
2022	-	3,467,793.00	-	-	3,467,793.00
2023	-	-	-	-	-
2024	-	-	-	-	-
2025	-	-	-	-	-
2026	-	-	-	-	-
2027	-	-	-	-	-
2028	-	-	-	-	-
2029	-	-	-	-	-
2030	-	-	-	-	-
Project Total	400,000.00	8,670,314.00	1,246,415.00	-	10,316,729.00
Triumph					
Calendar Year 1					-
2020		100,000.00			100,000.00
2021		2,384,728.00			2,384,728.00
2022		1,000,000.00			1,000,000.00
2023					-
2024					-
2025					-
2026					-
2027					-
2028					-
2029					-
2030					-
Triumph Total	-	3,484,728.00	-	-	3,484,728.00
Grantee - Santa Rosa County					
Calendar Year 1					-
2020	400,000.00				400,000.00
2021					-
2022					-
2023					-
2024					-
2025					-
2026					-
2027					-
2028					-
2029					-
2030					-
Grantee Total	400,000.00	-	-	-	400,000.00
Company					
Calendar Year 1					-
2020		250,000.00			250,000.00
2021		2,467,793.00			2,467,793.00
2022		2,467,793.00			2,467,793.00
2023					-
2024					-
2025					-
2026					-
2027					-
2028					-
2029					-
2030					-
Company Total	-	5,185,586.00	-	-	5,185,586.00
EDTF					
2018			1,246,415.00		1,246,415.00
Calendar Year 2					-
Calendar Year 3					-
Calendar Year 4					-
Calendar Year 5					-
Calendar Year 6					-
Calendar Year 7					-
Calendar Year 8					-
Calendar Year 9					-
Calendar Year 10					-
Calendar Year 11					-
Calendar Year 12					-
EDTF	-	-	1,246,415.00	-	1,246,415.00

The project budget shown includes capital investment by the company to construct a 100,000 square foot warehouse, the cost to Santa Rosa County to design and construct necessary infrastructure to the site, and EDTF state dollars.

Additionally, the Santa Rosa County BOCC & the State of Florida have approved a Qualified Target Industry Tax Refund (QTI) for the company.