

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): _____

Name of Entity/Organization: Santa Rosa County Board of County Commissioners

Background of Applicant Individual/Entity/Organization: Santa Rosa County is a unit of government established by Florida Law.

Federal Employer Identification Number: 59-6000842

Contact Information:

Primary Contact Information: Shannon Ogletree

Title: Director, Santa Rosa Economic Development Office (EDO)

Mailing Address: 6491 Caroline Street, Suite 4
Milton, Florida 32570

Phone: 850-623-0174

Email: shannon@santarosa.fl.gov

Website: www.santarosaedo.com

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.

Santa Rosa County EDO has been working with the current property owner for two years related to development of this parcel into an industrial park. The current land owner has invested \$1 million to design and permit the project. Additionally, the land owner has agreed to retain the commercial properties and share in the contingent liability should a Triumph award be granted.

Total amount of funding requested from Triumph Gulf Coast: \$15,878,683

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

☐ Yes ☒ No

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.

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

The most recent audit of the county's financial status showed the county as financially sound. The audit was performed on the Consolidated Annual Financial Report for Period Ending September 30, 2020 by Warren Averitt CPAs and Advisors, whose findings were in a letter signed March 26, 2021. Please see Attachment 1 Financial Status and Statement from the report.

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 the county's financial statement in Attachment 1.

Has the applicant or any co-applicants, partners or any associated or affiliated entities or individuals filed for bankruptcy in the last ten (10) years?

☐ Yes ☒ No

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

Eligibility

Pursuant to Section 288.8017, Triumph Gulf Coast, Inc. was created to make awards from available funds to projects or programs that meet the priorities for economic recovery, diversification, and enhancement of the disproportionately affected counties. The disproportionately affected counties are: Bay County, Escambia County, Franklin County, Gulf County, Okaloosa County, Santa Rosa County, Walton County, or Wakulla County. *See*, Section 288.08012.

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

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

2. Provide the title and a detailed description of the proposed project or program, including the location of the proposed project or program, a detailed description of, and quantitative evidence demonstrating how the proposed project or program will promote economic recovery, diversification, and enhancement of the disproportionately affected counties, a proposed timeline for the proposed project or program, and the disproportionately affected counties that will be impacted by the proposed project or program.

Title: Milton Interchange Park

Description: This project proposes the acquisition and improvement of approximately 192 acres of prime industrial property with frontage on Interstate 10 at exit 31 in Santa Rosa County. Improvements include constructing approximately one mile of roadway, utility infrastructure and stormwater. The county would own and maintain all improvements. The site is zoned for industrial and is currently inaccessible to potential tenants.

With frontage on I-10 and proximity to New Orleans, Montgomery, Birmingham, Pensacola, Tallahassee and other southeastern cities, this site is well suited for supply chain manufacturing and distribution companies. Competition for this project includes the ready sites available just across state lines.

In recent months, Santa Rosa County has been approached by several distribution companies needing 40 – 60 acre lots. With 7 pending industrial park land sales, Santa Rosa County is unable to accommodate these companies at our existing parks. Santa Rosa EDO has been faced with evaluating company construction timelines, and directing companies with longer timelines to Milton Interchange Park.

Santa Rosa County has been working with the industrial property landowner for the last 18 months related to design and development of the property as an industrial park. The landowner has offered to sell the industrial lots (approx. 192 acres) and retain the commercial lots (approx. 28 acres). As a part of the negotiations, the landowner has agreed to share in the contingent liability to Triumph, should the project be awarded. The contingent liability percentage is currently being negotiated but would be settled prior to a Triumph term sheet.

An appraisal has been conducted.

Approximate Project Parameters

- Number of Jobs: 454
- Average Wage: \$41,770
- Capital Investment: \$20,000,000

Please see Attachment 2 for Map.

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

(a) **Economic Recovery:** The Santa Rosa Board of County Commissioners has worked for years to bring higher paying jobs to the County. One of the most telling statistics of the county can be seen on the Northwest Florida FORWARD County Snapshots. The net inflow/outflow of commuters is largely outward from Santa Rosa County, which means workers are commuting outside the county to higher paying jobs. They are commuting to the metropolitan core areas of Pensacola or Fort Walton Beach or to Crestview. The downturn of the economy in 2008 and the Deepwater Horizon Oil Spill in 2010 both hit the county's economy very hard (unemployment rose from 2.8 in 2006 to 9.5 in 2010) because of the reliance on growth in the construction/housing industry and tourism for jobs and revenues.

Even more recently, the US has seen massive shifts in industry, unemployment and supply chains due to COVID-19. Consumer trends that were started prior to the pandemic such as the shift away from retail stores toward online shopping were accelerated over the last year creating a pressing need for strategically located distribution centers. Bare grocery store shelves and a shortage of critical supplies were a painful illustration of the greatest supply chain disruption in our generation. As companies re-evaluate their supply chain, Santa Rosa County wants to be ready to accommodate their needs with Milton Interchange Park.

(b) **Diversification:** Santa Rosa County has relied heavily upon military, tourism and agriculture, all of which are subject to unpredicted devastating events that can wipe out expected revenues, such as the Deepwater Horizon Oil Spill, weather conditions base realignments or pandemics. Development of the distribution/logistics and manufacturing industries will not only diversify the economy but would also provide stability.

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

- i. The COVID-19 pandemic has brought a renewed attention to US manufacturing and supply chains. Strengthening the manufacturing and distribution industry in Santa Rosa County will benefit all of NW FL.
- ii. Aligns with the Northwest Florida FORWARD regional strategic initiative by supporting the manufacturing industry by providing transportation for its products and supporting land-based logistics.
- iii. Will create net new jobs in support of targeted industries.
- iv. All of Northwest Florida wins when we can compete with our neighbors to the north and west. The South Alabama Megasite is a mere 60-minute drive from Milton Interchange Park. The only way to compete and win companies is to have a ready site.

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

Please see Attachment 3.

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

Please see Attachment 4.

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

The impacts would be measured long term by reviewing the following indicators over a ten-year period: (1) number of jobs, (2) average wage, and (3) amount of capital investment.

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.)

The Triumph funding will be used to purchase 192 acres of industrial zoned property and to construct the infrastructure for the site. The site layout allows for prime interstate frontage and includes various sized parcels for maximum marketability.

Once the infrastructure is in place, it will be maintained by the county. Based on the number of companies currently interested in the park, coupled with the fact that suppliers tend to follow large scale distribution companies, the outlook for growth within the park is highly promising.

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

Santa Rosa EDO has an established track record of measuring deliverables for infrastructure projects. They will be measured according to the specifications detailed in the bid packages and contracts. An engineering firm will be hired to provide construction engineering and inspection (CEI) services.

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

☒ Generate maximum estimated economic benefits, based on tools and models not generally employed by economic input-output analyses, including cost-benefit, return-on-investment, or dynamic scoring techniques to determine how the long-term economic growth potential of the disproportionately affected counties may be enhanced by the investment.

☒ Increase household income in the disproportionately affected counties above national average household income.

☒ Leverage or further enhance key regional assets, including educational institutions, research facilities, and military bases.

Partner with local governments to provide funds, infrastructure, land, or other assistance for the project.

Benefit the environment, in addition to the economy.

☒ Provide outcome measures.

Partner with K-20 educational institutions or school districts located within the disproportionately affected counties as of January 1, 2017.

☒ Are recommended by the board of county commissioners of the county in which the project or program will be located.

Partner with convention and visitor bureaus, tourist development councils, or chambers of commerce located within the disproportionately affected counties.

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

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.

The University of West Florida Haas Center for Business Research and Economic Development analyzed the long-term economic growth potential of 400 jobs in the distribution/warehouse industry in Santa Rosa County. Please see Attachment 3 for an explanation of the estimated \$823.7 million impact over 13 years.

Increase household income in the disproportionately affected counties above national average household income.

Wages will be at least 115% of the County average, based on the Florida Department of Economic Opportunity, Labor Market Statistics Center.

Leverage or further enhance key regional assets, including educational institutions, research facilities, and military bases.

This project is compatible with and enhances the recent Triumph award to Pensacola State College for a truck driver training facility located just 3 miles away.

Provide outcome measures.

The outcome measures will be a review of the following indicators: (1) number of jobs (2) average wage, (3) amount of capital investment.

Are recommended by the board of county commissioners of the county in which the project or program will be located.

The Santa Rosa County Board of County Commissioners approved this project on May 25, 2021 at the regular meeting.

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

Please see Attachment 5.

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?

Yes, 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?

The Santa Rosa County BOCC approved this project at the May 25th Regular Meeting.

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

Please see the highlighted portion of page 6 of Attachment 6.

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.?

If awarded, the County Attorney will review the agreement and it will be on the agenda of a BOCC meeting for the Board to authorize the Chairman to sign the agreement. No other approvals are needed.

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

[The BOCC meets twice monthly and can hold special meetings with generally 7 days notice.](#)

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 Attachment 7 Timeline](#)

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 Attachment 8 BOCC Authority.](#)

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.
\$15,878,683 is requested from Triumph over three years.
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.)
Please see Attachment 9 which shows the requested award as 35% of the total expenditures.
3. Please describe the types and number of jobs expected from the proposed project or program and the expected average wage.
It is anticipated that this project will create 454 jobs in distribution/logistics with an average wage of at least 115% of the county average.
4. Does the potential award supplement but not supplant existing funding sources? If yes, describe how the potential award supplements existing funding sources.
The award does not supplant existing funding sources because no other funds have been identified at this point. It does supplement the investment/expenditures to date, which includes \$1,000,000 in design and the additional anticipated capital investment by distribution companies.
5. Please provide a Project/Program Budget. Include all applicable costs and other funding sources available to support the proposal.
Project/Program Costs:
Example Costs (Note: Not exhaustive list of possible Cost categories.)

Construction	\$ <u>10,000,000</u>
Reconstruction	\$ <u>0</u>
Design & Engineering	\$ <u>0</u>
Land Acquisition	\$ <u>5,878,683</u>
Land Improvement	\$ <u>0</u>
Equipment	\$ <u>0</u>
Supplies	\$ <u>0</u>
Salaries	\$ <u>0</u>

Other (specify) \$ _____

Total Project Costs: \$ 15,878,683

B. Other Project Funding Sources:

Example Funding Sources (Note: Not an exhaustive list of possible Funding Sources.)

City/County \$ _____

Private Sources \$ 51,000,000 Capital Investment & Design

Other (e.g., grants, etc.) \$ _____

Total Other Funding \$ 51,000,000

Total Amount Requested: \$ 15,878,683

Note: The total amount requested must equal the difference between the costs in 3A. and the other project funding sources in 3.B.

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

After the Board of County Commissioners approves the agreement with Triumph, a budget amendment will be on the agenda at the next regular commission meeting, usually held twice monthly.

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

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

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

Applicant acknowledges that Triumph Gulf Coast, Inc. reserves the right to request additional information from Applicant concerning the proposed project or program.

Yes

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 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 population growth in Florida amplified during the pandemic, more good paying jobs are needed in the area. Additionally, since the the pandemic Santa Rosa County has seen an increase in company interest for a variety of reasons. Milton Interchange Park will accommodate companies as they transition away from high tax areas that were dramatically affected by pandemic shut downs.

- E. Provide a detailed description of, and quantitative evidence demonstrating how the proposed public infrastructure project will promote:
- Economic recovery,
 - Economic Diversification,
 - Enhancement of the disproportionately affected counties,
 - Enhancement of a Targeted Industry.

Please see Attachment 10 Economic Recovery, Diversification, Enhancement of Disproportionately Affected Counties, and Enhancement of a Targeted Industry.

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.

If the project were awarded in September 2021, the land acquisition and infrastructure improvements would be completed within 36 months: land acquisition 3 months, construction procurement and mobilization 4 months, construction up to 27 months and grant close out 2 months. Company capital investment would be complete by 2025.

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

Milton Interchange Park is located at the corner of Highway 87 and Interstate 10 (Exit 31) in the unincorporated area of central Santa Rosa County.
Parcel id# 04-1N-27-0000-00101-0000

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

Once the property is acquired, Santa Rosa County BOCC will assume responsibility for maintenance and upkeep.

- E. What permits are necessary for the infrastructure project?

The project has been designed and permitted by the current owner.

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 they be prioritized?

Permits have been secured.

- 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?

Future land use is Industrial. Zoning designation is M2 General Industrial District. Improvements will conform to the uses.

- 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, please detail the timeline

☒ Yes ☒ No

An amendment to the comprehensive plan is not required. A development order is required.

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

☒ Yes ☐ No

Match will be in the form of private company capital investment in the park.

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

I, the undersigned, do hereby certify that 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: Santa Rosa County BOCC

Name and Title of Authorized Representative: David C. Piech, BOCC Chair

Representative Signature: 

Signature Date: 06/28/2021

10/13/2017 FINAL



316 South Baylen Street, Suite 300
Pensacola, FL 32502
warrenaverett.com

INDEPENDENT AUDITORS' REPORT

The Honorable Board of County Commissioners
Santa Rosa County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Santa Rosa County, Florida, (the "County") as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County as of September 30, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison schedules for the general fund, road and bridge fund, CARES act fund, and the local option sales tax fund, the schedules of proportionate share of the net pension liability, the schedules of the County's contributions, the schedules of changes in total liability and related ratios for other post-employment benefits, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, combining individual fund statements and budgetary comparison schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining individual fund statements and budgetary comparison schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining individual fund statements and budgetary comparison schedules are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 26, 2021 tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Warren Averett, LLC

March 26, 2021
Pensacola, Florida

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Santa Rosa County (County), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended September 30, 2020. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 1-3 of this report.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$223,864,651 (*net position*). Of this amount, (\$11,982,707) represents unrestricted net position, which may normally be used to meet the government's ongoing obligations to citizens and creditors. In the current year, the deficit balance in unrestricted net position increased primarily due to the changes in pension liability in accordance with Governmental Accounting Standards Board (GASB) Statement No. 68 as discussed in Note K.
- The County's total net position increased by \$21,909,539; governmental activities increased by \$14,195,122 and business-type activities increased by \$7,714,417. The increase in total net position was primarily due to appropriations from the Federal government under the CARES Act in the governmental activities, and in business-type activities, the increase primarily related to an increase in landfill revenues due to increased rates without a large adjustment to landfill closure and maintenance.
- At the close of the current fiscal year, the County governmental funds reported combined fund balances of \$82,832,809, an increase of \$3,216,696 in comparison with the prior year. Approximately 51% of this amount (\$42,260,324) is available for spending at the government's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, unrestricted fund balance (the total of the committed, assigned, and unassigned components of fund balance) for the governmental funds were \$57,993,007, or approximately 70% of total general fund expenditures.
- The County's total outstanding long-term bonds and notes increased by \$4,024,191 during the current fiscal year due to issuance of new debt for capital projects combined with normal debt service principal reductions.

OVERVIEW OF THE FINANCIAL STATEMENTS

The County's basic financial statements consist of three components: 1) *Government-wide financial statements*, 2) *Fund financial statements*, and 3) *Notes to the financial statements*. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government-wide financial statements

The *Government-wide financial statements* are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business.

The *statement of net position* presents financial information on all of the County's assets, liabilities and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The *statement of activities* presents information showing how the County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the County include general government, public safety, physical environment, transportation, economic environment, human services, and culture and recreation. The business-type activities of the County include a water/sewer service, solid waste disposal, building inspections, and hangar rentals.

The government-wide financial statements can be found on pages 23-25 of this report.

Fund financial statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The County's funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in assessing a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County maintains thirty individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, road and bridge fund, local option sales tax fund, and CARES Act fund, which are considered to be major funds. Data from the other twenty-six governmental funds are combined into a single aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

The County adopts annual appropriated budgets for all but five of its governmental funds. Budgetary comparison schedules are provided as required supplementary information for the general fund, road and bridge fund, local option sales tax fund, and CARES Act fund.

The basic governmental fund financial statements can be found on pages 26-29 of this report.

Proprietary Funds

The County maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for its water/sewer service, solid waste disposal, building inspections, and hangar rentals. Internal services funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for the management of its retained risks and for its fleet of vehicles. Because both services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water/sewer services and solid waste disposal which are considered to be major funds of the County. The internal service fund is presented in the proprietary fund financial statements.

The basic proprietary fund financial statements can be found on pages 30-32 of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are not reported in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The County maintains an Agency fund which reports resources held by the County in a custodial capacity for individuals, private organizations and other governments.

The fiduciary fund financial statements can be found on pages 33 of this report.

Notes to the financial statements

The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 35-67 of this report.

Other information

In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* concerning the County's progress in funding its obligation to provide pension and OPEB benefits to its employees. Required supplementary information can be found starting on page 69 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found starting on page 81 of this report.

Government-Wide Overall Financial Analysis

As noted earlier, net position over time, may serve as a useful indicator of a government's financial position. In the case of the County, assets and deferred outflows of resources exceeded liabilities plus deferred inflows by \$223.9 million as of September 30, 2020.

Santa Rosa County's Net Position (in thousands)

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 111,795	\$ 97,848	\$ 34,885	\$ 27,371	\$ 146,680	\$ 125,219
Capital assets	193,846	165,022	27,631	26,283	221,477	191,305
Total assets	305,641	262,870	62,516	53,654	368,157	316,524
Deferred outflows of resources	34,897	28,652	1,405	1,172	36,302	29,824
Long-term liabilities						
outstanding	130,078	101,064	25,365	23,045	155,443	124,109
Other liabilities	21,160	10,959	1,254	1,995	22,414	12,954
Total liabilities	151,238	112,023	26,619	25,040	177,857	137,063
Deferred inflow of resources	2,561	6,954	177	376	2,738	7,330
Net position						
Net investment in						
capital assets	185,355	160,555	26,541	25,192	211,896	185,747
Restricted	23,951	18,027	-	-	23,951	18,027
Unrestricted	(22,567)	(6,037)	10,584	4,218	(11,983)	(1,819)
Total net position	\$ 186,739	\$ 172,545	\$ 37,125	\$ 29,410	\$ 223,864	\$ 201,955

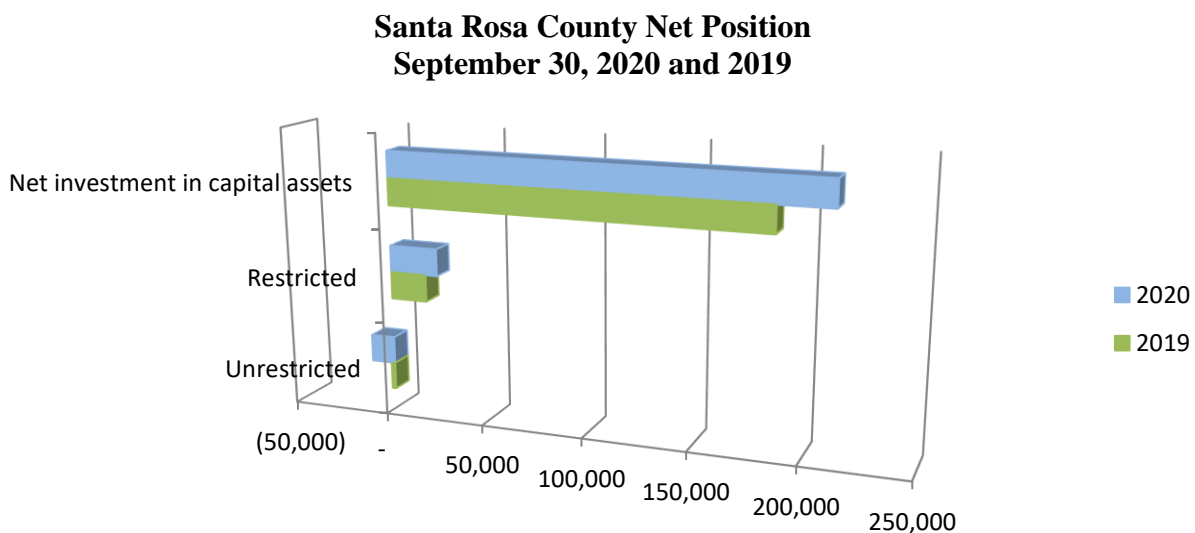
The largest portion of the County's net position (95%) reflects its investment in capital assets (e.g., land, buildings, equipment, improvements, construction in progress and infrastructure), less any related outstanding debt that was used to acquire those assets. The County uses these capital assets to provide a variety of services to its citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the County's net position (11%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of (\$11,982,707) is unrestricted and may normally be used to meet the government's ongoing obligations to its citizens and creditors. The deficit in the County's unrestricted net position increased in the current year due to the GASB Statement No. 68 adjustment in the amount of \$13,311,985 which requires the County to record an estimated liability and expense for potential future pension costs. The estimated liability and expense are based on the following assumptions:

- when an employee will retire;
- when an employee will die;
- future pay increases for employees;
- what inflation will be in the future;
- what investment returns will be going forward;
- the best rate to discount those estimated future payments.

See page 60 of this report which shows significant variations in the liability due to the discount rate assumptions.

At the end of the current fiscal year, the County is able to report positive balances in all reported categories of net position except governmental activities unrestricted net position due to GASB 68.



However, the County's overall net position increased \$21,909,151 from operations. The reasons for this overall increase are discussed in the following sections for governmental activities and business-type activities.

Governmental Activities

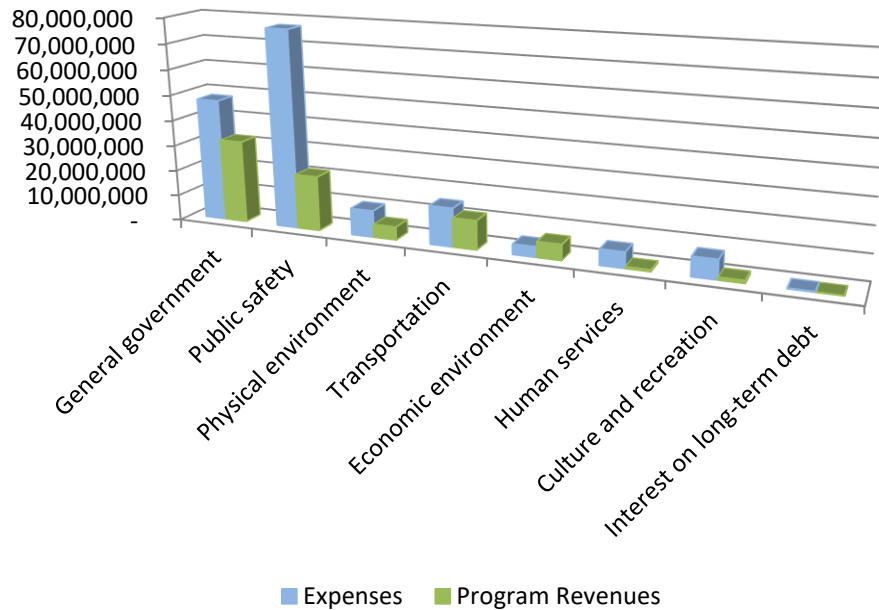
During the current fiscal year, net position for governmental activities increased \$14,195,122 from the prior fiscal year leaving an ending net position of \$186,739,681. This increase primarily relates to the CARES Act Fund which was a new fund reporting \$21.6 million in both revenues and expenses; however only approximately \$6.6 million in expenses were previously unbudgeted. An increase in property tax revenue as a result of increased property values also contributed to the increase in governmental activities. Increases in expenses related primarily to GASB Statement No. 68 as discussed above, an increase in Sheriff office expenses for additional staffing, and unanticipated expenses related to the COVID-19 pandemic as well as clean-up and recovery following Hurricane Sally.

Santa Rosa County's Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program revenues						
Charges for services	\$ 32,382	\$ 33,851	\$ 19,576	\$ 17,334	\$ 51,958	\$ 51,185
Operating grants & contributions	30,483	8,214	--	--	30,483	8,214
Capital grants & contributions	14,338	6,127	813	329	15,151	6,456
General revenues						
Property tax	60,823	56,285	--	--	60,823	56,285
Sales, use and fuel tax	21,603	23,346	--	--	21,603	23,346
Communications services	1,168	1,136	--	--	1,168	1,136
Grants and contributions	17,066	17,227	--	--	17,066	17,227
Investment earnings	899	1,761	520	709	1,419	2,470
Other	3,050	10,112	93	(25)	3,143	10,087
Total revenues	181,812	158,059	21,002	18,347	202,814	176,406
Expenses:						
General government	47,659	44,504	--	--	47,659	44,504
Public safety	77,119	67,942	--	--	77,119	67,942
Physical environment	10,306	13,076	--	--	10,306	13,076
Transportation	14,886	12,130	--	--	14,886	12,130
Economic environment	3,951	5,923	--	--	3,951	5,923
Human services	5,996	5,269	--	--	5,996	5,269
Culture and recreation	7,344	5,884	--	--	7,344	5,884
Interest on long term debt	142	104	--	--	142	104
Water and sewer	--	--	2,541	2,467	2,541	2,467
Inspections	--	--	2,474	2,048	2,474	2,048
Airport	--	--	849	575	849	575
Landfill	--	--	7,636	6,825	7,636	6,825
Total expenses	167,403	154,832	13,500	11,915	180,903	166,747
Increase in net position before transfers	14,409	3,227	7,502	6,432	21,911	9,659
Transfers	(214)	444	214	(444)	--	--
Change in net position	14,195	3,671	7,716	5,988	21,911	9,659
Net position, beg. of year	172,544	168,873	29,409	23,421	201,953	192,294
Net position, end of year	<u>\$ 186,739</u>	<u>\$ 172,544</u>	<u>\$ 37,125</u>	<u>\$ 29,409</u>	<u>\$ 223,864</u>	<u>\$ 201,953</u>

The following graph displays the Governmental Activities current program revenues and expenditures by function for fiscal year 2020.

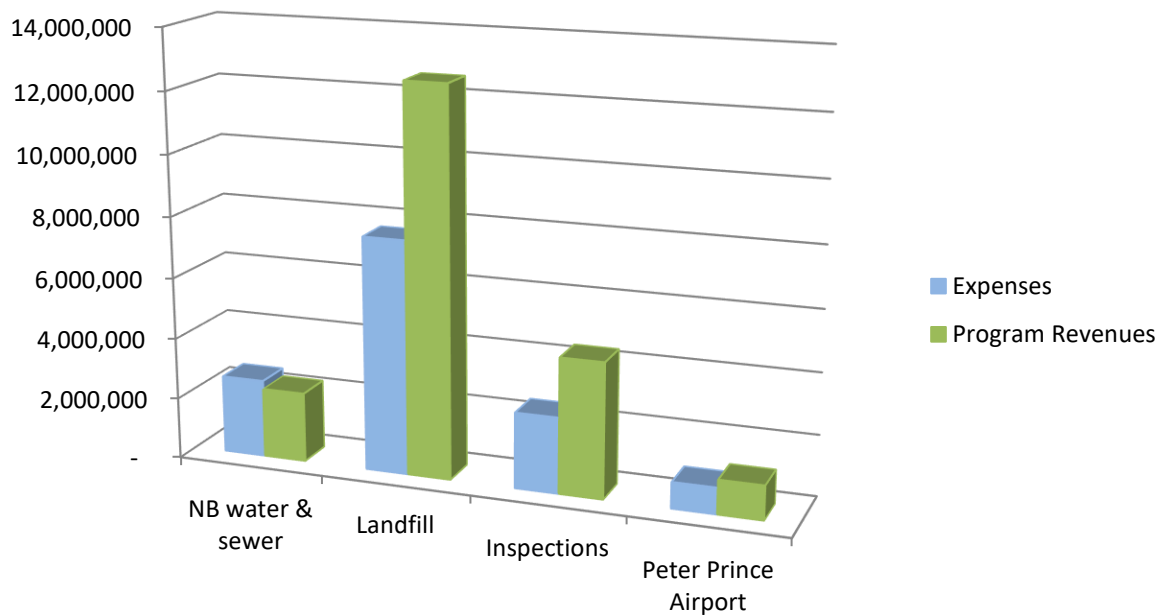
Expenses and Program Revenues - Governmental Activities



Business-type Activities

During the current fiscal year, net position for business-type activities increased \$7,714,417 from the prior fiscal year leaving an ending net position was \$37,124,970. The increase is attributable to increased landfill revenues due to increased rates without a large adjustment in the landfill closure and maintenance liability as was the case last year.

Expenses and Program Revenues - Business-Type Activities



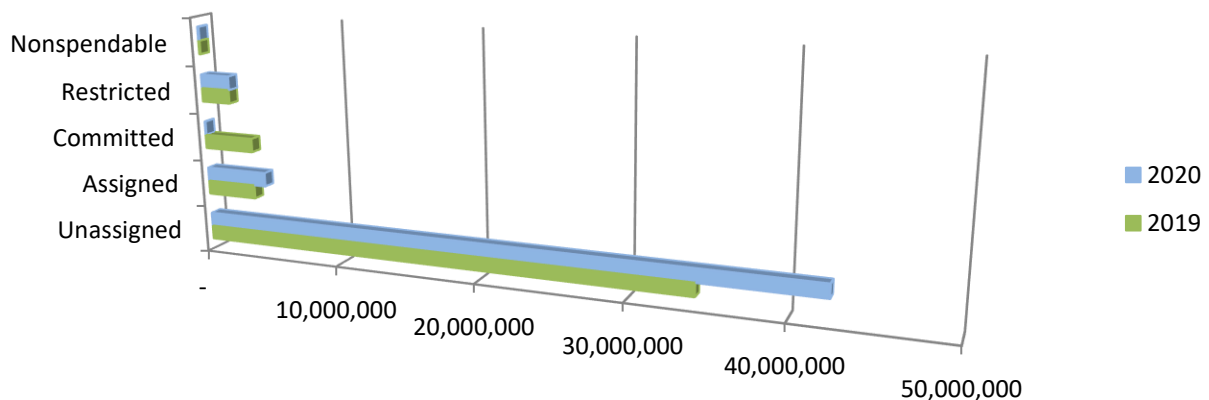
Financial Analysis of Governmental Funds

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either external parties, the County itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the County.

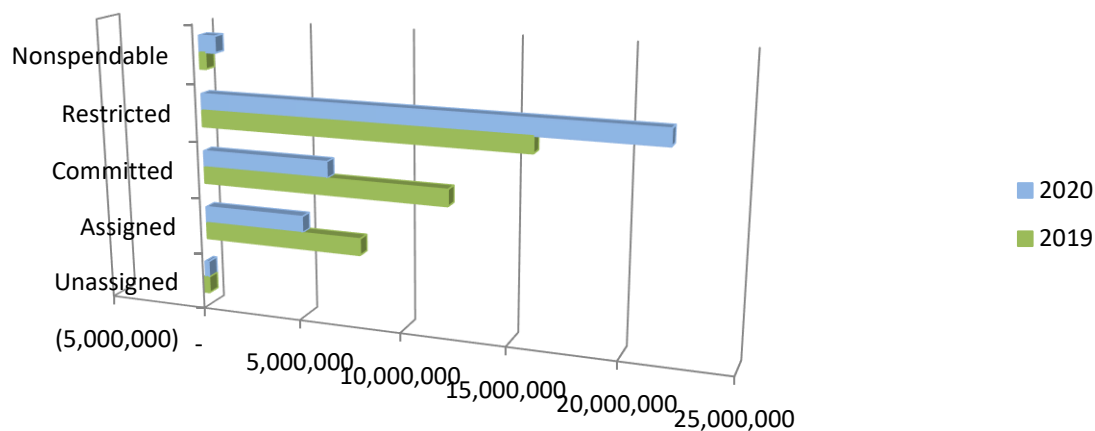
At September 30, 2020, the County's governmental funds reported combined fund balances of \$82,832,809, an increase of \$3,267,659 in comparison with the prior year. Approximately 51% of this amount (\$42,260,324) constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of the fund balance is either nonspendable, restricted, committed, or assigned to indicate that it is 1) not in spendable form (\$888,173), 2) restricted for particular purposes (\$23,951,629), 3) committed for particular purposes (\$6,312,045), or 4) assigned for particular purposes (\$9,420,638).

General Fund Components of Fund Balance September 30, 2020 and 2019



The General fund is the primary operating fund of the County. At the end of the current fiscal year, unassigned fund balance of the general fund was \$42,442,836, while total fund balance increased to \$49,138,082. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures. Unassigned fund balance represents approximately 51 % of total general fund expenditures, while total fund balance represents approximately 60% of that same amount.

Other Governmental Funds Components of Fund Balance September 30, 2020 and 2019



The fund balance of the County's general fund increased by \$5,431,308 during the current fiscal year. This increase primarily relates to regularly budgeted Sheriff office expenditures that were allowed to be applied against the appropriation from the Federal government under the CARES Act and, as a result, were reallocated to the newly established CARES Act fund.

The road and bridge fund, a major fund, had a \$2,817,959 decrease in fund balance during the current fiscal year which put the overall fund balance at \$4,740,054. The fund reports an assigned fund balance of \$4,149,854, and accounts for fuel and other taxes designated for road improvements. During the year, fund balance decreased primarily due to increased expenditures for road and stormwater projects.

The local option sales tax fund, another major governmental fund, had a \$2,108,196 increase in fund balance during the current fiscal year which put the overall fund balance at \$6,009,981. The primary reason for the increase in the fund was an increase in revenue from the prior year and not expending funds which were budgeted by year end. This was due to the timing of the projects some of which included Pace Patriot/Tiburon Boulevard drainage, Sunrise Drive, Pea Ridge connector, and Benny Russell Park.

The CARES Act fund, the remaining major governmental fund, was newly established in fiscal year 2020, reporting an increase in and final fund balance of \$2,370. The fund was established to account for appropriations from the Federal government under the Coronavirus Aid, Relief, and Economic Security Act and related expenditures. The increase in fund balance is due to investment earnings on the appropriated funds received in advance and held until they were spent.

Financial Analysis of Proprietary Funds

The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the Navarre Beach fund at the end of the year was \$1,893,804 and for the Landfill fund was \$5,105,374. The total change in net position for both funds was \$(354,155) and \$4,714,582, respectively. The decrease for the Navarre Beach fund resulted primarily because of increased operating costs without an offsetting adjustment to water/sewer rates. As discussed in the business-type activities section, the increase in the landfill fund is attributable to increased revenues due to increased rates without a large adjustment in the landfill closure and maintenance liability as was the case last year.

General Fund Budgetary Highlights

Original budget compared to final budget. During the year, the General Fund's original expenditure budget was increased by \$16,854,313. There was also a need to make amendments to reallocate appropriations among departments when it became clearer which departments would actually be charged for certain expenditures. The largest amendments from the original budget related to general government and public safety for reallocation of expenses related to CARES Act funding, physical environment for the Navarre Beach Pier renovation project, and transfers out for the new judicial facility as well as to cover unanticipated expenditures related to the COVID-19 pandemic.

Final budget compared to actual results. The General Fund under spent the final budget by \$25,657,671 or 20.9%. The primary reasons actual expenditures were less than the final budget was 1) funds budgeted for Sheriff operations which were budgeted in the General fund but ultimately applied to CARES Act appropriations and expended in the CARES Act fund, and 2) funds budgeted for jail renovation which weren't expended in the current year.

Santa Rosa County's General Fund Budget to Actual

	Original Budget	Final Budget	Change in Budget	Actual	Actual Variance from Budget
General government	\$ 33,077,076	\$ 48,701,881	\$ 15,624,805	\$ 27,311,147	\$ (21,390,734)
Public safety	55,430,877	40,719,063	(14,711,814)	39,968,138	(750,925)
Physical environmen	2,984,455	6,064,076	3,079,621	3,421,847	(2,642,229)
Transportation	936,350	980,724	44,374	980,723	(1)
Economic environme	1,054,894	1,224,543	169,649	1,077,239	(147,304)
Human services	5,422,896	5,574,349	151,453	5,442,563	(131,786)
Culture and recreatio	4,229,807	4,883,922	654,115	4,289,231	(594,691)
Transfers out	3,044,702	14,886,812	11,842,110	14,886,811	(1)
	<u>\$ 106,181,057</u>	<u>\$ 123,035,370</u>	<u>\$ 16,854,313</u>	<u>\$ 97,377,699</u>	<u>\$ (25,657,671)</u>

Capital Assets and Debt Administration

Capital assets. The County's investment in capital assets for its governmental and business-type activities as of September 30, 2020, amounts to \$221,477,549 (net of accumulated depreciation). This investment in capital assets includes land, buildings, machinery, equipment, vehicles, park facilities, roads, highways, and the water treatment facility. The total increase in capital assets for the current fiscal year was approximately 15.8%.

Capital Assets at Year-end (Net of Depreciation, in Thousands)

	Governmental Activities		Business-type Activities		Totals	
	2020	2019	2020	2019	2020	2019
Land	\$ 23,560	\$ 23,059	\$ 1,306	\$ 1,306	\$ 24,866	\$ 24,365
Construction in progress	27,904	17,663	2,558	11,815	30,462	29,478
Buildings	11,416	11,960	1,407	1,535	12,823	13,495
Improvements other than building	104,353	87,929	20,655	10,471	125,008	98,400
Machinery, furniture and equip.	26,615	24,411	1,708	1,157	28,323	25,568
Totals	<u>\$ 193,848</u>	<u>\$ 165,022</u>	<u>\$ 27,634</u>	<u>\$ 26,284</u>	<u>\$ 221,482</u>	<u>\$ 191,306</u>

Major capital asset events during the current fiscal year included the following:

- Cell expansion at the landfill completed at a final cost of \$10,616,056
- Donation of infrastructure from developers in the amount of \$9,169,096
- New equipment for the Sheriff's office at a cost of \$5,471,161
- Settler's Colony drainage project completed at a total cost of \$7,010,637
- Pace Patriot/Tiburon Drive drainage project at a cost of \$3,102,164
- Costs associated with the new judicial facility totaled \$7,522,640 in the current year.

Additional information on the County's capital assets can be found in Note F on pages 48-49 of this report.

Long-term Debt. At the end of the current fiscal year, the County had total bonds and notes outstanding of \$9,581,820. Of this amount, \$5,366,271 is debt backed by various revenues of the County and \$4,215,549 is special assessment debt for which the County is liable in the event of default by the property owners subject to the assessment.

Outstanding Debt at Year-end
(in Thousands)

	Governmental		Business-type		Totals	
	Activities		Activities			
	2020	2019	2020	2019	2020	2019
Revenue bonds	\$ 2,600	\$ -	\$ -	\$ -	\$ 2,600	\$ -
Notes payable	1,676	2,367	1,091	1,091	2,767	3,458
Special assessment notes	4,215	2,100	-	-	4,215	2,100
Totals	<u>\$ 8,491</u>	<u>\$ 4,467</u>	<u>\$ 1,091</u>	<u>\$ 1,091</u>	<u>\$ 9,582</u>	<u>\$ 5,558</u>

The County's total debt increased by \$4,024,191 (72%) during the current fiscal year. The reason for the increase was the issuance of several new loans for construction projects such as the new judicial center and Bernath Place MSBU.

Additional information on the County's long-term debt can be found in Note G on pages 50-54 of this report.

Economic Factors and Next Year's Budgets and Rates

The following economic factors currently affect the County and were considered in developing the 2020-21 fiscal year budget.

- The taxable assessed property values increased 7.7%.
- Sales tax revenues are expected to generate approximately \$7.3 million.
- Construction of new judicial facility will require additional financing of approximately \$30 million.

Requests for Information

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Finance Director, 6495 Caroline Street, Suite B, Milton, FL 32570.

BASIC FINANCIAL STATEMENTS

Santa Rosa County, Florida

STATEMENT OF NET POSITION

September 30, 2020

ASSETS	Governmental Activities	Business-type Activities	Total
Cash and cash equivalents	\$ 85,978,561	\$ 22,287,988	\$ 108,266,549
Investments	1,479,723	10,885,949	12,365,672
Receivables, net	23,448,637	1,710,706	25,159,343
Inventory	337,510	--	337,510
Prepaid expenses	550,663	--	550,663
Capital assets, net			
Nondepreciable	51,463,731	3,864,085	55,327,816
Depreciable	142,382,565	23,767,168	166,149,733
Total assets	305,641,390	62,515,896	368,157,286
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows on pension	29,877,464	1,100,177	30,977,641
Deferred outflows on health insurance subsidy	4,193,915	252,433	4,446,348
Deferred outflows on OPEB	825,558	52,381	877,939
Total deferred outflows of resources	34,896,937	1,404,991	36,301,928
LIABILITIES			
Accounts payable	14,390,529	549,699	14,940,228
Contracts payable	1,038,714	--	1,038,714
Accrued wages payable	2,416,853	197,105	2,613,958
Interest payable	70,484	--	70,484
Due to other governments	1,354,124	70,464	1,424,588
Deposits	171,635	437,169	608,804
Unearned revenue	1,717,473	--	1,717,473
Noncurrent liabilities			
Due within one year	5,946,166	850,869	6,797,035
Due in more than one year	124,131,407	24,514,145	148,645,552
Total liabilities	151,237,385	26,619,451	177,856,836
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows on pension	380,238	34,878	415,116
Deferred inflows on health insurance subsidy	1,161,404	79,448	1,240,852
Deferred inflows on OPEB	1,019,619	62,140	1,081,759
Total deferred inflows of resources	2,561,261	176,466	2,737,727

Continued ...

Santa Rosa County, Florida

STATEMENT OF NET POSITION (Continued)

September 30, 2020

NET POSITION	Governmental Activities	Business-type Activities	Total
Net investment in capital assets	185,355,064	26,540,665	211,895,729
Restricted for:			
Communications	845,207	--	845,207
Drivers education	311,202	--	311,202
Boating improvement	729,185	--	729,185
Domestic violence	223,266	--	223,266
Pollworker recruitment	1,887	--	1,887
Federal elections	1,222	--	1,222
Voter education	69	--	69
Navarre Beach Bridge maintenance	331,527	--	331,527
Infrastructure development	6,502,439	--	6,502,439
Public health and safety	2,370	--	2,370
Law Enforcement Trust Fund	54,703	--	54,703
Crime prevention	478,329	--	478,329
Federal seizure funds	109,370	--	109,370
Mosquito control	92,118	--	92,118
Federal and state grants	2,872,977	--	2,872,977
Enhanced 911 system	493,601	--	493,601
Tourist development	2,110,507	--	2,110,507
State Housing Improvement Program	372,576	--	372,576
Flood Mitigation	3,487,716	--	3,487,716
Fire prevention and control	1,074,735	--	1,074,735
Road and sewer construction	1,234,457	--	1,234,457
Canal maintance	194,603	--	194,603
Beach restoration	18,675	--	18,675
State court operations	16,281	--	16,281
Court equipment and technology	818,360	--	818,360
Records modernization trust fund	809,903	--	809,903
Law enforcement training	101,084	--	101,084
Inmate welfare purchases	663,260	--	663,260
Unrestricted	(22,567,012)	10,584,305	(11,982,707)
Total net position	<u>\$ 186,739,681</u>	<u>\$ 37,124,970</u>	<u>\$ 223,864,651</u>

The accompanying notes are an integral part of these financial statements.

Santa Rosa County, Florida

STATEMENT OF ACTIVITIES

Year ended September 30, 2020

Functions/Programs:	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for	Operating	Capital	Governmental	Business-	Total
		Services	Grants and	Grants and	Activities	type	
			Contributions	Contributions		Activities	
Governmental activities:							
General government	\$ 47,658,997	\$ 21,871,252	\$ 10,241,013	\$ --	\$ (15,546,732)		\$ (15,546,732)
Public safety	77,119,442	5,465,077	15,458,218	348,144	(55,848,003)		(55,848,003)
Physical environment	10,306,475	4,576,373	467,261	--	(5,262,841)		(5,262,841)
Transportation	14,885,818	1,339	2,019,103	9,169,096	(3,696,280)		(3,696,280)
Economic environment	3,950,617	--	1,163,440	4,820,759	2,033,582		2,033,582
Human services	5,996,195	39,828	577,744	--	(5,378,623)		(5,378,623)
Culture and recreation	7,343,967	428,720	556,439	--	(6,358,808)		(6,358,808)
Interest on long-term debt	142,169	--	--	--	(142,169)		(142,169)
Total governmental activities	167,403,680	32,382,589	30,483,218	14,337,999	(90,199,874)		(90,199,874)
Business-type activities:							
Navarre Beach water and sewer	2,541,596	2,273,197	--	--		\$ (268,399)	(268,399)
Inspections	2,473,656	4,404,116	--	--		1,930,460	1,930,460
Peter Prince Airport	849,075	300,817	--	806,760		258,502	258,502
Landfill	7,636,449	12,597,507	--	5,780		4,966,838	4,966,838
Total business-type activities	13,500,776	19,575,637	--	812,540		6,887,401	6,887,401
Total	180,904,456	51,958,226	30,483,218	15,150,539	(90,199,874)	6,887,401	(83,312,473)
General revenues:							
Taxes							
Property taxes					60,822,610	--	60,822,610
Sales, use and fuel taxes					21,602,823	--	21,602,823
Communication services taxes					1,168,514	--	1,168,514
Grants and contributions not restricted to specific programs					17,065,719	--	17,065,719
Unrestricted investment earnings					899,130	520,265	1,419,395
Miscellaneous					3,050,123	519	3,050,642
Gain on sale of assets					--	92,309	92,309
Transfers					(213,923)	213,923	--
Total general revenues and transfers					104,394,996	827,016	105,222,012
Change in net position					14,195,122	7,714,417	21,909,539
Net position - beginning					172,544,559	29,410,553	201,955,112
Net position - ending					<u>\$ 186,739,681</u>	<u>\$ 37,124,970</u>	<u>\$ 223,864,651</u>

The accompanying notes are an integral part of these financial statements.

Santa Rosa County, Florida

**BALANCE SHEET
GOVERNMENTAL FUNDS**

September 30, 2020

ASSETS	General	Road and Bridge	Local Option Sales Tax	CARES Act	Other Governmental Funds	Total Governmental Funds
Cash and cash equivalents	\$ 35,351,529	\$ 2,739,343	\$ 5,634,842	\$ 7,440,384	\$ 26,549,890	\$ 77,715,988
Investments	781,213	--	--	--	--	781,213
Receivables, net of uncollectibles						
Accounts	85,793	--	--	--	701,132	786,925
Leases - current	334,930	--	--	--	--	334,930
Due from other governments	1,109,282	3,514,556	676,516	13,248,065	3,739,056	22,287,475
Due from other funds	16,602,423	--	--	--	128,233	16,730,656
Inventory	78,837	258,673	--	--	--	337,510
Prepaid expenditures	--	--	--	--	550,663	550,663
Total assets	<u>\$ 54,344,007</u>	<u>\$ 6,512,572</u>	<u>\$ 6,311,358</u>	<u>\$ 20,688,449</u>	<u>\$ 31,668,974</u>	<u>\$ 119,525,360</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 2,835,069	\$ 1,207,406	\$ 295,433	\$ 4,182,783	\$ 4,756,439	\$ 13,277,130
Contracts payable	--	306,850	5,944	--	725,920	1,038,714
Accrued wages payable	1,910,997	258,262	--	--	233,560	2,402,819
Deposits	171,635	--	--	--	--	171,635
Unearned revenue	136,176	--	--	1,557,058	24,239	1,717,473
Due to other funds	19,802	--	--	14,946,238	1,764,616	16,730,656
Due to other governments	132,246	--	--	--	1,221,878	1,354,124
Total liabilities	5,205,925	1,772,518	301,377	20,686,079	8,726,652	36,692,551
Fund balances:						
Nonspendable	78,837	258,673	--	--	550,663	888,173
Restricted	2,112,038	331,527	6,009,981	2,370	15,495,713	23,951,629
Committed	50,668	--	--	--	6,261,377	6,312,045
Assigned	4,453,703	4,149,854	--	--	817,081	9,420,638
Unassigned	42,442,836	--	--	--	(182,512)	42,260,324
Total fund balances	49,138,082	4,740,054	6,009,981	2,370	22,942,322	82,832,809
Total liabilities and fund balances	<u>\$ 54,344,007</u>	<u>\$ 6,512,572</u>	<u>\$ 6,311,358</u>	<u>\$ 20,688,449</u>	<u>\$ 31,668,974</u>	<u>\$ 119,525,360</u>

The accompanying notes are an integral part of these financial statements.

Santa Rosa County, Florida

**RECONCILIATION OF THE BALANCE SHEET
OF GOVERNMENTAL FUNDS TO
THE STATEMENT OF NET POSITION**

September 30, 2020

Total Governmental Funds Balances		\$ 82,832,809
<i>Amounts reported for governmental activities in the statement of net position are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:		
Total capital assets, net, see Note F	193,846,296	
Less: Internal Service Fund capital assets	<u>(31,245)</u>	193,815,051
Deferred outflows of resources are presented in governmental activities on the Statement of Net Position, but are not reported in the governmental funds:		
Deferred outflows on pension	29,877,464	
Less: Internal Service Fund Deferred outflows on pensions	(68,391)	
Deferred outflows on health insurance subsidy	4,193,915	
Less: Internal Service Fund Deferred outflows on health insurance subsidy	(16,305)	
Deferred outflows on OPEB	825,558	
Less: Internal Service Fund Deferred outflows on OPEB	<u>(2,844)</u>	34,809,397
Long term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Total long-term liabilities, see Note G	(20,609,769)	
Net pension liability, see Note K	(106,433,213)	
Net OPEB liability, see Note N	(8,015,217)	
Add: interest payable due to interest accruals	(70,484)	
Less: Enterprise Funds net pension liability	4,519,922	
Less: Enterprise Funds net OPEB liability	460,704	
Less: Internal Service Fund insurance claims payable	3,562,862	
Less: Internal Service Fund compensated absences	21,330	
Less: Internal Service Fund other postemployment benefits liability	32,160	
Less: Internal Service Fund net pension liability	215,214	
Less: Internal Service Fund net health insurance subsidy liability	<u>82,014</u>	(126,234,477)
Deferred inflows of resources are presented in governmental activities on the Statement of Net Position, but are not reported in the governmental funds:		
Deferred inflows on pension	(380,238)	
Less: Internal Service Fund deferred inflows on pensions	938	
Deferred inflows on health insurance subsidy	(1,161,404)	
Less: Internal Service Fund deferred inflows on health insurance subsidy	3,775	
Deferred inflows on OPEB	(1,019,619)	
Less: Internal Service Fund deferred inflows on OPEB	<u>3,334</u>	(2,553,214)
Internal service funds are used by management to charge the costs of providing insurance coverage to individual funds and therefore, the assets and liabilities of the internal service fund are included in governmental activities in the Statement of Net Position.		
		<u>4,070,115</u>
Net Position of Governmental Activities		<u><u>\$ 186,739,681</u></u>

The accompanying notes are an integral part of these financial statements.

Santa Rosa County, Florida

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS**

Year ended September 30, 2020

	General	Road and Bridge	Local Option Sales Tax	CARES Act	Other Governmental Funds	Total Governmental Funds
Revenues						
Taxes	\$ 62,682,648	\$ 7,529,252	\$ 9,587,910	\$ --	\$ 3,794,137	\$ 83,593,947
Permits, fees and special assessments	260,614	--	--	--	11,604,012	11,864,626
Intergovernmental	15,330,320	6,549,657	--	21,582,263	9,316,938	52,779,178
Charges for services	10,607,837	26,276	--	--	4,866,812	15,500,925
Fines and forfeits	313,045	--	--	--	1,276,029	1,589,074
Miscellaneous	2,297,541	649,402	23,218	2,390	1,133,298	4,105,849
Total revenues	91,492,005	14,754,587	9,611,128	21,584,653	31,991,226	169,433,599
Expenditures						
Current						
General government	27,311,147	--	76,096	6,467,539	7,615,046	41,469,828
Public safety	39,968,138	--	1,202,101	14,946,238	12,793,148	68,909,625
Physical environment	3,421,847	5,062,996	2,011,096	--	579,050	11,074,989
Transportation	980,723	15,437,090	2,085,379	--	3,872,314	22,375,506
Economic environment	1,077,239	--	--	168,506	3,448,391	4,694,136
Human services	5,442,563	--	344,131	--	169,639	5,956,333
Culture and recreation	4,289,231	--	941,362	--	431,929	5,662,522
Capital outlay	--	--	--	--	8,743,442	8,743,442
Debt service	--	--	--	--	1,395,154	1,395,154
Total expenditures	82,490,888	20,500,086	6,660,165	21,582,283	39,048,113	170,281,535
Excess (deficiency) of revenues over expenditures	9,001,117	(5,745,499)	2,950,963	2,370	(7,056,887)	(847,936)
Other financing sources (uses)						
Transfers in	11,322,333	3,003,172	--	--	12,678,800	27,004,305
Transfers out	(14,886,811)	(30,000)	(842,767)	--	(12,431,650)	(28,191,228)
Issuance of debt	--	--	--	--	5,302,518	5,302,518
Total other financing sources (uses)	(3,564,478)	2,973,172	(842,767)	--	5,549,668	4,115,595
Net change in fund balances	5,436,639	(2,772,327)	2,108,196	2,370	(1,507,219)	3,267,659
Fund balances, beginning of year	43,706,774	7,558,013	3,901,785	--	24,449,541	79,616,113
Change in reserve for inventory	(5,331)	(45,632)	--	--	--	(50,963)
Fund balances, end of year	\$ 49,138,082	\$ 4,740,054	\$ 6,009,981	\$ 2,370	\$ 22,942,322	\$ 82,832,809

The accompanying notes are an integral part of these financial statements.

Santa Rosa County, Florida

**RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**

For the year ended September 30, 2020

Net Change in Fund Balances - Total Governmental Funds	\$	3,267,659
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*Amounts reported for governmental activities in the
statement of activities are different because:*

Governmental funds report capital outlays as expenditures. However,
in the statement of activities, the cost of those assets is allocated over
their estimated useful lives as depreciation expense. In the current period
these amounts are:

Current period investment in capital assets	42,239,878
Current period depreciation	(12,407,907)
Current period loss on disposal of capital assets, net of proceeds	(1,039,287)

In the statement of activities, interest is accrued on outstanding loans, whereas
in governmental funds, an interest expenditure is reported when due.

Change in interest payable	(25,342)
----------------------------	----------

Repayment of debt principal is an expenditure in the governmental funds, but
the repayment reduces long-term liabilities in the statement of net position.
Also debt proceeds are an other financing source in the governmental funds,
but the issuance increases long-term liabilities in the statement of net position.

Current period change in compensated absences	(770,090)
Current period note payments	791,240
Current period special assessment note payments	487,087
Current period debt proceeds	(5,302,518)
Current period change in pension liability	(20,609,263)
Current period change in health insurance subsidy	(2,083,453)
Current period increase in other post employment benefits liability	(1,221,223)
Current period change in deferred outflow of resources on pensions	4,452,427
Current period change in deferred inflow of resources on pensions	3,931,847
Current period change in deferred outflow of resources on health insurance subsidy	953,069
Current period change in deferred inflow of resources on health insurance subsidy	305,893
Current period change in deferred outflow of resources on OPEB	822,714
Current period change in deferred inflow of resources on OPEB	136,004

Internal service funds are used by management to charge the
costs of providing insurance coverage and therefore, the
change in net position of the internal service fund is included
in governmental activities in the Statement of Activities.

317,350

Some expenses reported in the statement of activities do not require
the use of current financial resources and therefore are not reported as
expenditures in the funds

Change in reserve for inventory	(50,963)
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Change in Net Position of Governmental Activities	\$	<u>14,195,122</u>
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The accompanying notes are an integral part of these financial statements.

Santa Rosa County, Florida

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS**

September 30, 2020

	Business-type Activities				Governmental
	Major Funds				Activities
	Navarre		Nonmajor	Total	Internal
ASSETS	Beach	Landfill	Enterprise	Enterprise	Service
			Funds	Funds	Fund
Current assets:					
Cash and cash equivalents	\$ 2,277,726	\$ 7,035,314	\$ 6,087,734	\$ 15,400,774	\$ 8,262,573
Investments	--	--	--	--	698,510
Accounts receivable	215,656	1,328,519	13,645	1,557,820	39,307
Due from other governments	--	--	152,886	152,886	--
Total current assets	2,493,382	8,363,833	6,254,265	17,111,480	9,000,390
Noncurrent assets					
Restricted cash and cash equivalents	--	6,887,214	--	6,887,214	--
Restricted investments	--	10,885,949	--	10,885,949	--
Capital assets, net of accumulated depreciation	4,042,339	18,285,194	5,303,720	27,631,253	31,245
Total noncurrent assets	4,042,339	36,058,357	5,303,720	45,404,416	31,245
Total assets	6,535,721	44,422,190	11,557,985	62,515,896	9,031,635
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflow on pension	128,924	481,404	489,849	1,100,177	68,391
Deferred outflow on health insurance subsidy	31,735	113,573	107,125	252,433	16,305
Deferred outflow on OPEB	6,202	25,497	20,682	52,381	2,844
Total deferred outflows of resources	166,861	620,474	617,656	1,404,991	87,540
LIABILITIES					
Current liabilities					
Accounts payable	70,237	139,895	339,567	549,699	1,113,399
Current portion of claims payable	--	--	--	--	631,683
Accrued wages payable	20,975	92,429	83,701	197,105	14,034
Due to other governments	--	--	70,464	70,464	--
Compensated absences - current portion	22,255	195,000	80,095	297,350	21,330
Note payable - current	535,020	--	--	535,020	--
Deposits	5,500	145,700	285,969	437,169	--
Current portion of landfill closure costs	--	18,499	--	18,499	--
Total current liabilities	653,987	591,523	859,796	2,105,306	1,780,446
Noncurrent liabilities					
Long term portion of compensated absences	--	165,076	195,000	360,076	--
Long term portion of claims payable	--	--	--	--	2,931,179
Long term portion of landfill closure costs	--	18,617,875	--	18,617,875	--
Note payable - noncurrent	555,568	--	--	555,568	--
Net pension liability	411,907	1,516,071	1,469,492	3,397,470	215,214
Net health insurance subsidy liability	151,501	480,943	490,008	1,122,452	82,014
OPEB liability	64,766	202,732	193,206	460,704	32,160
Total noncurrent liabilities	1,183,742	20,982,697	2,347,706	24,514,145	3,260,567
Total liabilities	1,837,729	21,574,220	3,207,502	26,619,451	5,041,013
DEFERRED INFLOWS OF RESOURCES					
Deferred inflow on pension	3,788	14,056	17,034	34,878	938
Deferred inflow on health insurance subsidy	8,310	34,188	36,950	79,448	3,775
Deferred inflow on OPEB	7,200	29,632	25,308	62,140	3,334
Total deferred inflows of resources	19,298	77,876	79,292	176,466	8,047
NET POSITION					
Net investment in capital assets	2,951,751	18,285,194	5,303,720	26,540,665	31,245
Unrestricted	1,893,804	5,105,374	3,585,127	10,584,305	4,038,870
Total net position	\$ 4,845,555	\$ 23,390,568	\$ 8,888,847	\$ 37,124,970	\$ 4,070,115

The accompanying notes are an integral part of these financial statements.

Santa Rosa County, Florida
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION - PROPRIETARY FUNDS

Year ended September 30, 2020

	Business-type Activities				Governmental
	Major Funds		Nonmajor	Total	Activities
	Navarre Beach	Landfill	Enterprise Funds	Enterprise Funds	Internal Service Fund
Operating revenues					
Permits, fees and special assessments	\$ --	\$ 76,400	\$ 4,391,532	\$ 4,467,932	\$ --
Charges for services	2,273,197	12,521,107	313,401	15,107,705	1,651,772
Insurance proceeds	--	--	--	--	1,459,210
Miscellaneous	--	360	159	519	355
Total operating revenues	2,273,197	12,597,867	4,705,092	19,576,156	3,111,337
Operating expenses					
Personal services	641,666	2,627,831	2,293,822	5,563,319	403,142
Contract services	755,553	1,180,115	407,519	2,343,187	185,624
Supplies	165,869	101,931	24,179	291,979	21,243
Repairs and maintenance	334,362	483,720	108,156	926,238	569
Utilities	77,721	68,126	17,256	163,103	--
Depreciation	494,584	646,249	362,181	1,503,014	3,014
Travel and per diem	--	2,033	5,440	7,473	55
Insurance	24,050	90,000	47,300	161,350	1,695,621
Communications	19,228	42,517	21,924	83,669	315
Advertising	--	10,458	749	11,207	--
Fuel and oil	12,858	215,534	28,852	257,244	--
Rentals	464	683,210	--	683,674	--
Landfill closure and maintenance	--	1,410,815	--	1,410,815	--
Claims and changes in estimates	--	--	--	--	1,547,296
Miscellaneous	4,403	13,910	5,353	23,666	8,801
Total operating expenses	2,530,758	7,576,449	3,322,731	13,429,938	3,865,680
Operating income (loss)	(257,561)	5,021,418	1,382,361	6,146,218	(754,343)
Non-operating revenues (expenses)					
Investment income	22,685	478,148	19,432	520,265	98,693
Interest expense	(10,838)	--	--	(10,838)	--
Sale of recycled materials	--	52,709	--	52,709	--
Gain (loss) on disposal of assets	--	39,600	--	39,600	--
Aid to private organizations	--	(60,000)	--	(60,000)	--
Total non-operating revenues (expenses)	11,847	510,457	19,432	541,736	98,693
Income (loss) before contributions and transfers	(245,714)	5,531,875	1,401,793	6,687,954	(655,650)
Transfers in	--	--	1,498,680	1,498,680	973,000
Transfers out	(108,441)	(823,073)	(353,243)	(1,284,757)	--
Capital contribution	--	5,780	806,760	812,540	--
Change in net position	(354,155)	4,714,582	3,353,990	7,714,417	317,350
Net position, beginning of year	5,199,710	18,675,986	5,534,857	29,410,553	3,752,765
Net position, end of year	<u>\$ 4,845,555</u>	<u>\$ 23,390,568</u>	<u>\$ 8,888,847</u>	<u>\$ 37,124,970</u>	<u>\$ 4,070,115</u>

The accompanying notes are an integral part of these financial statements.

Santa Rosa County, Florida
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year ended September 30, 2020

	Business-type Activities				Governmental
	Major Funds		Nonmajor Enterprise Funds	Total Enterprise Funds	Activities
	Navarre Beach	Landfill			Internal Service Fund
Cash flows from operating activities					
Cash received from customers	\$ 2,243,166	\$ 12,331,388	\$ 4,546,792	\$ 19,121,346	\$ 355
Cash paid to suppliers	(1,338,560)	(3,591,777)	(235,421)	(5,165,758)	(2,307,482)
Cash paid to employees	(635,186)	(2,610,561)	(2,269,698)	(5,515,445)	(388,885)
Cash received from interfund services provided	--	--	--	--	3,108,469
Cash paid for internal services provided	--	--	--	--	(1,313,170)
Net cash provided (used) by operating activities	269,420	6,129,050	2,041,673	8,440,143	(900,713)
Cash flows from noncapital financing activities					
Transfers in	--	--	1,498,680	1,498,680	973,000
Transfers out	(108,441)	(823,073)	(353,243)	(1,284,757)	--
Aid to private organizations	--	(60,000)	--	(60,000)	--
Net cash provided (used) by noncapital financing activities	(108,441)	(883,073)	1,145,437	153,923	973,000
Cash flows from capital and related financing activities					
Capital contribution	--	3,400	806,760	810,160	--
Purchases of capital assets	(49,240)	(1,533,457)	(1,266,146)	(2,848,843)	(34,258)
Interest paid on capital debt	(10,838)	--	--	(10,838)	--
Net cash provided (used) by capital and related financing activities	(60,078)	(1,530,057)	(459,386)	(2,049,521)	(34,258)
Cash flows from investing activities					
Interest and dividends	22,685	478,148	19,432	520,265	98,693
Net sale (purchase) of investments	--	(377,196)	--	(377,196)	(24,203)
Net cash provided (used) by investing activities	22,685	100,952	19,432	143,069	74,490
Net increase (decrease) in cash and cash equivalents	123,586	3,816,872	2,747,156	6,687,614	112,519
Cash and cash equivalents at beginning of year	2,154,140	10,105,656	3,340,578	15,600,374	8,150,054
Cash and cash equivalents at end of year	<u>\$ 2,277,726</u>	<u>\$ 13,922,528</u>	<u>\$ 6,087,734</u>	<u>\$ 22,287,988</u>	<u>\$ 8,262,573</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities					
Operating income (loss)	\$ (257,561)	\$ 5,021,418	\$ 1,382,361	\$ 6,146,218	\$ (754,343)
Adjustments to reconcile operating income to net cash provided (used) by operating activities					
Depreciation expense	494,584	646,249	362,181	1,503,014	3,013
Landfill closure costs	--	1,410,815	--	1,410,815	--
Gain (loss) on disposal of capital assets	--	39,600	--	39,600	--
Sale of recycled materials	--	52,709	--	52,709	--
Changes in assets and liabilities:					
Accounts receivable	(30,031)	(266,479)	(5,414)	(301,924)	(2,513)
Due from other governments	--	6,000	(152,886)	(146,886)	622,554
Accounts payable	4,475	(1,098,347)	116,182	(977,690)	(1,045,222)
Accrued compensation	5,730	25,278	28,094	59,102	7,163
Compensated absences	750	(8,008)	(3,970)	(11,228)	7,094
Due to other governments	--	--	16,590	16,590	--
OPEB liability	9,206	37,847	30,700	77,753	4,221
Claims payable	--	--	--	--	234,126
Deposits	(1,000)	55,500	106,991	161,491	--
Net pension liability	84,079	335,245	291,020	710,344	50,424
Net health insurance subsidy	15,615	62,262	54,048	131,925	9,365
Deferred outflows of resources	(27,530)	(109,421)	(95,658)	(232,609)	(16,917)
Deferred inflows of resources	(28,897)	(81,618)	(88,566)	(199,081)	(19,678)
Net cash provided (used) by operating activities	<u>\$ 269,420</u>	<u>\$ 6,129,050</u>	<u>\$ 2,041,673</u>	<u>\$ 8,440,143</u>	<u>\$ (900,713)</u>
Noncash Investing, Capital and Financing Activities:					
Capital assets transferred from governmental to proprietary funds	\$ --	\$ 2,380	\$ --	\$ 2,380	\$ --

The accompanying notes are an integral part of these financial statements.

Santa Rosa County, Florida

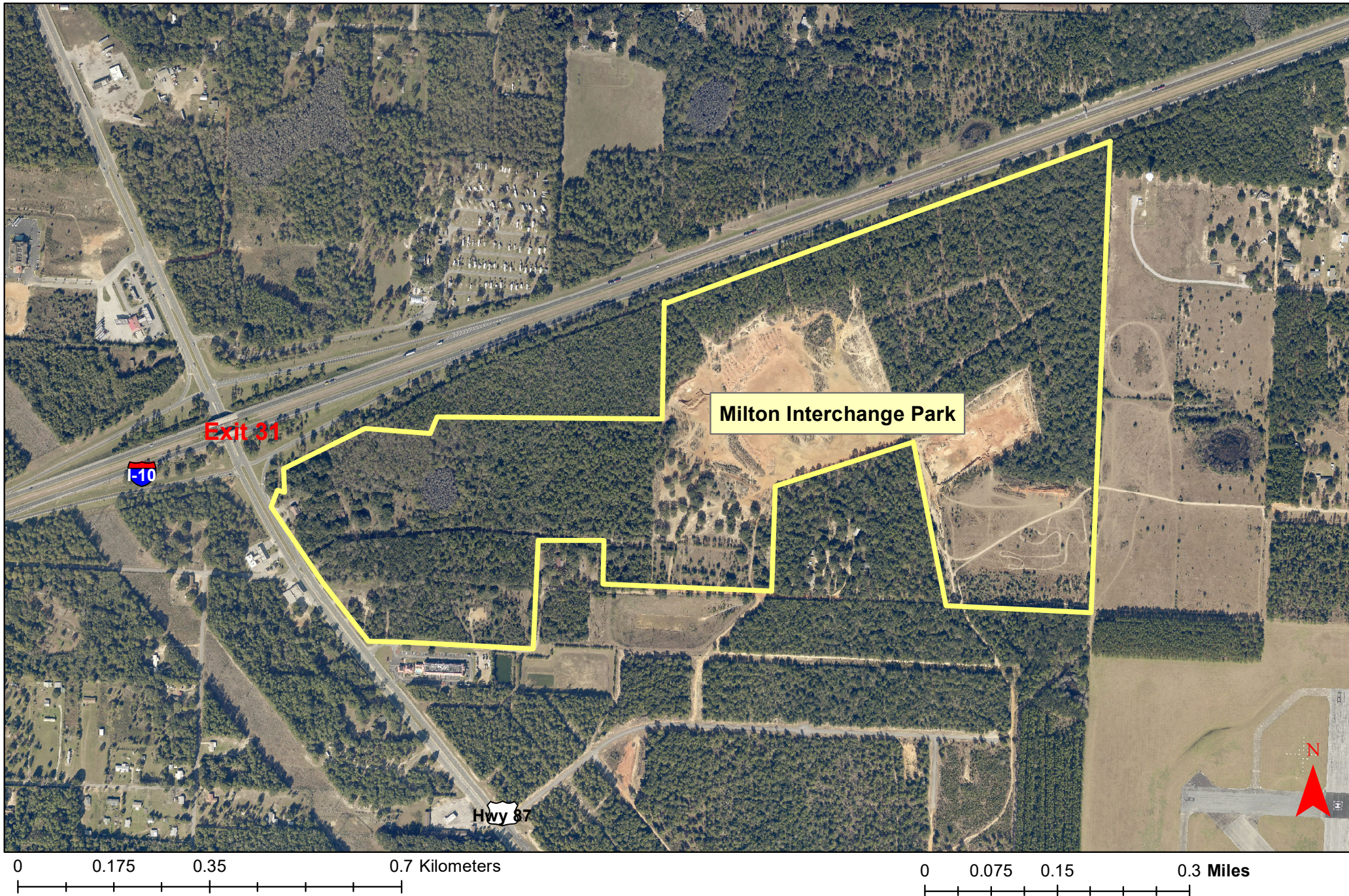
**STATEMENT OF ASSETS AND LIABILITIES
AGENCY FUNDS**

September 30, 2020

	Agency Funds
ASSETS	
Cash and cash equivalents	\$ 8,495,464
Accounts receivable	261,204
Total assets	<u>\$ 8,756,668</u>
LIABILITIES	
Accounts payable	\$ 6,294
Deposits	2,683,153
Due to other governments	6,024,734
Miscellaneous	42,487
Total liabilities	<u>\$ 8,756,668</u>

ATTACHMENT 2

Milton Interchange Park



ATTACHMENT 3 TRANSFORMATIONAL AND 10 YEAR EFFECT

Describe how the proposed project is considered transformational and how it will affect the disproportionately affected counties in the next 10 years.

Transformational

As a key economic driver in Florida, the transportation and logistics industry creates jobs that have 30 percent higher wages than the typical Florida job. In addition, the logistics industry creates jobs in other sectors, including construction, distribution, and warehousing. Examples of the impact such facilities can have to transform an economy can be seen by their impacts on other communities where they have located:

2007 – an Amazon warehouse opened in Phoenix Arizona, designed to create 300 full-time jobs and between 1,000 and 1,300 seasonal positions. Ten years later Amazon operates three fulfillment centers, a sortation center, and a Prime hub within Phoenix city limits, and employs more than 6,000 full-time workers in the Phoenix Metro Area. <https://www.globest.com/2018/06/26/how-do-amazon-fulfillment-facilities-impact-their-surroundings/>

2017 – a \$135 million Walmart distribution center (600 jobs) increases container activity at the Port of Mobile by approximately 10% or 25,000 containers annually. The distribution center, when fully operational, will be a logistics hub for the nation's No. 1 retailer, which also ranks No. 3 on the Transport Topics Top 100 list of the largest private carriers in North America. The center will service approximately 800 of Wal-Mart's 4,600 U.S. stores. Those 800 stores are scattered over a sweeping area of the nation's heartland, from Alabama and Mississippi northward to the Great Lakes region. <https://www.ttnews.com/articles/new-wal-mart-distribution-center-impact-port-mobile-traffic-i-10-traffic>

Effect on Disproportionately Affected Counties in Next Ten Years

In 2018, the Santa Rosa Economic Development Office (EDO) requested a brief economic analysis of the impact of a distribution company locating within Santa Rosa County from the University of West Florida Haas Center for Business Research and Economic Development. The analysis requested was for an industry creating 400 jobs at the industrial park. Below are the results:

Distribution: 400 Jobs, \$46,000 average wage

Category	Units	2020	2021	2022	2023	2024	2025	2026	2027	2028
Direct Employment		185	189	377	568	574	576	575	573	571
Additional Employment		185	55	110	168	174	176	175	173	171

Economic Impact	Millions of Current \$	12.8	21.1	43.2	66.6	68.7	70.6	72.4	74.1	75.8
Income Increase	Millions of Current \$	7.6	7.6	16.2	25.9	28.7	32.2	35.6	39.0	42.6

Job Creation Impact Over 13 Years: \$823.7 million

The projections were generated using the Regional Economic Model, Inc. model REMI PI+ Version 2.2.2 in a 23 sector, 67 county model.

Economic Impact Analysis of Project Runner in Santa Rosa County

The Santa Rosa County Economic Development Office (EDO) has requested a brief economic and revenue analysis of the addition of jobs and capital investment being made by a new firm locating within Santa Rosa County. Information on the project was provided by the EDO and the project's specifics were run through an econometric simulation model in order to determine the impact on the County should the company locate there. Results for the project, both the one time effects of construction and the continuing effects of the newly created jobs are provided below. A list of modeling assumptions, a description of the model used and definitions of terms can be found after the project results tables.

Results

Project: 400 Added Jobs

By adding 400 jobs incrementally as outlined in the information received from the EDO and carrying this additional employment into the existing forecast of the economy, these 400 new jobs generate additional jobs in the community. This is due to the multiplier effect, which shows how wages earned and spent in a community circulate throughout that community creating more jobs and more spending. Because of this new employment, the income generated by all of the jobs in Santa Rosa County also increases as a result of both the added company employment and the additional employment these jobs now support.

The economic impact reflects the increase in the value of county goods and services – or in other words the overall net value of the economy minus the dollars that flow out through the purchasing of goods and services not created within the county economy.

The table below shows the annual effect of the a total of 400 jobs with creation of jobs beginning in 2021 and being maintained in the County from 2023 on.

Category	Units	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Direct Employment		185	189	377	568	574	576	575	573	571	570	569	569	570
Additional Employment		185	55	110	168	174	176	175	173	171	170	169	169	170
Economic Impact	Millions of Current \$	12.8	21.1	43.2	66.6	68.7	70.6	72.4	74.1	75.8	77.3	78.8	80.4	82.0
Income Increase	Millions of Current \$	7.6	7.6	16.2	25.9	28.7	32.2	35.6	39.0	42.6	46.0	49.5	53.1	56.9

Job creation impact over 13 years: \$823.7 million in Gross County Product

Additionally, the population growth to Santa Rosa County estimated by the model at 507 persons can be expected to generate \$531,728 in new county revenues per year and \$10.9 million in new retail sales.

Modeling Assumptions:

The project was modeled using the appropriate industry sector for the project

Employment was added according to the provided job creation schedules and is maintained through the end of the simulation run.

Model impacts occur from 2020 through 2032 and represent changes in the baseline forecast of the economy that presently exists. Consequently, existing company jobs located within Santa Rosa County associated with the company are excluded from the analysis.

Incentive payments were included in the analysis. Payments were entered into the model according to the information provided.

New revenue was estimated using 2016 per capita county revenues.

REMI model

Econometric simulation models combine the sector detail and geography detail of input/output models but provide for functioning economic linkages between sectors and regions over time. The current study uses REMI PI+ Version 2.2.2 (Regional Economic Models Inc.), in a 67 region structural econometric model of the state of Florida. It incorporates the basic input/output linkages, but also uses econometrically estimated county-specific parameters, for example, interregional migration in response to changes in economic opportunities, in generating impact results. Because of these between-sector linkages, the model incorporates general equilibrium tendencies as the economy responds to shocks over time. That is, changes in spending in a region affect not just conditions in that market, but also in other markets within the region (economists term this a “general equilibrium”) and outside the region (via trade and also via migration in response to changes in economic opportunities). This describes the phenomenon whereby, for example, a new financial services back office call center opens in a county, and bank managers throughout the county find they have to give staff a raise in order to keep them from leaving to take a job at the new call center. A traditional input-output model description of the economic impact would have held everything else fixed (including bank wages across the county) and simply documented the employment and job creation effects resulting directly at the new call center and indirectly via businesses in its supply chain, as well as household spending induced by the new income flows.

A simulation model such as REMI captures not only the spending effects flowing from the call center and its local suppliers and employees and owners, but also the spillover effects into other markets as wages and prices change due to competition for the same employees and other resources. These effects are the general equilibrium (equilibrium across all markets simultaneously) tendencies of the model. It also simulates the adjustment path over time of these market responses, using historical parameters estimated specifically for that county (the dynamic component).

Glossary of terms

Analysis of economic impact. The assessment of a change in overall economic activity that occurs as a result of a corresponding change in one or more components economic activities, such as the addition of new businesses and jobs.

Employment. Employment comprises estimates of the number of jobs, full-time plus part-time, by place of work. Full-time and part-time jobs are counted at equal weight. Employees, sole proprietors, and active partners are included, but unpaid family workers and volunteers are not included.

Multiplier. The multiplier is the ratio of the change in equilibrium divided by the original change in spending that causes the change. Each industry that produces goods and services generates demands for other goods and services. These demands ripple through the economy, multiplying the original economic impact.

Income. Income received by persons from all sources. It includes income received from employment or investments as well as government or employer transfer payments.

Transfer payment. A payment of money for which no money, good, or service is received in exchange. Examples include social security, old age or disability pensions, student grants, unemployment compensation, etc.

ATTACHMENT 4 VIABILITY OF PROJECT RUNNER

Describe the data or information available to demonstrate the viability of the proposed project.

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. Northwest Florida Forward was published as three reports: strategy, technical and county snap shots. On page 92 of the strategy report a discussion begins of Florida (and Northwest Florida's) attractiveness to the water transportation industry.

Northwest Florida boasts a number of assets that support the development and expansion of the Water Transportation cluster, including three seaports offering a range of options for shippers, multiple US naval installations (Pensacola NAS, Whiting Field, and Naval Support Activity Panama City), and Eastern Shipbuilding Group. . . Located on the Gulf of Mexico, the Port of Pensacola is a deepwater port (dredged to 33 feet) which handles specialty bulk and breakbulk cargoes. The port includes an area designated as a foreign trade zone and an enterprise zone and offers Class I rail services . . .

Industry/Infrastructure

- *Three seaports offering a range of services and incentives including foreign trade zones and ample shovel-ready sites.*
- *Concentration of machine shops and supportive industries.*
- ***Available sites and buildings, including multiple certified industrial sites. (emphasis added)***

Market Trends/Policy

- *The region is well positioned to benefit from growing trade with Latin American and Caribbean countries.*
- *DoD priorities related to robotics and autonomous systems includes the development of underwater vehicles.*
- *Favorable state business climate (Florida ranked "Best Business Climate" in 2016 by Business Facilities magazine).*
- *Low operating costs and favorable tax structure (including no state personal income tax).*

In order to develop a complete value-added water transportation industry, a network of land distribution for both raw materials and finished products is a must. The demand from port facilities for inland shipping facilities will increase as efforts are made to expand facilities in Northwest Florida.

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.

TARGET 2: DISTRIBUTION & LOGISTICS

Rationales

- Excellent interstate access (P)
- Rail service via CSX (P)
- Proximity to Pensacola & Mobile Ports (P)
- Positioned to serve regional market (P)
- High number of military veterans in area with logistics & related skills (P) (C)
- *Wholesale Trade* gained 368 jobs between 2011 and 2016 (P)(C)
- Average wage for *Transportation & Warehousing* industry is 11 percent higher than US (C)
- 1,227 degrees and certificates granted in majors related to logistics & distribution operations (P)(C)
- Availability of distribution-oriented workforce (P) (C)
- Low cost of labor (P)
- Post-secondary vocational training options (P)
- Within half-hour of major university or college (P)
- Quality of education K-20+ (P) (C)
- Availability of executive and moderate- cost housing (P)
- Low cost of living (P)
- Average target national earnings of \$60,469 (C)
- Total growth of target industry family over past decade is 16.1% (P) (C)
- Target 10-year growth projection of 14.8% (P)
- Existing pool of high-demand occupations and occupations with skills transferability (P)
- Shovel-ready sites to accommodate distribution facilities (P)

ATTACHMENT 5 DISCRETIONARY PRIORITIES

Describe how Milton Interchange Park meets the discretionary priorities identified by

the Board. The discretionary priorities and responses are listed below:

- 1. Are considered transformational for the future of the Northwest Florida region.** Please see Attachment 3 for explanation of how Milton Interchange Park is part of the transformation now underway in Northwest Florida.
- 2. May be consummated quickly and efficiently.** Upon approval by the Triumph Board, project design can commence immediately with company construction and infrastructure project construction occurring simultaneously.
- 5. Align with Northwest Florida Forward, the regional strategic initiative for Northwest Florida economic transformation.** Milton Interchange Park provides supporting infrastructure for the Water Transportation Industry, one of five cluster industries identified in Northwest Florida as transformative, by supporting it via land-based transportation and logistics
- 8. Create net-new jobs with wages above the national average wage (e.g. similar to EFI QTI program, measured on a graduated scale).** 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 \$46,000 would have a positive impact in average wages in the county.
- 15. Demonstrate long-term financial sustainability following Triumph Gulf Coast, Inc. funding.** The industrial park where Project Runner will act as an anchor tenant is expected to continue to attract new tenants as demonstrated in Attachment 4 Viability.
- 16. Leverage funding from other government and private entity sources.** Santa Rosa County will provide \$3.8 million in matching funds for the ad valorem abatement. The Tenants will make the capital investment to build facilities.
- 17. Provide local investment and spending.** Local investment will occur as additional tenants build their facilities and proceed with their operations. The economic impact for 13 years is \$823.7 million as estimated by the University of West Florida Haas Center for Business Research and Economic Development.
- 19. Provide clear performance metrics over duration of the project or program.** The performance metrics will be annual reports provided by Project Runner on its jobs and wages.
- 20. Provide capacity-building support for regional economic growth.** The project will add to the capacity to the transportation and logistics industry cluster, which as an umbrella industry contains one of the five targeted industries transforming Northwest Florida and a target industry in the County's five-year development plan.

**ATTACHMENT 6
DRAFT MINUTES**

Regular Meeting
May 25, 2021
Milton Florida

The Board of County Commissioners of Santa Rosa County, Florida, met in Regular Session on the above date with the following members present: Chairman David “Dave” Piech, Sam Parker, Robert “Bob” Cole, James Calkins, and Colten Wright. Also present were the County Administrator (Dan Schebler), Assistant County Administrator (Mark Murray), Interim County Attorney (Greg Stewart with Nabors, Giblin and Nickerson), Clerk of Court (Donald Spencer), and Deputy Clerk to the Board (Amanda Pierce). Piech called the meeting to order at 8:30 a.m. at the Santa Rosa County Administrative Complex. The meeting was opened in prayer by Pastor Doug Holmes from Christian Life Center. Those present joined in the pledge of allegiance to the flag.

Agenda Approval

Piech said he will add the Memorial Day proclamation to the agenda if there are no objections.

Schebler said he would request to add documents to finalize the Pea Ridge connector financing that was discussed at the last meeting. Piech said that can be added under Administrative Committee item 8.

Parker moved to add the item without objection.

Minutes for Approval:

- 10/22/2020 Rezoning Meeting
- 3/23/21 Regular Meeting
- 3/25/2021 Budget Workshop

Piech moved approval without objection.

Public Forum

Public Input Online Form

Jerry Bigalow said he has additional information about the Ashmore flooding problem and the Berryhill Road Diversion. He said he had an engineer help him review the plans for the drainage and it cannot work and will never work. Bigalow said the drains are totally inadequate. He said BDI was hired to review the situation and have indicated to the Board of Directors that the drainage will not work. Bigalow said discussed the Ashmore retention pond and the drains.

Piech said Bigalow can get this information to the County Engineer. Bigalow said Roger Blaylock applied for the permit to change that road. Bigalow read the permit. He said he has a possible temporary mitigation solution that will not cost a lot of money or require tearing things up.

Piech said he will make sure the County Engineer reaches out to Bigalow.

Cole said he would ask Stewart to investigate the contract. He asked if it is a breach of contract if the contract stated the ponds were to be built and were not built. Stewart said he will investigate that.

Bigalow said the EPA (Environmental Protection Agency) and Water Management District have assigned the compliance departments to investigate this.

Brian Dunn said he purchased a five-acre piece of property and built a house. He said he is having nothing but issues. Dunn said he has worked with county staff, EPA, Northwest Florida Stormwater Management, USDA (United States Department of Agriculture) Soil Conservation, and private engineers. He said the problem is stormwater drainage. Dunn discussed the history of the flooding problems. He said he met with Schebler and Stewart and they asked him to give them three months. Dunn said this has been going on since 2019. He said this property was divided under family homestead and parent parcel. Dunn said he has had \$41,000 worth of property damage.

Piech said there was lengthy discussion about the parent parcel, and it is a problem. Dunn said do not allow crooked developers to take away a good thing that the Board revised in 2006. He said the parent parcel was designed for citizens to gift property to their children. Dunn said please do not take that away.

Amy Tootle (Public Works Director) said she has discussed this with Water Management District, and they are working with the developer to address the consent order they have against the developer. She said they do not know what the developer is going to submit in terms of plans and actions to be able to rectify the consent order. Tootle said she has no idea what the plan is in terms of what the consent order is against the developer.

Piech asked Tootle to keep these people in the loop as she gets updates.

Cole asked if Water Management District was given a deadline. Tootle said she believes that is the new course of action.

Dunn said it has been since October since they have been working with the developer to get a plan. He said that is a long time to give the developer who did not submit the plans in the first place. Dunn said the timeline should be shortened in his opinion.

Piech asked Tootle to let NFWFMD know the Board is requesting a timeline.

Cole asked what kind of fine is being considered. Tootle said she is not sure. Cole said find out. He said if there needs to be a letter to NFWFMD requesting a timeline and penalties if the timeline is not met, and possibly a penalty for prior actions he would be glad to make that motion.

Stewart said he can draft a letter; he thinks there is consensus from the Board to move forward.

Parker asked Stewart to advise the Board what legal recourse and opportunities there are to allow parent parcel subdivision to stay in but change current usage. He said he has been told this developer has had an excess of 40 of these applications. Parker said he is concerned about the liability for the county.

Stewart said he has met with Dunn and what he described is true, it is a bad situation. He said when the development was approved, and the county previously accepted the stormwater the development was owned by the same developer who owned the property that Dunn ultimately has his house built on. Stewart said at that time it was completely unimproved. He said that property went into foreclosure and it was purchased by someone else and a new developer has come in which has led to some of these problems. Stewart said it is a valuable tool to allow a property owner to divide to his family but at some point, stormwater facilities must be required to be installed.

Dunn discussed details of the parent parcel ordinance.

Kerry Smith said he thanks everyone for their support of this weekend. He said “we” picked up a bunch of trash. Smith said he thanks Romi White for putting out publicity. He said he wants to continue to have these events.

Joannie Parks said regarding the ongoing initiative to incorporate Navarre. She is not sure what if any input the Board has in communications or information exchange. Parks said she would like to receive updates on any communications or directions that the Board has with the incorporation effort. Parks said the project is multi-faceted. Parks said she wants to make sure residents are kept in the loop. She discussed citizens supporting code additions for environmental violators. Parks said she has signatures (attachment in file).

Sam Mullins said there is an issue with the video system for these meetings. He said about three meetings Piech stated the meetings were recorded in duplicates and there should not be an issue. Mullins said this is an issue that has happened four times whenever the SCOP issue is brought up the video feed goes out. He said the same Board pushes the Public Forum on that issue to the end of the meetings in the last three meetings and the public does not trust the Board regarding this issue. Mullins said he feels there is possibly staff in the back that is doing something to the video system. He said he does not know if there needs to be an internal investigation into staff, but there is an issue.

Mullins said when the SCOP issue was brought up in previous meetings the Board stated it already made their mind up how it was going to vote before the public spoke. He said that is enraging to the public. Mullins said the Board decided to do a letter of reprimand. He said in order to have a letter of reprimand there has to be an admission that someone did something wrong by the person who did it. Mullins said there has to be contrition, and “we” have had neither. He said the Board was asked if it believed Schebler lied or not. Mullins said Parker stated that he believed there were at least untruths spoken. He said the definition of a lie is speaking an untruth. Mullins said because of the evidence presented to the Board that this issue has been known about as far back as December of 2020. He said “we” also know that on at least three occasions there were different stories put out by the Administrator, yet the Board wants to give a letter of reprimand that has no consequences. Mullins said the people have lost confidence in the Board and “we” are not going away.

Wayne Smyly said he agrees with Mullins. He said this issue will not go away.

Chance Johnmeyer said he is the founder of recall Florida and listening to the Board discussing storm water management he finds it interesting the discussion is about penalties and the mismanagement of parent parcel agreements. He said he started Recall Florida in March of last year after listening to the citizens of Santa Rosa County, and he felt like they were not being heard by the Board. Johnmeyer said he

did research into Florida Statute 100.361. Johnmeyer said he wonders if some of the things he hears today falls into the perimeter of 100.361. He read from the Association of Counties Code of Ethics. He said there are a lot of things going on that concern him. Johnmeyer said he is shocked that some of the suggestions made today were not made five years ago. He said there is a Facebook page called SRC Stormwater Mismanagement and there are a lot of sad stories on that page. Johnmeyer said he finds it hard to believe the Board does not have the power to make some changes that will affect the county forever. He said he looks forward to the Board speaking in favor of Recall Florida.

Debbie Gunnoe said read a quote from Chris Ann Hall.

Proclamation

1) Military Appreciation Month

Cole read the proclamation proclaiming May 1-31 as National Military Appreciation month. The proclamation was accepted by Master Chief Davis.

2) Memorial Day Proclamation

Piech read the proclamation proclaiming that May 31 be observed as Memorial Day.

9:30 AM Public Hearing

1) Plat Vacation- A Portion of Property Within the The Bernath Place

Discussion of the request from the Bernath Homeowners Association to vacate a portion of the plat of Bernath Place. The Bernath Homeowners Association, Inc. and others have filed an application to remove a certain area from their previously approved plat of Bernath Place (Plat Book "F", Page 10) to the facilitation the provision of an alternative route to and from the subdivision. The alternative route is to address long term issues of access resulting from the damage to a bridge within the subdivision. The extent of property sought to be excluded from the plat is approximately 1.094 acres.

Stewart said the Bernath Homeowners Association, the members of the Homeowners Association, and the adjoining property owner have filed an application to vacate 1.09 acres from the plat of the Bernath Place. He said there was a timber bridge there that was destroyed in Hurricane Ivan. Stewart said in 2008 the county attempted to assist the Homeowners Association by creating an MSBU for funding of the bridge, repairs, undergrounding of utilities and other improvements. He said that was completed in 2010, however the cost and long-term viability of the bridge is limited so the homeowner is working with adjacent property owners and attempted to arrive at an alternative access point. Stewart said this vacation is pursuant to that agreement with the adjoining property owner to finalize that agreement.

Elise Teague said she thanks the Board for its support. She said she hopes this last part can be done so the road can be finalized.

William Melton said there is misinformation on the application. He said the whole process for doing the road and making the agreement with the private party is against covenants. Melton said the agreement the association has signed with the private individuals gives them access to common areas they do not have to pay for. He said the association spent a lot of money on doing this project. Melton said this is an encroachment on owners' rights because "we" are paying for their use for not only the current owners, but subsequent owners and tenants. He discussed details of the agreement.

Stewart said the county does not have authority to do deal with covenant issues or judge an agreement. He said the only issue is whether the exclusion of the one acre from the plat would obstruct access to any other property owner. Stewart said every property owner in the Homeowners Association in the subdivision has agreed and signed the petition with the exception of Melton.

Cole asked why the county has to vote on this plat vacation. Stewart said it is required by statute.

There was continued discussion.

Stewart said this application is valid and the Board may act on it.

Cole moved approval without objection of the vacation.

CONSENT AGENDA

Piech moved approval without objection.

Economic & Tourist Development Committee - Cole & Wright

None

Administrative Committee -Piech & Cole

1) Surplus and Damaged Property

Approval of declaring items as surplus or damaged property from the Santa Rosa Court (Court Technology) and Santa Rosa County Clerk of Court as recommended by the Clerk of Courts.

2) Amendment- Town of Jay Lease

Approval of the lease renewal for the use of three office spaces at the Town of Jay Community Center for \$45,000 per year.

3) Event Requests

Discussion of approval of the following event requests:

1. Mi Familia Volleyball Club's request to utilize a portion of Navarre Beach, as shown on the application map, for their Summer Beach Bash Tournament scheduled for June 26-27, 2021 from 8:00 AM to 4:00 PM.

2. S.S. Dixon Primary School's request to utilize the Pace Community Center for their end of the year luncheon and retirement recognition scheduled for June 10, 2021 from 11:30 AM to 3:30 PM. This request includes a waiver of fees.

4) District 1- Zoning Board Appointee

Approval to appoint Kerry Smith to the Zoning Board as the District 1 appointee.

5) District 5- Library Advisory Committee Appointee

Approval to appoint Karen Choate to the Library Advisory Committee as the District 5 appointee.

Services & Development Committee - Calkins & Parker

None

Operations & Safety Committee - Parker & Piech

None

Budget & Financial Management Committee -Wright & Calkins

1) Budget Amendment 2021-144 LOST Fire Departments

Approval of Budget Amendment 2021-144 in the amount of \$161,727 to carry forward previously approved but unspent allocation for equipment for the County's volunteer fire departments.

REGULAR AGENDA

Economic & Tourist Development Committee - Cole & Wright

1) EDO (Economic Development Office) - Business Retention & Expansion (BR&E) Program with SBDC

Discussion and approval of expanding partnership with Small Business Development Center through a Business Retention & Expansion (BR&E) Outreach Program

Shannon Ogletree (Economic Development Director) during the pandemic he worked with the SBDC to push out the CARES Act funding to help the small businesses.

Kelly Massey made a PowerPoint presentation to the Board. He said Ayesha Haider is the Business Retention and Expansion Specialist.

Parker asked what specific outcome business owners can expect. Massey said the goal is to meet with all the small businesses as needed but the BR&E program is for specific businesses identified by the Economic Development office for him to engage with.

Ogletree said this will be for companies defined as Industry. Parker asked if this is coming out of the EDO fund. Ogletree said yes.

Cole moved approval without objection.

2) EDO - Hangar Lease Contract with Leonardo Helicopters

Discussion and approval of Hangar and land lease with Augusta Westland Philadelphia Corporation (Leonardo Helicopters) at Peter Prince Airport.

Ogletree said the HELO Hangar is near completion. He said there will be a groundbreaking in the next couple of months.

Cole moved approval without objection.

3) EDO - Project Chicken Run

Discussion and approval to advertise property in the Santa Rosa Industrial Park

Cole moved approval without objection.

4) EDO - Triumph Application Submittal for Whiting Aviation Park Taxiway and Milton Interchange Park

Discussion of approval to submit the following Triumph applications:

- Whiting Aviation Park Taxiway Construction \$8.2 million
- Milton Interchange Park \$15.9 million

Erica Grancagnolo said the Whiting Aviation infrastructure project is nearly complete on budget and on schedule. She said there will be a groundbreaking where Leonardo will begin construction on their facility. Grancagnolo said this a TRIUMPH success story. She said TRIUMPH and this Board believed in and invested in this project. Grancagnolo said the next request is \$8.2 million to construct the taxiway. Grancagnolo said the Navy has been helping with coordination required for this project. She said the taxiway is what will make this an aviation park.

Cole moved approval without objection.

5) TDO- American Legion Post 382 Challenge 22 Event - Special Event Permit

Discussion to approve the Special Event Application from the American Legion Post 382 to host the Challenge-22 event in Navarre Park on October 2, 2021.

Wright said 22 veterans commit suicide every day and this event is to raise awareness and funds to help those families.

Cole moved approval without objection.

6) Cole said there is a particular issue with Economic Development. He said it is not that “we” want to keep the public unaware of what is going on but it is a requirement by people who come to the county to look for a place to open a business or company, really they do not like to share that with their competition. He said he would urge the Board in the future that if something is told in confidence that it remains in confidence so “we” do not possibly lose hundreds of jobs and investment in the county.

Administrative Committee - Piech & Cole

1) Town of Jay Request

Discussion of the funding request from the Town of Jay for support of the Bray-Hendricks Park Master Plan and Outdoor Fitness Center.

Mayor Shon Owens made a PowerPoint presentation. He said former Commissioner Don Salter has given approximately \$25,000 per year for parks and recreation. Owens said the town operates on an approximate \$1 million budget. He said the town is small, but he focuses on supporting the north end of the county. He said he would like the county to consider this is the park for the north end of the county. He said is asking the county to consider partnering and helping through some of these phases. Owens said the District 3 Commissioner has funding for parks and recreation and he has asked Calkins to consider donating funding. He said he would like to know what else “we” can work together on to help through this process. Owens said he would like to see some kind of commitment over a five-year term. He said this project must be ADA compliant.

Calkins said he has approximately \$100,000 left in his recreation funds. He said he was told that they replenish every year. Calkins asked if that has that changed. Schebler said last year the Board approved a change in the district recreation funds to more of a district discretionary fund. He said “we” re-baselined all of the district commissioner funds to a new level of approximately \$125,000 and going forward the funds will be replenished at approximately \$25,000 annually. Schebler said he is currently developing the budget for the current year. He said as part of the budget process the appropriate funding to replenish district discretionary funds annually will be discussed.

Calkins said when Salter approved the \$25,000 he was getting \$125,000 in recreation funds annually. He said he was expecting \$125,000 annually and he would like to go back to that. Calkins said he thinks this is a good request. He said he thinks the Town of Jay is important for the area. Calkins said he would ask the other commissioners if they have any interest in putting funds with this.

Parker said he can see this being more involved in the budget discussions. He said Fidelis Park was a big improvement made in the north end of the county. Parker said he does not know he can commit on the fly how the funding will be available.

Owens asked if maybe he is not requesting enough. Parker said he is not prepared on the fly without some research to know an amount or where the funding would come from.

Calkins said he would recommend \$5,000. He said he would not be asking for that if “we” are not getting replenished.

Cole said he is willing to instruct staff to put this as an item at the budget hearings.

Schebler said he thinks there are two parts to the request, with an immediate request of approximately \$50,000 and a longer-term commitment to consider the future phases of the park. Owens said yes. He said the intention was is if the \$50,000 for this year was approved, he would allocate some of those funds for the fitness center and some of those funds towards the engineering.

Calkins asked about the general fund. Schebler said there are funds available in the capital fund. He said the capital fund was just replenished with \$1 million based upon increased revenue which would be one potential source. Calkins said there is an annual budget line as a reserve for contingencies that could be used from the general fund to perhaps match the District 3 funds.

Cole said it needs to be put in the budget hearings.

Wright said he will commit to support the Town of Jay. He said he would like to know what the town needs on a recurring basis. Wright said he would like to see a master plan and what is really needed. He said he thinks there is an opportunity to use LOST funds.

Piech said he likes hearing that donations are coming in. He said he knows what the Town of Jay is for the north end of the county. Piech said lay out what is needed so it can be prioritized.

Owens said he appreciates considering the bigger picture. He said he understands the Board is willing to listen to what it is going to take. Owens asked Calkins if he is willing to commit to the \$50,000 this year. Calkins said he has \$100,000 left in his recreation funds so that would leave him \$50,000. He said right now \$50,000 is too much. Calkins said he would like to work with the Board. He said he thinks Owens could get a lot more with the plan that what he is requesting today. Owens said these funds are the county’s funds and his plan is to spend it wisely. He said he will do everything he can to help.

Owens asked when the budget comes out. Schebler said end of September.

Cole asked if the \$25,000 from Salter has been renewed. Owens said that is still in question. Cole asked Calkins if he has other commitments. Calkins said no. Cole asked Calkins if he is going to try to do the \$25,000. Calkins said when Salter committed to \$25,000 he was getting replenished \$125,000 and all he is getting is \$25,000. He said he will have meetings with Owens regarding the issue.

He said he will put in \$5,000 if the Board will match.

Piech said he will ask staff to bring back potential options including district recreation funds.

2) Geotechnical for Waste Water Treatment Plant

Discussion and direction to issue a task order to an engineering firm under continuous contract with the County to conduct geotechnical analysis of the county owned parcel identified in the backup document.

Piech said there was discussion at the work session regarding the 300-acre parcel north of the industrial park. He said it was discussed to bring to the Board the potential of “us” funding the Geotechnical so it can keep moving forward.

Cole said he has spoken to a lot of people who are concerned with Cooper Basin and Cooper Cemetery. He said he thinks we have concluded 150 acres for a plant and RIBS (Rapid Infiltration Basin System) and 150 in conservation. He said the lines would not be straight in order to protect the wetlands and slopes. He said another contingency would be to move the plant from the central location on the property putting the plant on a much flatter plane.

Piech said he thinks knowing if this property is viable needs to be determined which is what was agreed on in the work session. He said he would like to direct staff to consider the area “we” would like it in, and focus down as much as possible.

Schebler said he was not able to pull together a Scope of Work and get a task order together at this time. He said he thinks this will be funds well spent to determine if this is a viable location for the plant and RIBS. Schebler said he will work with the City Manager and his engineers, along with the county’s engineering firm to put together a scope of work to do the Geotechnical analysis for plant and RIBS location. He said if the Board wants to appropriate an amount of money, he could execute that task order in the future without having to come back to the Board, if Stewart says that is “okay”. Schebler said his

request it to appropriate a not to exceed amount, he would “throw out” \$100,000. He said he does not think it would be near that much but that would give flexibility to move forward.

Piech said he knows the city was looking for a commitment from the county on that property and he thinks this shows the commitment. He said he would suggest not to exceed \$150,000 and have staff develop that statement of work.

Edwin Henry said he has approximately 200 acres in conservation near Whiting Field. He said he will consider building the plant for the City and it can lease the plant from him. Henry said there will be plenty of land to dispose of treated effluent. He said the City would have to build the lines to the plant. Henry said this is something to consider.

Parker said he thinks “we” would be fools not to consider Henry’s offer. He said the only reason he is against the not to exceed amount is because by law the engineering firm cannot be chosen based on price.

Piech said the question is if “we” want to do the Geotech on the property “we” own.

Cole asked Henry if he has ever had any kind of Geotech done on this property. Henry said most of the soils are sandy loam troupe type sand to the north and the west. He said to the south there is some clay, silt and soils. Henry said there is a little topography to the north. He said he is going to prepare the site for planting long leaf pines. Henry said it has been approved for septic tanks.

Cole asked if Henry is willing to build a plant and RIBS and lease it to the City or City and County combination. Henry said those details will be worked out he said he wants to be paid a reasonable return on his investment to build the plant. Cole asked if Henry will absorb all of the cost of construction Henry said yes. He said he will not run a pipe to it.

Wright said he is surprised but he thinks this could be a huge opportunity for everyone to get what they want and have some capacity to grow for many decades to come.

Calkins said he thinks it is a great idea.

Pam Mitchell said when Cole mentioned 150 acres it got her “backpedaling” because 100 acres has been discussed and the Mayor indicated they need 100 acres for the RIBS and 14 acres because that is what they are netting from the 24 acres when the wetlands are subtracted. She said considering the topography of the 302 acres it is going to be hard to carve out 150 good acres to the east and leave a big enough buffer for Cooper Cemetery. Mitchell said she thinks everyone got the position letter her group sent. She said she wants the City of Milton to succeed and she wants it to be the best plant it can possibly be.

Lauren Cooper said she is thrilled. She said she is hopeful this goes through.

Jerry Couey said there still needs to be a plan to make sure there are not problems down the road. He said this is an opportunity to make a lot of people happy. Couey said a lot of people have spent their own personal time and effort. He said the goal was partnership.

Randy Jorgenson (City of Milton, Manager) said every day that passes is another day away from getting this plant online. He said he is interested in the conversation, but “we” need to be cognizant of the timeline. Jorgenson said he is looking forward to discussing this with Schebler and Henry.

There was continued discussion.

Piech asked if without committing funds “we” can work the potential statement of work while this option is explored. Schebler said yes. He said between now and the next meeting on June 8 he will meet with Jorgenson and Henry to discuss the initial due diligence. Schebler said he and Jorgenson will work together with “our” engineers and draft a scope of work and task order to do the necessary Geotech on the approximate 125 acres of the 302-acre parcel for potential plant relocation and reuse disposal site. He said he will have an update on June 8th.

Parker asked if “we” may know if this is feasible before June 8th. Schebler said he thinks there will be some initial things identified. Parker asked Schebler to work with Stewart to inform the Board of options.

There was continued discussion.

Mitchell said she knows two different options are being considered. She said she wants it to be clear that “your” commitment to do the Geotech study involves moving the plant and RIBS to that property.

Piech said yes. He said any Geotech will include the RIBS and the building of the plant.

Parker said he does not think this Board is committing to anything today. He said he is not committing to moving or not moving a plant. Parker said there are too many unanswered questions.

Sheila Brock said she thought she understood that the City was told they would have to stop putting 50% of their waste into the river by 2025 and all of it by 2030. Schebler said the current administrative order requires 50% removal of the effluent from the Blackwater River by December 31st of 2023 and 100% by December 31st of 2025. Brock said it seems like if it was moved to Henry's proposed property it would take care of all of that. Cole said yes.

3) LOST (Local Option Sales Tax) Program 1a and 1b

Discussion of program 1a and establishing percent allocations for program 1b for the half-cent sales tax collections.

Sabrina White said the LOST Committee met last week and made their recommendation for the next 1b program. She made a PowerPoint presentation to the Board. White said the LOST Committee recommends 30% public safety, 10% quality of life, and 60% drainage. She said the LOST Committee also requested 5% in each bucket be left out for overages of projects and any surprises.

Piech said what is being voted on today are the allocations.

Wright said he supports the recommended percentages.

Piech moved approval without objection.

4) CareerSource Escarosa- Local Workforce Development Board Renewal Agreement

Discussion of renewal and modification of the agreement with CareerSource Escarosa.

Marcus McBride said this is an annual agreement which outlines the government structure for the organization along with DEO. He said he highlighted the basic changes.

Schebler said this is an annual procedure.

Piech moved approval without objection.

5) Evergreen Timber Co. - Contribution Agreement and Restrictive Easement

Discussion and approval of the Contribution Agreement and Restrictive Easement and Assignment for 2,289.037 acres on property adjacent to OFLX and approval of the Chairman to execute all necessary documents for the acquisition and closing. Piech moved approval without objection.

Cole asked what the property can be used for in the future.

Randy Roy (NAS Whiting Field) said the property was owned by RMS and it is currently Evergreen Temco. He said the agreement is to use the property forever for silver culture, agriculture opportunities and those kinds of things. Roy said helicopters fly over this property all the time.

6) The Nature Conservancy Quit Claim Deed

Discussion of approval of the quit claim deed from the Nature Conservancy Inc. a not-for-profit organization for 0.16 acre length of road adjacent to Deaton Bridge Road which connects to Waylen Drive and authorize the Chairman to execute the deed's consent page.

Stewart said the county owns almost the entire right-of-way of the road but somehow there was a gap that the Nature Conservancy donated to the county so it has complete ownership of the right-of-way.

Piech moved approval without objection.

7) Assignment of Lease- PHVIF II Navarre Beach LLC

Approval of a lease amendment with PHVIF II Navarre Beach, LLC as the lease holder from the County. They have entered into an agreement with 8375 Navarre Beach Holdings, LLC for the partial sale/assignment of the lease and are requested amendment.

Stewart said this is on the agenda because these amendments come up and time is of the essence. He said historically "we" have had the chairman delegated the authority to sign those without bringing them back to the Board. Stewart said under the lease "we" have no ability to object unless there is some specific reason. He said he would like the Board to approve this and have a formal delegation by the Board to the chairman that he will be able to approve these assignments in the future unless he refuses or does not feel comfortable. Piech said this is not pertaining to any changes to the lease, which would come before the Board. Stewart said yes.

Piech moved approval without objection.

8) Pea Ridge Connector Financing

Schebler said the Board approved the selection based upon Request for Proposals submittals to go with Key Government Finance for a \$9.1 million loan at 1.686 for ten years. He said this is the resolution and agreement to complete the transaction and lock in the rate for the loan.

Piech moved approval without objection.

Services & Development Committee - Calkins & Parker

None

Operations & Safety Committee - Parker & Piech

1) Facilities - Replacement of County Jail Rooftop HVAC units

Discussion for approval of an agreement with The Wright Company for the County Jail Rooftop HVAC unit replacement in the amount of \$1,354,350 and owner direct purchase for units from Trane in the amount of \$675,000. Savings to the county from direct purchase through cooperative agreement is \$40,250. **Parker moved approval without objection.**

2) Facilities - Auditorium roof change order #2

Discussion and approval of change order #2 to the auditorium roof contract in the amount of \$9,640.27. **Parker moved approval without objection.**

Calkins said he thought the administrator has a budget that allows him to spend the money without Board approval.

Stewart said when the original contract is within the Board's approval authority as opposed to Schebler's "we" bring any change orders to the contract to the Board.

3) Public Works - Culvert and Inlet Cleaning Contract

Discussion for approval to enter into a \$57,300 agreement with Pensacola Concrete Construction Company for inlet and culvert cleaning services at various locations throughout the County. **Parker moved approved approval without objection.**

4) Public Works - FDOT Traffic Signal Maintenance and Compensation Agreement

Discussion for approval to enter into an agreement (\$189,237) with FDOT for Santa Rosa County to maintain the traffic signals along specified State Roads. **Parker moved approval without objection.**

5) Public Works - US 90 Phase I Landscape Maintenance Extension

Discussion for approval to extend the landscaping maintenance contract of Piney Grove until August 31, 2021 on the US 90 Phase 1 project. No action taken.

Parker asked if this is from Chumuckla to Woodbine Road. Murray said the contractor refused to sign the extension, so staff is going to work with Stewart to find another contractor. Parker asked if county staff can be out there this week. Tootle said she has been working on getting county staff out there.

6) Environmental - Allow the EPA and UWF access to County-owned property located on Navarre Beach
Discussion for approval to allow site access for the 2021 Pensacola and Perdido Bays Estuary Program (PPBEP) National Wetland Condition Assessment (NWCA) to conduct a survey on Santa Rosa County property to support an intensification effort of the EPA's NWCA lead by the PPBEP in partnership with the EPA and the University of Florida. **Parker moved approval without objection.**

7) Engineering - Pea Ridge Connector Change Order No. 01

Discussion for approval of Change Order No. 01 for the Pea Ridge Connector Road in the amount of \$8,348.61 and grant 24 additional days to the existing contract and for the Chairman to sign all related documents. **Parker move approval without objection.**

Spencer asked when this project will be finished. Schebler said there were date corrections. Spencer said on paragraph one it states it is adding 28 days. He said this change order sets the new supplemental completion date of December 12, 2023. Spencer said at the end of the first page it states the completion date is January 12, 2023. Schebler said there are typographical errors. He said the first date should be 2022. Schebler said an updated copy has been provided and added to the back-up.

8) Engineering - CEI Services for Tom King Bayou Pedestrian Bridge

Discussion for approval of the fee and task order with DRMP, Inc for the Construction Engineering Inspections (CEI) of the Tom King Bayou Pedestrian Bridge Project in the amount of \$155,087.16 and for the Chairman to sign all related documents. **Parker moved approval without objection.**

9) Engineering - Pace Patriot / Tiburon Change Order No. 05
Discussion for approval of Change Order No. 05 in the amount of \$12,450.75 for the Pace Patriot / Tiburon Drainage Improvements with 25 additional days for construction time and authorize the Chairman to sign all related documents. **Parker moved approval without objection.**

10) Engineering - Benny Russell Park Improvements Change Order No. 05
Discussion for approval for Change Order No. 05 in the amount of \$19,707.29 and 7 additional days of construction time for the Benny Russell Park Improvements for ADA requirements and finishes for safety. **Parker moved approval without objection.**

Cole asked if the county paid an engineer to design this. He asked why the engineer does not have to pay the \$19,000. Schebler said he will find out what category this fall into.

Tammy Simmons said the project must be completed by May 31st for grant purposes. Piech said he thinks it is found that it is a design deficiency from the original design “we” can go back for liquidated damages or settlement.

Budget & Financial Management Committee - Wright & Calkins

1) Check Register
Discussion and approval of check register. **Wright moved approval without objection.**

County Administrator - County Attorney

Schebler said the exceptional employee is Tommy Tyler who is a Survey Technician II. He said they survey crew has been down one individual, so Tyler has been pulling double duty. Schebler said hurricane season starts June 1st. He said the PIO has opted for a new position with the School Board and he will be discussing the future with the Board. Schebler said the final draft of the LDC was released on Friday and is available online. He said it will be presented to the “Planning Board” on June 17th at a special meeting. Schebler said he needs the Board’s final review complete before a document is presented on June 17th.

Stewart said he has a conflict for the “land use” meeting on Thursday and Evan Rosenthal from their firm will be sitting in.

Commissioner Items

Calkins said Cole stated that loose lips sink ships regarding Economic Development. He asked did anyone from staff tell Cole that commissioners were leaking information that could harm Economic Development. Cole said it was in the news this morning.

Cole said Don Norris volunteered to be on the Zoning Board.

Norris said he has been on the Zoning Board in the past and he hopes he can help be a part of the county and make changes for the better.

Upcoming Meetings

Meeting List

All Board of County Commission Meetings and other county department meetings are held in the County Administrative Center Board Room, 6495 Caroline Street, Milton, Florida, unless otherwise indicated.

MEETING	DATE	TIME
Bagdad Architectural Advisory Board	May 26	8:30 a.m.
Public Services Conference Room, 6051 Old Bagdad Highway, Milton		
Parks and Recreation	May 26	5:30 p.m.
Commission Special – Rezoning Meeting	May 27	6:00 p.m.
Marine Advisory	June 1	5:00 p.m.
Tourist Development Council Board Meeting	June 3	8:30 a.m.
Tiger Point Community Center, 1370 Tiger Park Lane, Gulf Breeze		
Local RESTORE Council Meeting	June 8	2:30 p.m.
Commission Regular	June 8	4:30 p.m.

Adjourn

There being no further business to come before the Board at this time, the meeting adjourned.

BOARD OF COUNTY COMMISSIONERS
SANTA ROSA COUNTY, FLORIDA

By: David C. Piech, Chairman

Attest: Donald C. Spencer, Clerk of Court

Attachment 7 Timeline

The following timeline is for land acquisition and construction.

	Action	Time
	Land Acquisition <ul style="list-style-type: none"> Drafting of contract, approval, execution 	3 months
	Construction Procurement and Mobilization <ul style="list-style-type: none"> Development of bid package for construction contractor(s) Pre-bid meeting Bid opening Development of recommendation to BOCC BOCC approval Contract development Issuance of notice to proceed (NTP) 	4 months
	Construction <ul style="list-style-type: none"> Construction commencement Processing payments Construction inspection Construction completion Final inspection 	27 months
	Grant close out <ul style="list-style-type: none"> Final payment Final reimbursement request and report 	2 months
	TOTAL TIME	36 months

**ATTACHMENT 8
BOCC AUTHORITY**

RESOLUTION NO. 2014 - 42

A RESOLUTION AMENDING THE RESOLUTION ESTABLISHING THE ORGANIZATIONAL PROCEDURES TO BE FOLLOWED BY THE BOARD OF COUNTY COMMISSIONERS IN THE CONDUCT OF THE BUSINESS OF SAID BOARD; PROVIDING FOR THE CHAIRMAN OR VICE CHAIRMAN TO EXECUTE ALL DOCUMENTS APPROVED IN AN OFFICIAL MEETING OF THE BOARD; AMENDING RESOLUTION 97-44.

**BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF
SANTA ROSA COUNTY, FLORIDA:**

Santa Rosa County Resolution No. 97-44, paragraph 2 is hereby amended to read as follows:

2. The Board shall reorganize and elect a Chairman and a Vice-Chairman at an organizational meeting to be held on the third Tuesday of each November, provided, however, that in a non election year said reorganization shall take place at a meeting held in November; and the commissioners so elected shall take office immediately upon election and serve for a period of one year. The Chairman or in his absence the Vice-Chairman is authorized to execute all documents approved in an official meeting of the Board.

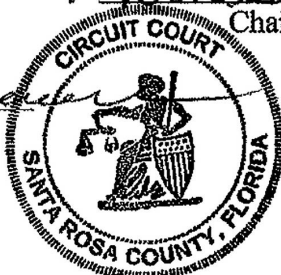
PASSED AND ADOPTED by the Board of County Commissioners of Santa Rosa County, Florida, this 11th day of December 2014, by a vote of 5 yeas and 0 nays and 0 absent.

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

ATTEST:


Clerk of Court

By: 
Chairman



Special Meeting
Board Reorganization
November 17, 2020

The Board of Commissioners of Santa Rosa County, Florida, met in Special Session on the above date with the following members present: Robert "Bob" Cole, Sam Parker and David "Dave" Piech. Also present were County Administrator (Dan Schebler), County Attorney (Roy Andrews), Clerk of Court (Donald Spencer) and Deputy Clerk to the Board (Amanda Pierce). Cole called the meeting to order at 9:00 a.m. in the Board Meeting Room at the Santa Rosa County Administrative Complex. The meeting was opened in prayer by Commissioner Parker. Those in attendance joined in the Pledge of Allegiance.

Administration of Oath of Office

District One Commissioner (Sam Parker), District Three Commissioner (James Calkins), District Five Commissioner (Colten Wright) were administered the Oath of Office by the Honorable Robert Hilliard.

Nomination/Election of Chairman

Cole moved without objection to nominate Piech as Chairman for 2021.

Cole passed the gavel to Piech.

Nomination/Election of Vice Chairman

Parker moved without objection to nominate Cole as Vice-Chairman for 2021.

Other Discussion

Parker thanked everyone that came out today. He thanked God for giving him the vision and provision to do this. Parker thanked the citizens who trusted him. He thanked staff, his dad, his wife and his boys.

Calkins thanked his wife Mariya. He said there is a conservative mandate. Calkins said the Pro-Life sanctuary passed in every precinct in the county. He said President Donald Trump won every precinct in the county by a landslide. Calkins said he would like to implement a conservative low tax agenda, honor the military and invest in infrastructure. He thanked the Board and the citizens who put him on the Board.

Wright thanked his wife and his daughters. He thanked the citizens and military. Wright said he wants to make sure he serves with dignity and respect and looks forward to making an impact.

Cole said his wife Sheila has gone through this for 18 years and that support is needed.

Piech thanked the staff and Judge Hilliard. He said thanked his wife, sister and brother-in-law for being there for him.

Adjournment

There being no further business to come before the Board at this time, the meeting adjourned.

BOARD OF COUNTY COMMISSIONERS
SANTA ROSA COUNTY, FLORIDA




By: David C. Piech, Chairman


Attest: Donald C. Spencer, Clerk of Court

Exhibit A
MILTON INTERCHANGE PARK

ATTACHMENT 9
BUDGET

Budget
Estimated construction start date if applicable Dec-21
Estimated education component start date if applicable

		Design	Land Acquisition	Construction	Category #4	Total
Please change year # to actual year						
Project Total						
	2020	1,000,000.00			-	1,000,000.00
	2021	-	5,878,683.00	-	-	5,878,683.00
	2022	-	-	16,000,000.00	-	16,000,000.00
	2023	-	-	13,775,000.00	-	13,775,000.00
	2024	-	-	20,000,000.00	-	20,000,000.00
	2025	-	-	10,225,000.00	-	10,225,000.00
Calendar Year 7		-	-	-	-	-
Calendar Year 8		-	-	-	-	-
Calendar Year 9		-	-	-	-	-
Calendar Year 10		-	-	-	-	-
Calendar Year 11		-	-	-	-	-
Calendar Year 12		-	-	-	-	-
Project Total		1,000,000.00	5,878,683.00	60,000,000.00	-	66,878,683.00

Triumph						
	2020					-
	2021		5,878,683.00			5,878,683.00
	2022			6,000,000.00		6,000,000.00
	2023			3,775,000.00		3,775,000.00
	2024					-
	2025			225,000.00		225,000.00
Calendar Year 7						-
Calendar Year 8						-
Calendar Year 9						-
Calendar Year 10						-
Calendar Year 11						-
Calendar Year 12						-
Triumph Total		-	5,878,683.00	10,000,000.00	-	15,878,683.00

Grantee						
	2020					-
	2021					-
	2022					-
	2023					-
	2024					-
	2025					-
Calendar Year 7						-
Calendar Year 8						-
Calendar Year 9						-
Calendar Year 10						-
Calendar Year 11						-
Calendar Year 12						-
Grantee Total		-	-	-	-	-

Company

2020	1,000,000.00			1,000,000.00
2021				-
2022		10,000,000.00		10,000,000.00
2023		10,000,000.00		10,000,000.00
2024		20,000,000.00		20,000,000.00
2025		10,000,000.00		10,000,000.00
Calendar Year 7				-
Calendar Year 8				-
Calendar Year 9				-
Calendar Year 10				-
Calendar Year 11				-
Calendar Year 12				-
Match Source 1 Total	1,000,000.00	-	50,000,000.00	-
				51,000,000.00

Match Source 2

Calendar Year 1				-
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				-
Match Source 2 Total	-	-	-	-
				-

ATTACHMENT 10
Economic Recovery, Economic Diversification, Enhancement of Disproportionately Affected Counties
and Enhancement of a Targeted Industry

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

Economic Recovery

The Santa Rosa Board of County Commissioners has worked for years to bring higher paying jobs to the County. The downturn of the economy in 2008 and the Deepwater Horizon Oil Spill in 2010 both hit the county's economy very hard (unemployment rose from 2.8 in 2006 to 9.5 in 2010) because of the reliance on growth in the construction/housing industry and tourism for jobs and revenues. Years later, the choice among better paying jobs in the county is still limited. As of 2016 according to the County Snapshots, the top five industry sectors by employment are, in order, elementary and secondary schools, limited service restaurants, full service restaurants, the federal government including military, and local government.

One sector that has begun to show signs of recovery is transportation and logistics. The County has begun to attract distribution companies and their associated jobs. Transportation and Material Moving occupations increased employment by 211 (13 percent) between 2011 and 2016 in the County. The proposed project builds upon this success by tapping into the excess capacity in industrial land and workforce that remains in the County.

An analysis by the University of West Florida Haas Center for Business Research and Economic Development shows the economic impact of 400 jobs in the distribution industry to be \$827.3 million in gross county product over 13 years.

Diversification

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 will not only diversify the economy but would also provide stability as the need increases for cargo operations.

The table below shows the top five categories of jobs held by Santa Rosa County residents. It can readily be seen that government and school employment is top-heavy, with restaurants ranking second.

Top Five Total Employees by Establishment Type
North American Industry Classification System (NAICS)
Source: Santa Rosa County Economic Development Office Website

Employer	Employees
Government	3,513
Restaurants	3,176
Primary and Secondary Education	2,629
Health and Medical Services	2,482
Hospitals	2,028

When government, restaurants, and education are the top jobs held by residents in a county, the need exists 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 will 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.

Enhancement of Disproportionately Affected Counties

Santa Rosa County and the region of disproportionately affected counties will be enhanced:

- Distribution industry employment will bring jobs with higher pay.
- Aligns in support with the Northwest Florida FORWARD regional strategic initiative of manufacturing and water transportation as targeted industry with a strong outlook for growth.
- Will create net new jobs in support of targeted industry.
- Provides a wider regional impact as evidenced by the U.S. Cluster Mapping Project, Institute for Strategy and Competitiveness, Harvard Business School, which shows Northwest Florida as a cluster for the transportation and logistics industry.

Enhancement of a Targeted Industry – Water Transportation

Wholesale Trade ranked fifth in Santa Rosa County for industry sectors experiencing growth between 2011 and 2016. That sector gained 368 jobs in Santa Rosa County during that time reflecting a 68 percent increase. Transportation and Warehousing industry jobs increased as well. The compelling story, however, is that the average industry wage in Santa Rosa County is 11 percent higher than the national average for that industry sector. Transportation and Material Moving occupations increased employment by 211 (13 percent) between 2011 and 2016 in the County.

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.

There is an existing regional pool of workers engaged in Material Moving occupations including loading, shipping, receiving, logisticians, and distribution managers. Truck Driver Institute (TDI) has an

established truck driving school located in Milton, which can help position the County for addressing the system-wide driver shortage. In 2016, Santa Rosa County had nearly 400 truck drivers while the Pensacola metro as a whole employed 1,716.

Santa Rosa County's central Gulf Coast location on Florida's western tip ensures fast access to top markets in the southeastern United States and enables you to reach the rest of the U.S. within a day. The County offers geographic proximity to everywhere via I-10, U.S. 98 and U.S. 90—three major east-west highways that run right through Santa Rosa County. We offer access to rail and three deep-water ports, including the Port of Pensacola, Port of Mobile, and Port of Panama City. Pensacola International Airport is 25 miles to the west and Peter Prince Field is available as Santa Rosa County's general aviation airport.