

Application Score Sheet

Proposed Project: Santa Rosa Board of County Commissioners, Milton Interchange Park (251)

Proposed Project/Program County: Santa Rosa

Board of County Commission Support: Yes

Total Projected Project Cost: \$36,878,683

Match Provided: \$21,000,000

Triumph Funds Requested: \$15,878,683 (43%)

Triumph Funds Recommended by Staff: \$15,878,683

Score: A

ROI: \$19.1 in additional wage income for every dollar of Triumph investment

Economic Analysis, Impact and Score

The Santa Rosa County Board of County Commissioners is requesting \$15,878,683 in Triumph funds to construct one mile of roadway, a stormwater retention pond, utility-related infrastructure and other improvements to the Milton Interchange Park on 192 acres of industrial property at exit 31 on I-10. The property is currently inaccessible to potential tenants. These improvements will be on county-owned and maintained property or easements, and the improvements will benefit the County and other future tenants. These improvements will serve several industrial projects seeking to expand there, as well commercial and/or retail projects at the entrance to the park. The project cost as described in the application, including Triumph expenditure and private sector construction expense (including \$1MM already expended for design and permitting) in the park, is \$36,878,683 million, with Triumph funds representing 43.1 percent of the total.

Additionally, the applicant commits to 454 private sector jobs paying an average wage rate of \$41,770 (before fringe benefits) annually, which is 115 percent of EFI's 2020 average wage requirement for Santa Rosa County. Total match is \$21,000,000, with three private sector tenants providing that amount in design and permitting, and in building construction improvements. It is expected that the project will take 36 months to complete, including both the public infrastructure construction period and subsequent, but overlapping, private building construction period. At that time, the three-year ramp-up period would begin, followed by a three-year job maintenance period. The infrastructure will be maintained by the county. The project application has been approved by the Santa Rosa Board of County Commissioners.

Notably, the private sector landowner / development partner will cover at least 25 percent of the required clawback commitment, with those being the first dollars of coverage. The Santa Rosa BOCC will provide clawback guarantees on the remaining Triumph exposure.

In terms of return on investment, the present money value of the future wages to be paid over a ten-year period following project ramp-up, using average real wage growth and the state's preferred discount rate, is \$302,744,234. Using these figures, the project will yield \$19.1 in additional wage income for every dollar of Triumph investment over the guarantee period. The cost per job for this project is \$34,975, which is reasonable for permanent jobs funded by Triumph. For these reasons, staff score this project as an "A."

Project Summary (based on information provided by the applicant)

The Santa Rosa Board of County Commissioners is requesting a \$15,878,683 Triumph grant to acquire 192 acres of prime industrial zoned property and construct infrastructure to create the new Milton Interchange Park at I-10 and Exit 31. With frontage on I-10 and proximity to New Orleans, Montgomery, Birmingham, Pensacola, Tallahassee and other southeastern cities, the site is well suited for supply chain manufacturing and distribution companies. Interest in the park from potential tenants has been strong.

The industrial zoned site is currently inaccessible to potential tenants. Santa Rosa County and the region consistently compete with infrastructure ready sites currently available just across the state line. Infrastructure improvements funded by the grant would include constructing approximately one mile of roadway, utility and stormwater infrastructure. The county would own and maintain all improvements.

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 existing industrial parks. Santa Rosa County Economic Development Organization (EDO) has been faced with evaluating company construction timelines and encouraging companies with longer timelines to consider Milton Interchange Park.

The Santa Rosa County EDO has been working with the current property owner for two years related to development of this parcel as an industrial park. The current landowner has invested \$1 million to design and permit the project. Additionally, the landowner has agreed to retain the commercial properties and share in the contingent liability with Santa Rosa County committing to 454 jobs at \$41,770 (115% of the average wage).

The Santa Rosa Board of County Commissioners has focused on bring higher paying jobs to the county. The Northwest Florida FORWARD County Snapshots shows the net inflow/outflow of commuters is largely outward from Santa Rosa County, with workers 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.

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 major supply chain disruptions. As companies re-evaluate their supply chain, Santa Rosa County is preparing to accommodate their needs with Milton Interchange Park.

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 a distribution/logistics and manufacturing cluster will diversify the economy and provide stability.

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 served by CSX rail line and is near the Ports of Pensacola, Panama City and Mobile.

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. Siting a Regional distribution hub in Santa Rosa County along I-10 allows companies the ease of meeting the needs of growing markets.

Santa Rosa County's central Gulf Coast location on Florida's western tip ensures fast access to top markets in the southeastern United States. 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. In addition to roads, rail and ports Pensacola International Airport is 25 miles to the west and Peter Prince Field is available as Santa Rosa County's general aviation airport.

Wholesale Trade ranked fifth in Santa Rosa County for industry sectors experiencing growth between 2011 and 2016. The sector gained 368 jobs in Santa Rosa County during that time reflecting a 68 percent increase. Transportation and Warehousing industry jobs increased as well with an average industry wage in Santa Rosa County that is 11% 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 existing regional pool of workers engaged in Material Moving occupations includes loading, shipping, receiving, logisticians, and distribution managers. 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. Additionally, Truck Driver Institute (TDI) has an established truck driving school located in Milton. In 2016, Santa Rosa County had nearly 400 truck drivers while the Pensacola metro as a whole employed 1,716.

Exhibit A
MILTON INTERCHANGE PARK

Budget

Estimated construction start date if applicable

Jan-22

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	-	-		7,000,000.00	-	7,000,000.00
2023	-	-		8,775,000.00	-	8,775,000.00
2024	-	-		10,000,000.00	-	10,000,000.00
2025	-	-		4,225,000.00	-	4,225,000.00
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		30,000,000.00	-	36,878,683.00

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				1,000,000.00		1,000,000.00
2023				5,000,000.00		5,000,000.00
2024				10,000,000.00		10,000,000.00
2025				4,000,000.00		4,000,000.00

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	-	20,000,000.00	-	21,000,000.00

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	-	-	-	-	-