

Triumph Gulf Coast, Inc. Application for Funds

October 2022

***** IMPORTANT *****

Required for ALL Projects in Bay, Franklin, Gulf and Wakulla Counties

Hurricane Michael Application Addendum

For ALL regular project applications not yet approved by the Triumph Gulf Coast Board in Bay, Franklin, Gulf and Wakulla counties:

Please provide documentation of support or continued support for the proposal as a component of the county's post-Hurricane Michael recovery efforts made by the Board of County Commissioners (for each Hurricane Michael impacted county included in the project) on a date after October 10, 2018.

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.

#291 Project LASER Application

- Demonstrate long-term financial sustainability following Triumph Gulf Coast, Inc. funding.
- Leverage funding from other government and private entity sources.
- Provide local investment and spending.
- Are supported by more than one governmental entity and/or private sector companies, in particular proposed projects or programs supported by more than one county in the region.
- Provide clear performance metrics over duration of project or program.
- Include deliverables-based payment system dependent upon achievement of interim performance metrics.
- Provide capacity building support for regional economic growth.
- Are environmentally conscious and business focused.
- Include Applicant and selected partners/vendors located in Northwest Florida.

Applications will be evaluated and scored based on compliance with the statutory requirements of the Triumph Gulf Coast legislation, including but not limited to the priorities identified therein and the geographic region served by the proposed project or program.

Applicant Information

Name of Individual (if applying in individual capacity): N/A

Name of Entity/Organization: Pensacola-Escambia Promotion and Development Commission (PEDC)

Background of Applicant Individual/Entity/Organization: The Pensacola-Escambia Promotion and Development Commission is Escambia County's economic development authority, a dependent special district, created pursuant to Chapter 67-1365, Laws of Florida. The PEDC is governed by a 9-Member Board of Directors appointed by Escambia County and the City of Pensacola. The purpose of the Commission is to promote industry and commerce in Escambia County and the municipalities therein. PEDC promotes economic development, job creation, workforce development, enhancement of the economic environment, expansion of the tax base, enticement of industry and other business to the area, acquisition, lease, and construction of facilities. The PEDC has a contractual relationship with FloridaWest EDA, the community's sole economic development organization, whose purpose is to grow economic prosperity in the greater Pensacola, FL area.

Federal Employer Identification Number: 59-1172550

Contact Information:

Primary Contact Information: Scott Luth

Title: CEO

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Website: www.floridawesteda.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.

- Pensacola-Escambia Promotion and Development Commission (PEDC)
- FloridaWest EDA
- Space Florida
- Pensacola State College

PEDC, FloridaWest EDA and Space Florida are seeking project financing in support of establishing a Pensacola Florida location for **LIFT, an Advanced Manufacturing and Talent Development**

National Manufacturing Innovation Institute.

The project will include the construction of a 38,750 SF build to suit, mixed-use facility on an estimated 4-acre parcel on the Pensacola State College main campus. Pensacola State College will execute a forty year below market ground lease with PEDC in exchange for a training and education partnership with LIFT. PEDC will design and construct the facility following public procurement policy. Once constructed, Space Florida will acquire the facility at [Certificate of Occupancy] from PEDC and simultaneously lease to the Company. The facility and tenant improvements will be sub leased to the Company, with an anticipated initial lease term ranging between twenty and twenty-five years. The actual term and lease cost will be based on the final cost of construction, debt service terms, and ground lease costs.

Total amount of funding requested from Triumph Gulf Coast: **\$6 Million**

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.

(If additional space is needed, please attach a Word document with your entire answer.)

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

The 2020 financial audit of PEDC (**exhibit 1**) shows the organization is financially sound. The audit was performed by Saltmarsh Cleveland and Gund.

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.

Project LASER

Pensacola-Escambia Promotion and Development Commission (PEDC), FloridaWest EDA have been working with Space Florida in seeking project financing in support of establishing a location for LIFT, an Advanced Manufacturing and Talent Development National Manufacturing Innovation Institute, satellite facility Manufacturing Center of Excellence in Pensacola. LIFT operates as a long-term Public-Private-Partnership between the Department of Defense – Industry-Academia and has multiple Fortune 500 clients and many of the top research universities as well as multiple long-term contracts from both the Department of Defense and the Department of Commerce. Further, this new proposed LIFT Manufacturing Institute in Pensacola, Florida, will serve as an innovation lighthouse and compass to attract and showcase the highest level of advanced manufacturing technologies and related systems and processes to the region with the objective to educate, influence, and encourage their adoption and in turn will grow profitable, next generation manufacturing businesses of all sizes throughout the NW Florida region. Grant funding from Triumph Gulf Coast, will catalyze establishment of the Institute, and enable LIFT to leverage its current momentum and collective partner resources to bring significantly more manufacturing research and development funding to the NW Florida region, program and seed the acceleration of advanced manufacturing capabilities, thereby strengthening resiliency of the manufacturing cluster in Northwest Florida as a whole.

Specifically, LIFT intends to provide a range of services in the proposed Florida facility from advanced manufacturing research and development to foundational manufacturing training programs. The new location in Pensacola area will be able to serve Eglin AFB, Tyndall AFB, SOCOM in Tampa, Redstone Arsenal in Huntsville, USACE WES in Vicksburg, Space Coast and others from a central location that will over time attract further funding and companies that need to be close to LIFT to interact effectively and efficiently with LIFT. It is noteworthy that approximately half of the current LIFT ecosystem has a presence within 50 miles of our Detroit location (after 8 years of LIFT operating in Detroit).

LIFT would be targeting research and development related to the following in its first five years of operation or similar priorities by leveraging at least \$32 million in new DOD and Federal funding:

- Hypersonic Materials and Joining Development

- Ceramics and CMC's Material Development
- ICME (Integrated Computer Materials Engineering) Virtual Support

Project Location

Florida has already positioned itself as a force to be reckoned with in traditional manufacturing aerospace, automotive assembly, and shipbuilding. However, the pace of technological change in advanced manufacturing is the fastest the nation has ever seen and is accelerating. Further, the recent and ongoing pandemic has highlighted inadequacies in our supply chain across the nation as well as our skilled workforce. Now is the time to embrace technological change in advanced manufacturing, create supply chain resiliency, upskill the manufacturing workforce and position for reshoring within the supply chain.

Launching LIFT in Florida will quickly catalyze a regional and national ecosystem, like that which LIFT has already created in the Midwest – 335+ member organizations working together in concert, conducted by LIFT. Many of our existing national members will certainly join us and actively participate in the proposed Pensacola Florida entity, particularly those in aerospace, automotive assembly, and shipbuilding. Indeed, some of our existing members (Lockheed Martin, Boeing, Raytheon, and others) are already present in Florida and will assist in the acceleration of manufacturing activities in Northwest Florida.

Advancing Manufacturing Technology & Talent in Florida

Connecting Florida with the U.S. National Manufacturing Innovation Ecosystem enhances the Regional Economy and National Security. Established in 2014 as a Michigan-based 501(c)(3) nonprofit operated by the American Lightweight Materials Manufacturing Innovation Institute ("LIFT" or the "Institute"), LIFT is the national manufacturing innovation institute driving American industry into the future through manufacturing technology and talent development. LIFT is a public-private-partnership between the U.S. Department of Defense, industry, and academia. LIFT is empowered to connect materials, processes, systems, and talent. LIFT is the engine driving the U.S. mobility sector in support our nation's economy and to enhance our national security. LIFT is part of the larger Manufacturing USA network, of over 1,900 research institutions and industrial companies managed by the Advanced Manufacturing National Program Office.

Background

The Defense-Wide Manufacturing Science and Technology (DMS&T) requirement is a joint defense-wide component of the U.S. Department of Defense Manufacturing Technology (ManTech) Program directed in Title 10 U.S.C. Section 2521. It represents the Department's comprehensive advanced manufacturing program focused on enabling and achieving strategic goals of timely, affordable delivery of technologies to the warfighter, improving acquisition and sustainment of defense products and systems across their life cycles. Early design and development for manufacturability and development of the

supporting education and workforce development tools can yield dramatic and positive impacts for the Department's operational and modernization missions, as well as that of the industrial manufacturing industry. This requirement catalyzes ongoing funding of LIFT and the other Department of Defense innovation institutes.

Our Vision and Mission

LIFT's vision is to ensure that the U.S. and its territories are the world leaders in the application of innovative material production and component/subsystem manufacturing technologies. LIFT's mission is to serve as the nation's bridge between basic research and final product commercialization for materials, processes, and system applications. World-class, advanced manufacturing facilities and technology development capabilities provide the right solutions to promote American global competitiveness, advance energy efficiency, defense readiness and economic growth. Moreover, LIFT will leverage its current momentum and collective partner resources to bring significantly more manufacturing research and development funding to the NW Florida region, program and seed the acceleration of advanced manufacturing capabilities, and through these cutting-edge resources prepare an eager workforce equipped with advanced manufacturing skills enabling industry to commercialize innovative manufacturing processes.

What We Do

LIFT brings together industry, academic, and government (federal, state, and local) partners, bridging the gap between academic research and product commercialization with the objective of advancing manufacturing technologies while also ensuring that our workforce has the foundational and technical skills necessary to manufacture the products of tomorrow. LIFT Institute's differential is state-of-the-art manufacturing research and development; approximately 10% of its overall program is dedicated to Education Workforce Development (EWD). Working with local and regional colleges and technical schools and manufacturing partners, LIFT will be a catalyst to help to advance critical manufacturing technologies skills in Northwest Florida, see the comprehensive description of LIFT's EWD programming and its performance in Detroit, (**Exhibit 2**).

Program Description

LIFT seeks resources to create an affiliate facility and program in Florida (LIFT FL), which will have two primary objectives:

1. U.S. Security: The outsourcing of U.S. manufacturing has left our nation vulnerable from many perspectives – critical goods, technological know-how, manufacturing infrastructure, etc. The next phase of LIFT will build upon the existing manufacturing foundation in Florida to close the gaps in our manufacturing ecosystem.
2. Florida Economic Development: Building upon a strong base, LIFT will enhance Florida's capacities in the aerospace and defense clusters and help attract, retain and grow its manufacturing capabilities into new sectors that will both enhance U.S. national security and increase Florida's economic resiliency.

The program will prepare Florida's workforce for the infusion of advanced manufacturing technologies, processes, and systems, including but not limited to advanced precision manufacturing, data analytics, digital twin, and robotics. Demand for advanced technology skills is increasing due to the rapid infusion of new technological advancements, and Florida is uniquely qualified due to significant manufacturing infrastructure, skilled manufacturing labor, highly competitive labor rates, and a favorable regulatory environment.

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

Recognizing aerospace and related supply chains, Northwest Florida is a manufacturing national treasure requiring immediate and dedicated support to retain existing resources and prepare and grow those resources for the future of manufacturing. LIFT FL is uniquely positioned to partner with collaborators on significantly strengthening this comprehensive cluster focused on advanced manufacturing technology, talent and resilience, a unique Center of Excellence, poised to replicate LIFT's nationally recognized capstone of advanced manufacturing research innovation in Northwest Florida. Current and future consortium members will exchange technology and talent resources informing new and dynamic workforce development curricula, connecting commercial and economic opportunities to government and academic projects, and addressing economic and social disparities/ inequities in the region. The establishment of LIFT's Advanced Manufacturing Institute Center of Excellence aligns with transformational economic development goals, which includes connecting talent to employment, connecting rural and urban entrepreneurial hubs to industry sectors, and promoting the North Florida Manufacturing, Logistics, and Distribution corridors while also working to plan and implement projects that encourage environmental resilience and promote diversity, equity, and inclusion across the region. The coalition envisions four distinct projects oriented to digital manufacturing, robotics, virtual immersive reality, and co-active design between humans and machines to evolve advanced manufacturing.

The project will strengthen the foundation of manufacturing across Northwest Florida, which also helps to further diversify the economy of Escambia County, Northwest Florida that was adversely affected by the BP oil spill, natural disasters, and Covid-19.

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

Since its founding in 2014, LIFT has delivered on its charter to bring government, industry and academia together, leveraging resources, collaborating, and co-investing to nurture manufacturing innovation and accelerate commercialization.

LIFT FL will leverage the institute's existing membership of over 335 industrial, academic, and governmental entities and use the funds to support its initial set of programs targeting applied technology research, ecosystem development, talent enhancement, and project management in the advanced manufacturing space. Many of those members are based in Florida: Boeing Defense, Space & Security, Collins Aerospace, General Dynamics Land Systems, General Electric, Lockheed Martin, Pratt & Whitney, Raytheon Technologies, and Siemens.

LIFT has to-date, engaged with the following Economic Development organizations within the state of Florida: FloridaWest EDA, Pensacola-Escambia Promotion and Development Commission (PEDC), Florida Makes, The Economic Development Commission of Florida's Space Coast, Enterprise Florida, and the Tampa Bay Economic Development Council. It is anticipated that our Economic Development engagement will expand throughout Northwest Florida with establishment of LIFT FL in Pensacola.

In addition to LIFT's existing membership ecosystem, LIFT brings over \$250M of previous institute investments which established the working models for a successful institute, which forecasted will generate over \$70B of return on investment for the nation over the next two decades for the advanced manufacturing sectors in the defense, aerospace, and mobility industries.

LIFT will execute their proven strategies in NW Florida to empower and accelerate the ideation, development and commercialization of new manufacturing processes, technologies, materials, and talent strengthening Florida's industrial and defense manufacturing base.

Program Implementation Strategies

- **Trusted Advisor.** With experts in-house and an ecosystem across industries, LIFT is the trusted advisor for small and medium-sized manufacturers to help them transition toward a smarter manufacturing future.
- **Technology Accelerator.** LIFT helps organizations move emerging technologies from advanced concepts to commercialization so they can be adopted by industry and the warfighter faster.
- **Technology Showcase.** Bringing the "art of the possible" to reality, the LIFT Technology Showcase is where manufacturers see the benefits of connecting materials, processes, systems, and talent.
- **Connector.** As a public-private-partnership between government, industry and academia, LIFT connects needs, ideas, and people, to the organizations that can move the needle.
- **Convener.** With a national network of the Department of Defense, government, academia and industry, LIFT convenes experts in smarter manufacturing.
- **Talent Developer.** Developing new venues, tools and teaching techniques, LIFT's

competency-based, technology-infused talent development program is redefining manufacturing education.

- **Government Partner.** LIFT's partnerships across the federal government eliminate barriers of entry for your organization and ensure rapid and efficient contracting combined with expert program management.

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

LIFT FL's Institute will generate new federal and industry research funding related to innovative advanced manufacturing technologies, processes, and systems research and final product commercialization for materials, processes, and system applications in NW Florida.

- New external dollars coming into the Northwest Florida region that would not otherwise exist.
- Triumph investment in LIFT FL will enable the Institute to propose on and win additional new federal programs thus increasing federal spending for R&D in our region.
- Increases to federal investment to our area will improve productivity/output in the longer term. Spending on physical capital and equipment facilitates commerce. spending on education helps develop a skilled workforce, and spending on R&D promotes innovation.
- New intellectual property and technology transfer opportunities, as well as the potential for associated growth of small and medium-sized manufacturers across Northwest Florida.

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 funding request to Triumph Gulf Coast, Inc. will be utilized within the first thirty-six (36) months with construction or equipment of LIFT FL's dedicated 38,750 SF Mixed-Use, Advanced Manufacturing and Talent Development National Manufacturing Innovation Institute on Pensacola State College's main campus. Thereafter, LIFT FL will sustain itself primarily through federal grant and contract funding. It's capacity to lead is by proven experience. LIFT currently manages and delivers multiple federal grants and subawards, including multimillion dollar contracts, from different agencies of the federal government.

- LIFT is a multiple award schedule contractor, specializing in rapid and efficient contracting and independent, compliant program management.
- As a public-private partnership, LIFT works across the federal government including the U.S. Department of Defense, U.S. Department of Commerce, the National Science Foundation and other government entities to advance manufacturing

technology and talent for national security and economic development.

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

Primary measurement will be new federal funding (grants and contracts) proposed and awarded to LIFT FL associated with its Advanced Manufacturing and Talent Development National Manufacturing Innovation Institute.

Specific metrics for LIFT FL are:

- The addition of 36 new full-time positions within the first five years (after construction of the facility is completed, with an average salary of \$113,083, annually.
- A minimum of Thirty-two Million Dollars (\$32 million) in competitively awarded federal research grant proposals and contracts focused on the broader objectives of the Institute within 5 years of the first disbursement of Triumph funds. The \$32 Million in grant funding to be spent on research partnerships, local labor and/or equipment installed locally.
- Providing substantive collaborative assistance and convening experts in advanced manufacturing and innovation to a minimum of 100 companies in the impacted counties by the end of the fifth year of facility occupancy.

Priorities

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: Growth of the advanced manufacturing sector is critical to maintaining the competitiveness and long-term vibrancy of Northwest Florida's economy. We must continue to make investments now, that safeguard our communities, have the ability to attract and grow our talent, and provide a wide range of occupational opportunities conducive to keeping students, professionals of all ages, exiting military and their spouses interested in remaining in Northwest Florida. Moreover, the pace of technological change in advanced manufacturing is the fastest the nation has ever seen and is accelerating. The recent and ongoing pandemic has highlighted inadequacies in our supply chain across the nation as well as our skilled workforce. Now is the time to embrace technological change in advanced manufacturing, create supply chain resiliency, upskill the manufacturing workforce and position for reshoring within the supply chain.

Advancing Manufacturing Technology & Talent in Florida

Connecting Florida with the U.S. National Manufacturing Innovation Ecosystem will further expand partnerships, enhance the NW Florida regional economy and national security. World-class, advanced manufacturing facilities and technology development capabilities provide the right solutions to promote American global competitiveness, energy efficiency, defense readiness, and economic growth. Cutting-edge resources prepare an eager workforce equipped with advanced manufacturing skills enabling industry to commercialize innovative manufacturing processes.

Increase household income: The Census Bureau reports the 2021 median household income in Escambia County was \$53,023, compared to Florida at \$57,703 and the U.S. at \$64,944. Project SPARK can contribute significantly to the mix of vibrant advanced manufacturing operations in the region which will lead to more research and development, innovation, productivity, trade and exports, and a broader range of quality jobs. Likewise, these activities will drive growth in productivity (output per worker), increased wealth, and higher average standards of living within our region.

Partner with local governments: Through PEDC, FloridaWest EDA, Pensacola and Escambia County leadership, CareerSource Escarosa, Pensacola State College, and other community partners all support economic diversification and the growth of advanced manufacturing as a primary target sector, important to our regional economy. PEDC's board and SpaceFlorida has approved assisting with the facility as a public asset and Pensacola State College will provide a ground lease of the 4-acre site on its main campus in Pensacola.

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

identified by the Board.

The Pensacola Escambia County Promotion and Development Commission is the economic development authority for Escambia County, a special district of the State of Florida, whose purpose is to promote industry and commerce in Escambia County and the municipalities therein. PEDC promotes economic development, job creation, workforce development, enhancement of the economic environment, expansion of the tax base, enticement of industry and other business to the area, acquisition, lease, and construction of facilities. The PEDC has a contractual relationship with FloridaWest EDA, the community's sole economic development organization, whose purpose is to grow economic prosperity in the greater Pensacola, FL area.

Our organizations work in concert to improve economic outcomes for our citizens and communities, that enhances the standard of living and quality of life that facilitates the creation of an environment conducive for the expansion of existing business and the location of new business.

We believe that LIFT FL is transformational for the future of Escambia County and Northwest Florida. The project meets and exceeds the discretionary priorities of the Triumph Board. As an Advanced Manufacturing and Talent Development National Manufacturing Innovation Institute, LIFT FL will attract new federal and industry research funding related to innovative advanced manufacturing technologies, processes, and systems research and final product commercialization for materials, processes, and system applications to NW Florida.

The establishment of Lift FL will create a unique asset in the region undertaking world-class, advanced manufacturing research and technology development, accelerating capabilities to provide solutions to promote global competitiveness, advance energy efficiency, defense readiness and economic growth.

LIFT FL's cutting-edge resources will help prepare the NW Florida workforce, equipped with advanced manufacturing skills and enabling industry to commercialize innovative manufacturing processes that will generate maximum economic benefits as a viable, sustainable, and transformative economic development endeavor.

Likewise, LIFT FL aligns with the **Northwest Florida Forward**: A Regional Strategy for Economic Transformation developed by TIP Strategies and the Haas Center (2017), which noted, "Advanced Manufacturing is an important target for growth as it impacts many other clusters and offers high-wage employment growth for all areas of the region." Section 2.1.3 (page 31) also highlights the importance of supporting the vibrancy of Advanced Manufacturing across clusters as "Advanced Manufacturing generally involves the integration of innovative technologies into production processes and manufactured products. It is innovation in the manufacturing process that assures the ability to survive and prosper. Simply put, virtually all manufacturers must become

advanced manufacturers if they are to remain in business. In Northwest Florida, Advanced Manufacturing cuts across several clusters, including Aerospace and Defense, Chemical Products, Wood Products, Construction Products, and Textiles. Its importance stems from its capacity to support other key industries in the region, to help diversify the economic base, and to provide employment opportunities for a wide range of skill levels, ranging from middle skill production workers to engineers.”

The establishment of NW FL Manufacturing Innovation Institute, will enable LIFT to leverage its current momentum and collective partner resources to bring significantly more manufacturing research and development funding to the NW Florida region, program and seed the acceleration of advanced manufacturing capabilities, and strengthen resiliency of the manufacturing cluster in Northwest Florida as a whole. Thus, LIFT FL has the propensity to greatly influence Northwest Florida’s existing and future advanced manufacturing and defense sectors; thereby helping to induce net-new job creation, which will raise household incomes, increase the standard of living, and diversify the economy throughout the region.

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 ☒ No

6. Does the Board of County Commissioners for each County listed in response to question 5, above, recommend this project or program to Triumph?

☒ Yes ☐ No

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

Escambia County Board of County Commissioners Letter of Support Attached, (**Exhibit 3**)

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.?

PEDC approved and authorized submittal of Project LASER application at its Board of

Directors meeting held on November 14, 2022.

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.

PEDC Upcoming Schedule of Meetings:

November 14, 2022	December 27, 2022
January 24, 2023	February 28, 2023
March 28, 2023	April 25, 2023

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

PEDC has the ability to hold a special meeting upon written or called notice by the Chair or Vice-Chair, with a 7-day notice in accordance with Florida Statutes 189.015.

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.

LIFT has strategically planned the Florida Institute's growth trajectory to: first establish immediate impact (year 1), followed by sustained expansion of both capabilities and expert personnel over time. With this model, each subsequent year the Institute will build on prior accomplishments to open more innovative research cores that accelerate manufacturing capabilities. The result will be a catalyst research center for manufacturing (connecting materials, processes, systems, and talent) in Northwest Florida and a unique asset that will remain on the leading edge of advanced technology, resilience, and performance research on a global level. The table below defines the core milestones (after construction is completed), that need to be equipped and the personnel planned in each year.

	Year 1	Year 2	Year 3	Year 4	Year 5
LIFT federal research grant proposals and contracts (\$32 M Cumulative)	<ul style="list-style-type: none">• Industry• Government• Academia Est. \$ 2M	<ul style="list-style-type: none">• Industry• Government• Academia Est. \$2M	<ul style="list-style-type: none">• Industry• Government• Academia Est. \$5.5M	<ul style="list-style-type: none">• Industry• Government• Academia Est. \$10.75M	<ul style="list-style-type: none">• Industry• Government• Academia Est. \$11.75 M
Collaborative Assistance to Manufacturers 100 Companies Total)	30	10	15	20	25
Key Personnel: 36	4	3	7	8	14

totala					
Position	General Manager	General Manager	General Manager	General Manager	General Manager
Position	Ecosystem Engagement Mgr.	Ecosystem Engagement Mgr.	Ecosystem Engagement Mgr.	Ecosystem Engagement Mgr.	Ecosystem Engagement Mgr.
Position	Mgr. Workforce Engagement	Mgr. Workforce Engagement	Mgr. Workforce Engagement	Mgr. Workforce Engagement	Mgr. Workforce Engagement
Position	Facilities Mgr.	Facilities Mgr.	Facilities Mgr.	Facilities Mgr.	Facilities Mgr.
Position		Director of Technical Program	Director of Technical Program	Director of Technical Program	Director of Technical Program

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.

The Pensacola-Escambia Promotion and Development Commission is Escambia County's economic development authority, a dependent special district, originally created pursuant to Chapter 67-1365, Laws of Florida (**Exhibit 4**) subsequently amended, revised for definition and membership structure (Chapter 2017-177). "Development" shall be deemed to mean the improvement of the County of Escambia and all municipalities therein (including that portion of Santa Rosa Island under the jurisdiction of the Santa Rosa Island Authority) or its successor through economic development, job creation, workforce development, enhancement of the economic environment, expansion of the tax base, enticement of industry and other business to the area, and acquisition, lease and construction of facilities for such purposes within the subject area.

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.

\$6 Million
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.)

The \$6 Million funding request represents 28.6% of the total project cost.

3. Please describe the types and number of jobs expected from the proposed project or program and the expected average wage.

Job Category (examples)	2025	2026	2027	2028	2029	Total	Average Wage
Leadership	1	0	1	1	1	4	\$175,000
Support Staff	1	0	2	5	7	15	\$70,000
Engineering	1	0	1	0	2	4	\$125,000
Research & Development	0	2	2	2	4	10	\$150,000
Workforce Development	1	1	1	0	0	3	\$107,000
Total New Jobs						36	
Weighted Average Wage							\$113,083

4. Does the potential award supplement but not supplant existing funding sources? If yes, describe how the potential award supplements existing funding sources.

☒ Yes ☐ No

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

A. Project/Program Costs:

Example Costs (Note: Not exhaustive list of possible Cost categories.)

Construction	\$ <u>14,000,000</u>
Reconstruction	\$ _____
Design & Engineering	\$ _____
Land Acquisition	\$ _____
Land Improvement	\$ _____
Equipment	\$ <u>7,000,000</u>
Supplies	\$ _____
Salaries	\$ _____
Other (specify)	\$ _____

Total Project Costs: \$ 21,000,000

B. Other Project Funding Sources:

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

City/County \$ _____

Private Sources \$ 15,000,000

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

Total Other Funding \$ _____

Total Amount Requested: \$ 6,000,000

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

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

C. The overall proposed budget for LIFT FL (Project LASER) is approximately \$21 Million and considered a substantial investment for our region and the Escambia County community.

The breakdown of the proposed budget is as follows: an estimated \$14 Million for the construction of a new 38,750 SF, multi-use high-bay manufacturing research institute, fully outfitted to support advanced manufacturing, cutting-edge technology, and equipment available for collaborative and proprietary R&D work. The facility will also contain conference rooms for convening partners, interactive learning labs to teach the IGNITE mastering manufacturing curriculum, world-class nationally recognized certification programs including CNC Operations, Industrial Maintenance, Welding and Robotics and OPERATION NEXT, an innovative training and credentialing programs for active-duty military (within their last six months of service), spouses and National Guard.

When triumph funding is approved then Pensacola State College will execute a forty year below market ground lease with PEDC in exchange for a training and education partnership with LIFT. Space Florida and PEDC will secure a construction loan and long-term funding. Once the construction loan is secured a design firm will be selected. Both design and construction of the facility will following public procurement policy. Once constructed, Space Florida will acquire the facility at [Certificate of Occupancy] from PEDC and simultaneously lease to the Company. The facility and tenant improvements will be leased to the Company, with an anticipated initial lease term ranging between twenty and twenty-five years. The

actual term and lease cost will be based on the final cost of construction, debt service terms, and ground lease costs. We estimate the design, permitting, and construction process will take between 36 months to complete.

Applicant understands that the Triumph Gulf Coast, Inc. statute requires that the award contract must include provisions requiring a performance report on the contracted activities, must account for the proper use of funds provided under the contract, and must include provisions for recovery of awards in the event the award was based upon fraudulent information, or the awardee is not meeting the performance requirements of the award.

☒ Yes ☐ No

Applicant understands that awardees must regularly report to Triumph Gulf Coast, Inc. the expenditure of funds and the status of the project or program on a schedule determined by Triumph Gulf Coast, Inc.

☒ Yes ☐ No

Applicant acknowledges that Applicant and any co-Applicants will make books and records and other financial data available to Triumph Gulf Coast, Inc. as necessary to measure and confirm performance metrics and deliverables.

☒ Yes ☐ No

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

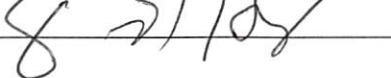
☒ Yes ☐ No

#291 Project LASER Application

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: Pensacola-Escambia County Promotion and Development Commission (PEDC)

Name and Title of Authorized Representative: Dave Hoxeng, Chair

Representative Signature: _____

Signature Date: November 14, 2022

10/13/2017 FINAL

(Exhibit 1)



**PENSACOLA-ESCAMBIA COUNTY PROMOTION
AND DEVELOPMENT COMMISSION**

PENSACOLA, FLORIDA

FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

**PENSACOLA-ESCAMBIA COUNTY PROMOTION
AND DEVELOPMENT COMMISSION**

PENSACOLA, FLORIDA

FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Pensacola-Escambia County Promotion
and Development Commission
Pensacola, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the Pensacola-Escambia County Promotion and Development Commission (the "Commission") as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Commission'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.

Auditor's Responsibility

Our responsibility is to express an opinion 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.

Board of Directors
Pensacola-Escambia County Promotion
and Development Commission

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Commission as of September 30, 2020, and the changes in its financial position and the budgetary comparison for the General Fund for the year then ended in conformity 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 on pages 3 through 7 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 Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2020 on our consideration of the Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and 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 Commission's internal control over financial reporting and compliance.



Pensacola, Florida
November 30, 2020

**Pensacola-Escambia County Promotion and Development Commission
Management's Discussion and Analysis
For the Year Ended September 30, 2020**

Our discussion and analysis of the financial performance of the Pensacola-Escambia County Promotion and Development Commission (the "Commission") provides an overview of the Commission's financial activities for the fiscal year ended September 30, 2020. Please review it in conjunction with the Commission's financial statements.

FINANCIAL HIGHLIGHTS

- Total assets for the Pensacola-Escambia County Promotion and Development Commission decreased by \$861,986 from 2019 due to a decrease of \$699,720 in grant receivables and a decrease of \$162,266 in bank account balances. Liabilities decreased by \$854,836 due to an increase in Tech Park payable – County of \$25,095, a decrease in Grant Funding payable – County of \$680,285 and a decrease in accounts payable of \$199,646.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 8-9) provide information about the activities of the Commission as a whole and present a longer-term view of the Commission's finances.

Reporting on the Commission as a Whole

The Statement of Net Position and the Statement of Activities

Our analysis of the Commission as a whole begins on the following page. One of the important questions asked about the Commission's finances is "Is the Commission as a whole better off or worse as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the Commission as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to accounting used by most private-sector companies. Accrual of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Commission's net assets and changes in them. You can think of the Commission's net assets, the difference between assets, what the Commission owns, and liabilities, what the Commission owes, as one way to measure the Commission's financial health, or financial position. Over time, increases or decreases in the Commission's net assets are one indicator of whether its financial health is improving or deteriorating. You will need to consider other non-financial factors, however, such as continuing local government support, to assess the overall health of the Commission.

**Pensacola-Escambia County Promotion and Development Commission
Management's Discussion and Analysis
For the Year Ended September 30, 2020**

Reporting the Commission's Funds

Notes to the Financial Statements: The notes provide additional information that is essential to a full understanding of the data provided in the government-wide financial statements. The notes to the financial statements can be found on pages 11-16 of this report.

THE COMMISSION AS A WHOLE

The Commission's total net position changed from a year ago, decreasing from \$4,452,507 to \$4,445,357. Our analysis below focuses on the net position (Table 1) and changes in net position of the Commission's governmental activities.

**Table 1
Net Position
(in thousands)**

	<u>2019</u>	<u>2020</u>
Cash	\$ 1,074	\$ 912
Grant receivable	700	-
Technology Park property	<u>5,850</u>	<u>5,850</u>
Total Assets	<u>\$ 7,624</u>	<u>\$ 6,762</u>
Accounts payable	\$ 206	\$ 7
FOIL payable – County	680	-
Technology Park payable – County	<u>2,285</u>	<u>2,310</u>
Total liabilities	<u>3,171</u>	<u>2,317</u>
Net Position:		
Restricted	61	61
Unrestricted	<u>4,391</u>	<u>4,384</u>
Total net position	<u>4,453</u>	<u>4,445</u>
Total Liabilities and Net Position	<u>\$ 7,624</u>	<u>\$ 6,762</u>

Statement of Activities

Prior year revenue totaled \$2,617,430 versus current year revenue of \$1,421,877. This decrease is due to a decrease in grant funds.

Prior year expenses totaled \$2,632,780 versus current year expenses of \$1,429,027. This decrease is primarily due to a decrease in grant expenditures.

**Pensacola-Escambia County Promotion and Development Commission
Management's Discussion and Analysis
For the Year Ended September 30, 2020**

**Table 2
Final Budget versus Actual Results (GAAP Basis)
General Fund**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Governmental -			
Intergovernmental	\$ 775,000	\$ 775,000	\$ 0
Program -			
Grant revenue	1,060,000	645,045	(414,955)
Foreign trade zone	2,000	1,250	(750)
Investment income	300	582	282
Expenditures:			
Current -			
General government	\$ 1,652,300	\$ 1,429,027	\$ 223,273
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 185,000	\$ (7,150)	\$ (192,150)

Final Budget versus Actual Results

The variances in grant revenue and General Government expenditures can be attributed to budgeted grant revenue and expenses for the FOIL project that were not received nor incurred.

ECONOMIC FACTORS

The economic development mission of the Commission remains constant. The Commission contracted with the Community Economic Development Association of Pensacola and Escambia County d/b/a FloridaWest Economic Development Alliance ("FloridaWest") for all its staffing and operational activities again this past year. This includes performing management duties on behalf of the Commission, economic development, and marketing. Since the creation of FloridaWest, the combined efforts of both organizations have supported a commitment from private companies to create/retain approximately 7,635 jobs, \$367 million in annual payroll, and \$744 million in new capital investments. The Commission requested level funding from Escambia County and the City of Pensacola for the current fiscal year. The funds were used for the activities of the Commission as well as for FloridaWest's public funding contribution. Escambia County granted the funding request to the Commission. Half of the funding request from the City of Pensacola came to the Commission and the other half of the funding for economic development came to FloridaWest under a separate agreement.

**Pensacola-Escambia County Promotion and Development Commission
Management's Discussion and Analysis
For the Year Ended September 30, 2020**

The Commission took ownership of property from Escambia County and the City of Pensacola for the purpose of developing it into a Technology Campus during 2008. Construction of the initial infrastructure for the Campus, partially funded with a line of credit from Escambia County, was completed in June 2012. In December 2012, the Commission sought to re-appraise the Technology Campus value to more accurately reflect the current market value of the property. Also, in fiscal year 2013 the Commission approved an updated version of the Inter-local Agreement between the Commission, City of Pensacola, Escambia County and the Community Redevelopment Agency ("CRA"), which included both City and County forgiveness of debt for the Technology Campus property and the ability to market and sell or lease the property independently of City or County approval. The line of credit from Escambia County will be paid for using proceeds from the sale of the lots on the Technology Campus. Once eighty percent of the developable square footage of the Technology Campus has been conveyed by the Commission to a third party, the net ad valorem property tax received by the City and by the County from the properties within the Campus shall be applied to repayment of the line of credit.

To market the Technology Campus to national property developers, the Commission issued an Invitation to Negotiate ("ITN") in June of 2020. The Commission is seeking responses from experienced firms who have the organizational and financial capacity to engage in a public/private partnership for development of the Pensacola Technology Campus in a timely manner providing the overall best benefit to the public. An ITN is a multi-step process of ranking proposals and then negotiating with one, some, or all applicants based on the ITN criteria. By incorporating negotiations into the process, proposals may be clarified and modified to better meet the Commission and public needs and to provide innovative services. Responses to the ITN were due October 30th, 2020. In addition, the Commission, in partnership with Space Florida, submitted a letter of interest to a new confidential client for a build to suite proposal using the former "Project Expanse" opportunity as the project's framework. The Pensacola Technology Campus did receive some damage due to Hurricane Sally. The City of Pensacola and Executive Landscape have cleaned up the damaged landscape items and have made all the necessary repairs to the sidewalk and lights. Estimated cost to the Commission will be less than \$2,000. Moving forward the Commission will need to discuss a tree replacement strategy for the Technology Campus.

The development of the "Bluffs" continues to be a high priority project for the Commission. Beginning in fiscal year 2014-2015 to the end of fiscal year 2017-2018, the Commission has received and spent approximately \$8 million from the Department of Economic Opportunity ("DEO") and the Florida Department of Transportation ("FDOT"). All funding is associated with developing sites along the Lower Escambia River Basin into major industrial sites to target high-energy, aerospace, or other industrial-manufacturing businesses to boost economic development and job growth. The Commission finished all engineering work associated with the legislative funding received from the State of Florida in past years and closed out all current grants received. The Commission continues to seek local, state, and federal funding to begin infrastructure upgrades and new construction to enhance the Bluffs.

**Pensacola-Escambia County Promotion and Development Commission
Management's Discussion and Analysis
For the Year Ended September 30, 2020**

The Commission remains the Grantee for Foreign-Trade Zone (FTZ) #249 and continues to fulfill all its responsibilities as the designated grantee for FTZ #249. FTZ #249 consists of sites at the Port of Pensacola, Pensacola International Airport, Pensacola Marine Terminal (2 sites: Pensacola Shipyard and Spruce Street Industrial Complex), Century Industrial Park and a designated sub-zone for the GE Wind Energy Plant. The Commission, with the assistance of its FTZ consulting company, submitted the FTZ #249's annual report to the Foreign Trade Zone Board.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the Commission's finances for all those with 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 FloridaWest Economic Development Alliance, 3 W. Garden Street, Suite 618, Pensacola, Florida 32502.

A handwritten signature in black ink, appearing to read "Scott Luth", with a long horizontal flourish extending to the right.

Scott Luth
CEO, FloridaWest Economic Development Alliance

FINANCIAL STATEMENTS

**PENSACOLA-ESCAMBIA COUNTY PROMOTION
AND DEVELOPMENT COMMISSION
STATEMENT OF NET POSITION
SEPTEMBER 30, 2020**

ASSETS

Cash and cash equivalents	\$ 911,744
Technology Park property, net	<u>5,850,000</u>
Total Assets	<u>\$ 6,761,744</u>

LIABILITIES AND NET POSITION

Liabilities:

Accounts payable	\$ 6,439
Technology Park payable - County	<u>2,309,948</u>
Total liabilities	<u>2,316,387</u>

Commitments and Contingencies

--

Net Position:

Restricted	61,198
Unrestricted:	
Committed	52,309
Unassigned	<u>4,331,850</u>
Total net position	<u>4,445,357</u>

Total Liabilities and Net Position	<u>\$ 6,761,744</u>
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The accompanying notes are an integral
part of these financial statements.

**PENSACOLA-ESCAMBIA COUNTY PROMOTION
AND DEVELOPMENT COMMISSION
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2020**

Revenues:

Governmental -	
Intergovernmental - City	\$ 175,000
Intergovernmental - County	600,000
Program -	
Grant revenue	645,045
Foreign trade zone	1,250
Interest income	582
Total revenues	<u>1,421,877</u>

Expenses:

Current -	
General government -	
Economic development	1,409,824
Audit and accounting	10,000
Legal	6,963
Foreign trade zone	1,250
Miscellaneous	990
Total expenses	<u>1,429,027</u>

Change in Net Position	(7,150)
-------------------------------	---------

Net Position, October 1, 2019	<u>4,452,507</u>
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Net Position, September 30, 2020	<u><u>\$ 4,445,357</u></u>
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The accompanying notes are an integral
part of these financial statements.

**PENSACOLA-ESCAMBIA COUNTY PROMOTION
AND DEVELOPMENT COMMISSION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2020**

	General Fund		
	Budget	Actual	Variance - Favorable (Unfavorable)
Revenues:			
Governmental -			
Intergovernmental - City	\$ 175,000	\$ 175,000	\$ -
Intergovernmental - County	600,000	600,000	-
Program -			
Grant revenue	1,060,000	645,045	(414,955)
Foreign Trade Zone	2,000	1,250	(750)
Investment income	300	582	282
Total revenues	<u>1,837,300</u>	<u>1,421,877</u>	<u>(415,423)</u>
Expenditures:			
Current -			
General government -			
Economic development	1,614,000	1,409,824	204,176
Audit and accounting	10,000	10,000	-
Legal	7,500	6,963	537
Contractual services - Foreign Trade Zone	2,000	1,250	750
Miscellaneous	18,800	990	17,810
Total expenditures	<u>1,652,300</u>	<u>1,429,027</u>	<u>223,273</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 185,000</u>	<u>\$ (7,150)</u>	<u>\$ (192,150)</u>

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

NOTES TO FINANCIAL STATEMENTS

**PENSACOLA-ESCAMBIA COUNTY PROMOTION
AND DEVELOPMENT COMMISSION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. The Reporting Entity

The Pensacola-Escambia County Promotion and Development Commission (“the Commission”) was established by the Legislature of the State of Florida to promote and develop tourism and industry in Escambia County and in the City of Pensacola. The Commission is governed by a nine member board consisting of representatives of the Board of County Commissioners of Escambia County, the City of Pensacola City Council, the Town of Century and the Greater Pensacola Chamber. The Commission is a joint venture of Escambia County and the City of Pensacola and is economically dependent on funding from these entities.

B. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Commission.

The basis of accounting refers to when revenues, expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, revenues are considered to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

**PENSACOLA-ESCAMBIA COUNTY PROMOTION
AND DEVELOPMENT COMMISSION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

There are no material differences between the accrual basis of accounting and the modified accrual basis of accounting in the Commission's financial statements. Accordingly, separate financial statements have not been prepared for the General Fund.

The Commission reports the following fund:

Governmental Fund

The General Fund is used to account for all financial resources except those required to be accounted for in another fund.

C. General Budget Policies

The Board approves total budget appropriations only. Management is authorized to transfer budget amounts between department and object codes. However, any revisions that alter the total appropriations must be approved by the Board. Therefore, the level of budgetary responsibility is by total appropriations.

Formal budgetary integration is employed as a management device during the year.

D. Budgetary Basis of Accounting

The budget is prepared in accordance with generally accepted accounting principles.

The budget amounts shown in the financial statements are the final authorized amounts as amended during the year.

E. Restricted and Unrestricted Resources

When an expense is incurred for purposes for which both restricted and unrestricted resources are available, it is the Commission's policy to use restricted resources first, then unrestricted resources as they are needed. Within the unrestricted category, committed resources are used first, then assigned resources, if any, followed by unassigned resources as needed. The Commission establishes (and modifies or rescinds) net asset commitments by passage of a Board of Directors resolution.

**PENSACOLA-ESCAMBIA COUNTY PROMOTION
AND DEVELOPMENT COMMISSION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 2 - CASH AND INVESTMENTS

The investment of surplus funds is governed by the provisions of Section 218.415, Florida Statutes, as to the types of investments that can be made. Investments authorized by the statute include:

- (a) The Local Government Surplus Funds Trust Fund, or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act, as provided in Section 163.01.
- (b) Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency.
- (c) Interest-bearing time deposits or savings accounts in qualified public depositories, as defined in Section 280.02.
- (d) Direct obligations of the U.S. Treasury.

The Commission has no investment policy that would further limit its investment choices.

Deposits:

Chapter 280, Florida Statutes, provides that deposits must be placed in a depository designated under the provisions of Chapter 136 and the regulations of the Department of Banking and Finance as a qualified public depository. As such, these deposits are considered to be fully insured.

The Commission's deposits at year end were entirely covered by federal depository insurance or pooled collateral held by the State Treasurer under the provisions of Chapter 280, Florida Statutes. At September 30, 2020, the carrying amount of the Commission's deposits was \$911,744 and the bank balance was \$941,004.

NOTE 3 - FOIL PROJECT

The Commission has signed grant agreements with the Florida Department of Transportation to prepare conceptual plans for transportation and to develop marketing materials and conduct outreach for the Forward Operating Industrial Location ("FOIL") project. The Commission incurred expenditures totaling \$670,289 related to the FOIL project during the year ended September 30, 2020.

To manage cash flow needs related to FOIL grant expenditures, the Commission entered into an agreement with the County during 2017, under which the County is providing a non-interest bearing line of credit in an amount not to exceed \$750,000. The Commission repaid the outstanding balance during 2020.

**PENSACOLA-ESCAMBIA COUNTY PROMOTION
AND DEVELOPMENT COMMISSION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 4 - TECHNOLOGY PARK

In 2008, the Commission entered into an interlocal agreement (the "Agreement") with Escambia County (the "County"), the City of Pensacola (the "City") and the Community Redevelopment Agency ("CRA") of the City of Pensacola to develop a Technology Park in downtown Pensacola. Pursuant to the Agreement, the County and the City conveyed certain property to the Commission with a fair value of \$6,900,000 and \$1,425,000, respectively. The development of the Technology Park has been completed and the property is now considered to be held for resale. During the year ended September 30, 2013, the Commission recorded a fair value adjustment of \$5,718,106 to account for a decrease in fair value of the Technology Park property.

Under the Agreement, this property was conveyed to the Commission subject to a right of re-entry if certain goals were not met. The County provided a line of credit to fund development of the Technology Park infrastructure. Also, the County and City were to receive 83% and 17%, respectively, of the proceeds from sales of lots in the Technology Park after the County was reimbursed for all funding provided with the line of credit.

During 2013, the Agreement was amended so that County and City no longer require the Commission to reimburse the respective property interests conveyed unto it. The forgiveness of debt totaling \$4,069,512 was recorded in the statement of activities. Net proceeds from the sale of lots will be applied to the County line of credit until the line of credit is repaid in its entirety, at which time any additional proceeds from the sale of lots will remain with the Commission for future economic development projects. See Note 7 for further information.

Once eighty percent of the developable square footage of the Technology Park has been conveyed by the Commission to a third party, the net ad valorem property tax received by the City and by the County from the properties within the Technology Park shall be applied to repayment of any remaining balance on the line of credit.

Infrastructure costs of \$3,243,106 have been capitalized, of which \$1,926,938 were funded by the County. The remaining infrastructure costs of \$1,316,168 were funded by a grant.

**PENSACOLA-ESCAMBIA COUNTY PROMOTION
AND DEVELOPMENT COMMISSION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 4 - TECHNOLOGY PARK (Continued)

The following is a summary of the carrying value of the Technology Park property and the associated liability due to the County as of September 30, 2020:

	<u>County</u>	<u>City</u>	<u>Total</u>
Initial land conveyance	\$ 6,900,000	\$ 1,425,000	\$ 8,325,000
Infrastructure funded by County	1,926,938		1,926,938
Infrastructure funded by grant	1,316,168		1,316,168
Technology Park property at cost	<u>\$ 10,143,106</u>	<u>\$ 1,425,000</u>	11,568,106
Fair value adjustment			(5,718,106)
Technology Park property at fair value			5,850,000
Accrued interest and other			529,460
Forgiveness of debt			(4,069,512)
Technology Park payable			<u>\$ 2,309,948</u>

The Technology Park payable accrues interest at the monthly yield rate required by the State Board of Administration for inter-fund loans and the County Investment Policy (0.33% at September 30, 2020)

NOTE 5 - NET POSITION

Restricted net position includes \$61,198 contributed by the Emerald Coast Utilities Authority, which is restricted for economic development in the General Fund.

Committed net position includes \$52,309 of funds for future commerce park marketing and/or improvements.

NOTE 6 - RISK MANAGEMENT

The Commission is exposed to various levels of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. To mitigate some of those risks, the Commission maintains a directors and officers liability policy and a commercial general liability policy. There have been no losses for these risks in any of the prior three fiscal years, and the Commission is not aware of any material liabilities related to these risks as of September 30, 2020.

**PENSACOLA-ESCAMBIA COUNTY PROMOTION
AND DEVELOPMENT COMMISSION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 7 - COMMITMENTS AND CONTINGENCIES

The Commission has engaged the Community Economic Development Association, Inc. d/b/a FloridaWest Economic Development Alliance to promote economic development for the year ending September 30, 2021 for a fee of \$675,000.

As discussed in Note 4, the Commission entered into, and later amended, the “Agreement with the County, the City and the CRA of the City to develop a Technology Park in downtown Pensacola”. Under the amended agreement, the City and County have a right of re-entry on the property if the Commission does not sell at least one lot or enter into a long-term lease, not less than 15 years in duration, of at least one lot by September 6, 2016. As of September 30, 2020, the Commission has not yet sold or entered into a long-term lease for any of the Technology Park lots. However, neither the County nor the City had indicated that they will exercise their right of re-entry.

OTHER REPORTS

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Directors
Pensacola-Escambia County Promotion
and Development Commission
Pensacola, Florida

We have audited, in accordance with the 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, the financial statements of the Pensacola-Escambia County Promotion and Development Commission (the "Commission") as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements, and have issued our report thereon dated November 30, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Commission's internal control over financial reporting ("internal control") to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Board of Directors
Pensacola-Escambia County Promotion
and Development Commission

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Commission's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Pensacola, Florida
November 30, 2020

**INDEPENDENT ACCOUNTANT'S REPORT
ON COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES**

Board of Directors
Pensacola-Escambia County Promotion
And Development Commission
Pensacola, Florida

We have examined Pensacola-Escambia County Promotion and Development Commission's (the "Commission's") compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2020. Management is responsible for the Commission's compliance with those requirements. Our responsibility is to express an opinion on the Commission's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Commission's compliance with those requirements and performing such procedures as we considered necessary in the circumstances. We believe that our examination provided a reasonable basis for our opinion. Our examination does not provide a legal determination on the Commission's compliance with specified requirements.

In our opinion, the Commission complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2020.

This report is intended solely for the information and use of the Commission and the Auditor General, State of Florida, and is not intended to be and should not be used by anyone other than these specified parties.



Pensacola, Florida
November 30, 2020

MANAGEMENT LETTER

To the Board of Directors
Pensacola-Escambia County Promotion
and Development Commission
Pensacola, Florida

Report on the Financial Statements

We have audited the financial statements of the Pensacola-Escambia County Promotion and Development Commission (the “Commission”), as of and for the fiscal year ended September 30, 2020, and have issued our report thereon dated November 30, 2020.

Auditor’s Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Other Reporting Requirements

We have issued our Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in this report, which is dated November 30, 2020, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no findings and recommendations made in the preceding annual financial audit report.

Board of Directors
Pensacola-Escambia County Promotion
and Development Commission

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The official title for the Pensacola-Escambia County Promotion and Development Commission is disclosed in the notes to the financial statements. The Pensacola-Escambia County Promotion and Development Commission was established by Chapters 67-1365 and 89-481, Laws of Florida. There are no component units.

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the Commission has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the Commission did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Section 10.554(1)(i)5.c. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the Commission. It is management's responsibility to monitor the Commission's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Board of Directors, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.



Pensacola, Florida
November 30, 2020

Exhibit 2



LIFT, delivering the training, is a 501c3 public-private partnership established in 2014 and created to develop and deploy advanced materials and manufacturing process technologies and the workforce that supports these technologies. LIFT is also known by its parent organization name: American Lightweight Materials Manufacturing Innovation Institute (ALMMI). From its inception, LIFT, its members, and partners have accepted that in addition to accelerating technology critical to manufacturing and US national security, that a critical part of the Institute's core mission is the development of an educated and skilled workforce, competent and confident in deploying the new technologies and processes being developed across the nation. In 2014 LIFT was funded in large part by the MEDC and in continued collaboration was recently funded to launch Digital Twin technology to boost small and medium manufacturer adoption of advanced manufacturing technologies to help push Michigan into the forefront of Industry 4.0 technology growth. Now heralded on the MEDC's website as one of three foundational innovation partners in Industry 4.0, this proposal marks the next step LIFT is taking to train the talent needed to implement and grow these advanced manufacturing technologies in local and regional companies and small businesses. This talent development works in concert with technological development in the LIFT 100,000 sq. ft. high bay in Corktown. This program is supported by Nigel Francis, CEO & Executive Director, and Kevin Kerrigan, Vice President of Business Development of LIFT.

LIFT provides learning resources and training for the entire continuum of talent development – from grade 9 through life long – learners. The **LIFT Learning Lab**, located at the LIFT headquarters in the Corktown neighborhood of Detroit, is a state-of-the-art interactive learning facility that delivers four main talent development programs: 1) Skilled Trades training; 2) IGNITE, and 3) Operation Next military, and 4) Operation Next civilian. All training is nationally accredited and certificated.

LIFT Skilled Trades Programs offer Skilled Trades training developed to align with federal data targeting key areas of job growth in the coming decade. In this way LIFT Skilled Trades programs present a manufacturing futures curriculum approach. These industry standards-based, nationally portable credentials integrate Michigan Common Core with local and national Common Employability Skills and equip individuals with the skills and competencies needed to pursue certificates, degrees and secure jobs in advanced manufacturing at strong wages with advancement potential. Program details are provided below.

IGNITE: Mastering Manufacturing Curriculum is a three-year foundational competency model for the “multi-skilled technician” needed in today's workplace. It delivers 390 hours of engineering fundamentals skills training program for grades 9-12. Students graduate with a foundation in Materials Science and Introduction to Manufacturing, Advanced Manufacturing Systems 1 and Advanced Manufacturing Systems 2. **Operation Next** is an innovative training and credentialing program that provides a blended learning curriculum to active-duty soldiers within their last six months of service. The program enables the individual participants to earn one or

Exhibit 2

more nationally portable, standards-based, industry-recognized credentials in high-demand manufacturing fields, including: CNC Operation, Industrial Technology Maintenance, Welding and Robotics. After successfully completing a pilot at Ft. Campbell, KY, graduation 120 servicemen and women, the Department of Defense provided LIFT with funding to expand the program to 10 more bases across the country.

Already active in addressing COVID-19 job losses, LIFT received **CARES Act funding** from the National Institute of Science and Technology (NIST) for adapting Operation Next delivered to military personnel for civilians impacted by the COVID-19 pandemic. **Operation Next Civilian** funded by NIST mirrors the Operation Next program but is offered to civilians and delivered through locations in Detroit and Pittsburgh.

LIFT Learning Lab talent development programs served 674 individuals in the past year. 75% of these participants were African American, 9% were Caucasian, 2% were of Asian or Pacific Islander, 8% were Latino, 3% were Indian, 2% were Middle Eastern and less than 1% were mixed ethnicity. The overall LIFT audience is 71% male to 29% female. Our education and training audiences are lower to lower-middle income range and we are expanding outreach to further diversify our audiences as active diversity in industry Midwestern cohort participants in the **Industry and Inclusion 4.0 initiative led by the Century Foundation**. LIFT hosts more than 5000 visitors annually which is slated to nearly double due to Platinum member onsite participation in 2021-2022 and each year becomes a stronger Michigan business development asset.

LIFT Training program credentials are as follows:

CNC Operator training is certified by the **National Institute of Metalworking Skills' (NIMS)** and trains participants to perform on computer-controlled machines or robots to produce or modify machined parts.

Hours: Online/Theory Hours: 142
Hands-On Hours: 144
Total Hours: 286

Industrial Technology Maintenance training is certified by the **National Institute of Metalworking Skills' (NIMS)** and trains participants to keep machines in working order by detecting and correcting errors before the machine or its products are damaged. There is a mechanical and electrical module in this course.

Mechanical Hours: Online/Theory Hours: 201
Hands-On Hours: 201
Total Hours: 402

Electrical Hours: Online/Theory Hours: 236
Hands-On Hours: 234
Total Hours: 470

Exhibit 2

Welding training is certified by the **American Welding Society's (AWS) SENSE Level I** and is a curriculum aligned to AWS national credentials combined with virtual and hands-on welding training equipment is in the LIFT High Bay to address the critical skills gap in welding. It offers Shielded Metal Arc Welding (MMA), Gas Metal Arc Welding (MIG), Flux Core Arc Welding and Gas Tungsten Arc Welding (TIG).

Common Online/Theory Hours: 39

Common Hands-On Hours: 59

Total Hours: 98 Plus, average hours *per each process*:

Online/Theory Hours: 12

Hands-On Hours: 110

Total Hours: 117

Robotics Technician training is certified by **Smart Automation Certification Alliance (SACA)** and trains participants to build, install, test, or maintain robotic equipment or related automated production systems.

Online/Theory Hours: 190

Hands-On Hours: 365

Total Hours: 555

Urgency for change and mission: The 21st Century global economy demands a workforce with an education beyond high school.

- By 2020, 65% of all jobs will require postsecondary education and training, yet only 47.6% of Americans have completed such credentials
- In Michigan, 45% of adults have attained postsecondary degrees and in Wayne county, 32.9% have attained degrees
- In Detroit, 21.4% of residents have earned an associate degree or higher
- 14.2% have earned a bachelor's degree or higher

These training programs support MEDC's focus on regional impact industries to create long-term economic opportunities for all Michiganders to position Michigan at the leading edge of economic development in the nation, specifically through the **establishment of an Industry 4.0 trained regional workforce**. These programs help the MEDC's advance long-term economic prosperity for Michiganders by investing in communities, enabling the growth of good jobs and thereby promoting Michigan's strong image worldwide. Because these training programs lead to jobs that fall into national and state declared jobs need categories and also answer the call from the **Department of Defense skills needs**, these programs will promote Michigan's economy as one of the nation's fastest growing, most equitable and most resilient by boosting job growth in targeted sectors, ensuring equitable job growth through the low and middle income 51% requirement, and grow real median household income because of average high wage

Exhibit 2

attainment in these technological fields. This workforce infusion will promote sustainable long-term growth and stabilize the region against economic downturn hazards and impact the city and county through economic improvement. The MEDC will serve the customer base by being able to provide highly skilled talent for businesses to perform their work, meet and exceed their goals and **move into new technology adoption with confidence and support from a trained expert technical staff**. These programs and their graduates will help Michigan attract, retain and support businesses and foster high wage skills growth. This influx of talent development will promote and strengthen the ecosystem that enables more entrepreneurship, commercialization and new business creation promoting Michigan's image as a world-class business and travel location and therefore a great place to live and invest. MEDC Focus Industries enlivened by this training activity are **mobility and automotive manufacturing, engineering, design and development, advanced manufacturing, and technology**.

LIFT Talent Interest Group

LIFT's mission is to cultivate growth and exchange within a dynamic government, industry and academic partnership ecosystem. At present the Institute is connecting and convening more than 300 member companies and organizations many of which are actively seeking skilled talent to help them attain their technical and production goals. Kevin Kerrigan, LIFT Vice President of Business Development leads one of two critical road mapping groups within LIFT dedicated to steering LIFT's mission in Talent Development. Not only is the group energized and ready to support these trainees in locating jobs, but it is a membership benefit that these companies receive first right of access to invite LIFT program trainees to hire. The group is further incentivized to help workers complete this last mile because their technology and productivity rely on it. For this reason, the LIFT Membership ecosystem will come to play a large role in connecting trainees to well-paid advanced technology jobs. Whether these companies have local or national locations the collective brain trust and connectivity is contributing to innovative marketing and human resource approaches to training and job placement. The **LIFT Talent Interest Group** company roster includes the following Silver, Gold and Platinum members:

Altair	Detroit Engineered	Hexagon / MSC
Aluminum Extruders	Products	Kearney, Inc
Council	EATON Corporation	Lockheed Martin
Amatrol	Eck Industries, Inc.	Manufacturing Technology
Boeing	ESI NA	Inc
Carpenter Technology	Foley & Lardner	North American Die Casting
Corporation	General Dynamics Land	Association (NADCA)
CompuTherm	Systems - GDLS	Raytheon Technologies
DANTE Solutions, Inc.	General Electric	Corporation
DataTech Cafe	GKN Aerospace	Siemens Industry Software



**BOARD OF COUNTY COMMISSIONERS
ESCAMBIA COUNTY, FLORIDA**

MEETING DATE: 6/16/2022

DEPARTMENT: District 1 (Commissioner Office)

ITEM ID: 2022-6027

ITEM TYPE: Technical/Public Service Consent

FROM: Commissioner Jeff Bergosh

SUBJECT: Recommendation Concerning a Letter of Support for the Pensacola-Escambia Promotion and Development Commission Triumph Gulf Coast Application for Project LASER - Commissioner Jeff Bergosh, District 1

RECOMMENDATION/REQUIRED ACTION:

That the Board approve and authorize the Chairman to sign the letter of support for the Pensacola-Escambia Promotion and Development Commission (PEDC) Triumph Gulf Coast Application for Project LASER.

BACKGROUND SUMMARY:

Project LASER, a Department of Defense national manufacturing research innovation institute, is considering Escambia County for major capital investment and the creation of 50 new highly-skilled manufacturing technology jobs, with an average annual salary of \$53,556, which is 15% higher than the current 2022 Pensacola MSA average of \$46,570.

FISCAL IMPACT: N/A

LEGAL CONSIDERATIONS/SIGN-OFF:

N/A

POLICY/REQUIREMENT FOR BOARD ACTION:

N/A

IMPLEMENTATION/COORDINATION:

Upon Board approval, the District 1 Office will submit the letter of support to the Pensacola-Escambia Promotion and Development Commission.

ATTACHMENTS:

1. Project LASER Letter of Support
-

BOARD OF COUNTY COMMISSIONERS ESCAMBIA COUNTY, FLORIDA



Jeff Bergosh
District One
Douglas B. Underhill
District Two
Lumon May
District Three
Robert D. Bender
District Four
Steven Barry
District Five

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June 16, 2022

Mr. Lewis Bear, Chairman
Pensacola-Escambia Promotion and Development Commission
3 West Garden Street, Suite 618
Pensacola, FL 32502

Dear Mr. Bear,

The purpose of this letter is to document the support of Escambia County Board of County (PEDC) Commissioners for PEDC's Triumph Gulf Coast application for Project LASER, as a Department of Defense national manufacturing research innovation institute and public-private partnership between government, industry, and academia. Project LASER is considering Escambia County for major capital investment and the creation of 50 new jobs with an average annual salary of \$53,556 which is 15% higher than the current 2022 Pensacola MSA average of \$46,570.

Moreover, we support PEDC's partnership with Pensacola State College and Space Florida, in establishing a 50,000 square foot Florida Center for Smarter Manufacturing, to accelerate advanced manufacturing capabilities in Northwest Florida. We believe Escambia County would be an excellent location for this important, competitive economic development project. We support the transformational qualities of the center's capability to bring the next generation of artificial intelligence and machine learning (AI/ML), human intelligence, automation, robotics, and digital manufacturing systems. This will strengthen, diversify, and expand the tax base of Escambia County.

The infusion of significant capital investment in our community helps to further stimulate the economy of Escambia County, Northwest Florida. Project LASER will increase employment with highly skilled and technical aspects of manufacturing technology jobs, which greatly assists in the positive recovery from the BP oil spill, natural disasters and Covid-19 – all of which have negatively impacted our community and regionally.

Therefore, we strongly encourage the Triumph Gulf Coast Board's approval of Project LASER, as an important economic development project for Escambia County and the surrounding area.

Sincerely,

Jeff Bergosh
Chairman

CHAPTER 2019-177

Committee Substitute for
Committee Substitute for House Bill No. 1067

An act relating to the Pensacola-Escambia Promotion and Development Commission, Escambia County; amending ch. 67-1365, Laws of Florida, as amended; revising the short title; revising definitions; providing for a change in the membership structure of the Pensacola-Escambia Promotion and Development Commission; providing an effective date.

Be It Enacted by the Legislature of the State of Florida:

Section 1. Sections 1 through 6 of chapter 67-1365, Laws of Florida, as amended by chapters 89-481, 89-443, and 86-449, Laws of Florida, are amended to read:

Section 1. Short Title. This act may be cited as the “Pensacola-Escambia County Promotion and Development Commission Act.”

Section 2. Definitions. When used in this act the following words and terms, unless a different meaning appears clearly from the context, shall have the following meanings:

(1) “Commission” shall mean the Pensacola-Escambia Promotion and Development Commission created by this act.

(2) “Promotion” shall be deemed to mean the promotion of the advantages of Escambia County and all municipalities therein, (including that portion of Santa Rosa Island under the jurisdiction of the Santa Rosa Island Authority ~~or its successor~~), and the promotion and development of industrial, ~~tourist~~, and commercial attributes and facilities of said area including the promotion of conventions, convention facilities and visitors to said area and also encompassing the dissemination of information with reference to the foregoing through the media of advertising, personal contact and such other activities as are deemed customary to the sound development and promotion of an area.

(3) “Appointing Authority” shall be deemed to mean that body whose duty it is to appoint specific members of the Commission.

(4) “Development” shall be deemed to mean the improvement of the County of Escambia and all municipalities therein (including that portion of Santa Rosa Island under the jurisdiction of the Santa Rosa Island Authority) or its successor through economic development, job creation, workforce development the increase of employment opportunities, enhancement of the economic environment, expansion of the tax base, enticement of industry and other business to the area, and acquisition, lease and construction of facilities for such purposes within the subject area.

Section 3. For the purpose of performing such acts as shall be necessary for the sound Promotion and Development (as those terms have heretofore been defined) of Escambia County, there is created a body corporate and politic to be known as the Pensacola-Escambia County Promotion and Development Commission, which shall be deemed to be a public corporation by that name, and which body may contract and be contracted with and sue and be sued in all courts of law and equity.

Section 4. The Commission shall be composed of nine (9) members each of whom shall be either the owner of a real property interest located in Escambia County, a freeholder and a resident qualified elector of Escambia County, or the owner or shareholder of a business located in Escambia County. The Commission shall consist of the following:

(1) Two ~~(2)~~ members shall be Commissioners of Escambia County who shall be appointed by the Board of County Commissioners of Escambia County.

~~(2) Two (2) members shall be Councilmen of the City of Pensacola City Council members who shall be appointed by the Pensacola City Council of the City of Pensacola.~~

~~(3) One (1) member shall be either a member of the Century Town Council or the Mayor of the Town of Century and who shall be appointed by the Century Town to serve on the Commission by the Council of the Town of Century. One member shall be the president of the Pensacola Area Chamber of Commerce. One member, to be appointed by the president of the Pensacola Area Chamber of Commerce, shall be the chairman of the Committee of 100 or the chairman of the Tourist Advisory Council. One member at large shall be appointed by the Board of County Commissioners of Escambia County.~~

~~(4) Two (2) members at large, one member at large of which shall be appointed by the Board of County Commissioners of Escambia County and one of which shall be appointed by the Pensacola City Council of the City of Pensacola.~~

~~(5) Two (2) members shall be recognized leaders appointed by Florida-West Economic Development Alliance (or its successor as recognized by the Commission).~~

~~(2)The term of office of each of the members, excepting those holding specific offices, shall be for a period term of two (2) 2 years, which shall be staggered such that the appointments of three (3) Commission members occur each; except initial appointments for one member of the Board of County Commissioners and one member of the Pensacola City Council shall be for 1 year.~~

Section 5. The Commission shall elect ~~from its membership at its organizational meeting, and annually thereafter,~~ a Chair Chairman, Vice-Chairman, and Secretary-Treasurer.

Section 6. Quorum; transaction of business. Any five (5) members of the Commission shall constitute a quorum for the transaction of the ordinary business of the Commission. No business shall be transacted except at regularly and specially called meetings and when duly recorded in the Minutes thereof. Each Commissioner is expected to attend the Commission meetings.

Section 2. This act shall take effect upon becoming a law.

Approved by the Governor May 23, 2019.

Filed in Office Secretary of State May 23, 2019.