

Application Score Sheet

Proposed Project: Escambia Board of County Commissioners, OLF-8, Phase I Infrastructure (290)

Proposed Project/Program County: Escambia

Board of County Commission Support: Yes

Total Projected Project Cost: \$56,003,747

Match Provided: \$41,803,747

Triumph Funds Requested: Up to \$14,200,000

Triumph Funds Recommended by Staff: Up to \$14,200,000

Score: A

ROI: \$19.0 in additional personal income per Triumph Gulf Coast dollar requested

Economic Analysis, Impact and Score

Escambia County seeks to make infrastructure improvements to a new industrial park located at the former Outer Landing Field 8 (OLF-8) that is located on Hwy 90 immediately west of Navy Federal Credit Union. The project will install a roadway, water and sewer, and drainage running from South to North on the East side of the site. It is envisioned that this location be the site for substantial private sector investment and associated net new jobs.

The Triumph request of up to \$14.2 million represents 25.4 percent of the \$56 million total project cost, including both the Triumph funded roadway and related improvements, private sector capital investment of \$40 million, and \$1.8 million in County land acquisition expenditures. Following on the model of the Santa Rosa Milton Interchange Industrial Park, Escambia County will put up the first \$3 million in cash into the project and improvements, with this money being reimbursed by Triumph when construction has begun on the \$40 million in private sector infrastructure. The Escambia BOCC will hold the associated proportional clawback based on creation of a minimum of 338 jobs each paying 115% or more of the EFI-specified average wage for the two-county metro area. There is a four-year job ramp-up period, followed by a three year job maintenance period, following the substantial completion of roadway infrastructure. The roadway and related improvements will be owned by Escambia County.

The Triumph-funded elements include the road and drainage, retention pond(s), landscaping, reconfiguration of intersection with 9 Mile Road (Hwy 90), a traffic signal at 9 Mile Road, 16-inch water main along the roadway, gravity sewer line along the roadway, contingency of 20% of construction cost, design and engineering of 10% of construction cost, and construction inspection services of 15% of construction cost. Any unexpended balance will be retained by Triumph – staff note that the proposed expenditures for contingency, design and engineering, and construction inspection services are likely to come in below budget, resulting in savings for Triumph.

For a job guarantee of 338 jobs and an award amount of \$14,200,000, the cost per direct job to Triumph Gulf Coast is \$42,012. This is somewhat higher than the average cost per job for higher wage jobs relative to other infrastructure programs approved for potential funding by the Board.

It is expected that the increment to personal income in the region attributable to the project will be as much as \$270 million over a 10-year job maintenance period following completion of the improvements and associated employment ramp-up. This represents \$19.0 in additional personal income per Triumph Gulf Coast dollar requested.

For these reasons, staff score this program as a “A.”

Project Summary (based on information provided by the applicant)

Escambia Board of County Commissioners are requesting up to \$14,200,000 in Triumph funds for site improvements at the OLF-8 Commerce Park site. The grant funds would be used for the first phase of needed infrastructure including the design and construction of an approximately internal 1.2 miles north-south road, water/sewer infrastructure and storm water site improvements. The site is zoned for light industrial activities but is currently inaccessible to potential tenants.

The OLF-8 Commerce Park site location is extremely advantageous for advanced manufacturing and supply chain distribution companies looking for close proximity to Interstate-10. The OLF-8 Phase I infrastructure improvements will address the need for ready to go industrial site inventory for competitive manufacturing and supply chain target industry sector projects.

Extreme competition exists for companies in choosing suitable sites to locate new facilities. Escambia County's direct competition includes shovel-ready sites available across the state line in Alabama and with other southeastern states including Georgia, Texas, South Carolina, and Tennessee. The lack of existing available, modern inventory of 50,000, 100,000 to 250,000 SF sized facilities with proximity to the interstate hampers the region's ability to attract manufacturing projects.

This grant will enable initial development of Project Sapphire, a 125,000 SF- 250,000 SF multi-use manufacturing/ warehouse project on 43 acres within OLF-8. Including Project Sapphire, working with FloridaWest EDA and the PEDC, the county is committing to \$40,000,000 in private sector capital investment at the site and the creation of more than 338 new target sector high wage jobs, with average wages of \$53,556 (115% of the 2022 Pensacola MSA average wage).

Recognizing the need to acquire land for future development, in 2013 Escambia County instituted a complicated land exchange process with the U.S. Navy to acquire OLF-8. Special congressional legislation through the National Defense Authorization Act (NDAA) took place in 2015 and culminated with the land exchange agreement signed in June 2016 between the U.S. Navy and Escambia County, Florida. The subsequent conversion of the former OLF-8 training site in Escambia County, adjacent to the 10,000 job Navy Federal Credit Union (NFCU) campus

will be developed into a mixed- use community with dedicated new business attraction, existing business expansion, and job creation industrial sites.

The Escambia County OLF-8 Phase I Infrastructure project directly aligns with Escambia County, Northwest Florida, and Florida's leading Target Industry attraction and retention and quality job growth goals. According to the Northwest Florida Forward: A Regional Strategy for Economic Transformation, developed by TIP Strategies and the Haas Center (2017), there are five identified target industry clusters for Northwest Florida that, "will transform the region if successfully developed through business recruitment, retention, expansion, and entrepreneurial support ." These five industry sectors include: Aerospace and Defense, Financial Services, Water Transportation, Cybersecurity and Advanced Manufacturing. Further 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 a number of 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 combined \$49,676 total average wage across all industry sectors in the Pensacola MSA is well below the national annual average of \$66,637. The largest concentration of lower wage employment in the Pensacola MSA area is within retail trade, accommodation and food services sectors, which combined makes up almost 25% of total employment. Although manufacturing accounts for a substantially smaller 3.78% of existing jobs, manufacturing ranks in the top five highest wage levels present and outpaces many other sector wages throughout the region.

Manufacturing is a primary target sector, highly sought for its ability to positively impact economic growth and raise the standard of living. This project's investment is intended to induce the growth manufacturing jobs and the affiliated export of the products manufactured in the region. Advanced manufacturing provides diversified employment opportunities and helps distribute additional demand for goods and services across a wide variety of sectors, which also supports quicker economic recovery in times of turmoil as with the BP oil spill, natural disasters, and the global Covid-19 occurrences.

Budget and Funding attached

Exhibit A
#290 OLF-8

Budget

Estimated construction start date if applicable

Estimated education component start date if applicable

		Construction	Land/OLFX	Private Cap EX	Project Mgmt	Total
Please change year # to actual year						
Project Total						
2022			1,803,747.00		-	1,803,747.00
2023		1,000,000.00	-	-	-	1,000,000.00
2024		13,000,000.00	-	-	-	13,000,000.00
2025		200,000.00	-	-	-	200,000.00
2026		-	-	-	-	-
2027		-	-	-	-	-
2028		-	-	40,000,000.00	-	40,000,000.00
Calendar Year 8		-	-	-	-	-
Calendar Year 9		-	-	-	-	-
Calendar Year 10		-	-	-	-	-
Calendar Year 11		-	-	-	-	-
Calendar Year 12		-	-	-	-	-
Project Total		14,200,000.00	1,803,747.00	40,000,000.00	-	56,003,747.00

Triumph						
2022						-
2023		1,000,000.00				1,000,000.00
2024		10,200,000.00				10,200,000.00
2025		3,000,000.00				3,000,000.00
2026						-
2027						-
2028						-
Calendar Year 8						-
Calendar Year 9						-
Calendar Year 10						-
Calendar Year 11						-
Calendar Year 12						-
Triumph Total		14,200,000.00	-	-	-	14,200,000.00

Grantee						
20XX			1,803,747.00			1,803,747.00
2023						-
2024						-
2025						-
2026						-
Calendar Year 6						-
Calendar Year 7						-
Calendar Year 8						-
Calendar Year 9						-
Calendar Year 10						-
Calendar Year 11						-
Calendar Year 12						-
Grantee Total		-	1,803,747.00	-	-	1,803,747.00

PROJECT SAPPHIRE						
20XX						-
2023						-
2024						-
2025						-
2026						-
2027						-
2028				40,000,000.00		40,000,000.00
Calendar Year 8						-
Calendar Year 9						-
Calendar Year 10						-

Calendar Year 11					-
Calendar Year 12					-
Match Source 1 Total	-	-	40,000,000.00	-	40,000,000.00

Match Source 2					
Calendar Year 1					-
Calendar Year 2					-
Calendar Year 3					-
Calendar Year 4					-
Calendar Year 5					-
Calendar Year 6					-
Calendar Year 7					-
Calendar Year 8					-
Calendar Year 9					-
Calendar Year 10					-
Calendar Year 11					-
Calendar Year 12					-
Match Source 2 Total	-	-	-	-	-

Cost estimates:

1. Road and Drainage
2. Pond
3. Landscaping
4. 9 Mile Intersection Lane Reconfiguration
5. Traffic Signal at 9 Mile
6. 16-inch water main along roadway (1.2 miles)
7. Gravity sewer line along roadway (1.2 miles)
8. Contingency (20% of construction cost)
9. Design and Engineering (10% of construction cost)
10. CEI – Construction Inspection Services (15%)

Total Estimate/TRIUMPH Request

County Match

Property Purchase

Project Management/Indirect (10%)

\$	4,800,000
\$	2,000,000
\$	250,000
\$	250,000
\$	400,000
\$	1,300,000
\$	700,000
\$	2,000,000
\$	1,000,000
\$	1,500,000
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\$	14,200,000

County Match

\$	1,803,747
\$	1,420,000
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\$	3,223,747