

Triumph Gulf Coast, Inc. Trust Fund Application for Funds

Proposal Instructions: The Triumph Gulf Coast, Inc. Trust Fund Grant Application (this document) must be completed by the entity applying for the grant and signed, as applicable, by either the individual applying for funds, an individual authorized to bind the entity applying for funds, a chief elected official, the administrator for the governmental entity or their designee. Please read the Application carefully as some questions may require a separate narrative to be completed. In addition, please complete all Addendums that may be applicable to the proposed project or program.

Triumph Gulf Coast, Inc. will make awards from available funds to projects or programs that meet the priorities for economic recovery, diversification, and enhancement of the disproportionately affected counties. Triumph Gulf Coast, Inc. may make awards for:

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

Pursuant to Florida Law, Triumph Gulf Coast, Inc. will provide priority consideration to Applications for projects or programs that:

- Generate maximum estimated economic benefits, based on tools and models not generally employed by economic input-output analyses, including cost-benefit, return-on-investment, or dynamic scoring techniques to determine how the long-term economic growth potential of the disproportionately affected counties may be enhanced by the investment.
- Increase household income in the disproportionately affected counties above national average household income.
- Leverage or further enhance key regional assets, including educational institutions, research facilities, and military bases.
- Partner with local governments to provide funds, infrastructure, land, or other assistance for the project.
- Benefit the environment, in addition to the economy.
- Provide outcome measures.
- Partner with K-20 educational institutions or school districts located within the disproportionately affected counties as of January 1, 2017.
- Are recommended by the board of county commissioners of the county in which the project or program will be located.
- Partner with convention and visitor bureaus, tourist development councils, or chambers of commerce located within the disproportionately affected counties.

Additionally, the Board of Triumph Gulf Coast, Inc. may provide discretionary priority to consideration of Applications for projects and programs that:

- Are considered transformational for the future of the Northwest Florida region.
- May be consummated quickly and efficiently.
- Promote net-new jobs in the private sector with an income above regional average household income.
- Align with Northwest Florida FORWARD, the regional strategic initiative for Northwest Florida economic transformation.
- Create net-new jobs in targeted industries to include: aerospace and defense, financial services/shared services, water transportation, artificial intelligence, cybersecurity, information technology, manufacturing, and robotics.
- Promote industry cluster impact for unique targeted industries.
- Create net-new jobs with wages above national average wage (*e.g.*, similar to EFI QTI program, measured on graduated scale).
- Are located in Rural Area of Opportunity as defined by the State of Florida (DEO).
- Provide a wider regional impact versus solely local impact.
- Align with other similar programs across the regions for greater regional impact, and not be duplicative of other existing projects or programs.
- Enhance research and innovative technologies in the region.
- Enhance a targeted industry cluster or create a Center of Excellence unique to Northwest Florida.

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

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

Applicant Information

Name of Individual (if applying in individual capacity): _____

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

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

Federal Employer Identification Number: 59-6000842

Contact Information:

Primary Contact Information: Shannon Ogletree

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

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

Phone: 850-623-0174

Email: shannon@santarosa.fl.gov

Website: www.santarosaedo.com

Identify any co-applicants, partners, or other entities or organizations that will have a role in the proposed project or program and such partners proposed roles.

Santa Rosa County EDO has been working with the current property owner for over a year to coordinate delivery of a suitable industrial site to house a distribution and logistics center (380,000 sf) as part of regional expansion for private capital along Interstate 10. Funding this proposal provides the resources for acquisition, sewer extension, and satisfaction of improvement contingencies identified in the recruitment contract for the site along I-10 at Exit 26. Beyond satisfaction of the risk assessment this project meets Santa Rosa County's economic development resiliency and the regions branding goals by adding distribution capacity.

Total amount of funding requested from Triumph Gulf Coast: \$7,191,000.00

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

Yes No

If yes, please provide detailed information concerning the prior request for funding, including:

- the date the request/application for funding was made;
- the source to which the request/application for funding was made,
- the results of the request/application for funding, and
- projected or realized results and/or outcomes from prior funding.

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

The most recent audit of the county's financial status showed the county as financially sound.

In a separate attachment, please provide financial statements or information that details the financial status of the applicant and any co-applicants or partners.

Please see the county's financial statement in Attachment 1.

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

Yes No

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

Eligibility

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

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

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

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

Title: Bagdad Distribution Center Spec Building

Description: This project proposes the acquisition and improvement of approximately 45 acres of prime industrial property with frontage on Interstate 10 at Exit 26 in Santa Rosa County. Improvements include extending sewer to the site, mitigating/protecting any wetland features, and overall site improvements to deliver a site suitable for the construction of a 380,000 square foot distribution center. The county will own the land and manage the project through a development agreement with the private capital engaged on the project. Zoning contingencies have been met through the successful change from HCD Highway Commercial District to M1 Restricted Industrial.

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

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

Santa Rosa County has found this project to be one that does not have to be located within one of our existing or anticipated industrial parks and as such has been prioritized for placement on this individual site. Additionally, natural site features are seen by this project as amenities consistent with the developer's vision to integrate and minimize impacts to the environment. Santa Rosa County has recommended this site specifically to promote economic recovery, diversification, and enhancement of the disproportionately affected community of Bagdad with 72% of its elementary student population on free and reduced lunch.

- Number of Jobs: estimated 175
- Average Wage: estimated 41,900.00
- Capital Investment: approximate \$33,550,000.00

Please see Attachment 2 for Map.

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

(a) **Economic Recovery:** The Santa Rosa Board of County Commissioners has worked for years to bring higher paying jobs to the County. One of the most telling statistics of the county can be seen on the Northwest Florida FORWARD County Snapshots. The net inflow/outflow of commuters is largely outward from Santa Rosa County, which means workers are commuting outside the county to higher paying jobs. They are commuting to the metropolitan core areas of Pensacola or Fort Walton Beach or to Crestview. The downturn of the economy in 2008 and the Deepwater Horizon Oil Spill in 2010 both hit the county's economy very hard (unemployment rose from 2.8 in 2006 to 9.5 in 2010) because of the reliance on growth in the construction/housing industry and tourism for jobs and revenues. Funding acquisition of this site for the construction of a distribution center broadens the regions economic recovery by implementing diversification recommendations from regional economic development professionals. (Northwest Florida Forward, Feb. 2017, A Regional Strategy for Economic Transformation)

Consumer trends that were started prior to the pandemic such as the shift away from retail stores toward online shopping continue to accelerate creating a pressing need for strategically located distribution centers. As companies re-evaluate their supply chain, Santa Rosa County wants to be ready to accommodate their needs with this site.

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

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

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

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

Please see Attachment 3.

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

Please see Attachment 4.

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

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

6. Describe how the proposed project or program is sustainable. (Note: Sustainable means how the proposed project or program will remain financially viable and continue to perform in the long-term after Triumph Gulf Coast, Inc. funding.)

The Triumph funding will be used to purchase 45 acres of industrial zoned property and to construct the infrastructure for the site. The site layout maximizes the proximity to Interstate 10 running east/west sustaining access and visibility needed to create efficiencies which provide viability for the long term. Long term management and maintenance will be provided by the local jurisdiction through its Economic Development Office in partnership with the private equity financing the project and ultimately the tenant.

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

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

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

- X 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.
- X Increase household income in the disproportionately affected counties above national average household income.
- X 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.
- X Provide outcome measures.
Partner with K-20 educational institutions or school districts located within the disproportionately affected counties as of January 1, 2017.
- X Are recommended by the board of county commissioners of the county in which the project or program will be located.
Partner with convention and visitor bureaus, tourist development councils, or chambers of commerce located within the disproportionately affected counties.

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

Generate maximum estimated economic benefits, based on tools and models not generally employed by economic input-output analyses, including cost-benefit, return-on-investment, or dynamic scoring techniques to determine how the long-term economic growth potential of the disproportionately affected counties may be enhanced by the investment. **No longer Applicable. Our most recent guidance is Triumph's evaluation team will provide this modeling for use by the applicant and the Triumph Board of Directors.**

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

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

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

This project is compatible with and enhances the recent Triumph award to Pensacola State College for a truck driver training facility located just 9 miles away. The site is also 5 miles away from Pensacola State College's Milton Campus and 8 miles away from Locklin Technical College.

Provide outcome measures.

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

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

3. Please explain how the proposed project or program meets the discretionary priorities identified by the Board.
Please see Attachment 5.

4. In which of the eight disproportionately affected county/counties is the proposed project or program located? (Circle all that apply)
Escambia Santa Rosa Okaloosa Walton Bay Gulf Franklin Wakulla

5. Was this proposed project or program on a list of proposed projects and programs submitted to Triumph Gulf Coast, Inc., by one (or more) of the eight disproportionately affected Counties as a project and program located within its county?
Yes, Santa Rosa County.

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

The Santa Rosa County BOCC heard this project at the December 11, 2023 Committee Meeting.

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

Please see corresponding attachment 6, page 6, if approved

Approvals and Authority

1. If the Applicant is awarded grant funds based on this proposal, what approvals must be obtained before Applicant can execute an agreement with Triumph Gulf Coast, Inc.?

If awarded, the County Attorney will review a terms sheet offered by Triumph before developing an agreement that will be reviewed and presented to the BOCC. If approved the Chairman will be authorized to sign the agreement. No other approvals are needed.

2. If approval of a board, commission, council or other group is needed prior to execution of an agreement between the entity and Triumph Gulf Coast:
 - A. Provide the schedule of upcoming meetings for the group for a period of at least six months.
 - B. State whether that group can hold special meetings, and if so, upon how many days' notice.

The BOCC meets twice monthly and can hold special meetings with generally 7 days notice.

3. Describe the timeline for the proposed project or program if an award of funding is approved, including milestones that will be achieved following an award through completion of the proposed project or program.

If the project were awarded in February of 2024, the land acquisition, infrastructure improvements, and site readiness would be completed in 20 months: land acquisition 6 months; design/procurement of infrastructure improvements 8 months; construction up to 12 months including closeout. Company capital investment would be complete by Q3 2025.

4. Attach evidence that the undersigned has all necessary authority to execute this proposal on behalf of the entity applying for funding. This evidence may take a variety of forms, including but not limited to: a delegation of authority, citation to relevant laws or codes, policy documents, etc. In addition, please attach any support letters from partners. Please see Attachment 8 BOCC Authority.

Funding and Budget:

Pursuant to Section 288.8017, awards may not be used to finance 100 percent of any project or program. An awardee may not receive all of the funds available in any given year.

1. Identify the amount of funding sought from Triumph Gulf Coast, Inc. and the time period over which funding is requested. **7,500,000.00 in the first year**
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.) **12%**
3. Please describe the types and number of jobs expected from the proposed project or program and the expected average wage.
It is anticipated that this project will create 175 jobs in distribution/logistics with an average wage of at least 115% of the county average.
4. Does the potential award supplement but not supplant existing funding sources? If yes, describe how the potential award supplements existing funding sources.
The award does not supplant existing funding sources because no other funds have been identified at this point. It does supplement the investment/expenditures planned at 42 million in private capital.
5. Please provide a Project/Program Budget. Include all applicable costs and other funding sources available to support the proposal.

Project/Program Costs:

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

Construction	\$ <u>33,250,000.00</u>
Reconstruction	\$ <u>0</u>
Design & Engineering	\$ <u>300,000.00</u>
Land Acquisition	\$ <u>4,700,000.00</u>
Land Improvement	\$ <u>2,800,000.00</u>
Equipment	\$ <u>0</u>
Supplies	\$ <u>0</u>
Salaries	\$ <u>0</u>

Other (specify)	\$ _____
Total Project Costs:	\$ <u>41,050,000.00</u>

B. Other Project Funding Sources:

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

City/County	<u>\$309,000.00</u>	
Private Sources	\$ <u>33,550,000.00</u>	Capital Investment & Design
Other (e.g., grants, etc.)	\$ _____	
Total Other Funding	\$ _____	
Total Amount Requested:	\$ <u>7,191,000.00</u>	

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

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

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

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

Yes

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

Yes

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

Yes

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

Yes

ADDENDUM FOR INFRASTRUCTURE PROPOSALS:

1. Program Requirements

A. Is the infrastructure owned by the public?

Yes No

B. Is the infrastructure for public use or does it predominately benefit the public?

Yes No

C. Will the public infrastructure improvements be for the exclusive benefit of any private company?

Yes No

D. Provide a detailed explanation of how the public infrastructure improvements will connect to a broader economic development vision for the community and benefit additional current and future businesses.

Santa Rosa County since 2010 is one of the 10 fastest growing counties in Florida and within the top 5% of the fastest growing counties in the US. This project manifests both the local and regional economic development vision and opens up a new interstate exit as a flagship or anchor providing the platform for updated appraisal values converting the micro industrial market from unconventional to conventional. The demonstration of successful zoning modification on the parcel and increased values will bring adjacent properties forward for further evaluation and integration into the broader economic development vision for the greater Bagdad community.

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

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

2. Additional Information

A. Is this project an expansion of existing infrastructure project?

Yes

No

B. Provide the proposed beginning commencement date and number of days required
If the project were awarded in February of 2024, the land acquisition, infrastructure improvements, and site readiness would be completed in 20 months: land acquisition 6 months; design/procurement of infrastructure improvements 8 months; construction up to 12 months including closeout. Company capital investment would be complete by Q3 2025.

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

The Bagdad Distribution Center Spec Building is located at Interstate I-10 (Exit 26) in the unincorporated area of central Santa Rosa County.

Parcel id# 27-1N-28-0000-00104-0000

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

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

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

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

Detail whether required permits have been secured, and if not, detail the timeline for securing these permits. Additionally, if any required permits are local permits, will they be prioritized?

Permits have been secured.

- F. What is the future land use and zoning designation on the proposed site of the Infrastructure improvement, and will the improvements conform to those uses?

Future land use is Industrial. Zoning designation is M1 General Industrial District. Improvements will conform to the uses.

- G. Will an amendment to the local comprehensive plan or a development order be required on the site of the proposed project or on adjacent property to accommodate the infrastructure and potential current or future job creation opportunities? If yes, please detail the timeline

Yes No

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

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

Yes No

Match will be in the form of private company capital investment

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

I, the undersigned, do hereby certify that I have express authority to sign this proposal on my behalf or on behalf of the above-described entity, organization, or governmental entity:

Name of Applicant: Santa Rosa County BOCC _____

Name and Title of Authorized Representative: _____

Representative Signature: _____

Signature Date: _____

12/28/23draft

INDEPENDENT AUDITORS' REPORT

The Honorable Board of County Commissioners
Santa Rosa County, Florida

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Santa Rosa County, Florida, (hereinafter referred to as "County") as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County, as of September 30, 2022, and the respective changes in financial position, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County and to meet our ethical responsibilities, in accordance with the relevant ethical requirements relation to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that

includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparisons schedules for the general fund, road and bridge fund, and American rescue plan fund, local options sales tax fund, schedule of the County's proportionate share of the net pension liability, the schedule of the County's contributions, and schedule of changes in the County's total OPEB liability and related ratios, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual fund financial statements and individual budgetary schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 25, 2023 on our consideration of the County'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 County's internal control over financial reporting and compliance.

Warren Overett, LLC

Pensacola, Florida
April 25, 2023

The image features a high-contrast, black and white aerial photograph of a residential neighborhood. The houses are densely packed, and the overall scene is rendered in a stark, graphic style. A large, white, double-lined circle is superimposed over the center of the image, containing the title text. The background is a dark, textured gradient that transitions from the aerial view at the top to a solid dark area at the bottom.

**Management's
Discussion and
Analysis**

As management of Santa Rosa County (County), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended September 30, 2022. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 8-10 of this report.

Financial Highlights

- **The assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$302,474,117 (net position).** Of this amount, \$9,300,553 represents unrestricted net position, which may normally be used to meet the government's ongoing obligations to citizens and creditors. In the current year, the balance in unrestricted net position decreased primarily due to the changes in pension liability in accordance with Governmental Accounting Standards Board (GASB) Statement No. 68 as discussed in Note K as well as changes in the estimated liability for landfill closure.
- The County's total net position increased by \$28,350,894; governmental activities increased by \$20,925,241 and business-type activities increased by \$7,425,653. The increase in total net position was primarily due to increases in tax based revenues including sales taxes, property taxes and tourist taxes in the governmental activities, and in business-type activities, the increase primarily related to an increase in landfill revenues due to increased rates.
- At the close of the current fiscal year, the County governmental funds reported combined fund balances of \$97,702,059, a decrease of \$9,235,832 in comparison with the prior year. Approximately 43% of this amount (\$41,641,851) is available for spending at the government's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, unrestricted fund balance (the total of the committed, assigned, and unassigned components of fund balance) for the governmental funds were \$60,184,221, or approximately 56% of total general fund expenditures.
- The County's total outstanding long-term bonds and notes decreased by \$3,957,229 during the current fiscal year due to normal debt service principal reductions.

Overview Of The Financial Statements

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

Government-wide financial statements

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

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

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

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

The government-wide financial statements can be found on pages 32-34 of this report.

Fund financial statements

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

Governmental Funds

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

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

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

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

The basic governmental fund financial statements can be found on pages 35-40 of this report.

Proprietary Funds

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

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

The basic proprietary fund financial statements can be found on pages 41-43 of this report.

Fiduciary Funds

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

The County maintains thirteen custodial funds which report resources held by the County in a custodial capacity for individuals, private organizations and other governments.

The fiduciary fund financial statements can be found on page 45 of this report.

Notes to the financial statements

The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 48-75 of this report.

Other information

In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* concerning the County's progress in funding its obligation to provide pension and OPEB benefits to its employees. Required supplementary information can be found starting on page 77 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found starting on page 91 of this report.

Government-Wide Overall Financial Analysis

As noted earlier, net position over time, may serve as a useful indicator of a government's financial position. In the case of the County, assets and deferred outflows of resources exceeded liabilities plus deferred inflows by \$302.5 million as of September 30, 2022.

Santa Rosa County's Net Position

(in thousands)

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$ 152,443	\$ 149,008	\$ 52,462	\$ 44,538	\$ 204,905	\$ 193,546
Capital assets	273,341	240,946	34,174	30,617	307,515	271,563
Total assets	425,784	389,954	86,636	75,155	512,420	465,109
Deferred outflows of resources	29,367	22,400	1,192	934	30,559	23,334
Long-term liabilities outstanding	158,032	102,439	23,676	17,632	181,708	120,071
Other liabilities	49,176	35,100	1,750	1,376	50,926	36,476
Total liabilities	207,208	137,539	25,426	19,008	232,634	156,547
Deferred inflow of resources	7,606	55,403	266	2,370	7,872	57,773
Net position						
Net investment in capital assets	219,040	188,258	34,174	30,061	253,214	218,319
Restricted	37,058	40,642	2,902	3,394	39,960	44,036
Unrestricted (deficit)	(15,761)	(9,488)	25,061	21,256	9,300	11,768
Total net position	\$ 240,337	\$ 219,412	\$ 62,137	\$ 54,711	\$ 302,474	\$ 274,123

The largest portion of the County's net position (84%) reflects its investment in capital assets (e.g., land, buildings, equipment, improvements, construction in progress and infrastructure), less any related outstanding debt that was used to acquire those assets. The County uses these capital assets to provide a variety of services to its citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

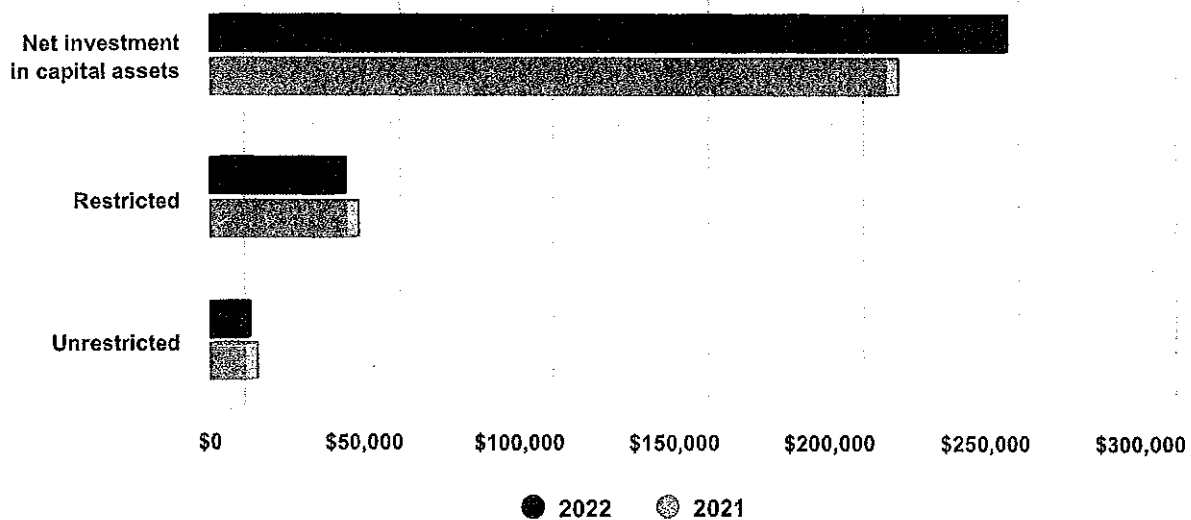
An additional portion of the County's net position (13%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$9,300,553 is unrestricted and may normally be used to meet the government's ongoing obligations to its citizens and creditors. The County's unrestricted net position decreased in the current year due in large part to the GASB Statement No. 68 adjustment in the amount of \$3,541,549 which requires the County to record an estimated liability and expense for potential future pension costs. The estimated liability and expense are based on the following assumptions:

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

See page 70 of this report which shows significant variations in the liability due to the discount rate assumptions.

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

**Santa Rosa County Net Position
September 30, 2022 and 2021**



However, the County's overall net position increased \$28,350,894 from operations. The reasons for this overall increase are discussed in the following sections for governmental activities and business-type activities.

Governmental Activities

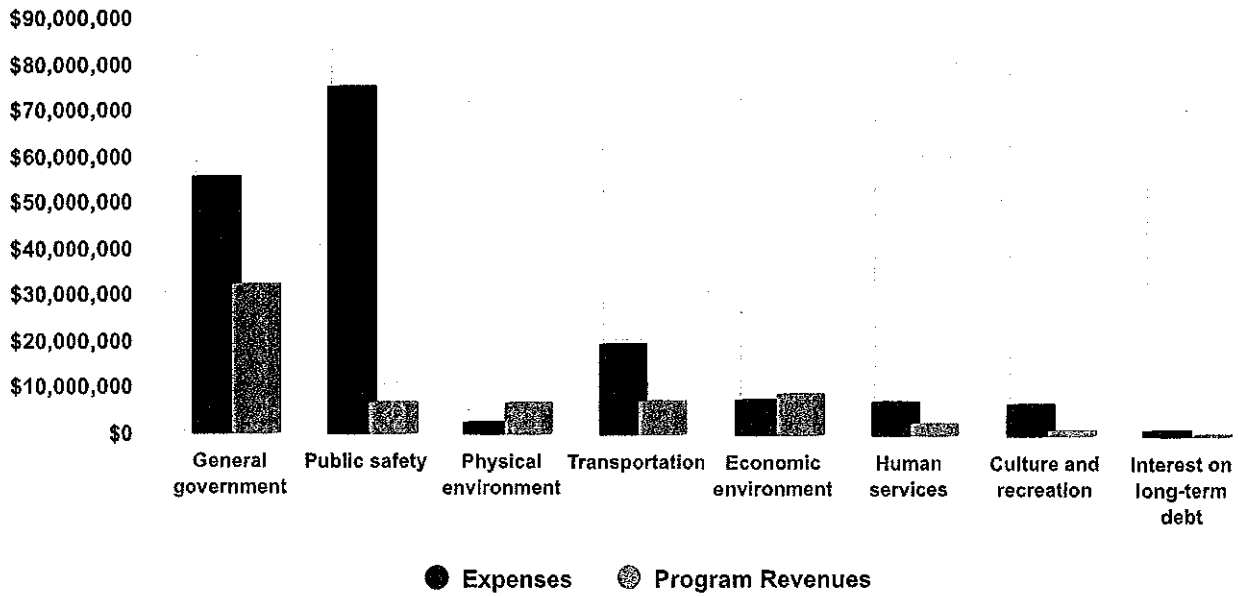
During the current fiscal year, net position for governmental activities increased \$20,925,241 from the prior fiscal year, leaving an ending net position of \$240,337,208. An increase in property tax revenue as a result of increased property values, an increase in sales tax revenues due to increased spending and inflation, and an increase in tourist tax revenue due to promotional activities were primarily responsible for the increase in net position of governmental activities. An increase in expenses related to increased estimated pension liability as discussed above, as well as unspent local option sales taxes due to budgeted infrastructure projects not being completed were also contributing factors.

Santa Rosa County's Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program revenues						
Charges for services	\$ 35,467	\$ 34,741	\$ 23,950	\$ 25,096	\$ 59,417	59,837
Operating grants & contributions	11,785	29,195	-	-	11,785	29,195
Capital grants & contributions	14,753	12,147	1,132	802	15,885	12,949
General revenues						
Property tax	72,946	65,623	-	-	72,946	65,623
Sales, use and fuel tax	29,509	25,981	-	-	29,509	25,981
Communications services	1,256	1,143	-	-	1,256	1,168
Grants and contributions	23,136	20,969	-	-	23,136	20,969
Investment earnings	743	139	(178)	38	565	177
Other	2,563	4,017	54	85	2,617	4,102
Total revenues	192,158	193,955	24,958	26,021	217,116	219,976
Expenses:						
General government	55,214	46,740	-	-	55,214	46,740
Public safety	74,527	74,023	-	-	74,527	74,023
Physical environment	2,048	2,887	-	-	2,048	2,887
Transportation	18,914	19,402	-	-	18,914	19,402
Economic environment	7,105	5,405	-	-	7,105	5,405
Human services	6,717	7,016	-	-	6,717	7,016
Culture and recreation	6,532	4,717	-	-	6,532	4,717
Interest on long term debt	894	716	-	-	894	716
Water and sewer	-	-	2,231	2,070	2,231	2,070
Inspections	-	-	3,298	2,403	3,298	2,403
Airport	-	-	1,716	548	1,716	548
Landfill	-	-	9,569	2,683	9,569	2,683
Total expenses	171,951	160,906	16,814	7,704	188,765	168,610
Increase in net position before transfers	20,207	33,050	8,144	18,316	28,351	51,366
Transfers	719	730	(719)	(730)	-	-
Change in net position	20,926	33,780	7,425	17,586	28,351	51,366
Net position, beg. of year	219,412	185,632	54,711	54,711	274,123	222,757
Net position, end of year	\$ 240,338	\$ 219,412	\$ 62,136	\$ 54,711	\$ 302,474	\$ 274,123

The following graph displays the Governmental Activities current program revenues and expenditures by function for fiscal year 2022.

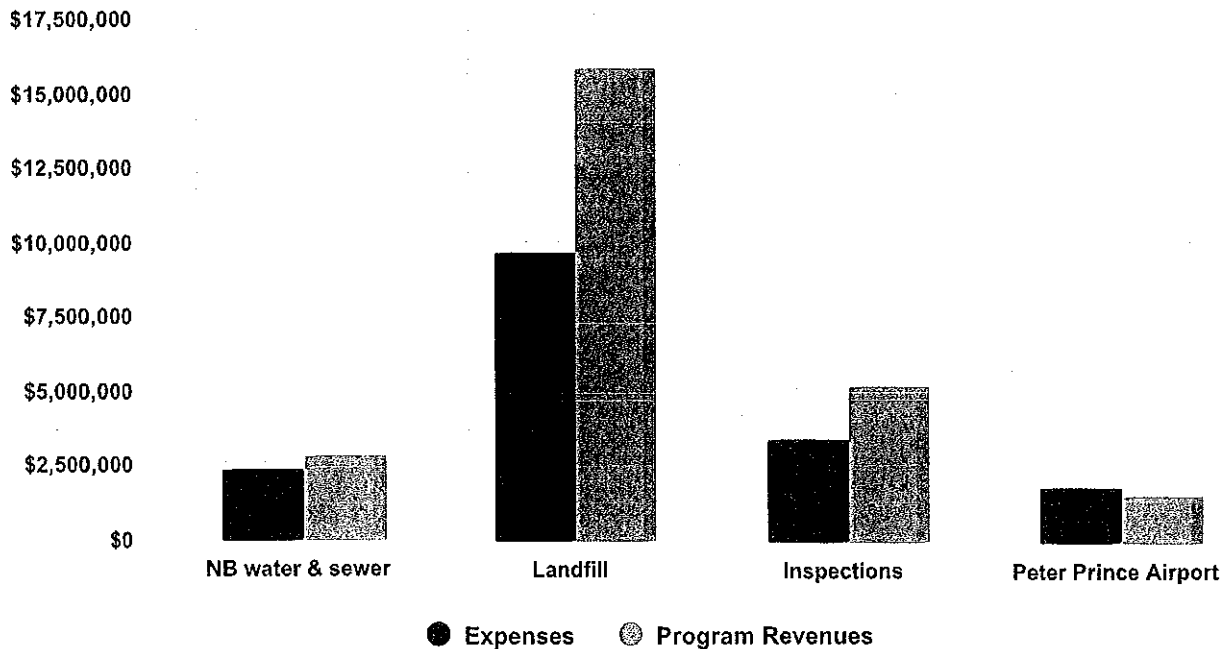
Expenses and Program Revenues - Governmental Activities



Business-type Activities

During the current fiscal year, net position for business-type activities increased \$7,425,653 from the prior fiscal year leaving an ending net position of \$62,136,909. The increase is attributable to increased landfill revenues due to increased rates accompanied by a significant transfer from the General Fund for the Regional Water Reuse System as well as capital contributions from capital grants at Peter Prince Field.

Expenses and Program Revenues - Business-Type Activities

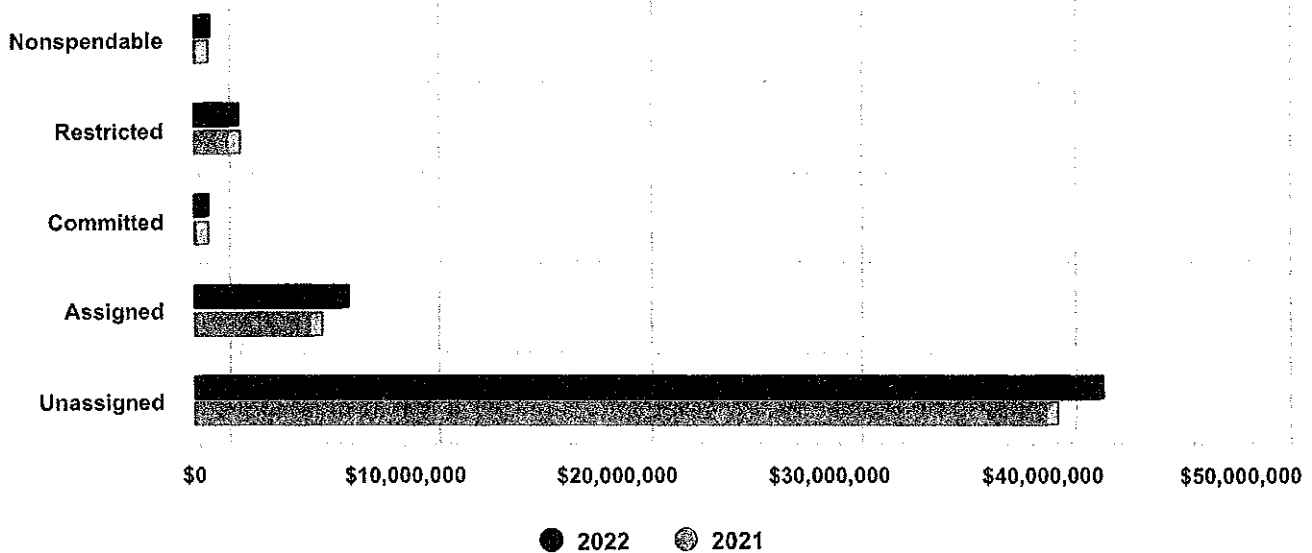


Financial Analysis of Governmental Funds

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

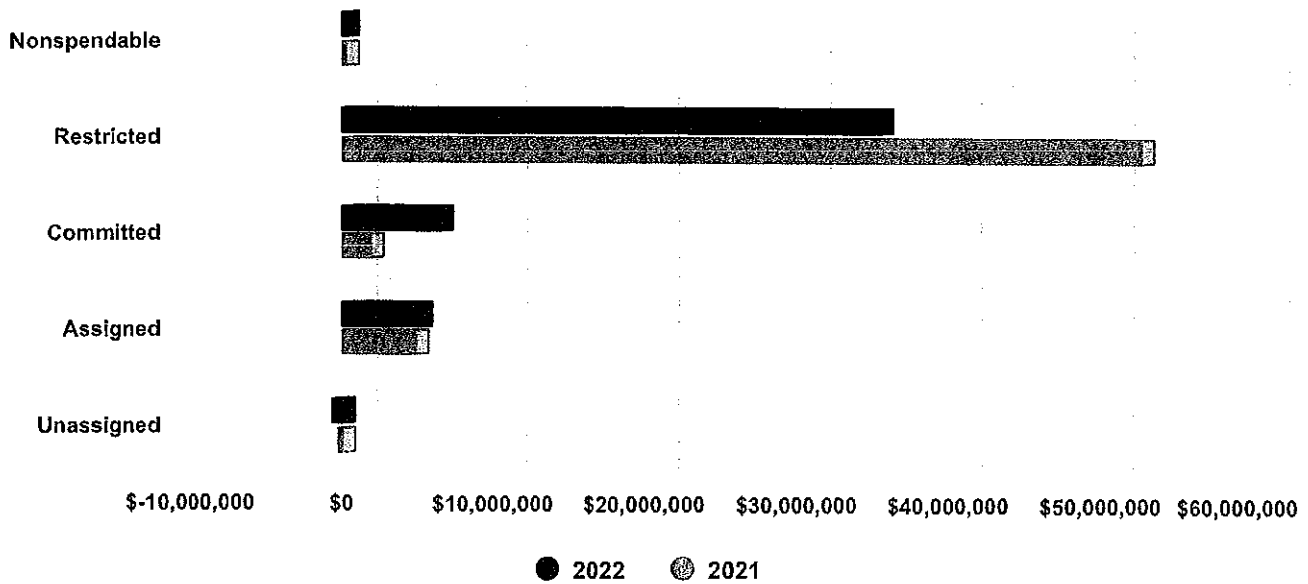
As of September 30, 2022, the County's governmental funds reported combined fund balances of \$97,702,059, a decrease of \$9,235,832 in comparison with the prior year. Approximately 43% of this amount (\$41,641,851) constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of the fund balance is either nonspendable, restricted, committed, or assigned to indicate that it is 1) not in spendable form (\$460,076), 2) restricted for particular purposes (\$37,057,762), 3) committed for particular purposes (\$6,610,567), or 4) assigned for particular purposes (\$11,931,803).

**General Fund
Components of Fund Balance
September 30, 2022 and 2021**



The General fund is the primary operating fund of the County. At the end of the current fiscal year, the unassigned fund balance of the general fund was \$42,266,933, while the total fund balance increased to \$50,719,115. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures. Unassigned fund balance represents approximately 39% of total general fund expenditures, while total fund balance represents approximately 47% of that same amount.

**Other Governmental Funds Components of Fund Balance
September 30, 2022 and 2021**



The fund balance of the County's general fund increased by \$3,321,819 during the current fiscal year. This increase primarily relates to increased property tax revenues due to increases in new construction and overall property values.

The road and bridge fund, a major fund, had a \$612,368 increase in fund balance during the current fiscal year which put the overall fund balance at \$5,359,281. The fund reports an assigned fund balance of \$4,724,978, and accounts for fuel and other taxes designated for road improvements. During the year, fund balance increased primarily due to increased transfers from the General Fund as part of a commitment to increase the County's investment in infrastructure projects.

The local option sales tax fund, another major governmental fund, had a \$2,249,438 increase in fund balance during the current fiscal year which put the overall fund balance at \$14,545,193. The primary reason for the increase in the fund was an increase in revenue from the prior year and not expending funds which were budgeted by year end. This was due to the timing of the projects, some of which included Pace Patriot/Tiburon Boulevard drainage, Edgewood Drive drainage, Pea Ridge Connector Road, and major equipment purchases for the Sheriff and volunteer fire departments.

The American Rescue Plan fund was the final major governmental fund in fiscal year 2022, reporting a \$168,212 increase in fund balance, bringing the final fund balance to \$170,041. The fund was established to account for appropriations from the Federal government under the American Rescue Plan Act and related expenditures. The increase in fund balance is due to investment earnings on the appropriated funds received in advance and held until they were spent.

Financial Analysis of Proprietary Funds

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

Unrestricted net position of the Landfill fund was \$15,725,945. The total change in net position for the Landfill fund was \$4,338,912. As discussed in the business-type activities section, the increase in the landfill fund is attributable to increased revenues due to increased rates.

General Fund Budgetary Highlights

Original budget compared to final budget. During the year, the General Fund's original expenditure budget was increased by \$21,086,922. There was also a need to make amendments to reallocate appropriations among departments when it became clearer which departments would actually be charged for certain expenditures. The largest amendments from the original budget related to general government for jail renovation and transfers out to cover new capital projects..

Final budget compared to actual results. The General Fund under spent the final budget by \$19,771,398 or 13.7%. The primary reasons actual expenditures were less than the final budget were 1) funds budgeted for personnel, utilities and facility repairs weren't expended in the current year.and 2) funds set aside in reserves for contingencies remained unspent.

Santa Rosa County's General Fund Budget to Actual

	Original Budget	Final Budget	Change in Budget	Actual	Actual Variance from Budget
General government	\$ 41,563,117	\$ 48,730,644	\$ 7,167,527	\$ 34,748,837	\$ (13,981,807)
Public safety	60,498,900	60,782,079	283,179	57,851,022	(2,931,057)
Physical environmen	2,243,905	3,788,392	1,544,487	1,842,479	(1,945,913)
Transportation	1,241,460	1,690,679	449,219	1,421,916	(268,763)
Economic environme	1,076,195	1,268,053	191,858	1,173,192	(94,861)
Human services	6,303,690	6,842,655	538,965	6,543,715	(298,940)
Culture and recreatio	4,570,115	4,782,594	212,479	4,532,537	(250,057)
Transfers out	5,683,625	16,382,833	10,699,208	16,382,833	-
Total	\$ 123,181,007	\$ 144,267,929	\$ 21,086,922	\$ 124,496,531	\$ (19,771,398)

Capital Assets and Debt Administration

Capital assets. The County's investment in capital assets for its governmental and business-type activities as of September 30, 2022, amounts to \$307,514,925 (net of accumulated depreciation). This investment in capital assets includes land, buildings, machinery, equipment, vehicles, park facilities, roads, highways, and the water treatment facility. The total increase in capital assets for the current fiscal year was approximately 13.2%.

Capital Assets at Year-end

(Net of Depreciation, in Thousands)

	Governmental Activities		Business-type Activities		Totals	
	2022	2021	2022	2021	2022	2021
Land	\$ 29,897	\$ 24,439	\$ 1,306	\$ 1,306	\$ 31,203	\$ 25,745
Construction in progress	94,727	68,825	8,538	5,669	103,265	74,494
Buildings	10,349	11,078	2,471	2,671	12,820	13,749
Improvements other than building	112,094	111,278	17,751	19,218	129,845	130,496
Machinery, furniture and equip.	26,271	25,326	4,106	1,751	30,377	27,077
Totals	\$ 273,338	\$ 240,946	\$ 34,172	\$ 30,615	\$ 307,511	\$ 271,561

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

- Donation of infrastructure from developers in the amount of \$5,335,634
- New equipment for the Sheriff's office at a cost of \$2,640,108
- Whiting Field Aviation Improvements costs of \$1,141,058 during the year
- Interchange Park project cost \$5,393,065 during the year
- Costs associated with the new judicial facility totaled \$9,855,778 in the current year
- Pea Ridge Connector construction costs of \$4,347,344 for the current fiscal year
- Improvements to the HVAC system at the jail totaled \$2,121,078 during the year

Additional information on the County's capital assets can be found in Note F on pages 59-60 of this report.

Long-term Debt. At the end of the current fiscal year, the County had total bonds and notes outstanding of \$48,160,963. Of this amount, \$44,137,723 is debt backed by various revenues of the County and \$4,023,240 is special assessment debt for which the County is liable in the event of default by the property owners subject to the assessment.

Outstanding Debt at Year-end (in Thousands)

	Governmental Activities		Business-type Activities		Totals	
	2022	2021	2022	2021	2022	2021
Revenue bonds	\$ 42,100	\$ 44,100	\$ -	\$ -	\$ 42,100	\$ 44,100
Notes payable	2,038	3,071	-	556	2,038	3,627
Special assessment notes	4,023	4,479	-	-	4,023	4,479
Totals	\$ 48,161	\$ 51,650	\$ -	\$ 556	\$ 48,161	\$ 52,206

The County's total debt decreased by \$3,957,229 (-8%) during the current fiscal year. The reason for the decrease was the normal payment of principal amounts of outstanding debt issues..

Additional information on the County's long-term debt can be found in Note H on pages 63-66 of this report.

Economic Factors and Next Year's Budgets and Rates

The following economic factors currently affect the County and were considered in developing the 2022-2023 fiscal year budget.

- The taxable assessed property values increased 15.4%.
- Sales tax revenues are expected to generate approximately \$15.4 million.
- Completion of the Pea Ridge Connector Road will require use of reserves of approximately \$7 million.

Requests for Information

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



The image features a high-contrast, black and white aerial photograph of a residential neighborhood, showing numerous houses and streets. A large, white, circular graphic element is superimposed over the center of the image, containing the title text. The background is a dark, textured gradient that transitions from the aerial view at the top to a solid dark area at the bottom.

Basic Financial Statements

Statement of Net Position
September 30, 2022

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	\$ 139,493,877	\$ 40,317,376	\$ 179,811,253
Investments	1,424,700	10,488,474	11,913,174
Receivables, net	10,364,676	2,356,586	12,721,262
Internal balances	700,000	(700,000)	-
Inventory	460,076	-	460,076
Capital assets, net			
Nondepreciable	124,624,675	9,844,637	134,469,312
Depreciable	148,716,128	24,329,485	173,045,613
Total assets	425,784,132	86,636,558	512,420,690
Deferred Outflows Of Resources			
Deferred outflows on pension	25,073,957	984,805	26,058,762
Deferred outflows on health insurance subsidy	3,467,489	155,678	3,623,167
Deferred outflows on OPEB	826,043	51,797	877,840
Total deferred outflows of resources	29,367,489	1,192,280	30,559,769
Liabilities			
Accounts payable	6,873,769	1,124,037	7,997,806
Contracts payable	1,857,791	-	1,857,791
Accrued wages payable	4,319,867	304,462	4,624,329
Interest payable	141,000	899	141,899
Due to other governments	880,748	129,521	1,010,269
Deposits	269,596	191,463	461,059
Unearned revenue	34,833,350	-	34,833,350
Noncurrent liabilities			
Due within one year	7,739,165	1,167,642	8,906,807
Due in more than one year	150,293,256	22,507,941	172,801,197
Total liabilities	207,208,542	25,425,965	232,634,507
Deferred Inflows Of Resources			
Deferred inflows on leases	260,468	-	260,468
Deferred inflows on pension	3,406,948	3,613	3,410,561
Deferred inflows on health insurance subsidy	2,557,615	176,424	2,734,039
Deferred inflows on OPEB	1,380,840	85,927	1,466,767
Total deferred inflows of resources	7,605,871	265,964	7,871,835

Continued ...

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

Statement of Net Position – Continued September 30, 2022

	Governmental Activities	Business-type Activities	Total
Net Position			
Net investment in capital assets	219,040,140	34,174,122	253,214,262
Restricted for:			
Landfill Closure	-	2,901,540	2,901,540
Communications	437,887	-	437,887
Partners for pets	58,285	-	58,285
Drivers education	398,245	-	398,245
Boating improvement	324,769	-	324,769
Domestic violence	268,981	-	268,981
Pollworker recruitment	1,887	-	1,887
Navarre Beach Bridge maintenance	331,527	-	331,527
Infrastructure development	15,035,899	-	15,035,899
Law Enforcement Trust Fund	14,776	-	14,776
Crime prevention	532,074	-	532,074
Federal seizure funds	139,220	-	139,220
Mosquito control	166,747	-	166,747
Federal and state grants	170,041	-	170,041
Enhanced 911 system	552,817	-	552,817
Tourist development	5,314,265	-	5,314,265
State Housing Improvement Program	1,775,450	-	1,775,450
Flood Mitigation	7,067,917	-	7,067,917
Fire prevention and control	387,505	-	387,505
Road and sewer construction	957,761	-	957,761
Canal maintance	311,497	-	311,497
Beach restoration	18,686	-	18,686
Court equipment and technology	936,247	-	936,247
Records modernization trust fund	1,089,608	-	1,089,608
Law enforcement training	124,709	-	124,709
Inmate welfare purchases	640,960	-	640,960
Unrestricted (deficit)	(15,760,694)	25,061,247	9,300,553
Total net position	\$ 240,337,208	\$ 62,136,909	\$ 302,474,117

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



Statement of Activities
Year Ended September 30, 2022

	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Functions/Programs:							
Governmental activities:							
General government	\$ 55,214,059	\$ 26,239,308	\$ 5,618,061	\$ -	\$ (23,356,690)	\$ -	\$ (23,356,690)
Public safety	74,526,545	3,170,146	1,895,116	1,147,584	(68,313,699)	-	(68,313,699)
Physical environment	2,047,991	5,285,967	878,337	-	4,116,313	-	4,116,313
Transportation	18,913,783	26	910,833	5,705,987	(12,296,937)	-	(12,296,937)
Economic environment	7,105,266	-	398,464	7,898,950	1,192,148	-	1,192,148
Human services	6,716,570	45,021	2,011,982	-	(4,659,567)	-	(4,659,567)
Culture and recreation	6,532,472	726,625	72,198	-	(5,733,649)	-	(5,733,649)
Interest on long-term debt	894,182	-	-	-	(894,182)	-	(894,182)
Total governmental activities	171,950,868	35,467,093	11,784,991	14,752,521	(109,946,263)		(109,946,263)
Business-type activities:							
Navarre Beach water and sewer	2,230,911	2,720,600	-	-	\$ 489,689	\$ 489,689	489,689
Inspections	3,297,751	5,094,953	-	-	1,797,202	1,797,202	1,797,202
Peter Prince Airport	1,715,758	367,227	-	1,125,611	(222,920)	(222,920)	(222,920)
Landfill	9,569,297	15,767,594	-	6,600	6,204,897	6,204,897	6,204,897
Total business-type activities	16,813,717	23,950,374	-	1,132,211	8,268,868	8,268,868	8,268,868
Total	188,764,585	59,417,467	11,784,991	15,884,732	(109,946,263)	8,268,868	(101,677,395)
General revenues:							
Taxes							
Property taxes					72,945,764	-	72,945,764
Sales, use and fuel taxes					29,508,769	-	29,508,769
Communication services taxes					1,256,011	-	1,256,011
Grants and contributions not restricted to specific program					23,135,579	-	23,135,579
Unrestricted investment earnings					743,432	(178,172)	565,260
Miscellaneous					2,563,372	4,683	2,568,055
Gain on sale of assets					-	48,851	48,851
Transfers					718,577	(718,577)	-
Total general revenues and transfers					130,871,504	(843,215)	130,028,289
Change in net position					20,925,241	7,425,653	28,350,894
Net position - beginning					219,411,967	54,711,256	274,123,223
Net position - ending					\$ 240,337,208	\$ 62,136,909	\$ 302,474,117

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

Balance Sheet Governmental Funds September 30, 2022

	General	Road and Bridge	Local Option Sales Tax	American Rescue Plan	Other Governmental Funds	Total Governmental Funds
Assets						
Cash and Cash Equivalents	\$ 48,097,509	\$ 5,025,176	\$ 15,120,861	\$ 35,194,311	\$ 30,215,980	\$ 133,653,837
Investments	751,694	-	-	-	-	751,694
Receivables, Net of Uncollectibles						
Accounts	431,981	100	-	-	785,552	1,217,633
Leases - Current	57,499	-	-	-	-	57,499
Interest	2,902	-	-	-	-	2,902
Due From Other Governments	2,541,319	1,112,633	837,187	-	4,387,277	8,878,416
Due From Other Funds	5,506,105	-	-	-	113,204	5,619,309
Inventory	157,300	302,776	-	-	-	460,076
Leases - Noncurrent	204,027	-	-	-	-	204,027
Total Assets	\$ 57,750,336	\$ 6,440,685	\$ 15,958,048	\$ 35,194,311	\$ 35,502,013	\$ 150,845,393
Liabilities and Fund Balances						
Liabilities:						
Accounts Payable	\$ 2,580,751	\$ 647,572	\$ 856,586	\$ 340,233	\$ 1,391,317	\$ 5,816,459
Contracts Payable	-	-	556,269	21,252	1,280,270	1,857,791
Accrued Wages Payable	3,723,032	433,832	-	-	148,749	4,305,613
Deposits	269,596	-	-	-	-	269,596
Unearned Revenue	141,819	-	-	34,662,785	28,746	34,833,350
Due to Other Funds	1,677	-	-	-	4,917,632	4,919,309
Due to Other Governments	53,878	-	-	-	826,870	880,748
Total Liabilities	6,770,753	1,081,404	1,412,855	35,024,270	8,593,584	52,882,866
Deferred Inflows						
Leases	260,468	-	-	-	-	260,468
Total Deferred Inflows	260,468	-	-	-	-	260,468
Fund Balances:						
Nonspendable	157,300	302,776	-	-	-	460,076
Restricted	1,490,055	331,527	14,545,193	170,041	20,520,946	37,057,762
Committed	51,291	-	-	-	6,559,276	6,610,567
Assigned	6,753,536	4,724,978	-	-	453,289	11,931,803
Unassigned	42,266,933	-	-	-	(625,082)	41,641,851
Total Fund Balances	50,719,115	5,359,281	14,545,193	170,041	26,908,429	97,702,059
Total Liabilities, Deferred Inflows, and Fund Balances	\$ 57,750,336	\$ 6,440,685	\$ 15,958,048	\$ 35,194,311	\$ 35,502,013	\$ 150,845,393

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

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position September 30, 2022

Total Governmental Fund Balances **\$ 97,702,059**

**Amounts Reported for Governmental Activities in the
Statement of Net Position Are Different Because:**

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:

Total Capital Assets, Net, See Note F	273,340,803	
Less: Internal Service Fund Capital Assets	<u>(20,492)</u>	273,320,311

Deferred outflows of resources are presented in governmental activities on the Statement of Net Position, but are not reported in the governmental funds:

Deferred Outflows On Pension	25,073,957	
Less: Internal Service Fund Deferred Outflows On Pensions	(54,957)	
Deferred Outflows On Health Insurance Subsidy	3,467,489	
Less: Internal Service Fund Deferred Outflows On Health Insurance Subsidy	(9,267)	
Deferred Outflows On OPEB	826,043	
Less: Internal Service Fund Deferred Outflows On OPEB	<u>(2,857)</u>	29,300,408

Long term liabilities are not due and payable in the current period and therefore are not reported in the funds:

Total Long-term Liabilities, See Note H	(62,212,407)	
Net Pension Liability, See Note K	(92,211,031)	
Net OPEB Liability, See Note N	(8,132,217)	
Add: Interest Payable Due to Interest Accruals	(141,000)	
Less: Enterprise Funds Net Pension Liability	4,058,241	
Less: Enterprise Funds Net OPEB Liability	464,993	
Less: Internal Service Fund Insurance Claims Payable	3,888,292	
Less: Internal Service Fund Compensated Absences	30,044	
Less: Internal Service Fund Other Postemployment Benefits Liability	32,805	
Less: Internal Service Fund Net Pension Liability	137,301	
Less: Internal Service Fund Net Health Insurance Subsidy Liability	<u>72,614</u>	(154,012,365)

Deferred inflows of resources are presented in governmental activities on the Statement of Net Position, but are not reported in the governmental funds:

Deferred Inflows On Pension	(3,406,948)	
Deferred Inflows On Health Insurance Subsidy	(2,557,615)	
Less: Internal Service Fund Deferred Inflows On Health Insurance Subsidy	9,351	
Deferred Inflows On OPEB	(1,380,840)	
Less: Internal Service Fund Deferred Inflows On OPEB	<u>5,211</u>	(7,330,841)

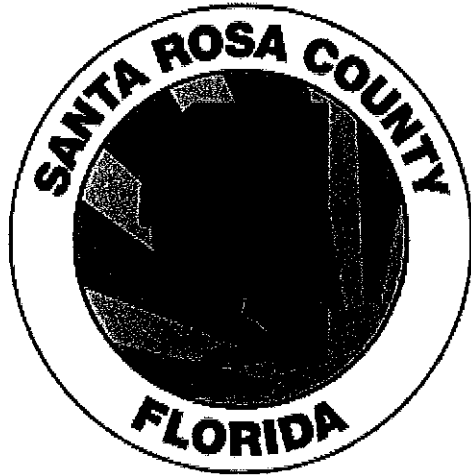
Internal Service Funds are used by management to charge the costs of providing insurance coverage to individual funds and therefore, the assets and liabilities of the Internal Service Fund are included in governmental activities in the Statement of Net Position.

1,357,636

Net Position of Governmental Activities

\$ 240,337,208

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



Statement of Revenues, Expenditures, And Changes In Fund Balances
Governmental Funds
Year Ended September 30, 2022

	General	Road and Bridge	Local Option Sales Tax
Revenues			
Taxes	\$ 75,463,377	\$ 8,120,771	\$ 13,461,714
Permits, Fees and Special Assessments	541,017	-	-
Intergovernmental	20,179,948	4,372,204	-
Charges for Services	11,289,773	1,234	-
Fines and Forfeits	379,800	-	-
Miscellaneous	2,651,695	578,514	93,419
Total Revenues	110,505,610	13,072,723	13,555,133
Expenditures			
Current			
General Government	\$ 34,748,837	\$ -	\$ 3,618,719
Public Safety	57,851,022	-	1,506,713
Physical Environment	1,842,479	85,183	1,156,497
Transportation	1,421,916	18,542,769	3,787,939
Economic Environment	1,173,192	-	-
Human Services	6,543,715	-	-
Culture and Recreation	4,532,537	-	351,683
Capital Outlay	-	-	-
Debt Service	-	-	-
Total Expenditures	108,113,698	18,627,952	10,421,551
Excess (Deficiency) of Revenues Over Expenditures	2,391,912	(5,555,229)	3,133,582
Other Financing Sources (Uses)			
Transfers in	17,291,891	6,449,224	281,627
Transfers Out	(16,382,833)	(281,627)	(1,165,771)
Issuance of Other Debt	20,849	-	-
Total Other Financing Sources (Uses)	929,907	6,167,597	(884,144)
Net Change in Fund Balances	3,321,819	612,368	2,249,438
Fund Balances, Beginning of Year	47,397,296	4,746,913	12,295,755
Fund Balances, End of Year	\$ 50,719,115	\$ 5,359,281	\$ 14,545,193

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

American Rescue Plan	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 6,664,682	\$ 103,710,544
-	12,727,875	13,268,892
1,039,624	18,903,161	44,494,937
-	5,517,512	16,808,519
-	1,156,655	1,536,455
168,212	1,109,080	4,600,920
1,207,836	46,078,965	184,420,267
\$ 1,039,624	\$ 15,237,360	\$ 54,644,540
-	12,249,509	71,607,244
-	813,395	3,897,554
-	1,631,411	25,384,035
-	6,071,136	7,244,328
-	197,998	6,741,713
-	900	4,885,120
-	15,566,184	15,566,184
-	4,424,807	4,424,807
1,039,624	56,192,700	194,395,525
168,212	(10,113,735)	(9,975,258)
-	12,025,282	36,048,024
-	(17,499,216)	(35,329,447)
-	-	20,849
-	(5,473,934)	739,426
168,212	(15,587,669)	(9,235,832)
1,829	42,496,098	106,937,891
\$ 170,041	\$ 26,908,429	\$ 97,702,059

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

**Reconciliation of the Statement of Revenues,
 Expenditures And Changes In Fund Balances of
 Governmental Funds to the Statement of Activities
 For the Year Ended September 30, 2022**

Net Change in Fund Balances - Total Governmental Funds **\$ (9,235,832)**

*Amounts reported for governmental activities in the
 statement of activities are different because:*

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

Current Period Investment in Capital Assets	47,027,584
Current Period Depreciation	(15,370,425)
Current Period Loss On Disposal of Capital Assets, Net of Proceeds	(105,274)

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

Change in Interest Payable	55,413
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Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Also debt proceeds are an other financing source in the governmental funds, but the issuance increases long-term liabilities in the statement of net position.

Current Period Change in Compensated Absences	(919,731)
Current Period Note Payments	1,033,489
Current Period Special Assessment Note Payments	455,672
Current Period Revenue Bond Payments	2,000,000
Current Period Lease Payments	274,346
Current Period Debt Proceeds	(20,849)
Current Period Change in Pension Liability	(58,507,788)
Current Period Change in Health Insurance Subsidy	1,487,080
Current Period Increase in Other Post Employment Benefits Liability	(536,454)
Current Period Change in Deferred Outflow of Resources On Pensions	6,975,042
Current Period Change in Deferred Inflow of Resources On Pensions	49,339,539
Current Period Change in Deferred Outflow of Resources On Health Insurance Subsidy	(112,907)
Current Period Change in Deferred Inflow of Resources On Health Insurance Subsidy	(1,657,486)
Current Period Change in Deferred Outflow of Resources On OPEB	91,396
Current Period Change in Deferred Inflow of Resources On OPEB	205,411

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

(1,552,985)

Change in Net Position of Governmental Activities

\$ 20,925,241

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

Statement of Net Position Proprietary Funds September 30, 2022

	Business-type Activities			Governmental
	Major Fund	Nonmajor Enterprise Funds	Total Enterprise Funds	Activities
	Landfill			Internal Service Fund
Current Assets				
Cash and Cash Equivalents	\$ 19,369,252	\$ 12,262,940	\$ 31,632,192	\$ 5,840,040
Investments	-	-	-	673,006
Accounts Receivable	1,685,798	265,486	1,951,284	4,199
Due From Other Governments	-	405,302	405,302	-
Total Current Assets	21,055,050	12,933,728	33,988,778	6,517,245
Noncurrent Assets				
Restricted Cash and Cash Equivalents	8,685,184	-	8,685,184	-
Restricted Investments	10,488,474	-	10,488,474	-
Capital Assets, Net of Accumulated Depreciation	22,397,719	11,776,403	34,174,122	20,492
Total Noncurrent Assets	41,571,377	11,776,403	53,347,780	20,492
Total Assets	62,626,427	24,710,131	87,336,558	6,537,737
Deferred Outflows of Resources				
Deferred Outflow On Pension	412,841	571,964	984,805	54,957
Deferred Outflow On Health Insurance Subsidy	71,848	83,830	155,678	9,267
Deferred Outflow On OPEB	25,367	26,430	51,797	2,857
Total Deferred Outflows of Resources	510,056	682,224	1,192,280	67,081
Liabilities				
Current Liabilities				
Accounts Payable	679,728	186,308	866,036	1,057,310
Contracts Payable	258,001	-	258,001	-
Current Portion of Claims Payable	-	-	-	694,723
Accrued Wages Payable	128,639	175,823	304,462	14,254
Interest Payable	899	-	899	-
Due to Other Governments	-	129,521	129,521	-
Due to Other Funds	-	700,000	700,000	-
Compensated Absences - Current Portion	195,000	147,079	342,079	30,044
Leases Payable - Current	806,074	-	806,074	-
Deposits	186,063	5,400	191,463	-
Current Portion of Landfill Closure Costs	19,489	-	19,489	-
Total Current Liabilities	2,273,893	1,344,131	3,618,024	1,796,331
Noncurrent Liabilities				
Long Term Portion of Compensated Absences	179,740	195,000	374,740	-
Long Term Portion of Claims Payable	-	-	-	3,193,569
Long Term Portion of Landfill Closure Costs	16,252,629	-	16,252,629	-
Leases Payable - Noncurrent	1,357,337	-	1,357,337	-
Net Pension Liability	1,309,182	1,789,788	3,098,970	137,301
Net Health Insurance Subsidy Liability	417,516	541,755	959,271	72,614
OPEB Liability	205,263	259,730	464,993	32,805
Total Noncurrent Liabilities	19,721,667	2,786,273	22,507,940	3,436,289
Total Liabilities	21,995,560	4,130,404	26,125,964	5,232,620
Deferred Inflows of Resources				
Deferred Inflow On Pension	781	2,832	3,613	-
Deferred Inflow On Health Insurance Subsidy	73,909	102,515	176,424	9,351
Deferred Inflow On OPEB	41,029	44,898	85,927	5,211
Total Deferred Inflows of Resources	115,719	150,245	265,964	14,562
Net Position				
Net Investment in Capital Assets	22,397,719	11,776,403	34,174,122	20,492
Restricted for Landfill Closure	2,901,540	-	2,901,540	-
Unrestricted	15,725,945	9,335,303	25,061,248	1,337,144
Total Net Position	\$ 41,025,204	\$ 21,111,706	\$ 62,136,910	\$ 1,357,636

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

**Statement of Revenues, Expenses, And
 Changes In Net Position - Proprietary Funds
 Year Ended September 30, 2022**

	Business-type Activities			Governmental
	Major Fund	Nonmajor Enterprise Funds	Total Enterprise Funds	Activities
	Landfill			Internal Service Fund
Operating Revenues				
Permits, Fees and Special Assessments	\$ 390,549	\$ 5,078,865	\$ 5,469,414	\$ -
Charges for Services	15,377,045	3,103,915	18,480,960	1,562,361
Insurance Proceeds	-	-	-	832,743
Miscellaneous	5,380	(697)	4,683	53
Total Operating Revenues	15,772,974	8,182,083	23,955,057	2,395,157
Operating Expenses				
Personal Services	2,436,883	3,487,655	5,924,538	253,520
Contract Services	1,687,016	806,421	2,493,437	185,856
Supplies	154,217	364,719	518,936	27,202
Repairs and Maintenance	654,875	1,353,326	2,008,201	53,713
Utilities	111,040	121,719	232,759	-
Depreciation	1,051,703	915,714	1,967,417	5,376
Amortization	795,523	-	795,523	-
Travel and Per Diem	3,909	5,128	9,037	325
Insurance	120,000	73,450	193,450	2,380,867
Communications	42,231	41,119	83,350	84
Advertising	1,901	-	1,901	-
Fuel and Oil	418,084	51,820	469,904	-
Rentals	196,891	1,635	198,526	-
Landfill Closure and Maintenance	1,835,415	-	1,835,415	-
Claims and Changes in Estimates	-	-	-	1,030,815
Miscellaneous	29,000	16,194	45,194	16,858
Total Operating Expenses	9,538,688	7,238,900	16,777,588	3,954,616
Operating Income (Loss)	6,234,286	943,183	7,177,469	(1,559,459)
Non-operating Revenues (Expenses)				
Investment Income/(Loss)	(235,532)	57,360	(178,172)	6,474
Interest Expense	(30,608)	(5,520)	(36,128)	-
Sale of Recycled Materials	94,101	-	94,101	-
Gain (Loss) On Disposal of Assets	(28,720)	(16,530)	(45,250)	-
Total Non-operating Revenues (Expenses)	(200,759)	35,310	(165,449)	6,474
Income (Loss) Before Contributions and Transfers	6,033,527	978,493	7,012,020	(1,552,985)
Transfers in	-	1,793,928	1,793,928	-
Transfers Out	(1,701,215)	(811,290)	(2,512,505)	-
Capital Contribution	6,600	1,125,611	1,132,211	-
Change in Net Position	4,338,912	3,086,742	7,425,654	(1,552,985)
Net Position, Beginning of Year	36,686,292	18,024,964	54,711,256	2,910,621
Net Position, End of Year	\$ 41,025,204	\$ 21,111,706	\$ 62,136,910	\$ 1,357,636

Statement of Cash Flows
Proprietary Funds
Year Ended September 30, 2022

	Business-type Activities			Governmental
	Major Fund	Nonmajor Enterprise Funds	Total Enterprise Funds	Activities
	Landfill			Internal Service Fund
Cash Flows From Operating Activities				
Cash Received From Customers	\$ 15,342,263	\$ 7,921,426	\$ 23,263,689	\$ -
Cash Paid to Suppliers	(2,692,648)	(2,384,741)	(5,077,389)	(2,766,158)
Cash Paid to Employees	(2,370,214)	(3,376,204)	(5,746,418)	(253,293)
Cash Received From Interfund Services Provided	-	-	-	2,434,093
Cash Paid for Internal Services Provided	-	-	-	(1,165,882)
Net Cash Provided (Used) By Operating Activities	10,279,401	2,160,481	12,439,882	(1,751,240)
Cash Flows From Noncapital Financing Activities				
Transfers in	-	1,793,928	1,793,928	-
Transfers out	(1,701,215)	(811,290)	(2,512,505)	-
Net Cash Provided (Used) By Noncapital Financing Activities	(1,701,215)	982,638	(718,577)	-
Cash Flows From Capital and Related Financing Activities				
Proceeds From Sale of Assets	28,720	16,529	45,249	-
Capital Contribution	6,600	1,125,611	1,132,211	-
Purchases of Capital Assets	(6,153,817)	(211,494)	(6,365,311)	-
Principal Paid On Capital Debt	-	(555,568)	(555,568)	-
Interest Paid On Capital Debt	(29,709)	(5,520)	(35,229)	-
Net Cash Provided (Used) By Capital and Related Financing Activities	(3,984,795)	369,558	(3,615,237)	-
Cash Flows From Investing Activities				
Interest and Dividends	(235,532)	57,360	(178,172)	6,474
Net Sale (Purchase) of Investments	421,810	-	421,810	27,066
Net Cash Provided (Used) By Investing Activities	186,278	57,360	243,638	33,540
Net Increase (Decrease) in Cash and Cash Equivalents	4,779,669	3,570,038	8,349,707	(1,717,700)
Cash and Cash Equivalents At Beginning of Year	23,274,767	8,692,902	31,967,669	7,557,740
Cash and Cash Equivalents At End of Year	\$ 28,054,436	\$ 12,262,940	\$ 40,317,376	\$ 5,840,040

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

	Business-type Activities			Continued
	Major Fund	Nonmajor Enterprise Funds	Total Enterprise Funds	Governmental Activities
	Landfill			Internal Service Fund
Reconciliation of operating income (loss) to net cash provided (used) by operating activities				
Operating Income (Loss)	\$ 6,234,286	\$ 943,183	\$ 7,177,469	\$ (1,559,459)
Adjustments to reconcile operating income to net cash provided (used) by operating activities				
Depreciation Expense	1,051,703	915,713	1,967,416	5,377
Amortization Expense	795,524	-	795,524	-
Landfill Closure Costs	1,835,415	-	1,835,415	-
Gain (Loss) On Disposal of Capital Assets	(28,720)	(16,530)	(45,250)	-
Sale of Recycled Materials	94,101	-	94,101	-
Changes in Assets and Liabilities:				
Accounts Receivable	(430,711)	(83,358)	(514,069)	38,989
Due From Other Governments	-	(177,299)	(177,299)	-
Accounts Payable	408,180	(142,597)	265,583	(65,995)
Contracts Payable	240,185	(51,546)	188,639	-
Accrued Compensation	29,822	59,578	89,400	2,895
Compensated Absences	36,847	51,873	88,720	(2,668)
Due to Other Governments	-	45,885	45,885	-
Due to Other Funds	-	695,000	695,000	-
Opeb Liability	15,609	17,353	32,962	2,891
Claims Payable	-	-	-	(135,067)
Deposits	19,296	(234,900)	(215,604)	-
Net Pension Liability	1,069,652	1,546,510	2,616,162	154,017
Net Health Insurance Subsidy	(56,340)	(81,458)	(137,798)	(8,112)
Deferred Outflows of Resources	(102,628)	(155,923)	(258,551)	(13,790)
Deferred Inflows of Resources	(932,820)	(1,171,003)	(2,103,823)	(170,318)
Net Cash Provided (Used) By Operating Activities	\$ 10,279,401	\$ 2,160,481	\$ 12,439,882	\$ (1,751,240)

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

**Statement of Fiduciary Net Position
Custodial Funds
September 30, 2022**

Assets

Cash and Cash Equivalents	\$ 7,429,890
Miscellaneous Receivables	273,923
Total Assets	<u>\$ 7,703,813</u>

Liabilities

Accounts Payable	\$ 250
Due to Other Governments	1,604,058
Miscellaneous Liabilities	71,907
Total Liabilities	<u>\$ 1,676,215</u>

Net Position

Restricted for:

Cash Bonds	\$ 383,042
Court Registry	2,608,265
General Trust	2,871,236
Seizure	141,811
Flowers or Donations	23,244
Total Net Position	<u>\$ 6,027,598</u>

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

**Statement of Changes in Fiduciary Net Position
 Custodial Funds
 September 30, 2022**

Additions

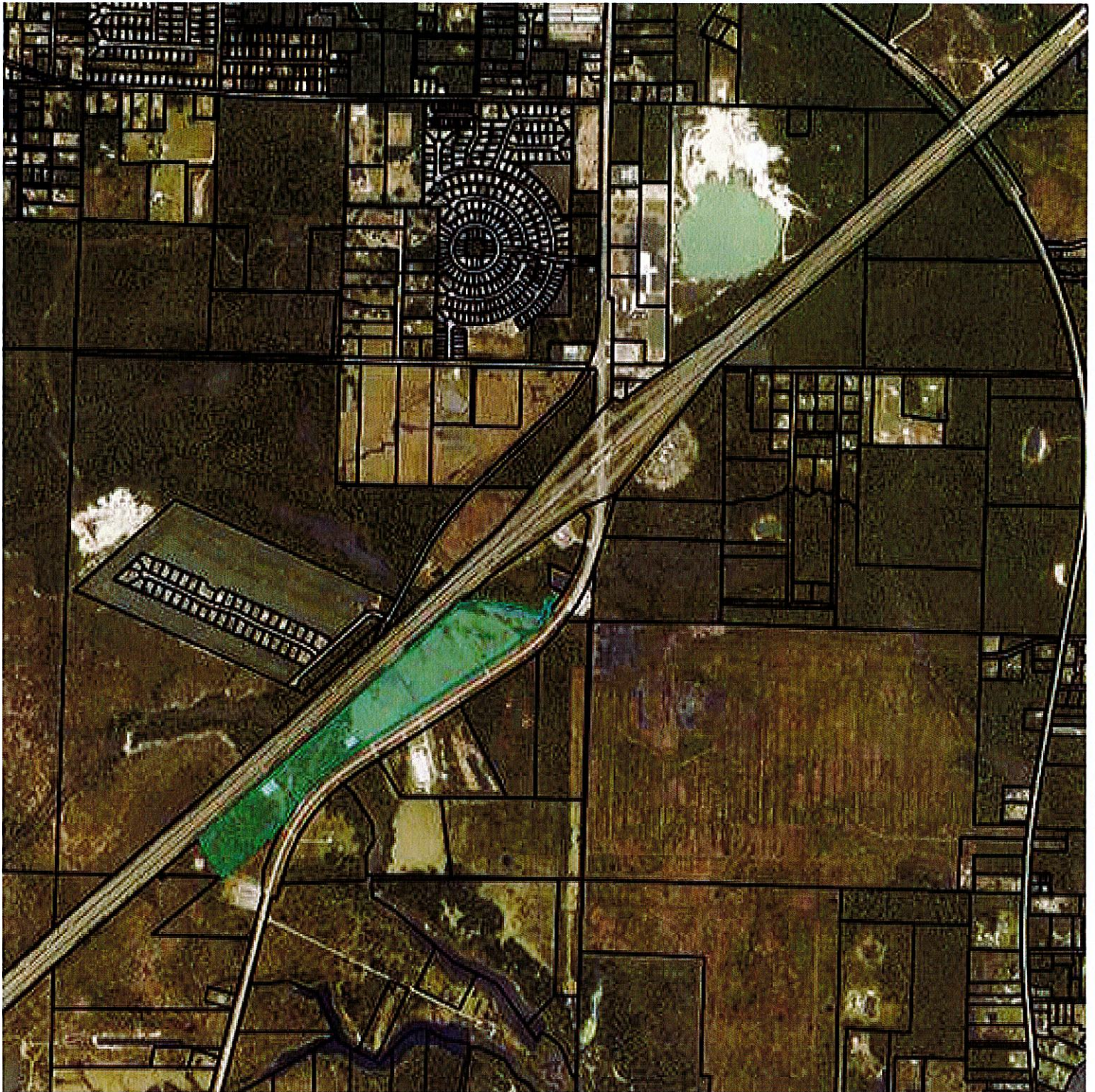
Deposits in Court Registry	\$ 10,296,800
Recording Fees	41,466,344
Deposits for Real Estate Auction	1,909,652
Deposits for Tax Deeds	566,696
Deposits for Restitution	224,088
Deposits for Bonds	784,572
Payments from State	1,085
Payments from Individuals	4,096,597
Unclaimed Funds	36,578
Child Support Purges and Levies	111,631
Cash Seized	133,302
Property Tax Collections for Other Governments	171,185,976
Other Taxes and Fees for Other Governments	671,563
License and Fees Collected for State	29,776,019
Other Fees Collected for Other Entities	4,835,783
Total Additions	<u>266,096,686</u>

Deductions

Release of Bonds	760,591
Refunds of Real Estate Auction Deposits	2,574,724
Tax Deed Deferred	133,983
Payments to State	73,188,606
Payments to Local Agencies	1,560,962
Payments for Witnesses	11,023
Payments to Victims	223,088
Refunds	105,988
Court Ordered Disbursements	10,110,061
Flower Fund	455
Purges and Levies Paid to Other Agencies	113,012
Payments to Law Enforcement Trust	4,930
Payments of Property Tax to Other Governments	171,185,976
Payments of Other Taxes and Fees to Other Governments	671,563
Payments to Other Entities	4,835,783
Total Deductions	<u>265,480,745</u>

Changes in Net Position	615,941
Net Position, Beginning of Year	5,411,657
Net Position, End of Year	<u>\$ 6,027,598</u>

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



Santa Rosa County Property Appraiser

Parcel	27-1N-28-0000-00104-0000	Acres	44.73
Name	SMITH JAMES THOMAS &	Land Value	9065
Situs	3405 GARCON POINT RD	Land Ag Value	7975
Sales	\$100 on 2023-20 Vacant?=I Qual=U	Building Value	60894
	\$100 on 2023-20 Vacant?=I Qual=U	Misc Value	5001
Mail	SMITH VICKI M	Just Value	74960
	1929 GARCON POINT RD	Assessed Value	60665
		Exempt Value	0
	MILTON, FL 32583	Taxable Value	60665



Santa Rosa County makes every effort to produce the most accurate information possible. No warranties, expressed or implied, are provided for the data herein, its use, or interpretation. The lines on the map are a representation of the property lines and are not, nor are they intended, to be used as a survey. The assessment information is from the last certified tax roll. All data is subject to change before the next certified tax roll. Greg Brown, Santa Rosa County Property Appraiser.
Date printed: 12/29/23 11:26:05

**ATTACHMENT 3
TRANSFORMATIONAL AND 10 YEAR EFFECT**

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

Transformational

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

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

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

Effect on Disproportionately Affected Counties in Next Ten Years

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

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

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

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

Job Creation Impact Over 13 Years: \$823.7 million

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

NOTE: We understand Triumph staff now includes in its analysis of each application this projection.

ATTACHMENT 4 VIABILITY OF BAGDAD DISTRIBUTION CENTER

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

In 2017, Florida's Great Northwest published Northwest Florida Forward: A Regional Strategy for Economic Transformation. In it, TIP Strategies and the Haas Center identified five industries as target industry clusters that "will transform the region if successfully developed through business recruitment, retention, expansion and entrepreneurial support." One of the target industry clusters was Water Transportation, along with Aerospace and Defense, Financial Services, Water Transportation, Cybersecurity and Advanced Manufacturing. Northwest Florida Forward was published as three reports: strategy, technical and county snap shots. On page 92 of the strategy report a discussion begins of Florida (and Northwest Florida's) attractiveness to the water transportation industry.

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

Industry/Infrastructure

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

Market Trends/Policy

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

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

Additionally, Garner Economics, LLC in its 2018 strategic plan for Santa Rosa County, *Building a Better Santa Rosa County: A Five-Year Strategic Blueprint for Economic Development* listed many characteristics of Santa Rosa County that support the efficacy of Distribution and Logistics businesses succeeding if locating in the County. Garner Economics update and reaffirmed the strategic plan in 2022.

TARGET 2: DISTRIBUTION & LOGISTICS

Rationales

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

**ATTACHMENT 5
DISCRETIONARY PRIORITIES**

Describe how Bagdad Distribution Center Spec Building meets the discretionary

priorities identified by the Board. The discretionary priorities and responses are listed

below:

1. Are considered transformational for the future of the Northwest Florida region. Please see Attachment 3 for explanation of how the Bagdad Distribution Center Spec Building is part of the transformation now underway in Northwest Florida.

2. May be consummated quickly and efficiently. Upon approval by the Triumph Board, project acquisition will be completed and final site plan submittal will move forward for construction permitting.

5. Align with Northwest Florida Forward, the regional strategic initiative for Northwest Florida economic transformation. The Bagdad Distribution Center Spec Building provides supporting infrastructure for the Water Transportation Industry, one of five cluster industries identified in Northwest Florida as transformative, by supporting it via land-based transportation and logistics

8. Create net-new jobs with wages above the national average wage (e.g. similar to EFI QTI program, measured on a graduated scale). According to the US Census American Community Survey, the median earnings for an individual worker in Santa Rosa County is \$31,333. New distribution jobs with wages of \$41,900 would have a positive impact in average wages in the county.

15. Demonstrate long-term financial sustainability following Triumph Gulf Coast, Inc. funding. Long term sustainability will be provided through the Santa Rosa County Economic Development Office as the property manager for County owned assets designated for job creation.

16. Leverage funding from other government and private entity sources. Private capital is positioned to spend 33,550,000.00 and local government has pledged 309,000.00.

17. Provide local investment and spending. *Local investment will occur as additional tenants build their facilities and proceed with their operations.*

19. Provide clear performance metrics over duration of the project or program. The performance metrics will be annual reports provided by the Private Equity partner/Investor and its tenant based on its jobs and wages.

20. Provide capacity-building support for regional economic growth. The project will add capacity to the transportation and logistics industry cluster which; as an umbrella industry, contains one of the five targeted industries transforming Northwest Florida and is a target industry in the County's five-year development plan.

Attachment 7 Timeline

The following timeline is for land acquisition and construction.

	Action	Time
	Land Acquisition <ul style="list-style-type: none"> • Drafting of contract, approval, execution 	3 months
	Construction Procurement and Mobilization <ul style="list-style-type: none"> • Development of bid package for construction contractor(s) • Pre-bid meeting • Bid opening • Development of recommendation to BOCC • BOCC approval • Contract development • Issuance of notice to proceed (NTP) 	4 months
	Construction <ul style="list-style-type: none"> • Construction commencement • Processing payments • Construction inspection • Construction completion • Final inspection 	24 months
	Grant close out <ul style="list-style-type: none"> • Final payment • Final reimbursement request and report 	2 months
	TOTAL TIME	36 months

ATTACHMENT 8

Commissioner Committee Meeting November 6, 2023 Milton, Florida

Call to Order Attendance: Chairman Colten Wright and members, Kerry Smith, Sam Parker, James Calkins, and Ray Eddington. Also, in attendance were the County Administrator (DeVann Cook), County Attorney (Tom Dannheisser), Assistant County Administrator (Brad Baker), Budget Director (Jayne Nicholas), County Engineer (Rebecca Jones), Environmental Director (Michael Schmidt), Clerk of Courts (Donald Spencer) and Administrative Services Director (Jared Lowe). Wright called the meeting to order at 6:30 p.m. with the Public Forum beginning at 5:30 p.m. at the County Administrative Complex. The meeting was opened in prayer by Calkins. Those present joined in the pledge of allegiance to the flag.

Public Forum

Jerry Couey said two weeks ago a statement was made by Calkins that there was waste in the budget. He said that he asked for Calkins to back up his statement at tonight's meeting but has not seen anything in the agenda about it. Couey said he thinks staff and the Board deserve an apology. He said he encourages staff to keep up the good work and ignore rhetoric that gets "spewed from up here".

Dee Redleski said she is here in support of Flood Defenders. She said although she does not live within the county she does live in a "sister" county. Redleski said she feels that she has every right to address the Board as she does spend a lot of money and taxes in the area. She said flooding does not respect jurisdictional lines drawn by man. Redleski said flooding does not recognize party affiliations or economic class. She asked the Board to think about going forward with National Oceanic and Atmospheric Administration (NOAA) Atlas 14 for the county design and building standards.

Chris Curb (Flood Defenders) said effective January 1, 2024 the Florida Department of Transportation (FDOT) references only NOAA Atlas 14 data set for stormwater designs. He said FDOT will no longer include archived Intensity–Duration–Frequency (IDF) rainfall data. Curb said the recently approved Land Development Code (LDC) includes a data set that will no longer exist. He said Flood Defenders respectfully encourages the Board to reconsider NOAA Atlas 14 as the data set standard in the LDC. Curb said that staff held meetings with developers that were against revisions that included NOAA Atlas 14. He said the NOAA Atlas 14 was included up until those meetings.

Sherry Chapman said the government expects the same thing out of "any of us" that do a project. She said the commissioners need to look out for those that are following the law and not "gripping". Chapman said the LDC will hold the Board legally accountable. She said the citizens are doing all they can to put the information out into the public so that when things do go wrong there is a record of the problem.

Sharon Hawthorne said she sees evidence of things going downhill. She said there are areas that never flooded before that are now experiencing flooding. Hawthorne said clear cutting is a horrible practice. She said the roots of the trees hold the soil and help soak in the moisture. She said she feels like no one should have the right to tell her what she can do on her property. Hawthorne said someone decided to zone the county and the Board is

now changing zoning for certain people. She said the neighbors that have purchased property under the old zoning deserve the same respect.

Agenda Approval

Wright said there is an additional item under Economic Development for a letter of support.

Wright moved approval of the agenda as amended without objection.

Minutes for Approval:

Approval of meeting minutes from the September 18, 2023 Land Development Code Workshop and the September 19, 2023 Budget Workshop.

Wright moved approval without objection of the above minutes as published.

County Administrator - County Attorney

1) Emergency Burn Ban

Discussion of emergency burn ban enacted on October 31, 2023. **Wright moved to extend the burn ban until Friday November 10th without objection.**

Cook said the Division of Forestry has requested to continue the burn ban at least through Friday when there is rain predicted. He said for now the humidity is still low and conditions are dry.

Wright said the Division of Forestry approached the county last week about enacting a ban. He said there was concern given the drought conditions. Wright said it is rare for the state to approach with concerns about burning. He said a temporary ban was enacted on an emergency basis but he was not comfortable extending the ban without Board approval.

Commissioner Items

1) Commissioner Smith - LOST Oversight Committee Appointment

Approval to appoint Claude Duvall to the Local Option Sales Tax (LOST) Oversight Committee. **This item was moved to Thursday's consent agenda without objection.**

Smith said he has had a vacancy on the LOST Committee for some time and has been trying to find someone to fill the position. He said Duvall is a respected businessman in the community and has agreed to volunteer his services. Smith asked the Board to approve Duvall's appointment to the LOST Oversight Committee.

2) Commissioner Parker

Parker said the red light on Willard Norris Road and Pine Blossom Road is now fully operational. He said he wanted to acknowledge the role staff played in getting everything in place to make it happen.

3) Commissioner Wright – Washington Meeting

Wright said he will not be here for Thursday's meeting. He said last week he and Shannon Ogletree (Economic Development, Director) had a productive trip to Washington, D. C. Wright said they met with people from the Secretary of the Navy's office to discuss Whiting

Field and other future developments. He said he spoke to the organization responsible for the Defense Community Infrastructure Pilot Program (DCIP) grants and met with county lobbyists. Wright said he spoke with the Federal Highway Administration about the Navarre Beach bridge and what future funding opportunities there may be.

Upcoming Presentations

1) Thursday, November 9 Regular Meeting - Veterans Day Proclamation. **This item was for informational purposes only.**

2) Thursday, November 9 Regular Meeting - Tourist Development Office Annual Update. **This item was for informational purposes only.**

CONSENT AGENDA

The following items were moved to Thursday's consent agenda without objection.

1) Budget Amendment 2024-032 CCF Road and Bridge

Approval of Budget Amendment 2024-032 in the amount of \$143,945 to carry forward revenues received in FY23 from the auction of equipment and allocate funds for expenditure in the Road and Bridge Department.

2) Budget Amendment 2024-033 CCF Self-Insurance

Approval of Budget Amendment 2024-033 to carry forward \$600,000 of allocated but unspent funds in the Self-Insurance Fund.

3) Budget Amendment 2024-034 Taxiway B Rehab at Peter Prince Field

Approval of Budget Amendment 2024-034 in the amount of \$2,735,779 to recognize an FAA grant for the Peter Prince Field Taxiway B Rehabilitation grant as approved at the August 24, 2023 Regular Meeting.

4) Budget Amendment 2024-035 CCF Road and Bridge

Approval of Budget Amendment 2024-035 for \$3,084,600 to carry forward allocated but unspent funds from FY23 in the Road and Bridge Department.

5) Budget Amendment 2024-036 CCF Navarre Beach Utility

Approval of Budget Amendment 2024-036 in the amount of \$2,769,220 to carry forward allocated but unspent funds in the Navarre Beach Utility Fund.

6) Budget Amendment 2024-037 CCF Landfill

Approval of Budget Amendment 2024-037 in the amount of \$3,119,500 to carry forward allocated but unspent funds from in the Solid Waste Fund.

7) Budget Amendment 2024-038 RESTORE Direct Component Funded Projects

Approval of Budget Amendment 2024-038 to recognize \$13,139,220 of approved but unspent funds related to RESTORE projects.

8) Budget Amendment 2024-039 CCF Environmental Department

Approval of Budget Amendment 2024-039 in the amount of \$314,530 to carry forward allocated but unspent funds from FY23.

9) Budget Amendment 2024-040 CCF Walling Road SCOP Project
Approval of Budget Amendment 2024-040 in the amount of \$662,000 to recognize, carry forward and allocate funds for expenditure for the Walling Road Small County Outreach Program (SCOP) project.

10) Budget Amendment 2024-041 FWC Artificial Reef Grant
Approval of Budget Amendment 2024-041 to recognize \$1,300,000 for the Florida Fish and Wildlife Conservation Commission (FWC) Grant for Santa Rosa County Natural Resource Damage Assessment (NRDA) Artificial Reef Construction 2021-2022 as approved at the January 23, 2023 meeting.

11) Budget Amendment 2024-042 Northwest Florida Water Management District Reuse Initiative Approval of Budget Amendment 2024-042 for \$2,500,000 to recognize the Northwest Florida Water Management District (NFWFMD) grant for the South Santa Rosa Reuse Initiative Phase II and allocate for expenditure as approved in the October 27, 2022 meeting.

12) Budget Amendment 2024-043 CCF Capital Projects Fund
Approval of Budget Amendment 2024-043 in the amount of \$3,649,490 to carry forward allocated but unspent funds related to several projects funded in the capital fund.

13) Budget Amendment 2024-044 CCF Capital Projects Fund 2
Approval of Budget Amendment 2024-044 in the amount of \$350,870 to carry forward allocated but unspent capital funds for various projects.

14) Budget Amendment 2024-045 CCF Engineering
Approval of Budget Amendment 2024-045 in the amount of \$247,020 to carry forward allocated but unspent funds in the Engineering Department.

15) Budget Amendment 2024-046 CCF FDOT LAP Grant
Approval of Budget Amendment 2024-046 in the amount of \$179,490 to recognize Florida Department of Transportation (FDOT) Local Agency Program (LAP) grant funds for the Berryhill Road Project.

16) Budget Amendment 2024-047 CCF Metron Estates Drainage Project
Approval of Budget Amendment 2024-047 in the amount of \$3,167,440 to recognize Hazard Mitigation Grant Program (HMGP) grant revenue and local option sale tax funds approved and allocated for the Metron Estates Drainage Project.

Chapman said the point the citizens have been trying to get across is that drainage is not under control. She said the citizens feel that when the county is not using the latest available criteria there will continue to be flooding issues. Chapman said on Metron and Tibruon projects the county spent \$12.5 million fixing flooding issues. She said this is the citizens tax dollars fixing the issue a second time.

Wright asked Chapman if she was for or against this item. Chapman said she is for the item. She said "we" have to clean up the mess from what "we" did not get right the first time.

Parker said he thinks it is important to note that Metron Estates was developed over 40 years ago when there was no stormwater design.

17) Budget Amendment 2024-048 EPA Gulf of Mexico Grant Correction

Approval of Budget Amendment 2024-048 to correct Budget Amendment 2023-023 that was approved on October 23, 2023 for the amount of \$472,152 and to recognize the Environmental Protection Agency (EPA) Gulf of Mexico Grant.

18) Budget Amendment 2024-049 - CCF Local Option Sales Tax Stormwater

Approval of Budget Amendment 2024-049 in the amount of \$2,628,630 to carry forward allocated but unspent local option sales tax funds for stormwater projects.

19) Budget Amendment 2024-050 - CCF Local Option Sales Tax Quality of Life Projects

Approval of Budget Amendment 2024-050 in the amount of \$516,830 to carry forward allocated but unspent funds from the local option sales tax fund for Quality of Life Projects.

20) Budget Amendment 2024-051 CCF Local Option Sales Tax Transportation Projects

Approval of Budget Amendment 2024-051 in the amount of \$1,303,120 to carry forward allocated but unspent funds in the local option sales tax fund for Transportation Projects.

21) Budget Amendment 2024-052 CCF America Rescue Plan Act (ARPA) Projects

Approval of Budget Amendment 2024-052 in the amount of \$3,678,390 to carry forward allocated but unspent FY23 ARPA funds.

22) Budget Amendment 2024-053 CCF Triumph Grant

Approval of Budget Amendment 2024-053 in the amount of \$1,934,130 to recognize Triumph Grant funds for Santa Rosa Industrial Park East.

REGULAR AGENDA

Economic & Tourist Development Committee - Wright & Parker

1) Tourist Development - Tourist Development Council (TDC) Board of Directors Vacancy

Approval to appoint Kelly Gatto to the TDC Board of Directors until the expiration date on November 1, 2028. **This item was moved to Thursday's consent agenda without objection.**

2) Tourist Development - TDC Board of Directors Vacancy

Approval to appoint Marla Crum to the TDC Board of Directors until the expiration date on November 1, 2028. **This item was moved to Thursday's consent agenda without objection.**

3) Tourist Development - FY 24/25 Grant Cycle Timeline

Approval of the proposed timeline for the FY 24/25 Local Event Marketing Grant, Local Event Sponsorship Program, and Tax Capital Projects Grant cycle. **This item was moved to Thursday's consent agenda without objection.**

4) Economic Development - Florida Job Growth Grant Award

Approval of the Florida Job Growth Grant Agreement with the State of Florida Department of Commerce in the amount of \$4.2 million for the Whiting Aviation Park taxiway/taxi lane

connection; authorize the chairman to sign all related documents. **This item was moved to Thursday's consent agenda without objection.**

5) Economic Development - Sale of Property to Damian's Ice Cream

Approval to accept the bid from Damian's Realty for a three-acre lot in the Northwest Florida Industrial Park at I-10; authorize the chairman to sign all related documents. **This item was moved to Thursday's consent agenda without objection.**

6) Add on Item Request: Tourist Development - Letter of Support for Regional Adventure Tourism Project

Approval to draft and submit a letter of support for a regional project between Visit Florida and the NWFL Tourism Council to expand "adventure tourism" in the panhandle. **This item was moved to Thursday's consent agenda without objection.**

Administrative Committee - Parker & Wright

1) Event Requests

Approval of the following event requests:

- Blackwater Heritage Trail, Inc. requests use of the county parking lot west of the Milton Library and Blackwater Heritage State Trail for off-site parking for a Fun Run on February 17, 2024 and their 25th Anniversary Celebration Luncheon on February 20, 2024, from 8:00 a.m. to 1:00 p.m. each day.
- Navarre Krewe of Jesters requests use of the west end of Navarre Park on December 16, 2023 from 5:00 p.m. to 7:00 p.m. for their annual Christmas event.
- Navarre Chamber Foundation requests use of Gulf Blvd. and other Navarre Beach roads as indicated in the application on October 12, 2024 from 7:00 a.m. to 10:00 a.m. for their 16th Annual Run for the Reef 10K/5K runs.
- Navarre Beach Area Chamber of Commerce requests use of Gulf Blvd. along the Fitness Trail on March 16, 2024 from 8:00 a.m. to 10:15 a.m. for their 4th Annual Shamrock Stroll 5K run/walk.
- Navarre Beach Area Chamber of Commerce requests use of Navarre Park on May 11, 2024 from 8:00 a.m. to 4:00 p.m. for the Annual Military Appreciation Picnic.
- Bagdad Elementary School requests use of the Bagdad Community Center on December 8, 2023 from 5:30 p.m. to 8:30 p.m. for a faculty and staff Christmas party and requests a waiver of fees for this event.
- Turtle Roll Events requests use of the public parking lot adjacent to Andy D's Restaurant located at 8649 Gulf Blvd Navarre Beach on December 16, 2023 from 10:00 a.m. to 5:00 p.m. for their Navarre Beach Christmas Market.
- Veterans of Foreign Wars (VFW) Spectre Post 11367 requests a waiver of fees for their annual Veterans Day Celebration at the Navarre Park Pavilions on November 11, 2023 from 10:00 a.m. to 1:00 p.m.
- Navarre Pier Funplex requests use of Navarre Beach behind Windjammers and Pier on January 1, 2024 from noon until 1:00 PM for their annual Navarre Beach Pier Plunge.

The above items were moved to Thursday's consent agenda without objection.

Development Committee - Calkins & Eddington

1) Engineering - Lancelot Townhomes Phase 1 Final Plat

Approval of the Final Plat for Lancelot Townhomes Phase 1, an 86-lot private townhome subdivision located in District 1. **This item was moved to Thursday's consent agenda without objection.**

2) Engineering - Pace Water System Drainage Easement

Approval to accept a drainage easement from Pace Water System as part of the Woodbine Road / Highway 90 Improvements. **This item was moved to Thursday's consent agenda without objection.**

3) Engineering - Real Estate Services

Approval of a task order to Volkert for real estate property acquisition services in a not-to-exceed amount of \$100,000; authorize the chairman to sign all related documents. **This item was moved to Thursday's consent agenda without objection.**

Operations Committee - Smith & Calkins

1) Administration - 23-044 Peter Prince Airfield Landscaping

Approval of contract award to Green Energy Contracting, LLC for landscaping services at Peter Prince in the annual amount of \$74,250. **This item was moved to Thursday's consent agenda without objection.**

2) Environmental - NFWFMD Amended Grant agreement for Beneficial Reuse Strategic Plan Phase IV Approval to execute amendment #1 to the grant agreement with the Northwest Florida Water Management District to receive an additional \$2.5 million for the Navarre Rapid Infiltration Basin Systems (RIBS) project. **This item was moved to Thursday's consent agenda without objection.**

3) Environmental – Task Order for Central Landfill Vegetative Grinding

Approval of Task Order #1 to Jimmie Crowder Excavating, Inc. in the amount of \$168,255 to perform vegetative debris grinding services at the Central Landfill. **This item was moved to Thursday's consent agenda without objection.**

4) Public Safety - Vehicle Surplus/Transfer Request

Approval to surplus and transfer a 2007 Ford Explorer from Public Safety to the East Milton Fire Department. **This item was moved to Thursday's consent agenda without objection.**

5) Public Safety - Animal Services Veterinarian Contract Renewal

Approval of contract for veterinarian services at Santa Rosa County Animal Shelter through September 30, 2024 with Joel Williams, Doctor of Veterinary Medicine (DVM); authorize the chairman to sign all related documents. **This item was moved to Thursday's consent agenda without objection.**

6) Public Works – Contract Renewal for Traffic Signalization and Street Lighting Maintenance

Approval of a one-year contract renewal with Ingram Signalization, Inc.; authorize the chairman to sign all related documents. **This item was moved to Thursday's consent agenda without objection.**

7) Public Works – Contract Renewal for Road Striping
Approval of a one-year contract renewal with Gulf Coast Traffic Engineers, Inc.; authorize the chairman to sign all related documents. **This item was moved to Thursday’s consent agenda without objection.**

8) Public Works - Task Order for Madura Five Pump Station Rehabilitation Design
Approval of a Task Order to Mott MacDonald, LLC in the amount of \$51,985 to provide design services for the Madura Five Pump Station Rehabilitation Project. **This item was moved to Thursday’s consent agenda without objection.**

Budget & Financial Management Committee - Eddington & Smith

1) Grants and Special Programs - FMA Grant Applications
Approval to submit grant applications under the FY23-24 Flood Mitigation Assistance (FMA) Grant Program to mitigate the risk of flooding at National Flood Insurance Program (NFIP) insured residential structures. **This item was moved to Thursday’s consent agenda without objection.**

2) Check Register
Approval of the check register for October 20 - November 2, 2023. **This item was moved to Thursday’s consent agenda without objection.**

Board Reorganization

1) Selection of Chair and Vice-Chair

Wright said it has been an honor and pleasure to serve as chairman over the last year. He said he would recommend that Parker step up from vice chair and become chairman.

Wright moved to name Parker as chairman without objection.

Parker asked for the Board’s support to name Calkins as vice chair.

Parker moved to name Calkins as vice chair without objection.

Meeting List

All meetings are held in the County Administrative Center Boardroom, 6495 Caroline Street, Milton, Florida, unless otherwise indicated.

MEETING	DATE	TIME
Building Code BOAA	November 8	2:30 p.m.
Commission Public Forum	November 9	8:30 - 9:30 a.m.
Commission Regular Meeting	November 9	9:30 a.m.
Zoning Board Meeting	November 9	6:00 p.m.

This item was moved to Thursday’s consent agenda without objection.

Adjournment

There being no further business to come before the Board at this time, the meeting was adjourned at 7:20 p.m.

Attachment 9

Bagdad Distribution Center Spec Building

Estimated construction start date if applicable

Estimated education component start date if applicable

	Design	Land Acquisition	Construction	Category #4	Total
Please change year # to actual year					
Project Total					
2024	300,000.00	4,700,000.00	1,400,000.00	-	6,400,000.00
2025	-	-	14,500,000.00	-	14,500,000.00
2026	-	-	11,900,000.00	-	11,900,000.00
2027	-	-	8,250,000.00	-	8,250,000.00
2028	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
Project Total	300,000.00	4,700,000.00	36,050,000.00	-	41,050,000.00
Triumph					
2024		4,391,000.00	1,400,000.00		5,791,000.00
2025			1,400,000.00		1,400,000.00
2026					-
2027					-
2028					-
					-
					-
					-
					-
					-
					-
Triumph Total	-	4,391,000.00	2,800,000.00	-	7,191,000.00
Grantee					
2024		309,000.00			309,000.00
2025					-
2026					-
2027					-
2028					-
					-
					-
					-
					-
					-
Grantee Total	-	309,000.00	-	-	309,000.00

Company

2024	300,000.00			300,000.00
2025		13,100,000.00		13,100,000.00
2026		11,900,000.00		11,900,000.00
2027		8,250,000.00		8,250,000.00
2028				-
				-
				-
				-
				-
				-
				-
Match Source 1 Total	300,000.00	-	33,250,000.00	-
				33,550,000.00

Match Source 2

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

ATTACHMENT 10

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

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

Economic Recovery

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

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

Diversification

Santa Rosa County has relied heavily upon the military, tourism and agriculture as drivers for its economy, all of which are subject to unpredicted devastating events that can wipe out expected revenues, such as the Deepwater Horizon Oil Spill and weather conditions. Development of the distribution industry will not only diversify the economy but would also provide stability as the need increases for cargo operations.

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

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

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

When government, restaurants, and education are the top jobs held by residents in a county, the need exists for diversification of jobs in other sectors that can provide equal or better pay, training, benefits, and opportunities for upward mobility. Santa Rosa's strength and challenges arise from its location: it lies between the core cities of two MSA's: Pensacola to the west and Fort Walton Beach to the east. A strength is that Santa Rosa's excellent public school system, low crime, recreational opportunities for residents of all ages, and low cost of living attract workers from Escambia and Okaloosa Counties to make their homes in Santa Rosa County. A challenge is that the lack of jobs within the county results in pockets of poverty especially within the central sections of the county. Triumph funding will help with diversification into the distribution industry, with the development of an anchor tenant at I-10 Exit 26, the first industrial site on this emerging exit. Of particular relevance is the site's proximity and accessibility for an often overlooked skilled labor force residing in the Bagdad community.

Enhancement of Disproportionately Affected Counties

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

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

Enhancement of a Targeted Industry – Water Transportation

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

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

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

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

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

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