2019-2020 Florida Job Growth Grant Fund
Public Infrastructure Grant Proposal

Proposal Instructions: The Florida Job Growth Grant Fund Proposal (this document) must be completed by the governmental entity applying for the grant and signed by either the chief elected official, the administrator for the governmental entity or their designee. Please read the proposal carefully as some questions may require a separate narrative to be completed. If additional space is needed, attach a word document with your entire answer.

Governmental Entity Information

Name of Governmental Entity: Pensacola-Escambia Promotion & Development Commission (PEDC)
Government Federal Employer Identification Number [redacted]

Primary Contact Name: Scott Luth
Title: Executive Director
Mailing Address: 3 West Garden Street, Suite 618
Pensacola FL 32502
Phone Number: (850) 375-1060
Email: sluth@floridawesteda.com

Secondary Contact Name: Danita Andrews
Title: Director of Business Development
Phone Number: (850) 503-0907

Public Infrastructure Grant Eligibility

Pursuant to section 288.101, F.S., the Florida Job Growth Grant Fund was created to promote economic opportunity by improving public infrastructure and enhancing workforce training. Eligible entities that wish to access this grant fund must submit public infrastructure proposals that:

- Promote economic recovery in specific regions of the state, economic diversification or economic enhancement in a targeted industry (View Florida's Targeted Industries here).
- Are not for the exclusive benefit of any single company, corporation or business entity.
- Are for infrastructure that is owned by the public and is for public use or predominately benefits the public.

1. Program Requirements:

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

Each proposal must include the following information describing how the project satisfies eligibility requirements listed on page 1.

A. Provide a detailed description of the public infrastructure improvements.

The infrastructure includes new industrial road improvements at an existing intersection serving expanding manufacturing and logistics facilities. (Please refer to Attachment A).

B. Provide location of public infrastructure, including physical address and county of project.

Project Location: 3000 Old Chemstrand Road, Cantonment, FL. 32533. (Please Refer to Exhibit A for Location map).

C. Is this infrastructure currently owned by the public? ○ Yes ◉ No

If no, is there a current option to purchase or right of way provided to the County?

The property is either owned by Escambia County or is part of lands to be donated to Escambia County by Ascend Performance Materials.

D. Provide current property owner.

Currently, the property is owned by two entities: Escambia County, Florida and Ascend Performance Materials.

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

◉ Yes ○ No

All facilities included in this grant are for public use. The completed facilities referenced herein will be owned and maintained by Escambia County, Florida.

F. Will the public infrastructure improvements be for the exclusive benefit of any single company, corporation or business entity?

○ Yes ○ No

(Please refer to Attachment A).

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

- Economic recovery in specific regions of the state;
- Economic diversification; or
- Economic enhancement of a Targeted Industry (View Florida's Targeted Industries here).

    - Describe how the project will promote specific job growth. Include the number of jobs that will be retained or created, and in which industry(ies) the new net jobs will be created using the North American Industry Classification System (NAICS) codes. Where applicable, you may list specific businesses that will retain or create jobs or make capital investment.

    - 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 or future businesses.

A complete Economic Impact and Return on Investment Analysis for the Bluffs was prepared in March 2019 by Garnet Consulting Services. This document has been attached as Exhibit D. A complete Target Industry Analysis was prepared by Wadley-Donovan Growth Tech, LLC in July 2019 (Refer to Exhibit E). An additional independent analysis/briefing was prepared by Florida's Tax Watch in 2017. This document has been attached as Exhibit F.

(Also, please refer to Attachment A for additional information).

---

2. Additional Information:

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

A. Provide the proposed commencement date and number of days required to complete construction of the public infrastructure project.

A complete design/build criteria package for the Intersection Improvements project has been prepared by PEDC and is ready for RFQ. The criteria includes an 18 month (540 days) contractual time for performance.

B. What permits are necessary for the public infrastructure project?

State of Florida ERP Permit (FDEP)
Escambia County, FL. DRC Approval
Emerald Coast Utilities Authority Water and Sewer Transmission and Collection Permit

---

C. 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 these permits be prioritized?

All permitting agencies have been notified and are aware of the project; ERP permit will require 120 days, DRC approval will require 60 days, and ECUA Water & Sewer Permit will require 120 days.

D. What is the future land use and zoning designation on the proposed site of the infrastructure improvements, and will the improvements conform to those uses?

Current and future zoning is Industrial. All improvements and facilities referenced herein conform to this land use and zoning designation.

E. 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

No amendment to the local comprehensive plan is required as part of the facilities proposed under this grant.

F. Is the project ready to commence upon grant fund approval and contract execution? If no, please explain.

◉ Yes ○ No

A complete design/build RFQ package has been prepared by PEDC and is currently ready for advertisement. The project could commence immediately upon grant fund approval.

G. Does this project have a local match amount? ◉ Yes ○ No

If yes, please describe the entity providing the match and the amount.

(Please refer to Attachment A).

H. Provide any additional information or attachments to be considered for this proposal. Maps and other supporting documents are encouraged.

Exhibit A: Location Map; Exhibit B: Project Overview; Exhibit C: Engineer's Cost Estimate; Exhibit D: Economic Impact and Return on Investment Analysis (Garnet, 2019); Exhibit E: Target Industry Analysis (Wadley-Donovan, 2019); Exhibit F: Economic Impact Briefing (Florida's Tax Watch, 2017); Exhibit G: Signatory Authority; Exhibit H: Ascend Letter

---

3. Program Budget

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

Estimated Costs and Sources of Funding: Include all applicable public infrastructure costs and other funding sources available to support the proposal.

1.) Total Amount Requested **$** 2,487,000
Florida Job Growth Grant Fund

A. Other Workforce Training Project Funding Sources:

City/County	$ 2,095,000	
Private Sources	$ 486,000	
Other (grants, etc.)	$ 5,000,000	Please Specify: See Att. A
Total Other Funding	**$** 7,581,000	

B. Public Infrastructure Project Funding Sources:

Construction	$ 6,388,000	
Reconstruction	$	
Design & Engineering	$ 1,277,600	
Land Acquisition	$ 486,000	
Land Improvement	$	
Other	$ 1,916,400	Please Specify: Contingency
Total Project Costs	**$** 10,068,000	

Note: The total amount requested must equal the difference between the workforce training project costs in 3. and the other Public infrastructure project funding sources in 2.

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

(Please Refer to Attachment A).

---

4. Approvals and Authority

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

A. If the governmental entity is awarded grant funds based on this proposal, what approvals must be obtained before it can execute a grant agreement with the Florida Department of Economic Opportunity (e.g., approval of a board, commission or council)?

Pensacola-Escambia Promotion and Development Commission (PEDC) Board Approval required.

If board authorization is not required, who is authorized to sign?

N/A

B. If approval of a board, commission, council or other group is needed prior to execution of an agreement between the governmental entity and the Florida Department of Economic Opportunity:

i. Provide the schedule of upcoming meetings for the group for a period of at least six months.
ii. State whether entity is willing and able to hold special meetings, and if so, upon how many days' notice.

i. Each month, a regular PEDC board meeting is held on the 3rd. Tuesday at 10AM CST.
ii. The PEDC can hold special meetings following a (required) 7 day public notice.

C. Attach evidence that the undersigned has all necessary authority to execute this proposal on behalf of the governmental entity. 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.

(Please refer to Exhibit G).

I, the undersigned, do hereby certify that I have express authority to sign this proposal on behalf of the above-described entity and to the best of my knowledge, that all data and information submitted in proposal is truthful and accurate and no material fact has been omitted.

Name of Governmental Entity: Pensacola-Escambia Promotion and Development Commission

Name and Title of Authorized Representative: Lewis Bear, Chairman, PEDC Board

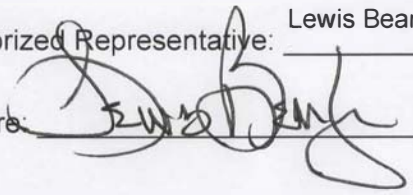
Representative Signature: _____

Signature Date: _____

I, the undersigned, do hereby certify that I have express authority to sign this proposal on behalf of the above-described entity and to the best of my knowledge, that all data and information submitted in proposal is truthful and accurate and no material fact has been omitted.

Name of Governmental Entity: Pensacola-Escambia Promotion and Development Commission

Name and Title of Authorized Representative: Lewis Bear, Chairman, PEDC Board

Representative Signature: 

Signature Date: August 29, 2018

ATTACHMENT A

The Bluffs Intersection Improvements
August, 2019

Note: Additional information relative to the grant application has been provided below. The information is referenced to the application subsection.

1A: Infrastructure Description. The Bluffs is a 6,400 Acre Master-Planned Industrial Park along the lower Escambia River in Escambia County, Florida. Planners and engineers working on the program have identified key roadway connections that serve the local community and major manufacturers alike, these connections will require modifications and new construction to move The Bluffs forward. The current transportation infrastructure is inadequate to handle new industrial, logistics and existing industry expansion opportunities developing at The Bluffs. Namely, the convergence of 6 roadways into one intersection, which impedes the safe movement of people and finished goods within this major chemical manufacturing area of Escambia County. New construction to correct these roadway deficiencies has become a top program priority.

Major intersection modifications are required at the multi-leg intersection of Old Chemstrand Road, New Chemstrand Road and Bluffs Boulevard adjacent to the main entrance of the Ascend Performance Materials Pensacola Plant. (Refer to Exhibit A for intersection location). The current intersection does not have the capacity to handle development planned in The Bluffs program. More importantly, the intersection is inadequate to support the traffic loadings associated with two new confidential industrial investments and two manufacturing expansion opportunities. Project Astro is a heavy industrial warehouse facility which will support logistic operations for several expanding local manufacturers. Project Coral is a new intermodal container yard directly servicing manufacturers in the entire region. In addition, the intersection will support two existing industry expansions. Project Flow is an R&D Center of Excellence along with manufacturing and growth of chemical product lines. Project Emerald is an expansion of a current manufacturing operation with expanding product lines. The funds allocated as part of this grant will be applied to directly support roadway infrastructure improvements for these economic development opportunities. The current intersection is inadequate to serve the proposed facilities. The intersection serves the following proposed and existing roadways:

Intersection Description

Roadway	Description
Bluffs Boulevard North	Existing entrance to ECUA[1]
Bluffs Boulevard South	Proposed, currently unimproved gravel road
Old Chemstrand Road	Existing Two-Lane Collector
New Chemstrand Road	Existing Two-Lane Collector
Ascend Plant Entrance North	Existing Drive, primary Ascend plant entrance
Ascend Plant Entrance South	Existing Drive, secondary Ascend plant entrance

1. ECUA = Emerald Coast Utilities Authority.

Engineers have developed an industrial "roundabout" solution to connect the six roadways and access drives at the existing intersection location. (Refer to Exhibit B for proposed plan). The proposed solution provides continuous uninterrupted industrial traffic flow for all six existing and future roadways at the intersection. The roundabout has been sized and designed to accommodate the continuous heavy truck traffic typical for industrial and logistics facilities. More importantly, the new facilities have been sized to accommodate all trip generators for The Bluffs at full program development.

1F: Beneficiaries. The Bluffs Industrial Corridor is an economic development initiative that includes dozens of competitive sites positioned specifically for manufacturing and logistics job creation. The infrastructure facilities proposed herein will accommodate these projects and the general public. In addition, the project accommodates growth of existing major manufacturers and support industries along the lower Escambia River including Ascend Performance Materials, Exxon Mobil, Cerex, Huntsman Corporation and the Emerald Coast Utilities Authority Central Water Reclamation Facility (CWRF) and numerous smaller industrial service suppliers such as Watco, Cordele Intermodal and KTN Packaging.

1G: Economic Impact. In March of 2019, Garnet Consulting Services, Inc. released the most recent update for The Bluffs Economic Impact and Return on Investment Analysis. (Refer to Exhibit D for full report). From this report, the following items summarize the job and investment impacts from only the first seven projects:

During the first 25 years of development:

- The Bluffs will recruit 7 projects that will occupy nearly 2.9 million square feet of building space on 210 acres of land. This level of development will leave substantial room for expansion of existing buildings and construction of new ones.

- Construction of both initial buildings and expansions will have a construction value of nearly $515 million.

- New direct employment (i.e., those jobs created in the park) totaling more than 4,300. These jobs will pay a total of more than $3.3 billion in wages.

- New indirect employment (i.e., the "multiplier jobs" caused outside the park because of expenditures by companies in the park and their workers) totaling more than 6,500 with aggregate wages of nearly $3.7 billion.

- Total combined direct and indirect jobs totaling nearly 11,000 with aggregate wages of more than $7 billion.

In addition, a complete Target Industries Analysis indicating the preferred industry sectors for The Bluffs was prepared by Wadley-Donovan Growth Tech, LLC in July 2019 (Refer to Exhibit E for full report).

2G: Matching Funds. *The Bluffs Intersection Improvements Project* is part of a larger program to provide critical access to multiple parcels in the Cypress Bluff development cluster and adjacent parcels. The Pensacola-Escambia Promotion and Development Commission (PEDC) will apply the funds requested herein to help satisfy the funding requirements for the overall $10,068,000 program. Program funds will be solicited by the PEDC from the following sources:

Florida Job Growth Grant Fund	*$2,487,000*
Escambia County	$2,095,000
TRIUMPH GULF COAST	$3,000,000
Private Donation (Land)	$486,000
Other	$2,000,000
	_____
TOTAL	**$10,068,000**

The portion of the total program cost requested from DEO as part of this application is 25%.

3C: Budget. As indicated in Part 2G, the total program cost for all work associated with this request is $10,068,000. Exhibit B shows the physical relationship between the two transportation projects that make up the overall program. The two projects work together as follows:

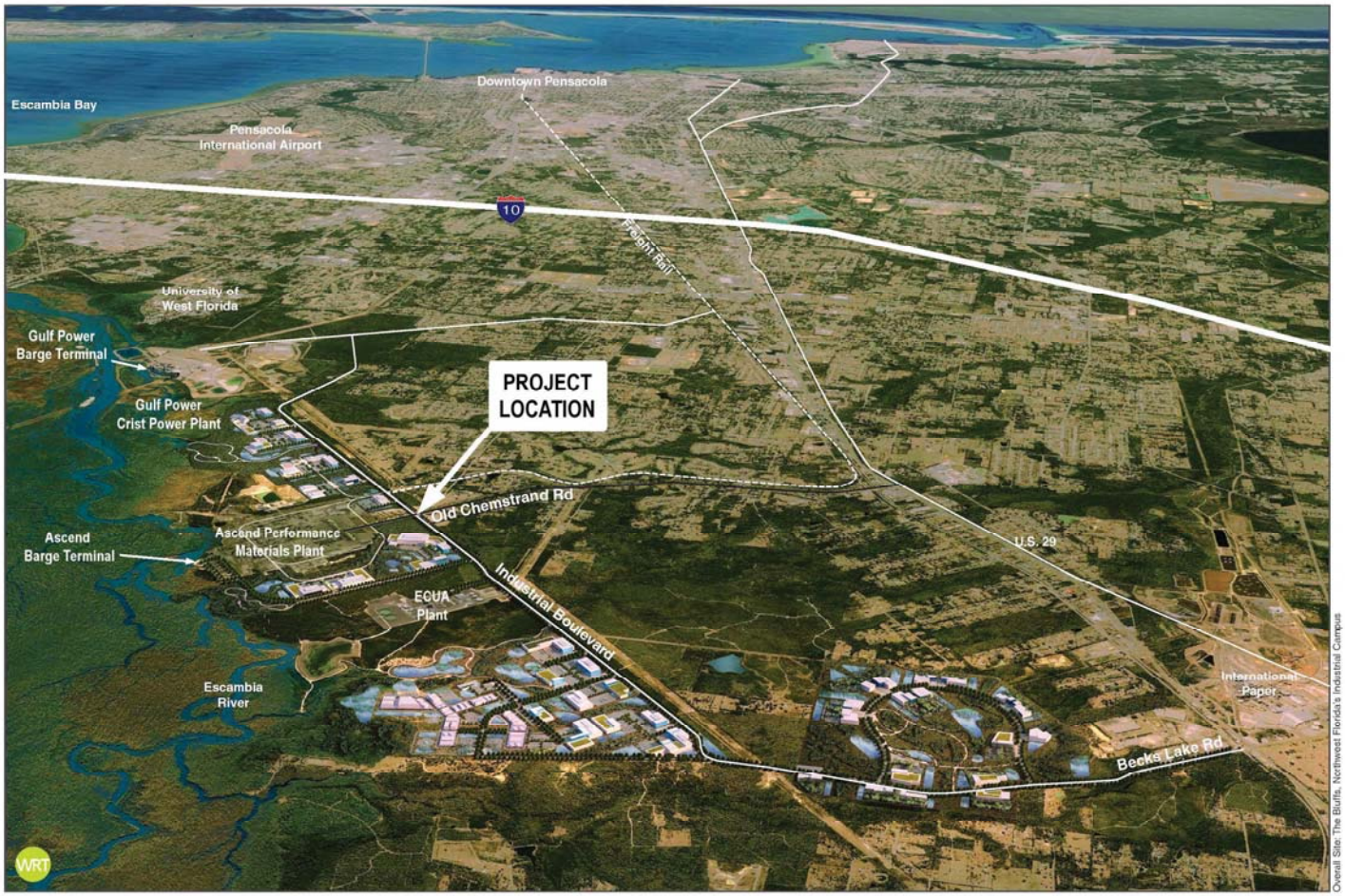
Bluffs Program Priorities

Project	**Purpose**	**Est. Cost**
Bluffs Intersection Improvements	Provide major intersection improvements to multi-leg roadway connections for industrial traffic via Old Chemstrand, New Chemstrand, Bluffs Blvd. North, Bluffs Blvd. South and Ascend Performance Materials.	**$2,487,000**
Bluffs Blvd. South Extension	Provide industrial roadway connection to project sites south of new intersection.	**$7,095,000**
	Subtotal	**$9,582,000**
	Donated Land	**$486,000**
	TOTAL PROGRAM	**$10,068,000**

The figures shown were developed by engineers working for PEDC on the design/build criteria for both projects. The rough-order-of-magnitude summary of costs and contingencies have been included as Exhibit C.

Technically, the sequencing of the program involves completing The Bluffs Intersection Improvements project first. Since this intersection is the linkage that connects the proposed Bluffs Blvd. South extension to the rest of The Bluffs and Old Chemstrand Road, PEDC will issue an RFP for a Design-Build Contractor immediately upon the receipt of the funding requested herein. While this project is in progress, PEDC will secure the additional funding required to complete the Bluffs Blvd. South Extension Project. These development efforts will coincide with the on-going manufacturing and logistics economic development opportunities in the area, (including Projects Astro and Coral), served by the intersection.

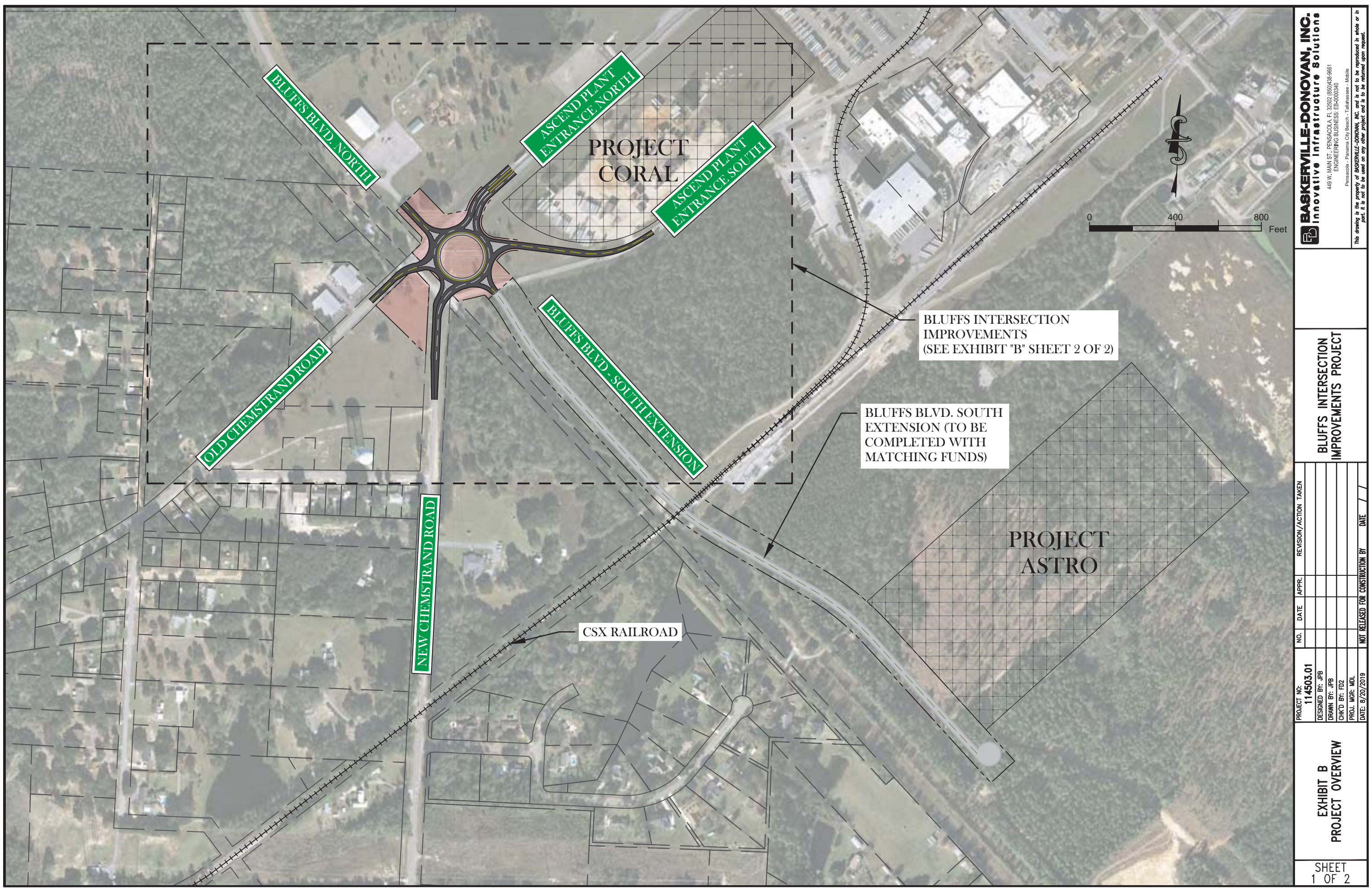
EXHIBIT A



Bluffs Intersection Improvements - PROJECT LOCATION MAP

EXHIBIT A

EXHIBIT "B" SHEET 1 OF 2



K:\1145 Bluffs\114503.01 Bluffs Ph2 2018\DWG\jpb_working\New_Roundabout_Concept.dwg, Aug 27, 2019 – 10:40:30AM, pburke

EXHIBIT "B" SHEET 2 OF 2

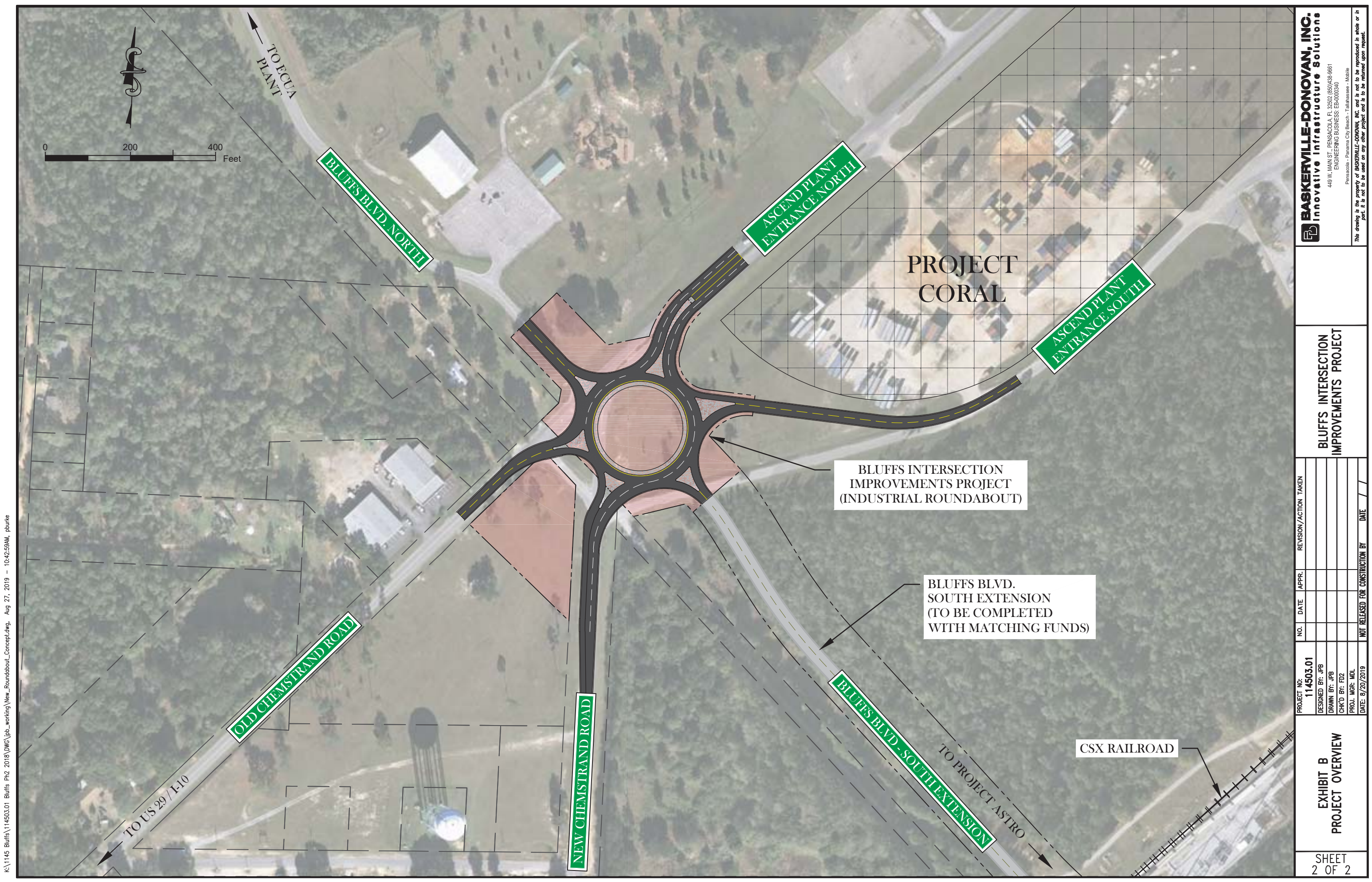


Exhibit "C" Engineer's Cost Estimate

ESTIMATE OF PROBABLE COST
CONCEPTUAL ESTIMATE

PROJECT: Bluffs Blvd. - Intersection Improvements
Order of Magnitude Cost Estimate **Date: August 2019**
Prepared by: JPB **Reviewed by: FD2**

PROJECT PLANNING COST ESTIMATE		
R/W Acquisition (Donated Land, 5.2 AC @ $30,000/AC = $156,000)		$ -
Engineering Design and Permitting (10% Construction)		$ 165,800
Construction		
	Construction Preparation (Mobilization, MOT, Erosion Control)	$ 397,000
	Roadway (Earthwork, Asphalt, Signage, Pavement Markings, Sod)	$ 1,143,000
	Drainage	$ 68,000
	Utility Coordination/Relocation/Protection	$ 50,000
Construction Engineering & Inspection (10% Construction)		$ 165,800

Subtotal	**$ 1,989,600**
Contingency (25%)	**$ 497,400**
Total	**$ 2,487,000**

ESTIMATE OF PROBABLE COST
CONCEPTUAL ESTIMATE

PROJECT: Bluffs Blvd. - South Extension
Order of Magnitude Cost Estimate **Date: August 2019**
Prepared by: JPB **Reviewed by: FD2**

PROJECT PLANNING COST ESTIMATE		
R/W Acquisition (Donated Land, 11 AC @ $30,000/AC = $330,000)		$ -
Engineering Design and Permitting (10% Construction)		$ 473,000
Construction		
	Construction Preparation (Mobilization, MOT, Erosion Control)	$ 1,128,000
	Roadway (Earthwork, Asphalt, Signage, Pavement Markings, Sod)	$ 1,188,000
	Drainage	$ 554,000
	Utilities	$ 1,675,000
	Railroad Crossing	$ 185,000
Construction Engineering & Inspection (10% Construction)		$ 473,000

Subtotal	**$ 5,676,000**
Contingency (25%)	**$ 1,419,000**
Total	**$ 7,095,000**

Subtotal Program	**$ 9,582,000**
Land Value	**$ 486,000**

TOTAL PROGRAM	**$ 10,068,000**

EXHIBIT D

The Bluffs – Phase 2

Economic Impact and Return on Investment Analysis Update

March 2019

GARNET Consulting Services, Inc.

Economic Development Analysts & Strategists

The Bluffs – Phase 2
Economic Impact and ROI Analysis Update

Contents

Introduction 1

Assumptions and Rationale 2

1. Level and Timing of Development Activity 2
2. Typical Project Site Size 3
3. Initial Land Selling Price and Escalation 3
4. Initial Construction 4
5. Building Expansion 5
6. Construction Mix and Costs 5
7. Building Permit Fees 6
8. Ad Valorem Taxes on Real Estate Paid to Escambia County 6
9. Direct Job Creation 7
    - Construction Jobs 8
10. Indirect Job Creation 8
    - Construction Jobs 10
11. Direct Wages 10
    - Construction Wages 11
    - Production Jobs Location Quotient 11
12. Indirect Wages 12
    - Construction Wages 12
13. Infrastructure Costs 12
14. Marketing Costs 14
15. Other Economic Impacts Impossible to Calculate 14
    - Revenues and Benefits 14
    - Costs 15

Economic Impact Spreadsheet Analysis 16

Topics Modeled 16

Spreadsheet Analysis Results 16

Return on Investment Analysis 17

Appendix A – Project FOIL Economic Impact Spreadsheet Analysis 19

The Bluffs – Phase 2
Economic Impact and ROI Analysis Update

Introduction

In 2014, a master-planning effort was begun for Project FOIL in Escambia County, Florida. Subsequently renamed The Bluffs, this project was a proposed multi-modal industrial park aimed at large manufacturing operations. For the remainder of this report, the project is referred to as The Bluffs.

As part of the overall master-planning of The Bluffs, an Economic Impact and Return on Investment (ROI) Analysis was prepared in August 2015.

Because four years have passed since the earliest work on the project occurred – particularly a detailed Market Analysis which provided the basis for the original Economic Impact and Return on Investment Analysis – many of the elements of the project Master Plan are currently being updated to assure that assumptions and conclusions remain valid when considered in the context of the market conditions and trends today and as can be projected for the future.

As noted in the 2015 Economic Impact and Return on Investment (ROI) Analysis:

> A development project as large, complex and costly as [The Bluffs] cannot be justified merely on the basis of the desires and support of those who propose it. The project must also be evaluated in terms of its economic impacts and the returns that can reasonably be expected from the investments required to initially create the project and operate it over its lifespan.

This Economic Impact and Return on Investment (ROI) Analysis Update provides a detailed analysis of the economic benefits that can be expected during the first 25 years of development; considers relevant costs, in particular infrastructure and marketing for the first phase of the project; and looks at various forms of return on the investment necessary to create the park.

As with the original 2015 Economic Impact and Return on Investment (ROI) Analysis, the economic impacts of The Bluffs have been evaluated in terms of the topics discussed in this report, using conservative assumptions and published research data where available. An updated spreadsheet analysis of the first 25 years of expected development has also been prepared. This is not intended to be an actual prediction of what is expected to happen, but rather a conservative and defensible model of the development activity considered a reasonable expectation.

The recently completed (November 2018) Market Analysis Update identified the following “likely development scenario”:

- Once The Bluffs or a portion thereof is fully “ready-to-go” – that is, a suitable industrial access road, full utilities, and robust telecommunications services are in place – The Bluffs should

attract one new project every four years. This does not factor in any slowdown in the national economy as is expected by many economists.

- Typical projects will be in the 125,000 to 200,000 square foot range on sites of 20 to 40 acres. Sites will be sized to allow at least a doubling of the building size in the future.
- Average employment will be 1.5 jobs per 1,000 square feet of building space. This presumes a concentration on manufacturing plants; if large distribution uses are allowed in The Bluffs, the average employment will be between .75 and 1.0 job per 1,000 square feet of building space in the mixed manufacturing and distribution operations.
- Land pricing will be $22,000± per acre. This does not include any reduction of land costs used as an incentive. [It should be noted that this value has been increased to $30,000 per acre based on typical pricing included in recent project negotiations.]

Assumptions and Rationale

An Economic Impact Analysis such as this is dependent on numerous assumptions. Such assumptions must be conservative, defensible, and wherever possible, based on careful analysis of available data. Those used in this Economic Impact and Return of Investment Analysis Update for The Bluffs are as follows:

1. Level and Timing of Development Activity

As noted in the original 2015 Economic Impact and Return of Investment Analysis, the intended nature of the preferred occupants of The Bluffs – large scale manufacturing operations – results in a lower demand for sites than might otherwise occur for a broader purpose business park with smaller projects.

- A focus on manufacturing plants eliminates other possible project types – for instance, large warehouse and distribution projects that would also require large lots but would likely employ fewer people. Similarly, large office projects are also not included as potential occupants.
- A focus on larger manufacturing projects – generally 20 acres or more – further reduces potential development activity because there are fewer large projects than there are smaller ones.

The project's stakeholders recognized this limitation when the initial project concept was developed five or more years ago and remain comfortable with it because the region has other site opportunities for the types and sizes of projects not currently envisioned as occupants of The Bluffs.

Because of the "pent up demand" indicated by continuing contact between The Pensacola-Escambia Development Commission (PEDC)/FloridaWest Economic Development Alliance (the marketing and management group for The Bluffs) and prospects considered potential occupants of The Bluffs (12 manufacturing projects in the nearly four-year 2015 – October 2018 period despite the fact that the project is not fully ready), a conservative projection from updated market research suggests The Bluffs will attract one new project every four years.

The accompanying spreadsheet analysis shows the first project occurring in Year 1 of the project, but this follows a currently ongoing period of unknown duration devoted to installing initial infrastructure for the first phase of The Bluffs and any necessary project specific final design, permits and approvals, and similar work items. Project marketing is already ongoing and has led to the level of prospect activity previously mentioned, but the spreadsheet analysis includes a more robust marketing effort commencing in Year 1 as recommended by the marketing consultant for the master-planning team..

2. Typical Project Site Size

Recently updated market research continues to indicate most projects will be in the 20 to 40 acre range. Based on the 2015 Market Analysis, site design focused on creating lots in this size range, with the availability of some lots that are both larger and smaller than this range. This size range continues to be recommended.

- The smaller lots are primarily located in the northwestern portion of The Bluffs and are the result of wetlands, steep terrain or other characteristics of that portion of the overall Bluffs area that limit the ability to create larger lots.
- In many other portions of The Bluffs site there are opportunities to either combine adjacent lots into larger ones if needed, or to subdivide larger lots if market demand requires that in the future.

A new conceptual plan has not yet been created; any changes in lot layout and sizes will be the result of new information about the overall land mass and infrastructure layout requirements.

For the purposes of the spreadsheet analysis that accompanies this report, an average site size of 30 acres per project is used.

3. Initial Land Selling Price and Escalation

Recent discussions between FloridaWest and prospects potentially interested in a location in The Bluffs have used land pricing in the $25,000 - $35,000 per acre range. Because the land is privately owned, the land owners (primarily Ascend Performance Materials and the Emerald Coast Utilities Authority (ECUA)) have great flexibility in establishing an asking price. No attempt has been made in this analysis to reflect special deals that may be made by the land owners to offer a lower price for projects they find particularly desirable (for instance, customers or companies in their supply chain) or other use of a discounted land price as an incentive to win a project.

For purposes of calculations in the economic impact analysis spreadsheet that accompanies this report, an initial average baseline price of $30,000 per acre has been used with an escalation in pricing of 2% per year beginning in year 4. For calculation purposes, prices have been rounded to the nearest $100, which would likely be how actual pricing would occur.

While it is possible some land may be made available to manufacturers on a land lease basis, no attempt has been made in this analysis to reflect this alternative to land sales. A land lease would typically generate revenues reflecting 10% of the land sale value per year.

4. Initial Construction

Projection of lot sizes purchased or occupied reflects two factors:

- Excess land required by zoning regulations, covenants or other limitations on maximum lot coverage. Escambia County Land Use regulations allow a maximum 40% to 50% lot coverage by the building footprint depending on the industrial district regulations in force.
- The purchase of excess land to allow future expansion.

This analysis assumes a maximum lot coverage over time of 40% and the purchase of enough land to allow a doubling in size of the initial building over time. The original Economic Impact and Return of Investment Analysis provided a table (Table 1 of that document) with a detailed analysis of the amount of construction that could occur on each of the proposed lots. Because this lot layout has not yet been updated, it is not possible to provide a revised table showing this information.

Nonetheless, the calculations of how much building area can be accommodated by various sized lots provided in the original Economic Impact and Return on Investment Analysis remain valid and are presented in Table 1 below. The 20% Initial Coverage is half of the 40% Maximum Coverage used in the modeling to reflect a doubling of the building size in the future.

Table 1
Initial Building Sizes at 40% Maximum Coverage in The Bluffs
on Lot Sizes to Allow Doubling of Initial Building Size

Lot Size (Acres)	Eventual Maximum 40% Coverage (SF)	20% Initial Coverage (SF)
15	261,360	130,680
20	348,480	174,240
25	435,600	217,800
30	522,720	261,360
35	609,840	304,920
40	696,960	348,480
45	784,080	392,040
50	871,200	435,600

Source: Garnet Consulting Services, Inc.

It should be noted that if the maximum lot coverage allowed is 50% rather than the 40% assumed here, the maximum building size the various lot sizes shown in Table 1 can accommodate will be even larger.

Based on the average 30 acre site size per project identified in section 2 above, an average building size of 260,000 square feet is used in the accompanying spreadsheet analysis, recognizing that some projects will be smaller and some will be larger.

5. Building Expansion

The economic modeling assumes expansions of existing buildings will average 5% of total existing space per year beginning in year 7. It is likely actual expansions will occur less frequently but in larger increments, but it is impossible to predict when expansions will actually happen or how large they will be. This assumption attempts to conservatively average future activity.

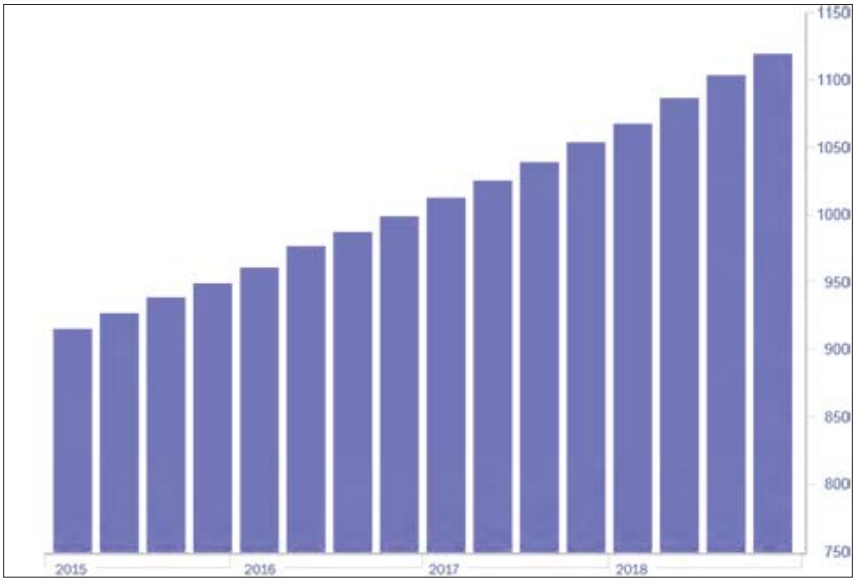
6. Construction Mix and Costs

This analysis assumes that each manufacturing building constructed in The Bluffs will be predominantly manufacturing space with some unknown mix of office, storage, distribution, and perhaps other uses.

Research on prevailing construction costs in the Escambia County/Santa Rosa County area in 2018 found the following:

- Prevailing industrial construction cost for a single-story factory-type or flex-space building was $85 per square foot plus site development costs of $25,000 to $50,000 per acre for stormwater management areas, parking lots and driveways. Sources used to develop this estimate included:
  - the R.S Means Building Costs Manual adjusted for inflation and regional differences;
  - consultation with a local building contractor; and
  - consultation with a local real estate broker specializing in commercial and industrial properties.
- Construction costs have been rising rapidly and consistently. The Turner Building Cost Index shows that construction costs increased 5.86% between Fourth Quarter 2017 and Fourth Quarter 2018 (see: http://www.turnerconstruction.com/cost-index). Continued escalation is expected. Figure 1 shows this trending between First Quarter 2015 and Fourth Quarter 2018.

Figure 1
Turner Building Cost Index, 2015 - 2018



Source: http://www.turnerconstruction.com/cost-index

Additional relevant factors related to industrial construction costs are:

- Office space is more expensive than manufacturing space, but varies greatly in terms of the degree of finish.
- Storage and warehouse/distribution space tends to be less expensive than manufacturing space, but can vary because of specialty considerations such as the need to support crane rails or other heavy equipment.
- Metal-walled buildings are generally less expensive per square foot than masonry-walled buildings, but there is some volatility in steel costs (for instance, tariffs) and variation in masonry costs depending on whether block or tilt-up construction is used. Costs also vary depending on the sidewall and clear heights of the buildings.
- Economies of scale lead to larger buildings having lower per square foot costs than smaller buildings.

Since it is not known when in the future the first building will be constructed in The Bluffs, what the construction materials will be, or what the actual building design characteristics will be (for instance, mix of space types, clear height, special design and construction needs), the spreadsheet analysis prepared for this Economic Impact and Return of Investment Analysis Update uses an initial average or blended construction cost of $100 per square foot for the first building construction with an inflation factor of 4% per year thereafter.

7. Building Permit Fees

Escambia County has no published schedule or formula for calculating building permit fees, but these can be a source of significant revenue from a project such as The Bluffs that will entail extensive building construction over an extended period. Estimated fees are obtained by submitting a Building Permit Fee Estimate form (see: https://www.myescambia.com/our-services/building-services/permitting-forms) to the County's Building Inspections Division providing information on a specific project. Estimated building permit fees several years ago for two industrial buildings in the size range expected for The Bluffs (250,000 and 500,000 square feet), were about $600 per $1 million of construction value. This same amount has been used in this analysis but may be low in today's permit fee schedule. Some increase in building permit fees has occurred in the period between the original and updated analyses due to the continuing increase in construction costs.

8. Ad Valorem Taxes on Real Estate Paid to Escambia County

The County's website http://escambiataxcollector.com/millage-rate-detail shows the components of the 2018 Escambia County Millage Rates (the most recent available) for the unincorporated portion of the County (where The Bluffs is located) as follows:

Table 2
Escambia County Unincorporated Area Mill Rates - 2018

Millage Type	Millage Rate
Escambia County Property Tax (CO)	6.6165
School Board (SC)	6.3250
—By Local Board	[2.1250]
—By State Law	[4.2000]
NW FL Water Management (WT)	0.0338
Library	0.3590
TOTAL	14.0193

Source: http://escambiataxcollector.com/millage-rate-detail

As shown in Table 2, the currently prevailing mill rates would result in a tax cost on real property of $14.0193 per $1,000 of property value. This equates to a payment of $14,019.30 for each $1 million of property value. This is a slightly lower rate than was in effect when the original Economic Impact and Return on Investment Analysis was prepared.

Estimated real estate property taxes payable to Escambia County were calculated in this analysis update based on the estimated land value and building construction value for each building construction project using the current mill rate. No attempt was made to forecast changes in the mill rate or assessment values and practices, or building depreciation that would reduce assessed value. While taxes are already being paid on the excess land owned by Ascend, it is assumed the land will have a higher assessed value after building construction. For calculation purposes, the potential selling price of the land is used for calculating the taxes on the land – that is, a reduced incentive value is not a factor in the calculations.

9. Direct Job Creation

This analysis uses an estimate of 1.5 jobs per 1,000 square feet of building space for direct jobs – that is, those jobs created by companies locating within The Bluffs. This estimate is the same as used in the original Economic Impact and Return on Investment Analysis but was developed independently of that Analysis based on potential job creation by manufacturing prospects who have recently considered a Bluffs location or were considered appropriate for The Bluffs by FloridaWest staff.

This estimated job creation figure is also a mid-range number between the 1 parking spot per 1,000 square feet of building space required in the Escambia County Land Development Code and higher manufacturing building occupancy (2 to 3 per 1,000 square feet) found in many other locations. This is a conservative estimate of minimum employment that does not reflect multiple-shift operations that might occur. Multi-shift operations could significantly increase the direct job creation and wages (as well as the resulting indirect jobs and wages).

Table 3 shows the estimated job creation for the representative lot sizes and associated building space sizes shown in Table 1. No attempt has been made to adjust for possible reductions in job creation due to future, unknown automation, artificial intelligence, or similar technological impacts.

Table 3
Estimated Direct Job Creation by Representative Lot Size,
Initial Building Size, and Maximum 40% Site Coverage

Lot Size (Acres)	20% Initial Coverage	Job Creation at 20% Lot Coverage	Eventual Maximum 40% Coverage	Job Creation at 40% Lot Coverage
15	130,680	196	261,360	392
20	174,240	261	348,480	523
25	217,800	327	435,600	437
30	261,360	392	522,720	784
35	304,920	457	609,840	915
40	348,480	523	696,960	1,045
45	392,040	588	784,080	1,176
50	435,600	437	871,200	1,307

Source: Garnet Consulting Services, Inc.

Construction Jobs

No attempt was made in this analysis to factor in construction jobs because of their "temporary" nature – that is, they only exist for as long as the construction is occurring. However, the nature of the construction industry makes construction workers dependent on a series of such "temporary" assignments for full-time, permanent employment, and projects of the magnitude and duration of The Bluffs can contribute substantially to the regional construction industry.

The original 2015 Economic Impact and Return on Investment Analysis noted:

> A September 10, 2014 *Monster* article "Florida's 'I-4 Ultimate' Project to Create Thousands of Construction Jobs" quotes "…numbers provided by the federal government during the economic stimulus, which estimated 26,000 jobs are created for every $1 billion spent on major projects." This indicates the nearly $194 million in project FOIL [The Bluffs] infrastructure costs would generate about 5,000 full-time equivalent jobs, but these would be inconsistent in number and spread out over the 20-year Phase 1 infrastructure development cycle.

In addition to construction jobs from infrastructure installation, there would also be a significant number of construction jobs – albeit short term – from each building project.

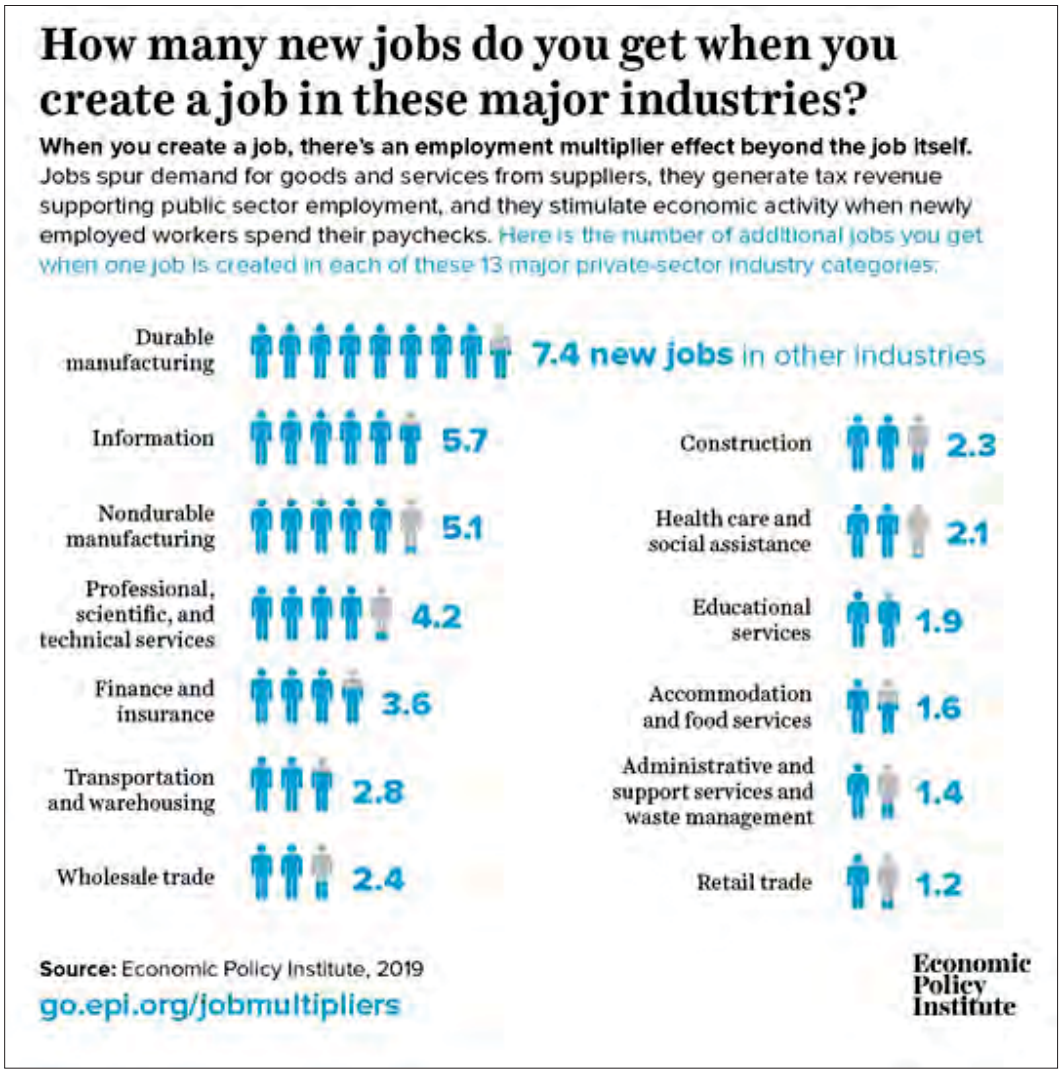
10. Indirect Job Creation

In selecting an appropriate multiplier for estimating indirect job creation (that is, additional jobs in the regional economy stimulated by the direct jobs within The Bluffs), the most recent (2016 data released in 2018) RIMS II (the US Bureau of Economic Analysis Regional Input-Output Modeling System) data for the Pensacola-Ferry Pass-Brent MSA [Metropolitan Statistical Area]) was procured. Table 1.5 Total Multipliers for Output, Earnings, Employment, and Value Added by Industry Aggregation,

Pensacola-Ferry Pass-Brent, FL Metropolitan Statistical Area (Type II) includes 235 forms of manufacturing; of these, employment multipliers are provided for 94 that are currently represented in the region. These employment multipliers range from 1.3527 to 3.1156 and average 1.9917. What this means is that for each direct job created, an additional .9917 indirect jobs are created in the overall regional economy.

RIMS II multipliers are considered by many to be overly conservative. As one example, recent estimates by the Economic Policy Institute (described on their website https://www.epi.org/about/ as "a nonprofit, nonpartisan think tank created in 1986 to include the needs of low- and middle-income workers in economic policy discussions") recently released the chart shown in Figure 2.

Figure 2
2019 Employment Multipliers from the Economic Policy Institute



Source: The Agurban Blog, February 12, 2019; see: https://mail.yahoo.com/d/search/name=The%2520Agurban&emailAddresses=agurban%2540agracel.com&listFilter=FROM&contactIds=03fb.86e4/messages/115673?.partner=sbc&reason=partneruser

Figure 2 shows an estimated employment multiplier for nondurable manufacturing of 5.1 and for durable manufacturing of 7.4. These may be on the high side – certainly not conservative.

Based on these considerations and the fact that the actual mix of future project types continues to be unknown, this analysis uses a multiplier of 2.5 for calculating indirect job creation – that is, as a result of each new job located in The Bluffs, an additional 1.5 new jobs will be created somewhere in the region.

Construction Jobs

As with direct jobs, this analysis does not project indirect jobs created by direct construction jobs in The Bluffs. However, the RIMS II data used in this report shows construction related employment multipliers of:

- 1.8646 for highway and streets construction jobs
- 2.1863 for water, sewer & other systems construction jobs
- 1.6427 for non-residential building construction

11. Direct Wages

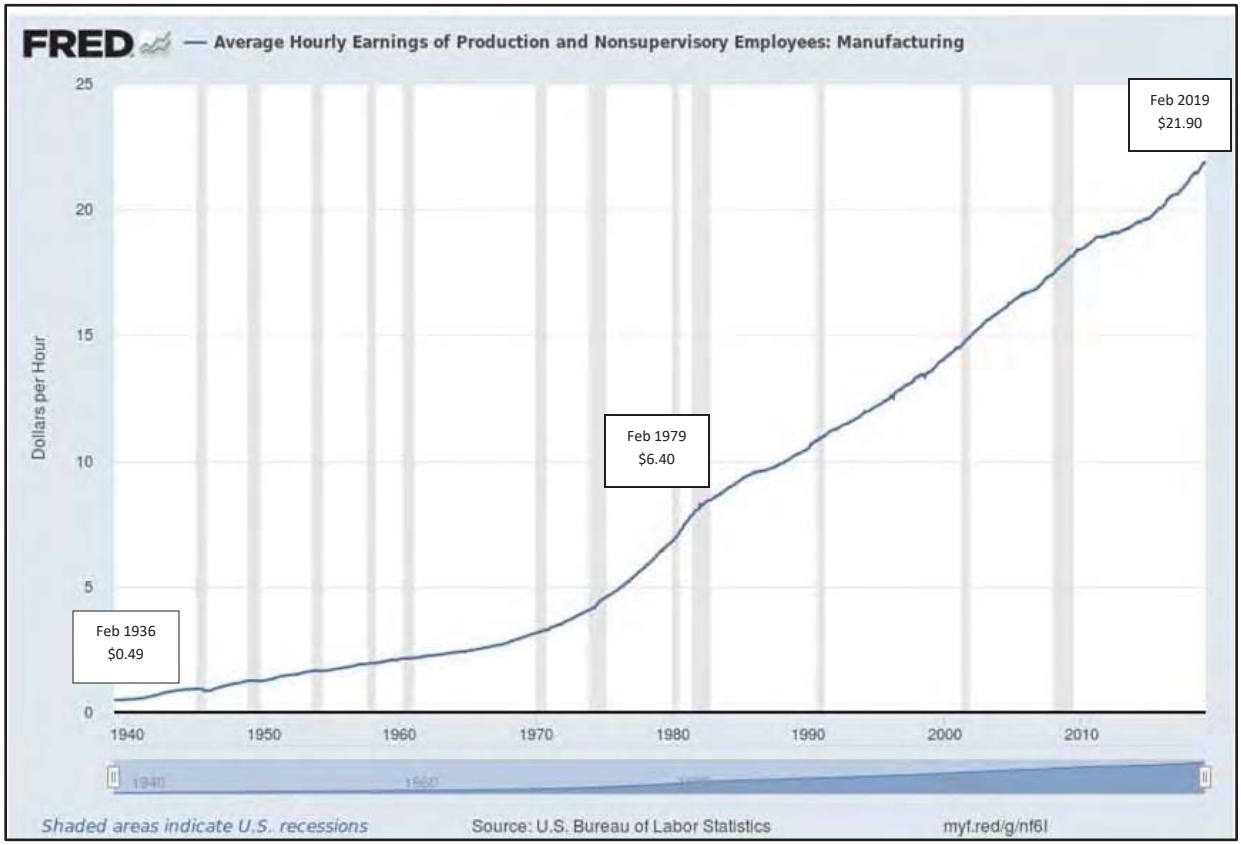
In estimating wages to be paid by companies locating in The Bluffs, the May 2017 Metropolitan and Nonmetropolitan Area Occupational Employment and Wage Estimates for the Pensacola-Ferry Pass-Brent, FL MSA report from the US Bureau of Labor Statistics (BLS) for Production Occupations was used (see: https://www.bls.gov/oes/current/oes_37860.htm). The category of Production Occupations is considered most representative of the broad range of manufacturing jobs expected in The Bluffs. The region's 2017 annual mean production occupation wage was $38,550. This compares with the average annual mean wage for all occupations in the MSA of $41,200. The category of Production Occupations contains 31 sub-categories ranging in annual mean wage from $19,790 (Pressers, Garment, Textile, and Related Materials) to $65,770 (First Line Supervisors of Production and Operating Workers).

This report does not show how Production Occupation wages have changed over time. However, the comparable report for the MSA for May 2016 showed an average annual mean wage for production occupations of $36,960 and an average annual mean wage for all occupations in the MSA of $40,220. Therefore, there was a one-year increase in the wages for production occupations of 4.3% compared with a one-year increase for all occupations of 2.4%.

Figure 3 provides a different perspective of increases in manufacturing wages (production and non-supervisory employees) reported by the Federal Reserve Bank of St. Louis (see: https://fred.stlouisfed.org/series/CES3000000008). The interactive feature of the online graphic shows that annual, hourly manufacturing wages were $0.49 in February 1939; $6.40 in February 1979; and $21.90 in February 2019.

This means that during the 80-year period between February 1939 and February 2019, manufacturing wages increased at the rate of about 4.9% per year (although this average was skewed by a more rapid increase in the 1970 – 1982 period), while during the 40-year period between February 1979 and February 2019, these wages increased at the rate of about 3.2% per year.

Figure 3
Average Hourly Earnings of Production and Nonsupervisory Employees: Manufacturing
1939 - 2019



Source: Federal Reserve Bank of St. Louis; additional graphics by Garnet Consulting Services, Inc.

Recognizing that the BLS numbers are already nearly two years old and assuming the first project in The Bluffs will not occur for at least two years, for calculation purposes this analysis uses a base average wage of $41,700 for the first project, escalating by 3.0% per year.

Construction Wages

As with construction employment, this analysis does not include construction wages. However, for information purposes, the May 2017 Metropolitan and Nonmetropolitan Area Occupational Employment and Wage Estimates for the Pensacola-Ferry Pass-Brent, FL MSA report from the US Bureau of Labor Statistics (BLS) for Construction and Extraction industry jobs shows and average annual wage of $37,260 and a range from $24,500 to $49,540 per year.

Production Jobs Location Quotient

Although not a factor in the actual wages for production jobs in the Escambia County region, the BLS Employment and Wage Estimates report referenced above also shows a location quotient for production jobs in the Pensacola-Ferry Pass-Brent, FL MSA of 0.60. This means that the number of production jobs in the MSA as a percentage of the total number of jobs in the MSA is only 60% of the

national average for production jobs. This indicates that there is room for substantial growth in production jobs in the MSA – exactly the manufacturing projects The Bluffs is intended for.

12. Indirect Wages

The previously referenced RIMS II, Type II data for the Pensacola-Ferry Pass-Brent MSA also provide Earnings (or wages) multipliers for the region. For the 94 types of manufacturing currently in the region, the earnings multiplier ranges from 1.4604 to 2.9521 and averages 1.7330. This means that for every $1.00 earned by a worker in a company located in The Bluffs, another $0.733 will be earned by others in the area. For calculation purposes in this analysis, this indirect earnings (or wages) multiplier of 1.733 has been used.

Construction Wages

Again, no attempt was made to project indirect job wages caused by construction jobs. For information purposes, the RIMS II data used in this analysis shows construction jobs earnings multipliers of:

- 1.6183 for highway and streets construction jobs
- 1.8431 for water, sewer & other systems construction jobs
- 1.4513 for non-residential building construction

13. Infrastructure Costs

The cost of installing necessary infrastructure for The Bluffs is a moving target, reflecting the following:

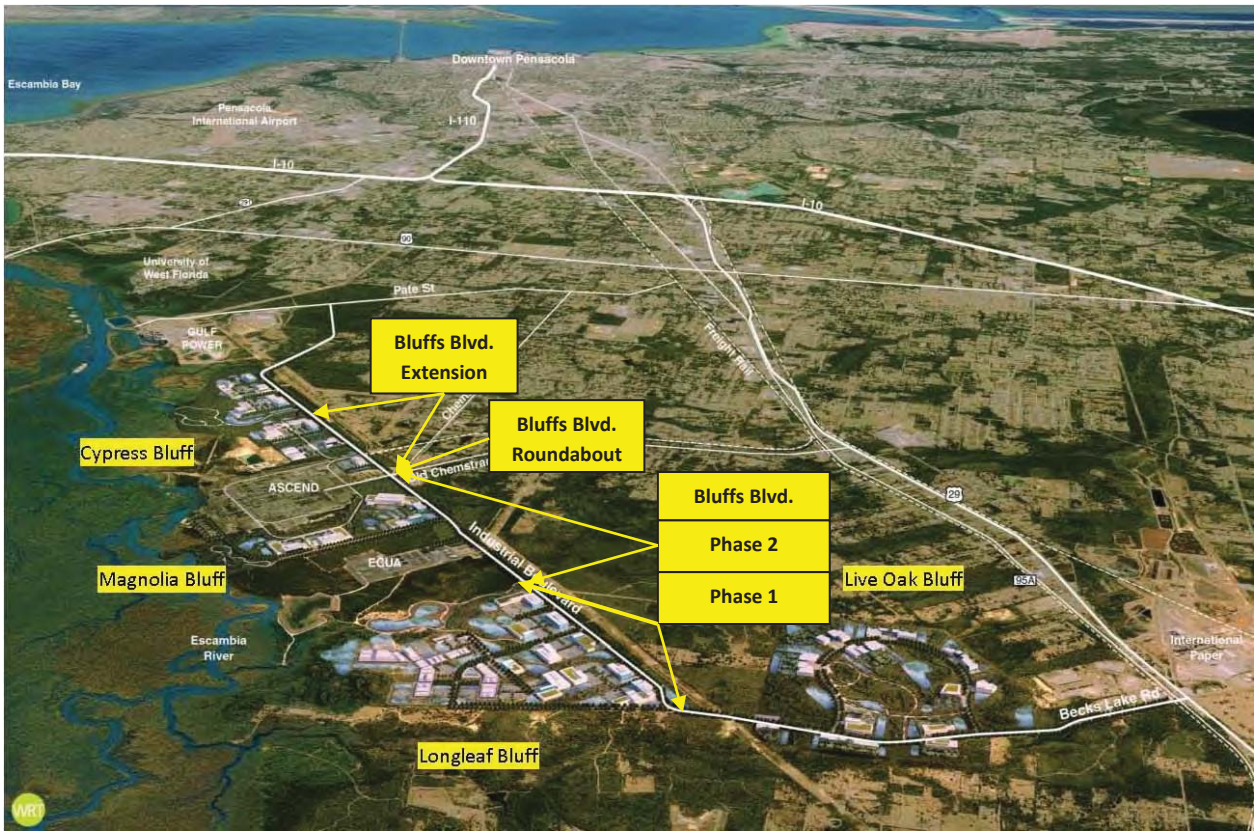
- a changing understanding of the features of the land comprising The Bluffs
- changing design approaches to provide necessary infrastructure most cost-effectively
- changing project phasing and design requirements
- responding to ongoing prospect inquiries that include different locations in the industrial park.

The 2015 Economic Impact Analysis included an infrastructure estimate of nearly $194 million including a 25% contingency, 10% design fees and 10% construction fees.

Figure 4 provides an overview aerial of The Bluffs showing the various areas of the park referenced in Table 4 below. [Note: the clusters of buildings are illustrative of potential future development.]

Table 4 provides current information provided by Baskerville-Donovan, Inc., the firm that is coordinating infrastructure planning and design for infrastructure construction on Bluffs Boulevard – the spine road that links the northern and southern portions of The Bluffs and the northern Becks Lake Road connection between US 29 and Bluffs Boulevard. The sites and site names shown are the four major portions of the overall Bluffs concept plan. Bluffs Boulevard is shown with its original name Industrial Boulevard.

Figure 4
The Bluffs and its Major Sections



Source: Garnet Consulting Services, Inc.

Table 4
The Bluffs – Current Infrastructure Costs Estimates

Development Item	Estimated Costs	Status
Site 1 – Live Oak Bluff	$32,350,000	Primary road and utility connections within major sections of The Bluffs connecting to Bluffs Boulevard or Becks Lake Road. Schedule for actual installation to be determined in the future.
Site 2 – Long Leaf Bluff	$29,800,000	
Site 5 – Magnolia Bluff	$31,000,500	
Site 6 – Cypress Bluff	$32,900,500	
Bluffs Boulevard Phase 1 *	$29,277,080	Design criteria package for design/build proposals being developed.
Bluffs Boulevard Phase 2	$26,352,160	
Bluffs Boulevard Roundabout	$3,840,000	Included in current $2.5 million request to state for design and construction.
Bluffs Boulevard South Extension	$6,025,000	Intended for future state funding ask for design and construction. Approximate schedule: initiate design in fall 2020; construction fall 2021; completion fall 2022.
Becks Lake Road	$24,314,500	Design criteria package out-to-bid for design/build of Becks Lake Road improvements.
Rail Extension to Site 5	$7,800,000	Extension of Ascend plant rail spur to serve sites in Magnolia Bluff. Timing of extension to be determined based on need.
Total	**$223,659,740**	

Source: Baskerville-Donovan, Inc. * Bluffs Boulevard is shown as Industrial Boulevard in Figure 2 above.

Some of the infrastructure cost increase since the 2015 estimates are for right-of-way acquisition for roads and stormwater management. However, the majority of the increase is from continual increases in construction costs. In the spreadsheet analysis that accompanies this analysis, no attempt was made to show when these expenditures will occur or estimate future increases in construction costs due to inflation as this is an unknown amount that might fall within the 25% contingency in the currently estimated costs.

14. Marketing Costs

The Marketing and Communications Plan developed for The Bluffs in 2015 included a budget showing estimated costs for "Average", "Good" and "Aggressive" marketing programs for the first 10 years of the project. Beyond the first 10 years, the marketing budget will be determined as needed in the future. For purposes of the 2015 Economic Impact Analysis analysis, the mid-range "Good" recommended marketing program budget was used. For this update, the same marketing budget is included and is summarized in Table 5. It should be noted that, as in any long-range marketing program, these estimated marketing costs are subject to periodic review and amendment to reflect changing trends, opportunities, and marketing methods.

Table 5
Mid-range "Good" Marketing Budget for The Bluffs

Year of the Project	Marketing Budget
1	$330,000
2	$280,000
3	$170,000
4	$170,000
5	$305,000
6	$280,000
7	$170,000
8	$170,000
9	$170,000
10	$305,000
10-Year Total	**$2,350,000**

15. Other Economic Impacts Impossible to Calculate

As noted in the 2015 Economic Impact and Return on Investment Analysis, in addition to the economic impact categories shown above, there are others that will occur and will provide economic benefit or cost to the County or State, but which cannot be modeled due to the complexity of the topic; factors such as abatements that apply differently to various forms of business operations; and taxes or fees that are unknown or involve negotiation between the business and taxing authority; these include:

Revenues and Benefits

- Non-ad valorem taxes paid to Escambia County because these are generally negotiated between the business and the County.

- Tangible personal property taxes payable to Escambia County on furniture, fixtures, and equipment of a business locating in The Bluffs because the value of that property cannot be forecast.
- Local business taxes paid to the County.
- Purchases of industrial machinery and equipment that are expected to comprise the majority of production equipment in the park, but which are eligible to receive a sales and use tax exemption.
- Sales taxes on goods and services paid to the County and State because it is not possible to anticipate what goods and services will be purchased by the variety of companies locating in The Bluffs or what portion will be purchased locally.
- Corporate income taxes paid to the state at a rate of 5.5% of net income (the current rate) because the net income of businesses in The Bluffs cannot be forecast. Every $100,000 of net income would be expected to generate $5,500 of tax payments; however, many types of companies are eligible for tax refunds or credits under the state's Qualified Target Industry Tax Refund (QTI), Qualified Defense and Space Contractor Tax Refund (QDSC), Capital Investment Tax Credit (CITC) or High Impact Performance Incentive Grant (HIPI) programs.
- The Pollutants Tax payable by manufacturers of petroleum products, as well as pesticides, ammonia, chlorine, and solvents. As chemical manufacturing is one of the recommended targets for The Bluffs, some park occupants may be subject to this tax.
- Workers Compensation Assessments paid to the State because the assessment categories of a variety of businesses and their workers are unknown at this time.
- Water and wastewater treatment fees paid to the Emerald Coast Utilities Authority (ECUA) because the volume of water consumed and effluent created by individual businesses, or all businesses in the aggregate, cannot be estimated. In addition, ECUA may derive additional revenue from the sale of treated "graywater" to other industries such as International Paper.
- Natural gas sales to Pensacola Energy, which cannot be estimated at this time due to the unknown natural gas needs of future park occupants.
- The image enhancement of the Pensacola/Escambia County region, as well as the state of Florida as the home of a premier park created for and occupied by a cross section of the world's major industries.

While the economic benefits from these potential sources of revenue cannot be estimated or modeled, they will be created from development of The Bluffs; some can be expected to be substantial.

Costs

In addition to these currently unquantifiable benefits, there are potential costs that must also be recognized, including:

- Increased street maintenance costs due to higher levels of truck and employee traffic traveling to and from the park.
- Impacts of population growth that may occur as people move to the area for The Bluffs' employment opportunities.

  - In particular, increased school enrollment from population growth that may result in the need for new school construction or expansion.
  - It should be noted that population growth is also occurring because of the continuing development of the Navy Federal Credit Union campus.
- Increased demands for public safety services (police, fire, EMT, ambulance).
- Increased social services costs from residents in need of such services.
- Management costs for overseeing development of The Bluffs.
- Maintenance costs for the park.

Economic Impact Spreadsheet Analysis

Appendix A provides the detailed spreadsheet analysis on the economic impacts of The Bluffs that can be analyzed at this time, using the assumptions discussed above.

Topics Modeled

The topics modeled are:

- The expected level of development activity
- Typical project site sizes factoring in excess land to allow future expansion and compliance with land use maximum coverage regulations
- Initial land selling price and escalation over time
- Initial building construction size and future expansion
- Building type and prevailing construction costs
- Building permit fees
- Ad valorem taxes on real estate paid to Escambia County
- Direct and indirect employment
- Direct and indirect wages
- Current estimates of infrastructure costs and timing of installation
- Marketing costs

Spreadsheet Analysis Results

The detailed Economic Impact Update spreadsheet analysis prepared for The Bluffs found the following **for the first 25 years of development**:

- The Bluffs will recruit 7 projects that will occupy nearly 2.9 million square feet of building space on 210 acres of land. This level of development will leave substantial room for expansion of existing buildings and construction of new ones.
- Construction of both initial buildings and expansions will have a construction value of nearly $515 million.
- Nearly $309,000 in building permit fees payable to the County.
- A cumulative amount of about $68 million in ad valorem real estate property taxes could be received by Escambia County, although this amount is likely to be reduced by incentives offered to attract projects, but could also increase if tax rates rise.

- The potential land sale value of nearly $8,000,000, although this may be reduced due to special prices negotiated for highly desirable projects. At the present time, this revenue will go to the current primary land owners, Ascend and ECUA.
- New direct employment (i.e., those jobs created in the park) totaling more than 4,300. These jobs will pay a total of more than $3.3 billion in wages.
- New indirect employment (i.e., the "multiplier jobs" caused outside the park because of expenditures by companies in the park and their workers) totaling more than 6,500 with aggregate wages of nearly $3.7 billion.
- Total combined direct and indirect jobs totaling nearly 11,000 with aggregate wages of more than $7 billion.

Stated differently, **the potential economic benefits of the development of every 10 acres** of The Bluffs during the first 25 years of the project's existence are:

- 138,000 square feet of taxable new building space
- $24,500,000 in construction value and related construction jobs
- $14,700 in building permit fees payable to Escambia County
- $3,238,000 in ad valorem real estate property taxes paid to the County
- 205 direct and 310 indirect jobs
- More than $333 million in wages from direct and indirect jobs in the Escambia County and regional economy

As the development of The Bluffs during the first 25 years totals 210 acres compared with a total developable area of 900± acres, it is obvious that the project will meet the large industrial project needs in the region for the foreseeable future and generate extensive benefits for the County, region and State of Florida.

Return on Investment Analysis

The Bluffs is essentially a quasi-public sector project. It is being undertaken by a not-for-profit development entity [the Pensacola-Escambia Promotion and Development Commission (PEDC)] with substantial support from local, County and State governments, as well as the four primary landowners whose land comprises the project area. It is a very large specialty project with a very long development period – a fact that has been recognized from the time the project was first proposed.

Therefore, the return on investment (ROI) for The Bluffs cannot be measured in the typical way it would be calculated for a purely private project – that is, primarily a cash-on-cash comparison where the difference between cash spent and cash received at a discounted rate of return over the development period determines whether it is a reasonable deal to undertake. This becomes immediately obvious when one makes the following comparison:

- The current estimate of Phase 1 infrastructure costs is nearly $224 million, but the timing of that investment is not yet known.

- As originally conceptually planned, Phase 1 of the project included 4 major sites containing 34 parcels (lots) totaling 888.6 acres. With an initial selling price of $30,000 per acre and factoring in reasonable escalation of that price over time, full build-out of Phase 1 might generate $27 million to $32 million in land sale revenue. This is far short of the development costs, and will go to the landowners, not to the PEDC as developer of the project.

- Escambia County will receive about $68.4 million in building permit fees and ad valorem taxes during the first 25 years that have been modeled.

As with most public sector projects, ROI must also take the jobs and wages to be created into consideration. As shown above, during the first 25 years of the development of The Bluffs, job creation is projected to be nearly 11,000 direct and indirect jobs generating more than $7 billion in wages. This will significantly improve the economy of the region and the standard of living of its residents. This, coupled with raising the image of the Pensacola/Escambia County region and the State of Florida as a premier location for major manufacturing operations, are the better measures of the The Bluff's ROI over an extended period.

Appendix A – Project FOIL Economic Impact Spreadsheet Analysis

See accompanying spreadsheet.

EXHIBIT E

The Bluffs – Phase 2

Target Industry Analysis Update

July 2019

Wadley-Donovan GrowthTech LLC

The Bluffs – Phase 2

Target Industry Analysis Update

Contents

Introduction 1
Selecting Strategic Industry Sectors 2
Existing FloridaWest/PEDC, FGNW and EFI Targets 2
The Recommended Targets 13
Industry and Operations Targets 13
1. AVIATION MANUFACTURING 13
2. CHEMICAL MANUFACTURING 13
3. CLEANTECH: WIND ENERGY (WE) AND BIOFUELS (BF) 14
4. DISTRIBUTION AND WAREHOUSING IN SUPPORT OF BLUFFS' MANUFACTURERS 15
Non-Industrial Targets 15
5. PROFESSIONAL SERVICES 15
6. CYBER SECURITY 16
7. INFORMATION TECHNOLOGY 17

The Bluffs – Phase 2

Target Industry Analysis Update

Introduction

In 2014, a master-planning effort (referred to as the Industrial Development Study or IDS) was begun for Project FOIL in Escambia County, Florida. Subsequently renamed The Bluffs, this project originally was a proposed multi-modal industrial park aimed at large manufacturing operations. That proposed use has remained for virtually the entire project; however, recent updates to the plan call for inclusion of smaller manufacturing and office operations at the entrance to the development at Becks Lake Road. Larger warehouse/distribution projects that support the primary manufacturing uses in the park will also be considered. For the remainder of this report, the project is referred to as The Bluffs. As part of the overall master-planning of The Bluffs, a Target Industry Analysis was prepared in February 2015 by Wadley-Donovan GrowthTech, LLC (WDG).

Because four years have passed since the earliest work on the project occurred, many of the elements of the project Master Plan are being updated to assure that assumptions and conclusions remain valid when considered in the context of current market conditions and trends as can be projected for the future.

This analysis recommends the industry sectors and operational uses best suited for The Bluffs. The Pensacola-Escambia County Promotion and Development Commission (PEDC) and FloridaWest, with their partners, can pursue, develop and nurture these targets through a combination of marketing, workforce development, infrastructure development, real estate development, and other initiatives, as defined in the analyses and recommendations provided in the other sections of The Bluffs' Master Plan.

Combined or alone, the recommended targets will contribute to Escambia County's economic diversification; its overall wealth and quality of life; and the retention, development and attraction of business activities that match the assets of The Bluffs, which include:

- Availability of multiple, large lots for larger and "heavier" manufacturers and distribution facilities supporting those operations, and smaller lots for smaller manufacturing and office operations.
- Excellent road access with connection to Interstate-10
- Rail service to portions of the park
- Access to Class 1 Rail CSX and Class 1 Rail Norfolk Southern railroads
- Shallow draft barge service to portions of the park
- Robust public water and sewer, electric power, natural gas, and telecommunications services
- Dual power availability
- Availability of process steam, reclaimed water, methane, and other industrial by-products that provide the nucleus of in industrial eco-park
- High quality design and construction

The use of the identified target clusters and sectors should not overly limit FloridaWest and PEDC's business development efforts for The Bluffs – that is, this is not a matter of PEDC limiting its interests to only those clusters and sectors recommended herein. Rather, it should reflect the facts that:

- There are certain types and clusters of business that best meet The Bluffs' development goals and opportunities, and should therefore be a priority; and
- Marketing budgets are not infinite and should be focused on those types of business that offer the best return on investment in terms of meeting FloridaWest and PEDC's development goals.

This does not mean that business development efforts should be limited to just the targets identified in this element. As pointed out in the original Target Industry Study for the project, there are two types of targets that FloridaWest and PEDC may be able to capitalize on in the future:

1. Targets of Intent – those clusters and industry sectors (the term "industry" is used here generically to mean any form of business sector or operation) that have been specifically identified as highly desirable for The Bluffs; and
2. Targets of Opportunity – those individual companies and types of business that fall outside the target group intended for aggressive marketing and recruitment, but are nonetheless of interest and value to PEDC for the site.

The primary difference between the two is that the approach to the first group is proactive, whereas the approach to the second group is reactive. Both groups are of potential value to FloridaWest and PEDC.

Selecting Strategic Industry Sectors

The recommended targets in this report have emerged from an assessment of industries and clusters that have been identified by the FloridaWest Economic Development Alliance/PEDC, Florida's Great Northwest (FGNW), and Enterprise Florida (EFI), and those that emerged from the project consulting team's research specific to The Bluffs.

Existing FloridaWest/PEDC, FGNW and EFI Targets

The existing targets or industry clusters of FloridaWest/PEDC, FGNW, and EFI are listed below, and those containing components that potentially match the goals for, and assets of, The Bluffs are in bold font. As previously noted, although not Targets of Intent, almost any type of operation on the list below could fit into The Bluffs as a Target of Opportunity.

1. The FloridaWest/PEDC targets are:
   - **Chemical Manufacturing**
   - **Aviation Manufacturing**
   - **Cyber Security**
   - **Information Technology**
   - **Professional Services/Back Office**
   - Offshore Vessels

2. Florida's Great Northwest Existing Industries are:
   - **Aerospace and Defense**
     - Aircraft Manufacturing (NAICS 336411)

  - Aircraft Engine and Engine Parts Manufacturing (NAICS 336412)
  - Guided Missile and Space Vehicle Manufacturing (NAICS 336414)
- **Cyber Security & Information Technology**
- **Distribution and Logistics**
- Headquarters and Financial/Shared Services
- Manufacturing
  - Wood Preservation (NAICS 321114)
  - Cyclic Crude, Intermediate, and Gum and Wood Chemical Manufacturing (NAICS 325192)
  - **Basic Organic Chemical Manufacturing (NAICS 325199)**
  - Synthetic Rubber Manufacturing (NAICS 325212)
  - **Artificial and Synthetic Fibers and Filaments Manufacturing (NAICS 325220)**
  - **Pesticide and other Agricultural Chemical Manufacturing (NAICS 325320)**
  - Explosives Manufacturing (NAICS 325920)
  - Iron and Steel Mills and Ferroalloy Manufacturing (NAICS 331100)
  - Rolled Steel Shape Manufacturing (NAICS 331221)
  - **Turbine and Turbine Generator Set Units Manufacturing (NAICS 333611)**
  - Guided Missile and Space Vehicle Propulsion Unit and Propulsion Unit Parts Manufacturing (NAICS 336414)
  - Military Armored Vehicle, Tank, and Tank Component Manufacturing (NAICS 336992)
- Heavy Industry
  - **Artificial and Synthetic Fibers and Filaments Manufacturing (NAIC 325220)**
  - **Plastics Material and Resin Manufacturing (NAICS 325211)**
  - **Miscellaneous Chemical Product and Preparation Manufacturing (NAICS 325998)**
  - Polystyrene Foam Product Manufacturing (NAICS 326140)
  - Fabricated Pipe and Pipe Fitting Manufacturing (NAICS 332996)
- Transportation Manufacturing
  - **Turbine and Turbine Generator Set Units Manufacturing (NAICS 333611)**
  - **Aircraft Engine and Engine Parts Manufacturing (NAICS 336320)**
  - Motor Vehicle Electrical and Electronic Equipment Manufacturing (NAICS 336390)
  - **Aircraft Manufacturing (NAICS 336411)**
  - Ship Building and Repairing (NAICS 336611)
  - Boat Building (NAICS 336612)

3. Enterprise Florida's target industries are:
   - Aviation & Aerospace
     - Aerospace Manufacturing
       - **Aircraft Parts and Assembly (NAICS 3364)**
       - Intelligence, Surveillance and Reconnaissance (NAICS 334511)
       - Missiles (NAICS 336414, 336415, 336419)
     - Aviation

        - Air Transportation (NAICS 481)
        - Support Activities for Air Transportation (NAICS 4881)
- Life Sciences
    - Biotechnology
        - Research and Development in Biotechnology (NAICS 541711)
    - Medical Device Manufacturing
        - Electromedical and Electrotherapeutic Apparatus Manufacturing (NAICS 334510)
        - Analytical Laboratory Instrument Manufacturing (NAICS 334516)
        - Irradiation Apparatus Manufacturing (NAICS 334517)
        - Surgical and Medical Instrument Manufacturing (NAICS 339112)
        - Surgical Appliance and Supplies Manufacturing (NAICS 339113)
        - Ophthalmic Goods Manufacturing (NAICS 339115)
    - Healthcare (NAICS 621, 622)
- Manufacturing
    - Durable Goods
        - Wood Product Manufacturing (NAICS 321)
        - Nonmetallic Mineral Product Manufacturing (NAICS 327)
        - Primary Metal Manufacturing (NAICS 331)
        - Fabricated Metal Product Manufacturing (NAICS 332)
        - **Machinery Manufacturing (NAICS 333)**
        - Computer and Electronic Product Manufacturing (NAICS 334)
        - Electrical Equipment and Appliance Manufacturing (NAICS 335)
        - **Transportation Equipment Manufacturing (NAICS 336)**
        - Furniture and Related Product Manufacturing (NAICS 337)
        - Medical Equipment and Miscellaneous Manufacturing (NAICS 339)
    - Non Durable Goods
        - Food Manufacturing (NAIC 311)
        - Beverage and Tobacco Product Manufacturing (NAICS 312)
        - Textile Mills (NAICS 313)
        - Textile Product Mills (NAICS 314)
        - Apparel Manufacturing (NAICS 315)
        - Leather and Allied Product Manufacturing (NAICS 316)
        - Paper Manufacturing (NAICS 322)
        - Printing and Related Support Activities (NAICS 323)
        - Petroleum and Coal Products Manufacturing (NAICS 324)
        - **Chemical Manufacturing (NAICS 325)**
        - Plastics and Rubber Products Manufacturing (NAICS 326)
- Defense and Homeland Security
    - Defense
        - Missiles and Missile Defense Systems

- ✓ Guided Missile and Space Vehicle Manufacturing (NAICS 336414)
- ✓ Guided Missile and Space Vehicle Propulsion Unit and Propulsion Unit Parts Manufacturing (NAICS 336415)
- ✓ Other Guided Missile and Space Vehicle Parts and Auxiliary Equipment Manufacturing (NAICS 336419)
- ✓ Engineering Services (NAICS 541330)

- Command, Control, Communications, Computer, Intelligence, Surveillance and Reconnaissance (c4isr) Systems
  - ✓ R&D in the Physical, Engineering, and Life Sciences (NAICS 541712)
  - ✓ Semiconductor and Related Device Manufacturing (NAICS 334413
  - ✓ Printed Circuit Assembly Manufacturing (NAICS 334418
  - ✓ Search, Detection, Navigation, Guidance, Aeronautical, and Nautical System and Instrument Manufacturing (NAICS 334511
  - ✓ Engineering Services (NAICS 541330)
- Electro-Optics and Lasers
  - ✓ Portion of Industry Identified by NAICS, of which: Optical Instrument and Lens Manufacturing (NAICS 333314)
  - ✓ Photographic and Photocopying Equipment Manufacturing (NAICS 333316)
  - ✓ Engineering Services (NAICS 541330)
- Simulation and Training
  - ✓ Engineering Services (NAICS 541330)
  - ✓ Custom Computer Programming Services (NAICS 541511)
  - ✓ Computer Systems Design Services (NAICS 541512)
- Logistics/Warfighter Support
  - ✓ Engineering Services (NAICS 541330)
  - ✓ Process, Physical Distribution, and Logistics Consulting Services (NAICS 541614)
- Defense Electronics
  - ✓ R&D in the Physical, Engineering, and Life Sciences (NAICS 541712)
  - ✓ Engineering Services (NAICS 541330)
  - ✓ Semiconductor and Related Device Manufacturing (NAICS 334413)
  - ✓ Printed Circuit Assembly Manufacturing (NAICS 334418)
  - ✓ Search, Detection, Navigation, Guidance, Aeronautical, and Nautical System and Instrument Manufacturing (NAICS 3345110)
- Shipbuilding and Repair
  - ✓ Shipbuilding and Repair 336611
- **Aircraft and Aircraft Components**
  - ✓ Aircraft Manufacturing (NAICS 3364110)
  - ✓ Aircraft Engine and Engine Parts Manufacturing (NAICS 336412)
  - ✓ Other Aircraft Parts and Auxiliary Equipment Manufacturing (NAICS 336413)
  - ✓ Engineering Services (NAICS 541330)
- Military Flight Training

        - ✓ Flight Training Schools (NAICS 611512)
    - ➢ Weapons Research, Development, Test & Evaluation (RDT&E)
        - ✓ R&D in the Physical, Engineering, and Life Sciences (NAICS 541712)
        - ✓ Engineering Services (NAICS 541330)
        - ✓ Custom Computer Programming Services (NAICS 541511)
        - ✓ Computer Systems Design Services (NAICS 541512)
- Homeland Security
    - ➢ **Cyber Security and Systems Integration**
        - ✓ Software Publishers (NAICS 511210)
        - ✓ Custom Computer Programming Services (NAICS 541511)
        - ✓ Computer Systems Design Services (NAICS 541512)
        - ✓ Engineering Services (NAICS 541330)
        - ✓ Other Management Consulting Services (NAICS 541618)
        - ✓ Other Scientific and Technical Consulting (NAICS 541690)
    - ➢ Disaster Preparedness, Response and Recovery
        - ✓ Disaster Preparedness and Management Offices, Government (NAICS 922190)
        - ✓ Disaster Relief Services (NAICS 624230)
    - ➢ Airport, Port, and Maritime Security
    - ➢ Biometrics
        - ✓ R&D in the Physical, Engineering, and Life Sciences (NAICS 541712
        - ✓ Biometrics Systems Input Devices (NAICS 334119)
        - ✓ Engineering Services (NAICS 541330)
    - ➢ Rugged Communications Equipment
        - ✓ Wireless Communications Equipment Manufacturing (NAICS 334220
        - ✓ Other Communications Equipment Manufacturing (NAICS 334290)
        - ✓ Engineering Services (NAICS 541330)

- Information Technology
    - Modeling, Simulation and Training (MST)
        - ➢ Engineering Services (NAICS 541330)
        - ➢ Custom Computer Programming Services (NAICS 541511)
        - ➢ Computer Systems Design Services (NAICS 541512)
        - ➢ Research and Development in the Physical, Engineering and Life Sciences (NAICS 54171)
    - Photonics/Optics (Portion of this Industry identified by the following NAICS)
        - ➢ Optical Instrument and Lens Manufacturing (NAICS 333314)
        - ➢ Photographic and Photocopying Equipment Manufacturing (NAICS 333316)
    - **Software & Computer Systems Design, Software and Computer Programming**
        - ➢ Software Publishers (NAICS 511210)
        - ➢ Custom Computer Programming Services (NAICS 541511)
        - ➢ Computer System Design (NAICS 541512)

- Computer Facilites Management Services (NAICS 541513)
- Other Computer Related Services (NAICS 541519)
- Computer Training (NAICS 611420)
- Computer and Office Machine Repair and Maintenance (NAICS 811212)

- Microelectronics & Computer Products
  - Electronic Computer Manufacturing (NAICS 334111)
  - Computer Storage Device Manufacturing (NAICS 334112)
  - Computer Terminal Manufacturing and Other Computer Peripheral Equip. Manufacturing (NAICS 334118)
  - Semiconductor and Related Device Manufacturing (NAICS 334413)
  - Semiconductor Machinery Manufacturing (NAICS 333242)
  - Bare Printed Circuit Board Manufacturing (NAICS 334412)
  - Capacitor, Resistor, Coil, Transformer, and Other Inductor Manufacturing (334416)
  - Electronic Connector Manufacturing (NAICS 334417)
  - Printed Circuit Assembly (Electronic Assembly) Manufacturing (NAICS 334418)
  - Other Electronic Component Manufacturing (NAICS 334419)
  - Search, Detection, and Navigations Instruments (NAICS 334511)
  - Automatic Environmental Control Manufacturing for Residential, Commercial, and Appliance Use (NAICS 334512)
  - Instrument and Related Products Manufacturing for Measuring, Displaying, and Controlling Industrial Process Variables (NAICS 334513)
  - Totalizing Fluid Meter and Counting Device Manufacturing (NAICS 334514)
  - Instrument Manufacturing for Measuring and Testing Electricity and Electrical Signals (NAICS 334515)
  - Other Measuring and Controlling Device Manufacturing (NAICS 334519)
  - Relay and Industrial Control Manufacturing (NAICS 335314)
- Digital Media
  - Digital Media Components
    - ✓ Magnetic and Optical Recording Media Manufacturing (NAICS 334613)
    - ✓ Software and Other Prerecorded Compact Disc, Tape, and Record Reproducing (NAICS 334614)
  - Digital Media Services
    - ✓ Sound Recording Studios (NAICS 512240)
    - ✓ Motion Picture and Video Production (NAICS `512110)
    - ✓ Teleproduction and Other Post Production (NAICS 512191)
    - ✓ Other Motion Picture and Video Industries (NAICS 512199)
    - ✓ Graphic Design Services (NAICS 541430)
    - ✓ Independent Artists, Writers, and Performers (NAICS 711510)
    - ✓ Software publishers (NAICS 511210)
- Telecoms
  - Telephone Apparatus Manufacturing (NAICS 334210)

- Radio and TV Broadcasting and Wireless Communications Equipment Manufacturing (NAICS 334220)
- Other Communications Equipment Manufacturing (NAICS 334290)
- Audio and Video Equipment Manufacturing (NAICS 334310)
- Switchgear and Switchboard Apparatus Manufacturing (NAICS 335313)
- Fiber Optic Cable Manufacturing (NAICS 335921)
- Other Communication and Energy Wire Manufacturing (NAICS 335929)
- Electronic Shopping (NAICS 454111)
- Electronic Auctions (NAICS 454112)
- Internet Publishing and Broadcasting and Web Search Portals (NAICS 519130)
- Data Processing, Hosting and Related Services (NAICS 518210)
- Consumer Electronics Repair and Maintenance (NAICS 811211)
- Communications Equipment Repair and Maintenance (NAICS 811213)
- Wired Telecom Carriers (NAICS 517110)
- Wireless Telecom Carriers (NAICS 517210)
- Satellite Communications (NAICS 517410)
- All Other Telecommunications (NAICS 517919)

- Financial & Professional Services
  - Financial Services
    - Credit Intermediation and Related Activities (NAICS 522)
    - Securities, Commodity Contracts, and other Financial Investments (NAICS 523)
    - Insurance Carriers and Related Activities (NAICS 524)
    - Funds, Trusts, and Other Financial Vehicles (NAICS 525)
    - Offices of Other Holding Companies (NAICS 522110)
  - **Professional, Scientific and Technical Services**
    - Legal Services (NAICS 5411)
    - Accounting, Tax Preparation, Bookkeeping, and Payroll Services Architectural, Engineering, and Related Services (NAICS 5412)
    - Architectural, Engineering, and Related Services (NAICS 5413)
    - Specialized Design Services (NAICS 5414)
    - Management, Scientific, and Tech Consulting Services (NAICS 5416)
    - Scientific R&D Services (NAICS 5417)
    - Advertising and Related Services (NAICS 5418)
    - Other Professional, Scientific and Tech Services (NAICS 5419)
- Logistics and Distribution
  - Value Added Logistics Services
    - Process, Physical Distribution, and Logistics Consulting Services (NAICS 541614)
    - Packaging and Labeling Services (NAICS 561910)
  - Wholesale Trade & Transportation
    - Transportation and Warehousing (NAICS 48-49)

- Wholesale Trade (NAICS 42)
- Wholesale Trade Agents and Brokers (NAICS 425120)
- Freight Transportation Arrangement (NAICS 488510)
- Packing and Crating (NAICS 488991)
- **General Warehousing and Storage (NAICS 493110)**
- Refrigerated Warehousing and Storage (NAICS 493120)
- Other Warehousing and Storage (NAICS 493190)

– Specialized Logistics IT
  - Software & Computer Systems Design, Software and Computer Programming
    - ✓ Software Publishers (NAICS 511210)
    - ✓ Custom Computer Programming Services (NAICS 541511)
    - ✓ Computer System Design (NAICS 541512)
    - ✓ Computer Facilites Management Services (NAICS 541513)
    - ✓ Other Computer Related Services (NAICS 541519)
    - ✓ Computer Training (NAICS 611420)
    - ✓ Computer and Office Machine Repair and Maintenance (NAICS 811212)
  - Logistics
    - ✓ Scheduled Freight Air Transportation (NAICS 481112)
    - ✓ Non Scheduled Charter Freight Air Transportation (NAICS 481212)
    - ✓ Deep Sea Freight Transportation (NAICS 483111)
    - ✓ Couriers & Express Delivery (NAICS 492110)
    - ✓ General Freight Trucking, Long-Distance, Truckload (NAICS 484121)
    - ✓ General Freight Trucking, Long-Distance, Less than Truckload (NAICS 484122)
    - ✓ Specialized Freight (except used goods) Trucking, Local (NAICS 484220)
    - ✓ Specialized Freight (except used goods) Trucking, Long Distance (NAICS 484230)
    - ✓ Freight Transportation Arrangement (NAICS 488510)
    - ✓ Packing & Crating (NAICS 488991)
    - ✓ General Warehousing & Storage (NAICS 493110)
    - ✓ Refrigerated Warehousing & Storage (NAICS 493120)
    - ✓ Process, Physical Distribution, & Logistics Consulting Services (NAICS 541614)

– Defense Logistics (the numerous NAICS codes comprising this target span the manufacturing; transportation and warehousing; administrative support; wholesale trade; information; and professional, scientific and technical services industry sectors within the following Defense Logistics Agency categories)
  - Aviation
  - Land & Marine
  - Troop Support
  - Contracting Services Office
  - Distribution
  - Disposition Services
  - Strategic Materials

- Cleantech
  - Energy
    - **Wind**
      - ✓ Industrial Mold Manufacturing (NAICS 333511)
      - ✓ Turbine and Turbine Generator Sets Units Manufacturing (NAICS 333611)
      - ✓ Speed changer, Industrial High-Speed Drive, and Gear Manufacturing (NAICS 333612)
      - ✓ Mechanical Power Transmission Equipment Manufacturing (NAICS 333613)
      - ✓ Other Measuring and Controlling Device Manufacturing (NAICS 334519)
      - ✓ Power, Distribution and Specialty Transformer Manufacturing (NAICS 335311)
      - ✓ Engineering Services (NAICS 541330)
      - ✓ Research and Development in the Physical, Engineering, and Life Sciences (except biotechnology) (NAICS 541712)
    - Solar Technologies and Electronics
      - ✓ Semiconductor and Related Device Manufacturing (NAICS 334413)
      - ✓ Heating Equipment (except Warm Air Furnaces) Manufacturing (NAICS 333414)
      - ✓ Current-Carrying Wiring Device Manufacturing (NAICS 335931)
      - ✓ Plastics Material and Resin Manufacturing (NAICS 325211)
      - ✓ Unlaminated Plastics Film and Sheet Manufacturing (NAICS 326113)
      - ✓ Research and Development in the Physical, Engineering, and Life Sciences (except Biotechnology) (NAICS 541712)
      - ✓ Engineering Services (NAICS 541330)
    - Smart Grid Electric Distribution
      - ✓ Instrument Manufacturing for Measuring and Testing Electricity and Electrical Signals (NAICS 334515)
      - ✓ Manufacturing for Measuring, Displaying, and Controlling Industrial Process Variables (NAICS 334513)
      - ✓ Other Measuring and Controlling Device Manufacturing (NAICS 334519)
      - ✓ Power, Distribution and Specialty Transformer Manufacturing (NAICS 335311)
      - ✓ Engineering Services (NAICS 541330)
    - Hydrogen Technologies
      - ✓ Research and Development in the Physical, Engineering, and Life Sciences (except Biotechnology) (NAICS 541712)
      - ✓ Engineering Services (NAICS 541330)
    - Batteries
      - ✓ Storage Battery Manufacturing (NAICS 335911)
      - ✓ Electrical Lighting Equipment Manufacturing (NAICS 3351)
      - ✓ Engineering Services (NAICS 541330)
    - Fuel Cells
      - ✓ Semiconductor and Related Device Manufacturing (NAICS 334413)
      - ✓ All Other Electrical Equipment and Component Manufacturing (NAICS 335999)

- ✓ Petroleum and Petroleum Products Merchant Wholesalers (NAICS 424720)
- ✓ Research and Development in the Physical, Engineering, and Life Sciences (except Biotechnology) (NAICS 541712)
- ✓ Engineering services (NAICS 541330)

➢ Bioenergy
- ✓ Research and Development in the Physical, Engineering, and Life sciences (except Biotechnology) (NAICS 541712)
- ✓ Research and Development in Biotechnology (NAICS 54711)
- ✓ All Other Basic Organic Chemical Manufacturing (NAICS 325199)

➢ **Biofuels and Enzymes**
- ✓ Ethyl Alcohol Manufacturing (NAICS 325193)
- ✓ All other Basic Organic Chemical Manufacturing (NAICS 325199)
- ✓ Power Boiler and Heat Exchanger Manufacturing (NAICS 332410)
- ✓ Air and Gas Compressor Manufacturing (NAICS 333912)
- ✓ Turbine and Turbine Generator Set Units Manufacturing (NAICS 333611)
- ✓ Industrial Process Furnace and Oven Manufacturing (NAICS 333994)
- ✓ Motor and Generator Manufacturing (NAICS 335312)
- ✓ Research and Development in the Physical, Engineering, and Life Sciences (except Biotechnology) (NAICS 541712)
- ✓ Research and Development in Biotechnology (NAAICS 54711)

➢ Ocean Energy
- ✓ Research and Development in the Physical, Engineering, and Life Sciences (except Biotechnology) (NAICS 541712)
- ✓ Turbine and Turbine Generator Sets Units Manufacturing (NAICS 333611)
- ✓ Other Electric Power Generation (NAICS 221119)
- ✓ Engineering Services (NAICS 541330)

– Efficiency

➢ LEDS and OLEDs
- ✓ Electric Lamp Bulb and Part Manufacturing (NAICS 335110)
- ✓ Commercial, Industrial, and Institutional Electric Lighting Fixture Manufacturing (NAICS 335122)
- ✓ Other Lighting Equipment Manufacturing (NAICS 335129)

➢ Advanced Materials Including Nanomaterials, Coatings, Bioplastics, and Ceramics
- ✓ Automatic Environmental Control Manufacturing (NAICS 334512)
- ✓ Electric Bulb and Part Manufacturing (NAICS 335110)
- ✓ Other Industrial Machinery Manufacturing (NAICS 333249)

➢ Green Architecture
- ✓ Engineering Services (NAICS 541330)
- ✓ Architectural Services (NAICS 541310)

➢ Building Controls and Automation
- ✓ Industrial Design Services (NAICS 541420)

- ✓ Custom Computer Programming Services (NAICS 541511)
- ✓ Computer Systems Design Services (NAICS 541512)

➢ Energy modeling
- ✓ Custom Computer Programming Services (NAICS 541511)
- ✓ Computer Systems Design Services (NAICS 541512)

– Water, Air and Environment

➢ Reverse Osmosis and Desalination Technologies
- ✓ Water Supply and Irrigation Systems (NAICS 221310)
- ✓ Other Commercial and Service Industry Machinery Manufacturing (NAICS 333318)
- ✓ Water & Sewer Line and Related Structures Construction (NAICS 237110)
- ✓ Environmental Consulting Services (NAICS 541620)

➢ Water Remediation
- ✓ Water Supply and Irrigation Systems (NAICS 221310)
- ✓ Other Commercial and Service Industry Machinery Manufacturing (NAICS 333319)
- ✓ Water & Sewer Line and Related Structures Construction (NAICS 237110)
- ✓ Environmental Consulting Services (NAICS 541620)
- ✓ Industrial Process Variable Instruments (NAICS 334513)

➢ Bioremediation
- ✓ Environmental Consulting Services (NAICS 541620)
- ✓ Testing Laboratories (NAICS 541380)
- ✓ Industrial and Commercial Fan and Blower and Air Purification Equipment Manufacturing (NAICS 333413)
- ✓ Environmental Consulting Services (NAICS 541620)
- ✓ Remediation Services(NAICS 562910)
- ✓ Air Purification Equipment Manufacturing (NAICS 333411)

➢ Waste Treatment Technologies
- ✓ Environmental Consulting Services (NAICS 541620)
- ✓ Testing Laboratories (NAICS 541380)
- ✓ Industrial and Commercial Fan and Blower and Air Purification Equipment Manufacturing (NAICS 333413)
- ✓ Environmental Consulting Services(NAICS 541620)

- Headquarters

A summary of the FloridaWest/PEDC, FGNW and EFI targets offering potential industrial operations for the entire Bluffs and non-industrial opportunities for sites at the entrance to The Bluffs on Becks Lake Road are:

1. Chemical Manufacturing
2. Aviation Manufacturing
3. Cyber Security/Homeland Security
4. Information Technology

5. Professional, Scientific and Technical Services
6. Assorted Non-Aviation Manufacturing
7. Warehousing and Distribution
8. CleanTech: Wind Energy and Biofuels

The Recommended Targets

The assessments of the goals established for The Bluffs and the economic opportunities offered by the Pensacola-Escambia County region led WDG to offer the following recommendations for The Bluffs' target industries and activities. They are divided into two categories: industrial target uses for the entire Bluffs development, with particular attention to the large interior sites; and non-industrial targets for the smaller planned sites at the entrance to The Bluffs on Becks Lake Road, which may or may not be in support of the industrial targets within the interior of The Bluffs.

Industry and Operations Targets

1. AVIATION MANUFACTURING

Target Industries

- Aircraft Manufacturing NAICS 336411
- Aircraft Engine and Engine Parts Manufacturing NAICS 336412
- Other Aircraft Parts and Auxiliary Equipment NAICS 336413

Rationale for Selection

- Aviation manufacturing is a target industry for Florida's Great Northwest and Enterprise Florida, which offers joint marketing opportunities and established support networks for FloridaWest.
- The Bluffs is proximate to Airbus' final assembly facility in Mobile, with inland barge access, plus the presence of Airbus Helicopter In Columbus Mississippi, Embraer in Jacksonville FL, Gulfstream in Savannah Georgia, and Boeing's Commercial Airplanes division assembly facility in North Charleston, South Carolina.
- Six major nearby military installations, all with aviation-related missions, and focus on Research, development, test and evaluation: Pensacola Naval Air Station, Whiting Field, Hurlburt Field, Eglin AFB, Naval Support Activity in Panama City, and Tyndal AFB.
- The region has 3,000 exiting military personnel per year and skilled graduates seeking employment in the area and 3,242 employed in aerospace parts manufacturing or maintenance.
- The northwest Florida region has a significantly higher ratio of jobs in key aerospace and defense-related occupations than the U.S. average:
  - Guided missile and space vehicle parts and auxiliary equipment manufacturing
  - Turbine and turbine generator set units manufacturing
  - Aircraft mechanics and service technicians
  - Avionics technicians
- The northwest Florida region has an established industry cluster that includes Raytheon, Lockheed Martin, Boeing, BAE Systems and Northrop Grumman, among others.

2. CHEMICAL MANUFACTURING

Target Industries

- Basic Organic Chemical Manufacturing (NAICS 325199), also applies to the CleanTech Biofuels Target

- Resin and Synthetic Rubber Manufacturing (NAICS 32523)
- Plastics Material and Resin Manufacturing (NAICS 325211)
- Artificial and Synthetic Fibers and Filaments Manufacturing (NAICS 325220)
- Pesticide and Other Agricultural Chemical Manufacturing (NAICS 325320)

Rationale for Selection

- The Bluffs is adjacent to Ascend, Gulf Power and near other area companies that provide potential for "over the fence" availability of product sourcing.
- The Bluffs has:
  - Excellent road access with nearby connection to Interstate-10
  - Rail service to portions of the park
  - Access to Class 1 Rail CSX and Class 1 Rail Norfolk Southern railroads
  - Shallow draft barge service to portions of the park, linking to the Gulf of Mexico and the Gulf Coast Intracoastal Waterway
  - Robust public water and sewer, electric power, natural gas, and telecommunications services
  - Dual power availability
  - Availability of process steam, reclaimed water, methane, and other industrial by-products that provide the nucleus of in industrial eco-park
- This target is also a recruitment and expansion target for Florida's Great Northwest and Enterprise Florida.

3. CLEANTECH: WIND ENERGY (WE) AND BIOFUELS (BF)

Target Industries

- Ethyl Alcohol Manufacturing (NAICS 325193) BF
- All other Basic Organic Chemical Manufacturing (NAICS 325199) WE, BF
- Power Boiler and Heat Exchanger Manufacturing (NAICS 332410) BF
- Industrial Mold Manufacturing (NAICS 333511) WE
- Turbine and Turbine Generator Sets Units Manufacturing (NAICS 333611) WE, BF
- Speed Changer, Industrial High-Speed Drive, and Gear Manufacturing (NAICS 333612) WE
- Mechanical Power Transmission Equipment Manufacturing (NAICS 333613) WE
- Air and Gas Compressor Manufacturing (NAICS 333912) BF
- Industrial Process Furnace and Oven Manufacturing (NAICS 333994) BF
- Other Measuring and Controlling Device Manufacturing (NAICS 334519) WE
- Power, Distribution and Specialty Transformer Manufacturing (NAICS 335311) WE
- Motor and Generator Manufacturing (NAICS 335312) BF

Rationale for Selection

- This target enhances The Bluff's mission and image of being an environmentally friendly development.
- Pensacola is home to GE Wind Energy, General Electric Energy's largest assembly plant of wind turbine components.
- The University of West Florida is home to the Center for Environmental Diagnostics and Bioremediation.

- Florida has well-developed clusters in clean technologies, particularly in the fields of energy, efficiency, and clean air and water.
- Clean technologies is a target industry of Enterprise Florida.
- This target offers an opportunity for diversification in the county's industry base, building on a small, but important cluster in the region, the county's chemical base, and supported by an active EFI target industry program.

4. DISTRIBUTION AND WAREHOUSING IN SUPPORT OF BLUFFS' MANUFACTURERS

Target Industries

- General Warehousing and Storage (NAICS 493110)
- Other Warehousing and Storage (NAICS 493190)

Rationale for Selection

- This target is recommended as a support to The Bluff's manufacturing operations for storing and shipping finished products, and raw materials and parts destined for production input.

Non-Industrial Targets

5. PROFESSIONAL SERVICES

Target Industries

- Engineering Services (NAICS 541330)
- Scientific R&D Services (NAICS 5417)
- Research and Development in Biotechnology for Biofuels (NAICS 54711)

Rationale for Selection

- The Bluffs offers excellent access for professional service operations working with The Bluffs' industrial tenants and other county employers.
- The county is home to the Navy Federal Credit Union, the world's largest credit union, with a growth projection of 10,000 employees.
- The neighboring University of West Florida's Hal Marcus College of Science and Engineering offers bachelor degrees in:
  - Biology, B.S.
  - Chemistry/Biochemistry B.A.
  - Chemistry/Biochemistry B.S.
  - Computer Engineering, B.S.C.E.
  - Computer Science, B.S.
  - Cyber security, B.S.
  - Electrical Engineering, B.S.E.E.
  - Environmental Science, B.S.
  - Information Technology, B.S.
  - Marine Biology, B.S.
  - Mathematics, B.A.
  - Mechanical Engineering, B.S.M.E.
  - Physics, B.S.
  - Software Design and Development

- UWF offers graduate degrees in:
  - Biology, M.S.
  - Computer Science, M.S.
  - Environmental Science, M.S.
  - Geographic Information Science (GIS) Administration, M.S.
  - Information Technology, M.S.
  - Mathematics, M.S.
- The Florida LambdaRail, a 100 Gigabit Research and Education Network with 1,540 miles of dark fiber, connects with the University of West Florida, which borders The Bluffs, offering potential access for companies in The Bluffs.
- IT is a target industry for FloridaWest, Florida's Great Northwest and Enterprise Florida.

6. *CYBER SECURITY*

Target Industries

NAICS codes have not yet been officially designated for cyber security. Research showed the following codes as the most commonly used in the industry, in the absence of official designation.

- Software Publishers (NAICS 511210)
- Custom Computer Programming Services (NAICS 541511)
- Computer Systems Design Services (NAICS 541512)
- Engineering Services (NAICS 541330)
- Other Management Consulting Services (NAICS 541618)
- Other Scientific and Technical Consulting (NAICS 541690)

Rationale for Selection

- There are military installations with Department of Defense cyber security commands and a vested interest in increasing cyber security awareness in the region that include:
  - Center for Information Dominance (NAS Pensacola)
  - Navy Information Operations Command (NAS Pensacola)
  - 96th Cyberspace Test Group (Eglin AFB)
  - 47th Cyberspace Test Squadron (Eglin AFB)
- UWF's Center for Cyber Security is the designated National Center of Academic Excellence Regional Resource Center for the Southeastern U.S. by the National Security Agency and the Department of Homeland Security.
- The Florida LambdaRail, a 100 Gigabit Research and Education Network with 1,540 miles of dark fiber, connects with the University of West Florida, which borders The Bluffs, offering potential access for companies in The Bluffs.
- The Bluffs immediate proximity to the University of West Florida offers competitive locational opportunities for cyber security operations versus other locations in the county and region.
- The Department of Computer Science within the Hal Marcus College of Science and Engineering offers bachelor degrees in cyber security fields:
  - Cyber Security, B.S
  - Information Technology, B.S.
  - International Studies: Security and Diplomacy concentration, B.A.

- There is a county Cyber Security Pathways program for in middle school and high schools students.
- Cyber security is a target industry for FloridaWest, Florida's Great Northwest and Enterprise Florida.
- The July 24, 2019 issue of *Business Facilities* magazine lists Florida as the state with the sixth best growth potential for cyber security operations.

7. INFORMATION TECHNOLOGY

Target Industries

- Software Publishers (NAICS 511210)
- Engineering Services (NAICS 541330)
- Custom Computer Programming Services (NAICS 541511)
- Computer System Design (NAICS 541512)
- Computer Facilites Management Services (NAICS 541513)
- Other Computer Related Services (NAICS 541519)
- Research and Development in the Physical, Engineering and Life Sciences (NAICS 54171)

Rationale for Selection

- The county is home to several established IT firms, including Adsync Technologies, Inc., EarthSoft Inc., Global Business Solutions, Inc., and TECHSOFT, Inc.
- The University of West Florida offers Bachelor of Science and Master of Science degrees in Information Technology.
- The Florida LambdaRail, a 100 Gigabit Research and Education Network with 1,540 miles of dark fiber, connects with the University of West Florida, which borders the Bluffs, offering potential access for companies in The Bluffs.
- The Bluffs immediate proximity to the University of West Florida offers competitive locational opportunities for IT operations seeking university access versus other locations in the county and region.
- Florida has a significant technology base as home to the nation's third largest tech industry. Its IT strengths range from software and computer systems design, to photonics to modeling, simulation and training. Its assets include:
  - Having the third highest number of fiber miles among the 50 states with 61,000+ miles
  - Having the third most fiber lit buildings in the U.S. with over 47,000 structures
  - Having the most submarine fiber landings in the continental U.S. with 18 landings
  - Being home to 275 data center locations, the fourth highest in the U.S.
- IT is a target industry for FloridaWest, Florida's Great Northwest and Enterprise Florida.

EXHIBIT F

FLORIDA TAXWATCH
BRIEFING

MARCH 2017

Expanding Florida's High-Tech Manufacturing Sector

Spreading a High-Tech Footprint Across the Sunshine State

As a state, Florida is home to one of the nation's strongest economies. With a Gross State Product of nearly $911 billion in 2016,[1] the state's economic success has helped Florida become one of the best places in the nation to work and live. However, some questions remain on whether or not Florida is properly situated to compete in an ever-changing global economy. Currently, Florida's economy relies heavily on the tourism, real estate development, and financial industries; and while these sectors are vitally important to the state's economy, Florida should also look to invest in sectors that have significant growth potential. One sector that could benefit from state investment and has been touted in the past by government officials is manufacturing.[2]

In 2015, Florida was home to more than 12,100 manufacturers that employed approximately 335,700 individuals.[3] While these numbers sound impressive on the surface, manufacturing jobs only account for 4.2 percent of non-farm employment[4] in the state, placing Florida at the 7th lowest percentage in the nation.[5] When it comes to the southeast, Florida ranks last in terms of manufacturing as a percentage of total employment.[6]

1 Florida GDP outpacing U.S. economic output thanks to strong real estate, construction sectors. Tampa Bay Times. July 27, 2016. http://www.tampabay.com/news/business/florida-gdp-outpacing-us-economic-output-thanks-to-strong-real-estate/2287087
2 Florida Trade and Logistics Study and Florida Trade and Logistics Study 2.0
3 "Florida Manufacturing Facts." National Association of Manufacturers. 2016.
4 Ibid.
5 "Manufacturing Employment by State." National Association of Manufacturers. 2014.
6 "Manufacturing Employment by State." Nam.org. March 2016.

GROWTH POTENTIAL OF MANUFACTURING

With this knowledge, it is important that Florida prioritize investment in manufacturing to ensure that the state can compete in the ever-changing world economy. Across the world, governments are spending millions of dollars to incentivize manufacturers to build in their country.

One such example is the National Graphene Institute (NGI) in Manchester, England. The NGI, which was highlighted in Florida TaxWatch's 2015 Briefing *Building Florida's High-Tech Manufacturing Sector: Analysis of Public Industry Infrastructure Investment Projects in the Advanced Manufacturing Sector* is a fantastic example of how government investment in the growing field of manufacturing can help grow an area's economy.

The United Kingdom's government awarded the NGI $55 million, while an additional $33 million was awarded by the European Regional Development Fund.[7] The NGI, which has been a huge success, now partners with more than 60 companies (20 more than this time last year), including Airbus, Dyson, and Samsung,[8] and continues to grow every year. In fact, the NGI is set to open an $86 million Graphene Engineering Innovation Centre in 2017.[9]

7 "Find the best of both worlds in Manchester." Sciencemag.org. July 15, 2016.
8 "Partnerships." The University of Manchester. 2017.
9 Ibid.

The success has turned Manchester into a manufacturing hub. The city was named the 2016 European City of Science.[10] On top of that, the NGI has helped businesses grow and has even created "spin out" projects. One of these "spin out" companies that is interesting to note is Graphene Enabled Systems (GES). GES, which launched in 2016, is owned entirely by the University of Manchester.[11] The company plans to partner with research teams at the university,[12] which will give students a unique opportunity to garner "real world" experience, giving them a leg up on the competition when they enter the workforce. The NGI will not only help boost the region's economy by creating jobs and companies, the facility also brings prestige to the local university, boosting the area's workforce for years to come.

The NGI is not the only center; in fact, as the demand for advanced manufactured goods increases, high-tech manufacturing hubs are starting to pop up all over the world. The need for growth in the high-tech manufacturing sector has never been more apparent. For example, the average smartphone (which is owned by 68 percent of American adults)[13] contains 24 sensors, which are built in advanced manufacturing centers.[14] In fact, the sensors account for roughly 20 percent of the cost of a smartphone.[15] While sensors are vital to the advancement of cell phone technology, they have also become integral to the manufacturing of many goods used on a daily basis. TV's, computers, cars, and nearly any electronic device contain these high-tech specialized sensors that are built in advanced manufacturing facilities.

10 "Manchester named European City of Science for 2016." 30 September 2015.
11 "University Launches New Graphene Company." Umip.com. June 2016.
12 Ibid.
13 "Technology Device Ownership: 2015." Pew Research Center. October 2015.
14 "ICAMR: Capturing the Sensor Economy for Florida." Icamr.net. 2015.
15 Ibid.

AN OPPORTUNITY FOR FLORIDA TO GROW THE STATES HIGH-TECH MANUFACTURING FOOTPRINT

Understanding that Manufacturing could be a key to the future of Florida's economy, it makes sense for the state and private entities to invest in manufacturing projects the have a potential for high impact. One such project is The Bluffs in Pensacola, Florida. The Bluffs, a project that is hoping to build one of the nation's premier industrial campuses, stretches over 6,300 acres of land overlooking the Intercostal Waterway, Escambia River Delta, and Escambia Bay. The Bluffs plans to develop less than half of the total site, leaving more than 3,500 acres as natural pristine habitat.

Currently, some of the land is developed by partners in The Bluffs project; the partners include Emerald Coast Utilities Authority, Ascend Performance Materials, Gulf Power Company, and the University of West Florida, which are all working together to help back the development of the site.

The location and potential economic impact are two of the main factors that truly set The Bluffs apart from other manufacturing centers and make it worth Florida's investment. If developed to expectation, the full site could support more than 6,000 manufacturing jobs, and be home to some of the nation's premier chemical, transportation equipment, renewable energy, and machinery manufacturing companies,[16] the result of which could have a lasting economic impact not only on the Pensacola region, but the entire state of Florida.

16 "The Bluffs: 2015 Final Industrial Development Study." 2015.

THE LOCATION

The location for The Bluffs development project makes it one of the most unique, and gives it the opportunity to become one of the most successful manufacturing centers in all of the U.S. Sitting on 6,300 acres that overlook the Escambia Bay and intercostal waterway not only makes the site aesthetically pleasing, it also gives the site access to key waterways.

There are currently two existing barge terminals that are in close proximity to The Bluffs development site. One is used to bring in coal to the Gulf Power plant and is currently used at its full capacity. However, the second is used by Ascend Performance Materials and has currently only reached 50 percent capacity. Working with Ascend (a partner in The Bluffs Project) on scheduling, and building out more access to the barge terminals could allow for barge access to The Bluffs development site, allowing for manufacturers to easily transport goods in and out of the development.[17]

Having access to a barge terminal can be a great selling point for The Bluffs. Currently, shipping goods by sea, especially internationally, is the most economical method.[18] The low cost is associated with a couple of factors. For one, transport ships and barges can move a large amount of goods in one shipment, allowing for multiple companies to share in the cost of the ships' operations. Another reason is that ship operation is relatively cheaper than travel by land or air. This is due to the fact that it takes less energy to transport goods on the seas compared to other methods.

Another method of transportation typically sought out by manufacturers is railways. The Bluffs is conveniently located next to a rail system and can be accessed by the Gonzalez Spur off the CSX mainline. Rail lines are typically the preferred method of transportation for manufactured goods for a lot of the same reasons ships are preferred. Railways offer manufacturers the opportunity to ship items in bulk across the nation, and are typically a more economical (albeit less flexible) alternative to road transports.[19]

The rail line at The Bluffs also connects the development site to the Port of Pensacola, allowing for even greater access to transportation of goods in and out of the development site.[20] The current access to a rail-line and port are great foundational pieces that can help make The Bluffs an attractive site for companies looking to open a manufacturing facility; however, to build out the entire development, improvements to both the railway and the barge/port access will likely need to be made to accommodate the increased demand. The site would also benefit from improvements to roadways. Currently there is a proposal to create an Industrial Boulevard that would help "connect the site," allowing potential users to access the entire development. This connectivity would help the flow of products in and out of the site, and allow the state to invest in a commodity that it will benefit the general public for years to come.

The location of The Bluffs is also a great benefit to the state's university system. The site for the development sits in close proximity to the University of West Florida, one of the state's public universities. In fact, the University of West Florida owns a portion of the land, meaning state dollars invested in the site would go to help one of the state's great public universi-

17 "The Bluffs: 2015 Final Industrial Development Study." 2015.
18 "Global Shipping: Choosing the Best Method of Transport." World Industrial Reporter.
19 "Global Shipping: Choosing the Best Method of Transport." World Industrial Reporter.
20 "The Bluffs: 2015 Final Industrial Development Study." 2015.

ties. Having an advanced manufacturing center so close to the university will grant students and professors the opportunity to work on cutting edge projects being developed at the manufacturing centers. Collaborations like this have already benefited the University of Central Florida (UCF).

Working with the International Consortium of Advanced Manufacturing Research (ICAMR) (a development in central Florida that shares similarities with the Bluffs), a UCF team of researchers was awarded $1.1 million by the U.S. Department of Energy to develop a new manufacturing process that will help advance the use of solar energy. The grant would have never have been possible if it weren't for UCF's partnership with ICAMR, as a key component of the grant was the ability to make the research manufacturable.[21]

With The Bluffs so close to the University of West Florida, students and professors will have the opportunity to work on projects with real world applications. This will allow students to garner the proper experience needed to compete in the job market upon graduation, helping both the students, and the prestige of the University.

THE ECONOMIC IMPACT

The development is also a key feature that will help make The Bluffs a successful hub for advanced manufacturing, and bring with it a significant economic impact for the region and state. The site's first phase allows for 10 advanced manufacturing facilities that will develop approximately 295 acres,[22] along with the previously mentioned facilities that are already located there. This will allow companies to partner together to create synergy and come up with products in a more efficient and effective manner.

With multiple companies at the site, there is also the potential for strong job growth in the manufacturing field for Pensacola and the surrounding counties to the tune of nearly 6,000 jobs.[23] Given that the average manufacturing salary in the U.S. is $66,800,[24] new wages in the region could go up by as much as $400 million. On top of that, the economic effect of new spending in the region is expected to indirectly create another 9,000 jobs,[25] which could bring another $390 million in wages.[26] The nearly $800 million in wages would be a great boost for the region's economy through new spending, which would also have a positive impact on Florida's tax revenues.

The development of The Bluffs will also help raise the economic profile of the Pensacola area. In 2015, the per capita personal income from the metropolitan area was $39,048, nearly 42 percent lower than the average salary for a manufacturing job in the United States. The increase in new high paying jobs has the potential to help all sectors of the local economy, as high-income earners tend to have more discretionary income, allowing those individuals to spend more money around town at restaurants, shops, etc.

The development of The Bluffs could also have a significant impact on Florida's Gross State Product (GSP).[27] In 2016, Florida's GDP was approximately $911 billion.[28] After running an analysis using BEA RIMS II multipliers,[29] Florida TaxWatch found that the development of The Bluffs (at full capacity)[30] could add $1.1 billion to the

21 "UCF and ICAMR Capture DOE Award for Cost-Competitive Solar Energy. UCF TODAY. 2016.
22 "The Bluffs: 2015 Final Industrial Development Study." 2015.
23 Ibid.
24 U.S. Bureau of Economic Analysis and the U.S. Census Bureau (2015).
25 "The Bluffs: 2015 Final Industrial Development Study." 2015.
26 U.S. Bureau of Economic Analysis and the U.S. Census Bureau (2015).
27 The GSP is a measure of a state's total economic output, meaning it is the sum of all of the value added by industries within Florida.
28 "Florida GDP outpacing U.S. economic output thanks to strong real estate, construction sectors." Tampa Bay Times. July 2016.
29 State multipliers created by the Bureau of Economic Analysis.
30 Accounting for 6,000 new jobs

state's GSP.[31] This would be a major boost to the Pensacola metropolitan area that currently contributes approximately $16 billion to Florida's GSP.[32]

Overall, if given the opportunity to grow, The Bluffs development could bring a significant boost for the state and Pensacola region.

CONCLUSION

For years, Florida TaxWatch has touted the importance of Florida's manufacturing sector, and the need for investment has never been greater. Economists and analysts across the world agree that the new wave of manufacturing is upon us, and the economic rewards could be substantial for those who invest wisely in the sector. The time is now for the state to move forward with projects that could put Florida on the map as a go-to destination for manufacturing. The state should look for opportunities to invest when taxpayers can expect to receive a positive return on investment. After reviewing The Bluffs development project in Pensacola, Florida TaxWatch has concluded that, at this point in time, the project would be a worthwhile investment for the state of Florida.

RECOMMENDATIONS

Invest public-funds into the infrastructure necessary help create and grow manufacturing hubs. Luckily for legislators, they will not have to look far for a project worthy of state dollars. After reviewing the development plan for The Bluffs, and the potential economic impact on the city and state, Florida TaxWatch recommends investing in the final build out of The Bluffs development. As stated, the site already has a great foundation in place; however, to accommodate large scale production facilities, improvements to existing roads and transportation infrastructure will likely be necessary, and will also benefit the general public in the region.

Continue to work with private entities to ensure the long-term growth potential is met. While the Legislature is likely to debate the use of economic development funds, many experts agree that high-tech manufacturing will be a major driver for the world's economy in the future. As it stands, Florida has the opportunity to invest in an industry that is on the rise, and beat out potential competitor states for valued companies in the process. Florida TaxWatch recommends that the Legislature look to work with private entities to help ensure that Florida is able to properly "diversify its portfolio" and help make the state a major player in manufacturing for years to come.

31 Florida TaxWatch Analysis using BEA RIMS II multipliers.
32 BEA Regional GDP information (2015).

This TaxWatch *Briefing* written by **Kyle Baltuch, MS,** Economist
Robert Weissert, Executive Vice President & Special Counsel to the CEO
Chris Barry, Director of Publications

David Mann, Chairman of the Board of Trustees, Florida TaxWatch
Dominic M. Calabro, President & CEO, Publisher & Editor
Florida TaxWatch Research Institute, Inc.
www.floridataxwatch.org

PENSACOLA-ESCAMBIA PROMOTION AND DEVELOPMENT COMMISSION

RESOLUTION
REGARDING APPLICATION FOR GOVERNOR'S GROWTH FUND/
AUTHORIZATION OF CHAIRMAN TO ACT

At a duly noticed meeting of the Pensacola-Escambia Promotion and Development Commission (PEDC), at which a quorum was present, it was moved, seconded and unanimously approved that the Chairman of the PEDC be authorized and directed to take all such action as is necessary and appropriate for purposes of proceeding with application to the Florida Department of Economic Opportunity, 2019-2020 Florida Job Growth Grant Fund Public Infrastructure Grant Proposal, in the approximate amount of $2,487,000.

DAVID E. HOXENG, Secretary

Date: 8/22 2019

A3568479.DOCX

PENSACOLA-ESCAMBIA PROMOTION AND DEVELOPMENT COMMISSION

RESOLUTION
REGARDING APPLICATION FOR GOVERNOR'S GROWTH FUND

At a duly noticed meeting of the Pensacola-Escambia Promotion and Development Commission (PEDC), at which a quorum was present, it was moved, seconded and unanimously approved that the PEDC proceed with application for grant from the Florida Department of Economic Opportunity, 2019-2020 Florida Job Growth Grant Fund Public Infrastructure Grant Proposal, in the approximate amount of $2,487,000.

DAVID E. HOXENG, Secretary

Date: 8/22 2019

A3568469.DOCX

EXHIBIT H

March 6, 2019

The Honorable Robert Alexander Andrade
402 South Monroe Street
1401 The Capitol
Tallahassee, FL 32399-1300

Dear Representative Andrade:

At Ascend Performance Materials, we embrace a "Commitment to Zero" – a belief that operating with "zero" injuries is possible. As a local private-sector company, we welcome changes that combine our commitment to the safety of our 1,200 local employees and contractors while also stimulating economic growth in the area.

As such, Ascend Performance Materials is in favor of the $2.5 million funding for transportation improvements requested by the Pensacola Escambia Development Commission.

If approved, the project will widen roads and install a roundabout connecting Old Chemstrand Road, new Chemstrand Road, the ECUA (Emerald Coast Utilities Authority) entrance and our plant entrance. The roundabout will increase capacity and make travel safer for vehicles associated with nearby businesses. These improvements will also help the Bluffs development and create new locations for future companies.

Thank you for your service and efforts in the Northwest Florida FORWARD initiative in the upcoming legislative session. I appreciate your consideration on this important issue.

Please let me know if I can provide additional information.

Sincerely,

John A. Johannemann
Sr. Site Director of Operations
Ascend Performance Materials
(850) 968-7512
jajoha@ascendmaterials.com