



City of Milton

September 12, 2019

Florida Dept of Economic Opportunity
107 E Madison St,
Tallahassee, Florida 32399

RE: Job Growth Grant Fund Application

North Santa Rosa Regional Water Reclamation Facility Project

The City of Milton's current wastewater facility has become increasingly inadequate to serve the economic development goals and objectives of Santa Rosa County and the Northwest Florida region. In the attached materials we have taken great care to describe the pressing nature of this infrastructural deficiency with respect to developing the local economy. In recent years, the Santa Rosa County Economic Development office has been unable to place a number of opportunities due to the lack of wastewater capacity. In recognition of this, the City of Milton has prepared designs, permits and cost estimates for the addition of a new wastewater treatment plant in the east Milton area that will satisfy these critical community objectives in the future.

The new North Santa Rosa Regional Water Reclamation Facility will be located in a centralized area with convenient access to all of the 2,100 acres of economic development site inventory along the I-10 corridor. This inventory includes a number of certified sites with exceptional physical and logistical advantages for new industries. The new wastewater treatment plant is also convenient to Naval Air Station Whiting Field and Whiting Field Aviation Park. With this new infrastructure, impediments to industry placement, jobs and economic growth in central Santa Rosa County will be removed.

We have taken great care to provide all information necessary to perform the Economic Impact Analysis associated with the North Santa Rosa Regional Water Reclamation Facility initiative. Our cursory analysis indicates that this investment will result in the addition of over 1,000 jobs over the next ten years. As such, we believe the project provides a great opportunity for the responsible investment of grant funds.

We look forward to working with you on this request; please contact me directly if I can be of any assistance. (850) 983-5411.

Randy Jorgenson, City Manager

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: City of Milton

Government Federal Employer Identification Number ██████████

Primary Contact Name: Randy Jorgenson

Title: City Manager

Mailing Address: P.O. Box 909, Milton FL 32507

Phone Number: 850-983-5411

Email: rjorgenson@miltonfl.org

Secondary Contact Name: Jenny Cook

Title: Planning Director

Phone Number: (850) 983-5440

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.
See Attachment A. This public infrastructure construction project provides essential wastewater capacity for development of three Santa Rosa County commerce parks and protects the Blackwater River, while also providing additional commercial capacity.

B. Provide location of public infrastructure, including physical address and county of project.
See Attachment B.
Santa Rosa County Parcel 29-2N-27-0000-00103-0000 north of US90 on Transition Road

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

D. Provide current property owner.

City of Milton

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

Yes No

The North Santa Rosa Regional Water Reclamation Facility (NSRRWRF) Project directly benefits the public by providing service to Santa Rosa County in areas where there is currently no capacity.

The NSRRWF directly benefits the public by providing service to Santa Rosa County. This includes increased waste water capacity for residents and local business; while also creating opportunity for future heavy water user industrial growth in the projected service area.

The current breakdown of the daily use measured by Gallons Per Day (GPD) is Industrial 45%, (945,000 GPD), Residential 35% (735,000 GPD) and commercial 20% (420,000 GPD). Projections based on land use classifications indicate the daily percentage use by commercial, industry and residential is not anticipated to significantly alter. Industrial use would remain at approximately 45% if all sites zoned industrial, residential and commercial within the service area were built out. Additionally, daily commercial use is projected to remain between 15%-20%. Residential use could see a slight percentage increase with a projected daily use of 35%-40%.

The County's population and household count is continuously increasing at substantial rate (15% growth from 2010 to 2017). Growth is expected to continue, adding another 32% between now and 2040; which increases the residential need and demand to the areas wastewater capacity. Increased employment opportunities are necessary.

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

No

No. As referenced in **Attachment A** the daily use measured by gallons per day is projected to be Industrial 45%, (945,000 GPD), Residential 35% (735,000 GPD) and commercial 20% (420,000 GPD). The NSRRWRF has the capability to service numerous industrial and commercial sites, while also continuing to provide residential services.

- 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.

Please reference Attachment C and Attachment F for the Economic Impact Analysis of the NSRRWF.

2. Additional Information:

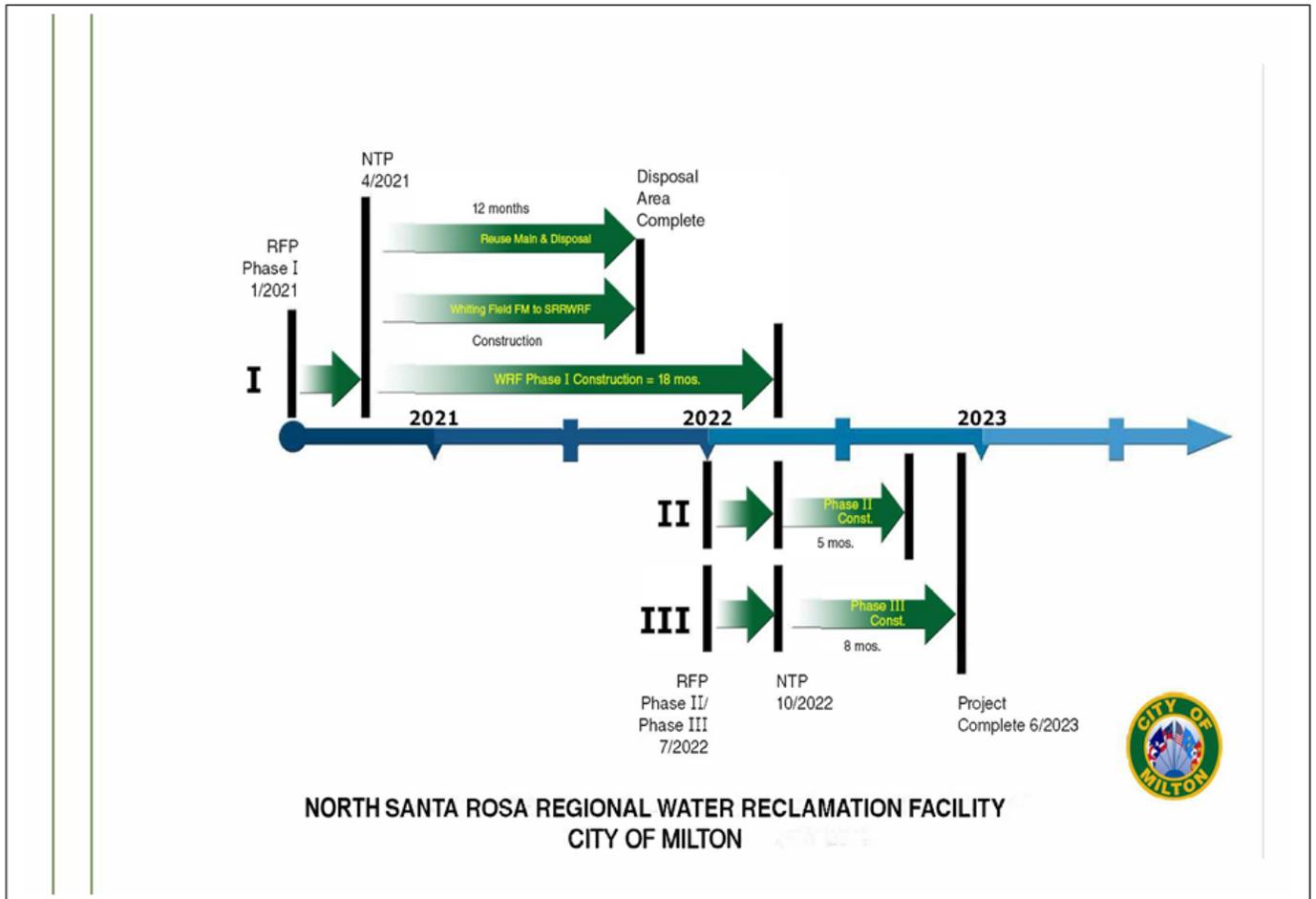
(If additional space is needed, attach a word document with your entire answer.)

- A. Is this an expansion of an existing training program? Yes No

The NSRRWRF is an expansion of the current wastewater system and will provide additional jobs in the region.

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

The project has a 30-month timeline with a three phase construction program that is anticipated to begin in January 2021 and continue for 30 months; with final completion in June 2023.



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

The major environmental permits necessary to advertise and commence construction have been acquired by the City of Milton. A number of specialized and routine permits and notifications are required for the type of facilities proposed.

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- FDEP Wastewater Permit for Domestic Wastewater Facilities (permit issued 12/1/2015).
 - FDEP Notice to Place Domestic Wastewater Transmission System In Service (will be issued once the work is completed).
 - FDEP Environmental Resource Permit (Permit was issued 1/9/2012)
 - FDEP Certifications of Completion (will be issued once the work is completed).
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 - FDEP Joint Application for Submerged Land Lease (Permit was issued 1/9/2012)
 - Santa Rosa County Development Order (Development Order was issued on 11/2/2011).
 - Santa Rosa County Conditional Use Permit (will be issued once construction begins).
 - Santa Rosa County Building Permit (building permits are applied for by the Contractor after award of project.)

D. 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?

As referenced above, all environmental permits associated with the wastewater facilities under this application that can be secured prior to construction or completion have been acquired from the responsible regulators as part of the previous design-permitting phase of the project. The project is shovel-ready; the only authorizations necessary to proceed are the routine local construction permits. It is important to note that both the City of Milton and Santa Rosa County are committed to ensuring that all permits and authorizations necessary to construct the facilities described herein will be expedited.

E. 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?

All parcels are currently zoned to accept the facilities associated with this project. The site proposed for the NSRRWRF is currently zoned M1, Restricted Industrial

District.

F. 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

A Santa Rosa County Development Order will be necessary to proceed with the construction of the facilities included herein. No comprehensive Plan amendment is necessary.

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

Yes No

The NSRRWRF may commence upon award. The project has been fully designed and permitted and is ready to advertise for construction. All facilities, reports, estimates, etc., associated with this application will be delivered in accordance with this application and bid.

H. Does this project have a local match amount?

Yes No

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

See Attachment D. There are historical, current and future matching funds. The City is providing a match of \$16,221,311. Also, Santa Rosa County is contributing a total of \$6,500,000.

FEMA	\$12,000,391
City of Milton	\$16,221,311
Santa Rosa County	\$6,500,000
FL Legislative Appropriation FY 2017-18	\$562,500
FL Legislative Appropriation FY 2019-20	\$500,000
TRIUMPH Gulf Coast	\$9,000,000*
TOTAL	\$44,784,202

* Application in process.

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

Please review the Economic Impact Analysis included in Attachment F and supporting documentation included in Attachment G.

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 \$ 4,174,056
 Florida Job Growth Grant Fund

A. Other Public Infrastructure Project Funding Sources:

City/County \$22,721,311
 Private Sources \$ 0 (NA)

Other (grants, etc.) \$22,062,891
Total Other Funding **\$ 44,784,202**

Please Specify:

FEMA	\$12,000,391
FL Legislature	\$1,062,500
TRIUMPH Gulf Coast Request (pending)	\$9,000,000

See Attachment E: Budget Narrative

B. Public Infrastructure Project Costs:

Construction \$47,014,983
 Reconstruction \$ 0
 Design & Engineering \$ 1,943,275
 Land Acquisition \$ (included)
 Land Improvement \$ (included)

Other \$ (0)
Total Project Costs **\$ 48,958,258**

Please Specify: _____

Note: The total amount requested must be calculated by subtracting the total Other Public Infrastructure Project Funding Sources in A. from the total Public Infrastructure Project Costs in B.

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

See Attachment H - Budget Narrative. The City of Milton is committing \$16,221,311 utilizing a combination of local funds and loans. The local funds are approved by the Milton City Council and may include a combination of impact fees, account reserves, a municipal bond issue or state revolving loan. The specific local funds mix would be established following approval of a Florida Job Growth Grant.

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)?

Grant agreements require approval of the Milton City Council and the signature of the Mayor.

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

NA

- 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.

The Milton City Council holds regular meetings on the second Tuesday of every month. Yes the Council may hold special meetings. Special meetings of the Milton City Council require 1-7 day advance 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.

The City of Milton is an incorporated municipality in the State of Florida. Any agreement or contract associated with this application must be approved by the City Council for the City of Milton, Florida as detailed in the City's governing documents.

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: City of Milton

Name and Title of Authorized Representative: Randy Jorgenson, City Manager

Representative Signature: 

Signature Date: 9/19/2019 9/19/19

MILTON CITY CHARTER

Division 2. –CITY MANAGER

Sec. 2-91. - Administrative director of city.

The administrative director of the city shall be a city manager who shall execute the laws and administer the city government, subject to the approval of and under the direction of the city council.

(Code 1977, § 2-28; Ord. No. 1278-08, § 1, 4-8-2008)

Sec. 2-92. - Appointment; residency requirement.

- (a) The council shall appoint a city manager who shall be an officer of the city and shall have the powers and perform the duties provided for by this division, or as may be assigned to him by amendments hereto.
- (b) At the time of the manager's appointment the manager need not be a resident of the city or state, but within six months after the manager's appointment, the manager shall become a resident of the county within 15 miles of the city limits.

(Code 1977, § 2-29; Ord. No. 1278-08, § 2, 4-8-2008)

Sec. 2-96. - Powers.

The city manager shall be the chief executive officer and the manager alone shall be responsible to the city council for the proper administration of all city affairs, and to that end the city manager shall have the power to:

- (1) Prepare and submit to the council, as of the end of the fiscal year, a complete report on the finances and administrative activities of the city for the preceding year;
- (2) Keep the council advised of the financial condition and any future needs of the city and make such recommendations as may seem desirable;
- (3) Recommend to the city council from time to time the adoption of such measures as the manager may deem necessary and expedient;
- (4) Consolidate or combine offices, positions, departments or units under the manager's jurisdiction, with the city council's approval;
- (5) Purchase all materials, supplies or equipment for which funds are provided in the budget appropriation, or let contracts for new construction or contracts which cannot be consummated with funds provided in the current budget without approval by the city council. All purchases and sale shall conform to such regulations as the city council may from time to time prescribe, but in any case, when an amount in excess of \$10,000.00 is involved, the opportunity for competition shall be given;
- (6) See that all laws and ordinances are duly enforced;
- (7) Perform such other duties as may be required of the manager by ordinance not inconsistent with this division.

(Code 1977, § 2-33; Ord. No. 1278-08, § 6, 4-8-2008)



Where Good Living Flows

Attachment A

Description of Public Infrastructure Improvement

City of Milton
North Santa Rosa Regional Water Reclamation Facility

ATTACHMENT A

The City of Milton has been operating a wastewater system in Santa Rosa County since the 1960s. At over 43,000 acres (67 square miles), the Milton water and wastewater franchise area covers the entire central region of the county. This area includes a number of key regional economic assets (discussed in more detail below), the Naval Air Station Whiting Field, the City of Milton and the I-10 corridor.

Santa Rosa County is one of the fastest growing counties in Florida. This growth has continued to stress existing wastewater infrastructure, such that the City's Wastewater Treatment Plant (WWTP) is nearing capacity. This 1984 wastewater facility is located in downtown Milton and discharges treated effluent directly into the Blackwater River. As one of Florida's outstanding waterways, the current permitted discharge limit of 2.5 MGD (million gallons per day) into the river is capped. This fixed upper limit to "permissible" discharge has increasingly become an economic development issue. As the central part of the county has continued to grow, the lack of additional wastewater treatment capacity has become a pressing concern and has already begun to stifle economic growth.

Santa Rosa County currently has over 2,100 acres of planned or available economic development acreage along the I-10 corridor in East Milton, with nearly another 1,000 acres included in the area anticipated for industrial growth in the County's Future Land Use Plan. This acreage includes several county-owned industrial parks, the Whiting Aviation Park and a number of large privately-owned tracts. In recent years, as the Santa Rosa Economic Development Office responded to economic development opportunities, it has become increasingly clear the lack of wastewater treatment capacity will soon begin to restrict placement of new projects in these critically important industrial parks. In several recent cases, the City was simply not able to accommodate the projected wastewater flows associated with economic development opportunities.

Because of this wastewater capacity limitation, the City commissioned the design and permitting of a new wastewater treatment facility in 2009 in East Milton. The North North Santa Rosa Regional Water Reclamation Facility (NSRRWRF) is shovel-ready; designed to fully support new community growth and critical economic development projects in the central Santa Rosa County area. As discussed in more detail below, current analysis confirms the impacted industrial site inventory will provide for substantial capital investment, direct and indirect employment and wages, ad valorem taxes, wastewater usage fees, and other economic benefits.

Once this remaining plant capacity is used up at the existing 1984 WWTP, the City of Milton will not be able to accept new projects or wastewater flows in the franchise area. Construction of the first phase of a new wastewater plant in East Milton will provide an *additional* 2.0 MGD of wastewater capacity for the overall system; ***bringing the total permitted system capacity up to 4.5 MGD***. This additional capacity is a critical infrastructural asset. This additional capacity is necessary to support new development and projects within the franchise area – including future projects associated with local and regional economic development programs.

Because of this wastewater capacity limitation, in 2009, the City commissioned the design and permitting of a new wastewater treatment facility in East Milton. The City has invested in the design and permitting of the new **NSRRWRF** in East Milton. The project has a number of economic development and diversification advantages, as follows:

1. New Infrastructural Capacity.

The **NSRRWRF** will be a modular design with an initial capacity of 2 MGD. ***This is additional capacity, bringing the total available capacity (existing and new plants) to 4.5 MGD.*** The new NSRRWRF plant design allows for the future addition of two 2 MGD modular expansions such that the total available capacity at the new plant will be (up to) 6.0 MGD. This capacity represents a 140% increase over the existing plant and is sufficient to handle robust economic development and growth in central Santa Rosa County for decades.

2. Economic Development Sites.

The project will be centrally located adjacent to the cluster of available industrial sites along the I-10 corridor in Santa Rosa County. The new plant will be able to handle the wastewater effluent from a broad range of industrial processes and sector types D-7 and will allow the County to recruit facilities with larger wastewater needs, something that is not possible now. This enhanced acreage will support local and regional economic development professionals in attracting diverse and sustainable new businesses, and the employment they will provide, to the region.

3. Industrial Effluent Re-Use.

The effluent from the **NSRRWRF** will be suitable for industrial process water. The centralized plant location is optimized for advanced industrial re-use water to support the full range of economic development opportunities. Moreover, for many prospects, the availability of re-use technology is a key site selection factor. This helps to protect the Blackwater River and the surrounding Pensacola Bay watershed.

The current breakdown of the *daily use* measured by Gallons Per Day (GPD) is Industrial 45%, (945,000 GPD), Residential 35% (735,000 GPD) and commercial 20% (420,000 GPD). Projections based on land use classifications indicate the *daily percentage* use by commercial, industry and residential is not anticipated to significantly alter. Industrial use would remain at approximately 45% if all sites zoned industrial, residential and commercial within the service area were built out. Additionally, daily commercial use is projected to remain between 15%-20%. Residential use could see a slight percentage increase with a projected daily use of 35%-40%.

The construction of the first phase of the new wastewater plant will provide an additional 2.0 MGD of wastewater capacity. This increases the total capacity of the overall system to 4.5 MGD. In the first 10 years, it is anticipated that the industrial daily use could increase with the availability of sewer service at the Industrial parks located in East Milton. However, as commercial and residential land is developed and connected to the service area; or septic to sewer conversions are completed; the daily percentage use is expected to return to industrial 45%, residential 35% and commercial 20%. With the increased capacity at 4.5 MGD and a projection based on 4.1 MGD, this allows industrial use to be up to 1,845,000 GPD at 45%; commercial usage to 1,435,000 GPD and residential 820,000 GPD.



Where Good Living Flows

Attachment B

Project Location

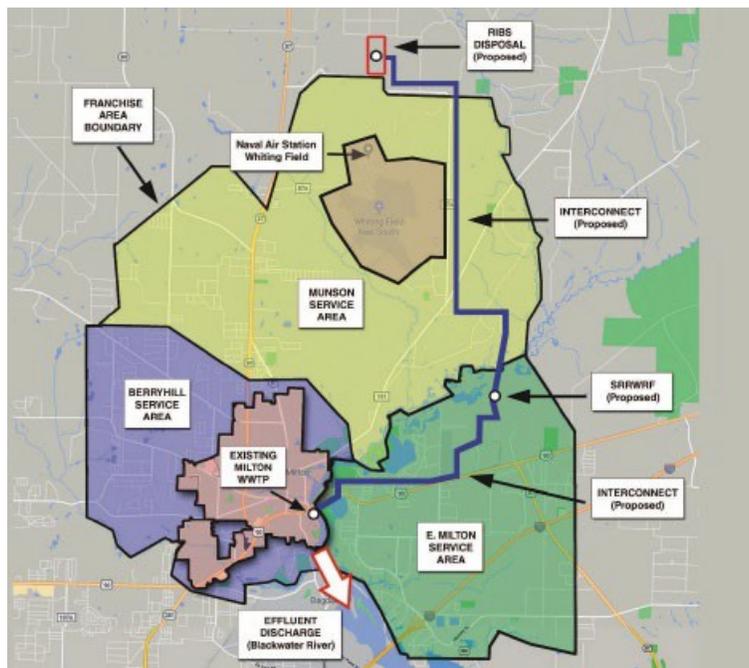
City of Milton
North Santa Rosa Regional Water Reclamation Facility

ATTACHMENT B

Project Location

The project is centrally located in Santa Rosa County. It is directly adjacent to or in the immediate vicinity of several important Industrial Parks owned by Santa Rosa County, including the NWFL Industrial Park at I-10, the Vics of Navarre site (also known as the Highway 87 Industrial Park), and the Santa Rosa Industrial Park East, all of which are Florida First Certified Sites with “ready- to-go” capability. The new NSRRWRF site has been selected to support the full development of these Industrial Parks, the new Whiting Aviation Park, and general commercial and community expansion along the I-10 corridor in the East Milton area.

Wastewater collection, transmission and effluent re-use elements of the project extend from downtown Milton to an effluent disposal site located adjacent to the Whiting Aviation Park.



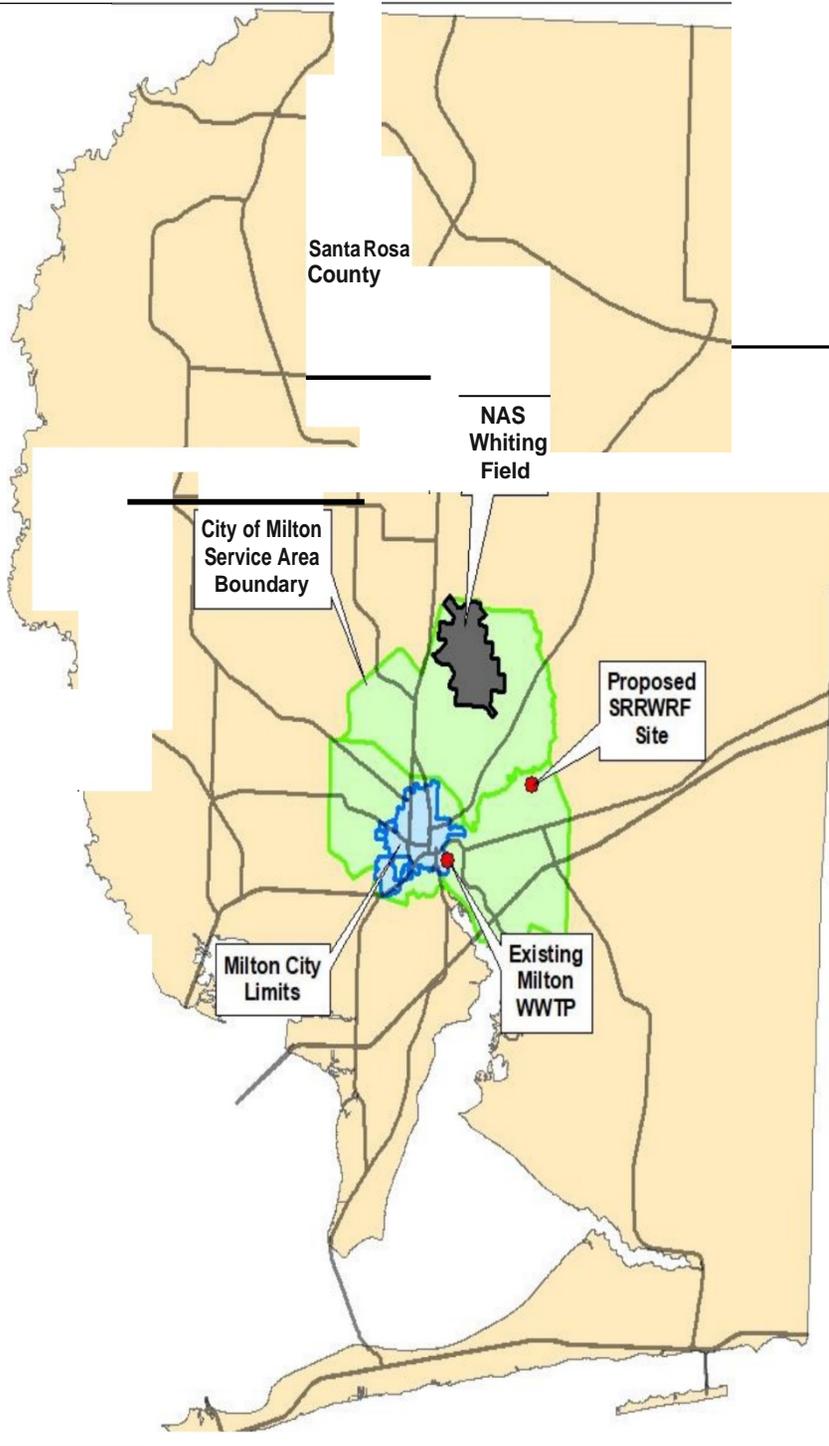
Project Justification

The logistical advantages of I-10 and developing markets in coastal Alabama, Mississippi and Louisiana are key regional economic development assets. For example, the site inventory enhanced by this project is the closest to the new Airbus Aviation OEM facility in Mobile, Alabama. In fact, Santa Rosa County currently has the largest western I-10-based economic development site inventory in Florida. In Escambia County, there are no accessible economic development sites directly adjacent to the I-10 corridor. For this reason, much of the proposal activity associated with interstate-based economic development opportunities shifted to Santa Rosa County.

When the specifications for a particular opportunity are received, local officials must evaluate infrastructural needs associated with the project. In the future, an increasing number of these opportunities will exceed available wastewater capacities.

City of Milton Sewer Area Map

- Major Roads
- 0 Milton City Limits
- Whiting Field NAS
- Proposed Sewer Area
- D Santa Rosa County





Where Good Living Flows

Attachment C

Economic Impact

City of Milton
North Santa Rosa Regional Water Reclamation Facility

ATTACHMENT C

Describe how the project will promote specific job growth

The development of the NSRRWRF is crucial to the economic development of Santa Rosa County. It will allow new opportunity for commercial, industrial and residential development in locations that are currently unable to develop due to this infrastructure limitation. Development of the North Santa Rosa Regional Water Reclamation Facility will provide adequate wastewater treatment capacity for several thousand acres of business parks and other industrially zoned land. Assuming a continuation of the development patterns that have been demonstrated since the Santa Rosa County Industrial Park was started in 1982, future development will include a wide variety of business types that will provide a diversified economic base.

Economic Recovery

As Santa Rosa County and the City of Milton both continue to rebound from the impacts of the BP oil spill, economic development is a key component in meeting the employment needs of the current and future population. A recent analysis prepared as part of the Florida Chamber Foundation's *Florida 2030* report projects Santa Rosa County will need an additional 20,146 net new jobs by 2030, or an annual job creation of 883. Wages from new direct jobs supported by the NSRRWRF will support additional employment growth and wages in other sectors through the multiplier effect. New development will create new sources of tax revenue and building permit fees for Santa Rosa County and additional wastewater treatment fees for the City of Milton.

All these economic recovery activities and funds are dependent on construction of the new North Santa Rosa Regional Water Reclamation Facility.

Economic Diversification

Development of the North Santa Rosa Regional Water Reclamation Facility will provide adequate wastewater treatment capacity for several thousand acres of business parks and other industrially zoned land. Assuming a continuation of the development patterns that have been demonstrated since the Santa Rosa County Industrial Park was started in 1982, future development will include a wide variety of business types that will provide a diversified economic base. As shown earlier in this application, the County currently has seven target sectors with average wages significantly exceeding current per capita income. In part this will occur because of the diverse nature of the County's and region's target industries, and in part, will reflect the desirability of the area for many types of businesses not specifically targeted.

Further, assuming that the majority of projects will require small to medium size lots, the County's industrial inventory can be expected to last for multiple decades, during which it is likely that new targets and industry sectors will emerge, leading to further diversification.

Enhancement of the Disproportionately Affected Counties

The availability of several thousand acres of fully serviced industrial properties will position Santa Rosa County as one of the few locations in Northwest Florida that can offer business prospects this degree of choice in locational opportunities. This will certainly enhance the County's competitiveness in the economic development marketplace.

Enhancement of a Targeted Industry

The Santa Rosa County Economic Development Organization (EDO) currently has as targets aviation and aerospace, distribution, cybersecurity and call centers. A newly created economic development strategic plan adds as target sectors aviation support services, business services, logistics, agricultural and marine research, and health services/research and medical technology. Florida West, serving the greater Pensacola region immediately west of Santa Rosa County, targets companies in the chemical manufacturing, aviation manufacturing, cybersecurity, information technology, professional services/back offices, and offshore vessels sectors.

Florida's Great Northwest includes advanced manufacturing, aerospace and 20 defense, health sciences, renewable energy, and transportation, distribution & logistics as targets for the broader 12-county region. The County's new economic development strategic plan provides a well thought out action agenda for promoting the County and region's economic growth. Many of the target sectors noted above are those listed as discretionary priority targets sought by the

The construction of the new waste water treatment facility will first support the region's construction industry and a conservative analysis of impacts projects the creation of an estimated 1,120 direct jobs and nearly \$259 million in wages in the region over the first 10 years after the plant is completed. In addition, there will be substantial indirect (multiplier) jobs and related wages created as a result of the direct jobs resulting in an additional 426 jobs and \$83 million in wages. Given the nature of the industry sectors being targeted by the Santa Rosa EDO, it is likely many of the new jobs will have above average wages. Future phases of expansion of the plant will generate additional construction employment and position the County for continuation of its employment growth.

Three types of jobs will be created:

- a. Permanent** transformational jobs in businesses established or those that have expanded in the East Milton Industrial Area.
- b. Short-term construction jobs** – many of which would be required for any transformational project of this size.
- c. Indirect “multiplier” jobs** in the region caused by the suppliers to the direct companies and construction contractors and by expenditures by direct job holders and construction workers.

During the 10-year period for which the economic impact analysis for this project was prepared, an estimated 1,120 new, direct, permanent jobs will be created. Many of these jobs will be in target industry sectors identified by a variety of sources including the following:

TARGET SECTOR	NAICS CODE	WAGE RANGE
Aviation/Aerospace Industry	31-33: 927110;	\$58,570 (Some data suppressed)
Distribution and Logistics	48-49: 541614	\$38,280 - \$80,430
Cyber-Security	54: 541690; 541515; 334290	\$63,790- \$74,170
Call Centers	54-56: 561421; 561422	\$27,540 - \$79,440
Business Services	54-56: 561110; 561439; 541611	\$50,940 - \$66,470
Agricultural and Marine Research	11: 541715	\$33,900 - \$48,150
Health Services/Research and Medical Technology	61-62: 541720; 541714	\$41,310 - \$96,860
Source: US Bureau of Labor Statistics May 2016 report on Metropolitan and Nonmetropolitan Area Occupational Employment and Wage Estimates for the Pensacola-Ferry Pass-Brent FL MSA		

These new jobs will be in a wide salary range, with an estimated initial average of \$40,000 per year (increasing over time) resulting in nearly \$259 million in wages over the 10-year period. This wage compares with a current Santa Rosa County per capita income of \$28,219 (in 2016 dollars) and a 2016 City of Milton per capita income of \$22,551.

Indirect jobs attributable to the direct permanent jobs during the 10-year analysis period total 426 receiving \$83 million in wages. These indirect jobs will be in supply chain businesses supporting or as customers of the newly located or expanded direct businesses, as well as in retail and service establishments direct jobs workers will patronize.

In addition to the long-term, permanent jobs to be created, short-term construction jobs will also be created.

The timeframe for construction of the NSRRWRF is 30 months, with the major plant work being completed in 18 months.

During the 18-month major construction period, there will be an estimated 84 fulltime equivalent jobs per year paying an average annual wage of \$40,000 or a total of \$5 million. While it is understandable that one could consider construction jobs temporary, the nature of the construction industry makes construction workers dependent on a series of such “temporary” assignments for full-time, permanent employment.

Indirect jobs caused by construction employment and costs are estimated at 27 annually with \$1 million in total wages during the 18-month period. Given the amount of industrial land supported by the new North Santa Rosa Regional Water Reclamation Facility, development and related new job creation and wages will continue for many decades beyond the initial 10-year analysis period.

Santa Rosa County and the City of Milton intend the development of the NSRRWRF to enhance all the target industries listed above. The fact that adequate wastewater treatment capacity will exist in the future for a large land area and for many years will mean any current or future company in the region’s target sectors and clusters will meet their wastewater treatment needs in an efficient and cost-effective manner.

For more detailed information, please see the Economic Analysis included in Attachment I which demonstrates the following:

1. During the first 10 years of development in the East Milton Industrial Area after the NSRRWRF begins providing service, seven construction projects will occur utilizing 56 acres of land in the industrial area.
2. This development will result in construction of 245,000 square feet of space at a construction value of nearly \$31 million.
3. 1,120 Permanent, new direct jobs and 426 new indirect jobs will be created for a total of 1,546 total new jobs over the first 10 years after the Santa Rosa Regional Water Reclamation Facility is constructed.
4. The new direct jobs will initially average \$40,000 per year, and will escalate at the rate of 1.5% per year, resulting in more than \$259 million in wages over the 10 year period; the indirect jobs will result in nearly \$83 million in wages. Therefore, total new wages in Santa Rosa County during the initial 10 year period will exceed \$342 million.
5. New construction will generate \$30,900 in building permit fees, \$474,600 in ad valorem taxes and \$22,500 in non-ad valorem taxes to Santa Rosa County over the 10 year period.
6. New or expanded buildings will generate nearly \$217,000 in wastewater treatment fees to the City of Milton over the 10 year period.
7. In addition to the permanent, new direct jobs, during the 18 month construction period of the NSRRWRF, 84 direct jobs will be created per year resulting in 27 indirect jobs per year.
8. Construction of the NSRRWRF will result in somewhat more than \$5 million in new direct wages and \$1 million in indirect wages.

It should be noted that these estimated economic impacts are only for the first ten years of development after completion of the NSRWRF and are purposely very conservative. Given

that the East contains more than 3,000 acres of land intended for industrial development, the new wastewater treatment plant, with its planned 6.0 MGD of treatment capacity, will support additional development for many years beyond the first ten. Thus, over a 15 year period, job creation could be expected to be 2,300, and this would increase to 3,100 over a 20 year period. Similarly, all other economic impacts would continue to increase over time.

Economic Development Vision for The Community

Santa Rosa County has recently completed updating its economic development strategic plan. In the competitive assessment portion of this exercise, a shortage of shovel-ready sites, a lack of industrial/commercial facilities, and inadequacy of the wastewater treatment services were all noted as deficiencies and the action plan calls for improvements in these conditions.

Construction of the NSRRWRF will allow these corrections, providing fully serviced sites for future businesses and allowing expansion of those businesses already in the area. The strategic plan also adds additional target sectors on which the Santa Rosa Economic Development Organization (EDO) can focus, and that will both help further diversify the economy and add above-average wage jobs.

As noted in subsection 3 of the Funding and Budget section of this Application, average wages of jobs created as a result of DEO funding in support of the construction of the North Santa Rosa Regional Water Reclamation Facility will far exceed the current (2016) per capita income in both Santa Rosa County and the City of Milton. Increases in per capita income will contribute to an increase in median household income, particularly in and around the City of Milton and in northern Santa Rosa County, which lags behind County averages due to the very high median household income in the City of Gulf Breeze. The significant spending by both new or expanded businesses and their employees will support current and future businesses through the increased purchase of goods and services. It is also likely that some City and County residents will be able to increase their disposable incomes by reducing commuting costs to reach more distant places of employment.

Transformational Impact

The NSRRWRF provides the foundation for Santa Rosa County's future economic growth. Without additional wastewater treatment capacity, the County's ability to host more businesses and the jobs they create, or to even support significant expansion of existing businesses, is stymied.

Santa Rosa County is one of the more rapidly growing counties in the country, growing from 151,372 to 174,063 – a growth of 22,691 or 15% – between 2010 and 2017 according to the US Census Bureau. This growth is expected to continue, adding another 32% between now and 2040. This level of population growth requires a concomitant growth in employment opportunities and supports economic growth in other sectors such as retail and services. A recent analysis prepared as part of the Florida Chamber Foundation’s *Florida 2030* report projects Santa Rosa County will need an additional 20,146 net new jobs by 2030, or an annual job creation of 883. None of this happens – at least to any substantial degree – without the transformative impacts of developing the new NSRRWRF

Project Viability

The economic impact analysis prepared for this project drew from the following data and information sources and forms of analysis that demonstrate the viability of the project:

- Primary sites for industrial development that are currently available or are identified in the County’s Future Land Use Plan for industrial use were identified by the Santa Rosa EDO.
- The Santa Rosa EDO provided a master list of “export” businesses or other facilities whose service territories extend beyond the County along with their current employment.
- The County’s Property Appraiser’s website was used to identify the site and building sizes of each business and the amount of Ad Valorem and Non-Ad Valorem Taxes paid by each one.
- The City of Milton provided information on current wastewater treatment use by each business.
- The Santa Rosa EDO provided a profile of the number of contacts and “real” prospects they service in a typical year along with a breakdown of the types of the real prospects (manufacturing, warehouse/distribution, office, other), the range of and most common site and building sizes, anticipated employment, and any typical special requirements (for instance, rail served sites).
- RIMS II data for the Pensacola-Ferry Pass-Brent Metropolitan Statistical Area (MSA) was procured from the US Bureau of Economic and used to project indirect employment and wages.
- Current wastewater treatment fees were provided by the City of Milton.
- Current Building Permit fees were obtained from the Santa Rosa County GoPermits website.
- Average industrial construction costs were obtained from R.S. Means Company and confirmed by sources active in the construction and engineering industry in the Santa Rosa/Escambia County area.

All the information above was used to calculate average site and facility sizes, employment, and taxes paid. These were used to project future development and job creation. This information was analyzed by an independent consultant to create a projection of anticipated development over a 10-year period that includes estimated construction and construction value; building permit fees; Ad Valorem and Non-Ad Valorem Taxes paid; direct employment and wages; and indirect employment and wages.

Long-Term Measurement

The following long-term measures will be used to monitor the impacts of development of the NSRRWRF:

- Direct jobs and wages from new or expanded businesses in the service area of the NSRRWRF
- Indirect jobs and wages from new or expanded businesses in the service area of the NSRRWRF
- Acres of industrial or commercial land developed in the service area of the NSRRWRF
- Facility size of new business development including both new construction and expansions in the service area of the NSRRWRF
- Construction value of new building development in the service area of the NSRRWRF
- Building permit fees paid to Santa Rosa County for new business construction in the service area of the NSRRWRF
- Ad Valorem and Non-Ad Valorem taxes paid to Santa Rosa County by new or expanded business buildings in the service area of the NSRRWRF
- Wastewater treatment fees paid to the City of Milton from new business construction in the service area of the NSRRWRF

Financial Sustainability

Operation of the City of Milton's wastewater treatment facility is supported by an Enterprise Fund (that is, a governmental expenditure where the costs are covered by a charged fee) that typically generates more in revenue than it costs the City to provide the services. The new NSRRWRF will continue this sustainable funding with new revenue opportunities as new facilities are constructed or current ones are expanded. As necessary, wastewater treatment fees would be increased to assure an adequate and sustainable revenue stream.

A detailed economic analysis regarding job creation and wages is included in Attachment G.



Where Good Living Flows

Attachment D

Local Match

City of Milton

North Santa Rosa Regional Water Reclamation Facility

ATTACHMENT D

There are historical, current and future matching funds associated with this request; as follows:

FEMA	\$12,000,391
City of Milton	\$16,221,311
Santa Rosa County	\$6,500,000
FL Legislative Appropriation FY 2017-18	\$562,500
FL Legislative Appropriation FY 2019-20	\$500,000
TRIUMPH Gulf Coast	\$9,000,000*
TOTAL	\$44,784,202

* *Application in process.*

Over recent years, the Federal Emergency Management Agency (FEMA) has invested \$12,000,391 in protecting and maximizing the capacity of the existing wastewater plant.

New wastewater flows are projected to exceed existing system resources by 2024. With the existing plant capacity optimized, the focus has shifted to developing new system capacity via the addition of a new plant in East Milton. Thus far, the City has already invested \$8,221,311 to secure the land, permits and design services for the current and new plant and system expansions. The Florida Legislature has appropriated \$562,500 for FY 2017-18 and \$500,000 for FY 2018-2019. Santa Rosa County has committed a total of \$6,500,000 and the City of Milton has committed up to \$8,000,000 more for new plant construction through project completion.

In addition, the City continues to pursue all other opportunities for additional funding. This includes the application to TRIUMPH Gulf Coast for \$9,000,000, the application and funding request is pending. Funding requests will continue to be sourced and made through project completion. In addition, any other qualifying funding resource identified in the future will be engaged by the City to supplement the program.



Where Good Living Flows

Attachment E

Budget Narrative

City of Milton
North Santa Rosa Regional Water Reclamation Facility

ATTACHMENT E

BUDGET NARRATIVE

North Santa Rosa Regional Water Reclamation Facility

(NSRRWRF) Background Summary

Over the past several decades, Santa Rosa County has experienced unprecedented growth. This growth has required substantial investments in the supporting infrastructural systems. One of the systems that has been vital to this continuous growth is the City of Milton's wastewater utility. Over time, the system has been improved and expanded to support growth across the central portion of the county; this area includes all of the certified industrial sites, commerce parks, the Whiting Field Aviation Park and privately-owned undeveloped site inventory along the I-10 corridor.

There are two major parts of the Milton wastewater program; both are necessary for developing the wastewater infrastructure capacity to support robust economic development in the area. These include the existing wastewater plant (Milton WWTP) and the new wastewater plant (NSRRWRF). The two parts of the program (existing and new plants) will work together to satisfy the increasing wastewater flow demands on the system which were established during the planning period after Hurricane Ivan in 2005-2008. The two-pronged strategy was to be implemented in a phased (chronological) succession.

The new plant (NSRRWRF) is the second "step" or phase of a long-term program to develop wastewater infrastructure capacity in the Central Santa Rosa County area. The two stages, or "steps" of the program are as follows:

1. Protect and optimize the existing capacity of the Milton WWTP
2. Provide *new capacity* via the NSRRWRF.

Planning for this infrastructure program essentially began after Hurricane Ivan in 2005. As with many communities in the area, this catastrophic event forced the re-evaluation of a wide range of infrastructural facilities and programs. The existing downtown Milton WWTP was inundated with storm surge that peaked at elevation 16.0 above mean sea level (MSL), or approximately 6 feet above the tank inverts for the clarifiers at the existing plant. Subsequent discussions about the need for future capacity to address population growth and economic development objectives prompted city officials to begin investing in the existing downtown Milton WWTP facility and planning for a new NSRRWRF facility in East Milton.

The existing Milton plant discharges to the Blackwater River. Environmental regulations prohibited FDEP from approving new or enhanced surface water discharge permits for sanitary effluent. This regulatory trend was initially focused on high-quality water bodies including the Blackwater River system. The river is the only riverine system currently classified as a "Pristine Sand-Bottom River" in Florida. In 2006, the City completed a WQBEL (Water-Quality Based Effluent Limitation) analysis for the existing plant. This FDEP regulatory study formally limited discharges to the Blackwater River. These regulatory conditions resulted in a hard permit limit of 2.5 MGD from the existing Milton WWTP. At the time, the plant was operating at about 1.5 MGD, such that protecting the remaining 1.0 MGD capacity became a priority. While the technical options for a new facility were explored, city officials began a program to armor the existing plant in-place. Because the plant was exposed to storm surge during tropical cyclone events, the effort to protect the existing effluent discharge capacity involved partnering with FEMA.

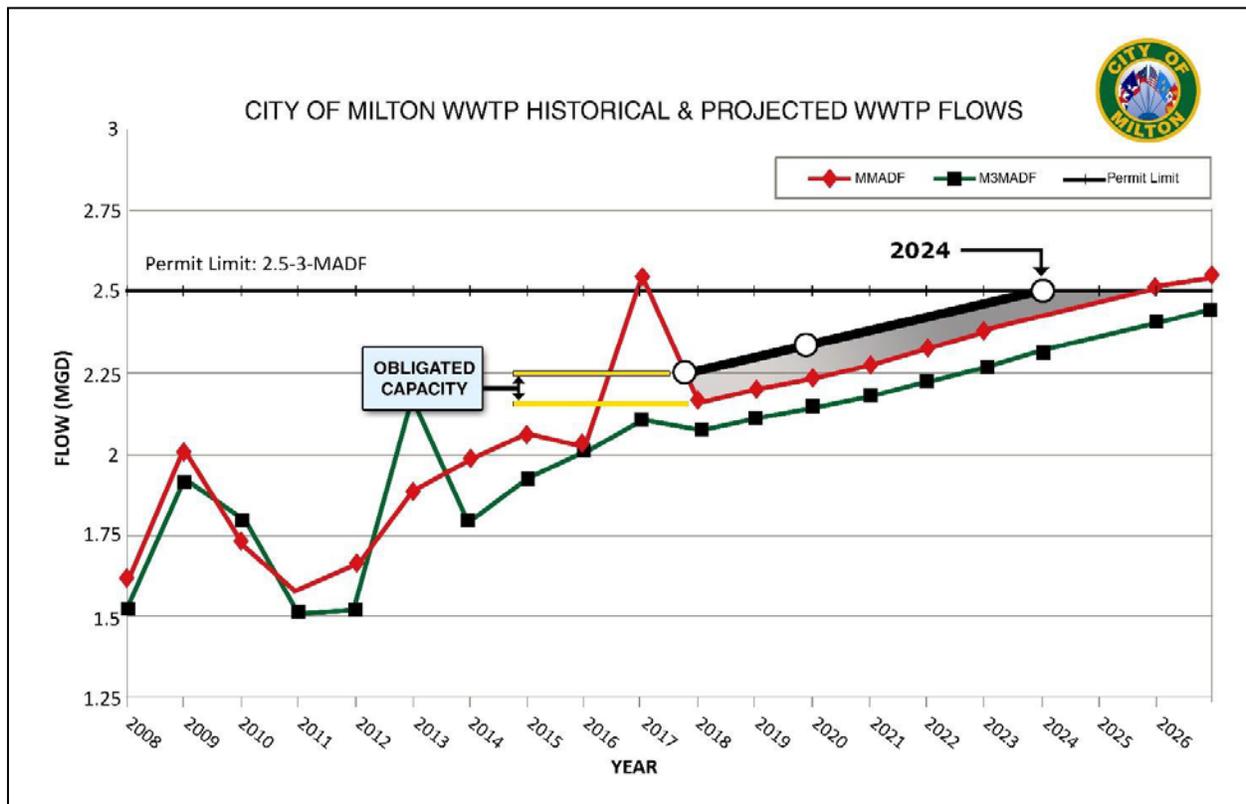
Despite the optimization / armoring program, wastewater effluent discharges into the Blackwater River have continued to increase over time.

Existing Capacity

Daily wastewater flows are currently running at or above 2.10 MGD in the existing Milton WWTP. The permitted capacity of the plant is 2.5 MGD. Projections for additional flows involve three components:

1. Population growth
2. Flows currently obligated by approved development plans
3. Flows projected for the 10-year economic development program

Capacity consumed by population growth (1) and obligated capacity (2) are indicated in the graph below. For the Santa Rosa Economic Development program, it is conservatively predicted that one project of 35,000 square feet of gross building area every 18 months. To estimate the projected flows associated with the development of this site inventory, engineers utilize water usage data for the commercial, institutional and industrial sector based on building area. (American Water Works Association, 2011). These water usage projections are then converted to annualized wastewater effluent estimates. This AWWA method suggests that the economic development program could generate up to 31,500 GPD of average daily wastewater flow each year. Based on these estimates, and assuming the program is initialized in 2020 - the remaining capacity at the existing plant could be fully consumed as early as 2024.



It is important to note that when wastewater flows encroach upon or equal the permitted discharge capacities in the existing downtown Milton WWTP, permits for new commercial projects will essentially be suspended in central Santa Rosa County. For new small projects, the on-site treatment option (septic systems) would likely be cost prohibitive for most prospective economic development projects. For medium-sized projects that cannot absorb the cost of an on-site wastewater package plant, development would be cost prohibitive. Moreover, the high cost of on-site wastewater treatment for larger projects would likely serve as a severe competitive disadvantage.

New Capacity

While the optimization program was underway for the existing downtown WWTP, the City of Milton began to invest in the NSRRWRF in East Milton. Thus far, the City has invested \$1.78 million in the planning, permitting and design of the new facility. There have been additional investments in real property acquisition and a new horizontal directional drill pipeline crossing below the Blackwater River. The initial capacity planned for the NSRRWRF would be 2.0 MGD, bringing the total system capacity up to 4.5 MGD.



Where Good Living Flows

Attachment F

Economic Impact Analysis

City of Milton
North Santa Rosa Regional Water Reclamation Facility

ATTACHMENT F

Economic Impact Analysis
North Santa Rosa Regional Water Reclamation
Facility

August 14, 2018

Prepared by

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Economic Development Analysts & Strategists

Economic Impact Analysis

Santa Rosa Regional Water Reclamation Facility

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Economic Impact Analysis

Santa Rosa Regional Water Reclamation Facility

Introduction

This document provides an analysis of primary economic impacts of a proposed new wastewater treatment plant – the Santa Rosa Regional Water Reclamation Facility (NSRRWRF) – to be constructed in East Milton, Florida. The NSRRWRF will be built in phases to a total treatment capacity of 6 million gallons per day (MGD) and will replace a 35 year old treatment plant with a maximum capacity of 2.5 MGD and a current available capacity of less than 0.5 MGD.

This analysis was prepared by Garnet Consulting Services, . (Garnet) in support of the City of Milton’s application for grant funding from DEO, . and other sources to allow development of the first 2 MGD phase of the NSRRWRF.

The NSRRWRF is needed for many reasons; for the purposes of this application, the two most important are:

1. Santa Rosa County is rapidly growing and will quickly use up the remaining treatment capacity in the existing treatment plant. A recently completed economic development strategy prepared for Santa Rosa County by Garner Economics, LLC states “Historical growth rates and the accompanying capacity utilization are projected to place the [existing] plant at capacity by 2023.”
2. The NSRRWRF will be located to serve the County’s major East Milton Industrial Area, which has several thousand acres of planned industrial parks and other sites identified for industrial use. This area is ideally located in the I-10 corridor and is currently the largest industrial area in the western Florida Panhandle. Without additional treatment capacity, the County’s future ability to provide wastewater services to new and expanding industries will be eliminated and the new jobs that would be created for County and regional workers will not occur.

The Research and Analysis Methodology

The economic impact analysis prepared for this project drew from the following data and information sources and forms of analysis:

1. An estimate of the construction jobs and wages during the construction period of the first phase of the NSRRWRF was obtained from Baskerville-Donovan, ., the firm that designed the facility for the City of Milton.
2. General demographic information about Santa Rosa County’s population growth trends was obtained from the U.S. Census Bureau.
3. Primary sites for industrial development in the East Milton Industrial Area that are currently available or are identified in the County’s Future Land Use Plan for industrial use were identified by the Santa Rosa Economic Development Organization (EDO).

-
4. The Santa Rosa EDO provided a master list of “export” businesses or other facilities located in the East Milton industrial area and whose service territories extend beyond the County along with their current employment. This list was used by Garnet to create a profile of typical facilities in the East Milton Industrial Area.
 5. The Santa Rosa County Property Appraiser’s website was used to identify the site and building sizes of each business on the list created in Step 4 and the amount of Ad Valorem and Non-Ad Valorem Taxes paid by each one.
 6. The City of Milton provided information on current wastewater treatment use by each business on the list prepared in Step 4.
 7. The Santa Rosa EDO provided a profile of the number of contacts and “real” prospects they service in a typical year along with a breakdown of the types of the real prospects (manufacturing, warehouse/distribution, office, other), the range of and most common site and building sizes, anticipated employment, and any typical special requirements (for instance, rail served sites).
 8. The Santa Rosa EDO provided a spreadsheet providing facility and employment characteristics of projects completed in the past few years or currently in the planning or development stage, as well as similar information on “lost opportunities” – that is, projects that seriously considered Santa Rosa County but located their project elsewhere.
 9. RIMS II data for the Pensacola-Ferry Pass-Brent Metropolitan Statistical Area (MSA) was procured from the US Bureau of Economic Analysis and was used to project indirect employment and wages.
 10. Current wastewater treatment fees were provided by the City of Milton.
 11. Current Building Permit fees were obtained from the Santa Rosa County GoPermits website.
 12. Average industrial construction costs were obtained from R.S. Means company data and were confirmed by two firms familiar with construction costs in the Escambia/Santa Rosa Counties area.
 13. All the information above was used to calculate average site and facility sizes, employment, taxes paid, and wastewater generation and fees paid. These were then used to project future development and job creation. This information was analyzed by Garnet Consulting Services, . to create a projection of anticipated development over a 10-year period that includes estimated construction and construction value; building permit fees; wastewater treatment fees; ad valorem and non-ad valorem taxes paid; direct employment and wages; and indirect employment and wages.

Relevant Data and Projections

Santa Rosa County Population Growth

The Santa Rosa EDO reports the County is one of the more rapidly growing in the United States. Data obtained from the U.S. Bureau of the Census shows the County's population grew from 151,372 to 174,063 between 2010 and 2017 – a growth of 22,691 or 15%.

This growth is expected to continue with the County's future population projected as shown in Table 1. Table 1 shows Santa Rosa County's population is projected to grow by another 32% between 2017 and 2040, or nearly a total of 50% population growth between 2010 and 2040.

Table 1
Santa Rosa County, FL Population Projections

	Year				
	2020	2025	2030	2035	2040
Population	178,297	192,323	205,334	217,421	229,257

Source: Florida Demographic Estimating Conference, February 2015 and the University of Florida, Bureau of Economic and Business Research, Florida Population Studies, Bulletin 171, April 2015

Implications:

- Continued population growth will require additional wastewater treatment capacity as new housing stock and businesses are added.
- More importantly, new residents and household formations will require growth in primary employment opportunities (e.g., manufacturing, warehouse/distribution, office, R&D) and support employment in retail, service, and other local businesses. A recent analysis prepared as part of the Florida Chamber Foundation's *Florida 2030* report projects Santa Rosa County will need an additional 20,146 net new jobs by 2030, or an annual job creation of 883.
- Santa Rosa County is well positioned to attract new employers and the jobs they will provide – but will not be able to do that without providing wastewater treatment services to the East Milton industrial area.

The East Milton Industrial Area

Current Inventory

Santa Rosa County's East Milton Industrial Area is the location of four existing industrial parks and one in the early stages of development. Table 2 provides summary details on these five industrial parks. It should be noted that while these are referred to as industrial parks because that is the predominant use at this time, the sites and locations are suitable for a broader mixture of uses as would be found in a mixed-use business park.

Table 2
Characteristics of Industrial Parks in the East Milton Industrial Area

Information Category	Santa Rosa County Industrial Park	Santa Rosa Industrial Park East	NWFL Industrial Park @I-10	Vic's of Navarre Site (aka Highway 87 Industrial Park)	Whiting Aviation Park
Year Started	1982	2010	2010	2017	2018
Zoning District(s)	Industrial	M1 Industrial	M2 Industrial	Industrial	Industrial
Total Acreage at Start of Development	820	160	88	186	267
Available Acreage Now	30	112	88	186	267
Number of Lots Currently Available	15 2-acre lots	All 112 acres	All 90 Acres	All 186 Acres	All 267 acres
Largest Available Contiguous Site	30	112	88	186	267
Smallest Available Subdividable Lot (acres)	2	2	2	2	2

Source: Santa Rosa EDO

Table 2 shows there are 683 acres available in these five parks. The Santa Rosa Industrial Park East, Northwest Florida Industrial Park at I-10, and Vic's of Navarre Site have all been designated as Florida First Project Ready Sites by Gulf Power's Site Certification program, which is intended to increase their marketability.

In addition to these parks, there are three other privately owned tracts in the same area that are zoned for industrial use and are actively on the market. These sites total approximately 620 acres. One has extensive frontage on the CSX rail line and would be an ideal site for rail-served facilities.

There are four other privately owned sites considered by the Santa Rosa EDO as part of their industrial inventory because they are shown in the County's Future Land Use Plan as intended for industrial use. These total more than 800 acres.

Finally, there are four other sites in the same area that are currently zoned for Agricultural or Residential development that may make sense to be rezoned to Industrial because of the likelihood they will be surrounded by or in close proximity to major industrial developments. These sites total 1,200± acres.

In total, the East Milton Industrial Area contains 3,300± acres of land that is currently planned for or suitable for industrial development.

Past Development

As shown in Table 2, the Santa Rosa County Industrial Park was started in 1982 with 820 acres and currently has 30 acres remaining. Therefore, over a 36 year period, 790 acres were developed, for an average of 22 acres per year.

The Santa Rosa Industrial Park East was started in 2010 with 160 acres and currently has 112 acres remaining. Therefore, over an 8 year period, 48 acres were developed, for an average of 6 acres per year.

Implications:

- In terms of available industrial land, Santa Rosa County is well-positioned to capture a substantial amount of new business development that will occur in the Western Florida Panhandle.
- The County's available industrial acreage is currently the largest inventory in Western Florida and is the best located to serve companies that may wish a presence near the growing Mobile aerospace industry but not be located in Alabama.
- The available acreage is suitable for mixed use development including manufacturing, warehouse/distribution, office, and research and development.
- Availability of large contiguous areas with full utilities and excellent access off I-10 position the East Milton Industrial Area portion of Santa Rosa County to be competitive for larger industrial or warehouse/distribution uses.
- The availability of rail service for at least one large available site provides Santa Rosa County with a competitive advantage for projects requiring rail service.
- Future development is expected to result in substantial job creation (see the projections presented later in this document).
- Based on past development levels in the two industrial parks that have had development, an average land absorption of 15 acres a year could be expected. However, improved wastewater treatment capabilities are expected to increase this level as the County has already had to turn down some larger facilities with large wastewater treatment needs.
- None of this will happen without the availability of adequate wastewater treatment services. The NSRRWRF is required to make this happen.

Vacant Buildings

Development of new land occurs in competition with available vacant buildings. There is very little competition from vacant building space in Santa Rosa County, particularly for larger blocks of space. The Santa Rosa EDO's listings of available building space as of late March 2018 showed only three available industrial spaces in the East Milton area; these were of 7,500, 26,500 and 35,000 square feet (Source: Santa Rosa EDO website, Sites/Buildings tab).

Implications:

- There is a very limited inventory of vacant industrial buildings in the East Milton Industrial area or in Santa Rosa County as a whole.
- Occupancy of any vacant building will both create new jobs and require wastewater treatment services, thereby further reducing the currently available capacity.
- The Santa Rosa EDO reports nearly a complete lack of available space for office use and the EDO's available properties listings confirm this. New office space could be developed in any of the existing or future industrial/business parks.

-
- The new Economic Development Strategy for Santa Rosa County recommends development of a speculative building in the East Milton Industrial Area to address the lack of available buildings in the County. The study recommends a building of no less than 50,000 square feet, expandable to 100,000 square feet.

Profile of East Milton Industrial Area Businesses

The Santa Rosa EDO provided a list of 39 facilities in the East Milton Industrial Area considered to be representative of what future development would look like. This list included several County-owned facilities and three large prisons. It was decided to keep the County facilities in the database for creation of a profile of what future development might look like because the County may need additional facilities in this area in the future (as an example, the County is currently renovating a vacant building in the East Milton Industrial Area for future County use). Additionally, these facilities are of comparable size to what might be expected from private sector development. It was decided to keep the prisons in the database because, while additional prisons may not be developed in this area, the availability of large, contiguous industrial sites in the East Milton Industrial Area may attract larger industrial or warehouse/distribution uses with similar space needs and employment creation.

The profile of the East Milton Industrial Area is as follows:

- The 39 facilities occupy 935 acres or an average of 24 acres per facility.
- The 38 facilities for which sizes were obtained occupy more than 1.8 million square feet or an average of 48,378 square feet per facility. It should be noted that the square footage of the Santa Rosa Correctional Institution, which occupies 241 acres, is not available in the County Appraiser's records. This is a large complex that would significantly raise the total square footage and average size if this information were available.
- The 39 facilities employ a total of 3,048 people or an average of 78 per facility or slightly more than 3.7 employees per acre for occupied facilities. We would note this is a very low figure when compared with other locations around the country and may be due to the past ability to obtain large lots that were then used for smaller buildings with landbanking of the undeveloped acreage for future use.
- The 38 occupied facilities generate a daily total of 654,210 gallons of wastewater or an average of 17,479 gallons per day per facility. It should be noted this total and average is skewed by the two prison facilities which have a high number of both employees and inmates. Assuming that only 20% of the wastewater generation from these two facilities is by employees, the average total daily wastewater generation is 15,465 gallons per day by employees in the occupied facilities or an average of 407 gallons per day per facility.
- Ad valorem taxes paid to Santa Rosa County by the 35 taxable properties total \$635,000 annually or an average of \$18,140 per facility. Calculated on a per acre basis for taxable properties, ad valorem taxes are \$1,516 per acre including taxable building space.

- Non-ad valorem taxes paid to the County by the 35 taxable properties total \$32,000 per year or an average of \$912 per facility. Calculated on a per acre basis for taxable properties, non-ad valorem taxes are \$76 per acre.

Santa Rosa County Prospect and Project Information

Santa Rosa EDO Typical Prospect Profile

Table 3 was provided by the Santa Rosa EDO to summarize its estimated, typical prospect activity, based on actual activity in 2017.

Table 3
Average Annual Prospect Summary Report
 (Based on 2017 Actual Prospect Activity)

	Mfg.	Dist.	Office	R&D	Other
Total # of Contacts	8 to 10 per month – 100 to 120 per year				
Total # Considered “Real” Prospects *	24	7	6	5	7
% of “Real” Prospects Preferring or Willing to Consider Existing Building	75%	75%	100%	N/A	70%
Size Range of Buildings Sought (Square Feet)	4,000 to 400,000	300,000 to 375,000	2,000 to 75,000	N/A	8,000 to 500,000
Most Common Building Size Sought (Square Feet)	50,000	325,000	75,000	N/A	400,000
% of “Real” Prospects Preferring or Willing to Consider Site for Construction	35%	33%	0%	N/A	80%
Size Range of Sites Sought (Acres)	2 to 500	35 to 50	0	N/A	2 to 200
Most Common Lot Size (Acres)	10 to 30	40	N/A	N/A	50
% of “Real” Prospects willing to consider either Existing Building or Site for Construction	10%	8%	0%	N/A	50%
% Preferring to Own	90%	50%	100%	N/A	45%
% Preferring to Lease	10%	50%	0%	N/A	35%
% Either Lease or Purchase Option	0%	0%	0%	N/A	20%
Total # Jobs to be Created by “Real” Prospects	1,479	790	2,100	150	1,706
Range of Average Annual Wages to be paid by “Real” Prospects	\$23,000 to \$50,000	N/A	\$20,000 to \$30,000	N/A	N/A

*A “Real” Prospect is considered to be one that showed more interest in the location than just making an initial inquiry for general information. At a minimum, there would have been follow-up requesting additional and more specific information and the EDO would have thought there was a reasonable chance of a project developing.

Table 3 demonstrates the following:

- Santa Rosa County receives a healthy amount of initial inquiries (100 to 120 contacts per year) and actual “real” prospect activity (nearly 50) on an annual basis.
- Half of the “real” prospects are looking for a location for manufacturing operations of a wide variety of sizes, but with the most common in the 50,000 square foot range on 10 to 30 acre lots.
- There is a good blend of other types of projects (warehouse/distribution, office, R&D and other types not specified) that also consider Santa Rosa County totaling 25 per year. This indicates the potential for a diversified economy with a range of employment opportunities. These have a wide range of size parameters in terms of both building and lot sizes.
- Substantial job creation is possible, totaling more than 6,200 possible jobs at a wide range of wage rates.
- As is common across the country, the majority of prospects are looking for an existing building, of which Santa Rosa County has few. However, more than a third of the “real” prospects are willing to consider either an existing building or a site on which to construct one, which the East Milton Industrial Area can provide.
- The demand for buildings suggests development of one or more speculative buildings (that is, a building where construction is begun without having an occupant identified) in the East Milton Industrial Area should be considered by Santa Rosa County or private development firms.
- Obviously Santa Rosa County will never capture 100% of its prospect activity. However, the more competitive the East Milton Industrial Area can be made, the higher the success rate will be in converting prospects into projects. Development of the Santa Rosa Region Water Reclamation Facility will be a major step in increasing the County’s competitiveness.

Santa Rosa County Projects and Lost Opportunities

In addition to the typical annual Contact and Prospect activity in the Santa Rosa County (see Table 3), more detailed information was received on projects completed in the past few years, projects that are currently occurring or are in the planning stage, and lost opportunities (that is, projects that seriously considered Santa Rosa County but located their facility elsewhere).

These projects ranged in size from 40,000 to 80,000 square feet and employed between 50 and 800 people.

Future Project Activity and Site Sizes

Based on this historical level of activity and expectations that it will increase when the NSRRWRF comes on line, we estimate that future development in the East Milton Industrial Area will result in 1 project per year for the first 10 years after availability of the plant. These projects will average 45,000 square feet per project. The number of annual projects and size are averages of differing numbers and sizes and include both new construction and expansions of existing buildings.

The average lot size for the facilities in the East Milton Industrial Area is 24 acres. This is a very oversized lot for the average 45,000 square foot facility that is expected. Exclusive of the Santa Rosa

Correctional Institution complex for which the total square footage of the buildings is not known, the composite lot coverage by buildings of the other 38 facilities in the profile of existing facilities is 6.1%. In typical industrial districts, initial building sizes cover 20-25% of the lot allowing for a future doubling of the building while still remaining within maximum lot coverage allowed by zoning. Santa Rosa County's Zoning Regulations do not have a maximum coverage ratio in the Restricted and General Industrial Districts but do require a minimum of 15% open landscaped area. The County's Planned Industrial Development District has a maximum 50% coverage by buildings and 75% by impermeable surface.

For future planning, an average lot size of 11 acres should be used for an average 45,000 square foot initial building and expansion to at least double that size, with appropriate adjustments made to reflect actual building size.

Future Project Costs

Industrial Construction Costs

Several sources were consulted to obtain an estimate of current construction costs for industrial buildings similar to those in the East Milton Industrial Area. These include 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. The consensus was that prevailing industrial construction cost in the Santa Rosa County/Pensacola area for a single-story factory-type or flex-space building is \$85 per square foot plus site development costs of \$25,000 to \$50,000 per acre for stormwater management areas, parking lots and driveways.

It should be noted that construction costs have been rising rapidly. The Turner Construction Cost Index shows that construction costs have increased 5.10% between First Quarter 2017 and First Quarter 2018 (see: <http://www.turnerconstruction.com/cost-index>). Continued escalation is expected.

Site Costs

The four industrial parks in the East Milton Industrial Area handled directly by the Santa Rosa EDO are priced at \$50,000 per acre. While prices for land in privately owned parks or tracts are unknown and most likely vary, the prevailing \$50,000 per acre price is expected to set the standard for other properties.

However, Santa Rosa County is aggressive in using an industrial land incentive policy for development on publicly owned land. The incentive is calculated to reflect the estimated economic impact the project will have (see: <http://www.santarosaedo.com/page/incentives/>). Many projects qualify for this incentive rate and therefore pay less than the full \$50,000 per acre.

Future Employment

Permanent Jobs

As discussed in the earlier section on the Profile of the East Milton Industrial Area Businesses, current employment in the 39 facilities evaluated totals more than 3,000, or 78 per facility. This number is skewed somewhat by the large employment at the three prison facilities.

On the other hand, employment by acre is exceptionally low (3.7 per acre of occupied facilities). This is a reflection of the fact that land utilization by buildings is also very low – 6.1% land coverage by buildings for the 38 facilities for which the size is known. More typically, lots in industrial parks or districts are 25 to 40% covered by buildings.

The Institute of Transportation Engineer’s *Trip Generation Manual* has historically shown that mixed use business parks such as are developing in the East Milton Industrial Area typically have about 20 employees per acre.

A 2006 Minneapolis Land Use Study and Employment Policy Plan included Table 4, showing that various sources put employment in manufacturing districts at 30 per acre and at 34 per acre for mixed use areas (see: www.ci.minneapolis.mn.us/www/groups/public/@cped/.../convert_273197.pdf).

Table 4

FIGURE 3.6.1 ESTIMATED EMPLOYMENT PER ACRE INDUSTRIAL ZONED INDUSTRIES							
	Assessor/ InfoUSA Data Mpls ¹	Puget Sound Study ²		Portland Study ³	So. California Study ⁴	Rhode Island Study	Final Estimate Mpls
		Round 1	Round 2				
Utilities	42	28	22	35	20	30	40
Construction	30	32	36	27	18	5	30
Manufacturing	27	27	30	23	15	20	30
Wholesale Trade	20	27	33	11	17	6	20
Trans. & Warehousing	14	28	22	5	20	10	15
Information	64	28	22	35	20	40	60
Real Estate, Rental, Leasing	7	26	28	43	33	125	20
Prof. & Tech Svcs.	64	27	26	21	33	62	60
Other Services	50	27	26	21	25	62	50
All Industries	34						34

1. Because of small sample sizes and large outliers, median values are used. Industries do not match exactly; all other studies used SIC coded industries, where this data is NAICS industry coded.
 2. Published as square foot per employee; adjusted to employee per acre by Maxfield Research Inc.
 3. Published as building square foot per employee; adjusted to employee per acre by Maxfield Research Inc. based on published FARs.
 4. Published by land use type; adjusted by Maxfield Research Inc., based on published tables showing land use by industry.

Sources: Pflum; Yee and Bradford; Natelson Company Inc.; Rhode Island Statewide Planning Program; Maxfield Research Inc.

An October 2009 “Land/building Needs Analysis for Targeted Industries” prepared for Ft. Collins, CO (see: <https://www.fcgov.com/planning/pdf/land-bldg-analysis.pdf>) calculated job creation of 30.49 employees per acre for light industrial uses.

An October 2012 “Employment Land Needs and Supply Analysis, City of Portland, OR” calculated 23.33 employees per acre for Industrial Uses (see: www.portlandonline.com/portlandplan/index.cfm?a=392785&c=51427).

Therefore, for the purposes of employment calculations shown later in this document, a job generation factor of 25 per acre is used.

Construction Jobs

In addition to the permanent jobs to be created, there will be 84 annual short-term construction jobs created during the 18 month development of the NSRRWRF (source: Baskerville-Donovan, Inc.).

Wages

Wages from Permanent Jobs

The US Bureau of Labor Statistics May 2016 report on Metropolitan and Nonmetropolitan Area Occupational Employment and Wage Estimates for the Pensacola-Ferry Pass-Brent, FL MSA shows an average annual mean wage for production occupations of \$36,960. This compares with the average annual mean wage for all occupations in the MSA of \$40,220.

Given the lag time before new jobs will be supported by the new treatment plant, and the nature of the jobs to be created (see below) it is estimated that the new, permanent jobs to be created in the East Milton Industrial Area will pay on average \$40,000 - \$45,000 per year. The U.S. Census Bureau reports that the per capita income in Santa Rosa County for the past 12 months was \$28,219 (in 2016 dollars – see: <https://www.census.gov/quickfacts/fact/table/santarosacountyflorida/PST045217>). Therefore, the new jobs to be created can be expected to raise the County's per capita income and median household income. [We would note here that use of Santa Rosa County's median household income (\$60,652 in 2016 dollars) is not a proper comparative measure because it is significantly skewed by the median household income of the /city of Gulf Breeze (\$98,308 according to DataUSA.)

The benefit will be even greater for residents of the City of Milton, where the 2016 per capita income was \$22,551 (see: <http://www.city-data.com/city/Milton-Florida.html>).

The U.S. Bureau of Labor Statistics data shows that manufacturing wages rose 2.28% per year nationally during the January 2008 to January 2018 period (see: https://data.bls.gov/timeseries/CES3000000003?amp%253bdata_tool=XGtable&output_view=data&include_graphs=true).

A combination of Santa Rosa County's existing target industries and new ones recommended in a recently completed economic development strategic plan provides the following composite list of target sectors for business recruitment and development: Aviation/Aerospace Manufacturing and Support Services; Distribution and Logistics; Cyber-Security; Call Centers; Business Services; Agriculture and Marine Research; and Health Services/Research and Medical Technology.

Table 5 shows the following range of annual wages for typical jobs in these target sectors in the previously referenced US Bureau of Labor Statistics May 2016 report on Metropolitan and Nonmetropolitan Area Occupational Employment and Wage Estimates for the Pensacola-Ferry Pass-Brent, FL MSA:

Table 5
Santa Rosa County Target Industry Representative Wage Ranges

Target Sector	Wage Range
Aviation/Aerospace Manufacturing and Support Services	\$58,570 (Some data suppressed)
Distribution and Logistics	\$38,280 - \$80,430
Cyber-Security	\$63,790 - \$74,170
Call Centers	\$27,540 - \$79,440
Business Services	\$50,940 - \$66,470
Agriculture and Marine Research	\$33,900 - \$48,150
Health Services/Research and Medical Technology	\$41,310 - \$96,860

Source: US Bureau of Labor Statistics May 2016 report on Metropolitan and Nonmetropolitan Area Occupational Employment and Wage Estimates for the Pensacola-Ferry Pass-Brent, FL MSA

Table 5 demonstrates that while not all new jobs supported by the new Santa Rosa Region Water Reclamation Facility will pay wages exceeding the current Pensacola-Ferry Pass-Brent, FL MSA mean wage rate of \$40,220 for all occupations, a majority of any new jobs in the Santa Rosa EDO’s target industries will exceed that number with an unknown number exceeding the current national median household income of \$57,617 in 2016 (source: <https://www.deptofnumbers.com/income/us/>).

Wages from Construction Jobs

Development of the NSRRWRF is expected to put \$5 million in construction wages into the economy (source: Baskerville-Donovan, Inc.).

Multipliers

Current RIMS II (Regional Input-Output Modeling System) employment and wage multipliers were obtained from the U.S. Bureau of Economic Analysis for the Pensacola-Ferry Pass-Brent MSA. There will be two components of jobs and earnings attributable to the NSRRWRF:

1. During the construction period, a 1.3221 jobs multiplier and 1.20503 earnings multiplier will pertain.
2. For permanent jobs in new or expanded projects, given the predominantly industrial nature expected to define future development in the East Milton Industrial Area, a cross section of employment and earnings multipliers were combined into a blended multiplier rate of 1.4603 for jobs and 1.4022 for earnings (wages).

For those unfamiliar with multipliers, the numbers represent the indirect jobs and wages attributable to each direct job. Therefore the multipliers calculated in the prior paragraph mean that each direct job (that is, jobs located in the in the East Milton Industrial Area) will result in .4603 other jobs in the area and each \$1 of direct wages paid to the direct job holders will generate an additional \$.4022 in wages in other jobs.

Wastewater Generation

The current facilities included in the modeling of the East Milton Industrial Area generate 664,000 gallons of wastewater per day. Because three of the facilities are prisons with both large staff and

inmate counts creating wastewater, an attempt was made to adjust usage by assigning 20% to the staff and 80% to the inmates. This results in an estimate of 155,000 gallons of wastewater being created daily by employees, or 4,070 gallons per day per facility.

The City of Milton provides wastewater services to this area. Because the East Milton Industrial Area is located outside the City Limits, wastewater usage fees are \$22.70 for the first 3,000 gallons monthly and \$5.47 for each additional 1,000 gallons.

The average daily use of 4,070 gallons per day per facility equates to 123,380 gallons of wastewater per month per facility, or an average monthly wastewater treatment fee of \$681 per facility.

Exclusive of any other residential, commercial or industrial development that will occur in the service territory of the current wastewater treatment plant, the projected development in the East Milton Industrial Area will consume more than 25% of the remaining treatment capacity of that plant.

Taxes Generated

Santa Rosa County collects both ad valorem and non-ad valorem taxes. For the taxable properties included in the profile of representative businesses in the East Milton Industrial Area, a total of \$635,000 in ad valorem taxes is paid annually and a total of \$32,000 in non-ad valorem taxes is paid. For the taxable properties, this means a payment of \$1,516 per acre in ad valorem taxes and \$76 per acre in non-ad valorem taxes annually. Because of the very low land utilization factor calculated and discussed earlier, it is believed future development, if it limits the purchase of oversized lots, will generate more in ad valorem taxes per acre than is currently occurring.

Santa Rosa County offers an Economic Development Ad Valorem Tax Exemption, which is a local option tax incentive for new or expanding businesses, and may be granted at the sole discretion of Santa Rosa County Commissioners.

Building Permit Fees

Current Building Permit fees were obtained from the Santa Rosa County GoPermits website (See: <http://data1.santarosa.fl.gov/GoPermitsNew/ExteQuote/index.cfm?CFID=12059642&CFTOKEN=82929485>). Table 6 shows fees calculated by that website for a variety of new commercial building sizes.

Table 6
Building Permit Fees Payable to Santa Rosa County

Building Size (SF)	Base Fee	Plan Check	Admin	State Surcharge (DCA & DBPR)	Zoning	Life Safety	Life Safety Review	Total
5,000	\$437.50	\$218.75	\$25.00	\$19.69	\$0.00	\$0.00	\$109.38	\$810.32
10,000	\$795.50	\$398.75	\$25.00	\$35.89	\$0.00	\$0.00	\$199.38	\$1,454.52
20,000	\$1,487.50	\$743.75	\$25.00	\$66.94	\$0.00	\$0.00	\$371.88	\$2,695.07
25,000	\$1,817.50	\$908.75	\$25.00	\$81.79	\$0.00	\$0.00	\$454.38	\$3,287.42

30,000	\$2,207.50	\$1,103.75	\$25.00	\$99.34	\$0.00	\$0.00	\$551.88	\$3,987.47
40,000	\$2,807.50	\$1,403.75	\$25.00	\$126.34	\$0.00	\$0.00	\$701.88	\$5,064.47
50,000	\$3,407.50	\$1,703.75	\$25.00	\$153.34	\$0.00	\$0.00	\$851.88	\$6,141.47
60,000	\$4,187.50	\$2,093.75	\$25.00	\$188.44	\$0.00	\$0.00	\$1,046.88	\$7,541.57
70,000	\$4,727.50	\$2,363.75	\$25.00	\$212.74	\$0.00	\$0.00	\$1,181.88	\$8,510.87
80,000	\$5,267.50	\$2,633.75	\$25.00	\$237.04	\$0.00	\$0.00	\$1,316.88	\$9,480.17
90,000	\$5,807.50	\$2,903.75	\$25.00	\$261.34	\$0.00	\$0.00	\$1,451.88	\$10,449.47
100,000	\$6,347.50	\$3,173.75	\$25.00	\$285.64	\$0.00	\$0.00	\$1,586.88	\$11,418.77

Source: Garnet Consulting Services, Inc. calculations based on the Santa Rosa County GoPermits website.

A small portion of the total building permit fee (2.5%±) is a state surcharge and will not be kept as revenue by the County.

The total building permit fee for the projected, average 45,000 square foot facility is \$5,602.97 less a \$139.84 state surcharge resulting in \$5,463.13 in revenue to Santa Rosa County.

Assumptions Used in This Analysis

For details on how the Assumptions used in this Economic Impact Analysis were developed, it is necessary to read the earlier Relevant Data portion of this analysis. In developing this analysis, two spreadsheet analyses were prepared. One is considered to be a “Realistic” scenario, while the other is considered to be Conservative. The remainder of this analysis uses the Conservative scenario.

The assumptions used in the Conservative scenario analysis are as follows:

1. The rate of Santa Rosa County’s population growth will decline resulting in a smaller available workforce and less need for employment opportunities.
2. The East Milton Industrial Area will continue to be well-positioned to capture future growth but will have competition from new developments in other nearby areas.
3. The mix of uses in the East Milton Industrial Area will continue to be primarily light industrial with a mix of other uses, in particular, warehouse/distribution uses taking advantage of the proximity of I-10. These facilities do not employ as many workers as manufacturing plants of comparable size.
4. Development of several speculative buildings and/or vacancies in existing industrial buildings will reduce the need for other new construction.
5. Future development in the East Milton Industrial Area will average one project every 18 months.
6. Average project size will decline from the past level, averaging 35,000 square foot buildings on 8 acre lots. The actual development may be two projects of 15,000 – 20,000 square feet in one year, followed by no projects the next year, followed by a 70,000 square foot project the next year. It is impossible to predict specific annual project activity with any degree of certainty.

-
7. Due to the need to become more competitive, the per acre asking price of land controlled by the Santa Rosa County EDO is reduced to \$35,000 per acre and land write-down incentives are used more aggressively. This in turn causes a reduction in asking price of privately controlled industrial land in the area. No attempt was made to predict any future increase in land pricing.
 8. An initial construction cost estimate of \$92 per square foot and \$40,000 per acre for site development were used to reflect inflation between 2018 and the time the new NSRRWRF is constructed. Thereafter, construction costs in the area rise at a 6% annual rate, more rapidly than the historic norm, making Santa Rosa County less competitive as a location, resulting in a lower level of development.
 9. The total building permit fee for the projected, average 35,000 square foot facility is \$4,525.97 less a \$112.84 state surcharge resulting in \$4,413.13 in revenue to Santa Rosa County. For calculation purposes, this has been rounded to \$4,413.
 10. Construction of the first phase of the NSRRWRF will take 18 months and result in 84 construction jobs per year and more than \$5 million in construction wages.
 11. A direct (permanent) job generation factor of 20 per acre was used, reflecting a decline in needed human workers due to automation, robotics, and similar factors.
 12. Given the lag time between preparation of this analysis and when actual new employment will occur, and the mix of job types that are expected in the East Milton Industrial Area (in particular in the target industries shown in Table 5), an average annual wage of \$40,000 was used in the calculations for year 1 with an annual increase of 1.5% factored in, reflecting a slower growth than the historic average increase (2.28%) during the January 2008 to January 2018 period. This projected annual average wage equals the current average annual mean wage for all occupations in the MSA of \$40,220, but substantially exceeds the County's current per capita income.
 13. During the construction period, a 1.3221 jobs multiplier and 1.20503 earnings multiplier will pertain. For permanent jobs, indirect jobs and earnings were calculated using a blended multiplier rate of 1.38 for jobs and 1.32 for earnings (wages) reflecting the mix of new job types anticipated. All multipliers are based on RIMS II data.
 14. Water conservation efforts reduce wastewater generation to 3,000 gallons per day per facility (92,250 gallons per month per facility) or an average monthly wastewater treatment fee payable to the City of Milton of \$488 per facility (\$5,858 per facility per year). No attempt was made to predict future increases in wastewater treatment fees.
 15. Calculation of future ad valorem taxes uses a factor of \$1,600 per acre in annual ad valorem taxes and \$76 per acre in non-ad valorem taxes payable to Santa Rosa County. This is based on current

taxing policies and rates and does not reflect any changes that may occur in the future. No attempt was made to reflect any tax reduction through the County's Economic Development Ad Valorem Tax Exemption, which is a local option tax incentive for new or expanding businesses, and may be granted at the sole discretion of Santa Rosa County Commissioners.

Economic Impact Analysis

As previously noted, in developing this analysis, two spreadsheet analyses were prepared. One is considered to be a "Realistic" scenario, while the other is considered to be Conservative. The results of the Conservative Scenario analysis for the first 10 years of development after construction of the NSRRWRF is completed are as follows:

- During the first 10 years of development in the East Milton Industrial Area after the NSRRWRF begins providing service, seven construction projects will occur utilizing 56 acres of land in the industrial area.
- This development will result in construction of 245,000 square feet of space at a construction value of nearly \$31 million.
- 1,120 permanent, new direct jobs and 426 new indirect jobs will be created for a total of 1,546 total new jobs over the first 10 years after the Santa Rosa Regional Water Reclamation Facility is constructed.
- The new direct jobs will initially average \$40,000 per year, and will escalate at the rate of 1.5% per year, resulting in more than \$259 million in wages over the 10 year period; the indirect jobs will result in nearly \$83 million in wages. Therefore, total new wages in Santa Rosa County during the initial 10 year period will exceed \$342 million.
- New construction will generate \$30,900 in building permit fees, \$474,600 in ad valorem taxes and \$22,500 in non-ad valorem taxes to Santa Rosa County over the 10 year period.
- New or expanded buildings will generate nearly \$217,000 in wastewater treatment fees to the City of Milton over the 10 year period.
- In addition to the permanent, new direct jobs, during the 18 month construction period of the NSRRWRF, 84 direct jobs will be created per year resulting in 27 indirect jobs per year.
- Construction of the NSRRWRF will result in somewhat more than \$5 million in new direct wages for construction workers and \$1 million in indirect wages.

It should be noted that these estimated economic impacts are only for the first ten years of development after completion of the Santa Rosa Regional Water Reclamation Facility. Given that the East Milton Industrial area contains more than 3,000 acres of land intended for industrial development, the new wastewater treatment plant, with its planned 6.0 MGD of treatment capacity, will support additional development for many years beyond the first ten. Thus, over a 15 year period, job creation could be expected to be 2,300, and this would increase to 3,100 over a 20 year period. Similarly, all other economic impacts would continue to increase over time.

ATTACHMENT K - Santa Rosa Regional Water Reclamation Facility Economic Impact Analysis - Construction Period and First 10 Years

	Construction Period		Development Period - First 10 Years									
	18 Months	1	2	3	4	5	6	7	8	9	10	Total
Development Measures												
Construction Projects per Year (See Assumption 5)		1	1	1	1	1	1	1	1	1	1	10
Cumulative Construction Projects		1	2	3	4	5	6	7	8	9	10	
Acres Sold per Year (See Assumptions 5 and 6)		11	11	11	11	11	11	11	11	11	11	110
Cumulative Acres Sold		11	22	33	44	55	66	77	88	99	110	
Building Construction (SF) per Year (See Assumption 6)		45000	45000	45000	45000	45000	45000	45000	45000	45000	45000	450000
Cumulative Building Construction Size		45000	90000	135000	180000	225000	270000	315000	360000	405000	450000	
Building Construction Costs per SF (See Assumption 8)		\$92	\$96	\$100	\$103	\$108	\$112	\$116	\$121	\$126	\$131	
Building Costs this Year		\$4,140,000	\$4,305,600	\$4,477,824	\$4,656,937	\$4,843,214	\$5,036,943	\$5,238,421	\$5,447,958	\$5,665,876	\$5,892,511	\$49,705,283
Site Development Costs per acre (See Assumption 8)		\$40,000	\$41,600	\$43,264	\$44,995	\$46,794	\$48,666	\$50,613	\$52,637	\$54,743	\$56,932	
Site Development Costs this Year (See Assumption 8)		\$88,000	\$91,520	\$95,181	\$98,988	\$102,948	\$107,065	\$111,348	\$115,802	\$120,434	\$125,251	\$1,056,537
Total Building & Site Development Costs		\$4,228,000	\$4,397,120	\$4,573,005	\$4,755,925	\$4,946,162	\$5,144,008	\$5,349,769	\$5,563,760	\$5,786,310	\$6,017,762	\$50,761,821
Project Revenues												
Land Sales per Year (See Assumptions 6 and 7)		\$440,000	\$440,000	\$440,000	\$440,000	\$440,000	\$440,000	\$440,000	\$440,000	\$440,000	\$440,000	\$4,400,000
Cumulative Land Sale Revenue		\$440,000	\$880,000	\$1,320,000	\$1,760,000	\$2,200,000	\$2,640,000	\$3,080,000	\$3,520,000	\$3,960,000	\$4,400,000	
Construction Value per Year (See Assumption 8)		\$4,228,000	\$4,397,120	\$4,573,005	\$4,755,925	\$4,946,162	\$5,144,008	\$5,349,769	\$5,563,760	\$5,786,310	\$6,017,762	\$50,761,821
Cumulative Construction Value		\$4,228,000	\$8,625,120	\$13,198,125	\$17,954,050	\$22,900,212	\$28,044,220	\$33,393,989	\$38,957,749	\$44,744,059	\$50,761,821	
Building Permit Fees Paid to County (See Assumption 9)		\$5,463	\$5,463	\$5,463	\$5,463	\$5,463	\$5,463	\$5,463	\$5,463	\$5,463	\$5,463	\$54,630
Cumulative Building Permit Fees Paid to County		\$5,463	\$10,926	\$16,389	\$21,852	\$27,315	\$32,778	\$38,241	\$43,704	\$49,167	\$54,630	
Ad Valorem Property Taxes Paid to County per Year on Land and Buildings (See Assumption 15)		\$17,600	\$17,600	\$17,600	\$17,600	\$17,600	\$17,600	\$17,600	\$17,600	\$17,600	\$17,600	\$176,000
Cumulative Ad Valorem Property Taxes Paid to County on Land and Buildings		\$17,600	\$35,200	\$52,800	\$70,400	\$88,000	\$105,600	\$123,200	\$140,800	\$158,400	\$176,000	
Non-Ad Valorem Taxes Paid to County per Year (See Assumption 15)		\$836	\$836	\$836	\$836	\$836	\$836	\$836	\$836	\$836	\$836	\$8,360
Cumulative Non-Ad Valorem Taxes Paid to County		\$836	\$1,672	\$2,508	\$3,344	\$4,180	\$5,016	\$5,852	\$6,688	\$7,524	\$8,360	
Wastewater Treatment Fees Paid to City of Milton (See Assumption 14)		\$8,172	\$16,344	\$24,516	\$32,688	\$40,860	\$49,032	\$57,204	\$65,376	\$73,548	\$81,720	\$449,460
Cumulative Wastewater Treatment Fees Paid to City of Milton		\$8,172	\$24,516	\$49,032	\$81,720	\$122,580	\$171,612	\$228,816	\$294,192	\$367,740	\$449,460	
Job Creation												
SRRWRC Annualized Direct Construction Jobs (See Assumption 10)												84

SRRWRC Construction Annualized Indirect Jobs (See Assumption 13)	27											27
Direct Job Creation per Year (See Assumption 11)		275	275	275	275	275	275	275	275	275	275	2750
Cumulative Direct Job Creation		275	550	825	1100	1375	1650	1925	2200	2475	2750	
Indirect Job Creation per Year (See Assumption 13)		127	127	127	127	127	127	127	127	127	127	1266
Cumulative Indirect Job Creation		127	253	380	506	633	759	886	1013	1139	1266	
Total Direct and Indirect Job Creation per Year		402	402	402	402	402	402	402	402	402	402	4016
Cumulative Job Creation		402	803	1205	1606	2008	2409	2811	3213	3614	4016	

Wages												
SRRWRC Direct Construction Wages (See Assumption 11)	\$5,040,000											\$5,040,000
SRRWRC Construction Indirect Wages (See Assumption 13)	\$1,033,351											\$1,033,351
Annual Wages for Direct Jobs (See Assumption 12)		\$45,000	\$45,990	\$47,002	\$48,036	\$49,093	\$50,173	\$51,276	\$52,405	\$53,557	\$54,736	
Wages from Direct Jobs per Year (See Assumptions 11 and 12)		\$12,375,000	\$12,647,250	\$12,925,490	\$13,209,850	\$13,500,467	\$13,797,477	\$14,101,022	\$14,411,244	\$14,728,292	\$15,052,314	\$136,748,406
Cumulative Direct Wages		\$12,375,000	\$25,022,250	\$37,947,740	\$51,157,590	\$64,658,057	\$78,455,534	\$92,556,556	\$106,967,800	\$121,696,092	\$136,748,406	
Wages from Indirect Jobs per Year (See Assumption 13)		\$4,977,225	\$5,086,724	\$5,198,632	\$5,313,002	\$5,429,888	\$5,549,345	\$5,671,431	\$5,796,202	\$5,923,719	\$6,054,041	\$55,000,209
Cumulative Indirect Wages		\$4,977,225	\$10,063,949	\$15,262,581	\$20,575,583	\$26,005,470	\$31,554,816	\$37,226,247	\$43,022,449	\$48,946,168	\$55,000,209	
Total Direct and Indirect Wages per Year		\$17,352,225	\$17,733,974	\$18,124,121	\$18,522,852	\$18,930,355	\$19,346,823	\$19,772,453	\$20,207,447	\$20,652,010	\$21,106,355	\$191,748,614
Cumulative Total Direct and Indirect Wages		\$17,352,225	\$35,086,199	\$53,210,320	\$71,733,172	\$90,663,527	\$110,010,350	\$129,782,802	\$149,990,249	\$170,642,260	\$191,748,614	



Where Good Living Flows

Attachment G

Supporting Documentation

City of Milton
North Santa Rosa Regional Water Reclamation Facility

ATTACHMENT E

Santa Rosa Regional Water Reclamation Facility (SRRWRF)

RESOLUTION NO. 2017-03

WHEREAS, it is the public policy of the State of Florida, the County of Santa Rosa, and the City of Milton that the Gulf Coastal Bays and their tributaries are natural resources of great significance to the State and the nation, and their beauty, their ecological value and their economic impact all reach far beyond any one local jurisdiction; and

WHEREAS, The East Milton Water Reclamation Facility (EMWRF) design begins with a 2MGD plant that is expandable to 8 MGD with an associated effluent disposal area using rapid infiltration basins the results of which would eliminate surface water discharges of wastewater effluent into the Blackwater River and associated water bodies of Pensacola Bay; and

WHEREAS, in an effort to further minimize damage to water quality and natural habitats the proposed City of Milton Water Reclamation Facility will allow hundreds of individual septic systems to be abandoned over time; and

WHEREAS, in addition to the environmental benefits of the project the proposed plant would allow for tremendous economic benefits as the city's current dedicated plant capacity is 80% of total capacity which threatens the areas ability to accommodate desirable and anticipate growth; and

WHEREAS, the County has sited three industrial parks in the existing plants catchment area which are in part dependent on the proposed EMWRF to achieve their desired impact; and

WHEREAS, economic development is a priority of the City of Milton, Santa Rosa County, and the State of Florida;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF SANTA ROSA COUNTY, FLORIDA;

Section 1: That a legislative appropriation request by the City of Milton, is fully supported by the Santa Rosa County Board of Commissioners.

Section 2: That it be further resolved by the County Board, that this information be forwarded to the state's legislative delegation post haste.

Section 3: That this Resolution shall take effect immediately upon its passage.

PASSED AND ADOPTED by the Santa Rosa Board of County Commissioners on a vote of 5 yeas, 0 nays, and 0 absent, in regular session, this 26th day of January 2017.

**BOARD OF COUNTY COMMISSIONERS
SANTA ROSA COUNTY, FLORIDA**


BY: Rob Williamson, Chairman

ATTEST:


Donald C. Spencer, Clerk of Courts

