

Triumph Gulf Coast, Inc. Application for Funds

June 2022

***** IMPORTANT*****

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

Hurricane Michael Application Addendum

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

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

Triumph Gulf Coast, Inc. Trust Fund Application for Funds

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

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

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

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

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

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

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

Project Arbor Application

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

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

Applicant Information

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

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

Background of Applicant Individual/Entity/Organization:

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

Federal Employer Identification Number: 59-1172550

Contact Information:

Primary Contact Information: Scott Luth

Title: CEO

Mailing Address: 3 West Garden Street, Pensacola, FL 32502

Phone: 850-898-2201

Email: sluth@floridawesteda.com

Website: www.floridawesteda.com

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

- Pensacola-Escambia Promotion and Development Commission (PEDC), applicant
- FloridaWest EDA, economic development staff contracted to PEDC

Total amount of funding requested from Triumph Gulf Coast: \$1.5M

Project Arbor Application

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

Yes No

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

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

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

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

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

Yes No

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

Eligibility

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

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

- Ad valorem tax rate reduction within disproportionately affected counties;
- Local match requirements of s. 288.0655 for projects in the disproportionately affected counties;
- Public infrastructure projects for construction, expansion, or maintenance which are shown to enhance economic recovery, diversification, and enhancement of the disproportionately affected counties;

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

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

PEDC and FloridaWest EDA are working with **Project Arbor** a headquarters and a certified advanced technology asset disposition and refurbishment company that has been in business more than 30 years, to locate and expand operations through the acquisition of an existing 37,000 square foot facility, in the Marcus Point Commerce Center, in order for Escambia County to become the location of choice for this important, competitive economic development project. The project will involve conversion of an existing facility to meet the company's present and future needs (to become a regional headquarters/electronic refurbishment center and within six months to fully transition to the company's corporate headquarters). The company is a family-owned business with a long, successful history in this industry and currently has eight locations across the U.S. serving major Fortune 500 companies in aviation, finance, insurance, medical, rail, original equipment manufacturing (OEM), as well as government agencies and Department of Defense. The company also maintains ISO certified, HIPPA compliance, ITAR registered, GSA schedule holder credentials.

Overall, the project will greatly expand long-term sustainability for Pensacola-Escambia County and Northwest Florida to further diversify the base of industry, by broadening headquarters/advanced electronic technology companies in our community. The headquarters and its electronic related jobs are higher-skilled, higher-quality job opportunities that incorporate a combination of information technology and advanced electronics including compliance, legal, logistics and operational professionals with additional capabilities and security clearances. The capital investment of \$3.5 million to make this project happen, begins with \$3.3 million to acquire the existing, former call center facility and immediate renovation estimated at \$200,000. In addition, This project provides for longer-term as the facility sits on a 12.8-acre site that can be optimally utilized for future expansion. The company's plans include future phase 2, effective use of the additional acreage for an additional facility, 40-60,000 square foot warehouse, anticipated to add approx. \$4M capital investment in the proposed Pensacola operation with the potential to employ 50-60 additional associates.

Moreover, this project will have a significant impact creating 72 new, headquarters, electronics, and information technology jobs in Escambia County within two years and will result in \$55,332 average annual wages, which is 118% higher than the current 2022 Pensacola MSA average wage of \$46,570. The company also provides an excellent employee benefits package including health, 401(k) plan 4% match contribution (after 1 year of employment) and dental, vision and life insurance options. According to JobsEQ (Chmura) Economic Impact report (**exhibit 2**), the multiplier for headquarters (management of companies) is 1.61 and electronic technology is 1.70, respectively. Seventy-two (72) new jobs will generate an additional 48 indirect and induced jobs and have a total estimated economic impact of over \$28.6 million in annual compensation and sales output to the Pensacola-Escambia County area.

With the Triumph Board's approval of Project Arbor, this competitive headquarters, advanced electronics, and information technology project can be transformational for Pensacola-Escambia County in creating 72 direct new, higher paying jobs. The infusion of significant capital investment in the community helps to further stimulate the economy of Escambia County, Northwest Florida, diversifies employment with highly skilled and technical aspects of electronics and information

technology, and assists with positive recovery from the BP oil spill, natural disasters and Covid-19 that have negatively impacted, regionally, all eight disproportionately affected counties in the Northwest Florida area.

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

PEDC, FloridaWest EDA, and our counterpart economic development organizations throughout Northwest Florida intensely focus efforts in attracting and growing industries that generate maximum prosperity for our region. We continuously position our communities to be competitive in winning projects. Headquarters is a primary target industry for the State of Florida as a whole and highly sought for its ability to positively impact economic growth and raise the standard of living for our residents. For example, there are fewer headquarters operations across the Northwest Florida region; however, these headquarters operations are extraordinarily diverse in size and dynamics spanning aviation, business services, electronics, finance, information technology, life-sciences, and manufacturing sectors throughout NW Florida, with products and services produced locally that are exported nationally and internationally. This wide range of productivity fuels innovation and trade, making headquarters an extremely valuable component to our economy.

Northwest Florida and Pensacola-Escambia County must ensure that proper investments are made now that keep us competitive in growing the base of vibrant corporate and technical jobs. For example, consolidation of large customer services related jobs and remote work options have taken place across our county prior and during Covid-19; which has resulted in conversion of several available customer service operations to higher demand uses. This Marcus Point facility has been vacant for almost 2 years and significant efforts must be undertaken to assist Project Arbor's infusion of new capital investment, to advance its corporate, highly technical electronic and information technology operations and job creation.

To further illustrate the positive impacts headquarters (management of companies) has within our region, consider the Pensacola MSA, total employment picture. The combined \$48,454 total average wage across all industry sectors is well below the national annual average of \$65,055. The table below also illustrates that the largest concentration of lower wage employment in the Pensacola MSA area is within retail trade, accommodation, and food services sectors, which combined makes up almost 25% of total employment. Although headquarters and technology related jobs accounts for a substantially smaller 1.5% of existing jobs, these sectors rank in the top six highest wage levels present and outpaces many other sector wages throughout our communities. This emphatically reinforces the dynamics of our economic development strategies centered upon target industry growth. Specifically, the establishment of headquarters projects like Project Arbor's has the capacity to be both differentiating and transformational for the regional workforce in elevating the foundation of electronic and information technology and management occupations and provides greater opportunities for residents of the community.

Pensacola MSA Employment by Industry				
Industry	Employment	Percentage of Total	Average Annual Wage	Annual % Growth
Health Care and Social Assistance	29,504	15.22%	\$59,844	1.7%
Retail Trade	24,919	12.85%	\$33,802	0.1%
Accommodation and Food Services	22,223	11.46%	\$23,709	2.7%
Construction	14,553	7.51%	\$50,542	1.0%
Educational Services	14,356	7.41%	\$42,697	1.4%
Administrative and Support	13,600	7.02%	\$39,413	1.4%
Finance and Insurance	11,761	6.07%	\$76,542	0.2%
Public Administration	11,171	5.76%	\$57,727	0.8%
Professional, Scientific, and Technical Services	10,671	5.50%	\$66,598	1.4%
Other Services (except Public Administration)	9,363	4.83%	\$33,555	1.7%
Manufacturing	7,476	3.86%	\$65,044	0.7%
Wholesale Trade	5,702	2.94%	\$59,135	0.8%
Transportation and Warehousing	5,219	2.69%	\$55,600	1.3%
Real Estate and Rental and Leasing	3,766	1.94%	\$45,671	1.1%
Arts, Entertainment, and Recreation	3,452	1.78%	\$25,003	3.7%
Information	1,612	0.83%	\$63,220	1.0%
Management of Companies and Enterprises	1,369	0.71%	\$75,163	0.6%
Agriculture, Forestry, Fishing and Hunting	1,205	0.62%	\$26,304	1.4%
Utilities	1,177	0.61%	\$82,478	0.2%
Mining, Quarrying, and Oil and Gas Extraction	125	0.06%	\$54,510	1.3%
Unclassified	47	0.02%	\$47,866	1.4%
Total - All Industries	193,866		\$48,454	

Source: JobsEQ®, Data as of 2021Q4

Additionally, Project Arbor has the propensity to contribute stabilizing factors previously mentioned that improve the resiliency of the Pensacola MSA economy as well as the overall Northwest Florida regional economy. Headquarters provides diversified employment opportunities and helps distribute additional demand for goods and services across a wide variety of sectors, which also supports quicker economic recovery in times of turmoil as with the BP oil spill, natural disasters, and the global Covid-19 occurrences.

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

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Project Arbor's headquarters, electronic and information technology project crosses sectors and directly aligns with Pensacola-Escambia County and Florida's leading target Industry attraction and retention and quality job growth goals. Accordingly, Enterprise Florida statistics note, "Florida is home to the third largest tech industry in the United States, with 34,261 establishments and 272,548 jobs. Further, Florida's robust infrastructure, diverse talent pool, pro-business climate, competitive cost of doing business and streamlined regulatory environment makes it one of the best places for corporate headquarters in the United States. Major international and domestic organizations spanning every industry — from banking to food markets to aerospace and defense — have headquarters based in the state." The state also recognizes that "nothing is more important to a company's success than its workforce and our universities are among the nation's top producers of STEM graduates." This certainly pinpoints that Project Arbor will provide Northwest Florida with additional presence and new employment opportunities for residents and the community. Northwest Florida also has assets that fully support growing the cluster of companies within the information and electronics industry category, namely the regional postsecondary programs linked to information/cyber security, and technology that heavily influences the skill levels and the workforce pipeline.

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

The addition of Project Arbor further diversifies the headquarters, electronics and information technology foundation of the regional economy and generates significant job creation for residents of the region.

To measure success and impacts of Project Arbor to Pensacola-Escambia County, and the surrounding communities the net new job creation will be measured, the average wages of the new positions, overall capital investment of the project and the annual payroll increase for the community.

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

The funding request to Triumph Gulf Coast, Inc. for Project Arbor will support the company's decision to make a significant capital investment in Pensacola-Escambia County. The funding requested will support PEDC's acquisition of the facility. PEDC will maintain ownership of the facility and enter into a long-term lease with the company. Project Arbor will undertake subsequent renovation of the existing 37,000 sq. ft. facility to suit their business needs. This project is most important to help fill a vacant facility with a quality company that provides high-wage jobs.

In addition, Project Arbor's proven longevity spans a 30-year track record in providing quality, advanced electronic and information technology asset disposition and refurbishment that includes innovative, testing and electronics validation, significant investment in their employees and high wages. The company has gained clients across a wide range of business sectors over their 30 years in business and continues to value keeping their existing customers, while growing into new business services. Moreover, the company owners are planning to purchase a personal residence in NW Florida and believes in giving back to the community. Just a couple of examples of corporate giving includes supplying local schools with refurbished computers for children/classroom use and donated equipment to Habitat for Humanity, as well as volunteer hours. All together these qualities demonstrate exceedingly responsible financial business practices and strong commitment to

successful sustainability and viability of operations.

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

The deliverables for Project Arbor will be made possible through the financial support of Triumph Gulf Coast. PEDC will acquire the facility which will be a publicly owned asset to facilitate Project Arbor’s job creation and leverage the private sector capital investment. Project Arbor will undertake the necessary build-out construction activities of the facility, subsequently increasing its value. The economic benefits to Pensacola-Escambia County community and region will be the in 63 direct new life sciences advanced headquarters/electronic and information technology jobs, the increase in average annual wages, the increase in annual payroll, and the infusion of significant capital investment from the project.

Phase	Number of net new full-time equivalent Florida jobs created	Date by which jobs will be created
I	60	12/31/2022
II	12	12/31/2023
Total	72	

Priorities

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

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

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

Generate maximum estimated economic benefits: Growth of the advanced headquarters/electronic and information technology sector is critical to maintaining the competitiveness and long-term vibrancy of Northwest Florida's economy. We must continue to make investments now, that safeguard our communities, have the ability to attract talent, and provide a wide range of occupational opportunities conducive to keeping students, professionals of all ages, exiting military and their spouses interested in remaining in Northwest Florida. In addition, Project Arbor's headquarters/electronic and information technology is an excellent fit for our community and helps our economy continue to grow.

Increase household income: The Census Bureau reports the 2020 median household income in the Pensacola MSA was \$56,807, compared to Florida at \$55,660 and the U.S. at \$62,843. Project Arbor can contribute significantly to the mix of vibrant headquarters/electronic and information technology operations in the region which will lead to more innovation, productivity, trade and exports, and a broader range of quality jobs. Likewise, these activities will drive growth in productivity (output per worker), increased wealth, and higher average standards of living within our region. With the establishment of Project Arbor in Pensacola-Escambia County, the company intends to add 72 new jobs with more than 115% of the Pensacola MSA average annual wages; which helps to raise the standard of living within our communities.

Partner with local governments: Through PEDC, FloridaWest EDA, Pensacola and Escambia County leadership, CareerSource Escarosa, Pensacola State College, and other community partners all support economic diversification and the growth headquarters/electronic and information technology as a primary target sector, important to our regional economy. PEDC's board has approved assisting with the facility as a public asset. CareerSource Escarosa will help assemble workforce training resources and as the company develops its specialized training plans and internship opportunities, our education partners, namely Pensacola State College and Escambia County Schools and University of West Florida will align to actively engage with their assistance programs.

Provide outcome measures: Project Arbor's outcome measures will be in the creation of 72 new full-time jobs in Escambia County in the headquarters/electronic and information technology sector with \$55,332 average annual wages resulting in approximately \$3.93 M of new annual payroll for the Escambia County community.

Are recommended by the board of county commissioners: Escambia County will be supplied a letter of support, approved by the Escambia Board of County Commissioners at its regularly scheduled June 16, 2022, meeting, recommending Project Arbor (Exhibit 4).

Please explain how the proposed project or program meets the discretionary priorities identified by the Board.

The Pensacola Escambia County Promotion and Development Commission is the economic development authority for Escambia County, a special district of the State of Florida, whose purpose is to promote industry and commerce in Escambia County and the municipalities therein. PEDC promotes economic development, job creation, workforce development, enhancement of the economic environment, expansion of the tax base, enticement of industry and other business to the area,

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acquisition, lease, and construction of facilities. The PEDC has a contractual relationship with FloridaWest EDA, the community's sole economic development organization, whose purpose is to grow economic prosperity in the greater Pensacola, FL area.

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

We believe that Project Arbor is a transformational project for Escambia County and Northwest Florida, that meets and exceeds the discretionary priorities of the Triumph Board as a headquarters/advanced electronic and information technology, targeted industry, creating net-new jobs with wages above the Pensacola MSA average and is an established company with existing business, ready to expand and committed to making significant capital investment in our community, that will generate maximum economic benefits as a viable, sustainable and transformative economic development endeavor.

3. In which of the eight disproportionately affected county/counties is the proposed projector program located? (Circle all that apply)

Escambia Santa Rosa Okaloosa Walton Bay Gulf Franklin Wakulla

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

Yes No

If yes, list all Counties that apply: Escambia County

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

Yes No

**Please attach proof of recommendation(s) from each County identified.
Escambia County Letter of Support (to be provided)

Approvals and Authority

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

PEDC approved and authorized submittal of Project Arbor Triumph Gulf Coast application at its Board of Directors meeting held on May 24, 2022.

2. If approval of a board, commission, council, or other group is needed prior to execution of an agreement between the entity and Triumph Gulf Coast:
- A. Provide the schedule of upcoming meetings for the group for a period of at least six months.

PEDC Upcoming Schedule of Meetings:

June 28, 2022
July 26, 2022
August 23, 2022
September 27, 2022
October 25, 2022
November 22, 2022

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

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

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

Immediately upon approval of the Triumph Gulf Coast Board, Project Arbor will begin hiring of some management, IT technical and production staff and will finalize negotiation of the proposed facility.

Description	Estimated Timeline	Status
Triumph Gulf Coast project approval	Q3/2022	In progress
Finalize negotiation to acquire existing facility	Q3/2022	In progress
Finalize financing - PEDC	Q2/2022	In progress
Triumph Funding	Q3/2022	
Begin ramp-up, Phase 1 Hiring	Q3/2022	
Acquisition of facility/Project Arbor signs sub-lease agreement	Q3/2022 – Q4/2022	
Begin building modifications and conversion	Q3/2022 – Q4/2022	
Receipt of initial load of equipment for repair/refurbishment	Q4/2022	
Begin ramp-up, Phase 2 hiring for Corporate Employees	Q4/2022	
Complete Building Modification	Q4/2022	
Complete Phase 1 Employee hiring	Q1/2023	
Complete Phase 2, Corporate Employee hiring	Q2/ 2023	

Employee Ramp Up Timeline

Estimated Timeline	Number of Jobs
Q3-Q4/2022	35
Q4/2022 – Q1/2023	25
Q2/2023	12

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

The Pensacola-Escambia Promotion and Development Commission is Escambia County’s economic development authority, a dependent special district, originally created pursuant to Chapter 67-1365, Laws of Florida (**Exhibit 3**) subsequently amended, revised for definition and membership structure (Chapter 2017-177). “Development” shall be deemed to mean the improvement of the County of Escambia and all municipalities therein (including that portion of Santa Rosa Island under the jurisdiction of the Santa Rosa Island Authority) or its successor through economic

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development, job creation, workforce development, enhancement of the economic environment, expansion of the tax base, enticement of industry and other business to the area, and acquisition, lease and construction of facilities for such purposes within the subject area.

Funding and Budget:

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

1. Identify the amount of funding sought from Triumph Gulf Coast, Inc. and the time period over which funding is requested.

PEDC is requesting \$1.5M for Project Arbor in Q3 of 2022 for acquisition of the existing facility.

2. What percentage of total program or project costs does the requested award from Triumph Gulf Coast, Inc. represent? (Please note that an award of funding will be for a defined monetary amount and will not be based on percentage of projected project costs.)

The total project cost of \$3.5M and the percentage of the total award requested from Triumph Gulf Coast is 13.33%

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

72 new jobs, average annual wage \$55,332

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

Yes No

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

A. Project/Program Costs:

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

Building and Land acquisition	\$ 3,300,000
Reconstruction	\$ 200,000
Design & Engineering	\$ _____
Land Acquisition	\$ _____
Land Improvement	\$ _____
Equipment	\$ _____
Supplies	\$ _____
Salaries	\$ _____

Project Arbor Application

Other (specify) \$ _____

Total Project Costs: \$ 3,500,000

B. Other Project Funding Sources:

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

City/County \$ 0

Private Sources \$ 2,000,000

Other \$ _____

Total Other Funding \$ _____

Total Amount Requested: \$ 1,500,000

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

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

The overall proposed budget for **Project Arbor** is approximately \$3.5 M and considered a substantial investment for our region and the Escambia County community.

The breakdown of the proposed budget is as follows: an estimated \$3,300,000 for the facility acquisition for Project Arbor. The company will invest \$200,000 in renovation (buildout to suit their specialized operation) and approx. \$180,000 additional investment for necessary Testing and Refurbishing equipment and Software, not a part of this grant application.

Escambia County is fortunate to have an existing 37,000 SF Call Center/Office Call Center/Office facility in excellent condition in our community that is available in Marcus Point Commerce Center for Project Pioneer to utilize. Additionally, the facility site is approximately 12.8 acres which can be optimally utilized for future growth and development. The company has negotiated fair market value of the asset (building and land). The negotiated purchase option will be made assignable to PEDC. In turn, PEDC will finalize contract and agreements with Triumph and arrange for financing to acquire the balance of facility. PEDC intends to enter into a long-term triple net lease with the company sufficient to retire any debt service associated with the acquisition of the facility and any requirements outlined by Triumph.

Project Arbor Application

PEDC will agenda this item at a second meeting to be held for final approval and execution of the agreement with Triumph Gulf Coast Inc., and the company.

The initial request for funds will be in Q3 of 2022 to assist in acquiring the facility.

Project Arbor Application

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

Yes No

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

Yes No

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

Yes No

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

Yes No

Project Arbor Application

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

Name of Applicant: Pensacola-Escambia Promotion and Development Commission

Name and Title of Authorized Representative: Dave Hoxeng, Vice Chair

Representative Signature: 

Signature Date: 6/14/22

Saltmarsh

Saltmarsh, Cleaveland & Gund

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

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

PENSACOLA, FLORIDA

FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

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

PENSACOLA, FLORIDA

FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Board of Directors
Pensacola-Escambia County Promotion
and Development Commission

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Commission as of September 30, 2020, and the changes in its financial position and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 7 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2020 on our consideration of the Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control over financial reporting and compliance.



Pensacola, Florida
November 30, 2020

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

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

FINANCIAL HIGHLIGHTS

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

USING THIS ANNUAL REPORT

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

Reporting on the Commission as a Whole

The Statement of Net Position and the Statement of Activities

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

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

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

Reporting the Commission's Funds

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

THE COMMISSION AS A WHOLE

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

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

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

Statement of Activities

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

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

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

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

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

Final Budget versus Actual Results

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

ECONOMIC FACTORS

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

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

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

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

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

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

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

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the Commission's finances for all those with interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the FloridaWest Economic Development Alliance, 3 W. Garden Street, Suite 618, Pensacola, Florida 32502.



Scott Luth
CEO, FloridaWest Economic Development Alliance

FINANCIAL STATEMENTS

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

ASSETS

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

LIABILITIES AND NET POSITION

Liabilities:		
Accounts payable	\$	6,439
Technology Park payable - County		<u>2,309,948</u>
Total liabilities		<u><u>2,316,387</u></u>
Commitments and Contingencies		--
Net Position:		
Restricted		61,198
Unrestricted:		
Committed		52,309
Unassigned		<u>4,331,850</u>
Total net position		<u><u>4,445,357</u></u>
Total Liabilities and Net Position	\$	<u><u>6,761,744</u></u>

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

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

Revenues:

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

Expenses:

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

Change in Net Position (7,150)

Net Position, October 1, 2019 4,452,507

Net Position, September 30, 2020 \$ 4,445,357

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

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

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

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

NOTES TO FINANCIAL STATEMENTS

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. The Reporting Entity

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

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

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

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

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The Commission reports the following fund:

Governmental Fund

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

C. General Budget Policies

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

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

D. Budgetary Basis of Accounting

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

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

E. Restricted and Unrestricted Resources

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

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

NOTE 2 - CASH AND INVESTMENTS

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

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

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

Deposits:

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

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

NOTE 3 - FOIL PROJECT

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

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

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

NOTE 4 - TECHNOLOGY PARK

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

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

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

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

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

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

NOTE 4 - TECHNOLOGY PARK (Continued)

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

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

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

NOTE 5 - NET POSITION

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

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

NOTE 6 - RISK MANAGEMENT

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

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

NOTE 7 - COMMITMENTS AND CONTINGENCIES

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

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

OTHER REPORTS

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Pensacola-Escambia County Promotion and Development Commission (the “Commission”) as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Commission’s basic financial statements, and have issued our report thereon dated November 30, 2020.

Internal Control Over Financial Reporting

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

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

Board of Directors
Pensacola-Escambia County Promotion
and Development Commission

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

Compliance and Other Matters

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

Purpose of this Report

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



Pensacola, Florida
November 30, 2020

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

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

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

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

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

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



Pensacola, Florida
November 30, 2020

MANAGEMENT LETTER

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

Report on the Financial Statements

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

Auditor’s Responsibility

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

Other Reporting Requirements

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

Prior Audit Findings

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

Board of Directors
Pensacola-Escambia County Promotion
and Development Commission

Official Title and Legal Authority

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

Financial Condition and Management

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

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

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

Additional Matters

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

Purpose of this Letter

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



Pensacola, Florida
November 30, 2020

(Project ARBOR - Exhibit 2)

**Pensacola-Ferry Pass-Brent, FL MSA Annual Impact of Electronic and Precision Equipment
Repair and Maintenance (Event Size = 51)**

	Direct	Indirect	Induced	Total
Employment	51	7	28	87
Sales/Output	\$9,325,819	\$1,221,111	\$4,459,118	\$15,006,047
Compensation	\$4,258,231	\$427,904	\$1,498,097	\$6,184,232

Pensacola-Ferry Pass-Brent, FL MSA Annual Impact of Management of Companies and

	Direct	Indirect	Induced	Total
Employment	21	6	7	34
Sales/Output	\$2,817,354	\$1,036,787	\$1,075,488	\$4,929,630
Compensation	\$1,828,815	\$365,139	\$361,324	\$2,555,278

Combined ARBOR_Company Functions/Pensacola MSA Annual Economic Impact

	Direct	Indirect	Induced	Total
Employment	72	13	35	120
Sales/Output	\$12,143,173	\$2,257,898	\$5,534,606	\$19,935,677
Compensation	\$6,087,046	\$793,043	\$1,859,421	\$8,739,510

[Source: JobsEQ®](#)

Data as of 2021Q4

Note: Figures may not sum due to rounding.

Exported on: Tuesday, June 7, 2022 8:05 AM

Exhibit 3

CHAPTER 2019-177

Committee Substitute for Committee Substitute for House Bill No. 1067

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Approved by the Governor May 23, 2019.

Filed in Office Secretary of State May 23, 2019.

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



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

221 Palafox Place, Suite 400
P. O. Box 1591
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June 16, 2022

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

Dear Mr. Bear,

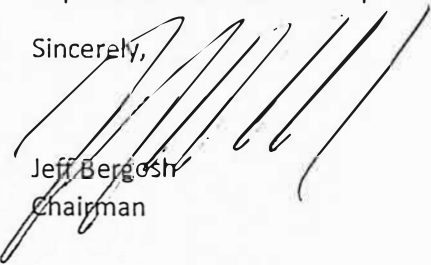
The purpose of this letter is to document the support of the Escambia County Board of County Commissioners, for PEDC's Triumph Gulf Coast application for Project ARBOR. This is a qualified target industry business, that is considering Escambia County for major capital investment and the creation of 72 new jobs with an average annual salary of \$55,332 which is 18% higher than the current 2022 Pensacola MSA average of \$46,570.

We also support the PEDC's acquisition of an existing 37,000 square foot facility in Marcus Point Commerce Park in Escambia County. This facility would become the location of choice for this important, competitive economic development project, as well as strengthening, diversifying, and expanding the tax base of Escambia County.

The infusion of significant capital investment in our community helps to further stimulate the economy of Escambia County and Northwest Florida. Project ARBOR will increase employment with highly skilled electronic and information technology jobs, which will assist in the positive recovery from the BP oil spill, natural disasters and Covid-19, which has negatively impacted the community and region.

Therefore, we strongly encourage the Triumph Gulf Coast Board to approve Project ARBOR, as an important economic development project for Escambia County and the surrounding area.

Sincerely,


Jeff Bergosh
Chairman