

THE BLUFFS

Northwest Florida's Industrial Campus



THE BLUFFS

NORTHWEST FLORIDA'S
INDUSTRIAL CAMPUS

2015 | *Final Industrial Development Study
(IDS) Report For Project FOIL*

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Gulf Power Company
Pensacola-Escambia Promotion & Development Commission
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PROJECT OVERVIEW

The Bluffs: Northwest Florida's Industrial Campus –a project initially conceived and referred to in this report as Project FOIL (Forward Operating Industrial Location)– promises to be a “game-changer” for Northwest Florida. It will quite literally put Pensacola and Northwest Florida “on the map” as a center for large scale manufacturing of national and international significance, making it a benchmark in the resurgence of the American manufacturing sector. This report summarizes the process to conceive and master plan The Bluffs and lays out its potential to transform the regional economy, owing to its several key advantages, including:

- ***An exceptional inventory of certified industrial sites ready (or available) to be certified at a range of scales, well-served by multiple transportation modes including on-site rail (CSX), Interstate highway (I-10/I-110), on-site barge access via the Intracoastal Waterway and Gulf of Mexico, and the nearby Port of Pensacola and Pensacola International Airport (PNS). This inventory of “project-ready” sites will meet much of the short and long-term demand for high quality, competitive industrial locations.***
- ***Synergies created among existing on-site entities, including Emerald Coast Utilities Authority, Gulf Power Company, Ascend Performance Materials, and the University of West Florida, as well as nearby International Paper and Naval Air Station Pensacola.***
- ***A compelling and visionary Master Plan that sets the highest possible “best practice” standards for efficient and well-integrated industrial development, for “green infrastructure” and for eco-industrial park design; a model of sustainable development which will have broad international appeal.***
- ***Demonstrated positive contributions to Pensacola’s and Northwest Florida’s economy and tax base, by:***
 - » *Creating some 15,000 jobs, both direct and indirect, in the first 25 years, strengthening the economy and tax base and spreading prosperity among households throughout the region*
 - » *Minimizing impacts and ensuring a complementary “fit” within the fabric of the local community, and*
 - » *Providing additional greenways, trails, restored natural habitats and other features that will contribute to the health, and the special quality of life of the entire community.*

As summarized in the following sections of this report, the development of The Bluffs has been thoroughly studied from several perspectives, including these principal considerations:

Site Development Factors

- *Consideration of development suitability, including factors such as vegetation, habitats, wetlands, topography and related environmental constraints and natural hazards.*
- *Availability, location and capacity of transportation and utility infrastructure systems.*
- *Comparison of alternative development concepts to identify an optimum plan based on cost, productivity, and compatibility with the surroundings.*

Market Potentials and Marketing Strategies

- *A clear understanding of market potentials for both manufacturing in general and large manufacturing projects.*
- *Potential target industries, competing locations, and unmet demand for industrial development sites.*
- *Relative advantages of this Northwest Florida location, such as multi-modal accessibility, hazard mitigation, workforce availability and readiness, business climate, established anchor activities, partnerships, and overall quality of life.*
- *State-of-the-art eco-industrial park design and development.*
- *Available incentives and creative finance techniques.*
- *Branding and messaging the unique opportunities at The Bluffs.*

Economic Impact and Return on Investment

- *Estimated costs for short term and long term on-site infrastructure and site development, marketing, and operations.*
- *Estimated off-site costs of expanded public services and facilities to serve a growing employment base and population.*
- *Returns on these investments; including construction value, property sales, wages paid for jobs created both directly and indirectly, and resulting ad valorem and other tax revenues.*

BACKGROUND

The economic downturn that began in 2008 was much deeper in Florida than in other areas in the Southeast. In response to this, officials and business leaders around the state are working to diversify, strengthen and develop our economy. Project FOIL was conceived in response to this initiative. Developed through a collaborative effort by the Pensacola-Escambia Promotion and Development Commission (PEDC) and a number of agencies, business interests, stakeholders, and advocacy groups, along with industrial development experts, Project FOIL responds to several pressing economic development priorities:

1. The need to diversify and responsibly develop the manufacturing sector in Northwest Florida, the state as a whole and the Southeast region of the US.
2. The need to develop the site inventory necessary to support new manufacturing opportunities.
3. The opportunity to capitalize on the transportation, infrastructure, real property, physical and institutional advantages of Project FOIL site.

A wide variety of public and private interests have been involved in the study and promotion of Florida's manufacturing sector. In 2010, the Florida Department of Transportation (FDOT) and the Florida Chamber Foundation published a report, the *Florida Trade and Logistics Study*. More recently, FDOT and the Chamber Foundation released a comprehensive update, the *Florida Trade and Logistics Study 2.0*. Both studies concluded that strengthening Florida's involvement in export-related manufacturing is a critical success factor. Transforming the state's economy by increasing our involvement in international trade is the key to a more robust, competitive and stable economy.

Participation in the manufacturing economic development marketplace requires the availability of a site inventory which offers advantages regionally as well as nationally and internationally. In Florida, this is a particularly complex challenge. The inventory must feature large tracts of suitable undeveloped land, existing industrial infrastructure, access to multi-modal transportation networks, and a number of other amenities, support programs and services. In Florida, it is also critical that the inventory be located with minimum vulnerability to storm surge and other natural and man-made hazards, along with abundant access to fresh water –advantages which the Project FOIL site provides.

Developed at the request of, and with funding provided by, the Florida Department of Economic Opportunity (DEO), this Industrial Development Study evaluates approximately 6,300 acres along the lower Escambia River in Escambia County, Florida for the purpose of determining the viability of a major manufacturing cluster and presenting a vision for its development.

Land included in the Project FOIL site is owned by four entities:

1. Emerald Coast Utilities Authority (ECUA)
2. Ascend Performance Materials
3. Gulf Power Company
4. University of West Florida (UWF)

These four entities are co-located on The Bluffs site, overlooking the Intracoastal Waterway, the Escambia River delta and Escambia Bay. The properties include over 2,500 acres of undeveloped uplands along 12 miles of riverine frontage. The buildable area is approximately 100 feet above the Escambia River barge channel on a unique, natural clay bluff. This combination of available land – located above the storm surge elevation and adjacent to existing manufacturing facilities— is unique in the southeastern United States.

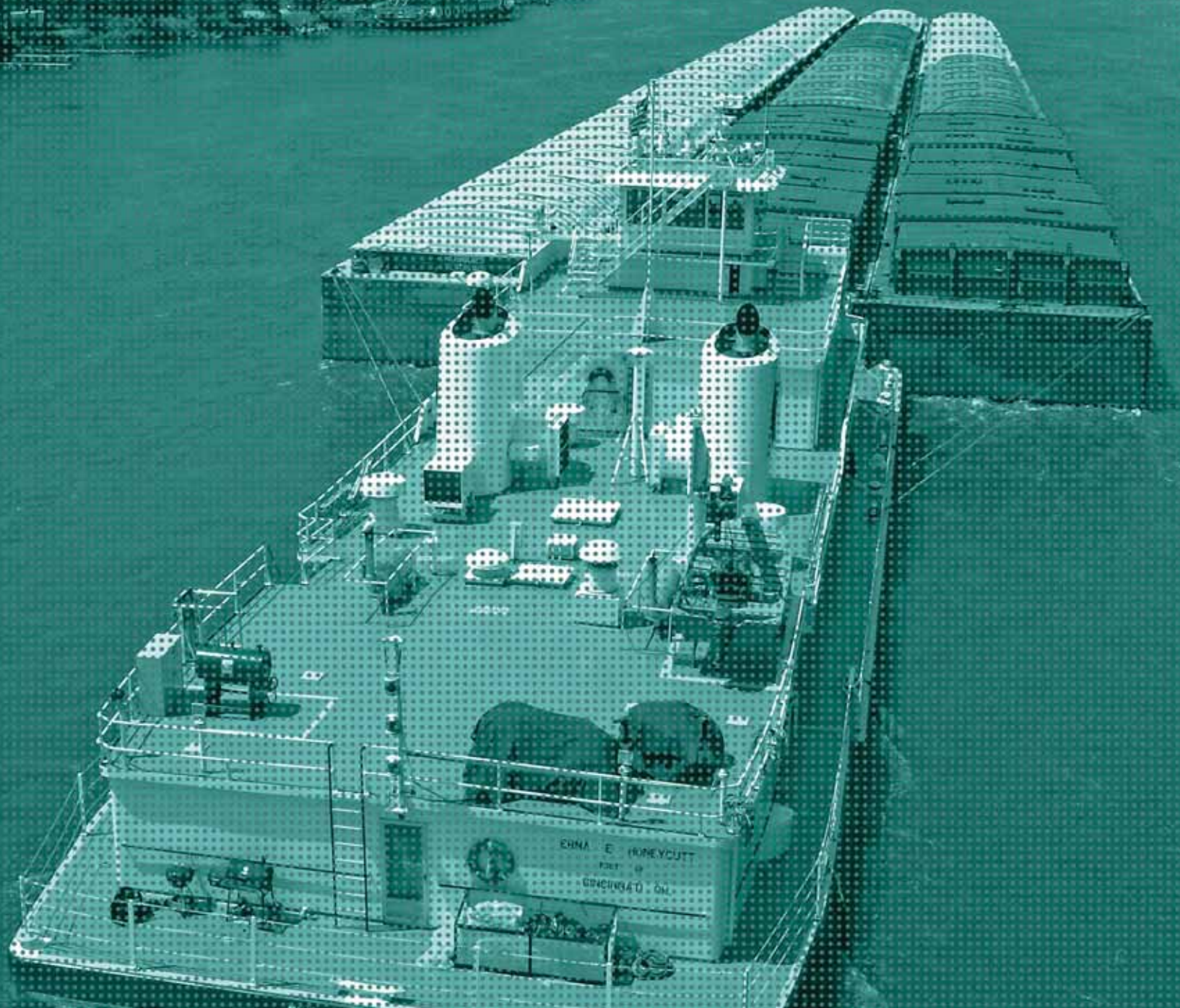
The site offers a wealth of existing infrastructure on which The Bluffs will capitalize, including:

1. Three Industrial High Pressure Natural Gas Pipelines
2. A 900 MW/Hr. Power Generation Plant
3. Excess Process Steam
4. A 22 MGD Wastewater Treatment Plant producing high quality Reclaimed Water
5. Inland Well Field Potable Water Capabilities
6. Class I Industrial Rail Service
7. Intracoastal Waterway Access via Barge Terminals
8. Access to Interstate 10
9. Proximity to both the Port of Pensacola and Pensacola International Airport

In addition, the main UWF campus is situated on approximately 1,000 acres at the southerly extreme of the Project FOIL site. The UWF campus is separated from the closest industrial activity, a Gulf Power generating plant, by approximately one-half mile of wetlands and other natural areas, beyond which extend the proposed manufacturing sites toward the northwest. This affords an ample and permanent buffering of the academic campus from The Bluffs industrial campus and ensures that manufacturing activities will not intrude

upon UWF's peaceful and protected natural setting. However, for Project FOIL, the proximity of the industrial and academic campuses provides for convenient workforce training and access to UWF's research, institutional and intellectual capital.

Under the direction of DEO, this Industrial Development Study has been developed to more precisely determine both the advantages and any disadvantages of locating a manufacturing cluster at the proposed location. This effort has been undertaken in direct support of the State of Florida's economic development goals and objectives. The findings herein – a summary of a large volume of research and analyses – are presented to assist the state in determining the current dynamics of the target manufacturing markets and to define the investment and development requirements associated with this unique site inventory opportunity.



ENNA E. HONEYCUTT
PORT OF
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01 ANALYSIS

Development of the Project FOIL site will be guided by a variety of factors that inform land use decisions, provide a contextual design framework, and regulate the built and natural environments in Escambia County. The scale of geographies covered in relevant plans, studies and data sources range from site-specific districts to countywide and regional strategies. The review of contextual and site conditions – including existing plans, policies and applicable data– establishes the foundation for the broader Industrial Development Study for Project FOIL.

- The areawide context analysis considers the primary geographic, regulatory and socioeconomic characteristics of the overall Project FOIL site and its surrounding area to determine how those characteristics could impact future developability and marketability of the project.
- The analysis of underlying project area conditions will guide the master planning process and inform the layout, function and program associated with future development. Among the project area's existing conditions analyzed as part of the IDS process, several on-site and contextual opportunities and constraints have been identified. These analyses have been summarized as a series of GIS overlays for the purpose of recording existing conditions and evaluating potential sites for development suitability, and targeted marketability.



Credit: Flickr_ KONTARAKIS BABIS

AREAWIDE CONTEXT ANALYSIS

Location

As shown on *Figure 1: Project FOIL Location*, the Project FOIL site is in Escambia County, just north of the City of Pensacola and immediately west of Santa Rosa County in the panhandle of Florida. The Escambia River is the boundary between Escambia and Santa Rosa Counties.

From the approximate center of the project area¹, it is:

- 3.0 miles west to U.S. 29
- 5.8 miles south to the northern terminus of I-110 where it joins I-10
- 8.4 miles southeast to Pensacola International Airport
- 10 miles west to the Alabama state line
- 12 miles south to downtown Pensacola
- 12 miles south to the Port of Pensacola
- 19.2 miles south to the Gulf of Mexico
- 28.3 miles north to the Alabama state line
- 48 miles west to Mobile, AL
- 185 miles east to Tallahassee, FL

The available road network makes many southern cities accessible within a one-day (11 hour driving time) truck delivery time from the site (mapped in *Figure 2: Driving Times to Major Southern Cities*).

¹ All distances a straight line measurement using Google Earth.

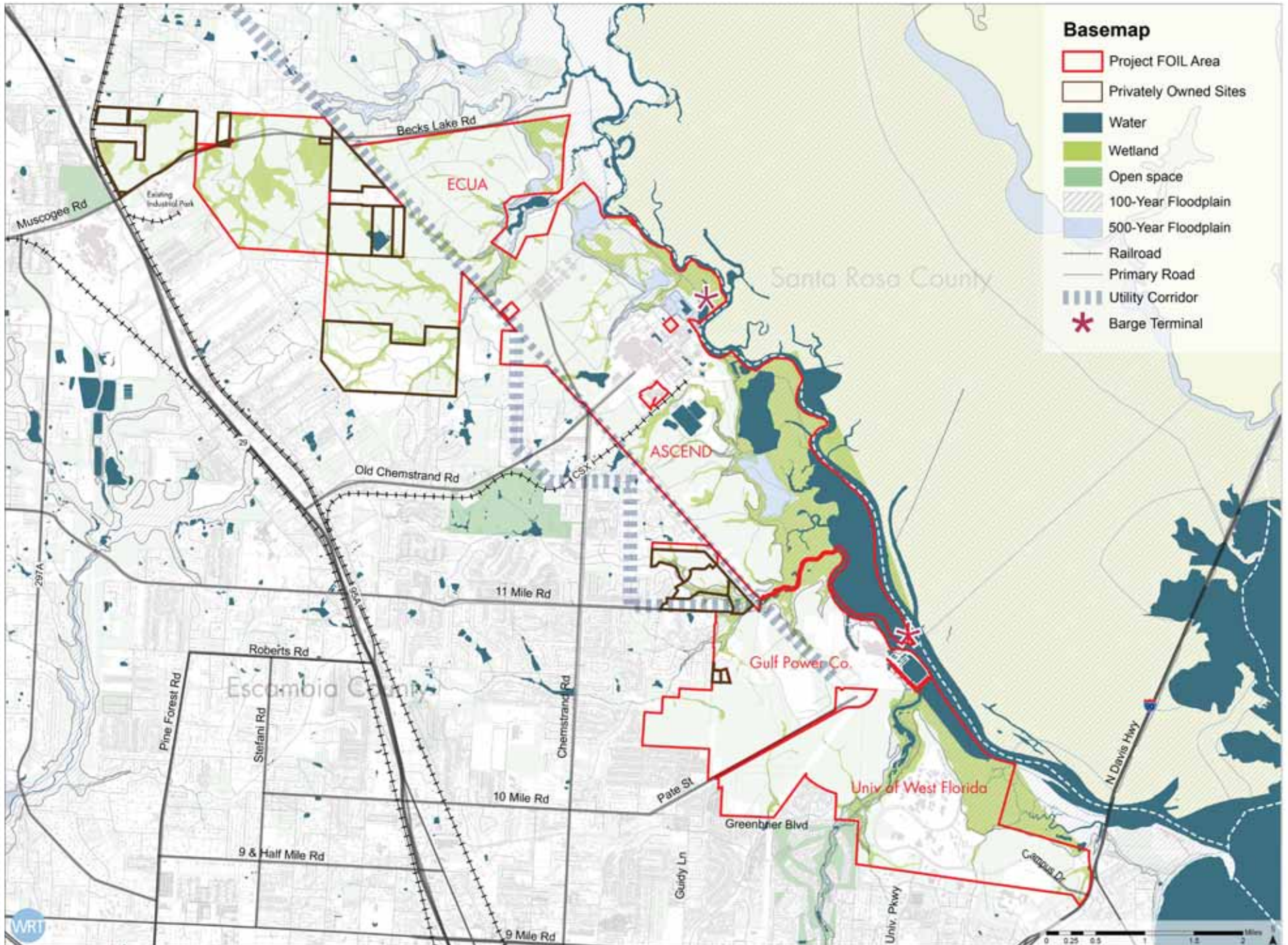


Figure 1: Project FOIL Location



Figure 2: Driving Times to Major Southern Cities

PLANNING AND REGULATORY FRAMEWORK

Land development and growth in Florida is managed primarily by existing zoning regulations and future land use plans. Project FOIL is therefore subject to Escambia County's Land Development Code (and associated Zoning Map) and a variety of aspects of the County's Comprehensive Plan. At the larger area context, economic development is guided by a job-creation Vision for the Greater Pensacola Region, and planned improvements to the region's multimodal transportation system are identified through a multi-state Long Range Transportation Plan.

The review of these documents and data, as part of the broader Industrial Development Study (IDS), is intended to ensure that plans for Project FOIL are consistent with the community's established vision, supportive of existing goals for economic growth, and in compliance with applicable regulations and plans. Due to the varied scale, complexity and scope of these plans, studies, policies and regulations, the analysis is not intended to be comprehensive; rather, it focuses key issues of primary relevance to Project FOIL in terms of both project planning and programming, as well as undertaking individual building development within it.

Vision 2015: The Five-Year Plan for Job Creation for the Greater Pensacola Region

The goal of the Vision 2015 initiative is to manage and coordinate public and private sector economic development efforts in order to aggressively recruit new businesses, expand existing businesses, and leverage partnerships to create new jobs in the Greater Pensacola Region. The strategy was developed by the Greater Pensacola Chamber of Commerce to engage the business community in economic development with a target of creating 3,000 new jobs in the region by the year 2015.

The job growth, potential economic impacts, and infrastructure investments anticipated as part of Project FOIL are consistent with the goals of the Chamber's Vision 2015 initiative. The following "Tactics" included in the Vision 2015 Plan have been identified as specifically relevant to both the development of an industrial cluster within the Project FOIL area, as well as the support for existing and prospective industrial companies:

- Using all means available, actively market the region to prospective targeted industry cluster companies. Collaborate with regional and state economic development organizations, such as Florida's Great Northwest and Enterprise Florida.

- Develop an international marketing and recruitment strategy designed to stimulate foreign direct investment and facilitate the exporting efforts of local businesses.
- Grow the region's Economic Development Incentive fund to assist in business attraction, retention, and expansion efforts.
- Provide access to local, state and national assistance and incentive programs; track the businesses assisted by this program.
- Identify and work with partners and government agencies to resolve general local/regional issues that may be restricting existing business growth and company-specific issues as required.
- Convene and support key business and manufacturing sector groups to identify common obstacles and opportunities such as identifying supplier "gaps", enhancing area business to business contacts, evaluating cooperative purchasing opportunities and encouraging other collaborative efforts. Implement programs to address the opportunities identified by the group.
- Develop additional supporting materials to attract talent to the region including the relocation of professionals who have Pensacola Bay Area roots.
- Enhance "Special Projects Fund" to provide for timely implementation of new strategic opportunities as they are presented.

Capturing Opportunity: The Greater Pensacola Area Economic Development Strategy

The basis for the 2013-2015 Economic Development Strategy is the need for the Greater Pensacola Region to diversify beyond the area's traditional economic anchors of military and tourism in order to expand employment opportunities and improve job quality. The goals and initiatives identified in the plan —developed by the Greater Pensacola Chamber— are consistent with the intent of Project FOIL.

The Chamber's vision of out-performing competitor regions in the areas of business/ education partnerships and economic development marketing support the goals of Project FOIL to facilitate strategic connections among partner organizations (including the University of West Florida) and market the site's unique development opportunities, both at the local, national and global scale.

2035 Florida – Alabama Long Range Transportation Plan

The Long Range Transportation Plan (LRTP) for the Pensacola region covers Santa Rosa and Escambia Counties and part of Baldwin County in Alabama. The LRTP is the blueprint for maintaining and enhancing the regional transportation system by identifying roadway, transit, bicycle and pedestrian, intelligent transportation systems (ITS), and other improvements needed over the next 25 years. The current plan was prepared for the Florida-Alabama Transportation Planning Organization (TPO), the local intergovernmental transportation policy board, but the process is a collaborative effort between the public, local governments, and state and federal partners.

The guiding principles and goals of the LRTP support Project FOIL, specifically the following:

- **Goal A:** Support the economic vitality of the TPO region & efficiency of the transportation system.
- **Goal B:** Encourage a multi-modal network of user-friendly transportation systems for the movement of goods and people.
- **Goal F:** Enhance quality of life factors that will attract industry and skilled workers.
- **Goal G:** Enhance the safety and security of the transportation system.

The LRTP includes an analysis of the region's freight traffic, and identifies the US 29 corridor in Escambia County as an important corridor to transport building materials, cement, and paper products from the industrial areas north of downtown Pensacola and Cantonment, where the Project FOIL site is located. The US 29 corridor provides a relatively direct connection from Pensacola to Interstate 65 in Alabama.

Long term recommendations to expand the freight capacity in the area include improvements to US 90 (Nine Mile Road) from Chemstrand Road to I-10, which could provide access to surrounding land uses if they were to develop in the future as major freight and distribution centers. According to the LRTP, the level of service of this road is currently failing in terms of congestion and would need improvement and expansion before this could happen.

The final adopted report includes a Needs Plan that identifies all of the transportation projects necessary to meet future demands in the region (mapped in Figure 3: *LRTP Adopted Needs Plan*), and a Cost Feasible Plan with prioritizes projects based on anticipated funding. Currently, forecasted revenues will not fund all identified projects.

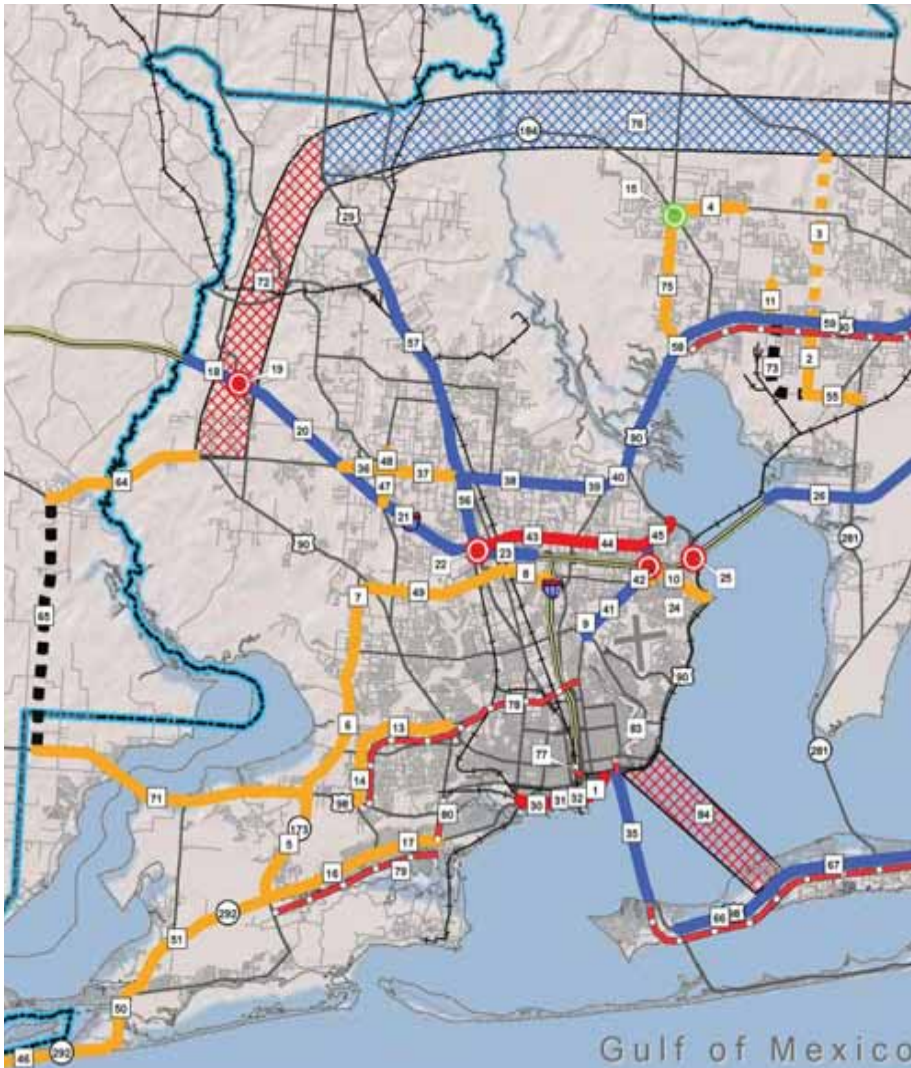


Figure 3: LRTP Adopted Needs Plan



Adopted June 2010

Adopted Needs Plan

Among the plan's identified needs are several major roadway infrastructure projects that could have a significant impact on future access and level of capacity serving the Project FOIL site.

- **Project # 38:** Expand capacity along Nine Mile Road to University Parkway for a total of four lanes of capacity. This roadway enhancement would provide enhanced access to the southeast portions of the Project FOIL site, specifically the UWF properties and Chemstrand Road.
- **Project # 57:** Expand capacity along US 29 from Nine Mile Road to CR 95A for a total of six lanes of capacity. This corridor provides the main highway connection to the Project FOIL site, with access to sites along Becks Lake Road, Old Chemstrand Road, Chemstrand Road, 10 Mile Road, and 9 Mile Road.
- **Project # 72:** New US 29 Connector between US 90 (SR10) and US 29 (SR95). The proposed connection from US 29 to I-10 and US 90, northwest of downtown Pensacola and the Project FOIL area establishes a link between two major regional facilities.

Escambia County Comprehensive Plan 2030

The Comprehensive Plan for Escambia County has nine elements focusing on future land use, mobility, housing, infrastructure, coastal management, conservation, recreation and open space, intergovernmental coordination and capital improvements. The economic growth and industrial development anticipated as part of Project FOIL are consistent with and supportive of several Goals and Objectives:

Goal FLU 2 Development and Public Services

- OBJ FLU 2.1 Urban Development - Direct growth toward those areas where infrastructure and services exist to support development at approved densities and intensities.
 - » The Project FOIL Area has existing infrastructure suitable for the proposed development.

Mobility Element: Goal 3 - Ports

Escambia County will advocate and promote the economic viability of port operations in Escambia County consistent with the balanced utilization of transportation facilities, natural resources, and available waterfront land.

- OBJ MOB 3.1 Port Facilities – Support the operation and expansion as necessary for port facilities through intergovernmental coordination and in a manner

consistent with the goals, objectives, and policies in the Future Land Use, Coastal Management, and Conservation Elements of this plan.

- » Increased utilization of existing port capacity and/or development of additional capacity is a primary objective of Project FOIL.

Infrastructure Element: Goal Inf 2 Solid Waste

- **OBJ INF 2.1 Provisions of Solid Waste Services** – Ensure the safe and efficient provision of solid waste services through coordination with service providers, maximized use of existing landfill facilities, maintenance of appropriate levels of service, promotion of recycling and reuse, and protection of natural resources.
 - » The inclusion of a waste-to-energy plant at the ECUA facility supports both this portion of the Comprehensive Plan and the concept of an eco-industrial park envisioned for Project FOIL.

Conservation Element: Goal CON 1

- **OBJ CON 1.1. General Resource Management** – Effectively manage the natural resources of Escambia County through sound conservation principles.
 - » The Project FOIL development framework, preliminary layouts, and site specific alternative designs are based on an existing conditions analysis and GIS overlay study that aims to conserve the area's environmentally sensitive areas, and minimize potential impacts to each site's underlying ecosystems.

Recreation and Open Space Element: Goal Rec 1

- **OBJ REC 1.1 Recreational Facilities Access** – Continue to develop and improve public awareness of and physical access to all recreation facilities.
 - » Inclusion of recreational areas within the Project FOIL Master Plan will support this Objective.

Future Land Use Element & Map (FLUM)

A primary element of the Comprehensive Plan is its Future Land Use Element and Map (FLUM). Any development and redevelopment in unincorporated Escambia County must be consistent with the Plan and the FLUM. As noted above, the County's Land Development Code (LDC) is a more detailed implementation tool for the Plan. Within a given future land use category, there will be one or more implementing zoning districts, and the development standards for each parcel will be those of the applicable zoning district. *Figure 4: Future Land Use Map* provides the current FLUM with the Project FOIL boundaries shown. *Table 1: Current FLUM Land Use Districts* shows the land use designations of the component properties from north to south in the project area.

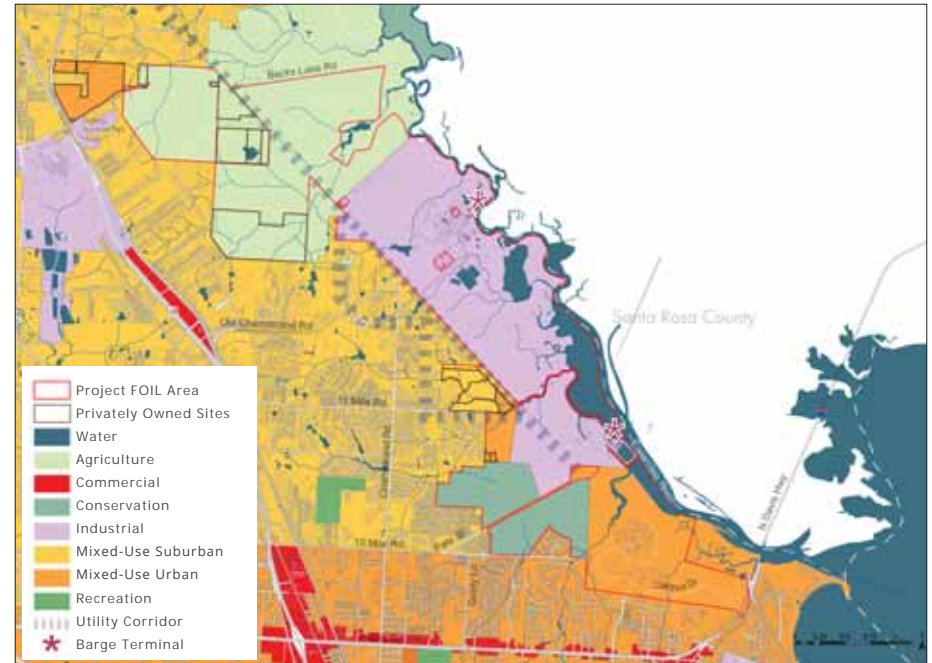


Figure 4: Future Land Use Map

TABLE 1: CURRENT FLUM LAND USE DISTRICTS	
PROPERTY	FUTURE LAND USE DISTRICTS
ECUA	Treatment Plant Area – Industrial (I)
	Excess Property – Agricultural (AG)
Ascend	Entire Area – Industrial (I)
Gulf Power	Majority of Property – Industrial (I)
	Small Area at West Side – Mixed-Use Urban (MU-U)
UWF	Eastern Portion – Mixed-Use Urban (MU-U)
	Western Portion – Conservation (CON)

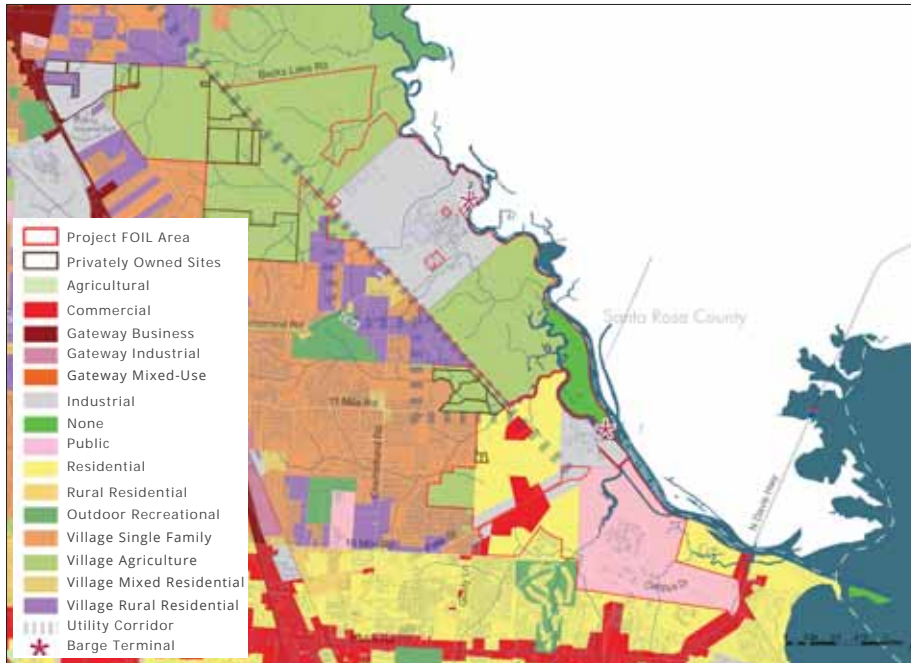


Figure 5: Current Zoning Map

Escambia County Land Development Code and Current Zoning

The County's Land Development Code will guide the development of a Master Plan for the Project FOIL site, as well as the design and construction of individual sites and buildings. *Figure 5: Current Zoning Map* shows the current zoning districts comprising the Project FOIL site and surrounding area.

The map indicates that there are portions of properties within Project FOIL that may be partially inconsistent with their current zoning designation. Although some zoning changes may be required to facilitate the full development of the Project FOIL site for industrial use, the goal of this IDS and Master Plan process is to support integration within the area's existing industrial community, work with the underlying environmental infrastructure, and mitigate potential impacts to the surrounding areas.

This is particularly important for portions of the ECUA and Ascend properties which are currently zoned as Village Agriculture. Adjustments may involve the creation of a new zoning district specifically intended for the project, or use of a Planned Unit Development (PUD) or Overlay Zone. The characteristics and building design characteristics included in the ID-2 General Industrial District, along with the County's Performance Standards are appropriate to Project FOIL. Special requirements desired for Project FOIL but not included in the ID-2 District could be part of Covenants created for the project.

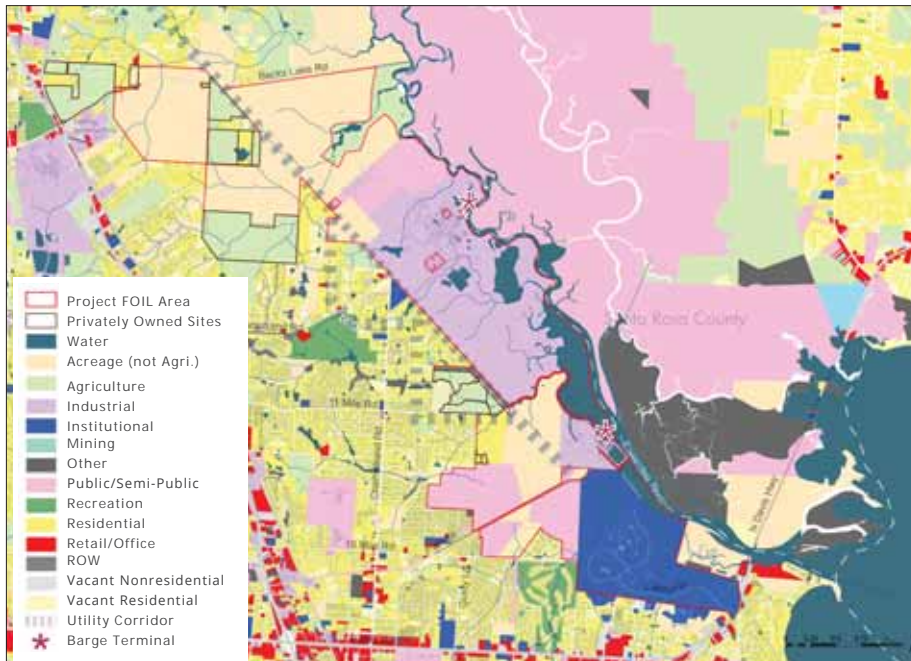


Figure 6: Current Land Use Map

Surrounding Area Land Use

The character of the Project FOIL area at the eastern edge of Escambia County, along the bluff of the Escambia River, can be generally described as limited access industrial with surrounding undeveloped and rural residential land. The current land uses in the areas adjacent to the Project FOIL area include the existing industrial park area on the north end surrounding International Paper at the intersection of US 29 and Becks Lake Road, low density single-family residential and agricultural communities of Cantonment to the west, more developed mixed density residential and commercial uses to the south, and the Lower Escambia River Water Management District across the river to the east.

The scale and relative vacancy of the Project FOIL area, along with its existing adjacent industrial uses, and controlled access contribute to its suitability for additional industrial development. *Figure 6: Current Land Use Map*, depicts the general land uses pattern as identified by Escambia County.

Community Demographic Characteristics

The population within a five mile radius of Project FOIL is at a generally higher socio-economic status and higher educational attainment levels than the rest of Escambia County as well as the wider Metropolitan Statistical Area. According to US Census Data, the population within the adjacent communities has increased at an annual rate of 1.24% over the decade between 2000 and 2010, compared to only 0.11% in Escambia County, and 0.86% in the Pensacola-Ferry Pass-Brent, FL MSA.

Households within the adjacent neighborhoods are earning higher incomes, with a median of \$55,219, compared to \$43,806 and \$48,308 for the County and MSA respectively, and a corresponding lower poverty rates. The rate of home owner-occupied housing in the five mile radius of 72.8% is also significantly higher than the County's 64.9% and the MSA's 61.7%.

SITE CONDITIONS

ACCESS

As indicated on Figure 1: Project FOIL Location on page 11, the Project FOIL site is generally bounded by:

- Becks Lake Road to the north
- The Escambia River on the east
- The southern boundary of the University of West Florida campus to the south
- A variety of residential and business neighborhoods and a “utility corridor” right-of-way to the west

Primary access roads to portions of the project area are:

- University Parkway and Campus Drive from the south to the UWF property
- 10 Mile Road to Pate Street from the west to the Gulf Power Property
- Chemstrand Road from the south and Old Chemstrand Road from the west to the Ascend property and the southern portion of the ECUA property
- Becks Lake Road from US 29 to the northern portion of the ECUA property.

The project site has reasonable access to I-10, an east-west Interstate that runs from Jacksonville, FL to Los Angeles, CA, passing through Mobile, New Orleans, Houston, San Antonio, El Paso, and Phoenix. The project area is less well served by north-south Interstates, with I-65 in Mobile the closest, approximately 48 miles west via I-10. A connection to I-65 is also approximately 55 miles to the north via US 29 and Alabama Route 113.

The Project FOIL site is also accessible from the Escambia River, which forms the eastern boundary of the site. This is a shallow draft river with a shallower draft at low tide. The waterway is part of the Intracoastal Waterway and is maintained by the Army Corps of Engineers with annual dredging. There are two existing barge terminals that provide access to the site: one at the Gulf Power property and one at the Ascend property. Due to Homeland Security requirements, the Gulf Power barge terminal is unlikely to be available for use by others. The Ascend terminal can be used by others with appropriate scheduling. There is the possibility of developing additional terminal areas.

The Project FOIL site is served by rail. A CSX freight line runs just to the west of the project area, connecting to the Port of Pensacola. CSX is a Class 1 freight line, which means it is one of the biggest in the country. The Alabama & Gulf Coast Railroad (AGR) also uses this line and intersects with the CSX in Cantonment, a short distance north of the project area. The Ascend property connects to the CSX line by the Gonzalez Spur. *Figure 7: Access Map* shows the rail lines in Escambia County.

AVAILABLE LAND

The overall project area is long and narrow, angled from southeast to northwest. As shown in *Figure 8: Parcel Ownership* and summarized in *Table 2: Land Available for Project FOIL* below, the project area encompasses roughly 6,350 acres.

With an overall project area of this size and configuration, it is anticipated that individual sites will be developed in multiple phases. This report identifies those portions of the overall project area that are available and most developable for the first phase of the project, and those types of development that are most likely to occur as part of Project FOIL. Privately owned properties adjacent to the project area have also been identified if the potential exists to be integrated (through individual private development or eventual acquisition) into the development framework of the future industrial campus.

Not all of the land area shown in *Table 2* and in *Figure 8: Parcel Ownership* is available for future development as part of Project FOIL. Some of the land area is already in use by the property owners or tenants, planned for future use, or restricted by other considerations. Interviews with the property owners indicated a range of availability of “excess” land, and subsequent GIS analysis resulted in the land area availability calculations shown in *Table 2*.

TABLE 2: LAND AVAILABLE FOR PROJECT FOIL	
PROPERTY OWNER	TOTAL AREA (ACRES)
Emerald Coast Utilities Authority (ECUA)	2,173
Ascend Performance Materials LLC (Ascend)	1,781
Gulf Power Company (Gulf Power)	761
University of West Florida (UWF)	1,634
TOTAL	6,349

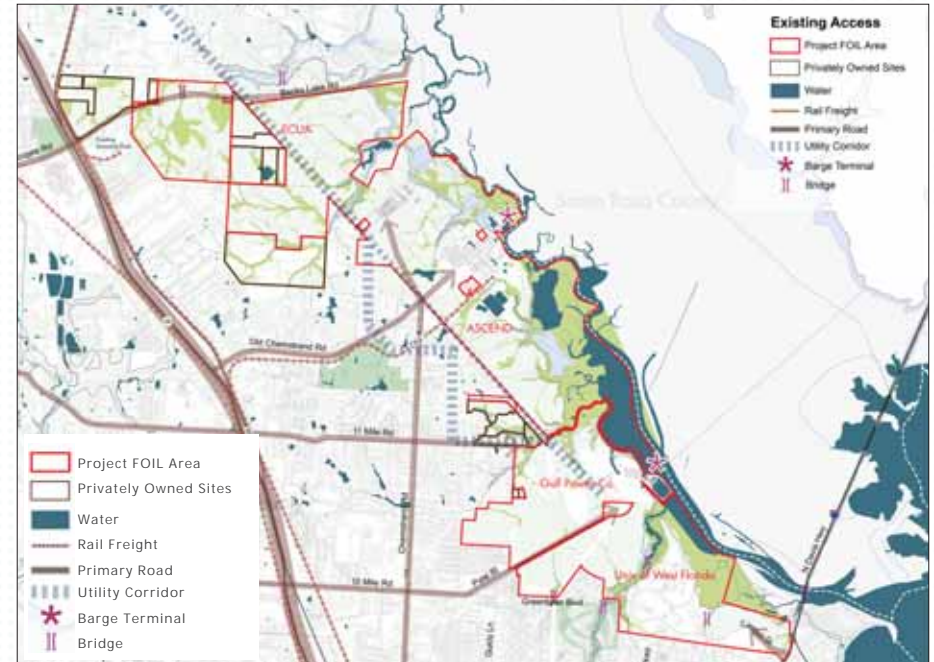


Figure 7: Access Map

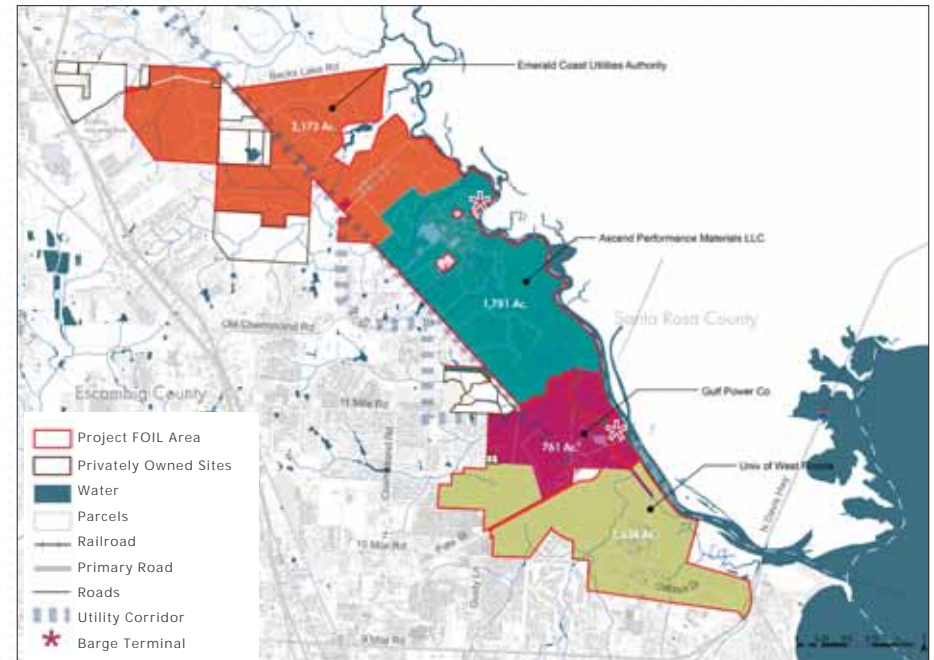


Figure 8: Parcel Ownership

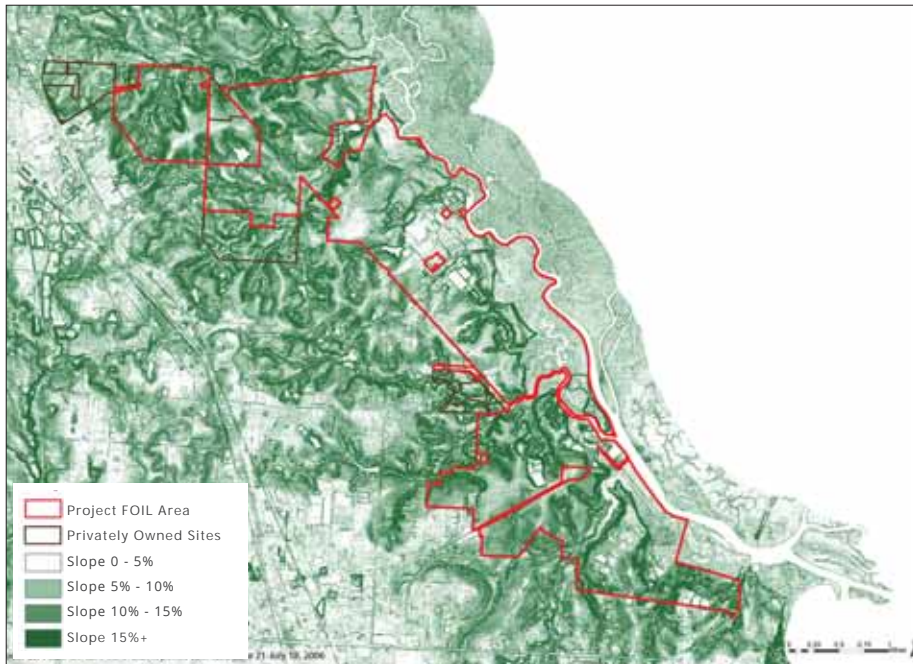


Figure 9: Slope Study Map

TOPOGRAPHY

Figure 9: Slope Study Map, uses a digital elevation model to produce a topographic map for the Project FOIL area with the areas of steep slopes (above 15%) identified. The project area elevation ranges from approximately ten feet along the Escambia River to 108± feet at the highest point of the project area in the northwestern corner.

The eastern portion of the site is relatively flat along much of the approximately six-mile river frontage, and has significant wetlands and floodplain associated with the river. The project area then rises fairly steeply to about 50 feet, with the bulk of the developable area in the 60 to 100 foot elevation range. The majority of the western two-thirds of the project area are gently rolling.

WETLANDS AND FLOODPLAINS

The eastern edge of the Project FOIL area has significant wetland coverage due to the relatively flat nature of the project area and lack of changes in topography along the Escambia River. Figure 10: Environment Map, shows the location of the wetlands and floodplain. The majority of the floodplain is 100-Year Floodplain (that is, there is a 1% chance of flooding every year), with small areas of 500-Year Floodplain. Despite the presence of wetlands and/or floodplain in certain portions of the Project FOIL site, there are considerable areas suitable for development in the upland portions of the site.

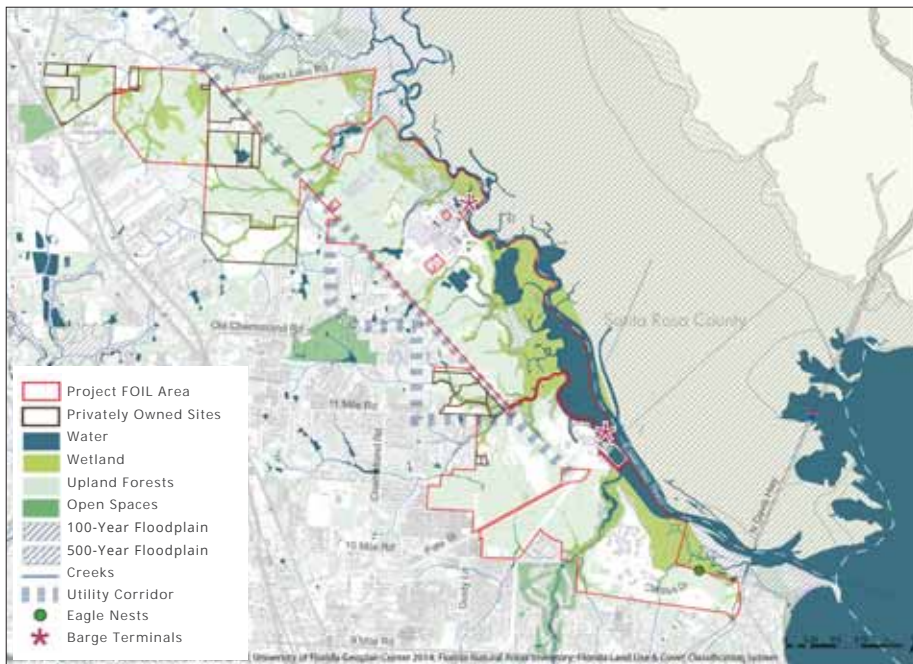


Figure 10: Environment Map

WATER BODIES AND WATERCOURSES

Figure 10: Environment Map also shows the water bodies and watercourses that run throughout Project FOIL. The site is laced with several small streams and brooks, all leading to the Escambia River. Most have associated wetlands. The largest (Thompson Bayou) crosses the UWF property, dividing it into a southern site (where the campus is located) and a northern site earmarked for future university-related development. It is not possible to cross this bayou by road without expensive bridging. This natural separation provides a logical division and opportunities to buffer the campus from potential development impacts.

There are three sizable water bodies within the Ascend property, one of which is man-made or enhanced. A fourth pond is on property that is an out-parcel between portions of the ECUA site. Other water bodies and watercourses scattered throughout the site are not of a size, number, or location to negatively impact development, and may be suitable for incorporation into area drainage or landscaping plans.

SOILS

There are over thirty different soil classifications existing in the Project FOIL area. Among these soils types exists a range of density, porosity, and stability characteristics that will inform individual site plans, future construction activities, and ultimately industrial operational considerations. Much of the upland areas consist of sands and sandy loams, whereas the lower lying and wetland areas have more muck and fluvaquants.

GENERAL LAND COVER

Figure 11: Land Cover shows the General Land Cover of the area as it existed in 2004 (prior to the development of the ECUA plant). As the map indicates, a majority of the area is covered with upland forests, but will not likely limit development potential. At this time, it is not known if any of the forest areas contain “specimen trees” that would be considered of historical or ecological importance. For a development of this size, there are several potential impacts of significant tree cover:

- The cost of tree removal as part of site preparation
- Potential for marketable timber that can generate revenue
- Some of the trees and other vegetation may become part of individual lot landscaping plans

ENVIRONMENTALLY SENSITIVE AREAS

While there are some scattered strategic habitats on the Project FOIL site, they are designated as Class 5 habitats, the lowest priority on the prioritized ranking of the Florida Fish & Wildlife Conservation Commission (FWC). A comparison of additional environmental data shows that these habitats are generally spatially consistent with the wetland areas associated with the Escambia River or watercourses in the project area. These habitat areas will inform the layout of individual sites, but they are not likely to pose additional limitations on development. There is an area within the ECUA property which is a habitat for a species of endangered turtles.

AREAS OF HISTORICAL OR ARCHAEOLOGICAL IMPORTANCE

The Project FOIL area contains no documented areas of historical or archeological importance. Additional research may be necessary as individual sites for development are identified for design.

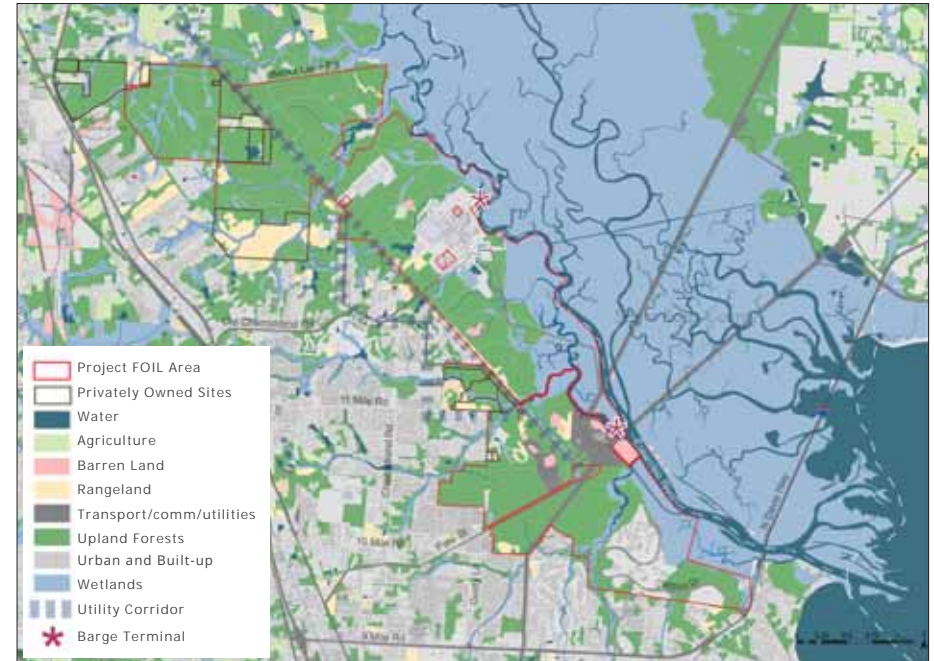


Figure 11: Land Cover

AMENITIES

The presence of public amenities on-site is limited today. A pedestrian and bicycle trail network does exist within the UWF campus on the south side of the project area, used by students and visitors to the campus. The Edward Ball Nature Trail is a 1/2-mile pedestrian boardwalk that takes visitors through Thompson's Bayou, a hardwood swamp area of UWF. A series of mountain bike trails are also accessed by visitors with a range of skill levels through the UWF property. According to the University, over twenty miles of looped trails are accessible on the property on both sides of Pate Street.

In addition to the amenities associated with UWF, a small natural area to the north end of the project area along the Spanish Mill Creek is used by International Paper as a facility for company events.



Accessibility to over twenty miles of existing looped trails (Bluffs Park, Pensacola).



International Paper Private Recreational Area

VIEWS

Areas within Project FOIL with higher elevations afford spectacular views of the Escambia River, and its delta to the east.

SUPPORTING INFRASTRUCTURE

Roads

As discussed on page 18 regarding Access and shown in *Figure 1: Project FOIL Location* on page 11, primary access roads to portions of the project area include:

- University Parkway and Campus drive from the south to the UWF property
- Pate Street from the west to the Gulf Power Property
- Chemstrand Road from the south and Old Chemstrand Road from the west to the Ascend property and the southern portion of the ECUA property
- Becks Lake Road from US 29 to the northern portion of the ECUA property.

The first phase of the site's developable area is located in the northern half of the Project FOIL site. Because of the long, narrow configuration of the site, the driving distance to the nearest access point to I-10 varies from about 6.5 miles in the vicinity of the Ascend plant to 9.5 miles at the northern entrance to the property off Becks Lake Road.

Road improvements will likely be needed for adequate access to the northern portion of the project area off Becks Lake Road. This would help to improve driving time from this portion of the project area to I-10. This driving distance is not ideal for businesses with extensive trucking needs, but is suitable for many manufacturing operations.

Rail

The central portion of the project area is accessed by the Gonzalez Spur off the CSX mainline that connects to the Port of Pensacola. Extension of this spur or installation of sub-spurs appears possible. This spur is reported to be only 50% utilized with support from the railroad for additional use. Expansion of rail car storage space would likely be necessary under increased usage. There may also be the possibility of installing another spur into the northern portion of the Project FOIL area along Becks Lake Road.

Barge Capability

There are two existing barge terminals on the Escambia River associated with the Project FOIL area. One, used to bring in coal for the Gulf Power James F. Crist Plant, has no extra capacity. The second, used by Ascend, is at 50% capacity and could be available for other companies to use with proper scheduling and using the same inspector. This wharf could be extended (at an estimated cost of \$2 million). There are also two portions of the Escambia River frontage that may be suitable for development to support additional barge traffic.

Easements, Rights-of-way, and Other Property Crossings

The Project FOIL area is currently crossed by several existing roads and a rail spur. Of particular importance is Pate Street, which provides access to the Gulf Power generating plant. Because this is the primary vehicular access to the generating plant, it is governed by Homeland Security regulations.

A major portion of the Project FOIL area's western boundary is created by a "utility corridor" right-of-way that includes a Gulf Power transmission line (which departs and then rejoins the corridor), a sewer main to the ECUA wastewater treatment plant, a reclaimed water distribution line from the ECUA plant to the Gulf Power Plant, and a Gulf South natural gas pipeline. Because it is on the edge of the project area, it will not impede development. This ROW also cuts diagonally across the northern portion of the UWF property.

In addition to the reclaimed water line to Gulf Power, ECUA also provides reclaimed water to the International Paper plant to the west via a separate distribution line. Both the utility corridor and ECUA reclaimed water line to International Paper (as well as other project area features) can be seen in *Figure 12: Utilities*.

While the Project FOIL area has several types of existing property crossings, they are minimal for a project of this size, and located in such a way that they will cause little or no interference with future development, or negatively impact marketability.

Stormwater Management

With the exception of the retention ponds serving the developed properties within the Project FOIL area, there is limited current stormwater management occurring on-site. As undeveloped lands, the majority of the project area currently drains through the existing network of wetlands and creeks to join tributaries that flow to the Escambia River. As the Project FOIL campus develops, additional stormwater management efforts will utilize new green infrastructure to treat and store runoff associated with wet weather events.

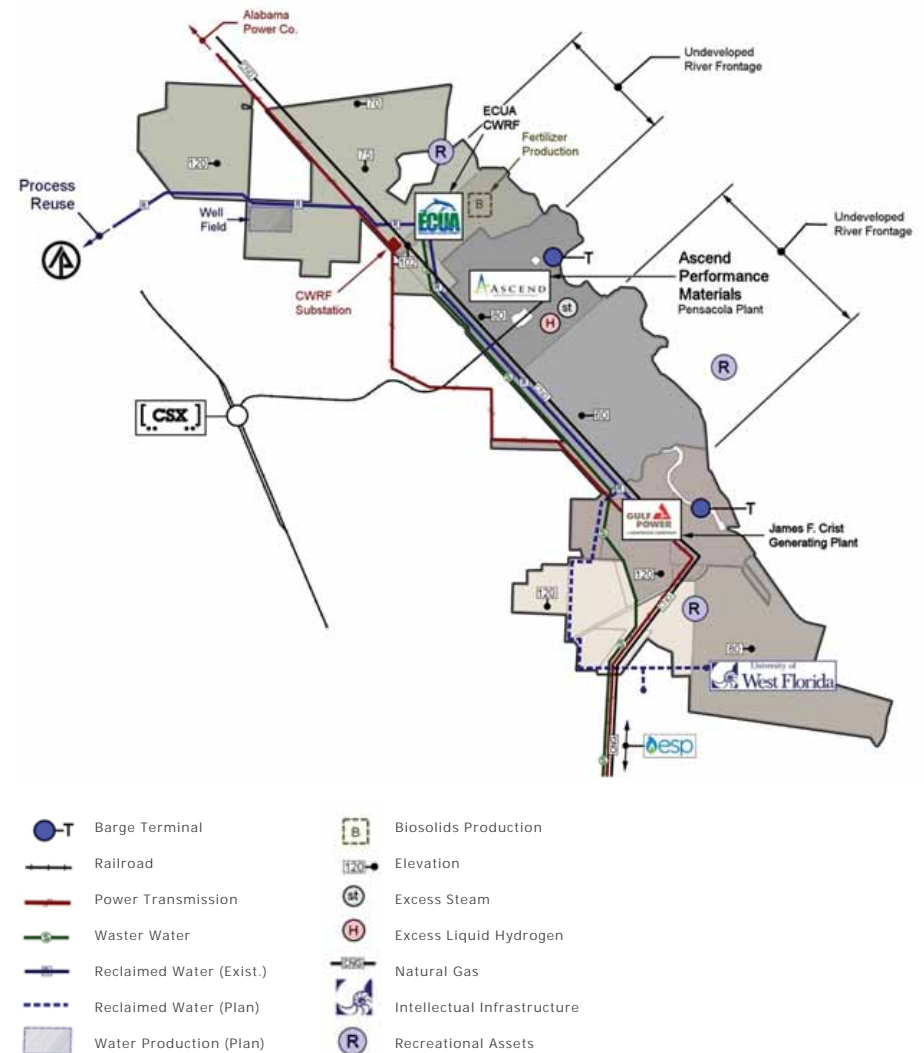


Figure 12: Utilities

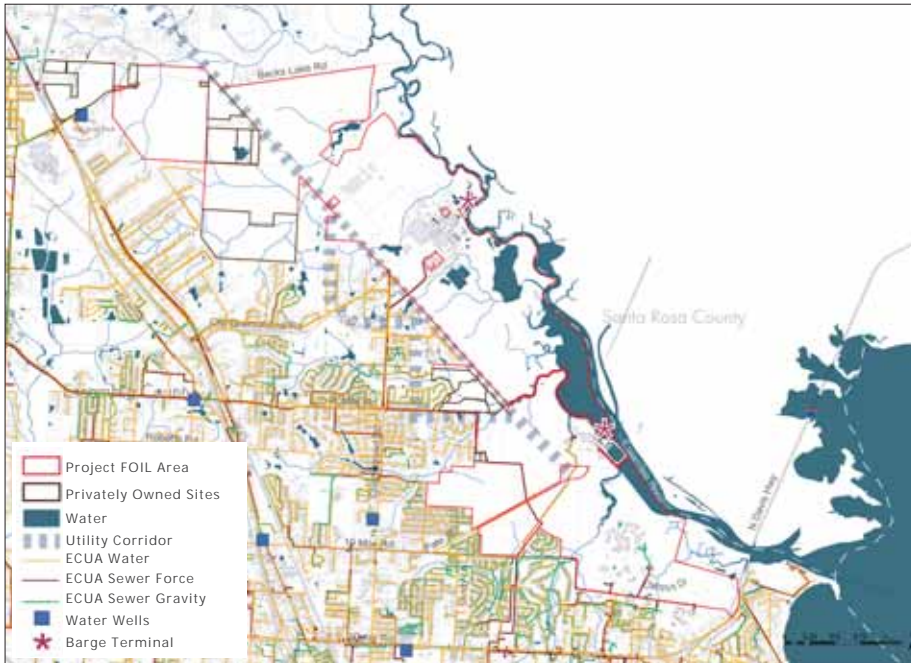


Figure 13: Water and Sewer Service



Credit: Baskerville-Donovan

ECUA Treatment Plant

Public Water

Water and wastewater treatment services throughout Escambia County are provided by ECUA, which currently pumps more than 13 billion gallons of water annually to more than 90,000 customers—an average of more than 35 million gallons daily. Due to the presence of residential neighborhoods to the west and scattered but major industrial areas, the Project FOIL site has available water, and is located on top of an extensive aquifer. ECUA has 32 water wells distributed throughout its service area that pump water from the underlying sand-and-gravel aquifer. As shown in *Figure 12: Utilities*, there are seven ECUA wells in the vicinity of the Project FOIL area. Each well is considered a separate treatment plant, where water quality parameters are adjusted to comply with operating standards.

Public Sewer

The Project FOIL site is served by an existing public sewer system, as depicted in *Figure 13: Water and Sewer Service*. ECUA also has a reclamation facility located on site. This state-of-the-art treatment plant opened in August 2010 and has been designated as an Advanced Wastewater Treatment (AWT) facility, meaning it will produce effluent of a very high quality, which will be disinfected to the level required for unrestricted exposure to the public.

The ECUA treatment plant currently has a design capacity of 22.5 million gallons per day (MGD) and an average daily use of 12 to 14 MGD. The surplus of 8.5 to 10.5 MGD will handle future growth needs under the current level of growth for many years. This may change if Project FOIL results in development requiring substantial treatment capacity. While the ECUA plant can be expanded, there are no specific plans at this time.

Electric Power

Existing facilities within the Project FOIL site are powered by the Crist Plant, a coal-fired generating plant with four generating units. The plant has a nameplate capacity of 970,000 kilowatts (kW). (A nameplate capacity, also known as the rated capacity, nominal capacity, installed capacity or maximum effect, is the intended full-load sustained output of a facility such as a power plant.) A 69,000 volt transmission line runs from the Crist Plant to ECUA and reportedly can be increased. A portion of this line is in the utility corridor previously discussed that comprises some of the western border of the site. There are several substations in the vicinity, including one on the ECUA property.

Gulf Power's corporate headquarters are in Pensacola. The company is part of the Atlanta-based Southern Company, which also owns Alabama Power. This creates the possibility of a dual-feed capability to the Project FOIL area, a situation that is already

being used by ECUA. The dual feed capability can be important to manufacturers that are dependent on power reliability (for instance, major printing plants). Gulf Power itself operates at a 99% reliability level.

The availability of substantial electric power and the dual feed capability strongly support the development and marketing of an environment for manufacturing uses as is envisioned for the future industrial campus.

Natural Gas

Natural gas can be important to industrial plants for heating or cooling use. The Escambia County/ Pensacola area receives natural gas services from Gulf South Pipeline Company, LLC (Gulf South). There are no known limitations on gas availability or pressure. The availability of high pressure natural gas within the Project FOIL area supports the project concept of a master-planned, multi-modal industrial park.

Telecommunications

As with any significantly developed area such as Pensacola, there are multiple telecommunications providers serving the area. The Greater Pensacola website specifically identifies AT&T and Cox Business as major telecommunications providers in Escambia County. Verizon provides the Wi-Fi service for the UWF campus. According to the Greater Pensacola Chamber's website, there are 25 or more high-speed carriers serving the area, with IT average upload speed of 4.63 Mbps (megabits per second) and average download speed of 23.61 Mbps.

Opportunities & Constraints

The existing infrastructure capacity, access to multiple transportation facilities, and proximity to current industrial operations represent significant opportunities that support the anticipated uses. The goal of the IDS is to identify these opportunities and leverage the site's inherent potential for future development.

As shown in *Figure 14: Existing Synergies Diagram*, existing synergies include:

- Reclaimed Water, produced by ECUA: currently sold to International Paper and Gulf Power for process water this supply could be made available to future additional users.
- Excess Steam, produced by Ascend: Steam is used industrially for a variety of purposes such as heating and sterilization; propulsion or drive power; a motive force to drive liquids and gas streams in piping; atomization of fluids used

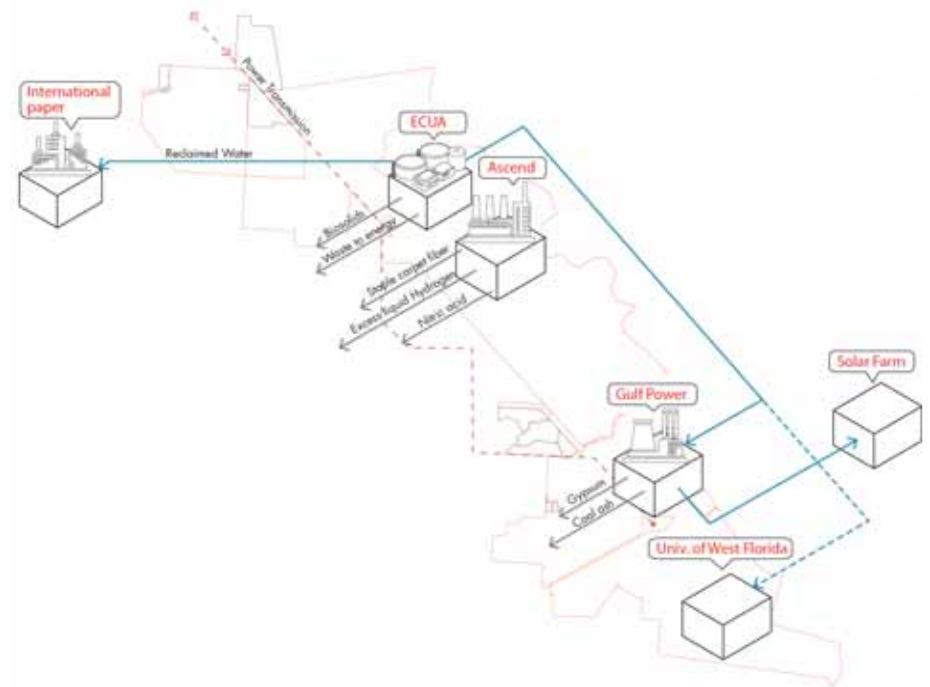


Figure 14: Existing Synergies Diagram

in various processes; cleaning; moisturization; and humidification. Thus the availability of steam may be attractive to a wide variety of industry types.

- Biosolids and Methane, produced by ECUA as byproducts of the wastewater treatment process: Methane has a variety of industrial applications including cooking, electrical power generation, vehicle fuel, and as a feedstock in petrochemical plants to create many different compounds and products. The biosolids also have industrial applications, in particular, fertilizer production and soil conditioning because they are nutrient-rich.
- Coal Ash and Gypsum, produced by Gulf Power: Gulf Power has intermittent buyers of their coal ash by-product, with the most common usage for construction materials, in particular, concrete. Gypsum is a by-product of the scrubbing process for maintaining air quality. While gypsum is most frequently thought of as part of construction material (e.g., dry-wall), it has many other uses such as a binder for clay tennis courts and a component of foot creams, shampoos, and other hair products.

DEVELOPMENT SUITABILITY

As part of the initial phases of the Project FOIL master plan process, an analysis of development suitability was produced in an effort to identify the areas within the project boundary that are most appropriate for future development, and least likely to have a negative impact on the surrounding environment.

Using geographic information system (GIS) software, a series of raster files representing each of the selected environmental indicators listed above was created. Each factor was given a numeric score from 0 to 10 to weight how likely the indicator is to impact the environment. The higher the score, the least likely potential future development will adversely impact the local environment. Each indicator used in the analysis is described below:

1. Out of Bounds Areas: Those portions of the site such as waterways and wetlands, which are not appropriate for future development and are excluded from the analysis (shown in white on the map).

2. Factors of Susceptibility: After excluding the areas considered out of bounds, the potential development suitability analysis was applied to remaining lands within the project area. Lands with the least environmental impact—i.e., most appropriate for future development—were given a score of 10 to indicate their high level of “developability.” Lands with higher environmental susceptibility were given a lower score, with ‘0’ representing the areas with the highest potential for impacting the local environment.

The following factors were all weighted equally:

- *Proximity to existing roadways:* Areas with existing access of any kind have a higher relative degree of developability than areas with less existing access.
- *Slope:* Existing topography will impact which sites are most suitable for development. General clearing and grading will be necessary to accommodate development, but areas with the steepest slopes can be avoided.
- *Integrated Wildlife Habitat Ranking System (IWHRS):* The IWHRS was developed to determine ways to avoid or minimize project impacts. This data ranks Florida’s landscape based on the needs of wildlife. In terms of development suitability within the Project FOIL site, lands with the highest rank for integrated wildlife habitat received the lowest rank of 0 for development suitability.
- *Floodplains:* Areas that are outside of the 100 and 500 year floodplain were

assigned the highest developability rating factor of 10. Land within the 100 year floodplain was assigned a rating of 0 (least appropriate for development), followed by areas within the 500 year floodplain which were assigned a rating of 5.

- *Strategic Habitat Conservation Areas:* The Florida Fish & Wildlife Commission provides a system to rank potential habitat throughout the state. The lowest category (5) has been identified for portions of the site adjacent to existing waterways, and all other areas were ranked as more suitable for development.
- *Potential Habitat Richness (Diversity):* This analysis utilizes the Florida Fish & Wildlife Commission ranking system to inversely account for development suitability. Areas with the highest potential habitat richness were ranked with a 0, whereas areas with the lowest habitat richness were ranked with a 10, indicating their higher level of development suitability.

The combined results of the analysis are overlaid in *Figure 15: Composite Development Suitability Ranking*. Based on the development suitability analysis, underlying existing conditions, access and industrial development requirements, eleven sites were initially identified for future development within the Project FOIL area and adjacent privately owned properties. These sites are described in Section 2 of this IDS report.



Credit: Flickr_ Bifinger SE

MARKET ANALYSIS

The Project FOIL Market Analysis considers four major elements:

1. The Demand Side that assesses whether there is enough demand to justify undertaking the project as currently envisioned.
2. The Supply Side that looks at competition for the demonstrated demand.
3. Target Industries that offer the greatest potential for development of Project FOIL.
4. Workforce characteristics that will be one of the most important supporting or limiting factors for future economic growth in Escambia County.

THE DEMAND SIDE

The project concept for Project FOIL is to develop an industrial park aimed at large manufacturers. This concept is supported by multi-modal transportation opportunities, robust utility infrastructure, and the availability of other commodities and services not frequently found in other industrial parks (for instance, process steam and methane) – but the essential questions are:

- Do trends in U.S. manufacturing indicate a demand for a large industrial park?
- Are there enough larger manufacturing projects to justify an industrial park focused on that market segment?
- Is Northwest Florida the right location for this type of project?

U.S. Manufacturing Trends

Research undertaken for this project led to the following conclusions:

- The American manufacturing sector remains strong and is growing significantly. While manufacturing employment continues to decline, manufacturing output continues to increase.
- The “decline” in American manufacturing is due in part to increased productivity from automation and robotics that has reduced the need for human workers and in part due to growth in other sectors of the domestic economy that make the manufacturing sector a smaller portion of overall economic activity.
- While U.S. manufacturing may be going through a period of fundamental change, the U.S. economy still includes a substantial amount of manufacturing activity. The amount of low-value commodities production may have declined, but the amount of high value production has increased.
- Multiple major real estate firms report a continuing increase in demand for industrial sites and project this trend will continue.

Project FOIL is justified in terms of what is expected to be continuing growth in U.S. manufacturing, particularly for higher value items. There will be the need for new sites with a preference by many companies for a location in a master-planned and effectively managed industrial park.



Credit: Flickr_Rian Castilla

Naval Air Station Pensacola is home to the Blue Angels flight demonstration team and the National Aviation Museum.



Credit: Flickr_JDeeringDavis

World class beaches and amenities.



Credit: UWF

University of West Florida, located just south east of the Bluffs is a comprehensive research university.



Credit: Flickr_Chapstickaddict

Gulf Power Company from the Escambia River.

Demand by Larger Projects

- Data obtained from Conway Data for the two-year 2013 – 2014 period shows a total of 1,231 projects of 150,000 square feet or larger, or an average of about 615 per year nationwide. Of the total, 38 were in Florida, or an average of 19 per year.
- Of the total, 459 projects (37.3%) were pure manufacturing or had manufacturing as a component. This is an average of 230 large manufacturing projects a year nationally.
- These projects were of a very broad range of industrial sectors, indicating there will be broad opportunities to diversify the local manufacturing base.
- For the past two years, Florida has averaged only five to six large manufacturing projects per year. This underscores the need for patience in the build-out of an industrial park aimed at large projects. It is possible the low level of activity is due in part to a lack of suitable sites in good locations and environments for large manufacturers. This underscores both the potential importance of a project such as FOIL in helping Florida increase the manufacturing portion of its GSP, as well as the importance of an effective Project FOIL design to make it as desirable and competitive as possible.

Over the past two years (2013 – 2014) there has been a healthy level of large manufacturing projects nationwide. While the level in Florida has not been as robust, this may be due to a lack of affordable, large sites targeted at this market – a deficiency Project FOIL can alleviate.

Is Florida, and particularly Northwest Florida, a good location for large manufacturing projects?

- The southeastern region of the U.S. is one of the strongest for manufacturing and is expected to remain so. However, Florida has been lagging behind.
- Despite acknowledged limitations of Florida's competitiveness in the past, the state has had a reasonable level of success including larger projects such as may be interested in a Project FOIL location; Project FOIL can counteract several of the reasons for projects that considered Florida but did not pick the state.
- Those competitiveness weaknesses, as noted in the "Florida Target Industries Competitiveness Report" released in September 2012 include:
 - » Florida does not currently have an adequate supply of buildings and sites to meet the needs of prospective companies.

- » When real estate is available, real estate prices and development approval processes can be a significant deterrent.
- » “Improve portfolio of sites and buildings” is the first item listed for improving this situation.
- » In the evaluation of real estate and infrastructure as it pertains to the state’s manufacturing target, the report notes “Available and affordable real estate is improving, but land costs in Florida are still generally much higher than competing manufacturing sites.

Project FOIL is a very effective response to these weaknesses.

- The Pensacola-Escambia area is an active one, with a total of 77 project contacts in the three-year 2012-2014 period, of which 54 were considered to be true prospects for the area. This is an average of 26 contacts and 18 prospects per year, a healthy level. The majority of contacts and prospects are for manufacturing projects; 30% of the manufacturing prospects are looking for a site for construction. This is higher than the current national demand of about 15% for sites for construction.
- Although Project FOIL does not yet exist, there have already been relatively regular inquiries about sites for larger projects in the area.
 - » These are primarily manufacturing in nature, with one recycling operation.
 - » The site sizes range from 20 to 50 acres (with possible expansion capability).
 - » Four of the five projects required rail service.
 - » One required access to a seaport.

Project FOIL can meet all of the needs indicated by these large prospects. The southeast region of the U.S. is one of the most desirable for new manufacturing plants. Florida has been underperforming in this sector but has been aggressively addressing competitive weaknesses. Project FOIL will be a critical part of this improvement and a desirable location for new, large manufacturing plants.

Demand Side Conclusions

The Project FOIL market research results in the following conclusions:

- There is strong market support for creation of Project FOIL as envisioned.
- On average, Project FOIL can conservatively expect to attract one project every four years.
- Site planning for Project FOIL should concentrate on creating lots in the 20 to 50 acre range with the capability of combining adjacent lots to create larger lots, or if future market demands are higher for the smaller end of the size spectrum, subdividing larger lots.
- Project FOIL will be very competitive with an initial asking price of \$20,000 - \$22,000 per acre.

THE SUPPLY SIDE

The development of Project FOIL will not occur in a vacuum. There are other locations that will be competing aggressively to capture the same projects that will be of interest to the Escambia County region. There are two categories of geographic competition:

- Some competition will come from other real estate opportunities already in Escambia County or nearby;
- Additional competition will be from other areas and existing real estate opportunities located at greater distances from the County.

These two categories can be differentiated as competition within the Escambia County region (“local” competition) and competition between Escambia County and other regions.

“Local” Competition

This category of competition includes available industrial or similar buildings and sites in Escambia County and other nearby Counties. The research focus was on larger buildings and sites, as that is the primary intended market for Project FOIL.

- At the time of the research (June-July 2015), within the region comprised of the Florida Counties of Escambia, Santa Rosa, Okaloosa and Walton, and the Alabama Counties of Baldwin and Escambia, there were 97 available buildings, only five of which were suitable for larger occupants (more than 100,000 square feet).
- In the same six-county region, there were 52 available sites, of which 15 are large in size; the majority lack rail service and are therefore at a competitive advantage for manufacturers requiring rail.

There is limited competition from either existing industrial buildings or available sites of any substantial size, and particularly with rail service within the multi-county area surrounding or nearby the Project FOIL site.

Other Competing Areas

Seven locations outside the “local” area discussed above were identified as primary competition for a Project FOIL location. These are the Lake Charles, Louisiana Metropolitan Statistical Area (MSA); the Lafayette, LA MSA; the River Parishes Port of South Louisiana; the New Orleans-Metairie-Hammond, LA MSA; the Gulfport-Biloxi-Pascagoula, Mississippi MSA; the Mobile, AL MSA; and Panama City, FL MSA.

These areas were selected based on the following factors:

- They are relatively close to the Project FOIL location. The greater the geographic separation, the less likely competition is between places.
- They are on or near the Gulf Coast in the southeastern region of the United States. Companies in a site search mode generally concentrate on a single region unless their preferred area of operations is near the border between two regions.
- The competitor areas have existing buildings and/or sites aimed at heavier industrial uses. These areas are fully served with road access and utility and telecommunications services.
- These areas have good access to an Interstate highway, with I-10 linking them all.
- They also have other transportation options – rail and/or waterborne freight capability.
- They have a growing population and therefore available workforce.
- That workforce has manufacturing or other industrial skills.
- They offer incentives to attract industrial uses.

Land pricing was not considered as a gauge of competitiveness for two primary reasons: first, the asking price for many of the available sites is not known or is shown as “Negotiable”; second, a part of that negotiable price can be the use of the land value as an incentive, with the actual price reflecting the type of use or number of jobs that are created by a specific company.

These competitor areas were evaluated in terms of:

- Available industrial real estate, particularly for larger projects and for “certified sites”
- Transportation access
- Population, workforce and industrial skills
- Available incentives

A summary assessment of each of the seven competitor areas is:

- The **Lake Charles MSA** is a weak competitor because of its geographic separation, lack of large industrial buildings or sites for development with multi-modal capability, and slowing population/workforce growth.

- The **Lafayette MSA** is a strong competitor for manufacturing operations. However, the region's competitiveness is minimized by its lack of available large industrial sites or buildings. It is also the least competitive for those companies seeking proximity to Gulf of Mexico shipping opportunities as there is no local port.
- The **Port of South Louisiana** area is very competitive in terms of available land and demonstrated workforce with manufacturing skills. It also has the advantage of proximity to the greater New Orleans area. It is heavily port and waterborne freight oriented, which is not the primary emphasis of Project FOIL, but certainly a secondary factor due to Project FOIL's shallow-draft barge capability and linkage to the Port of Pensacola.
- The **New Orleans-Metairie-Hammond MSA** will be strong competition for Project FOIL due to its name recognition, urban scale, available real estate and extensive multi-modal development opportunities.
- The **Gulfport-Biloxi-Pascagoula MSA** will compete with Project FOIL because of its available properties, five of which are already Mississippi Power "Project Ready" Certified Sites. The region has equivalent transportation infrastructure and a strong manufacturing workforce. On the other hand, as damage from past hurricanes has shown, the region may be at a competitive disadvantage because of Project FOIL's more inland location that affords protection from storm surge and slightly reduced wind velocity. The region also has the disadvantage of three separate economic development organizations rather than the single point of contact Project FOIL offers.
- The **Mobile MSA** already competes with the Project FOIL area because of the short distance (59 miles) between the two. The MSA has reasonable real estate availability and excellent multi-modal transportation capabilities, but currently appears to have a stagnating population level that may limit future workforce availability.
- The **Panama City MSA** is the smallest population and labor area studied; while this is a growing population area, that population has higher concentrations of older age groups than other areas studied. This MSA also is less competitive than the Project FOIL area in terms of available real estate for large projects and proximity to I-10.

Supply Side (Competition) Conclusions

While competition for Project FOIL will be substantial and aggressive, none of the areas studied has characteristics that will make it the winner every time. Project FOIL offers a unique blend of features that will lead to success in attracting its target of larger industrial operations. However, given the sheer size of the project area and competition, patience will be required as Project FOIL is developed and occupied over many years in multiple phases. Project FOIL, or portions thereof, should obtain Certified Site status from Gulf Power and CSX.



Credit: Baskerville-Donovan

Port of Pensacola



Credit: Flickr_University of Salford

Solar panel manufacturing

TARGET MARKETS

The Target Industrial Markets Report recommends the industry sectors best suited for the Project FOIL Site. These targets can be pursued, developed and nurtured through a combination of marketing, workforce development, infrastructure development, real estate development, and other initiatives as recommended in the Industrial Development Study (IDS). Combined or alone, the recommended targets will contribute to Escambia County's economic diversification; its overall wealth and quality of life; and the retention, development and attraction of business activities that match the assets of the Project FOIL Site.

The recommended targets emerged from an assessment of industry sectors previously identified by the Greater Pensacola Chamber of Commerce/PEDC, Florida's Great Northwest (FGNW), Enterprise Florida (EFI) for Escambia County, and those that emerged from the Wadley-Donovan/Garnet consulting team's research specific to the FOIL Site.

This research involved a review and analysis of the research conducted by, and reports produced by the The Haas Center; reports and information provided by the Greater Pensacola Chamber; the EFI *Florida Target Industry Competitive Report*; data provided by EMSI, the US Bureau of Labor Statistics, Nielsen-Claritas, IBISWorld, the Brookings Institute, the American Association of Port Authorities, and others; interviews with representatives of companies with facilities on or proximate to the FOIL Site, and key Chamber staff and other stakeholders. This research ascertained which of the target industries, or clusters, identified by PEDC, FGNW and EFI for Escambia County or for Northwest Florida were best suited for the FOIL Site, and uncovered additional targets.

The review and analysis led to the identification of the following eight industrial targets. They are divided into two categories: primary targets that offer the strongest opportunities for the Site, and secondary targets that offer attraction potentials, but at levels that are not as strong as those within the primary category.

Primary Targets

1. Chemical Manufacturing
2. Transportation Equipment Manufacturing
3. Inland Port

Secondary Targets

1. Machinery Manufacturing
2. Nonmetallic Mineral Product Manufacturing
3. Renewable Energy
4. Green Industry
5. Composite Product Manufacturing

WORKFORCE ANALYSIS

Labor market evaluations are important for economic development organizations to identify the strengths and weaknesses of their area's labor market as a critical foundation for their economic development strategic planning; development of marketing messages and remedial programs; target industry development; business retention, attraction, and creation, among other initiatives. The availability of a workforce to meet their skill needs is one of the top requirements for companies across the industry spectrum seeking a location for their operations.

The Workforce Analysis portion of this report evaluated the labor market capabilities of Greater Pensacola to support manufacturing operations on the Project FOIL Site. Development of the Site is projected to produce over 15,000 jobs requiring a variety of manufacturing skills, many of them highly technical, plus jobs needing administrative, professional and management experience and knowledge. Even though these jobs will be added over several years, Escambia County will be challenged to meet some of the workforce requirements of manufacturing companies locating operations on the Site. This report identifies those skill gaps and other challengers facing the County, plus the many advantages offered companies locating in the Project FOIL Site.

This labor market assessment gives specific attention to the three primary targets and five secondary industrial targets discussed above.

This report uses data obtained through interviews with representative educators, elected officials, economists, employers, Greater Pensacola Chamber of Commerce staff, workforce officials, and other stakeholders; and from reviews previously completed reports.

The analysis includes:

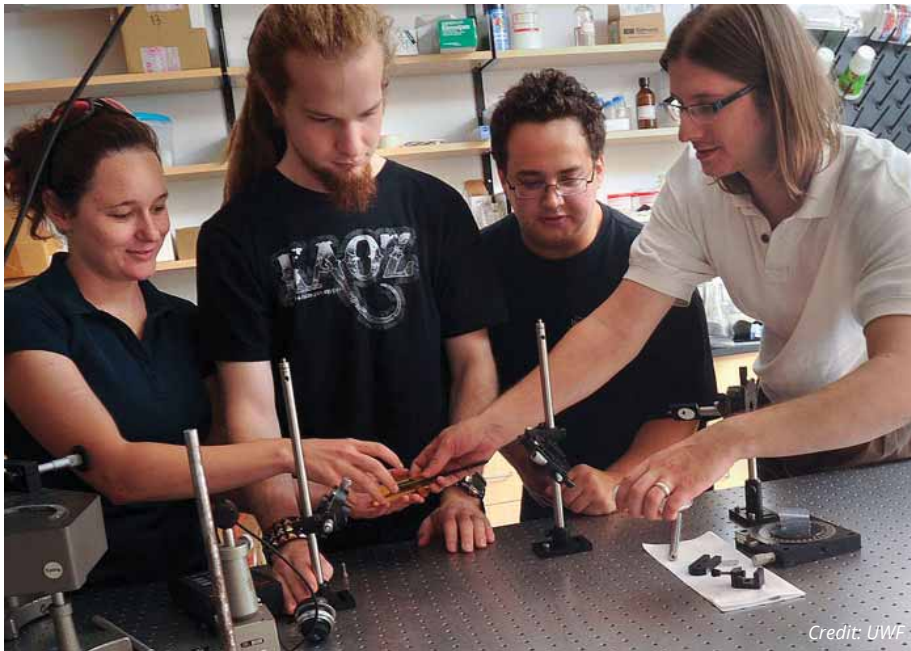
- Preparation of maps depicting the Project FOIL Site's 30- and 45-minute drive time labor sheds (*Figure 16: Labor Shed Map*).
- Preparation and review of statistical data for the two labor sheds on key location factors important for manufacturing operations. Research sources include, but are not limited to, the Greater Pensacola Chamber, the U.S. Bureau of the Census, the U.S. Bureau of Labor Statistics, and the U.S. Department of Commerce. Nielson-Claritas – a leading demographic data vendor – was used for 2004 and 2014 demographic, occupational, and related data estimates and projections.
- An electronic survey of 36 employers in Escambia County identified by the Chamber, including manufacturers and employers that would typically hire veterans. Among other things, this survey was intended to identify those types of labor skills that were both readily available and those where employers were having difficulty obtaining an adequate supply.



Figure 16: Labor Shed Map



Port activities - Port of Pensacola



Physics students at a UWF research lab.

The following key findings and conclusions were drawn from the collected data:

Opportunities and Assets

1. The Project FOIL site's labor sheds contain a population and workforce large enough for a diversified economy and both are growing, providing the potential base for future economic expansion, including enough to fill an estimated 5,000 additional manufacturing jobs by 2019.
2. Neighboring Alabama provides a very minor percentage of Escambia County's workforce. This population is the most likely to be drawn to fill Mobile's growing need for labor, providing a minor impact on Escambia's workforce when that happens.
3. The labor sheds have a very highly educated workforce, with a higher percentage of residents with post secondary education than all of the competing locations, state and nation.
4. The labor sheds have a high median household income relative to the principal Gulf Coast competitors. Typically the higher the household income, the more diversified is the amenity base to support an attractive quality of life, which is important for attracting new residents with the talents and skills needed by employers.
5. The labor sheds have a base of residents employed in industries other than manufacturing, which offers a potential workforce for manufacturers moving to the Project FOIL Site, with appropriate training provided, as needed.
6. The Northwest Florida Manufacturers Council is taking a much needed aggressive step to develop a strong manufacturing training system, and for attracting students into those programs.
7. Surveyed employers report a very high work ethic, productivity and basic skill base among their workforce.
8. The labor sheds have a quality of life that can be used as an attraction for recruiting talent from other parts of the country.

Challenges

1. The labor sheds have an older population relative to the nation and the principal Gulf Coast competing locations, which may be reflective of the area's relatively high retiree population ratio. The Pensacola MSA needs to show that despite the high median age of its residents, it will have a young workforce into the future.
2. The Project FOIL site's labor sheds have a low ratio of residents under the age of 18 relative to Pensacola's primary Gulf Coast competitors, which can impact the growth of the Site's future workforce availability, unless a strong influx of new working age residents into the labor sheds continues, combined with the retention of exiting military personnel from area military installations.
3. Improved access to the Project FOIL site from Santa Rosa County could provide enhanced workforce recruiting from that county and also from Okaloosa County by Project FOIL Site employers.
4. The County's economy historically has been rooted in tourism and the military. Manufacturing has not had and does not have a significant presence, although there are prestigious, high paying manufacturers in Escambia County. The weak manufacturing base, dominated by large, well paying employers leads to an experienced workforce base that remains with its well-paying employers and is not readily available to other manufacturers, resulting in a reduced available workforce with narrow skills for recruiting.
5. Escambia County and neighboring Santa Rosa County need to grow their base of manufacturing skills rather quickly through training programs, labor retention, and recruiting from other locations if the Project FOIL Site is to meet its projected employment goals. These two counties essentially form the entire Project FOIL Site labor shed.
6. Escambia and Santa Rosa Counties need more manufacturing training programs, based on the needs of local employers, and a sufficient number of qualified students need to be attracted to these programs. The Northwest Florida Manufacturers Council needs to be strongly supported in its efforts to meet this challenge.

Market Analysis Summary Conclusions

The creation of Project FOIL is strongly supported by: trends in U.S. manufacturing; demand for locations for larger manufacturing operations that may require new, custom-designed, larger manufacturing facilities; the desirability of the Southeastern United States as a preferred location; and generally weak competition from other areas that would constitute the primary competitors for Escambia County and Project FOIL.

The area's current economic base and characteristics provide a good cross-section of primary and secondary target industries that could be expected to be interested in a Project FOIL location. In addition, as found in the Demand Side Analysis, the types of large manufacturing projects occurring nationally show the possibility of a very diverse set of recruitment possibilities.

Workforce skills, current availability, and projected growth support development of Project FOIL over the next five years. Additional population growth, in-commuting, and skills training/retraining will be necessary to sustain that growth over the extended development timeframe expected for Project FOIL.

IMPLEMENTATION CONSIDERATIONS

During the research and analysis portion of the Project FOIL IDS, several other topics were considered by the Consultant Team. These are summarized as follows:

Business Continuity and Risk Assessment

This portion of the Project FOIL Industrial Development Study (IDS) considers the natural and man-made disasters that might impact businesses located in the Project. Because the specific industry sectors and companies that may locate in the Project have not yet been identified, the analysis does not consider business disruptions caused by changes in the national or global economy, technology changes that may negatively impact businesses, or other economic or management factors. Potential risks are summarized in *Table 3*.

No area is devoid of risks, and each area has its own types of concerns. In New England it is ice and snow storms; in the Midwest it is tornadoes; in California it is earthquakes and wildfires.

The natural disaster risk categories of most concern for a Project FOIL location are hurricanes and tropical storms; thunderstorms and lightning; and damaging winds. The potential man-made disasters of most concern are cyber attacks and hazardous materials storage, handling, use and disposal. ***Project FOIL is a strong location for offering companies a good location with minimum risk considerations.***

Business Tax Assessment

This portion of the Project FOIL Industrial Development Study (IDS) considers the taxes businesses in Florida and Escambia County typically pay. The impact of taxes should not be considered entirely on its own; rather, they are a component of the overall cost of doing business, which includes a number of additional operating costs such as labor, utilities, transportation, real estate occupancy, and others. ***Escambia County and Florida taxes are not onerous and both the County and State offer substantial exemptions and incentives that can reduce tax payments. A cost-of-doing-business study should be prepared to demonstrate the cost-effectiveness of a Project FOIL location.***

Site Certification

During the market analysis, preliminary consideration was given to existing Site Certification programs and their characteristics that could provide a marketing advantage for the Project FOIL site or portion thereof. Offering an independently evaluated and certified site provides an additional marketing benefit. Both Gulf Power, which owns part of the Project FOIL land, and CSX Railroad that services the project, have Certified Site programs. The ability to offer two separate certifications may strengthen marketability even more than a single certification. See page 77 in the Next Steps section for additional details about actually obtaining Certified Site status.

TABLE 3: SUMMARY OF RISK TYPES AND DEGREE OF RISK

	TYPE OF RISK	DEGREE OF RISK
1.	Agricultural diseases and pests	Very Low
2.	Chemical treats and biological weapons	Low
3.	Civil unrest	Very Low
4.	Cyber attacks	Moderate
5.	Damaging winds	Moderate
6.	Drought and water shortage	Low
7.	Earthquakes	Very Low
8.	Emergency diseases and pandemics	Very Low
9.	Explosion	Low
10.	Extreme heat	Low
11.	Floods and flashfloods	Low
12.	Hail	Low
13.	Hazardous materials	Moderate
14.	Hurricanes and tropical storms	Moderate Plus
15.	Landslides and debris flow	Very Low
16.	Nuclear power plant and nuclear blast	Very Low
17.	Power service disruption and blackouts	Very Low
18.	Radiological emergencies	Very Low
19.	Sinkholes	Very Low
20.	Thunderstorms and lightning	Moderate
21.	Tornadoes	Very Low
22.	Tsunamis	Very Low
23.	Wildfires	Very Low
24.	Winter and ice storms	Very Low

Potential Funding Sources

Initial consideration was given to possible funding sources that may be available to support Project FOIL. While there are neither a vast array of funding programs nor a “magic source” available to make Project FOIL a reality, there are enough sources across the various sectors – local, state, and federal governments and private sector sources – that an effective funding plan can be created once design has been completed and funding needs identified.

This analysis focuses on creating Project FOIL; once this is done, additional funding sources will be necessary for managing, maintaining and marketing the project as well as for assisting companies with construction funding.

Implementation of Project FOIL should include the establishment of a Project FOIL Funding Task Force to develop and manage an overall funding strategy and program.

Implementation Plan Recommendations

The final Project FOIL Implementation Plan will be prepared at the end of the planning process as the linkage between the planning and implementation phases.

This preliminary consideration began the process of accumulating implementation ideas, not all of which may be part of the final Implementation plan. Additional information is provided later in this document.

Marketing Strategy Plan

An essential element of transitioning a land development project from the planning phase to the implementation phase is a Marketing Strategy, which is discussed in more detail in a later section of this document.

MARKETING STRATEGY PLAN ELEMENTS

The Marketing Strategy is an explanation of the project goals to be achieved through the project marketing effort. The Marketing Plan describes how the marketing goals will be achieved. The Marketing Strategy combines all the project's marketing goals into a unified, comprehensive Marketing Plan.

The Project FOIL's initial Marketing Strategy Plan interrelates three key elements:

1. The target industries (that is, general types of industry sectors, not individual companies in those sectors) that currently hold the greatest potential for a Project FOIL location, are listed above.
2. Identification of those portions of the Project FOIL land that match best with most likely requirements of companies in the target industries.
3. An initial listing of possible elements of the full Marketing Strategy and related materials.



02

MASTER PLAN

The Master Plan for the FOIL industrial campus is a product of an integrated analytical process that established a design framework in response to underlying site conditions and context. The Master Plan aims to preserve the existing ecosystems within the project area, including wetland and vegetated upland areas, as well as access to natural areas and views along the unique bluff landscape. A primary focus of the overall Master Plan and individual conceptual site plans is to integrate within the existing system of adjacent industrial land uses while minimizing impacts to residential communities and potentially environmentally sensitive areas. The Master Plan at build-out will result in an efficient and high-quality development that attracts new companies and their workforce to Northwest Florida.

The process to develop the Master Plan included the development of a preliminary concept for the expanded Project FOIL area, followed by an exploration of candidate sites to focus on incentivizing development. Alternative master plan concepts were developed for four sites collectively, followed by a Final Master Plan that includes a more detailed design configuration. The spatial organization of each parcel within the Master Plan—including building location, vehicular circulation, pedestrian access, and truck access is a result of the area-wide context analysis and individual site suitability studies.

The Master Plan serves as a comprehensive framework for development of the four sites identified to incentivize development; including a circulation and access plan, an open space and trail network, a conceptual stormwater plan, and general building placement and massing.



PRELIMINARY CONCEPT DEVELOPMENTS

Building on the results of the GIS analysis and base mapping efforts, a series of preliminary site boundaries for the focused study area were developed. These concepts explored the potential configuration of “Sites” within the overall Project FOIL area. Several factors influenced the identification of sites, including;

1. Existing and potential roadway access

Sites were identified with current vehicular access to adjacent roadways, with a focus on connections to Highway 29, 9 Mile Road, Chemstrand Road, and Becks Lake Road

2. Existing and potential rail access

The Project FOIL area is served by an existing CSX line that runs parallel to Highway 29 and includes spurs by Becks Lake Road, and along Old Chemstrand Road. The preliminary determination of candidate sites aimed to maximize potential access to extensions of the rail line from both locations.

3. Potential for parcelization within areas of individual ownership

The scale and boundaries of the sites within the Project FOIL area were identified based on current ownership, with the goal of sub-parcelization into smaller individual areas to accommodate future industrial/manufacturing uses between 20-100+ acres. Sites were analyzed for potential parcelization, phasing, and the opportunity to combine several individual parcels to accommodate larger tenants.

4. Sufficient upland areas with slopes suitable for development

Some of the Project FOIL areas have higher concentrations of wetlands and areas with significant changes in elevation. The preliminary determination of candidate sites identified contiguous wetland areas and steeply sloped areas to exclude from development.

Based on a GIS analysis (see GIS Data Overlay Analysis in Section 4-Deliverables) and review of the project area for vehicular access and development suitability, a total of eleven candidate sites are identified within the Project FOIL area for potential development, indicated numerically as Potential Sites 1-11 in *Figure 17: Preliminary Layout – Potential Sites*. An additional six sites have been identified for potential development on adjacent privately owned property. The privately owned sites include vacant – underutilized areas with strategic location with respect to Project FOIL area, identified in *Figure 17* as Potential Sites 1A, 1B, 3A, 3B, 8A, and 8B. These sites could also be developed for industrial uses by their owners or potentially acquired for industrial uses as part of Project FOIL.

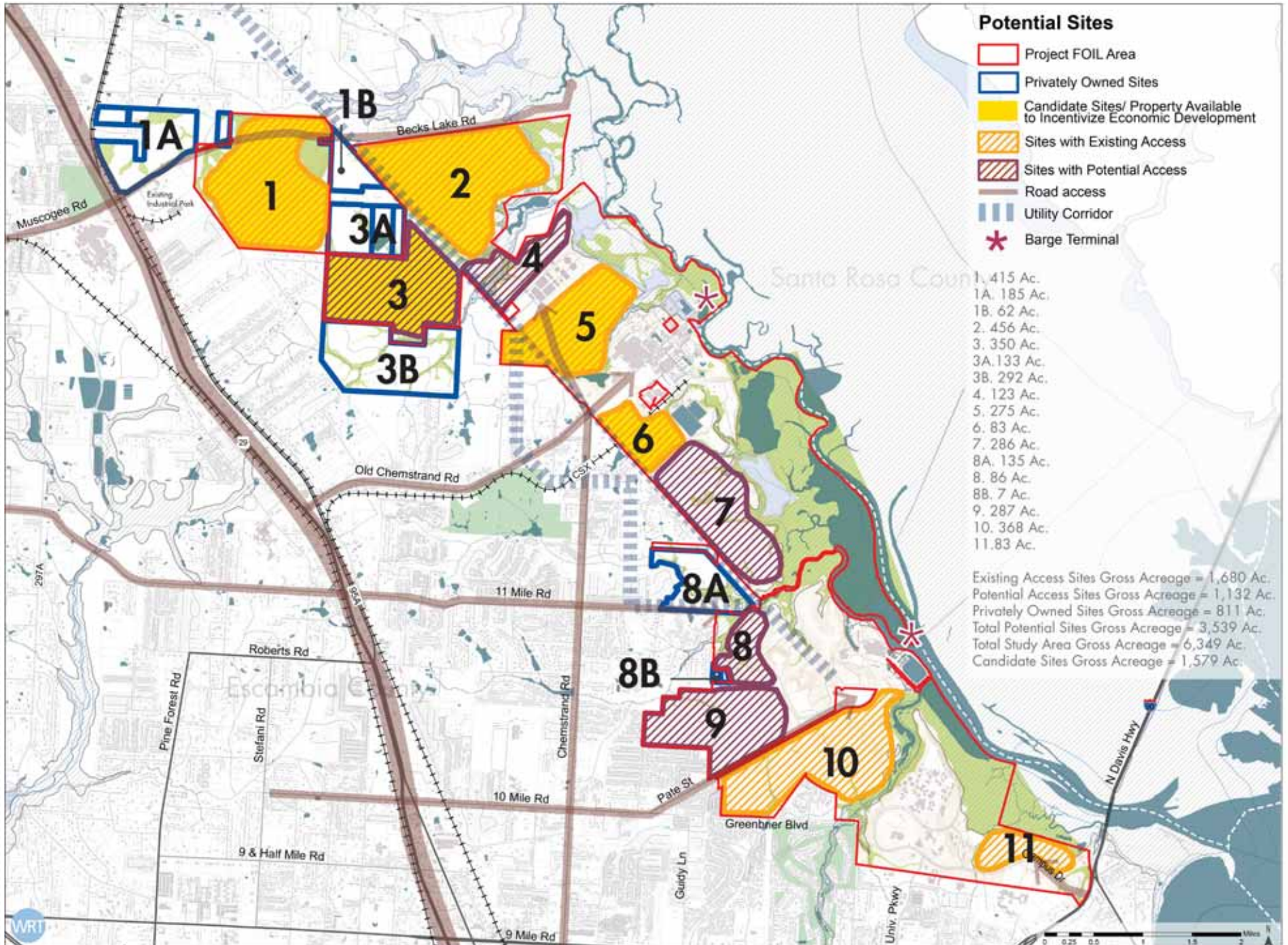


Figure 17: Preliminary Layout – Potential Sites

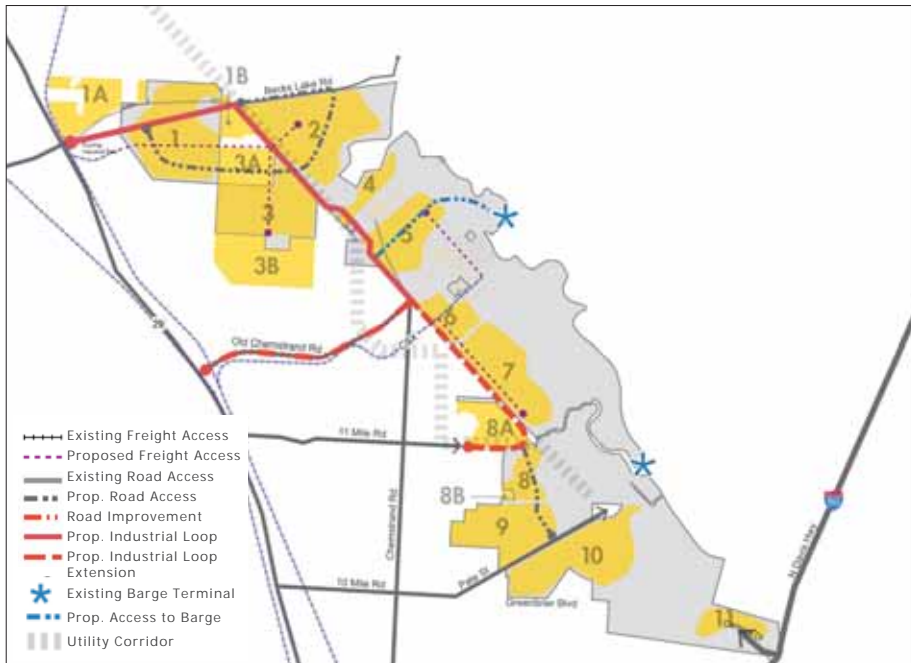


Figure 18: Conceptual Access Framework

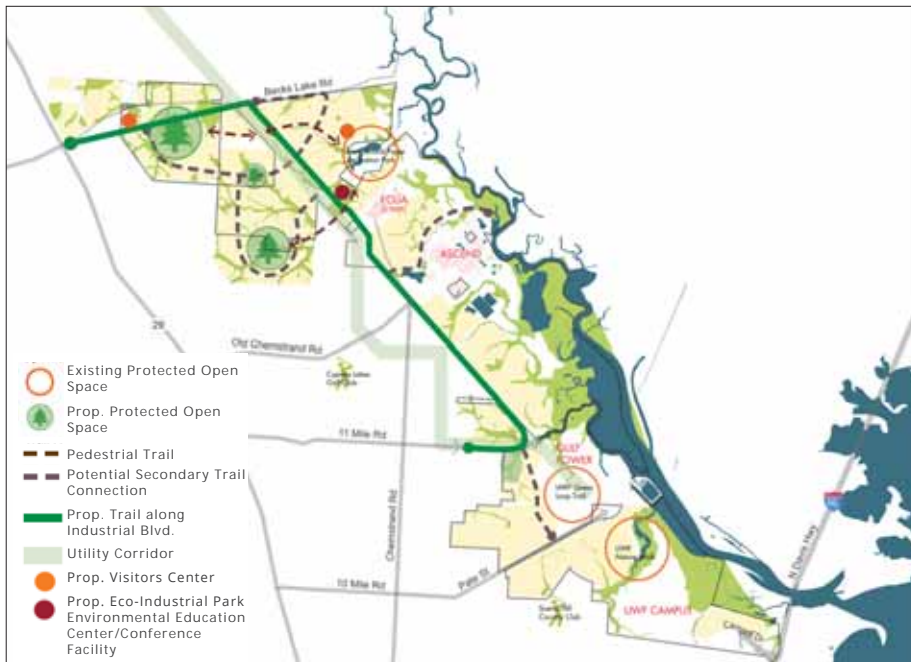


Figure 19: Preliminary Layout - Trail and Amenities Framework

Not all identified sites have existing vehicular access. Two separate categories of sites have been identified based on existing access. Sites with existing access have the potential to be developed in the immediate term with necessary transportation improvements. These sites include Sites #1, and #2 with access from Becks Lake Road along with Sites #5 and #6 near Ascend with access from Old Chemstrand and Chemstrand Road. Sites that require construction of new access road and necessary improvements are identified separately. They would be developed in the intermediate term.

The 11 identified sites constitute approximately 46% or 2,894 acres of the total Project FOIL gross area of 6,349 acres. Sites that have existing access include approximately 1,665 acres, and sites with potential access constitute approximately 1,082 acres. The gross acreage of privately owned sites is approximately 811 acres.

The preliminary site configuration includes an access framework that is designed to connect each site to an overall industrial loop boulevard, and identifies opportunities for freight rail extensions and additional barge access. This framework builds off of existing roadways and is designed to accommodate phased increases in traffic as development occurs over time.

This preliminary layout established the foundation for the development of a master plan for the study area, as well as conceptual site-specific alternative concepts. As discussed in this section, development of the Project FOIL study area has been driven by a network of multi-modal access, an open space and amenities framework, and builds off synergies among the current and prospective industrial operations.

Access Framework (Road/Rail/Barge Terminal)

The proposed access framework aims to maximize vehicular, freight rail, and barge terminal access for the Project FOIL area, while working with the underlying environmental conditions and minimize potential impacts to adjacent residential areas. The access framework is depicted in *Figure 18: Conceptual Access Framework*.

Vehicular Access

A new internal vehicular circulation system is proposed for the Project FOIL area, connecting individual site and parcel access with a new central industrial boulevard that will connect Becks Lake Road and Chemstrand Road/Old Chemstrand Road. This boulevard will make the Project FOIL area easily accessible from US 29 via Becks Lake Road and minimize the potential impacts of additional traffic on residential streets within the surrounding area. The proposed Industrial Boulevard will align with the existing utilities corridor right-of-way north of the ECUA Central Water Reclamation Facility (CWRP).

At the north entrance to the project area, Becks Lake Road is proposed to be re-aligned between US 29 and the proposed Industrial Boulevard to accommodate a more optimal roadway geometry. Further studies may be needed to determine additional traffic related improvements that may

be required for Becks Lake Road and Old Chemstrand Road. An industrial boulevard extension is proposed in subsequent phases to connect Old Chemstrand Road to 11 Mile Road and the Project FOIL sites identified to the southern end of the study area. It is the intent of this access framework to limit future industrial traffic to the Industrial Boulevard and its extension, and minimize additional impacts to 11 Mile Road, Chemstrand Road, and Pate Street.

Barge Access

The Ascend barge terminal has additional capacity that can be utilized by new tenants within the Project FOIL area. A new access road will connect the Industrial Boulevard with the existing Ascend wharf. This connection will make the existing Ascend wharf directly accessible to site #5, and accessible to the remaining sites within the Project FOIL area by the Industrial Boulevard.

Rail Access

The Project FOIL area is currently served by the Gonzalez Spur, a CSX rail freight line that connects the Ascend property to a main rail right of way that runs parallel with US 29. An extension of the Gonzalez Spur is proposed to provide additional freight access to Site #5 adjacent to Ascend property. A similar extension of the existing CSX freight line to the north end of the study area by Becks Lake Road has the potential to provide rail access to Sites #1, #2 and #3. The proposed rail extensions will require further evaluation for feasibility and alignment.

Open Space/Trail and Amenities Framework

The natural topography and underlying environmental conditions of the Project FOIL area inform the internal circulation network and define the developable sites. These physical features also serve as an amenity and hold the potential to connect all future development within a comprehensive network of green infrastructure. This system follows the network of the study area's existing hydrologic features, including wetlands, vegetated areas and surface waterways. As depicted in *Figure 19: Preliminary Layout – Trail and Amenities Framework*, new open space opportunities exist throughout the project area, and future development within this framework will provide opportunities to create new pedestrian and biking trails. The plan will incorporate existing amenities, such as International Paper's recreation area at the Spanish Mill Creek reservoir near ECUA's Wet Weather Effluent Storage.

In addition to internal open space and environmental amenities, the proposed industrial boulevard will include a main bike and pedestrian facility that connects the various sites within the project area to each other, and extend to UWF's adjacent bike and trail network. UWF's campus already includes variety of pedestrian and biking trails. The western most part of the campus (West Campus – Campus Woods) include diverse and challenging trails for hiking, cycling, geo-cache and equestrian enthusiasts. The campus also includes the Edward Ball Nature Trail

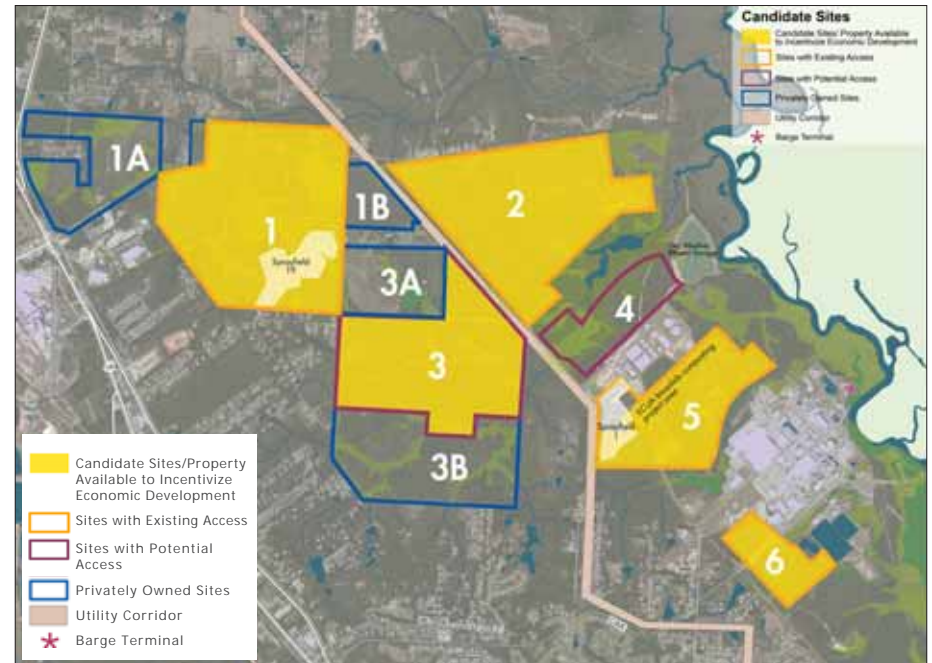


Figure 20: Candidate Sites (Available to Incentivize Economic Development)

that meanders through Thompson's Bayou, a hardwood swamp providing environmental and natural education opportunities. Additional recreational amenities exist within close proximity to the study area, including two public golf courses which serve as added amenities for prospective Project FOIL tenants and their employees. The Scenic Hills Country Club at the University of West Florida is located within minutes of the UWF campus between Greenbrier Blvd and 9 mile road south of the study area. The Cypress Lakes Golf Club is located within the Cantonment area closer to Ascend and ECUA – CWR Facility. It is accessible from Old Chemstrand Road.

CANDIDATE SITES

Within the total gross area of the Potential Sites of 2,894 acres, the upland areas constitute approximately 2,613 acres, or 90% of the land area. Site specific layouts will provide more accurate measure of developable parcel areas within the sites. The preliminary layout in *Figure 17: Preliminary Layout – Potential Sites* depicts the conceptual developable areas for the entire study area. These potential parcels represent contiguous land areas within the study area, defined by each site's underlying topography, access, and existing wetland areas.

Six sites on the north end of the Project FOIL area are identified in *Figure 20: Candidate Sites* as candidate sites, or sites available to incentivize economic development in the immediate term.

ALTERNATIVE CONCEPTS

Site-specific alternatives prepared for the north portion of Project FOIL study area to show initial concepts for sites 1 through 6, including four sites that are available to incentivize economic development within the area owned by ECUA and Ascend. *Figure 17: Preliminary Layout – Potential Sites* identifies the location of the sites selected for development-specific alternative concepts. Site alternatives also contemplate the potential development of privately owned sites (sites #1A, 1B, 3A and 3B) that are adjacent to ECUA and Ascend owned sites. It is envisioned that these privately owned sites would either be redeveloped by respective owners or can be potentially acquired.

The site-specific alternatives incorporate the following planning and design principles:

- Maximize flexibility in the sizes of individual developable parcels (within each property or site). This will allow potential tenants to select required parcel sizes.
- Develop a network of internal streets to provide better vehicular access to the entire area and to all parcels within each developable site.
- Consider phased development of the area to provide flexibility to accommodate real estate market conditions.
- Provide a network of bicycle and pedestrian trails and amenities throughout the study area.
- Protect view corridors and view shed of the Escambia River delta from the sites.
- Avoid development along steep slopes.
- Protect environmentally sensitive areas and designated wetlands and streams.
- Provide suitable buffers to mitigate potential impacts to existing residential areas.

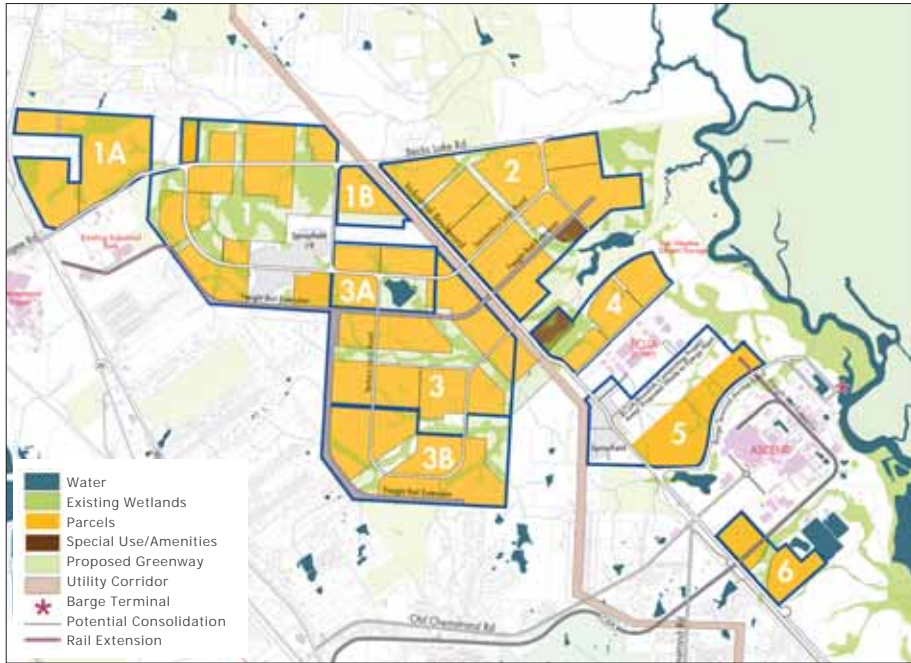


Figure 21: Alternative Concept A

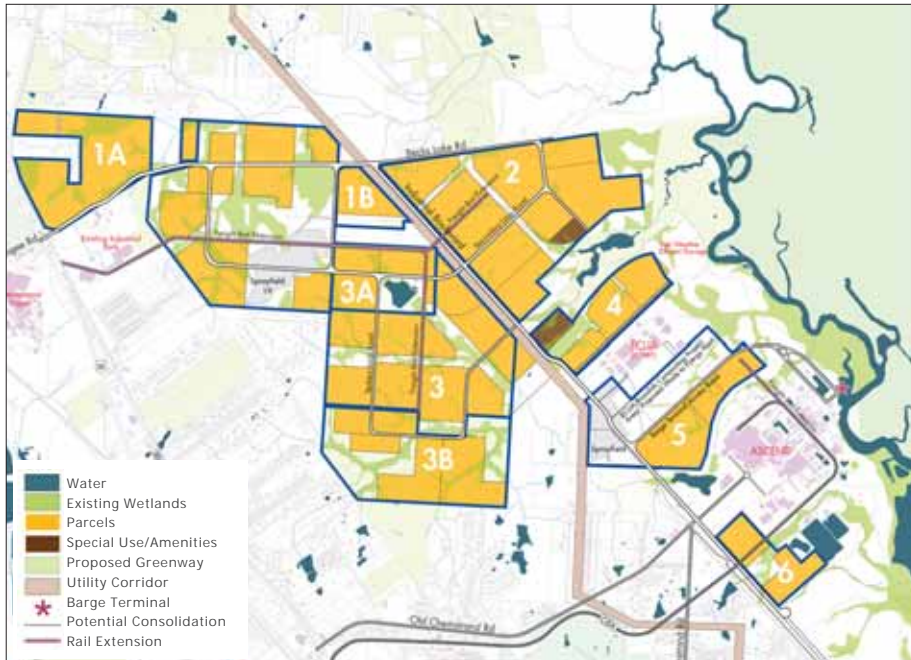


Figure 22: Alternative Concept B

Alternative Concept A

Figure 21: Alternative Concept A shows a concept for the development of six sites within the Project FOIL area located on the Ascend and ECUA CWRP properties. This alternative shows the new Industrial Boulevard connecting Becks Lake Road to Old Chemstrand Road and Site #6. A secondary access road is proposed to connect Site #1 and Site #2 through privately owned parcels (within Site #3A). A tertiary road will connect sites #3, 3A and #3B with the Industrial Boulevard and secondary access road. The alternative shows re-alignment of Becks Lake Road for better geometry and creating larger developable sites on both sides of the road within Site #1. Site #5 provides access to the Ascend Barge Terminal via Industrial Boulevard. Alternative A shows identified wetlands within

six sites that are excluded from development. Wetlands and adjacent natural areas offer additional opportunities to develop a network of pedestrian, bicycle and nature trails throughout the area.

Two ECUA owned spray-fields (#19 and #1) located within Site #1 and Site #5 are excluded from development. Alternative A shows the potential extension of the CSX freight line to Sites #1, 2, and Site #3 along the periphery. An extension of the existing CSX line at Ascend to Site #5 is also shown. The rail extensions will require further studies for their feasibility. Land area located within Site #5 close to ECUA CWRP is proposed to be developed by ECUA as a bio-solids composting area. The alternative layout considers the need for phasing.

Alternative Concept B

Figure 22: Alternative Concept B shows alternative B with preliminary layouts for six sites within the Project FOIL study area located on Ascend and ECUA CWRP properties. This alternative is based on the location of secondary access roads and CSX freight line extension. The CSX rail extension is shown through the middle of Sites #1 and #3.

DEVELOPMENT SUITABILITY

As a result of an analysis of existing conditions—including a review of underlying environmental constraints, property ownership, infrastructure, market potential, and access among other considerations—the northern portion of the Project FOIL site was identified for the development of alternative concepts. These alternatives provided an opportunity to explore various parcelization options and internal circulation configurations that maximize the available land within the Project FOIL area and provided a range of rail and truck access potential among a variety of parcel sizes.

Each alternative was reviewed for potential impacts, and relative flexibility to accommodate a variety of future tenants needs. Alternative B was recommended as the preferred alternative and selected by the Project FOIL stakeholder and property ownership team because of the location of the proposed freight rail extension through the center of the study area.



Credit: Baskerville-Donovan

Existing rail access.



Credit: PEDC

Site conditions



Credit: Flickr, Jessica Spengler

DEVELOPMENT MASTER PLAN

Following the selection of a preferred development alternative (B), the roadway framework and parcelization strategy were reviewed for opportunities to increase circulation efficiencies, preserve contiguous wetland areas, accommodate a trail and open space network, and focus on properties within the Project FOIL site under stakeholder ownership. This process considered phasing strategies for development and access, including mitigation of traffic impacts to existing roadways and adjacent communities as well as infrastructure costs and the integration of amenities throughout the study area.

Through this process, several revisions to the preliminary layout were made:

- The roadway alignment for the proposed Industrial Boulevard was adjusted to follow the existing Becks Lake Road in order to minimize the impacts and costs associated with re-alignment, and provide greater flexibility of parcelization within Site 1.
- The internal road proposed within Site 1 was adjusted to connect back to the Industrial Boulevard in order to accommodate circulation within the ECUA property.
- Site 6 and Site 7 were combined to maximize the development potential of the Ascend property contiguous to their existing facilities.
- The rail connections were limited to properties under current Stakeholder ownership on Site 5 and Site 6, with easements preserved in the site plans for Site 1 and Site 2 for future rail extensions.
- Parcels within each site were adjusted to accommodate a trail network that connects the Industrial Boulevard to the natural areas preserved within each site.
- Project FOIL has established a working identity as “The Bluffs: Northwest Florida’s Industrial Campus”. Each of the numbered sites have a name associated with this identity:
 - » Site 1: *Live Oak Bluff*
 - » Site 2: *Longleaf Bluff*
 - » Site 5: *Magnolia Bluff*
 - » Site 6: *Cypress Bluff* (combined Sites 6 & 7)



Downtown Pensacola

Pensacola International Airport

I-10

I-110

I-10

University of West Florida

Pate St

GULF POWER

CYPRESS BLUFF

Freight Rail

Chemstrand Rd

ASCEND

Old Chemstrand Rd

29

MAGNOLIA BLUFF

EGUA

LONGLEAF BLUFF

Industrial Boulevard

95A

Escambia River

LIVE OAK BLUFF

Becks Lake Rd

Internat
Paper



MEET THE NEIGHBOR



International Paper (IP), a global leading company in paper and packaging products, has an existing manufacturing facility adjacent to the Project FOIL site at the intersection of Becks Lake Road and Highway 29. The IP complex includes an industrial packaging mill, which produces lightweight containerboard and specialty fluff pulp, as well as corporate offices in nearby Cantonment. The IP Pensacola facility currently employs a workforce of more than 400 employees with a range of skills and experience. The mill, which was acquired by IP in 2000, has been a foundation in the Greater Pensacola Region since 1941, generating an impact of nearly \$330 million on the local economy in 2013.

In 2012, IP adopted a suite of 12 sustainability goals to guide operations through 2020. As a neighboring industrial use, IP has identified more than 100,000 suppliers around the world that pose significant opportunities for engagement on sustainability throughout their supply chain with all stakeholders. In 2014, IP announced plans to reinvest more than \$90 million over the next five years in their mill in Cantonment in order to increase energy efficiencies, support and enhance the work environment and strengthen its competitive position.

Source: InternationalPaper.com; www.ppimagazine.com

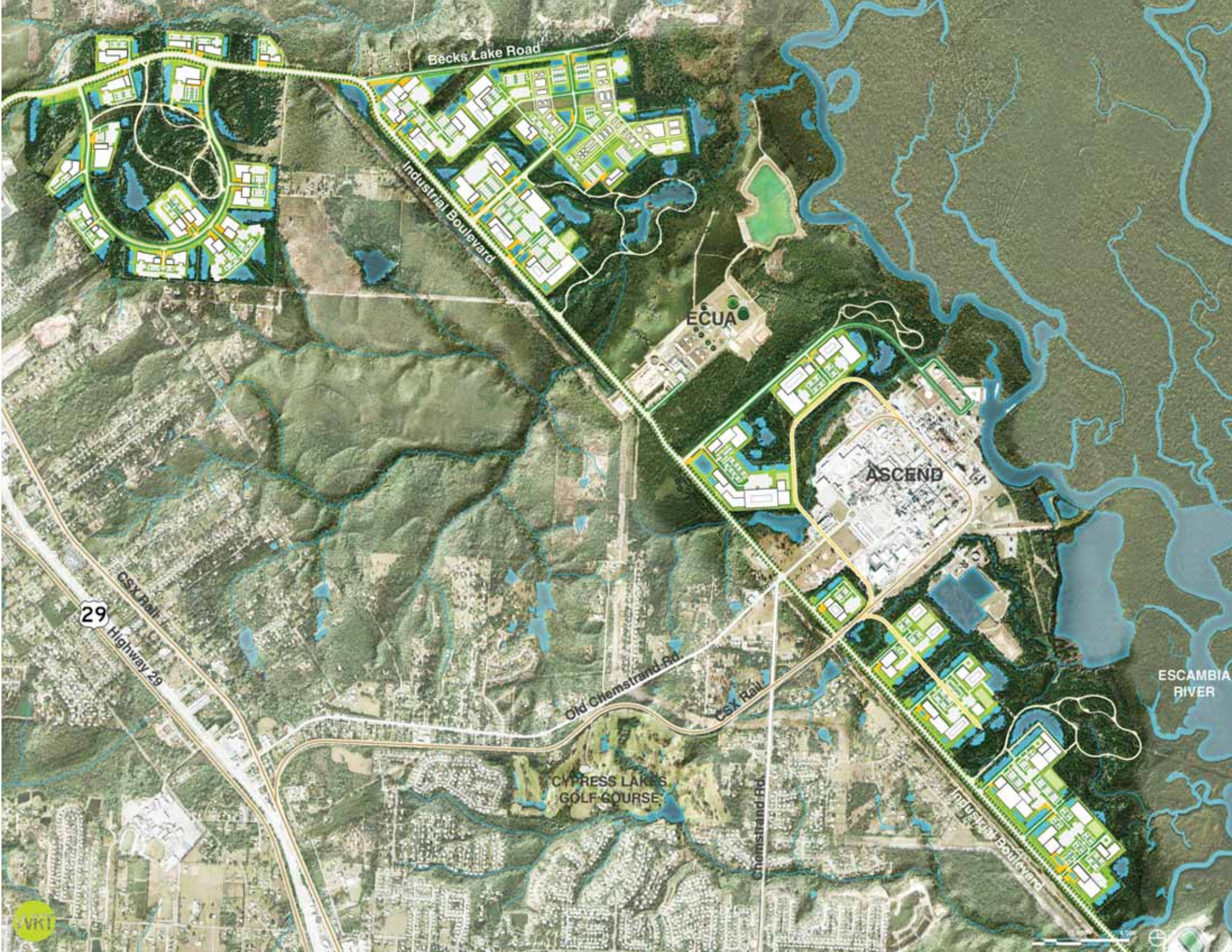
Illustrative Plan

The Illustrative Plan depicts the conceptual build-out of the Project FOIL sites identified to incentivize economic development. The plans for individual sites each follow an organized spatial configuration that maximizes upland buildable areas and provides internal circulation systems for vehicles, trucks, and pedestrians. The design builds on a framework that maintains consistent building frontage along the main industrial boulevard, with vehicular parking and truck circulation immediately behind. Where possible, secondary building areas have been identified on parcels within sites where lot depth can accommodate, and buildable upland area exists.

These sites are connected directly to a proposed Industrial Boulevard that serves as an arterial with parallel trails designed to accommodate truck, vehicular, and bicycle/pedestrian traffic. The Industrial Boulevard connects Highway 29 at Becks Lake Road to each site, and continues south to connect with Pate Street and 10 mile road, creating a loop back to Highway 29. This boulevard serves as the central circulation system for the Project FOIL campus, allowing for phased construction and access from the North (Becks Lake Road), the West (Chemstrand Road/Old Chemstrand Road,) and the South (Pate Street) in response to phased infrastructure improvements and anticipated truck traffic as individual sites are developed. In addition to the Boulevard linking each site, the network of open space and trails is designed to connect the FOIL workforce, and visitors with the surrounding environment. This trail system builds off of the existing network of bike and pedestrian paths on the campus of UWF and their adjacent property.

The goal of the master plan is to provide a cohesive and organized development framework that maintains a sufficient level of flexibility to accommodate a variety of potential tenants over the course of several years, or even decades. The order established through the master plan design will allow individual parcels to move through a development process with the understanding of how future development; including rail, truck and vehicular access will relate. In addition to the master plan for the full FOIL overall site, specific Site Development Plans have been prepared for each of the four properties identified to incentivize economic development. These conceptual renderings depict the unique environment of a proposed "The Bluffs" industrial campus, and show how the development of each parcel relates to its' context within the site and overall master plan framework.

Figure 23: Illustrative Plan



Becks Lake Road

Industrial Boulevard

EQUA

ASCEND

ESCAMBIA RIVER

CYPRESS LAKES GOLF COURSE

Old Chemstrand Rd

CSX Rail

Chemstrand Rd

Industrial Boulevard

29 Highway 29

CSX Rail

VKI







Figure 24: Live Oak Bluff Site Plan

SITE 1: LIVE OAK BLUFF

This Site serves as the gateway for the proposed industrial development in the northern portions of *the Project FOIL site*, connecting the properties along the Industrial Boulevard with Highway 29, along an improved Becks Lake Road right-of-way. Adjacent to existing industrial developments including International Paper and Roads, Inc., Live Oak Bluff has been designed to accommodate up to 13 individual parcels, with 210 upland acres, and an estimated building square footage potential of 1,763,130 square feet. Each parcel is designed to provide building frontage and access to either Industrial Boulevard, or a secondary loop road. Live Oak Bluff contains large areas of existing wetlands, which are proposed to be preserved and maintained as accessible by the internal trail network. A system of on-site and regional stormwater ponds has been designed to integrate with the landscape, providing a baseline of 21% Site-wide coverage. An easement (appx. 200') has been identified for future rail access through the Site, with the potential to connect to Site 2 in the future.

QUICK FACTS

- 248 Acres
- Potential for up to 13 Parcels
- Individual parcel acreage ranges up to about 34 acres, with potential combined parcels/expansions up to 125+ acres
- Site-wide stormwater strategy covering 21% of the gross site area
- Net developable area of about 210 acres
- Conceptual Site Plan accommodates 18 buildings averaging about 100,000 square feet





Figure 25: Long Leaf Bluff Site Plan

SITE 2: LONGLEAF BLUFF

Containing the project's the largest potential parcel sizes, Longleaf Bluff will be able to accommodate a diverse range of industrial and manufacturing tenants. The conceptual design for this site focuses on establishing a solid building frontage along Industrial Boulevard, with evenly spaced tree-lined access roadways and stormwater ponds.

This conceptual plan for Longleaf Bluff identifies a potential major tenant in the northeast parcels. This combined cluster of parcels is relatively isolated and has the potential to accommodate a larger manufacturing tenant that would require a significant amount of land for their operations. The layout focuses on connecting the internal circulation system of truck and vehicular access and storage, within the context of the larger site; providing multiple ingress and egress opportunities for each parcel.

QUICK FACTS

- 340 Acres
- Potential for up to 12 Parcels
- Individual parcel acreage ranges up to about 53 acres, with potential combined parcels/ expansions up to 339+ acres
- Site-wide stormwater strategy covering 21% of the gross site area
- Net developable area of about 306 acres
- Conceptual Site Plan accommodates 11 buildings averaging about 213,000 square feet
- Includes environmental learning center as a destination for visitors.





Figure 26: Magnolia Bluff Site Plan

SITE 5: MAGNOLIA BLUFF

This site is immediately adjacent to Ascend, and benefits from the potential for direct rail barge access. With three potential parcels ranging from 24 to 55 acres, Magnolia Bluff could also be combined to accommodate a single industrial tenant with the potential for 1,494,719 square feet of buildable area.

QUICK FACTS

- 106 Acres
- Potential for up to 3 Parcels
- Individual parcel acreage ranges up to about 55 acres, with potential combined parcels/expansions up to 105+ acres
- Site-wide stormwater strategy covering 23% of the gross site area
- Net developable area of about 94 acres
- Conceptual Site Plan accommodates 4 buildings averaging about 373,680 square feet





Figure 27: Cypress Bluff Site Plan

SITE 6: CYPRESS BLUFF

The conceptual plan for Cypress Bluff responds to the adjacent wetland and delta landscape, with buffers designed between parcels to preserve existing wetland areas, and accommodate the proposed trail network. This site has the potential for up to six parcels, with an upland area of 200 acres and a potential for up to 2,132,265 square feet of industrial development. Because of the depth of the parcels along the Industrial Boulevard, many of the proposed parcels have sufficient depth to accommodate frontage buildings and a secondary buildable area with views of the Escambia River to the East.

QUICK FACTS

- 225 Acres
- Potential for up to 6 Parcels
- Individual parcel acreage ranges up to about 56 acres, with potential combined parcels/expansions up to 225 acres
- Site-wide stormwater strategy covering 21% of the gross site area
- Net developable area of about 200 acres
- Conceptual Site Plan accommodates 13 buildings averaging about 164,020 square feet

SITE DEVELOPMENT FACTORS

The master plan for Project FOIL also serves as a comprehensive development framework for a series of infrastructure systems that lay the foundation for a thriving industrial campus. This network functions at the full scale of the Project FOIL site, but also serves as the connection between each individual parcel, and the greater economic region which the planned industrial campus will operate within.

Road & Rail Alignments

A major factor for determining the feasibility of a proposed industrial development is freight access through adequate road and rail circulation. The Project FOIL industrial campus is strategically located within the region, but improvements to existing roadways and rail infrastructure will be necessary to accommodate the freight traffic associated with the proposed development. Within this development framework, the Industrial Boulevard serves as the primary truck access route through the various project sites. Feeding off of this main arterial, a series of secondary roadways serve as internal circulation for parcels within each of the four sites. Finally, individual parcels are accessed through their own private roadways where truck and vehicular circulation areas have been designed. Sufficient parking areas for vehicles (+/- 1

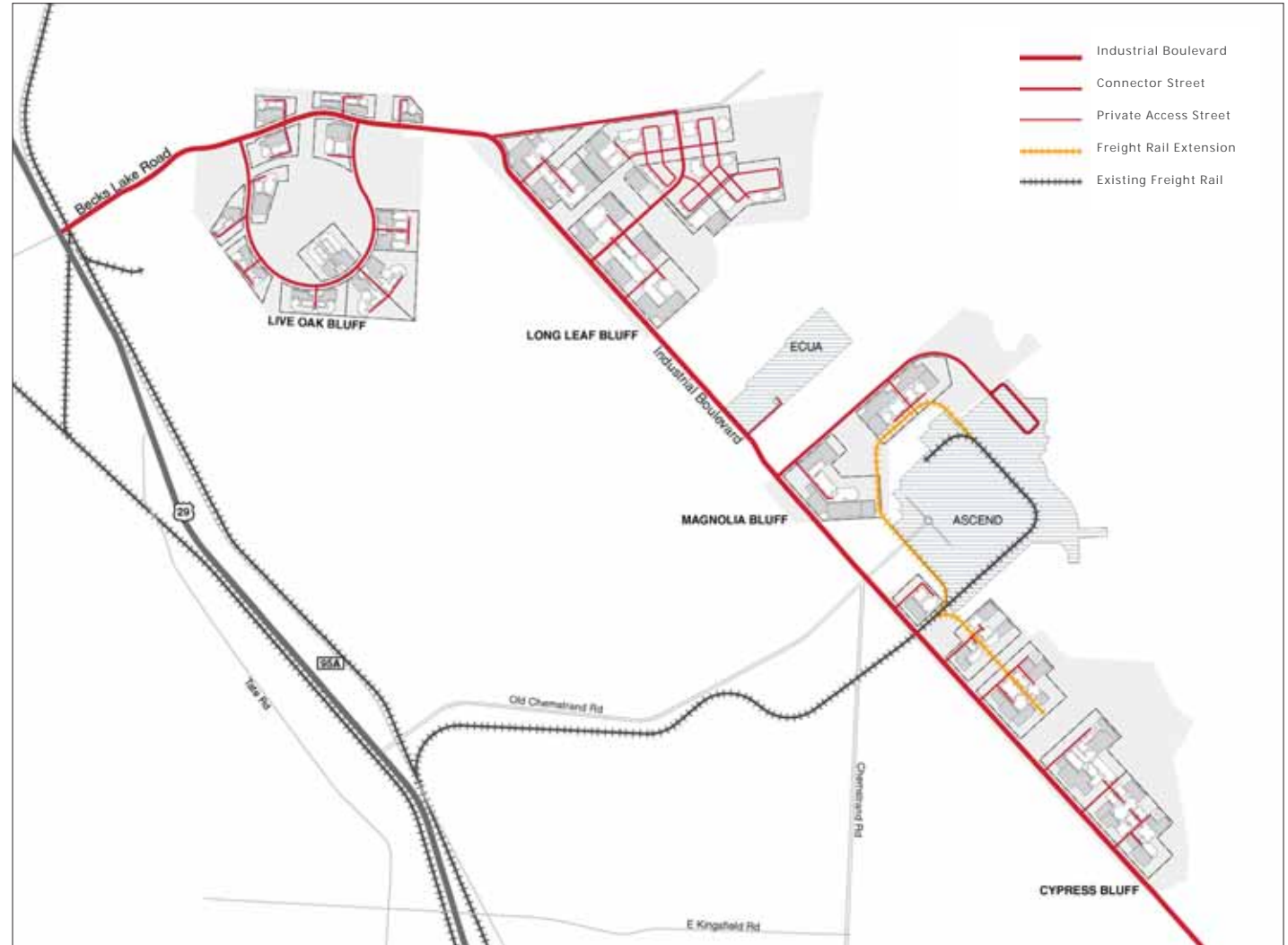


Figure 28: Road and Rail Alignment Diagram

space per 1,000 sf) has been identified adjacent to each building, with a separate area for truck circulation, storage and loading.

Extensions to the existing CSX rail line have been identified for Site 5 (Magnolia

Bluff) and Site 6 (Cypress Bluff), with future expansion potential to serve Site 1 (Live Oak Bluff) and Site 2 (Longleaf Bluff). The layout of the parcels within these sites is designed to accommodate rail sidings and provide functional loading and storage spaces.

Stormwater Concept

The master plan Project FOIL takes both a regional and parcel-level approach to managing stormwater. A series of wet and dry stormwater facilities have been designed to accommodate the anticipated 809 acres of buildable area. Within the system, wet ponds are designed to serve as amenities along entryways to individual parcels and buffers along the edges of properties. Each site has sufficient coverage, with an average of 20% of buildable areas reserved for stormwater infrastructure.

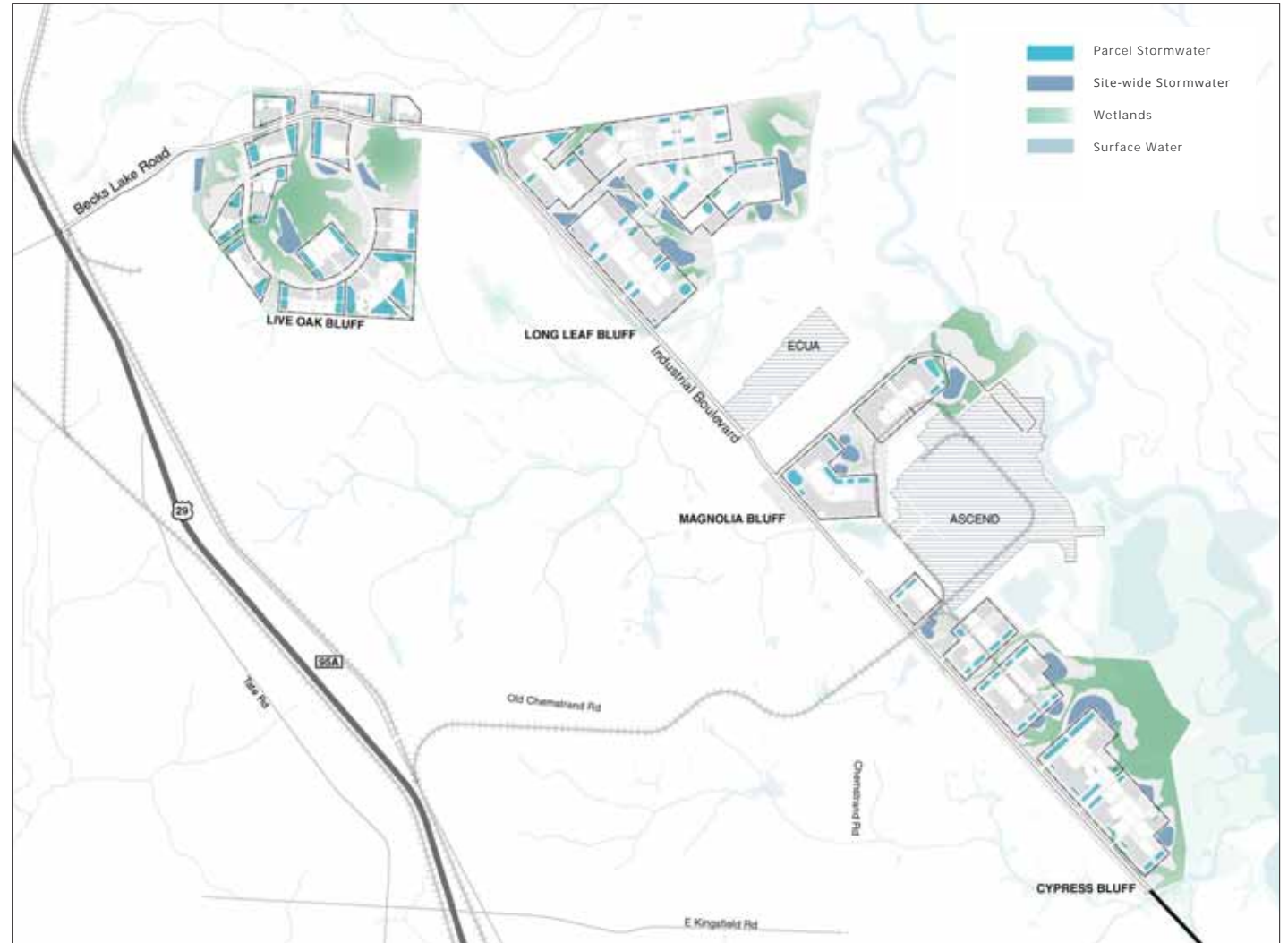


Figure 29: Stormwater Concept Diagram

Open Space & Trails

Project FOIL's underlying landscape—including the dynamic topography, ecosystems, and wetland network—serves as the driving factor behind the master plan. Upland buildable areas are complemented by wetland areas and large swaths of preserved open spaces. This network, in addition to proposed on-site open spaces, plazas, and storm water features, are designed to serve as an attractive amenity to The Bluffs' workforce and visitors to the area for many generations.

The master plan establishes 14.5 miles of proposed new trails throughout the site and will incorporate context sensitive design to take advantage of the delta views, as well as interpretive facilities to engage visitors to the bluffs' landscape. The multi-purpose tree-lined trail that runs parallel to the proposed Industrial Boulevard will connect each site within the bluffs, providing access to natural areas, interpretive trails, and some of the region's most spectacular views. The network of open spaces and trails are intended to serve Project FOIL's workforce, as a place to get outside and walk, bike, or relax on a break, and also visitors to the area who will have the opportunity to visit an environmental center and learn about the unique bluff landscape.

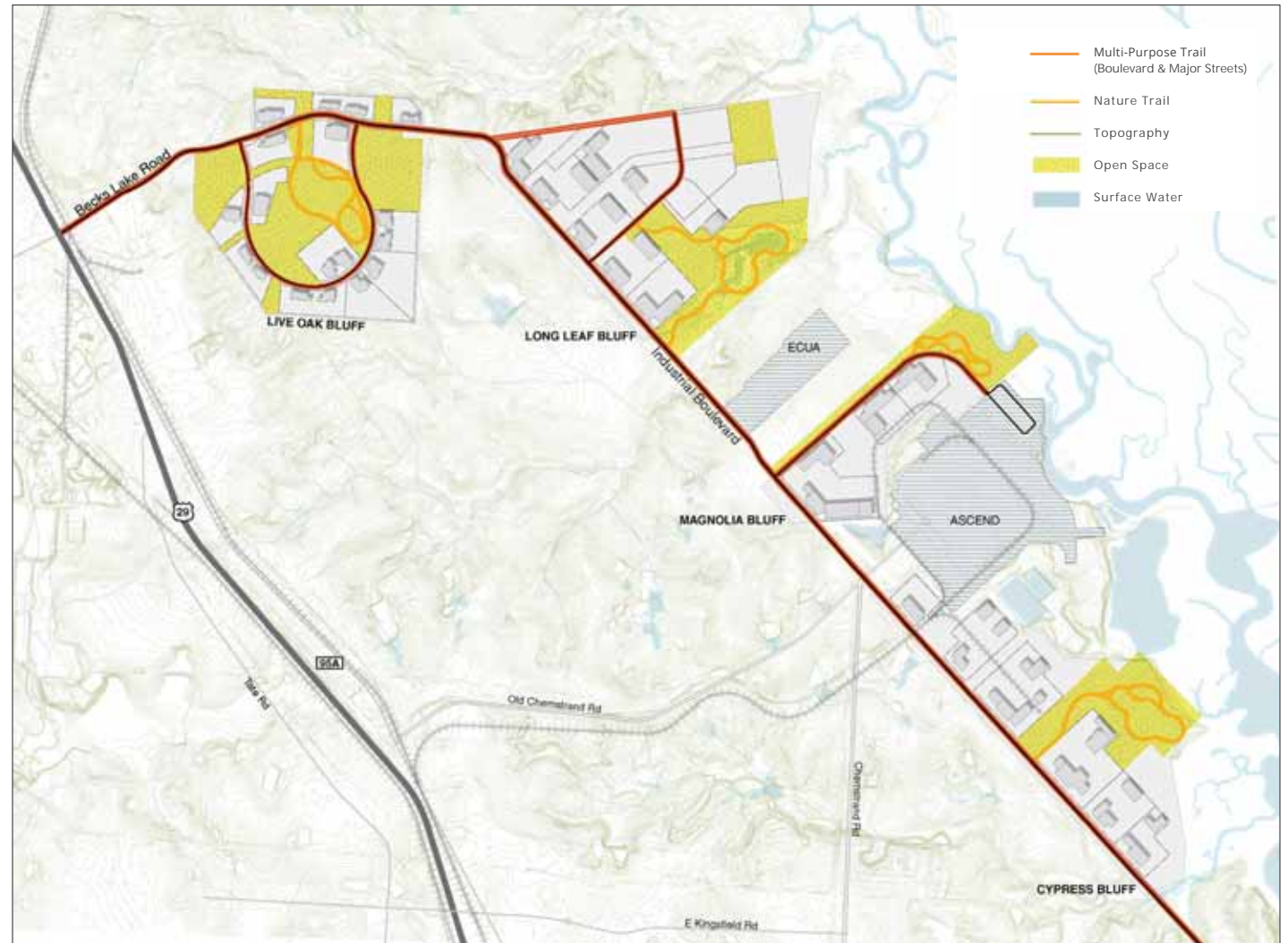


Figure 30: Open Space & Trails Diagram



New recreational trails will criss-cross portions of the industrial campus.

GREEN INFRASTRUCTURE

Green infrastructure refers to the network of natural systems that tie together the ecological functions of a community or a region, including protecting water and air quality, wildlife, undisturbed tree canopy, etc. Green infrastructure also provides a backdrop of natural character and aesthetic value. The notion of green infrastructure supports the integration of open space into all parts of a community in the form of tree canopy, parks, greenways and sustainable stormwater management.

The integration of green elements into the everyday functioning of a site provides numerous benefits. First, preserving and creating natural elements, both within the developed portions and at its edges, provides important habitat for native wildlife and plants. Second, the green infrastructure network can provide trail linkages between existing or new parks and open space, providing opportunities for outdoor recreation, active living, active transportation, and connecting residents with their natural surroundings.



03

IMPLEMENTATION STRATEGY

Throughout the Analysis and Master Planning portions leading to this IDS, the Consultant Team accumulated a master list of additional work items necessary to move Project FOIL into the Implementation Phase.

Three particularly critical portions of the Implementation Strategy are:

- A Marketing Strategy for generating actual development activity within the Project Foil area
- An Economic Impacts and Return on Investment Analysis
- The identification of important “Next Steps” to move the project from planning to doing.



Credit: Flickr_Carol VanHook

MARKETING STRATEGY

Northwest Florida is emerging as a center for manufacturing in the southeast U.S., a region of sustained growth across many business and industry sectors. The greater Pensacola area is home to a number of industrial and manufacturing parks, but one venue is unique from others both in its physical characteristics, its existing industrial, utility and higher education tenants and its intent for future growth: the industrial development concept of Project FOIL. Project FOIL is the master planned development of a group of large lots for industrial use among a few key tenants who provide manufacturing and utility synergies.

As Project FOIL is more fully developed, an immediate need exists to provide marketing and communications tools to assist in promotion of the site and then ongoing marketing support of FloridaWest's business development efforts to introduce the site to business decision makers in targeted industries, as well as to those who make recommendations regarding industrial site location.

Implementation of the plan is expected to be completed in stages, contingent on the availability of funding, staffing and other resources. All strategies recommended for the initial stages of the project are complete. Others have been clearly delineated as "recommended" for next steps.

GOALS, STRATEGIES AND TACTICS

The Project FOIL Marketing Plan focuses on four primary goals related to branding, promotion, partnerships and communications. Strategies pertaining to each of the Goals, as well as the tactical steps for implementation, can be categorized into two groups: **1) initial strategies slated for immediate action and that have already been executed and are complete; and 2) strategies and tactics to be implemented over the life of the project as Project FOIL is further developed and additional funding and resources are secured for these efforts.**



Barge view with Site 5: Magnolia Bluff

TARGET AUDIENCES

External Audiences

1. Executive-level Corporate
C-Suite Decision Makers (US & International)

2. Site Location Consultants

Primary Targets:

The following target sectors have the strongest potential for a Project FOIL location:

1. Chemical Manufacturing
2. Transportation Equipment Manufacturing
3. Inland Port Operations

Secondary Targets

These include:

1. Machinery Manufacturing
2. Nonmetallic Mineral Product Manufacturing
3. Renewable Energy
4. Green Industry
5. Composite Product Manufacturing

Internal Audiences

Stakeholder groups and individuals in the local community, as well as local media, will need a clear understanding of the benefits of developing Project FOIL. Those stakeholders are:

1. Regulators
2. Neighbors (residential)
3. Local Environmental groups
4. Existing businesses in corridor
5. General Public
6. Local Media

TABLE 4: GOALS, STRATEGIES & TACTICS

GOALS, STRATEGIES & TACTICS	INITIAL	FUTURE
<p>GOAL 1 - Brand the master-planned Project FOIL site to clearly feature its benefits to key decision-makers and influencers. Support the business development process with tools to promote the Project.</p>		
<p>OBJECTIVE 1.1: BRANDING</p>		
<p>1.1.1 Execute Plan to Brand and Promote Project FOIL</p> <p>Rename and create a unique brand based around the full complement of site features and benefits to key audiences with input from leaders of tenant businesses; implement a first-phase marketing plan that highlights the area's unique business proposition for industrial and advanced manufacturing projects.</p> <ul style="list-style-type: none"> • With input from branding exercise, landowner corporate tenants, and others closely aligned to the project, devise name for the overall project development as well as for the individual sub-sites. • Initial branding graphic identification – design graphic elements such as logo and other identifying marks to express the brand image. • Work with the FloridaWest to incorporate the project's new name, brand image and phrases into current marketing outreach to help communicate and promote the development to key audiences. 	✓	
<p>Make recommendations for an ongoing marketing/advertising/PR/promotional campaign to communicate the brand messaging nationally and internationally to identified target audiences.</p>		✓
<p>OBJECTIVE 1.2: CREATE AN ONLINE PRESENCE AS THE PROJECT'S FOUNDATIONAL COMMUNICATIONS TOOL</p>		
<p>1.2.1 Design, develop and launch an engaging website as primary communication mechanism</p> <ul style="list-style-type: none"> • The initial website will primarily target industrial and manufacturing prospects as well as site selection consultants ensuring that corporate executives and consultants alike can find pertinent information quickly and easily. • The initial site will feature: <ul style="list-style-type: none"> » Engineering drawings, maps and illustrations of the development » Benefits to businesses choosing to locate at the site » Features and primary characteristics of the development » Repository of digital attachments, documents, links and data regarding the development » Digital sales piece » News and contact information • Data and details will be added to the website as Project FOIL is further developed. 	✓	
<p>Recommendations for integration of Project FOIL into FloridaWest's Social Media Strategy</p> <ul style="list-style-type: none"> • Make recommendations to help FloridaWest integrate Project FOIL messaging into the organization's current social media strategy to help build interest in the development and to create a sense of community around the amenities for both corporate clients and the community. 		✓



THE BLUFFS
 NORTHWEST FLORIDA'S
 INDUSTRIAL CAMPUS

Branding: The Bluffs logo

TABLE 4: GOALS, STRATEGIES & TACTICS

GOALS, STRATEGIES & TACTICS	INITIAL	FUTURE
OBJECTIVE 1.3: DESIGN AND PRODUCE DIGITAL SALES MATERIALS TO SUPPORT BUSINESS DEVELOPMENT AND TO QUICKLY RESPOND TO LEAD OPPORTUNITIES		
<p>1.3.1 Sales Materials & Resources</p> <ul style="list-style-type: none"> Develop digital materials and resources to assist in the sales process. Products produced initially include items such as a digital sales piece outlining overall site benefits as well as sub-site description sheets that will be accessed via the website or may be emailed to prospects. Develop and produce a professional RFP/RFI Response Template to respond to leads generated for Project FOIL ensuring that the FloridaWest Business Development team can provide a rapid, customizable response to all formal inquiries regarding the site. 	✓	
<p>Sales Materials & Resources</p> <ul style="list-style-type: none"> Future recommended sales assets might include a mobile device sales app, a printed overall site brochure and/or individual sub-site brochures, custom PowerPoint presentation, and lead packets. Recommend ways to extend the sales team by working with utility partners, Enterprise Florida business development managers and International offices, Space Florida and regional economic development partnerships. Create a sample case study of the type of assistance an “average” industrial client might receive if the company chooses to locate at the site. 		✓
<p>1.3.2 Research and Data Assets</p> <ul style="list-style-type: none"> Interpret data and statistics from initial studies and analysis to support marketing messages and prospect RFP Response. Make recommendations regarding compilation of prospect lists and proactive identification of national and international site consultants, business executives and other appropriate decision makers in targeted industry clusters. Recommend research, list and data resources for services which will allow FloridaWest to conduct their own research to better qualify leads. 	✓	✓
GOAL 2 - Communicate with key stakeholders, the community and media as appropriate to share pertinent information about Project FOIL and to encourage input and support.		
OBJECTIVE 2.1: DEVELOP LOCAL COMMUNICATIONS STRATEGY TO REACH KEY STAKEHOLDERS		
<p>2.1.1 Create an Internal (Local) Communications Plan to reach key constituents and stakeholders as well as local media</p> <ul style="list-style-type: none"> Work with landowner tenants. Outline primary audiences and constituent groups. Identify and communicate key public messages: <ul style="list-style-type: none"> Planned growth means quality growth The completed development will be an environmental showcase Future generations will be able to find good jobs “at home” 	✓	



Credit: WRT

Site 2: Longleaf Bluff

TABLE 4: GOALS, STRATEGIES & TACTICS

GOALS, STRATEGIES & TACTICS	INITIAL	FUTURE
Local Media Interaction <ul style="list-style-type: none"> Write and disseminate press releases as appropriate and timely for local media. 		✓
2.2.1 Schedule meetings with primary audiences; develop presentations, FAQ's for each <ul style="list-style-type: none"> Outline message delivery timeline through the final week of August 2015. Schedule meetings with the following groups or individuals: <ul style="list-style-type: none"> » County Regulators » Existing tenant landowners » County Commissioner(s) » Area Businesses » Local Homeowner Associations and Environmental Groups Make recommendations for future presentations and meetings. 	✓	
GOAL 3 - Promote the Project FOIL concept to key audiences to create awareness and support for choice of the Campus for business location.		
OBJECTIVE 3.1: DEVELOP A DIRECT MARKETING APPROACH TO CORPORATE LEADERS AND CONSULTANTS		
3.1.1 Site Consultant Campaign <ul style="list-style-type: none"> Make recommendations for a direct marketing campaign (e.g., digital postcard and 3D premium) targeting the top site consultants, introducing the Project FOIL concept and ensuring that Northwest Florida remains top-of-mind for their clients looking to expand. 		✓
3.1.2 C-Level leaders Campaign for targeted Industry and Manufacturers <ul style="list-style-type: none"> Develop a direct marketing campaign (similar to above) to reach executives at corporate headquarters of targeted industry and manufacturing businesses. 		✓
3.1.3 Work with CEOs of local/regional large industries and corporations to help tell the Northwest Florida story <ul style="list-style-type: none"> Northwest Florida's existing industry base can play a key role in assisting with the FloridaWest's marketing of the Project FOIL development and business recruitment efforts. They have influential power in communicating the value of a Northwest Florida business location to prospects and leads. Showing an appreciation for these companies, ensuring they are aware of the Project FOIL development, and soliciting their assistance in marketing and business recruitment efforts will be invaluable. 		✓



Credit: WRT

Site 1: Live Oak Bluff

TABLE 4: GOALS, STRATEGIES & TACTICS

GOALS, STRATEGIES & TACTICS	INITIAL	FUTURE
OBJECTIVE 3.2: DEVELOP AN ONGOING INDUSTRY AND ECONOMIC DEVELOPMENT MEDIA CAMPAIGN TO POSITIVELY POSITION PROJECT FOIL AND THE BENEFITS OF NORTHWEST FLORIDA.		
3.2.1 Industry and Economic Development Media Campaign <ul style="list-style-type: none"> • Develop a targeted PR plan to: <ul style="list-style-type: none"> » Engage regional, statewide, national and international media to create an interest in Project FOIL and the region's economic development activities by telling Northwest Florida's story and sharing facts about FloridaWest's efforts. » Efficiently and thoroughly respond to media inquiries, providing requested information and additional facts that accurately reflect goals for the development. » Proactively highlight FloridaWest's initiatives and efforts in job creation, foreign direct investment, and promotion of Northwest Florida as a prime industrial location. 		✓
GOAL 4 - Partner with Florida's economic development community, industry associations, workforce and educational institutions to improve and promote Project FOIL's competitiveness.		
OBJECTIVE 4.1: BUILD BROAD SUPPORT FOR PROMOTION OF THE PROJECT FOIL DEVELOPMENT		
4.1.1 Leverage efforts and assets of State, Regional and Utility Partners <ul style="list-style-type: none"> • Work with Enterprise Florida's Business Development team and international offices to promote the Project FOIL site. Organize a virtual Familiarization (Fam) Tour to review the site with these key economic development partners to introduce the site and its benefits to each. • Partner with other state and regional organizations such as Space Florida and Florida's Great Northwest, as well as utility partners such a Gulf Power and ECUA, to co-promote Project FOIL to prospects and leads. • Work closely with CareerSource Florida to help the regional board and state entity to better understand the types of jobs currently found among the businesses at the site, in order to better model the workforce needs for future industry tenants. • Consider leveraging partners' advertising and promotions, where it makes sense, to promote Project FOIL. • Leverage Team Florida Consultant events to build relationships and to promote the site along with other Northwest Florida assets. 		✓
OBJECTIVE 4.2: LEVERAGE EXISTING TOOLS TO PROMOTE PROJECT FOIL		
4.2.1 Feature Project FOIL on existing GIS Sites and Buildings Databases Add Project FOIL to FloridaWest's local GIS-based sites and buildings database to provide 24/7 access for those researching such properties. Ensure that the Project FOIL data is also listed and regularly updated on the state database. Upon certification of portions of the Project FOIL site, make certain that it is designated and promoted as a Certified Site.		✓

MEASURES

Over the first two-to-three years, the following measures might reasonably be used by FloridaWest to judge the results of Project FOIL marketing and promotional efforts.

1. Awareness raised among key audiences
2. Public acceptance and support
3. Positive industry news articles secured
4. Sales plan in place and initial support materials prepared
5. Interest generated resulting in:
 - Inquiries / RFI's
 - Opened projects
 - Requests from EFI or other economic development partners
 - Requests from site selectors
 - Leads
 - RFP's
 - Site visits; new business sited
6. Unique visits to website; positive social media posts regarding the development



Credit: Flickr_Norsk olje og gass

ECONOMIC IMPACTS

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

PROJECT FOIL ECONOMIC IMPACTS

The economic impacts of Project FOIL were evaluated in terms of the topics listed below, using conservative assumptions and research data where available. A spreadsheet analysis of the first 25 years of expected development was prepared. This was not intended to be an actual prediction of what was expected to happen, but rather a conservative and defensible model of the development activity considered a reasonable expectation.

The topics modeled were:

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

Non-quantifiable Economic Benefits

In addition to these economic impact categories, there are others that will occur and will provide economic benefit to the County or State, but which cannot be modeled due to the complexity of the topic; factors such as abatements or other incentives that apply differently to various forms of business operations; and taxes that involve negotiation between the business and taxing authority. These include:

- Non-ad valorem taxes paid to the County because these are generally negotiated between the business and the County.
- Tangible personal property taxes payable to Escambia County on furniture, fixtures, and equipment of a business locating in Project FOIL because the value of that property cannot be forecast.
- Purchases of industrial machinery and equipment that are expected to comprise the majority of production equipment in the park, but which are now eligible to receive a sales and use tax exemption.
- Sales taxes on goods and services paid to the County and State because it is not possible to anticipate what goods and services will be purchased by the variety of companies locating in Project FOIL.
- Local business taxes paid to the County.
- Corporate income taxes paid to the state at a rate of 5.5% of net income because the net income of Project FOIL businesses cannot be forecast. Every \$100,000 of net income would be expected to generate \$5,500 of tax payments; however, many types of companies are eligible for tax refunds or credits under the state's Qualified Target Industry Tax Refund (QTI), Qualified Defense and Space Contractor Tax Refund (QDSC), Capital Investment Tax Credit (CITC), or High Impact Performance Incentive Grant (HIPI) programs.
- The Pollutants Tax payable by manufacturers of petroleum products, as well as pesticides, ammonia, chlorine, and solvents. As chemical manufacturing is one of the recommended targets for Project FOIL, some park occupants may be subject to this tax.
- Workers Compensation Assessments paid to the State because the assessment categories of the variety of businesses expected in Project FOIL are unknown at this time.



Credit: Jessica Whittle Photography

CSX train wrapping around near the Project FOIL site.

- Water and wastewater treatment fees paid to the Emerald Coast Utility Authority (ECUA) because the volume of water consumed and effluent created by individual businesses, or all businesses in the aggregate, cannot be estimated.
- Natural gas sales to Pensacola Energy, which cannot be estimated at this time due to the unknown natural gas needs of future park occupants.
- The image enhancement of the Pensacola/Escambia County region, as well as the State of Florida as the home of a premier park created for and occupied by a cross section of the world's major industries.

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

PROJECT FOIL COSTS

An economic impact analysis such as this cannot look at just the benefits; relevant costs must also be considered.

The project's major costs – infrastructure for the first phase of development, much of which will support future phases as well but must be installed in the first phase – were included in the first phase spreadsheet analysis. Initial marketing costs and an estimated budget for future marketing were also built into the spreadsheet for the first 10 years of the project. Marketing expenses beyond 10 years will be determined in the future.

The other most typical cost items that must be acknowledged, but can't be quantified at this time are:

- Increased street maintenance costs due to higher levels of truck and employee traffic traveling to and from the park.
- Impacts of population growth that may occur as people move to the area for Project FOIL employment opportunities.
- In particular, increased school enrollment from population growth that may result in the need for new school construction or expansion.
- Increased demands for public safety services.
- Management costs for overseeing Project FOIL.
- Maintenance costs for the park.

PRIMARY RESULTS OF THE PROJECT FOIL PRO FORMA ANALYSIS

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

- Project FOIL will recruit 10 projects that will occupy more than 3.9 million square feet of building space on 295 acres of land. This level of development will leave substantial room for expansion of existing buildings and construction of new ones.
- Construction of both initial buildings and expansions will have a construction value of nearly \$400.5 million.
- Cumulative building permit fees of more than \$240,000.

- A cumulative amount of nearly \$59 million in ad valorem real estate property taxes could be received by Escambia County, although this amount is likely to be reduced by incentives offered to attract projects.
- The potential land sale value is \$8,287,500, although this may be reduced due to special prices negotiated for highly desirable projects. At present time, this revenue will go to the current Phase 1 land owners, Ascend and ECUA.
- New direct employment (i.e., those jobs created in the park) totals nearly 6,000. These jobs will pay a total of nearly \$2.1 billion in wages.
- New indirect employment (i.e., the “multiplier jobs” caused outside the park because of expenditures by companies in the park and their workers) total more than 9,100 with aggregate wages of nearly \$1.8 billion.
- Total combined direct and indirect jobs of more than 15,000 with aggregate wages of nearly \$3.9 billion.

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

- 134,000 square feet of taxable new building space
- Nearly \$13.6 million in construction value and related jobs
- Nearly \$2 million in ad valorem real estate property taxes paid to the County
- More than 200 direct and 310 indirect jobs
- Nearly \$132 million in wages from direct and indirect jobs in the Escambia County and regional economy

As the first phase area of Project FOIL (Sites 1, 2, 5 and 6) totals nearly 890 acres, it is obvious that the project will meet the large industrial project needs for the foreseeable future and generate extensive benefits for the County and region.

RETURN ON INVESTMENT CONSIDERATIONS

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

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

- The current estimate of Phase 1 infrastructure costs is nearly \$194 million, spread over a 20 year period.
- Phase 1 of the project includes 4 major sites containing 34 parcels (lots) totaling 888.6 acres. With an initial selling price of \$22,000 per acre and factoring in reasonable escalation of that price over time, full build-out of Phase 1 might generate \$28 million to \$32 million in land sale revenue. This is far short of the development costs, and will go to the landowners, not to the PEDC as developer of the project.

As with most public sector projects, ROI must also take the jobs and wages to be created into consideration. As shown above, during the first 25 years of the development of project FOIL, job creation is projected to be more than 15,000 direct and indirect jobs generating nearly \$3.9 billion in wages. This will significantly improve the economy of the region and the standard of living of its residents. This, coupled with raising the image of the Pensacola/Escambia County region and the State of Florida as a premier location for major manufacturing operations, are the better measures of the project's ROI over an extended period.



Port terminal worker.



Biomass facility utilizes renewable materials to generate energy.



Credit: Flickr_ US Naval Forces

NEXT STEPS

Within this portion of the Implementation Strategy, particular attention was paid to the following items:

Development Entity Options

Currently Project FOIL is a cooperative venture of the four property landowners and a variety of other public and private sector stakeholders, coordinated by the Pensacola-Escambia Promotion and Development Commission (PEDC). As the project moves into the development and management phase, which is likely to continue for many years because of the sheer size of the project, a management entity will be necessary.

At the present time PEDC is the most logical and likely agency to have this responsibility. Landowners must agree to have PEDC, or some mutually acceptable alternative entity, be their representative in initial and ongoing negotiations with prospect companies, in coordinating the overall development process, and in marketing, managing and maintaining the project.

Consideration should be given to creating a mandatory Park Association in which all property owners and occupants have membership. Membership in the Association can be a requirement in any Covenants developed and filed with the land records for FOIL sites. This Association should be created before new companies are recruited to the Park, so that all occupants other than those already located in the project area are required to be members. Existing companies should be asked to join and accept the mandatory status of membership for the future. The advantage of any Park Association is that it gives Park occupants a “group ability” to discuss items of concern with Park stakeholders, owners and management. Another advantage is the possible bulk purchase of supplies and services (e.g. landscape management). Finally, a mandatory association has legal standing to enforce covenants and other regulations in court; voluntary associations do not have such standing.

Potential Funding Sources

Research was undertaken to identify possible funding sources that may be available to support Project FOIL. While there are neither a vast array of funding programs nor a “magic source” available to make Project FOIL a reality, there are enough sources across the various sectors – local, state, and federal governments and private sector sources – that an effective funding plan can be created once design has been completed and funding needs more fully identified.

This analysis focuses on creating FOIL; once this is done, additional funding sources will be necessary for managing, maintaining and marketing the project as well as for assisting companies with construction funding.

Implementation of Project FOIL should include the establishment of a Project FOIL Funding Task Force to develop and manage an overall funding strategy and program.

Site Certification Submittal

This portion of this IDS research and analysis provides a detailed list of characteristics that have been evaluated for those portions of Project FOIL that will seek to be designated as “Certified Sites” as many of the sites in competing areas have attained. Offering an independently evaluated and certified site provides an additional third party verification of a site’s level of development and a unique marketing benefit. Both Gulf Power, which owns part of the Project FOIL land, and CSX Railroad that services the project, have Certified Site programs. The ability to offer two separate certifications adds additional marketability to the project.

Obtaining certification on an area as expansive as the entire Project FOIL site (1,700+/- acres) is not practical and serves no purpose at this time, particularly as the project is being proposed as a “generational project” serving the needs of this region for decades to come. As referenced throughout this report, four parcels have been identified as the primary sites for near term development. These four sites range from approximately 259 to 580 acres and have gone through extensive site verification for site conditions. It is proposed these four sites will be those developed as a first phase over the next 15 years or more, and as the project continues to move forward, those items listed in the certification process that are time sensitive (requiring action at time of development) will then be addressed.



Gulf Power in Pensacola, FL.



Pensacola CSX-owned property.



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SOURCE DOCUMENTS

- Stakeholder Coordination Plan
- Industrial Infrastructure Survey Map (Wet Utilities)
- Stormwater Basin Survey Map
- Site Certification Plan in accordance with requirements of Gulf Power Industrial Site Certification Program and CSX Select Sites Program
- Limits of Jurisdictional Wetlands Map
- Implementation-Level Market Analysis
- GIS Data Overlays
- Site Concepts
- Area-wide Context Analysis
- Implementation Plan
- Preliminary Layouts for the Project Site
- Real Property Survey
- Site Survey
- Utility Competitiveness Review
- Target Industry Programming
- Roadway Survey
- Navigable Waterway Survey
- Barge Terminal Capacity Survey
- CSX Railway Survey
- Phase 1 Environmental Site Assessment
- Industrial Infrastructure Survey (dry utilities)
- Marketing Strategy Plan
- Preliminary Plat Application
- Summary of Initial Activities for Implementation of Marketing Strategy
- Marketing materials
- Site Specific Alternatives
- Selection of Sites & Parcels

