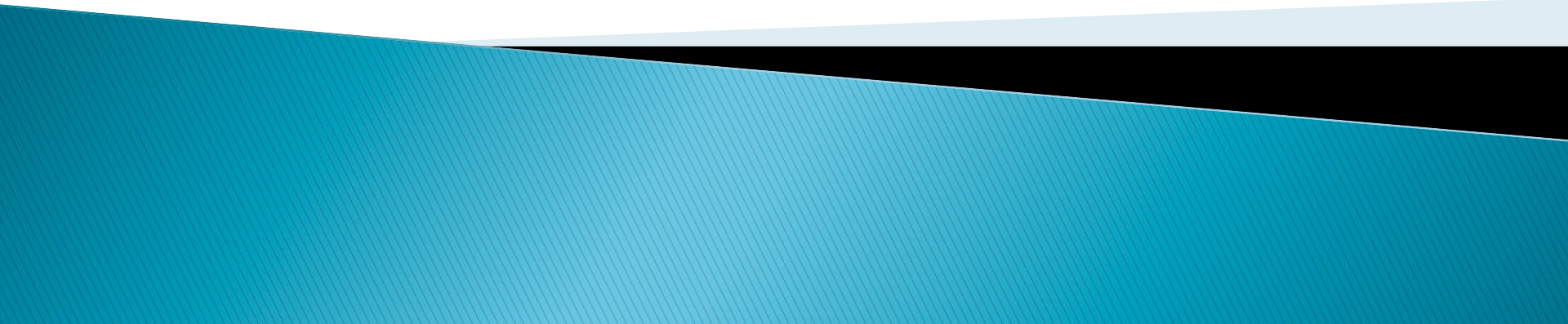


# Project Stallion

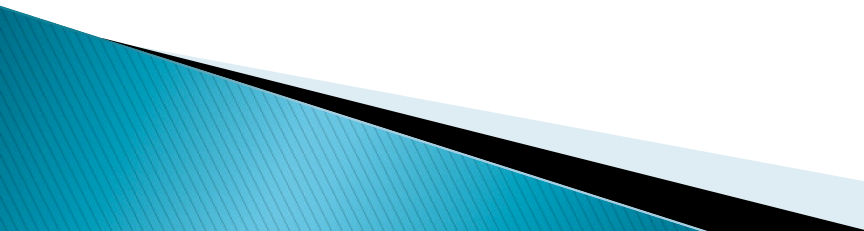
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# County Contribution

- ▶ Under the current proposal for funding Project Stallion presented to the County, the following agencies/entities have been identified as committing a total of between \$27.1 million and \$29.3 million. The project should not be exceeding \$37.3 million:
  - Florida Department of Transportation = \$11.6 million
  - Industry Recruitment Retention & Expansion Fund grant program (IRREF) = \$7 million
  - Pensacola International Airport (Federal Airport Improvement Program grants)= \$3.5 million
  - ST Aerospace = \$5 million – \$7.2 million
- ▶ The current remaining local financing gap for Project Stallion is \$8 million for Phase I. The City is requesting the County to fully fund the final gap financing.
- ▶ The County currently has approximately \$8.8 million in the L.O.S.T. reserves.
- ▶ No other funds other than L.O.S.T. are available without making funding reductions in other areas.
- ▶ **Questions for the Board:**
  - Does the County wish to participate at this level?
  - Is the Board willing to commit County L.O.S.T. reserves?

# Repayment from the City

- ▶ Under the current proposal, the County would fully fund the \$8 million local funding gap.
    - 25% of the funds will be dispersed to the City when both the lease and the interlocal agreement have been completed.
    - The remaining funds will be available in three additional draws, pending proof of expenditure of previous funds.
    - No funds will be disbursed prior to a fully executed and approved interlocal agreement between the County and City.
  
  - ▶ The City is proposing they would repay the County a total of \$3.2 million by December 31, 2019 pursuant to a mutually acceptable interlocal agreement.
    - The City will pledge certain available revenue sources such as the Communications Services Tax, the Electric Franchise Fee and ESP revenues.
  
  - ▶ **Questions for the Board:**
    - Are these terms acceptable?
    - Is this timeline acceptable?
    - Does the Board want to direct the County Attorney to negotiate a draft interlocal agreement with the City?
- 

# Investment Guarantees

- ▶ The company is expected to enter into an agreement with Enterprise Florida and Industry Recruitment Retention & Expansion Fund (IRREF) grant program that should provide certain performance benchmarks and job guarantees.
  - 300 positions will be created by Project Stallion within 3 years.
  - The 300 positions must be maintained for 36 months.
  - The average salary for the positions created will be at least \$41,000/annually.
- ▶ The company will also enter into a lease agreement with the City of Pensacola for the requisite space which will potentially contain certain performance benchmarks and job guarantees including provisions for a payback from the company for each job below the required 300 each year through the term of the agreement.

# Investment Guarantees *continued*

- ▶ The County will be funding a total of \$8,000,000. Of that \$3,200,000 will be repaid by the City. The County will invest the remaining \$4,800,000 pursuant to certain guarantees:
  - The County funding will be used to build a hanger and related infrastructure at Pensacola International Airport.
  - After 36 months from the date of the approval of the Interlocal Agreement , the City will promise to repay the County \$4,608 per job per year for 7 years for each job below the required 300.
    - This promised repayment from the City will be backed with a pledge from certain available revenue sources such as the Communications Services Tax, the Electric Franchise Fee and ESP revenues.
- ▶ **Questions for the Board:**
  - Does the Board wish to impose different performance measures, benchmarks or other investment guarantees from the City to protect the County's investment?

# Timeline

- ▶ February 13: Board to discuss a gap financing
  - ▶ February 18: County to vote on allowing staff to move forward on interlocal negotiations
  - ▶ February 18 – February 26: Finalize formal interlocal agreement and update elected officials.
  - ▶ March 6 – Interlocal agreement presented to the board of County Commissioners for final vote
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