

Business Alliance of Escambia and Santa Rosa Counties

Wednesday 6 November 2024

Commissioners,

The Business Alliance is comprised of business owners and managers from Escambia and Santa Rosa counties. We are committed to supporting efforts to maintain our excellent quality of life while advocating for initiatives that enhance economic growth and create opportunities for our citizens. On Oct 15, the Business Alliance convened to hear from economic development leaders across the two counties and we reviewed and discussed the Outlying Landing Field (OLF) 8 project. The discussion included a historical overview of the efforts from the project's inception to today's approved master plan overlay and its future development.

A vote was taken and approved by the membership to advocate the following positions:

- From the beginning, the OLF-8 land swap was intended to protect a valuable community asset by preserving and supporting the operations of Naval Air Station Whiting Field, specifically its activities related to OLF-8.
- Another benefit of the land swap, from its inception, was the potential for OLF-8 to serve as an asset for economic development and growth, particularly in terms of job creation.
- Escambia County has limited land resources zoned adequately to support ongoing efforts to attract new companies (and jobs) to the area, as well as retain growing industries that require expansion space.
- To remain competitive with neighboring regions, such as Alabama and Mississippi, it is imperative that Escambia County retain public ownership over its industrial-zoned real estate inventory and further develop it to a shovel-ready condition.
- **Transferring the "commerce park" portion of the DPZ Master Plan to the Pensacola-Escambia Development Commission (PEDC) will ensure public ownership** and provide the local economic development organization with the inventory needed to achieve its objectives of recruiting and retaining businesses, thereby promoting job and economic growth for the citizens of Escambia County.
- Additionally, **ownership of the "commerce park" by PEDC will lead to a more financially stable economic development effort, allowing the organization to retain tangible assets and generate future revenue from leasing various parcels** throughout the park.
- While the Business Alliance supports the commissioners' efforts to address the needs of residents near OLF-8 through the Master Development Plan—particularly the mixed-use aspects of the property—the Business Alliance believes that **an independent appraiser's current market valuation is necessary to adequately market and negotiate the sale** of the mixed-use portion to private developers.

OLF-8 and the mutually agreed-upon Master Development Plan represent the culmination of over twenty years of effort aimed at protecting the interests of Naval Air Station Whiting Field while repurposing the property for economic growth through job creation. We urge Escambia County to adhere to the current Master Plan design and intent. Furthermore, we strongly advocate for retaining public ownership of the "commerce park" to ensure a successful approach to economic development activities in Escambia County, Florida.

Sincerely,

Business Alliance Membership

Business Alliance of Escambia and Santa Rosa Counties

**Achieve Escambia
Another Broken Egg
Ascension Sacred Heart
Baptist Health Care
Baskerville Donovan
Cat Country/ADX Communications
Clear Title
Cox Communications
Emmanuel Sheppard & Condon
Escambia Co. Schools Foundation
Florida Blue
Florida Power & Light
Florida West EDA
Florida's Great Northwest
FSU Credit Union
Gibson & Associates
Gilmore
Grace Hebert Curtis Architects
Greater Pensacola Chamber of Commerce
Greika Realty
Gulf Breeze Chamber of Commerce
Gulf Coast Kids House
Gulf Coast Minority Chamber of Commerce
Hancock Whitney
HCA Florida West Hospital
Institute for Human & Machine Cognition
LandrumHR
LifeView Group
MidSouth Bank
Moorhead Law Group
Nemours
NW Florida Defense Coalition
PenAir Credit Union
Pensacola Beach Chamber of Commerce
Pensacola Habitat for Humanity
Pensacola State College
Perdido Key Chamber of Commerce
Saltmarsh, Cleveland, & Gund, CPA
ServisFirst Bank
The Lewis Bear Company
University of West Florida**



Economic Impact Summary: OLF-8 Light Industry Compared to OLF-8 Residential, Retail and Restaurants

Methodology

Researchers at the UWF Haas Center modeled three economic scenarios using an input-output (I-O) model known as IMPLAN. This software application estimates the direct, indirect, and induced effects stemming from economic activities associated with construction investments and business operations. Price changes are not factored into the assessment. In using this model, the team assumes that consumer preferences, government policy, technology, and prices all remain constant.

Scenario One: 5-year Assessment of Light Industrial Capital Expenditures and Jobs

| Scenario One Impact Model Inputs | Light Industry 5-Year Impact | | | |
|----------------------------------|------------------------------|-----------------|-----------------|---------------|
| | Type | Personal Income | Value Added | Output |
| Year 1: Capital Exp. \$570M | Direct | \$320.9M | \$393.0M | \$860.8M |
| Years 2-5: Net New Jobs 251 | Indirect | \$61.8M | \$105.7M | \$211.4M |
| Years 2-5: Payroll: \$15.6M | Induced | \$62.7M | \$122.1M | \$206.3M |
| | Total | \$445.4M | \$620.8M | \$1.3B |

The first scenario models construction and employment at three facilities: one for distribution, another for A/C manufacturing, and a third employer in medical device assembly. In total, researchers estimate the economic impact over 5-years will be **\$1.3B**. Employment, including the first 12 months of construction, is estimated to include **1,550 jobs** over a five-year timeframe. Most of the employment activity occurs during the initial construction phase, however operations and new manufacturing as well as distribution jobs produce decades of personal income for residents in all parts of Escambia County, FL. In fact, personal income is estimated to increase in the region by **\$445.4M**. The total **local tax revenue** generated would amount to **\$10.8M**.

Scenario Two: 5-year Assessment of Residential, Retail and Restaurant Construction and Employment

| Scenario Two Impact Model Inputs | Residential/Retail/Hospitality 5-Year Impact | | | |
|---|--|-----------------|----------------|-----------------|
| | Type | Personal Income | Value Added | Output |
| Year 1: Construction—Utility Infrastructure, retail & restaurants, 200 single family residences, \$88M Years 2-5: Net new retail & restaurant jobs: 40 | Direct | \$36.3M | \$59.4M | \$105.6M |
| | Indirect | \$8.6M | \$16.1M | \$29.5M |
| | Induced | \$7.3M | \$14.3M | \$24.2M |
| | Total | \$52.2M | \$89.8M | \$159.3M |

The second scenario simulates the spending related to the construction of a utility infrastructure, 200 residences, retail, and restaurants as well as new jobs pertinent to operating restaurant and retail businesses. The total output associated with this development at OLF-8 in Escambia County, FL is estimated to be **\$159.3M**. Researchers anticipate a total of **205 jobs** across 5-years and similar to the light industry scenario, many of those jobs are generated directly from short-term construction activity. The personal income generated would be approximately **\$52.2M**. Using the same method to estimate tax revenue, the residential/retail scenario would generate **\$2.4M**.

Comparisons

Under the light-industry scenario, the total local tax revenue generated amounts to an estimated **\$10.8M**, compared with the **\$2.4M** produced from the housing, retail and restaurant scenario. The difference between the two is **\$8.4M** over 5 years. Personal income gains also represent a significant difference with light industry producing **\$393.2M** more than housing, retail, and restaurants. The total difference in economic output over 5-years is **\$1.1B**.

The OLF-8 master plan and zoning accommodates both scenarios—light industry, as well as retail, restaurants, and residences. Escambia County, FL has at least two examples of such economic diversity, one is found in Marcus Pointe, a master-planned, golf-course community and commerce park located about 9.5 miles from OLF-8. Businesses include the Lewis Bear Company, Folkers Windows, Rubber and Specialties, Inc. and Security Engineering.

Similar economic diversity is found a few miles south in Downtown Pensacola, where light manufacturing and distribution coexists with retail, restaurants and residential spaces. Examples of light industry in Downtown Pensacola include but are not limited to Mondelez International/Nabisco Biscuit Company, Snack Crate, Bergan Marine Systems, National Standard Parts, and Mercury Machining Company.

For questions about this economic impact model, please contact the executive director of the UWF Haas Center, Nicole Gislason (nicole@uwf.edu).