



PENSACOLA-ESCAMBIA PROMOTION & DEVELOPMENT COMMISSION

January 21st, 2020 at 10:00 AM

Co:Lab, 1st Floor Conference Room

418 W Garden Street - Pensacola, Florida

PEDC AGENDA

- | | |
|--|------------------|
| 1. Call to Order | Clorissti Shoemo |
| 2. Public Notice (1/2/2020) | Clorissti Shoemo |
| 3. Public Comment | Clorissti Shoemo |
| 4. Action Items | |
| a. Saltmarsh Audit FYE 19 Presentation | Scott Luth |
| b. BDI/Bluffs Closeout Presentation | Scott Luth |
| c. Approval of October 15 th , 2019 Minutes | Clorissti Shoemo |
| d. Approval of December 2019 Financials | Scott Luth |
| e. Tech Park Appraisal | Scott Luth |
| 5. Division Reports (No Board Action Anticipated) | |
| a. Tech Park Update | Scott Luth |
| b. Economic Development Update | Scott Luth |
| 1. Business Development | |
| 2. Workforce | |
| 3. Co:Lab | |
| 4. Cybersecurity | |
| 5. Marketing | |
| 6. Other Business | |
| a. Bluffs Governor Growth Fund Application Update | Scott Luth |
| b. Bluffs Legislative Request | Scott Luth |
| 7. Adjourn | |

Next Meeting: February 18, 2020 at 10:00 am

Fiscal Year Meeting Schedule

March 17, 2020

April 21, 2020

May 19, 2020

June 16, 2020

July 21, 2020

August 18, 2020

September 15, 2020

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

We have audited the financial statements of the governmental activities and General Fund of the Pensacola-Escambia County Promotion and Development Commission (the “Commission”) for the year ended September 30, 2019. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated October 28, 2019. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Commission are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during fiscal year 2019. We noted no transactions entered into by the Commission during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management’s knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the Commission’s financial statements was management’s estimate of the Technology Park Property’s value which is based on an appraisal. We evaluated the key factors and assumptions used to develop the Technology Park Property’s value in determining that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was the Technology Park disclosure in Note 4 to the financial statements. This is considered sensitive because of the unique situation in which the property is properly accounted for in governmental activities.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. We have communicated all adjustments to management. The following material misstatements detected as a result of audit procedures were corrected by management:

- To record prior year audit adjustments to properly state the balances of certain liabilities and net assets.
- To record \$415,045 grant receivable and grant revenue for grant expenses incurred prior to year-end.
- To record \$206,085 accounts payable and expenses for expenses incurred prior to year-end.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated November 20, 2019.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Commission's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to Management's Discussion and Analysis, which is required supplementary information ("RSI") that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the Schedule of Expenditures of State Financial Assistance, which accompanies the financial statements but is not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the use of the Board of Directors and management of the Commission and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in black ink, reading "Saltmarsh Cleveland & Lund". The signature is written in a cursive, flowing style.

Pensacola, Florida
November 20, 2019

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

PENSACOLA, FLORIDA

FINANCIAL STATEMENTS

SEPTEMBER 30, 2019

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

PENSACOLA, FLORIDA

FINANCIAL STATEMENTS

SEPTEMBER 30, 2019

TABLE OF CONTENTS

| | PAGE |
|---|------|
| Independent Auditor's Report | 1 |
| Management's Discussion and Analysis | 4 |
| Financial Statements: | |
| Statement of Net Position | 9 |
| Statement of Activities | 10 |
| Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund | 11 |
| Notes to Financial Statements | 12 |
| Supplementary Information: | |
| Schedule of Expenditures of State Financial Assistance | 18 |
| Other Reports: | |
| Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> | 19 |
| Independent Auditor's Report on Compliance for Each Major State Project and on Internal Control Over Compliance Required by Chapter 10.550, Rules of the Auditor General | 21 |
| Schedule of Findings and Questioned Costs | 23 |
| Schedule of Prior Audit Findings | 24 |
| Independent Accountant's Report on Compliance with Section 218.415, Florida Statutes | 25 |
| Management Letter | 26 |

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the Pensacola-Escambia County Promotion and Development Commission (the "Commission") as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

Board of Directors
Pensacola-Escambia County Promotion
and Development Commission

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Commission as of September 30, 2019, and the changes in its financial position and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 8 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Commission's basic financial statements. The schedule of expenditures of state financial assistance is presented for purposes of additional analysis as required by Chapter 10.550, Rules of the Auditor General and is not a required part of the basic financial statements.

The schedule of expenditures of state financial assistance is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of state financial assistance is fairly stated in all material respects in relation to the basic financial statements as a whole.

Board of Directors
Pensacola-Escambia County Promotion
and Development Commission

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 20, 2019 on our consideration of the Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control over financial reporting and compliance.



Pensacola, Florida
November 20, 2019

**Pensacola-Escambia County Promotion and Development Commission
Management's Discussion and Analysis
For the Year Ended September 30, 2019**

Our discussion and analysis of the financial performance of the Pensacola-Escambia County Promotion and Development Commission (the "Commission") provides an overview of the Commission's financial activities for the fiscal year ended September 30, 2019. Please review it in conjunction with the Commission's financial statements.

FINANCIAL HIGHLIGHTS

- Total assets for the Pensacola-Escambia County Promotion and Development Commission increased by \$93,626 from 2018 due to an increase of \$374,297 in grant receivables and a decrease of \$280,671 in bank account balances. Liabilities increased by \$108,976 due to an increase in Tech Park payable – County of \$53,809 and an increase in accounts payable of \$55,167.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 9-10) provide information about the activities of the Commission as a whole and present a longer-term view of the Commission's finances.

Reporting on the Commission as a Whole

The Statement of Net Position and the Statement of Activities

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

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

**Pensacola-Escambia County Promotion and Development Commission
Management's Discussion and Analysis
For the Year Ended September 30, 2019**

Reporting the Commission's Funds

Notes to the Financial Statements: The notes provide additional information that is essential to a full understanding of the data provided in the government-wide financial statements. The notes to the financial statements can be found on pages 12-17 of this report.

THE COMMISSION AS A WHOLE

The Commission's total net position changed from a year ago, decreasing from \$4,467,857 to \$4,452,507. Our analysis below focuses on the net position (Table 1) and changes in net position of the Commission's governmental activities.

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

| | <u>2018</u> | <u>2019</u> |
|------------------------------------|-----------------|-----------------|
| Cash | \$ 1,355 | \$ 1,074 |
| Grant receivable | 325 | 700 |
| Technology Park property | <u>5,850</u> | <u>5,850</u> |
| Total Assets | <u>\$ 7,530</u> | <u>\$ 7,624</u> |
| Accounts payable | \$ 151 | \$ 206 |
| FOIL payable – County | 680 | 680 |
| Technology Park payable – County | <u>2,231</u> | <u>2,285</u> |
| Total liabilities | <u>3,062</u> | <u>3,171</u> |
| Net Position: | | |
| Restricted | 61 | 61 |
| Unrestricted | <u>4,407</u> | <u>4,392</u> |
| Total net position | <u>4,468</u> | <u>4,453</u> |
| Total Liabilities and Net Position | <u>\$ 7,530</u> | <u>\$ 7,624</u> |

Statement of Activities

Prior year revenue totaled \$2,199,046 versus current year revenue of \$2,617,430. This increase is due to an increase in grant funds.

Prior year expenses totaled \$2,186,974 versus current year expenses of \$2,632,780. This increase is primarily due to an increase in grant expenditures.

**Pensacola-Escambia County Promotion and Development Commission
Management's Discussion and Analysis
For the Year Ended September 30, 2019**

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

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance</u> |
|--|-------------------------|--------------------|--------------------|
| Revenues: | | | |
| Governmental - | | | |
| Intergovernmental | \$ 750,000 | \$ 700,000 | \$ (50,000) |
| Program - | | | |
| Grant revenue | 2,000,000 | 1,915,430 | (84,570) |
| Foreign trade zone | 2,000 | 2,000 | 0 |
| Investment income | 300 | 0 | (300) |
| Expenditures: | | | |
| Current - | | | |
| General government | \$ 2,752,300 | \$ 2,632,780 | \$ 119,520 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | \$ 0 | \$ (15,350) | \$ (15,350) |

Final Budget versus Actual Results

The Commission budgeted for additional intergovernmental revenue to fund certain expenses. As those expenses were not incurred, the Commission did not request additional funds. The variances in grant revenue and General Government expenditures can be attributed to budgeted grant revenue and expenses for the FOIL project that were not incurred by year end.

ECONOMIC FACTORS

The economic development mission of the Commission remains constant. The Commission contracted with the Community Economic Development Association of Pensacola and Escambia County d/b/a FloridaWest Economic Development Alliance ("FloridaWest") for all its economic activities again this past year. This includes performing management duties on behalf of the Commission and marketing. This was a milestone year for FloridaWest as it celebrated its 5-year anniversary and partnership with the Commission. The combined efforts of both organizations have supported a commitment from private companies to create/retain approximately 7,200 jobs, \$350 million in annual payroll, and \$716 million in new capital investments. The Commission requested level funding from Escambia County and the City of Pensacola for the current fiscal year. The funds were used for the activities of the Commission as well as for FloridaWest's public funding contribution. Escambia County granted the funding request to the Commission. Half of the funding request from the City of Pensacola came to the Commission and the other half of the funding for economic development came to FloridaWest under a separate agreement.

**Pensacola-Escambia County Promotion and Development Commission
Management's Discussion and Analysis
For the Year Ended September 30, 2019**

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

The Commission continued negotiations with the University of West Florida ("UWF") to acquire the entire Technology Park property and a contribution agreement was signed in September 2017. According to the terms of the agreement, the Commission agreed to contribute the Technology Park property to the University of West Florida Foundation as participation in a grant application to be submitted to Triumph Gulf Coast, Inc. ("Triumph") for funding for what is designated by the Commission as Project Expanse. The project would be for the development of the Downtown Technology Center for an educational site with high-tech education, research, and collaborative components, including without limitation, cyber security, advanced manufacturing to potentially include marine, and other high-tech programming (the "Purposes"). The Commission continues to work with UWF and the Triumph board as it relates to the grant application and project funding. While the project has not moved forward and all agreements have expired, the basic terms are available if the parties decide to move the project forward.

The development of the "Bluffs" continues to be a high priority project for the Commission. Beginning in fiscal year 2014 - 2015 to the end of fiscal year 2018 - 2019, the Commission has received and spent approximately \$8 million from the Department of Economic Opportunity ("DEO") and the Florida Department of Transportation ("FDOT"). All funding is associated with developing sites along the Lower Escambia River Basin into major industrial sites to target high-energy, aerospace, or other industrial-manufacturing businesses to boost economic development and job growth. The Commission executed contracts for \$500,000 of legislative funding received from the State of Florida in fiscal year 2017 - 2018. The Commission spent approximately \$300,000 of the funds in fiscal year 2018 - 2019 with the remaining balance to be spent by December 31, 2019. All grant contracting and work with this phase is associated with improvement to Becks Lake Road. This effort involves the establishment of horizontal and vertical realignments of Becks Lake Road to provide an industrial route designed as an Industrial Access/Freight Corridor to support The Bluffs. All work associated with this project began in fiscal year 2018 - 2019.

**Pensacola-Escambia County Promotion and Development Commission
Management's Discussion and Analysis
For the Year Ended September 30, 2019**

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

REQUEST FOR INFORMATION

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

A handwritten signature in black ink, appearing to read "Scott Luth", with a long horizontal flourish extending to the right.

Scott Luth
CEO, FloridaWest Economic Development Alliance

FINANCIAL STATEMENTS

**PENSACOLA-ESCAMBIA COUNTY PROMOTION
AND DEVELOPMENT COMMISSION
STATEMENT OF NET POSITION
SEPTEMBER 30, 2019**

ASSETS

| | |
|-------------------------------|----------------------------|
| Cash | \$ 1,074,010 |
| Grant receivable | 699,720 |
| Technology Park property, net | <u>5,850,000</u> |
| Total Assets | <u><u>\$ 7,623,730</u></u> |

LIABILITIES AND NET POSITION

Liabilities:

| | |
|----------------------------------|------------------|
| Accounts payable | \$ 206,085 |
| FOIL payable - County | 680,285 |
| Technology Park payable - County | <u>2,284,853</u> |
| Total liabilities | <u>3,171,223</u> |

Commitments and Contingencies

--

Net Position:

| | |
|--------------------|------------------|
| Restricted | 61,198 |
| Unrestricted: | |
| Committed | 52,309 |
| Unassigned | <u>4,339,000</u> |
| Total net position | <u>4,452,507</u> |

| | |
|---|----------------------------|
| Total Liabilities and Net Position | <u><u>\$ 7,623,730</u></u> |
|---|----------------------------|

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

**PENSACOLA-ESCAMBIA COUNTY PROMOTION
AND DEVELOPMENT COMMISSION
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2019**

Revenues:

| | |
|----------------------------|------------------|
| Governmental - | |
| Intergovernmental - City | \$ 150,000 |
| Intergovernmental - County | 550,000 |
| Program - | |
| Grant revenue | 1,915,430 |
| Foreign trade zone | 2,000 |
| Total revenues | <u>2,617,430</u> |

Expenses:

| | |
|----------------------|------------------|
| Current - | |
| General government - | |
| Economic development | 2,599,949 |
| Audit and accounting | 8,000 |
| Legal | 22,325 |
| Foreign trade zone | 1,360 |
| Miscellaneous | 1,146 |
| Total expenses | <u>2,632,780</u> |

Change in Net Position (15,350)

Net Position, October 1, 2018 4,467,857

Net Position, September 30, 2019 \$ 4,452,507

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

**PENSACOLA-ESCAMBIA COUNTY PROMOTION
AND DEVELOPMENT COMMISSION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2019**

| | General Fund | | |
|--|------------------|--------------------|--|
| | Budget | Actual | Variance - Favorable (Unfavorable) |
| Revenues: | | | |
| Governmental - | | | |
| Intergovernmental - City | \$ 150,000 | \$ 150,000 | \$ - |
| Intergovernmental - County | 600,000 | 550,000 | (50,000) |
| Program - | | | |
| Grant revenue | 2,000,000 | 1,915,430 | (84,570) |
| Foreign Trade Zone | 2,000 | 2,000 | - |
| Investment income | 300 | - | (300) |
| Total revenues | <u>2,752,300</u> | <u>2,617,430</u> | <u>(134,870)</u> |
| Expenditures: | | | |
| Current - | | | |
| General government - | | | |
| Economic development | 2,692,000 | 2,599,949 | 92,051 |
| Audit and accounting | 10,000 | 8,000 | 2,000 |
| Legal | 29,500 | 22,325 | 7,175 |
| Contractual services - Foreign Trade Zone | 2,000 | 1,360 | 640 |
| Miscellaneous | 18,800 | 1,146 | 17,654 |
| Total expenditures | <u>2,752,300</u> | <u>2,632,780</u> | <u>119,520</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>\$ -</u> | <u>\$ (15,350)</u> | <u>\$ (15,350)</u> |

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

NOTES TO FINANCIAL STATEMENTS

**PENSACOLA-ESCAMBIA COUNTY PROMOTION
AND DEVELOPMENT COMMISSION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. The Reporting Entity

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

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

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

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

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

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

**PENSACOLA-ESCAMBIA COUNTY PROMOTION
AND DEVELOPMENT COMMISSION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The Commission reports the following fund:

Governmental Fund

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

C. General Budget Policies

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

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

D. Budgetary Basis of Accounting

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

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

E. Restricted and Unrestricted Resources

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

**PENSACOLA-ESCAMBIA COUNTY PROMOTION
AND DEVELOPMENT COMMISSION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

NOTE 2 - CASH AND INVESTMENTS

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

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

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

Deposits:

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

The Commission's deposits at year end were entirely covered by federal depository insurance or pooled collateral held by the State Treasurer under the provisions of Chapter 280, Florida Statutes. At September 30, 2019, the carrying amount of the Commission's deposits was \$1,074,010 and the bank balance was \$1,074,288.

NOTE 3 - FOIL PROJECT

The Commission has signed grant agreements with the Florida Department of Transportation to prepare conceptual plans for transportation and to develop marketing materials and conduct outreach for the Forward Operating Industrial Location ("FOIL") project. The Commission incurred expenditures totaling \$1,915,430 under these grants during the year ended September 30, 2019. At September 30, 2019, the Commission had amounts receivable under these grants totaling \$699,720.

To manage cash flow needs related to FOIL grant expenditures, the Commission entered into an agreement with the County during 2017, under which the County is providing a non-interest bearing line of credit in an amount not to exceed \$750,000. The line of credit expires on December 31, 2019. At September 30, 2019, amounts due under the agreement totaled \$680,285. The amounts will be repaid once grant reimbursements are received.

**PENSACOLA-ESCAMBIA COUNTY PROMOTION
AND DEVELOPMENT COMMISSION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

NOTE 4 - TECHNOLOGY PARK

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

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

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

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

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

**PENSACOLA-ESCAMBIA COUNTY PROMOTION
AND DEVELOPMENT COMMISSION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

NOTE 4 - TECHNOLOGY PARK (Continued)

The following is a summary of the carrying value of the Technology Park property and the associated liability due to the County as of September 30, 2019:

| | <u>County</u> | <u>City</u> | <u>Total</u> |
|--|----------------------|---------------------|---------------------|
| Initial land conveyance | \$ 6,900,000 | \$ 1,425,000 | \$ 8,325,000 |
| Infrastructure funded by County | 1,926,938 | | 1,926,938 |
| Infrastructure funded by grant | 1,316,168 | | 1,316,168 |
| Technology Park property at cost | <u>\$ 10,143,106</u> | <u>\$ 1,425,000</u> | 11,568,106 |
| Fair value adjustment | | | (5,718,106) |
| Technology Park property at fair value | | | 5,850,000 |
| Accrued interest and other | | | 504,365 |
| Forgiveness of debt | | | (4,069,512) |
| Technology Park payable | | | <u>\$ 2,284,853</u> |

The Technology Park payable accrues interest at the monthly yield rate required by the State Board of Administration for inter-fund loans and the County Investment Policy (2.31% at September 30, 2019)

In November 2017, the Commission signed an agreement with the University of West Florida Foundation (the "Foundation") to contribute all lots located in the Technology Park to the Foundation as participation in a grant application to be submitted to Triumph Gulf Coast, Inc. ("Triumph"). The purpose of the grant is the development of the Downtown Technology Center for an educational site with high-tech education, research and collaborative components. The transfer of the property is contingent on the successful grant application to Triumph and the forgiveness or settlement of the Technology Park payable due to the County. The transfer has not been completed as of September 30, 2019 and the agreement expired accordingly. However, the basic terms are available if the parties decide to move the project forward

NOTE 5 - NET POSITION

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

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

**PENSACOLA-ESCAMBIA COUNTY PROMOTION
AND DEVELOPMENT COMMISSION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

NOTE 6 - RISK MANAGEMENT

The Commission is exposed to various levels of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. To mitigate some of those risks, the Commission maintains a directors and officers liability policy and a commercial general liability policy. There have been no losses for these risks in any of the prior three fiscal years, and the Commission is not aware of any material liabilities related to these risks as of September 30, 2019.

NOTE 7 - COMMITMENTS AND CONTINGENCIES

The Commission has engaged the Community Economic Development Association, Inc. d/b/a FloridaWest Economic Development Alliance to promote economic development for the year ending September 30, 2020 for a fee of \$600,000.

As discussed in Note 4, the Commission entered into, and later amended, the "Agreement with the County, the City and the CRA of the City to develop a Technology Park in downtown Pensacola". Under the amended agreement, the City and County have a right of re-entry on the property if the Commission does not sell at least one lot or enter into a long-term lease, not less than 15 years in duration, of at least one lot by September 6, 2016. As of September 30, 2019, the Commission has not yet sold or entered into a long-term lease for any of the Technology Park lots. However, neither the County nor the City had indicated that they will exercise their right of re-entry.

SUPPLEMENTARY INFORMATION

**PENSACOLA-ESCAMBIA COUNTY PROMOTION AND DEVELOPMENT COMMISSION
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
YEAR ENDED SEPTEMBER 30, 2019**

| State Grantor/Pass-through Grantor/Project Title | CSFA Number | Contract / Grant Number | Expenditures |
|---|------------------------|------------------------------------|----------------------------|
| <u>Florida Department of Transportation</u> | | | |
| The Bluffs, Pensacola Bridge Project Corridor Phase II | 55.042 | GOS67 | \$ 1,631,670 |
| Local Transportation Projects | 55.039 | G1225 | <u>283,760</u> |
| | | | <u><u>\$ 1,915,430</u></u> |

Note: This schedule is presented on the accrual basis of accounting in accordance with generally accepted accounting principles.

OTHER REPORTS

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Pensacola-Escambia County Promotion and Development Commission (the "Commission") as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements, and have issued our report thereon dated November 20, 2019.

Internal Control Over Financial Reporting

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

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

Board of Directors
Pensacola-Escambia County Promotion
and Development Commission

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

Compliance and Other Matters

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

Purpose of this Report

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



Pensacola, Florida
November 20, 2019

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR
EACH MAJOR STATE PROJECT AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY CHAPTER 10.550,
RULES OF THE AUDITOR GENERAL**

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

Report on Compliance for Each Major State Project

We have audited Pensacola-Escambia County Promotion and Development Commission's (the "Commission's") compliance with the types of compliance requirements described in the *Executive Office of the Governor's State Projects Compliance Supplement* that could have a direct and material effect on each of the Commission's major state projects for the year ended September 30, 2019. The Commission's major state project is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state projects.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Commission's major state projects based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Auditor General. Those standards and Chapter 10.550, Rules of the Auditor General, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state project occurred. An audit includes examining, on a test basis, evidence about the Commission's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each of the major state projects. However, our audit does not provide a legal determination of the Commission's compliance.

Opinion on Each Major State Project

In our opinion, the Commission complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major state project for the year ended September 30, 2019.

Report on Internal Control Over Compliance

Management of the Commission is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Commission's internal control over compliance with the types of requirements that could have a direct and material effect on each of the major state projects to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each of the major state projects and to test and report on internal control over compliance in accordance with Chapter 10.550, Rules of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Chapter 10.550, Rules of the Auditor General. Accordingly, this report is not suitable for any other purpose.



Pensacola, Florida
November 20, 2019

**PENSACOLA-ESCAMBIA COUNTY PROMOTION
AND DEVELOPMENT COMMISSION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2019**

A. SUMMARY OF AUDIT RESULTS

1. The independent auditor's report expresses an unmodified opinion on the financial statements of the Pensacola-Escambia County Promotion and Development Commission.
2. No significant deficiencies in internal control relating to the audit of the financial statements are reported in the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of the Pensacola-Escambia County Promotion and Development Commission, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No significant deficiencies relating to the audit of the major state project are reported in the Independent Auditor's Report on Compliance for Each Major State Project and on Internal Control Over Compliance Required by Chapter 10.550, Rules of the Auditor General.
5. The auditor's report on compliance for the major state project for the Pensacola-Escambia County Promotion and Development Commission expresses an unmodified opinion.
6. There are no audit findings relative to the major state project for the Pensacola-Escambia County Promotion and Development Commission which are required to be reported in accordance with Chapter 10.554, Rules of the Auditor General.
7. The project tested as major was:

The Bluffs, Pensacola Bridge Project Corridor Phase II (CSFA No. 55.042)
8. The threshold for distinguishing Type A and B programs was \$300,000 for the major state projects.

B. FINDINGS - FINANCIAL STATEMENT AUDIT

None

C. FINDINGS AND QUESTIONED COSTS - MAJOR STATE PROJECT

None

**PENSACOLA-ESCAMBIA COUNTY PROMOTION
AND DEVELOPMENT COMMISSION
SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED SEPTEMBER 30, 2019**

There were no prior audit findings.

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

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

We have examined Pensacola-Escambia County Promotion and Development Commission's (the "Commission's") compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2019. Management is responsible for the Commission's compliance with those requirements. Our responsibility is to express an opinion on the Commission's compliance based on our examination.

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

In our opinion, the Commission complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2019.

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



Pensacola, Florida
November 20, 2019

MANAGEMENT LETTER

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

Report on the Financial Statements

We have audited the financial statements of the Pensacola-Escambia County Promotion and Development Commission (the “Commission”), as of and for the fiscal year ended September 30, 2019, and have issued our report thereon dated November 20, 2019.

Auditor’s Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and Chapter 10.550, Rules of the Florida Auditor General.

Other Reporting Requirements

We have issued our Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor’s Report on Compliance for Each Major State Project and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountant’s Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated November 20, 2019, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Board of Directors
Pensacola-Escambia County Promotion
and Development Commission

Official Title and Legal Authority

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

Financial Condition and Management

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

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

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

Additional Matters

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

Purpose of this Letter

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



Pensacola, Florida
November 20, 2019



BASKERVILLE-DONOVAN, INC.

"Engineering the South since 1927"

THE BLUFFS

Northwest Florida's Industrial Campus

The Bluffs: Northwest Florida's Industrial Campus

Final Design Build Criteria

January 2020



Acknowledgements

FUNDING AGENCIES

Florida Legislature

State of Florida, *Department of Economic Opportunity*

Florida Department of Transportation

STAKEHOLDERS

Emerald Coast Utilities Authority

Ascend Performance Materials

Gulf Power Company

Pensacola-Escambia Promotion & Development Commission

University of West Florida

STUDY TEAM

Baskerville-Donovan, Inc.

Wallace Roberts & Todd, LLC

Garnet Consulting Services, Inc.

Wadley-Donovan GrowthTech, LLC

Vision First Advisors

Biome, Inc.

Hutch Touch

idgroup

Atkins North America, Inc.

Tierra, Inc.



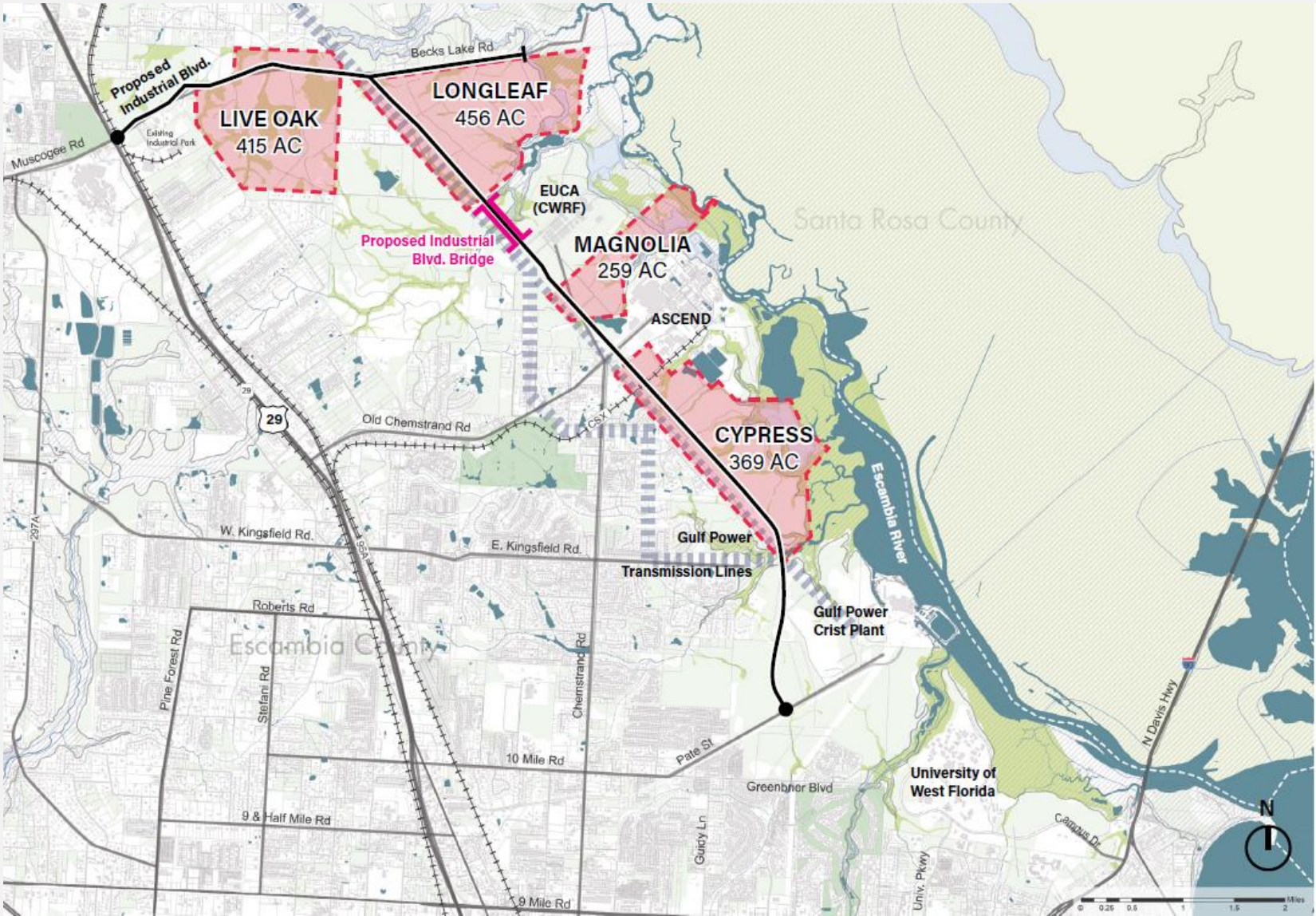
Overview

- Project Overview
 - The Bluffs Economic Analysis - \$399,000
 - The Bluffs Master Plan - \$1,599,029
 - Phase I Design-Build Criteria Package - \$1,950,000
 - Phase II Design-Build Criteria Package - \$3,025,000
 - Becks Lake Road Design-Build Criteria Package - \$493,000
- Design-Build Criteria Package
 - Project Goals
 - Design-Build Criteria Package Development
 - Design-Build Organizational Structure
 - RFQ Scoresheet
 - RFP Scoresheet
 - Performance Requirements
- Cost Estimate
- Next Steps

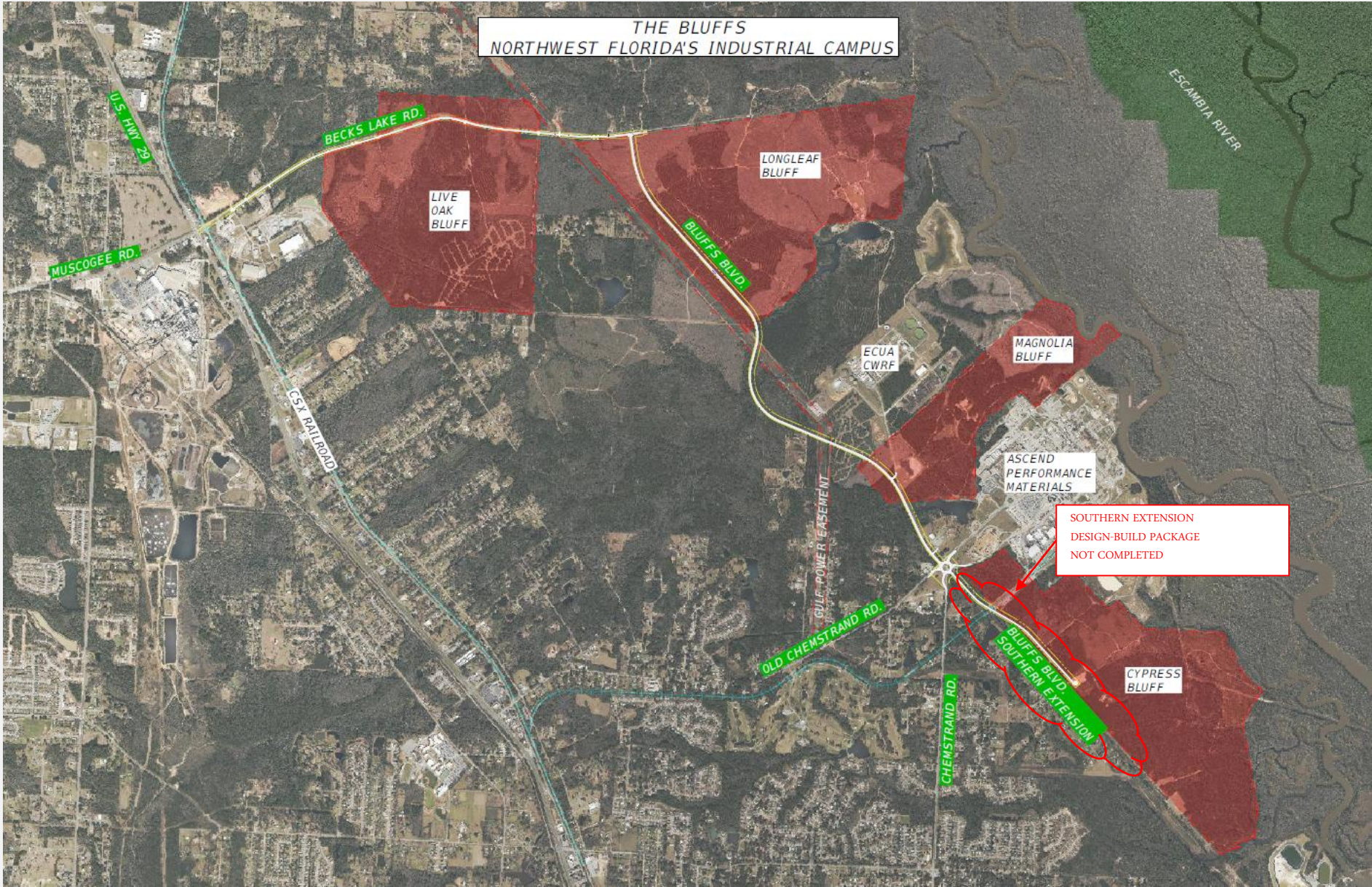


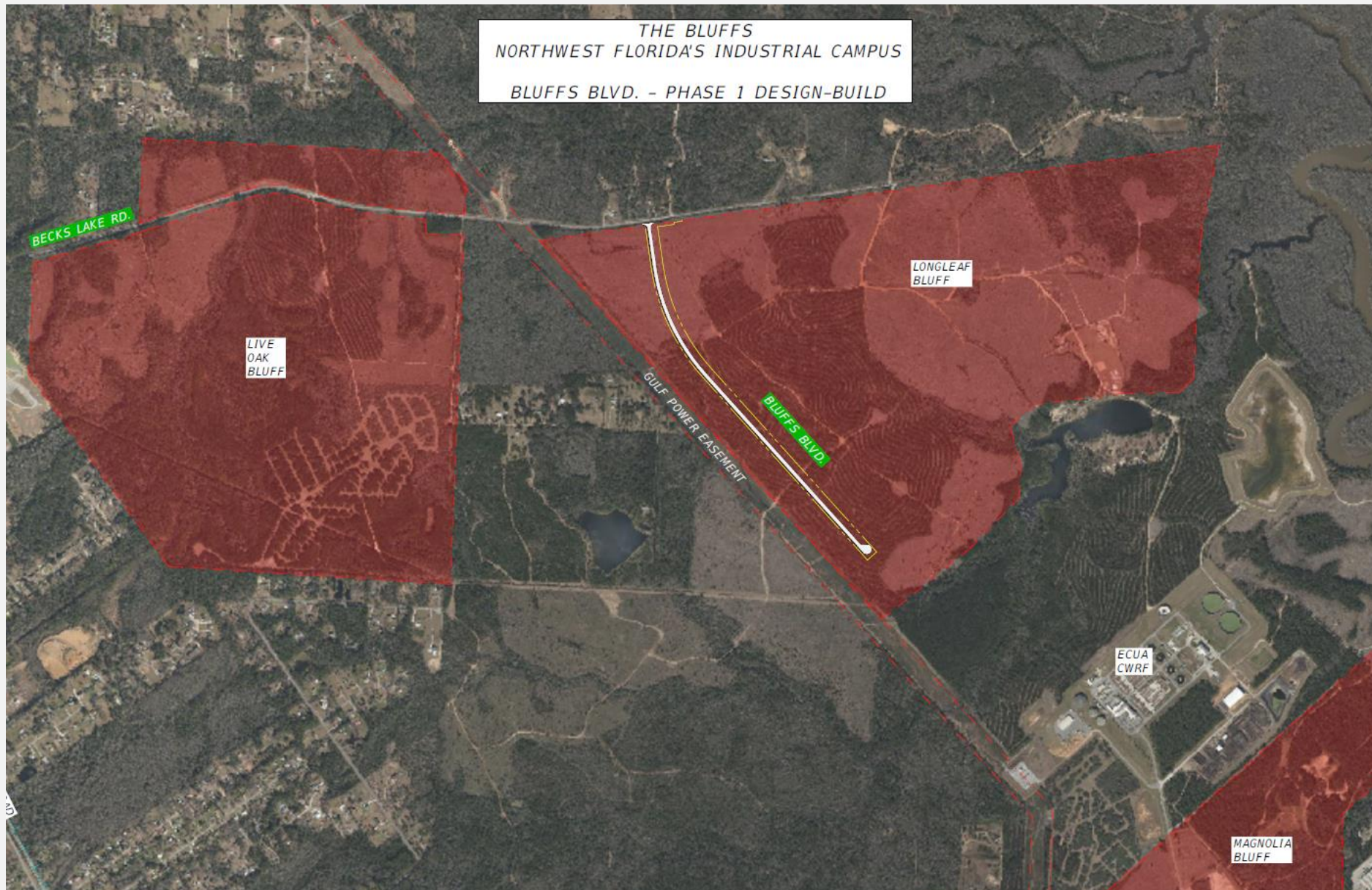
Project Overview

The Bluffs Master Plan (2015)

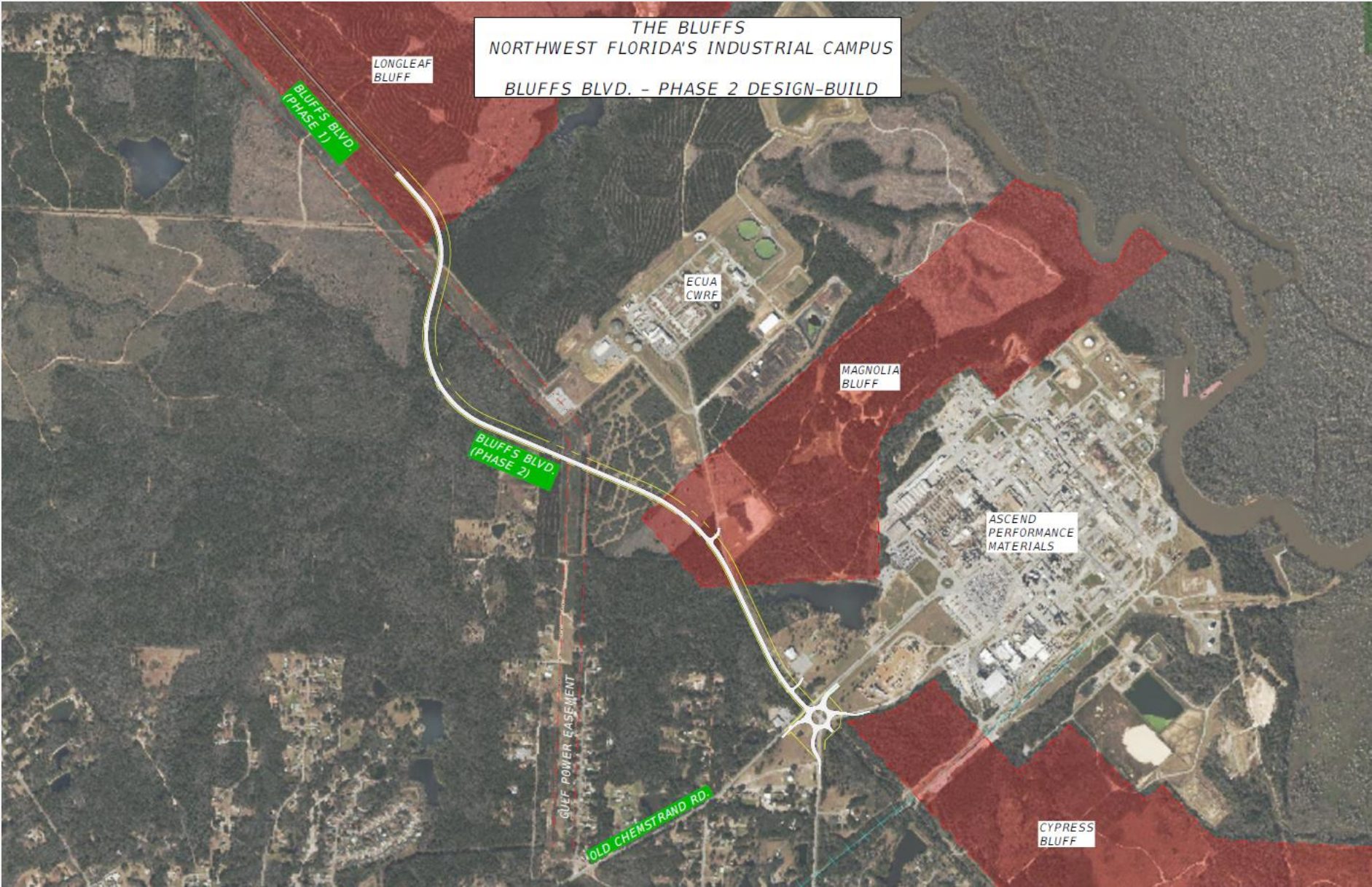


Project Overview

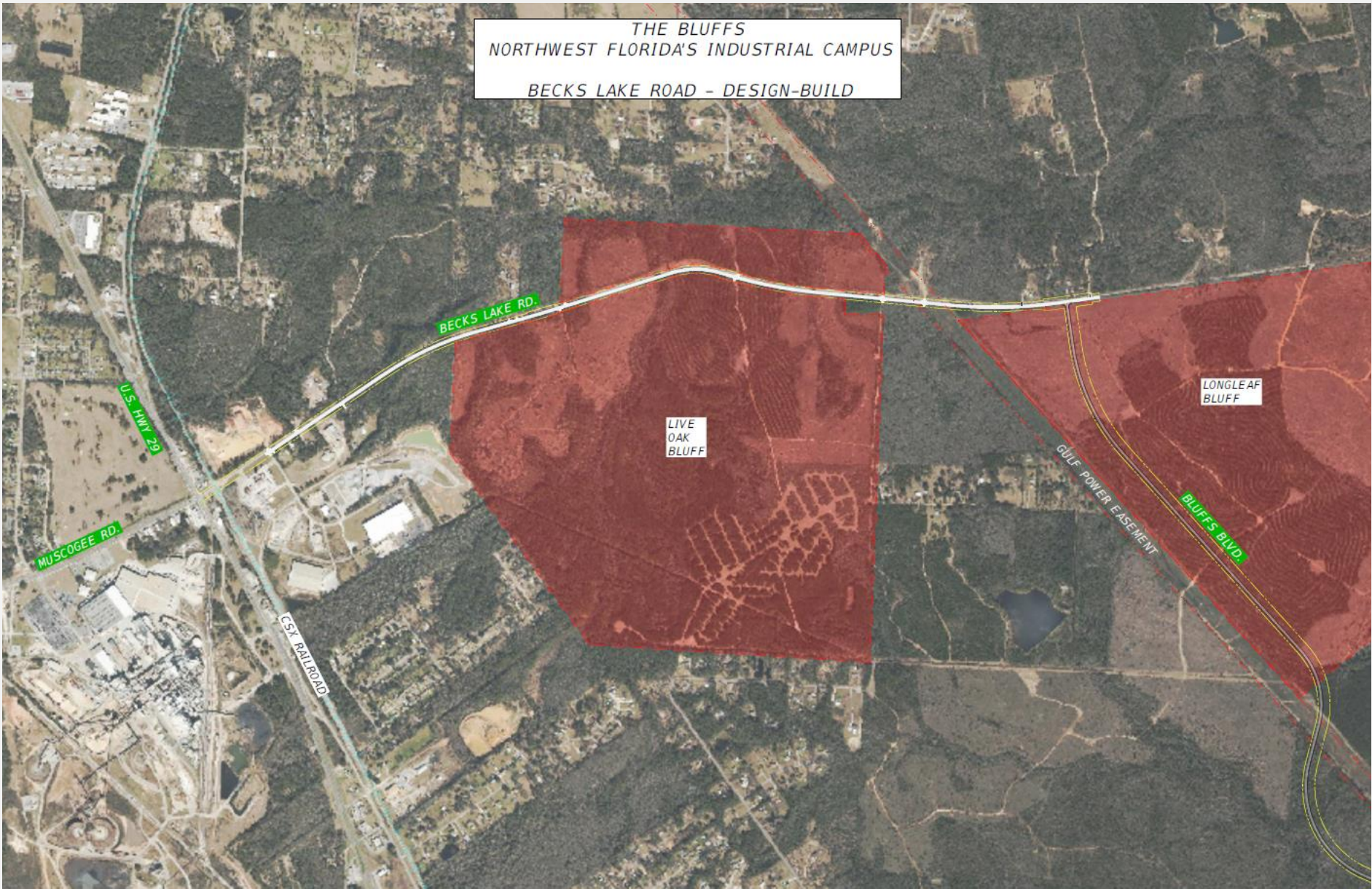




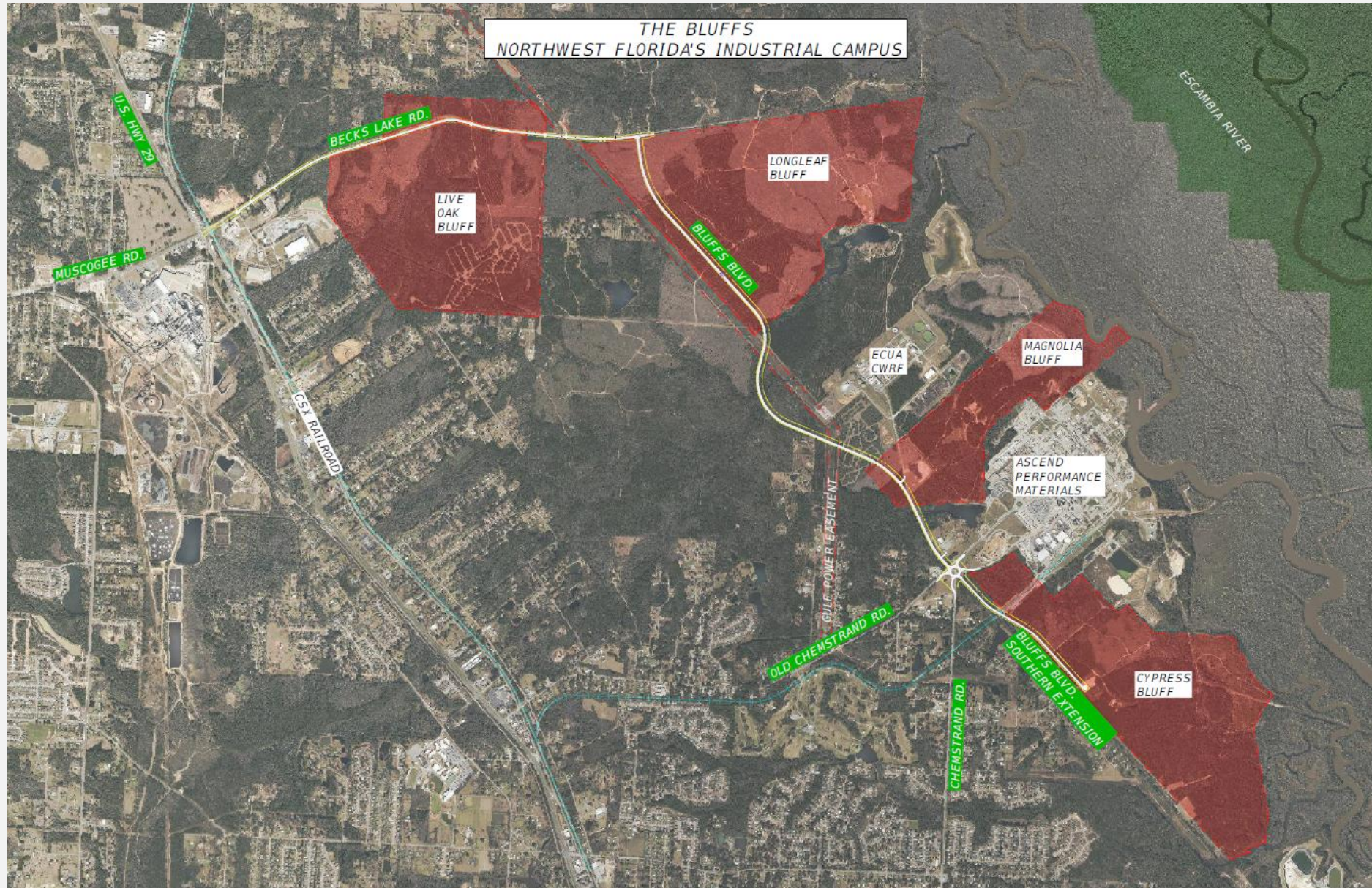
Phase 2 DB Criteria Package



Becks Lake Rd DB Criteria Package



The Bluffs – Overall Plan



Design-Build Criteria Package

Design-Build Criteria Package Development

- Engineers Joint Contract Documents Committee (EJCDC) Design-Build Contract Documents



Design-Build Criteria Package

Design-Build Criteria Package Development

- Engineers Joint Contract Documents Committee (EJCDC) Design-Build Contract Documents



EJCDC
CONTRACT DOCUMENTS

Why Use EJCDC Contract Documents?

EJCDC Contract Documents are widely recognized as the most fair and objective contract documents in the construction, engineering, and design-build industries.

- **IMMEDIATELY DOWNLOADABLE**
Get the documents you want, when you want them, in MS Word.
- **AVAILABLE FOR MULTI-USE AT NO EXTRA COST**
All EJCDC documents are easy to use and customizable in MS Word for use on multiple projects.
- **MINIMIZE RISK ON YOUR NEXT JOB**
Each EJCDC contract document is prepared by a team of industry professionals, including owners, contractors, professional liability and risk management experts, and legal counsel.
- **BALANCED AND FAIR**
EJCDC standard contract documents are created for the benefit of all parties involved in engineering design and construction projects.

What is EJCDC?

EJCDC (the Engineers Joint Contract Documents Committee) includes NSPE's Professional Engineers in Private Practice, the American Council of Engineering Companies, the American Society of Civil Engineers, and the participation of other professional engineering, design, construction, owner, legal, and risk management organizations.

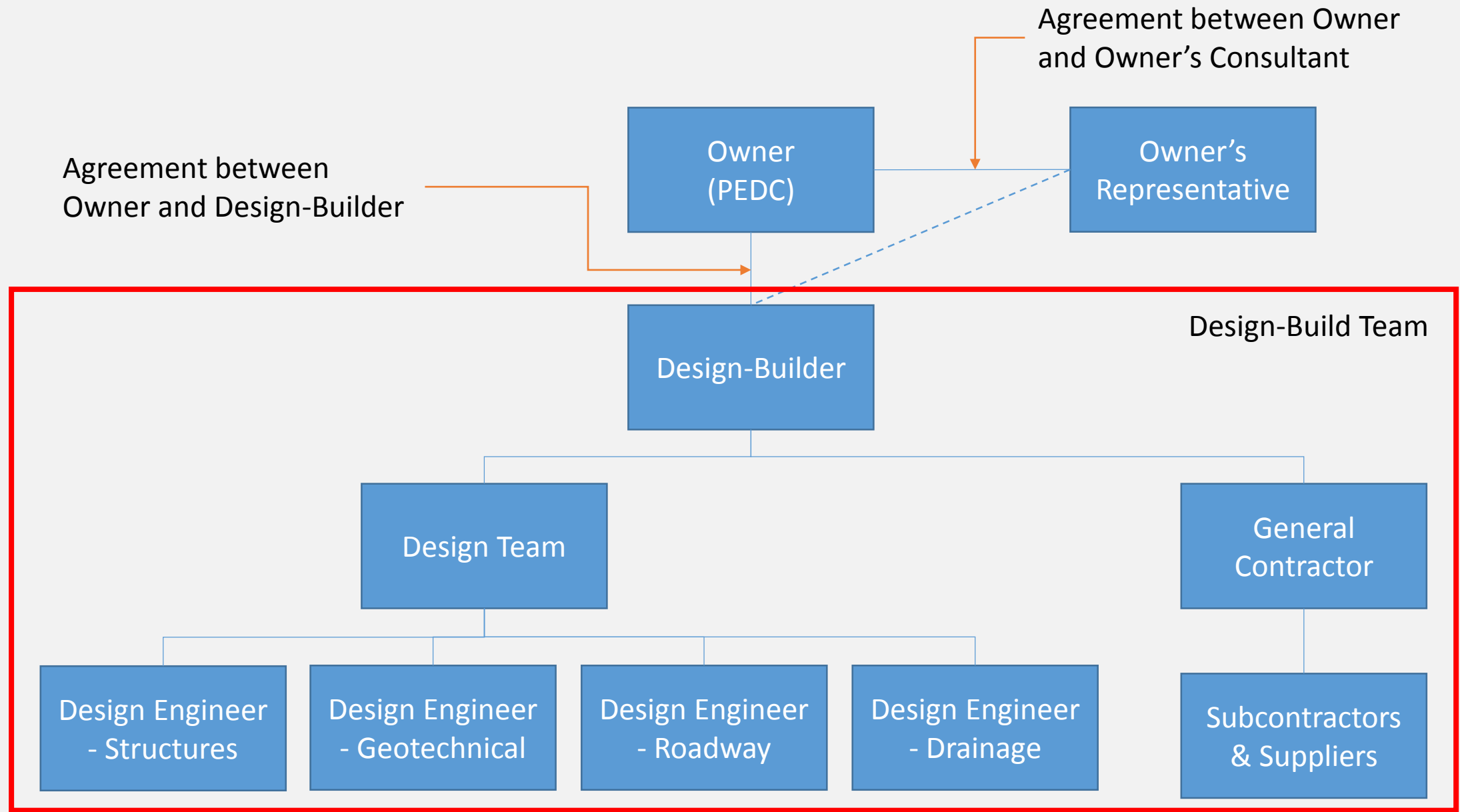
- Use to reduce conflicts and litigation.
- User-friendly and easily customizable.

www.nspe.org/ejcdc

“Since 1975, EJCDC has developed and updated fair and objective standard documents that represent the latest and best thinking in contractual relations between all parties involved in engineering design and construction projects.”



DB Organizational Structure



Design-Build Criteria Package

Project Goals

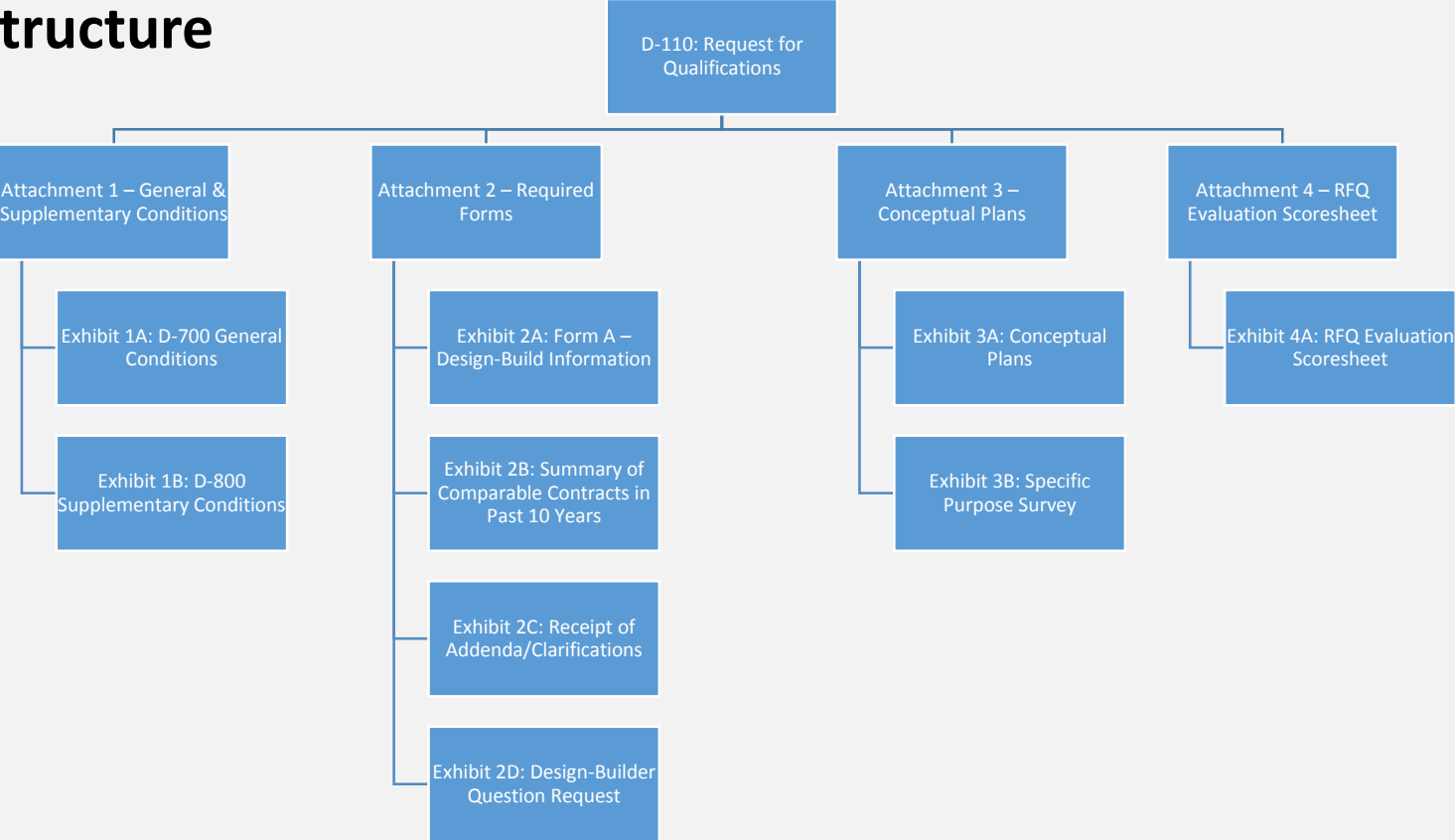
1. Minimize inconvenience to the public, ECUA, and Ascend Performance Materials during construction.
2. Provide a high quality project that minimizes future maintenance.
3. Provide a solution consistent with Escambia County Land Development Code, Escambia County Design Standards Manual, and Escambia County Technical Specifications that will be dedicated to Escambia County upon completion.
4. Adhere to local, state, and federal environmental regulations and/or permits that are required in executing and/or completing the Project.
5. Provide regional stormwater facilities to the greatest extent possible within the proposed right-of-way.
6. Provide a visually pleasing finished product.
7. Provide potable water, reuse water, sanitary sewer, and natural gas within the proposed right-of-way. Utility design shall be consistent with the Preliminary Industrial Utilities Alignment Study.
8. Provide a design that accommodates future widening within the proposed right-of-way.





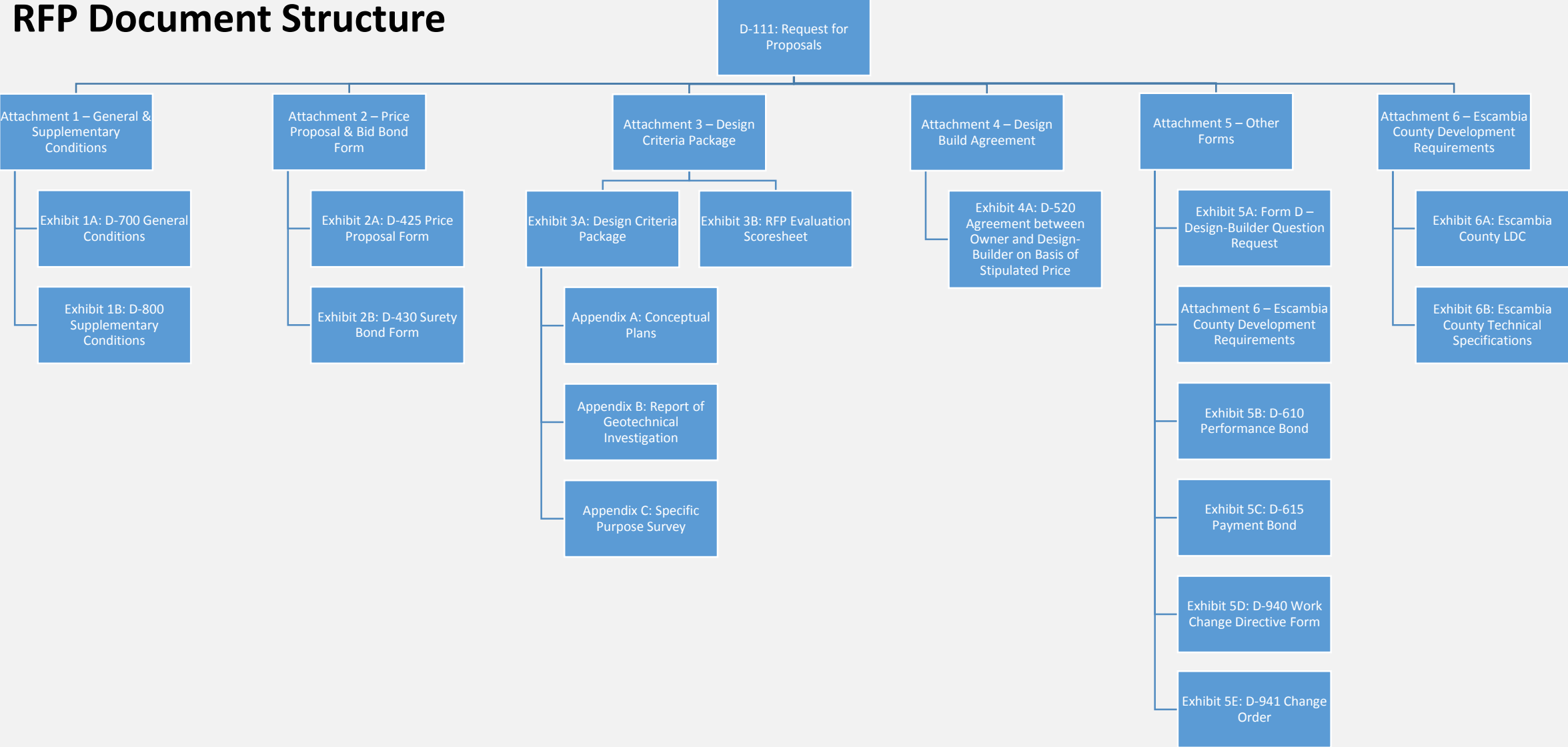
Design-Build Criteria Package

Design-Build Criteria Package Development RFQ Document Structure



Design-Build Criteria Package

Design-Build Criteria Package Development RFP Document Structure





Design-Build Criteria Package

Design-Build Criteria Package Development

- Two-phase selection process
 - Request for Qualifications
 - Pre-qualify and shortlist Design-Builders

| Advertise RFQ | Date |
|---|----------------|
| Deadline for Submittal of Questions | Date + 30 days |
| Deadline for Owner to Provide Answers & Issue Addenda | Date + 40 days |
| SOQ Package Due Date | Date + 60 days |
| Evaluation of SOQ Package complete | Date + 75 days |
| Notify Short-Listed Design-Builders | Date + 80 days |

- Request for Proposals
 - Evaluate and select Design-Builder

| Advertise RFP | Date |
|---------------------------------------|----------------|
| Mandatory Pre-Proposal Conference | Date + 7 days |
| Deadline for Submittal of Questions | Date + 30 days |
| Deadline for Owner to Provide Answers | Date + 40 days |
| RFP Package Due Date | Date + 60 days |
| Evaluation of RFP Package complete | Date + 75 days |
| Notice of Award | Date + 80 days |



Design-Build Criteria Package

Request for Qualifications Evaluation Scoresheet

- Proposer's Experience (44 points)
- Key Personnel & Organization (16 points)
- Project Understanding & Approach (20 points)
- Project Management & Approach (20 points)

| | Maximum Raw Score Possible | Raw Score | | Weight Factor | | Weighted Score |
|--|----------------------------|-----------|---|---------------|---|----------------|
| Proposer's Experience (44 points) | | | | | | |
| a. Experience on projects of similar scope and complexity | 4 | | x | 2 | = | |
| b. Owner/client references | 4 | | x | 1 | = | |
| c. Experience with timely completion of comparable projects | 4 | | x | 2 | = | |
| d. Experience with on-budget completion of comparable projects | 4 | | x | 2 | = | |
| e. Experience with integrating design and construction activities | 4 | | x | 2 | = | |
| f. Experience of Proposer members working together | 4 | | x | 1 | = | |
| g. Current workload | 4 | | x | 1 | = | |
| Weighted Score = | | | | | | |
| Key Personnel and Organization (16 points) | | | | | | |
| a. Design-Builder's Project Manager | 4 | | x | 1 | = | |
| b. Design Manager | 4 | | x | 1 | = | |
| c. Construction Manager/Superintendent | 4 | | x | 1 | = | |
| d. Environmental Compliance Manager | 4 | | x | 1 | = | |
| Weighted Score = | | | | | | |
| Project Understanding and Approach (20 points) | | | | | | |
| a. Understanding of any major issues that need to be addressed and your solution to meeting or exceeding project goals. | 4 | | x | 2 | = | |
| b. Understanding of Project Scope | 4 | | x | 3 | = | |
| Weighted Score = | | | | | | |
| Project Management and Project Approach (20 points) | | | | | | |
| a. Functional relationships among participants and how the proposed organization will function as an integrated Design-Builder | 4 | | x | 1 | = | |
| b. Budget management approach | 4 | | x | 1 | = | |
| c. Quality management approach | 4 | | x | 1 | = | |
| d. Schedule management approach | 4 | | x | 1 | = | |
| e. Design and construction management approach | 4 | | x | 1 | = | |
| Weighted Score = | | | | | | |
| Total Weighted Score = | | | | | | |



Design-Build Criteria Package

Request for Proposals Evaluation Scoresheet

- Technical Proposal (70 points)
- Proposed Schedule & Price Control (15 points)
- Design-Builders QA Procedures (15 points)
- Price Proposal

$$\text{Adjusted Score} = \frac{\text{Bid Price Proposal}}{\text{Technical Score}}$$

| | Maximum Raw Score Possible | Raw Score | | Weight Factor | | Weighted Score |
|---|----------------------------|-----------|---|---------------|---|----------------|
| PART 1 – TECHNICAL PROPOSAL | | | | | | |
| Tab 1. Table of Contents (0 points) | 0 | 0 | x | 0 | = | 0 |
| Tab 2. Technical Proposal (70 points) | | | | | | |
| 1. Design quality and suitability | 4 | | x | 3 | = | |
| 2. Construction quality and suitability | 4 | | x | 3 | = | |
| 3. Team Performance | 4 | | x | 3 | = | |
| 4. Organizational structure and key personnel | 4 | | x | 3 | = | |
| 5. Approach and understanding | 4 | | x | 3 | = | |
| Tab 3. Proposed Schedule and Price Control (15 points) | | | | | | |
| 1. Approach to scheduling | 4 | | x | 3 | = | |
| 2. Approach to managing cost | 4 | | x | 3 | = | |
| Tab 4. Design-Builders Quality Assurance Procedures (15 points) | | | | | | |
| 1. Description of the Design-Builder's Design Quality Management Plan | 4 | | x | 4 | = | |
| Technical Score (TS) = | | | | | | |
| PART 2 – PRICE PROPOSAL | | | | | | |
| Proposer Bid Price Proposal (BPP) = | | | | | | |
| Adjusted Score = (BPP/TS) = | | | | | | |

Design-Build Criteria Package

Performance Requirements – Roadway Design Criteria

| Criterion | Application | Source |
|---|---------------------------------|---|
| GENERAL | | |
| Functional Classification | Urban Collector (Industrial) | LDC Sec. 6-0.3 DSM 2-1.1 FLGB Ch. 1 B.2 AASHTO Ch. 1 FL Statutes 334.03 |
| Design Vehicle - Major Intersections - Other side streets | WB-62FL WB-62FL | AASHTO Ch. 2 FLGB 3C.2 & Table 3-2 FDM 201.5 |
| Level of Service | LOS D | AASHTO Ch. 2 |
| Design Speed | 45 mph | FLGB Table 3-1 |
| TYPICAL SECTIONS | | |
| Number of Lanes & Widths - Lanes - Width | 2 12 ft. | AASHTO Ch. 4 FLGB Table 3-10 |
| Bicycle Lane | 4 ft. | |
| CROSS SLOPES | | |
| Travel Lane (w/o Superelevation) | 2-3% DES., 1.5% min., 4% max. | FLGB Ch. 3.C.7 |
| Max. Algebraic Difference in Cross Slope Between Through Lanes | 4% | FLGB Ch. 3.C.7 |
| CLEAR ZONE WIDTH | | |
| Travel Lanes | 24 ft. from edge of travel lane | FDM Table 215.2.1 |
| ROADSIDE SLOPES | | |
| Front Slope | 1:4 DES., 1:3 max | FLGB Ch. 3.C.7.f.2 |
| Back Slope | 1:4 DES., 1:3 max | FLGB Ch. 3.C.7.f.2 |
| Transverse Slope | 1:4 | FLGB Ch. 3.C.7.f.2 |

| Criterion | Application | Source |
|---------------------------------------|--|-----------------------|
| HORIZONTAL GEOMETRY | | |
| Maximum Curvature | 8° 15' | FLGB Table 3-5 |
| Maximum Superelevation | 5% | FLGB Ch. 3.C.4 |
| Superelevation Transition Length | Per STD Index 000-511 | STD Index 000-511 |
| Superelevation Transition Slope Rate | 1:150, 75 ft. min. | FDM Table 210.9.3 |
| GRADES | | |
| Maximum Profile Grade | 5% | FLGB Table 3-7 |
| Max Change w/o Vertical Curve | 0.70 | FLGB Table 3-8 |
| GRADE DATUM | | |
| Min. Base Clearance above DHW Elev. | 2 ft. | DSM 2-1.5 |
| SIGHT DISTANCE | | |
| Minimum Stopping Sight Distance | 360 ft. | FLGB Table 3-3 |
| VERTICAL CURVES | | |
| Minimum Distance between VPIs | 250 ft. | FDB 210.10.1.1 |
| Minimum Crest Vertical Curve (k = 61) | 300 ft. | FLGB Table 3-9 |
| Minimum Sag Vertical Curve (k = 79) | 200 ft. | FLGB Table 3-9 |
| VERTICAL CLEARANCE | | |
| Over Travel Lanes and Sidewalk | 16.5 ft. | FLGB Ch. 3.C.7.j.4(b) |
| ABBREVIATIONS | | |
| FDM | FDOT Design Manual | |
| AASHTO | A Policy on Geometric Design of Highways and Streets – American Association of State Highway and Transportation Officials (2011) | |
| STD | FDOT Standard Plans | |
| FLGB | Manual of Uniform Minimum Standards for Design, Construction, and Maintenance for Streets and Highways (Florida Green Book) (2016) | |
| FPDM | FDOT Flexible Pavement Design Manual (2008) | |
| LDC | Escambia County Land Development Code | |
| DSM | Escambia County Design Standards Manual | |





Cost Estimates

Programming Cost Estimate

- **Includes:**
 - R/W Acquisition
 - Engineering Design ,Mitigation, & Permitting
 - Roadway, Bridge, & Utility Construction
 - Construction Engineering & Inspection

| Project | Cost |
|--|--------------|
| Becks Lake Road Improvements (DB Package Complete) | \$14,074,940 |
| Bluffs Blvd. – Phase I (DB Package Complete) | \$29,277,080 |
| Bluffs Blvd. – Phase II (DB Package Complete) | \$26,352,160 |
| Roundabout (DB Package Complete) | \$2,578,750 |
| Bluffs Blvd. – Southern Extension (Pending DB Package) | \$7,212,500 |
| Total Cost: | \$79,495,430 |



Next Steps

- Acquire Required Right-of-Way
 - ECUA Spray Field Relocation (\$130,000)
 - Property Acquisition (\$4,388,000)
- Stakeholder Agreements
 - Ascend Performance Materials
 - ECUA
 - Gulf Power
 - Escambia County
- Complete Design-Build Criteria Package for The Bluffs – Southern Extension (\$400,000)
- Obtain Agreements with Utility Providers
- Selection of Owner's Representative
- RFQ/RFP Selection Process
- Award Contract



THANK YOU



October 15th, 2019 – Co:Lab, 1st Floor Conference Room
418 W Garden Street – 1st Floor Conference Room – Pensacola, Florida 32502

PEDC Members Present: Lewis Bear, Jr, Clorissti Shoemo, Jeff Bergosh, Adam Principe, Henry Hawkins, Dave Hoxeng, Steven Barry, PC Wu (by phone)

Absent Members: Sherri Myers

Staff Present: Scott Luth, Melissa Stoker, Sena Maddison, Alyvia Waite, Casey Campbell, Patrick Rooney, Richard Sherrill

Absent Staff: Danita Andrews, Jeff Dyer

Guests Present: Ann Hill, Brian Wyer, Rhonda Deaton, Dave Murzin, Kevin Wade

1. **Call to Order:** The meeting was called to order by Chairman Lewis Bear Jr. at 10:00 am.
2. **Public Notice:** This meeting was publicly noticed on September 24, 2019.
3. **Public Comment:** Chairman Lewis Bear Jr. requested public comment. Melissa Pino requested encouragement and conversations with International Paper. She would like to see efforts made to address the water quality issues they are facing. She wanted to go on record that she supports local business and industry but would like to see the environmental permitting issue with IP resolved quickly and Brian Wyer shared that the Gulf Coast Minority Chamber has a game night this evening and on October 23rd, there is an event on “how to work with our local government” he is hosting in partnership with City and County purchasing. He thanked Commissioner Bergosh and Commissioner Barry for their support to make these events happen. Rhonda Deaton shared that we have passed all records at the airport with a 15.66% increase of traffic through our airport.
4. **Action Items**
 - a. Election of FY 19-20 Officers
 1. Chairman
Dave Hoxeng nominated Lewis Bear to serve as Chairman.
Adam Principe seconded.
Clorissti Shoemo moved to close nominations.
Adam Principe seconded.
Approved unanimously.
 2. Vice-Chairman
Jeff Bergosh nominated Clorissti Johnson to serve as Vice-Chairman.
Henry Hawkins seconded.
Steven Barry moved to close nominations.

Jeff Bergosh seconded.
Approved unanimously.

3. Secretary/Treasurer

Steven Barry nominated Dave Hoxeng to serve as Secretary/Treasurer.
Clorissti Shoemo seconded.
Henry Hawkins moved to close nominations.
Steven Barry seconded.
Approved unanimously.

Henry Hawkins moved to approve all nominations.
Jeff Bergosh seconded.
All passed unanimously.

b. Approve September 17th, 2019 Minutes

Steven Barry moved.
Dave Hoxeng seconded.
Passed unanimously.

c. Approval of September 2019 Financials

Clorissti Shoemo moved.
Henry Hawkins seconded.
Passed unanimously.

d. Approval of FY 19-20 Budget

Steven Barry moved.
Dave Hoxeng seconded.
Passed unanimously.

5. Division Reports

- a. **Tech Park Update:** Richard Sherrill provided a summary of the history and potential options we might have available to us as it relates to EDA grant funding and claw back provisions. Dave Hoxeng asked for Richard's opinion on how this is trending for us. Richard Sherrill stated that the EDA developed assets are now owned by the city and ECUA. He believes this helps cut down the obligations we have. Richard stated that we have a good rapport with the EDA and our obligation could be less than what we thought it was a month ago. The hope with the letter Richard has drafted to EDA is that it will help clarify. The letter is ready for approval to submit.

Steven Barry moved to approve and send the letter to EDA.
Clorissti Shoemo seconded.
Passed unanimously.

Lewis Bear shared that Florida Department of Law Enforcement is looking for a site to build a new 90,000 sq ft building. There are several developers working to bid on that project. We would like to make our property available through a memorandum of understanding with one or more of the developers bidding on the project. In order to do that, we must provide them with a price and then negotiate. Lewis Bear would like

to get consensus from the board to empower himself and Scott Luth to negotiate this on behalf of the board if any of the developers are interested in our property. They will then bring it back to the board for final approval.

Dave Hoxeng motioned.

Clorissti Shoemo seconded.

Passed unanimously.

b. Economic Development Update:

1. Business Development: Danita Andrews has provided the updated report with the modifications previously requested. In her absence, Scott requested the board review her provided report at their leisure.
2. Workforce: In Jeff's absence, Scott Luth shared that we are moving into next steps of strategy through the IDN. We will present drafts of things we want to work on as they develop. Jeff Dyer is doing an in-depth assessment of the MRO industry with a deep dive throughout the entire system. We will share that information as soon as we have it. We have an upcoming meeting with ST Engineering HR and staff to fill their workforce needs. A development plan and hiring strategy will be the goal, with the first meeting scheduled for next week.
3. Co:Lab: Patrick Rooney referenced the provided monthly report. We are at 81% occupancy, which is higher than our goal of 80%. We also have a waiting list of companies going through the selection process. Scott Luth shared that we are a partner in the mentor program in collaboration with Studer/DC Reeves, the Gulf Coast Minority Chamber, the Greater Pensacola Chamber, and UWF.
4. Cybersecurity: Scott shared that Congressman Gaetz took a tour of DHS at Corry Station immediately following his speech at our 5th Anniversary celebration. Scott was also in DC last week working to educate our federal delegation about how future dollars can be spent in Pensacola to grow Cyber operations in our community. Steven Barry asked about the function of the West Florida Defense Alliance. Scott shared that the Chamber is working to support the base through the WFDA in a holistic manner. Mission growth and cyber is more of our focus.
5. Marketing: Sena Maddison stated that the five-year report is available both in hard copy and on our website.

6. Other Business:

- a. **Bluffs Governor Growth Fund Application:** Scott Luth stated that there are a number of items coming up in the next week or so to make strides on this. Jeff Bergosh asked if we have given any thought to hiring a lobbyist for this. The collective discussion lead to an encouragement for Scott Luth to meet with Janice Gilley to find out what we can do to better support as a board.
- b. **Bluffs Legislative Request:** Scott is headed to Tallahassee to update house and senate leadership on the Bluffs project and to get support for future funding of the project.

Adjourned at 11:17 am.

Respectfully Submitted By:

Dave Hoxeng, Secretary-Treasurer
Pensacola-Escambia Promotion & Development Commission

DRAFT

Pensacola Escambia County Promotion & Development Comm
Profit & Loss Budget Performance
October through December 2019

| | Oct - Dec 19 | Budget | \$ Over Budget | % of Budget |
|----------------------------------|--------------|--------------|----------------|-------------|
| Ordinary Income/Expense | | | | |
| Income | | | | |
| 4000 · City of Pensacola Income | 43,750.00 | 175,000.00 | -131,250.00 | 25.0% |
| 4100 · Escambia County Income | 150,000.00 | 600,000.00 | -450,000.00 | 25.0% |
| 4400 · Foreign Trade Zone Income | 0.00 | 2,000.00 | -2,000.00 | 0.0% |
| 4520 · FOIL Income | 415,045.00 | 500,000.00 | -84,955.00 | 83.01% |
| 4800 · Interest Income | 0.00 | 300.00 | -300.00 | 0.0% |
| Total Income | 608,795.00 | 1,277,300.00 | -668,505.00 | 47.66% |
| Gross Profit | 608,795.00 | 1,277,300.00 | -668,505.00 | 47.66% |
| Expense | | | | |
| 5004 · Economic Development | 168,750.00 | 675,000.00 | -506,250.00 | 25.0% |
| 5010 · Foreign Trade Zone | 1,250.00 | 2,000.00 | -750.00 | 62.5% |
| 5100 · Audit Fees | 8,000.00 | 10,000.00 | -2,000.00 | 80.0% |
| 5310 · Insurance - D&O Liability | 0.00 | 1,500.00 | -1,500.00 | 0.0% |
| 5320 · Legal Expenses | 1,976.50 | 7,500.00 | -5,523.50 | 26.35% |
| 5330 · Bank Service Charges | 10.78 | 1,000.00 | -989.22 | 1.08% |
| 5340 · Special District Fees | 175.00 | 300.00 | -125.00 | 58.33% |
| 5400 · Technology Park Expenses | 5,315.71 | 64,000.00 | -58,684.29 | 8.31% |
| 5420 · FOIL Expenses | 589,520.00 | 500,000.00 | 89,520.00 | 117.9% |
| 5500 · New Project Expense | 0.00 | 15,000.00 | -15,000.00 | 0.0% |
| 5600 · Miscellaneous Expense | 0.00 | 1,000.00 | -1,000.00 | 0.0% |
| Total Expense | 774,997.99 | 1,277,300.00 | -502,302.01 | 60.68% |
| Net Ordinary Income | -166,202.99 | 0.00 | -166,202.99 | 100.0% |
| Net Income | -166,202.99 | 0.00 | -166,202.99 | 100.0% |

Pensacola Escambia County Promotion & Development Comm
Balance Sheet

As of December 31, 2019
Dec 31, 19

ASSETS

Current Assets

Checking/Savings

1010 · Checking - Compass 829,982.46

Total Checking/Savings 829,982.46

Accounts Receivable

1200 · Accounts Receivable 193,750.00

Total Accounts Receivable 193,750.00

Total Current Assets 1,023,732.46

Fixed Assets

1500 · Land 8,325,000.00

1600 · Land Improvements 3,243,106.03

1799 · Allowance for Fair Value Adj -5,718,106.03

Total Fixed Assets 5,850,000.00

TOTAL ASSETS 6,873,732.46

LIABILITIES & EQUITY

Liabilities

Current Liabilities

Other Current Liabilities

2122 · Tech Park Payable - County LOC 2,168,065.98

2140 · Grant Funding payable - County 680,285.00

Total Other Current Liabilities 2,848,350.98

Total Current Liabilities 2,848,350.98

Total Liabilities 2,848,350.98

Equity

32000 · Unrestricted Net Assets 4,078,077.27

3202 · Economic Development Projects 61,198.00

3203 · Commerce Park Impr/Mktg 52,309.20

Net Income -166,202.99

Total Equity 4,025,381.48

TOTAL LIABILITIES & EQUITY 6,873,732.46



BUSINESS DEVELOPMENT REPORT

Year to Date

October 1, 2019 – December 31, 2019

DANITA ANDREWS
Chief Business Development Officer



FloridaWest - Business Expansion and Relocation Announcements

| Company | Sector | New Jobs | Retained Jobs | Average Wage | Annual Payroll | Capital Investment |
|--|--------------------|-------------|---------------|-----------------|----------------------|----------------------|
| Navy Federal Credit Union | Financial Services | 5000 | | \$50,000 | \$250,000,000 | \$350,000,000 |
| October, 2014 | | | | | | |
| International Paper | Manufacturing | 12 | 424 | \$49,900 | \$21,756,400 | \$92,000,000 |
| October, 2014 | | | | | | |
| Offshore Inland-Corporate | Headquarters | 30 | | \$75,000 | \$2,250,000 | \$90,000 |
| December, 2014 | | | | | | |
| AeroSekur | Aviation MRO | 5 | | \$43,600 | \$218,000 | \$50,000 |
| March, 2015 | | | | | | |
| Financial Management & Investment Corp. | Headquarters | 15 | | \$74,720 | \$1,120,800 | \$1,355,000 |
| March, 2015 | | | | | | |
| Dept. of Homeland Security | IT/Cyber | 35 | | \$85,000 | \$2,975,000 | \$20,000,000 |
| June, 2015 | | | | | | |
| Oren International | Manufacturing | 18 | 8 | \$39,225 | \$1,019,850 | \$2,100,000 |
| March, 2016 | | | | | | |
| Re Vera Services | Headquarters | 4 | | NA | NA | NA |
| September, 2016 | | | | | | |
| Jupiter Composites | Manufacturing | 150 | 100 | \$27,040 | \$6,760,000 | \$1,000,000 |
| May, 2016 | | | | | | |
| Armoured Frog | Mfg. / Showroom | 5 | 5 | \$45,000 | \$450,000 | \$200,000 |
| November, 2016 | | | | | | |
| PaintUniversity | Headquarters | 7 | | NA | NA | \$340,200 |
| February, 2017 | | | | | | |
| Accounting Fly | Headquarters | 8 | | NA | NA | NA |
| February, 2017 | | | | | | |
| Velfed | IT | 20 | 2 | \$46,000 | \$1,012,000 | \$95,000 |
| December, 2017 | | | | | | |
| Pall Corporation | R&D | 14 | 36 | \$73,500 | \$3,675,000 | NA |
| January, 2018 | | | | | | |
| Intelligent Retinal Imaging Systems, Inc. | Headquarters/ IT | 30 | 30 | NA | NA | NA |
| April, 2018 | | | | | | |
| American Tire Distributors | Distribution | 30 | 20 | \$32,000 | \$1,600,000 | \$4,000,000 |
| June, 2019 | | | | | | |
| ST Engineering Aerospace | Aviation | 1325 | | \$45,394 | \$60,147,000 | \$245,000,000 |
| July, 2019 | | | | | | |
| Totals | 17 Projects | 6708 | 625 | \$52,798 | \$352,984,050 | \$716,230,200 |

YEAR TO DATE BUSINESS DEVELOPMENT SUMMARY

| | |
|---------------------------|----|
| Total Pipeline | 21 |
| Active Projects | 16 |
| Existing | 7 |
| New | 9 |
| Site Visits | 3 |
| Business Retention Visits | 13 |

Pipeline by Sector



Manufacturing 65%



Aviation/Aerospace 18%



Warehouse/Distribution 8%



Headquarters 3%



Business Services 3%



Marine MRO 3%

Economic Development Pipeline - Project Rating

Indicates individual project rating/status with varied location decision factors and highly competitive environment:

- (1) Inquiry/Suspect - initial or early stage of activity (example: response for proposal (RFP), presentation of potential site/buildings, demographics, customized package supporting client's needs)
- (2) Prospect - client actively engaged (example: site visit, narrowing location options/short-listed)
- (3) Project - regular client interaction (example: multiple visits, site or building identified, or incentive process initiated)
- (4) Imminent - client decision forthcoming (example: moving toward incentive application approval and local support)
- (5) Announced - project approved, client location formally public

Economic Development Pipeline

| Project Code | # Jobs | Industry Sector | Status | Space Required | Lead | Project Rating |
|-------------------|--------|------------------------|--------|----------------|---------------|----------------|
| A08312016_WD | 5 | Warehouse/Distribution | Active | 150,000 | Direct | 3 |
| B12282016_MFG | 35 | Manufacturing | Active | 60,000 | Direct | 4 |
| A02202017_MFG | 20 | Manufacturing | Active | 0 | Direct | 3 |
| T07172017_AAM | 1325 | Aviation | Active | 200,000 | Direct | 4 |
| A04162018_MFG | 50 | Manufacturing | Active | 30 AC | Consultant | 3 |
| E07112018_MFG | 20 | Manufacturing | Active | 40,000 | Direct | 2 |
| V07132018_HQ | 24 | Headquarters | Active | 10,000 | Direct | 2 |
| A10232108_WD | 45 | Warehouse/Distribution | Active | 100 AC | Consultant | 2 |
| B08102018_MRO | 30 | MRO | Active | TBD | Direct | 2 |
| H10172019_MFG | 10 | Manufacturing | Active | 20,000 | Direct | 3 |
| C02252019_MFG | 70 | Manufacturing | Active | 100,000 | Direct | 2 |
| S03112019_MFG | 30 | Manufacturing | Active | 30,000 | FGNW | 1 |
| S03142019_MFG | 250 | Manufacturing | Active | 50,000 | Local Realtor | 3 |
| V04232019_MFG | 514 | Manufacturing | Active | 200,000 | EFI | 2 |
| A08012019_AAM | 23 | Aviation | Active | 35,000 | EFI | 1 |
| C08-07-2019_B SVC | 25 | Business Services | Active | 10 AC | Direct | 3 |
| M08132019_MFG | 500 | Manufacturing | Active | 50 - 100 AC | Direct | 1 |
| P08212019_BPO | 50 | BPO | Active | 2500 SF | Consultant | 2 |
| C09292019_MFG | 35 | Manufacturing | Active | 60000 SF | Direct | 2 |
| S11152019_MFG | 75 | Manufacturing | Active | 90000 SF | Direct | 2 |
| S11292019_MFG | 100 | Manufacturing | Active | 70000 SF | Direct | 2 |
| | | | | | | |
| # Jobs | 3,236 | Total SF | | 895,000 | | |

LEAD SOURCE:

Enterprise Florida, Inc. (3)
 Florida's Great Northwest (16)
 Site Consultant (4)
 Direct (16)
 Local Realtor (1)

TYPE:

Existing ☒
 New ☐

STATUS:

Active (34)
 Inactive (3)
 Hold (1)
 Dead (2)
 Announced

RATING:

1 Inquiry/Suspect
 2 Prospect
 3 Project
 4 Imminent
 5 Announced

Total Request For Proposal (RFP) by Sector 4



Manufacturing 100%

YTD Prospect/Project Site Visits 3

| | | |
|---------------|--------|---------------|
| S03142019_MFG | ACTIVE | Oct. 3, 2019 |
| C09292019_MFG | ACTIVE | Oct. 7, 2019 |
| S11152019_MFG | ACTIVE | Nov. 15, 2019 |

Total Active Projects 16

9 Recruitment

7 Expansions

2543 JOBS



Manufacturing 63%



Aviation/Aerospace 6%



Warehouse/Distribution 13%



Marine MRO 6%



Headquarters 6%



Business Services 6%

Business Retention-Expansion 13 Visits

Existing Industry Visits 2019-2020

| Date | Visit | # Employees | Sector |
|----------|---------------------------|----------------|------------------------|
| 10/01/19 | Alorica | 600 | BPO |
| 10/01/19 | Lewis Bear Company | 130 | Warehouse/Distribution |
| 10/02/19 | ST Engineering | 180 | Aviation |
| 10/03/19 | IMS Expert Services | 85 | Business Services |
| 10/03/19 | DHS | 240 | Cyber/IT |
| 10/08/19 | WA United | 8 | Business Services |
| 11/14/19 | Immudyne | 5 | Manufacturing |
| 11/14/19 | Port of Pensacola | 9 | Port Operations |
| 11/26/19 | VetFed | 9 | Information Technology |
| 12/10/19 | Offshore Inland | 120 | Marine MRO |
| 12/12/19 | Superior Granite | 30 | Manufacturing |
| 12/17/19 | ST Engineering | 180 | Aviation |
| 12/18/19 | Navy Federal Credit Union | 8182 | Financial Services |

Business Development & Site Consultant Missions

| | |
|--------------------|--|
| Oct 7 -11, 2019 | Defense TechConnect Innovation Summit, National Harbor, MD |
| Oct 12-16, 2019 | IEDC Annual Economic Development Conference, Kansas City |
| Oct 16 - 17, 2019 | Orlando Aerospace Alliance, Orlando |
| Nov. 4 - 7, 2019 | Southern California Trade Mission |
| Nov. 18 - 22, 2019 | NY/NJ Region Trade Mission |
| Dec. 4 - 5, 2019 | Economix - Consultant Connect, Charleston |
| Dec. 16-18, 2019 | In-Bound SSG Consultants Visit (Gulf Power sponsored) |
| Jan. 7 - 10, 2020 | CES -Consumer Technology Assoc., Las Vegas |



Co:Lab Pensacola

Report for Policy Board as of 1/1/20

| Occupancy (Goal: 80%) | Total Leasable Square Feet | Square Feet Occupied | Available | % Occupancy |
|---------------------------|----------------------------|----------------------|----------------------------|---------------|
| 1st Floor (sf) | 2,280 | 2,280 | 0 | 100.00% |
| 2nd Floor (sf) | 3,696 | 3,269 | 427 | 88.45% |
| 3rd Floor (sf) | 3,974 | 3,047 | 927 | 76.67% |
| TOTAL SQUARE FEET: | 9,950 | 8,596 | Combined Occupancy: | 86.39% |

| Current Clients | Connection | Status | |
|---|----------------|--------------------|--|
| EBI Management Group, Inc. | Tenant | 4th year | |
| International Debt Recovery, Inc. | Virtual Tenant | 3rd year | |
| Coast Software, dba. Building on Knowledge | Tenant | 3rd year | |
| Data Revolution, LLC | Tenant | 3rd year | |
| Pensacola Media Group, LLC. | Tenant | 3rd year | |
| Altius Marketing | Tenant | 3rd year | |
| Guided Particle Systems, Inc. | Tenant | 2nd year | |
| Vivid Bridge Studios | Tenant | 2nd year | |
| Snap Soccer | Tenant | 2nd year | |
| Warfighter Fitness | Tenant | 2nd year | |
| CoFlyt | Tenant | 1st year | |
| Enterprise Florida - International Trade | Affiliate | 1st year | |
| Girl Catch Fire | Tenant | 1st year | |
| N Star Investments | Tenant | 1st year | |
| Right on Target Marketing | Tenant | 1st year | |
| Social Icon | Tenant | 1st year | |
| Tag Tech | Tenant | 1st year | |
| Qualia Is | Tenant | 1st year | |
| Association Resource Solutions | Tenant | 1st year | |
| Exited Clients | Date of Entry | Co:Lab Status | Business Status |
| The Analyst Group | Mar-09 | Graduated 7/15/12 | Office space in Milton |
| Engineering & Planning Resources | Sep-10 | Graduated 4/2014 | Office space in downtown Pensacola |
| Accountingfly | Jun-12 | Graduated 2/15/17 | Office space in downtown Pensacola |
| Pay Cell Systems, Inc. | Aug-12 | Graduated 6/01/16 | Office space in Escambia County, then moved to Atlanta |
| FFCFC | Oct-12 | Moved out 02/15/17 | Office space in downtown Pensacola |
| Re Vera Services, LLC | Dec-12 | Graduated 9/9/16 | Bought office in downtown Pensacola |
| Intelligent Retinal Imaging Systems | Feb-14 | Graduated 04/01/18 | Office space in downtown Pensacola |
| Lost Key Media | May-14 | Graduated 05/31/19 | Moved out; Principal took position inside Primary Customer |
| Paint University | Jun-14 | Graduated 2/1/17 | Bought office/warehouse in downtown Pensacola |
| Clearstream | Aug-14 | Graduated 9/1/16 | Moved company to NYC |
| Robotics Unlimited, Inc. | Oct-14 | Graduated 12/2015 | Office space in downtown Pensacola |
| Jewel Graphics | Feb-15 | Moved out 4/1/17 | Continues as freelance developer |
| Hatchmark Studio | Oct-15 | Graduated 08/01/18 | Moved to Cowork Annex |
| Broker Frameworks | Dec-15 | Moved Out 2/1/17 | Moved into other office space in Pensacola |
| Koala Pickup | Jul-16 | Moved Out 2/1/17 | Dissolved company, no scalability |
| Hexad Analytics | Jul-16 | Moved out 4/1/17 | Dissolved company, loss of founder |
| Robotics Unlimited, Inc. | May-17 | Moved out 10/31/17 | Company in idle state, took jobs out of town |
| YourTechnoGeeks | Apr-18 | Moved out 05/01/18 | Returned to home office/ freelance work |
| Business RadioX | Jun-18 | Moved out 06/25/18 | Moved out |
| Greater Things Fitness | Sep-18 | Moved out 9/30/19 | Relocated |
| Samantha Weaver | Jun-17 | Moved out 9/30/19 | Moved out |
| Total Tenant Companies | 19 | | |
| Total Current Employment (working in Co:Lab) | 59 | | |



| Date | Time | Event | Location |
|---------------|----------|--|---|
| JANUARY | | | |
| January 23rd | 10:00 AM | Marketing Like a Human | Florida SBDC at UWF Synovus / 4th Floor Training Room |
| January 23rd | 8:30 AM | BCC Public Forum | Ernie Lee Magaha Government Building |
| January 23rd | 9:00 AM | BCC Regular Meeting | Ernie Lee Magaha Government Building |
| FEBRUARY | | | |
| February 4th | 8:30 AM | Seminar-2020 Trade Mission to the Caribbean Region | Co:Lab |
| February 4th | 9:30 AM | Pensacola Supplier Diversity Exchange | Sanders Beach, Corinne Jones Resource Center |
| February 10th | 3:30 PM | City Council Agenda Conference | Hagler/Mason Conference Room |
| February 13th | 5:30 PM | City Council Meeting | City Council Chambers |
| February 13th | 5:30 PM | City Council Meeting | City Council Chambers |