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Okaloosa Touts Features of Shoal River Ranch Industrial Megasite

The site boasts many of the same features that characterize a Huntsville, Alabama, site that attracted an auto manufacturing plant.

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g employee operates machinery that produces zip ties. The Crestview-based company has been recognized by the cturer of the Year.

For Okaloosa County, the past year has been a stage-setting one on the economic development front.

Central to that effort was a vote by county commissioners to secure a purchase option on 1,700 acres located on Interstate 10. The parcel is part of the 11,000-acre Shoal River Ranch and also offers frontage on U.S. 90 and a CSX railroad line.

With site selection consultants and others, the Economic Development Council of Okaloosa County, headed by executive director Nathan Sparks, has been talking up the site for about four years. The purchase option makes things more real.

Prospective tenants are likely to be encouraged, too, by the county's successful application for Triumph Gulf Coast dollars — money recovered by the Florida attorney general for economic damages that resulted from the Deepwater Horizon oil spill — for extending sewer and water lines along U.S. 90 to the site. The amount of the award was \$1.4 million.

"We have received great feedback on the site from consultants and business decision makers who are all very bullish on what it offers," Sparks said. "They recognize that the Shoal River site is a special piece of property, and they have encouraged us to do everything we can to get the right sets of development eyes to look at it and to make sure the community is in a position to make things happen there."

That positive feedback led the council to strongly encourage the county to take steps to tie up the property.

Too, the council has made it a point to study what went right in Alabama leading up to the decision by Toyota and Mazda to locate a plant in Huntsville.

The planned \$1.4 billion plant, called Project New World, will represent a joint venture between the two automakers. The plant is expected to employ 4,000 workers at an average salary of \$50,000 and to produce about 300,000 vehicles a year. Already, Huntsville is home to a Toyota engine plant. Toyota president Akio Toyoda cited his company's experience with Huntsville's high-quality workforce as a key factor in the decision to build an assembly plant there.

"The Huntsville site," Sparks said, "in terms of size and scale and amenities, is similar to our Shoal River site."

Economic development officials in Alabama first started promoting the Huntsville property 10 years ago when Volkswagen was shopping sites for a plant that ultimately went to Chattanooga, Tennessee. That plant, which commenced production in April 2011, employs more than 2,000 workers and churns out about 150,000 Passats a year.

"The consultants who were managing the Volkswagen site search really implored the community in Huntsville to make the property there as competitive as possible and to position it for future opportunities," Sparks said. "They did just that and, a decade later, they are celebrating a monumental economic development victory."

Sparks views the Alabama success as an example of what can happen when local officials heed the advice of people like site selection consultants in positions of influence who believe that a particular property can be made competitive with the right strategic approach and investment.

"Because we already have been focusing on this site for three or four years, it's not going to be a 10-year effort for us," Sparks predicted.

"We're a good ways down the road, and certainly the option that the county has on the property and the application for Triumph funds for water and sewer improvements helps solidify the case for this property. Plus, Enterprise Florida is very much a partner in this effort.

"It is going to be a true transformative site. There are not many sites like it in North Florida or throughout the whole state. There are few properties that can be classified as megasites. Anything which lands at Shoal River Ranch will be of a scale that will affect all of Northwest Florida in a favorable way."

Sparks and his team have brought the Shoal River site to the attention of heavy equipment manufacturers, in addition to automakers and to tire companies who may wish to build research and development facilities including a test track along with a manufacturing plant.

In conversation, however, Sparks continued to return to auto plants.



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announced in February that it was establishing a new base in Destin. Allegiant planned to immediately start operations, maintenance technicians and ground personnel to support the operation.

“Twenty years ago, Alabama was not a player in the auto sector,” he said. “But the state and community worked diligently to become competitive and to identify the right real estate options, and they have grown a tremendous cluster of auto-sector businesses.

“We believe that our proximity to a growing supply chain that continues to move south and our proximity to ports in Panama City, Pensacola and Mobile means that we can be competitive. We have a workforce component that some of our neighboring states cannot necessarily match. We have access to a U.S. highway, an interstate and rail and the topography at our site is favorable to a host of activities. This is one of those catalytic opportunities much like we have seen in other states in the Southeast.”

Plus, Sparks has the advantage of selling an attractive county where people genuinely want to live.

So attractive is the county and so robust is its economy that, at this writing, Okaloosa’s unemployment rate, at just 3 percent, is the lowest in the state. That, from Sparks’ standpoint, can be problematic when courting employers looking for a readily available workforce.

To combat that problem, Sparks and the EDC have embarked on “talent-recruitment strategies” that involve emphasizing Okaloosa County’s quality of life, its outstanding schools and natural features and amenities that make the area desirable.

Too, the EDC is trying to capitalize on what it sees as a hidden workforce, the 1,500 or so skilled and experienced men and women who conclude their military careers each year at the Hurlburt and Eglin Air Force bases. (Add personnel separating from bases in Panama City and Pensacola and the number grows to 6,000.)

“We’ve been digging deeper to discover how many of these people stay here after retiring or separating from the Air Force and cataloging the skill sets they possess,” Sparks explained.

Via survey work, Sparks and the EDC learned that many of the people in that population perceived that there were no job opportunities for them upon separation.

“But,” said Sparks, “the truth is that we have 300 military contractors in Okaloosa County. There is a natural marriage there.”

Improving the retention of the “hidden workforce,” then, has been largely a matter of education.

So it is that the EDC conducts an Early Bird Job Fair intended for people who will be leaving the military in a year or so. The fair enables them to position themselves for post-military career employment well before their separations occur.

The effort is paying off. In three years, the percentage of new veterans in Okaloosa County sticking around has jumped 10 points to 41 percent.

Even as it works to tap into the military community, the EDC is working to foster a sense of community and identity among Okaloosa County’s defense contractors.

The EDC’s TeCMEN (Technology Coast Manufacturing and Engineering Network) committee meets monthly and brings together representatives of contractors big (Boeing and Lockheed) and not so big.

“We are serving,” Sparks said, “as a connecting point for businesses with complementary abilities, and it’s been a lucrative and fruitful effort. A business may have the ability to satisfy some of the requirements of a contract, but not all of them. TeCMEN serves to unite companies as a team capable of meeting all of the aspects of an opportunity.”

In the past year, the EDC conducted its first TeCMEN Industry Day, which included 45 exhibitors, some from as far away as Washington State and California and others from the northern Gulf Coast — Eastern Shipbuilding of Panama City and Airbus from Mobile, Alabama, to name a couple.

“We hosted major OEMs (original equipment manufacturers), the companies that drive supplier activity in the Gulf Coast region,” Sparks said. “We are planning our second TeCMEN Industry Day for August and expect it to be even bigger and better.”

Academic and workforce development partners are joining with the EDC in pursuing Triumph funds.

Northwest Florida State College is seeking funds for aviation technology and hospitality programs and a simulated city that would be built near DeFuniak Springs. All three proposals have cleared the pre-application phase.

The aviation technology program would supply airframe and power plant mechanic training. Sparks notes that some 200 aircraft mechanics separate from Hurlburt Field each year but don’t have A&P [airplane and powerplant] credentials because they are not required by the military. The new program would supply them with the certifications they need to work in commercial aviation.

The simulated city would accommodate utility company employees, first responders and emergency management personnel engaged in studying disaster scenarios.

The contemplated hospitality program would offer both associate's and bachelor's degrees.

"Our one-two punch in Okaloosa County is defense and hospitality," Sparks stressed.

The University of West Florida is seeking Triumph funds for an innovation center that would include a campus in Fort Walton Beach. The proposal anticipates prototyping labs and steps to increase the availability of 3D printing.

In February, the hospitality industry got a boost in the form of an announcement made by Allegiant Travel Company, which is establishing a new, two-aircraft base with year-round routes at Destin-Fort Walton Beach Airport (VPS).

The base will create 65 new jobs and bring an anticipated \$418 million in tourism revenue to the area over the next five years. Allegiant is investing more than \$49 million to establish the year-round base, which will house two Airbus aircraft. The new Destin base will also allow Allegiant to offer new routes to five cities.

In May, Allegiant will permanently locate two Airbus A320 aircraft at VPS and hire permanent local employees. One of the unique focuses of Allegiant is to bring customers from previously underserved destinations, not to compete for existing market share.

Allegiant's service in Destin-Fort Walton Beach began with six routes in 2016 and expanded to 16 cities in 2017. The new Destin base will become the airline's 14th year-round aircraft base. Allegiant planned to immediately begin hiring pilots, flight attendants, maintenance technicians and ground personnel to support operations. Positions are expected to offer average salaries more than double the area's average wage.

Maurice J. Gallagher, Jr., Allegiant's chairman and CEO, said, "We are excited to continue our growth in Florida's Emerald Coast by establishing a full-time base at Destin-Fort Walton Beach. The base will not only afford many more options when it comes to adding routes and expanding service, but will also give us the opportunity to contribute even more to the community and the state's economy. We have a terrific partnership across many state and local agencies, without which today would not be possible. We can't thank them enough for their support."

Ken Lawson, CEO of Visit Florida, reacted to the announcement, saying, "Allegiant's decision to make Destin a base of their operations and create new routes to the Emerald Coast is great news for Florida's tourism industry. By opening new airline routes to our state, we're able to share sunshine with more people around the world. Visit Florida was proud to play a small part in Allegiant's decision, and we look forward to working with them to welcome more visitors and continue to set visitation records to our state."

Overall, Sparks said, the economic outlook in Okaloosa County is positive.

"The new federal budget includes considerable additional money for defense," Sparks pointed out. "We have been in a sequestration posture for the past few years. Defense contractors were circling the wagons and doing the best they could given difficult funding cycles. Now, the level of optimism is very high. We live in an uncertain world, and the best offense is a good defense. Lately, at TeCMEN meetings, it's not unusual for six or eight companies to report new hiring — additions of 10 or 20 employees in high-wage jobs."

Sparks sings the praises of the county's Tourist Development Council, citing a string of years that have seen records for visitation.

And he gave a shout-out to American Elite Molding, newly recognized by the state as a Florida Manufacturer of the Year.

"They could be located anywhere," Sparks said, "but they have invested tens of millions and hired dozens of people right here in Okaloosa County. They demonstrate that we can do high-volume, low-cost production right here in the United States."