

**TRIUMPH GULF COAST, INC. PRE-APPLICATION FORM**

Triumph Gulf Coast, Inc. ("Triumph Gulf Coast") has created a pre-application process to provide initial consideration of potential ideas for projects or programs that may seek an award of funding. Applicants are required to participate in the pre-application process. Notwithstanding the response from Triumph Gulf Coast on the pre-application form, an Applicant may still elect to submit an Application.

**APPLICANT INFORMATION:**

Name of Individual/Entity/Organization: Gulf County BOCC

Brief Description of Background of Individual/Entity/Organization: County government

**Contact Information:**

Primary Contact Information: Warren Yeager  
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Names of co-applicants, partners or other entities, organizations that will have a role in the proposed project or program: Port St. Joe Port Authority

**REQUIRED EXECUTIVE SUMMARY:**

In a maximum of three (3) pages, please describe the proposed project or program, including (i) the amount of funds being sought from Triumph Gulf Coast; (ii) the amount and identity of other sources of funds for the proposed project or program; (iii) the location of the project or program; (iv) summary description of the proposed program, including how the program will be transformational and promote economic recovery, diversification, and enhancement of the disproportionately affected counties, and (v) a summary timeline for the proposed project or program.

**IMPORTANT NOTICE**

This pre-application process will **not** result in an award of funding by Triumph Gulf Coast. Rather, this process is designed to facilitate submission of ideas for potential projects or programs before the Applicant expends time and/or resources to complete a full Application. All Applicants for funding are required to complete an Application, which will be scored, and then considered for award in the discretion of Triumph Gulf Coast Board.

Summary: In 1994, a Florida Constitutional Amendment banned fishing nets which directly impacted Gulf County and its multi-generational fishing industry. Five years later, our longstanding papermill closed, was demolished and with it hundreds of jobs evaporated. Our community began what would become a decades-long campaign to desperately attract jobs and stability to Gulf County. Despite sporadic flashes of hope, meaningful and stable employment to significantly undergird our economy has been illusive for nearly 20 years. Breadwinners stretched to find employment traveling further and further distances to provide for their families. Eventually, out of necessity, many chose to relocate elsewhere. Less than 46% of Gulf County’s population is in the workforce, which is nearly 20% below the State average. The median household income is \$41,788 with per capita income of \$19,631 and 22% <sup>1</sup>in poverty. Our civilian workforce peaked in 1994 and declined to a record low in 2000, rising to a record high in 2005 with the real estate boom, but has since experienced an overall general decline.

Eastern Shipbuilding Group, Inc. (“ESG”) has been manufacturing commercial vessels for decades and has been awarded a longterm contract by the United States Coast Guard (“USCG”). Three commercial vessels currently under construction will be outfitted in Port St Joe. These varied contracts enable ESG and Gulf County to establish economic and physical infrastructure along with a developing a workforce for years of work. This infrastructure provides opportunities for government and commercial vessel haul out and vessel repair that doesn’t exist elsewhere in Florida’s northern Gulf Coast.

1. Amount of funds being sought from Triumph Gulf Coast; \$28,425,000.
2. Amount and identity of other sources of funds for the proposed project or program;

|  | <u>Cost</u>          | <u>JPA(2017 Legis.)</u> | <u>Triumph</u>       | <u>ESG</u>   |
|--|----------------------|-------------------------|----------------------|--------------|
| <b>Manufacturing Equipment on Hand</b> |                      |                         |                      | <b>\$75M</b> |
| <b>Real Property</b>                   |                      |                         |                      | <b>\$13M</b> |
| <b>Dredging</b>                        | <b>\$1,900,000.</b>  | <b>\$1,000,000.</b>     | <b>\$900,000.</b>    |              |
| <b>Bulkhead</b>                        | <b>\$200,000.</b>    | <b>\$200,000.</b>       |                      |              |
| <b>Electrical</b>                      | <b>\$250,000.</b>    | <b>\$250,000.</b>       |                      |              |
| <b>Water/Sewer</b>                     | <b>\$75,000.</b>     | <b>\$75,000.</b>        |                      |              |
| <b>Workshop Building</b>               | <b>\$2,000,000.</b>  | <b>\$2,000,000.</b>     |                      |              |
| <b>Floating Dry Dock</b>               | <b>\$30,000,000.</b> | <b>\$2,475,000.</b>     | <b>\$27,525,000.</b> |              |
| <b>Totals</b>                          | <b>\$34,425,000.</b> | <b>\$6,000,000.</b>     | <b>\$28,425,000.</b> | <b>\$88M</b> |

<sup>1</sup> <https://www.census.gov/quickfacts/fact/chart/gulfcountyflorida/INC110215#viewtop>

3. Location of the project or program; Port St Joe, Florida

4. Summary description of the proposed program, including how the program will be transformational and promote economic recovery, diversification, and enhancement of the disproportionately affected counties.

Eastern Shipbuilding Group, Inc. has been awarded a contract to design and construct, over 10 years, 9 vessels for the USCG<sup>2</sup>. The program of record is for 25 vessels over 20 years with a total contract value over \$10 Billion. ESG is proposing to create infrastructure, a skilled workforce and an ongoing ship repair, outfitting and haul out yard on its deepwater property in Port St Joe. The haul out capability is necessary for the USCG OPC contract and the remaining work is to support and supplement ESG's ongoing commercial work, some of which is being relocated because of the dedication of its Nelson St. facility for the USCG.

Following fabrication, manufacture and launching of cutter and commercial vessels in Bay County, ESG needs a military grade, self-docking floating dry dock capable of handling vessels up to 10,000 LT weight; bulkhead repair and bundled pilings; and upland site improvements for vessel outfitting and haul out. The same infrastructure is useful in ship repair, which doesn't exist in Florida's northern Gulf of Mexico. Following dredging of an area immediately adjacent to its existing 1,000 foot bulkhead and construction of a 10,000 LT self-docking, floating facility, the dry dock will be situated adjacent to ESG's 20 acre Port St Joe waterfront parcel. Following the construction and launch of three New York City Staten Island Ollis Class Ferries, which are currently under construction, ESG will complete outfitting in Port St Joe.<sup>3</sup>

This project is supported by all Gulf County elected boards and the Port Authority due to its catalytic and transformational potential for our county and the eastern region of the Panhandle. "Most of the indirect and induced economic impact of the (shipbuilding/ repairing) industry is associated with the industry's ongoing operations, as its capital expenditures account for less than five percent. The largest

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<sup>2</sup> [http://www.easternshipbuilding.com/wp-content/sdaolpu/2016/09/ESG-Press-Release\\_uscg-Approved-R1.pdf](http://www.easternshipbuilding.com/wp-content/sdaolpu/2016/09/ESG-Press-Release_uscg-Approved-R1.pdf)

<sup>3</sup> <http://www.easternshipbuilding.com/current-projects/> ; <http://www.professionalmariner.com/Web-Bulletin-2017/Eastern-gets-notice-to-proceed-on-new-Staten-Island-ferries/>

amount of indirect and induced economic activity associated with the industry is in the services sector.<sup>4</sup> Other significant indirect and induced activities occur in wholesale and retail trade; finance, insurance and real estate; and manufacturing.<sup>5</sup> Considering the indirect and induced impacts, each direct job in the U.S. shipbuilding and repairing industry is associated with another 2.62 jobs in other parts of the national economy; each dollar of direct labor income and GDP is associated with another \$1.74 in labor income and \$2.49 in GDP, respectively, outside of the shipbuilding and repairing industry.”<sup>6</sup>

**Project Employment Summary for Port St Joe:**

|  |                       |                                    |
|--|-----------------------|------------------------------------|
| <b>Site Construction, Dredging, Bulkhead, Utilities, Warehouse</b> | <b>20-25 FTEs</b>     | <b>Jan, 2018 to completion</b>     |
| <b>Vessel Outfitting:</b>  | <b>75 FTEs</b>        | <b>June 2019 - indefinite</b>      |
| <b>Dry Dock Construction:</b>                                      | <b>25 FTEs</b>        | <b>Jan 2020 – June 2020</b>        |
| <b>Repair Haul Out Yard:</b>                                       | <b><u>45 FTEs</u></b> | <b>June 2020 – indefinite</b>      |
| <b>Totals:</b>   | <b>Permanent FTEs</b> | <b>120</b>                         |
|  | <b>Indirect FTEs</b>  | <b><u>314</u></b>                  |
|  | <b>Total FTEs</b>     | <b>434</b>                         |
|  |                       | <b>*Full time equivalent (FTE)</b> |

(v) a summary timeline for the proposed project or program.

|   |                                |
|---|--------------------------------|
| <b>Upland Site Construction, Dredging, Bulkhead Repair, Utilities, Workshop/ Warehouse construction</b> | <b>Jan, 2018 to completion</b> |
| <b>Dry Dock Design</b>  | <b>Jan 2018 – May 2018</b>     |
| <b>Dry Dock Construction – Allanton</b>   | <b>May 2018 - Oct 2019</b>     |
| <b>Vessel Outfitting</b>  | <b>June 2019 -</b>             |
| <b>Dry Dock Assembly – Port St Joe</b>  | <b>Oct 2019 – April 2020</b>   |
| <b>Repair Haul Out Yard:</b>  | <b>June, 2020 –</b>            |

ESG comes to Gulf County with a longstanding tradition of success. Work here will begin immediately and sizeable, longterm work that’s already in the pipeline will follow shortly thereafter. This is our opportunity to rejuvenate our county and bring home our natives who’ve scattered for work and new residents who can all call Gulf County home.

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<sup>4</sup> The services sector, such as management of companies, architectural, engineering, and related services, other professional services, employment services, and business support services, received nearly half of the indirect impact due to its importance in the supply chain to the shipbuilding and repairing industry. The services sector further received more than half of the induced impact from consumer spending attributable to the industry.

<sup>5</sup> Wholesale trade accounted for 7.5 percent of the shipbuilding and repairing industry’s intermediate purchases in 2013. Retail trade typically receives a large share of the induced impact from consumer spending.

<sup>6</sup> *The Economic Importance of the U.S. Shipbuilding and Repairing Industry*, United States Maritime Administration, November 2015