

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: Panama City Port Authority

Brief Description of Background of Individual/Entity/Organization: The Panama City Port Authority, is a dependent special district of the City of Panama City. The Port Authority is an operating port handling over 1.7 million tons of cargo, while providing facilities to industrial tenants including Berg Steel Pipe, Oceaneering Mutliflex, Aadvantage North American, Trane, and FedEx.

Contact Information:

Primary Contact Information: Wayne Stubbs

Title: Executive Director

Mailing Address: One Seaport Drive Panama City, Florida 32401

Telephone Number: 850-767-3220

Email Address: Wstubbs@portpanamacityusa.com

Website: Panamacityportauthority.com

Names of co-applicants, partners or other entities, organizations that will have a role in the proposed project or program: The City of Panama City, The Florida Department of Transportation, The Florida Seaport Transportation and Economic Development Council.

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.

Executive Summary

Panama City Port Authority's East Terminal Development

The Panama City Port Authority is seeking \$10 million in Triumph Gulf Coast funding to assist in the first phase development of the Port's new East Terminal.

The \$56 million terminal expansion is four times larger than any single capital project previously undertaken by the Port of Panama City. The Florida Department of Transportation and the Florida Seaport Transportation and Economic Development Council have committed \$16 million to this project. The Port Authority has borrowed \$12 million for the purchase of the site and committed another \$8.7 million from its cash reserves to complete the purchase and begin initial construction.

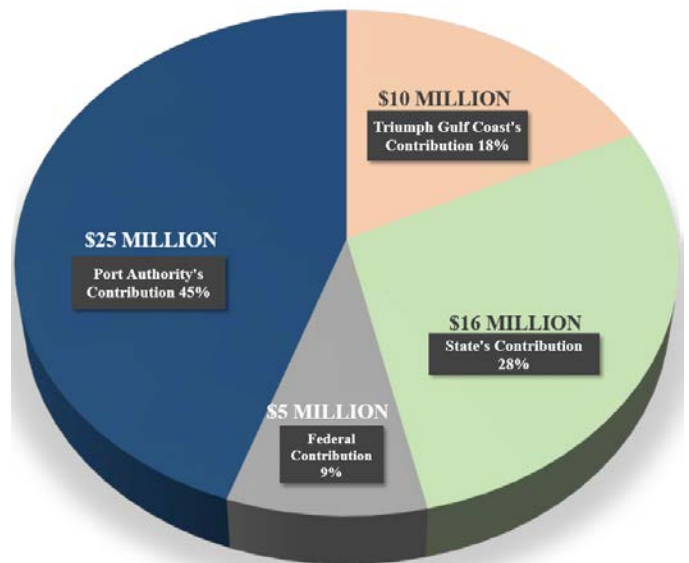
The completion of a new 260,000 square foot forest products warehouse, the reinforcement of the bulkhead, the channel deepening, and the construction of other essential improvements will require an additional \$15 million. A \$10 million award of Triumph funding will enable the Port to complete the planned

improvements and bulkhead refurbishment with enough resources left to provide the local funding for the channel deepening and berth dredging.

The requested Triumph funds will be spent within eighteen months, providing immediate benefits to the WestRock paper mill, local stevedoring companies, the Bay Line Railroad, Mar K Towing, the St. Andrews Bay Pilots, and many others who will provide services at the new East Terminal. A report

by Martin & Associates, maritime economists who developed an economic impact analysis for the Port in 2016, determined the first phase of the East Terminal development will provide 111 direct jobs and another 225 induced and indirect jobs.

\$56 Million Port Expansion

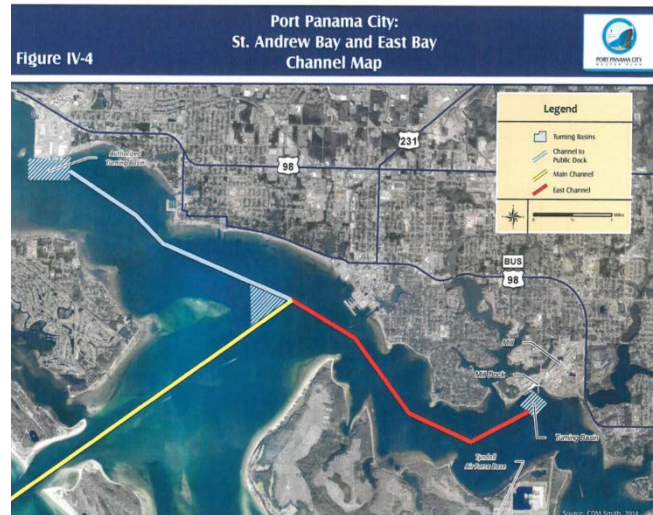


Location of the Project

The East Terminal is located in Panama City on forty-one acres of industrial waterfront land adjacent to the WestRock paper mill. It is in close proximity to the surrounding communities of Millville, Parker, Callaway, and Springfield. The Florida Department of Transportation has designated highway and rail access to this facility as a part of Florida's Strategic Intermodal System. The U.S. Army Corps of Engineers has completed a review of the dredging project and determined that the project has a positive benefit to cost ratio of seven to one. Furthermore, the Corps has already obtained the environmental permits needed for the channel dredging project.

Description and Benefits of the East Terminal Expansion

The Panama City Port Authority has increased its cargo activity by 300% over the last fifteen years. At the same time, the Port has continued to provide the port facilities and the space required by its large industrial tenants. According to the economic impact study performed by Martin & Associates, there are 1,256 direct jobs generated by the Port's cargo activities. In addition there are another 7,583 jobs supported by the Port. On average, employees



New East Terminal to be served by Improved East Channel



engaged in the Port's cargo activities, earn \$48,892 annually - 23% above the average wage for Bay County.

Due to space constraints, the Port cannot continue to grow without the development of the East Terminal. Also, the ships providing service to the WestRock mill have increased in size and cannot continue calling the existing docks unless the channel is deepened and more cargo is made available through

the expansion of warehouses and related facilities. The Panama City Port Authority has responded by purchasing the existing facilities and forty-one acres of land from WestRock with an option to purchase an additional twenty-seven acres. In July of this year the Port Authority began a very ambitious effort to develop a new deep water port terminal on that site.

The \$56 million first phase of the East Terminal expansion will secure direct shipping services for the WestRock mill, significantly enhancing its competitive position in export markets. It will immediately create new jobs associated with the 330,000 tons of additional cargo activity. More important, this development makes possible several decades of uninterrupted growth of shipping activity at the Port. With the East Terminal expansion, the Port of Panama City is poised to become a major Gulf Coast Port and transform the regional economy through the extension of port services to industries located throughout Northwest Florida.



Support from Triumph Gulf Coast at this stage of the new East Terminal development will be invaluable, as it allows the Port Authority to complete the phase one construction and begin operations without delay and without incurring a high level of debt that would hamper future investments and growth.

Timeline

If the Gulf Coast Triumph Board is able to award the Port Authority \$10 million in the coming months, the Port will be able to complete the planned phase one improvements by December 2018. The reinforcement of the bulkhead will be completed by March of 2019. The Corps of Engineers should be in a position to dredge the east channel in the third quarter of 2019.