

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 Beach Convention and Visitors Bureau, Inc.

Description of Background of Individual/Entity/Organization: The Panama City Beach Convention and Visitors Bureau, Inc. (CVB) is a 501(c)(6) nonprofit corporation which is a component unit of Bay County, Florida and serves as the official destination marketing organization for the Greater Panama City Beaches. The CVB is an extension of the Bay County Tourist Development Council (TDC). The CVB is primarily funded by a 5% tourist development tax paid by visitors for overnight lodging stays and also generates revenue through cooperative marketing opportunities, corporate sponsorships and festivals/events. Funds are used for destination marketing, beach renourishment/maintenance and landscaping. The CVB Board of Directors is exclusively comprised of the nine members of the TDC who are appointed by, and serve at the pleasure of, the Bay County Board of Commissioners. Three members are collectors of the tourist development tax, three members represent tourism-related businesses and three members are elected officials. Four members are nominated by the City Council of the City of Panama City Beach.

Contact Information:

Primary Contact Information: Dan Rowe

Title: President/CEO

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Names of co-applicants, partners or other entities, organizations that will have a role in the proposed project or program: Bay County, City of Panama City Beach, Bay District Schools, Florida Department of Transportation, Northwest Florida Water Management District, The St. Joe Company

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 BEACH SPORTS PARK & STADIUM COMPLEX

FUNDING SOURCES.

CVB Cash & Financing	\$28.0 million (42.4%)
Public/Private Investment	\$18.0 million (27.3%)
Triumph Gulf Coast	<u>\$20.0 million</u> (30.3%)
TOTAL	\$66.0 million

PROJECT LOCATION. The Sports Park & Stadium Complex (the “Project”) will be located on 151 acres in Breakfast Point, at the east end of Panama City Beach, accessible at 8222 Panama City Beach Parkway.

SUMMARY DESCRIPTION. The Project, a year-round sports hub to offer players, coaches and their families an unmatched combination of elite sports competition and world-class coastal vacation experience, will be more than a sports park. It will serve as the catalyst for unprecedented and transformational economic development that will benefit visitors and the community at-large.

Expansion of Panama City Beach’s publicly-owned tourism infrastructure will: (1) ensure Bay County remains competitive as a tourist destination; (2) stimulate growth into new seasonal sports-related markets; (3) serve as a catalyst for private sector development; (4) address the region’s workforce development needs; (5) generate incremental tax revenue; and, (6) increase the carrying capacity of the destination by spreading visitor demand.

BACKGROUND. The TDC has a history of demonstrating good stewardship of public funds by investing in tourism infrastructure. Following the 2010 BP oil spill, the council used its economic damage claims to build the Aaron Bessant Park Amphitheater (\$2.7 million) and renovate Frank Brown Park (\$4.5 million). No other tourist development council expended BP damage-related funds on permanent, public infrastructure projects designed to generate incremental and sustained visitor demand.

During the BP Deepwater Horizon incident, public perception that Northwest Florida’s beaches were covered with oil caused many potential visitors to look elsewhere. Panama City Beach, with its strong sports travel foundation, was able to mitigate a significant portion of the lost business from traditional “beach-centric” vacationers because athletes and their families followed through with their travel plans, reinforcing the importance of amateur athletics to the destination.

Sustained growth of sporting events (annual economic impact now exceeds \$100 million) has strained capacities of sports complexes in Bay County, creating a situation in which existing facilities are over-used and not available to meet market demands. In fact, there now exists a shortage of tournament quality soccer/lacrosse and collegiate-sized athletic fields in Northwest Florida.

Based on market studies commissioned in 2008 and 2013, the TDC determined that construction of additional sports facilities is critically important to the continued growth of Panama City Beach as a year-round tourist destination.

Since 2015, the TDC has actively worked to bring an additional outdoor field complex to fruition by addressing key components such as land acquisition, financing, business proformas and project management. In Second Quarter 2017, the TDC advertised for bids from qualified construction companies after receiving preliminary cost estimates in the \$30-\$35 million range from its consulting firm. The concept at that time involved significant collateral activities and retail in addition to the direct sports and

spectator facilities. When construction bids for the park and access road came in at \$20 million above the preliminary estimate, the TDC/CVB realized it could not build the facility as originally envisioned.

During negotiations with the contractor (selected based on the ability to deliver the “best value” to the County) and the value-engineering process, it became apparent that the Project focus should shift away from the collateral features and include a large and attractive Indoor Sports Center. This increases the Project’s viability by more efficiently and effectively utilizing the available land, driving additional visitor demand and further diversifying the tourism economy with indoor athletic team tournaments and individual competitions. However, the total Project as refocused still exceeds the TDC’s resources.

Adding Triumph Gulf Coast to the list of public and private sector partners involved in making this catalytic project a reality is invaluable. These entities include the Bay County Commission, TDC, Panama City Beach CVB, The St. Joe Company, Bay District Schools, Northwest Florida Water Management District, City of Panama City Beach and Florida Department of Transportation.

PROJECT DESCRIPTION. The Project will consist of an indoor court facility, outdoor field complex and walking/biking trails. The combination of high quality visitor amenities, state-of-the-art amateur athletic fields and creative site design will set a new standard for sports complexes throughout the country.

The outdoor field complex will encompass 13 fields for soccer, lacrosse, rugby, football, baseball and softball. All of the fields will be built to provide athletes with world-class playing surfaces (nine artificial turf fields and four natural grass fields). The flexible design of the fields will allow the facility to drive demand throughout the spring and fall seasons in addition to the traditional summer months.

The 109,000 square-foot indoor athletic facility will house eight basketball courts or 16 volleyball courts, team meeting rooms, locker rooms and training/physical therapy rooms. In addition to court sports, the facility will accommodate indoor sports such as wrestling, gymnastics and cheerleading, as well as expositions and trade shows.

DEVELOPMENT CATALYST. Triumph Gulf Coast’s investment in the Project will help spur more than \$200 million in new investment on the east end of Panama City Beach. Infrastructure improvements in the areas surrounding the park will attract new private capital investment in retail businesses and services to meet the economic, educational, recreation and quality of life needs of the growing market. The Project will provide a public benefit extending far beyond its boundaries and will serve as a catalyst for:

Transportation System Enhancement – Located directly across from the northern end of Cauley Avenue, in close proximity to the Hathaway Bridge system, the parcel of land at 8222 Panama City Beach Parkway has strategic value in addressing the region’s transportation infrastructure needs. The new access road to the Project provides an eastern terminus to an additional east-west traffic corridor through Panama City Beach that efficiently connects to all of the arterial roads on the east end of the Beach – U. S. Highway 98, Front Beach Road and Thomas Drive – in addition to providing access to the new school site described below. But for the CVB’s purchase of this land, it is unlikely that it would have been used for this purpose. The land was available for sale and most likely would have seen development similar to that of nearby parcels, which includes a self-storage rental facility, car wash, paint store and RV repair shop.

Easing School Overcrowding – As a result of the Project, Bay District Schools will receive land to build a new K-8 school (\$26 million construction cost) to serve approximately 900 students.

Incremental Private Sector Investment – Due to increased access to Breakfast Point directly attributable to the Project, St. Joe applied for, and received approval of, an amendment to the Bay County Comprehensive Plan to include 750 hotel rooms, commercial office space (75,000 square feet) and retail

space (160,000 square feet). Preliminary estimates of the company's investment in the construction of these new facilities exceed \$175 million.

JOB CREATION & WORKFORCE DEVELOPMENT. After the initial ramp-up period, the Project will bring approximately 81,611 additional, unique non-summer visitors into the market. Based on research conducted by VISIT FLORIDA, one full-time equivalent employee (FTE) is created for every 76 unique visitors to the state; therefore, this Project will generate 1,074 additional full-time jobs. The CVB has commissioned Oxford Economics to conduct economic modeling, including job creation, for this Project. These findings will be included in the full application for Triumph Gulf Coast funding.

ADDRESSING ESTABLISHED PRIORITIES. The Panama City Beach Sports Park & Stadium Complex project complies with requirements set forth by Florida Statute, addresses the Triumph Gulf Coast Board of Directors' discretionary priorities, syncs with Florida's Great Northwest's "*Northwest Florida Forward*" strategic plan and is endorsed by the Bay County Board of County Commissioners. This Project will:

- Expand and diversify publicly-owned tourism infrastructure to allow Panama City Beach, Bay County and the surrounding region to attract new market segments throughout the year;
- Strengthen existing businesses, foster additional economic development, attract new private-sector capital, and provide more year-round employment;
- Increase revenues to fund state and local government through additional consumption taxes (state & local sales taxes, tourist development taxes) and higher property values surrounding the complex; and,
- Bring together a coalition of public and private-sector partners to maximize economies of scale, increase day to day utilization and spread operational costs.

IMMEDIATE VALUE & SUSTAINABILITY. The Panama City Beach Sports Park & Stadium Complex will be owned by Bay County but leased to the CVB for a period of 99 years. The CVB will manage and provide the strategic direction for the Project but will hire a third-party to run the day-to-day operations. With the exception of debt service and capital replacement costs, the Project is expected be self-sustaining after Year Four. The County has arranged financing through a 15-year loan from a regional bank. Tourist Development Tax proceeds will be used for the debt payments, as well as any capital replacement costs that are not funded through operations.

In the first year of operation, the Project will generate nearly 60,000 room nights and \$23.2 million in economic impact. By year four, it will yield 110,000 room nights and \$42.8 million in economic impact. During the 15-year term of the loan, the Project will add over \$610 million to Bay County's economy.

SUMMARY TIMELINE.

MILESTONE	DATE
SPORTS STUDIES COMPLETED	2013
CVB PURCHASE OF ENTRY PARCEL	JULY 2015
LAND TRANSFER AGREEMENT FINALIZED	MARCH 2016
FINANCING SECURED	JUNE 2017
PROFORMAS COMPLETED – OUTDOOR & INDOOR	AUGUST 2017
CONSTRUCTION COST NEGOTIATIONS COMPLETED	NOVEMBER 2017
GROUND BREAKING	UPON AWARD FROM TCG
GRAND OPENING	12 MONTHS AFTER AWARD

Jim Muller

From: J. Michael Brown <jmbrown@visitpanamacitybeach.com>
Sent: Tuesday, October 31, 2017 11:34 AM
To: Bay Triumph
Cc: Dan Rowe; Jim Muller
Subject: Bay County TDC Triumph Pre-Application
Attachments: 2017-10-17 Official Pre-Application Form CVB - FINAL 10-31-17.pdf

Attached is the completed pre-application for Triumph Gulf Coast funding for the Panama City Beach Sports Park & Stadium Complex.

Tourism was one of two industries that felt the direct impact from the Deepwater Horizon Oil Spill. As tar balls washed ashore in the summer of 2010 and leisure travelers vacationed on other beaches, it was apparent to the TDC that construction of additional sports facilities is critically important to the continued growth of Panama City Beach as a year-round tourist destination.

The Project complies with Florida statutory requirements related to economic recovery, diversification and enhancement; targets Triumph Gulf Coast Board of Directors' discretionary priorities; and, syncs with Florida's Great Northwest's *"Northwest Florida Forward"* strategic plan in that it will:

- Expand and diversify publicly-owned tourism infrastructure to allow Panama City Beach, Bay County and the surrounding region to attract new market segments and ensure long-term viability as a tourist destination;
- Strengthen existing businesses, foster additional economic development, attract new private-sector capital, and provide more year-round employment;
- Increase revenues to state and local government through additional consumption taxes (state & local sales taxes, tourist development taxes) and higher property values;
- Build a coalition of public and private-sector partners to maximize economies of scale, increase day to day utilization and spread operational costs; and,
- Increase the destination's carrying capacity by spreading visitor demand.

In addition, the Project addresses numerous SWOT priorities established by Bay County, including:

- Improvements to existing transportation infrastructure;
- Utilization of undeveloped land for commercial/retail use;
- Investment in public infrastructure;
- Opportunities for growth of a demand-driven workforce;
- Promotion of greater regional identity and collaboration; and,
- Safeguarding of Triumph Gulf Coast funds at the local level.

Public and private sector partners involved in making this catalytic project a reality include the Bay County Commission, TDC, Panama City Beach CVB, The St. Joe Company, Bay District Schools, Northwest Florida Water Management District, City of Panama City Beach and Florida Department of Transportation.

We respectfully request endorsement of this Project by the Bay County Commission and forwarding of our pre-application to Triumph Gulf Coast for review.

Regards,

J. Michael Brown

Vice President of Tourism Development | Visit Panama City Beach



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