

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: Panacea Oyster Co-op Corporation

Brief Description of Background of Individual/Entity/Organization: Founded in 2016 by a group of oyster ranchers, Panacea Oyster Co-Op Corporation is cultivating a full water column oyster ranching community in Apalachee Bay. The Co-op is currently serving 30 independently-owned oyster ranches by providing services from "seed to sale", allowing them to focus on growing oysters and a sustainable, thriving business.

Contact Information:

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Names of co-applicants, partners or other entities, organizations that will have a role in the proposed project or program: USDA, WEI, FAMU, SBDC, Florida Institute for Commercialization of Public

Research

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

Panacea Oyster Co-op – Value Added Oyster Processing and Distribution Center

Amount of funds sought from Triumph Gulf Coast: \$1,720,599

Amount and identity of other funding sources: \$1,385,000 Panacea Oyster Co-Op Corp- debt equity

Location: Crawfordville, FL, Wakulla County

Project Description

The world's oyster beds are dying - **85%** of the world's oyster beds are gone. In our region, native oyster harvests are down by **95%**. Over the past 20 years Apalachicola has transitioned from a community shipping over 100 million oysters annually to about 5 million today due to over-harvesting and partly as a result of a state authorized harvesting of all oysters in Apalachicola Bay to avoid a massive die off due to the BP oil spill. Combined with the reduction in fresh water flow from the Apalachicola River (and Florida's loss in the water wars with Georgia), this has left a void in the market that can be only be filled with a new, sustainable, and profitable oyster aquaculture industry.

Founded in 2016 by a group of oyster ranchers, Panacea Oyster Co-Op Corporation (the "Co-op") is a for profit corporation with investors whose mission is, among other things, assisting in the cultivation of a full water column oyster ranching community in Apalachee Bay in Wakulla and Franklin Counties. Apalachee Bay is one of the largest and most biologically diverse estuaries in North America, providing a unique opportunity to grow oysters in a replicable and sustainable way which is not only profitable, but also contributes substantially to restoring this estuary for future generations. Apalachee Bay aquaculture oysters grow faster to a 3-inch maturity than most other oysters grown in the U.S. - in just 6-9 months, rather than the typical 18 to 24 months. Apalachee Bay oyster ranching is not seasonal. These oysters are grown and harvested year-round.

The Co-Op has established a complete and vertically integrated company that can be duplicated throughout our coastal communities. Currently, the Co-op ranchers include 30 oyster ranchers, each an independently-owned small business. The Co-op provides services that start with oyster spat (seed), include marketing, branding, distribution, and sale, allowing the ranchers to focus on growing oysters and a sustainable, thriving business. The Co-op has purchased multiple sites adjacent to our pristine estuary to begin processing operations that support current oyster sales and distribution. We are scaling to be a national brand, with 10 million oysters to be harvested over the next year and 100 million in 5 years. It is at this level that this new Florida industry becomes truly *transformational*.

This project proposes to acquire the site and buildings of a previous crab processing plant to be renovated as an upland post-harvest processing added-value plant. This facility will shuck oysters for sale in bulk for cooking, or pasteurized (i.e. 100% bacteria free) in-the-shell oysters, or will cryogenically freeze half shell oysters for long shelf life (also therefore bacteria free). This will allow 100% of all oysters that are growing or grown to be utilized, even if they aren't the perfect "Panacea Pearl." The plant will also serve as a distribution hub as oyster harvests and sales increase over the next 5 years and is accessible to 18 wheeler trucks whereas the current Spring Creek processing location is not. The proposed project site is outside the FEMA flood zone and will provide a safe haven for storage of equipment and for Co-op operations in case of hurricane and other high water events. The proposed

project is located in Crawfordville in Wakulla County, a disproportionately affected county, but will have regional economic impact by producing jobs both inside and outside the seafood industry as sales, inventory, and distribution increase to a national level. These jobs include, but are not limited to, oyster aquaculture, seafood processing, trucking, sales and marketing, equipment maintenance, food services, packaging and shipping. While some of the jobs will be as a result of direct employment by the Co-op, most will be created to support this industry, including trucking, equipment repair/maintenance, and increased oyster ranching.

Following is a summary of the proposed renovations necessary for a functional distribution center/seafood/added-value processing plant. The proposed site is located in Crawfordville and is a series of buildings on approximately 4 acres of land. The focus of this project is to acquire the property and renovate approximately 11,000SF of building into functional seafood processing plant, correct all building and site deferred maintenance and create one-acre exterior fenced storage yard for oyster ranchers to store equipment and boats.

DESIGN AND PERMITTING: The site shall have an existing condition survey completed prior to the final grant application. The renovations proposed shall meet Wakulla County Environmental permit requirements. Complete architectural plans shall be provided with the formal application and all appropriate building permits will be obtained or obtainable upon acquisition of the property.

SITE: Two buildings in close proximity to the 11,000SF facility shall be demolished as part of the renovation plan. The site is overgrown, so two acres will be cleared to provide functional access to the building and prepare for the storage yard. The one acre storage yard shall be graded, the base stabilized and 3" of rock applied. The yard shall be secured with an 8' fence that will provide visual screening. Existing asphalt shall be patched and overlaid. Stabilized access along the backside of the building shall be established. Existing planters shall be repaired and landscaped along with tree plantings to fulfill our environmental permit requirements. Access ramps, HC access, and stairs will be rebuilt on site.

EXTERIOR RENOVATION: The existing building has a failing roof system that will require repair. The interior ceiling heights are too low in the processing area for operating equipment and forklifts, so they will have to be raised. The structure has wood trusses on structural bearing CMU walls. All roofing and trusses will be removed. The perimeter CMU walls shall be reinforced and pumped with concrete to make them load bearing. Two courses of lintel block, reinforced and filled with concrete, shall be placed on top of existing masonry to achieve desired height. Structural steel will be added where needed to provide structural integrity. The roof system shall be reconfigured to assure weather tightness. New trusses, roof deck, and shingles will be added. All exterior windows and doors will be replaced. The exterior of the building shall be painted.

INTERIOR RENOVATION: All non-masonry interior walls shall be removed. The slab will be trenched and then patched, for installation of new restrooms and multiple locations for floor drains. The ceiling shall receive R-30 insulation. The processing area ceiling assembly will be plywood with RFP board for a waterproof surface. The office and conditioned storage shall be drywall. The walls in the processing shall have the masonry furred, insulating board, plywood, and FRP board. All the walls in the office and conditioned storage will be drywall. All interior doors in the processing area will be hollow metal and insulated. All doors in the office and conditioned storage area will be solid core wood. All non-FRP surfaces will be painted. The concrete floors shall be ground and polished. The offices will receive carpet squares or LVT.

Plumbing shall consist of all new plumbing fixtures, several floor drain locations, hose bibs, sand and grease interceptors, back flow preventers, and new sewer taps. The electrical shall be a new service, lighting, receptacles, and equipment hook ups. All areas will be air conditioned except for the storage area on the loading dock.

Budget

The following is a cost summary for the conceptual plans and specifications described above:

LAND ACQUISITION		\$ 150,000
DESIGN & PERMITTING	76,500	
SITE WORK	171,500	
EXTERIOR RENOVATION	268,000	
INTERIOR RENOVATION	288,720	
GENERAL CONDITIONS	105,300	
CONTRACTOR'S OH&P	98,200	
CONTINGENCY	80,000	
CONSTRUCTION COSTS		\$ 1,238,220
NITROGEN CRYOGENIC FREEZING TUNNEL	65,000	
WATER MISTER, TRAYS, CONVEYORS	15,000	
NITROGEN TANK & PLUMBING	9,000	
INSPECTION CONVEYOR	5,800	
BULK HOPPERS (2)	29,400	
BELT WASHER	14,400	
ELEVATOR	5,800	
REFRIGERATION – COOLERS (2)	90,000	
ICE MACHINES (2)	30,400	
STAINLESS STEEL TABLES (10)	15,000	
50# FISH BASKETS (20)	1,500	
DRUM FANS (6)	3,000	
WOOD PLATFORM HANDTRUCKS (6)	1,650	
QUICK TUBE SORTER	15,000	
SMALL TOOLS AND PARTS	20,000	
OFFICE FURNITURE & EQUIPMENT	5,000	
SHIPPING	6,429	
EQUIPMENT COSTS		\$ 332,379
TOTAL PROJECT BUDGET		\$1,720,599

Timeline

It is estimated that this project including land acquisition, construction, and equipment installation can be completed in 12-18 months from date of award.