



**PORT PANAMA CITY
U.S.A.**

February 23, 2018

Ms. Susan Skelton
Triumph Executive Director
P.O. Box 12007
Tallahassee, Florida
32317

Re: Submitted Triumph Gulf Coast Application

Dear Ms. Skelton,

Please find enclosed the Panama City Port Authority's application for funds. A bound copy of the completed financial audit will be provided separately.

We appreciate the opportunity to submit this application and are looking forward to providing whatever additional information is needed.

Thank you again,

Wayne Stubbs
Executive Director

Triumph Gulf Coast, Inc. Trust Fund Application for Funds

Proposal Instructions: The Triumph Gulf Coast, Inc. Trust Fund Grant Application (this document) must be completed by the entity applying for the grant and signed, as applicable, by either the individual applying for funds, an individual authorized to bind the entity applying for funds, a chief elected official, the administrator for the governmental entity or their designee. Please read the Application carefully as some questions may require a separate narrative to be completed. In addition, please complete all Addendums that may be applicable to the proposed project or program.

Triumph Gulf Coast, Inc. will make awards from available funds to projects or programs that meet the priorities for economic recovery, diversification, and enhancement of the disproportionately affected counties. Triumph Gulf Coast, Inc. may make awards for:

- Ad valorem tax rate reduction within disproportionately affected counties;
- Local match requirements of s. 288.0655 for projects in the disproportionately affected counties;
- Public infrastructure projects for construction, expansion, or maintenance which are shown to enhance economic recovery, diversification, and enhancement of the disproportionately affected counties;
- Grants to local governments in the disproportionately affected counties to establish and maintain equipment and trained personnel for local action plans of response to respond to disasters, such as plans created for the Coastal Impacts Assistance Program;
- Grants to support programs that prepare students for future occupations and careers at K- 20 institutions that have campuses in the disproportionately affected counties. Eligible programs include those that increase students' technology skills and knowledge; encourage industry certifications; provide rigorous, alternative pathways for students to meet high school graduation requirements; strengthen career readiness initiatives; fund high-demand programs of emphasis at the bachelor's and master's level designated by the Board of Governors; and, similar to or the same as talent retention programs created by the Chancellor of the State University System and the Commission of Education; encourage students with interest or aptitude for science, technology, engineering, mathematics, and medical disciplines to pursue postsecondary education at a state university or a Florida College System institution within the disproportionately affected counties;
- Grants to support programs that provide participants in the disproportionately affected counties with transferable, sustainable workforce skills that are not confined to a single employer; and
- Grants to the tourism entity created under s. 288.1226 for the purpose of advertising and promoting tourism and Fresh From Florida, and grants to promote workforce and infrastructure, on behalf of all of the disproportionately affected counties.

Pursuant to Florida Law, Triumph Gulf Coast, Inc. will provide priority consideration to Applications for projects or programs that:

- Generate maximum estimated economic benefits, based on tools and models not generally employed by economic input-output analyses, including cost-benefit, return-on- investment, or dynamic scoring techniques to determine how the long-term economic growth potential of the disproportionately affected counties may be enhanced by the investment.
- Increase household income in the disproportionately affected counties above national average household income.
- Leverage or further enhance key regional assets, including educational institutions, research facilities, and military bases.
- Partner with local governments to provide funds, infrastructure, land, or other assistance for the project.
- Benefit the environment, in addition to the economy.
- Provide outcome measures.
- Partner with K-20 educational institutions or school districts located within the disproportionately affected counties as of January 1, 2017.
- Are recommended by the board of county commissioners of the county in which the project or program will be located.
- Partner with convention and visitor bureaus, tourist development councils, or chambers of commerce located within the disproportionately affected counties.

Additionally, the Board of Triumph Gulf Coast, Inc. may provide discretionary priority to consideration of Applications for projects and programs that:

- Are considered transformational for the future of the Northwest Florida region.
- May be consummated quickly and efficiently.
- Promote net-new jobs in the private sector with an income above regional average household income.
- Align with Northwest Florida FORWARD, the regional strategic initiative for Northwest Florida economic transformation.
- Create net-new jobs in targeted industries to include: aerospace and defense, financial services/shared services, water transportation, artificial intelligence, cybersecurity, information technology, manufacturing, and robotics.
- Promote industry cluster impact for unique targeted industries.
- Create net-new jobs with wages above national average wage (*e.g.*, similar to EFI QTI program, measured on graduated scale).
- Are located in Rural Area of Opportunity as defined by the State of Florida (DEO).
- Provide a wider regional impact versus solely local impact.
- Align with other similar programs across the regions for greater regional impact, and not be duplicative of other existing projects or programs.
- Enhance research and innovative technologies in the region.
- Enhance a targeted industry cluster or create a Center of Excellence unique to Northwest Florida.

- Create a unique asset in the region that can be leveraged for regional growth of targeted industries.
- Demonstrate long-term financial sustainability following Triumph Gulf Coast, Inc. funding.
- Leverage funding from other government and private entity sources.
- Provide local investment and spending.
- Are supported by more than one governmental entity and/or private sector companies, in particular proposed projects or programs supported by more than one county in the region.
- Provide clear performance metrics over duration of project or program.
- Include deliverables-based payment system dependent upon achievement of interim performance metrics.
- Provide capacity building support for regional economic growth.
- Are environmentally conscious and business focused.
- Include Applicant and selected partners/vendors located in Northwest Florida.

Applications will be evaluated and scored based on compliance with the statutory requirements of the Triumph Gulf Coast legislation, including but not limited to the priorities identified therein and the geographic region served by the proposed project or program.

Applicant Information

Name of Individual (if applying in individual capacity): N/A

Name of Entity/Organization: [Panama City Port Authority](#)

Background of Applicant 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](#), and [Trane](#).

(If additional space is needed, please attach a Word document with your entire answer.) Federal

Employer Identification Number: [59-1114009](#)

Contact Information:

Primary Contact Information:	Wayne Stubbs
Title:	Executive Port Director
Mailing Address:	One Seaport Drive Panama City, Florida 32401
Phone:	850-767-3220
Email:	Wstubbs@portpanamacityusa.com
Website:	www.panamacityportauthority.com

Identify any co-applicants, partners, or other entities or organizations that will have a role in the proposed project or program and such partners proposed roles.

[The Florida Department of Transportation](#) and [The Florida Seaport Transportation and Economic Development Council \(FSTED\)](#) have allocated funds to this project in a form of matching grants. As these grants become available in the State budget, the Port and the FDOT District Three enter into joint participation agreements which establish criteria for drawing down the matching funds.

(If additional space is needed, please attach a Word document with your entire answer.)

Total amount of funding requested from [Triumph Gulf Coast](#): [\\$10,000,000.00](#)

Has the applicant in the past requested or applied for funds for all or part of the proposed project/program?

☒ Yes ☐ No

If yes, please provide detailed information concerning the prior request for funding, including:

- the date the request/application for funding was made;
- the source to which the request/application for funding was made,
- the results of the request/application for funding, and
- projected or realized results and/or outcomes from prior funding.

[Please see Attachment A.](#)

(If additional space is needed, please attach a Word document with your entire answer.)

Describe the financial status of the applicant and any co-applicants or partners:

[Please see Attachment B.](#)

(If additional space is needed, please attach a Word document with your entire answer.)

In a separate Attachment, please provide financial statements or information that details the financial status of the applicant and any co-applicants or partners.

[Please see Attachment C.](#)

Has the applicant or any co-applicants, partners or any associated or affiliated entities or individuals filed for bankruptcy in the last ten (10) years?

☐ Yes ☒ No

If yes, please identify the entity or individual that filed for bankruptcy and the date of filing.

(If additional space is needed, please attach a Word document with your entire answer.)

Eligibility

Pursuant to Section 288.8017, Triumph Gulf Coast, Inc. was created to make awards from available funds to projects or programs that meet the priorities for economic recovery, diversification, and enhancement of the disproportionately affected counties. The disproportionately affected counties are: Bay County, Escambia County, Franklin County, Gulf County, Okaloosa County, Santa Rosa County, Walton County, or Wakulla County. *See*, Section 288.08012.

1. From the choices below, please check the box that describes the purpose of the proposed project or program (check all that apply):

- ☐ Ad valorem tax rate reduction within disproportionately affected counties; Local match requirements of s. 288.0655 for projects in the disproportionately affected counties;
- ☒ Public infrastructure projects for construction, expansion, or maintenance which are shown to enhance economic recovery, diversification, and enhancement of the disproportionately affected counties;
- ☐ Grants to local governments in the disproportionately affected counties to establish and maintain equipment and trained personnel for local action plans of response to respond to disasters, such as plans created for the Coastal Impacts Assistance Program;
- ☐ Grants to support programs that prepare students for future occupations and careers at K-20 institutions that have campuses in the disproportionately affected counties. Eligible programs include those that increase students' technology skills and knowledge; encourage industry certifications; provide rigorous, alternative pathways for students to meet high school graduation requirements; strengthen career readiness initiatives; fund high-demand programs of emphasis at the bachelor's and master's level designated by the Board of Governors; and, similar to or the same as talent retention programs created by the Chancellor of the State University System and the Commission of Education, encourage students with interest or aptitude for science, technology, engineering, mathematics, and medical disciplines to pursue postsecondary education at a state university or a Florida College System institution within the disproportionately affected counties; Grants to support programs that provide participants in the disproportionately affected counties with transferable, sustainable workforce skills that are not confined to a single employer; and
- ☐ Grants to the tourism entity created under s. 288.1226 for the purpose of advertising and promoting tourism and Fresh from Florida, and grants to promote workforce and infrastructure, on behalf of all of the disproportionately affected counties.

2. Provide the title and a detailed description of the proposed project or program, including the location of the proposed project or program, a detailed description of, and quantitative evidence demonstrating how the proposed project or program will promote economic recovery, diversification, and enhancement of the disproportionately affected counties, a proposed timeline for the proposed project or program, and the disproportionately affected counties that will be impacted by the proposed project or program.

[Please see Attachment D.](#)

(If additional space is needed, please attach a Word document with your entire answer.)

3. Explain how the proposed project or program is considered transformational and how it will effect the disproportionately affected counties in the next ten (10) years.

[Please see Attachment E.](#)

(If additional space is needed, please attach a Word document with your entire answer.)

4. Describe data or information available to demonstrate the viability of the proposed project or program.

[Please see Attachment F.](#)

(If additional space is needed, please attach a Word document with your entire answer.)

5. Describe how the impacts to the disproportionately affected counties will be measured long term.

[Please see Attachment G & H.](#)

(If additional space is needed, please attach a Word document with your entire answer.)

6. Describe how the proposed project or program is sustainable. (Note: Sustainable means how the proposed project or program will remain financially viable and continue to perform in the long-term after Triumph Gulf Coast, Inc. funding.)
[The Panama City Port Authority will operate the facilities as part of its ongoing port operations.](#)

(If additional space is needed, please attach a Word document with your entire answer.)

7. Describe how the deliverables for the proposed project or program will be measured.

[Please see Attachment I.](#)

(If additional space is needed, please attach a Word document with your entire answer.)

Priorities

1. Please check the box if the proposed project or program will meet any of the following priorities (check all that apply):
 - ☒ Generate maximum estimated economic benefits, based on tools and models not generally employed by economic input-output analyses, including cost-benefit, return-on-investment, or dynamic scoring techniques to determine how the long-term economic growth potential of the disproportionately affected counties may be enhanced by the investment.
 - ☒ Increase household income in the disproportionately affected counties above national average household income.
 - ☒ Leverage or further enhance key regional assets, including educational institutions, research facilities, and military bases.
 - ☒ Partner with local governments to provide funds, infrastructure, land, or other assistance for the project.
 - ☒ Benefit the environment, in addition to the economy.
 - ☒ Provide outcome measures.
 - ☐ Partner with K-20 educational institutions or school districts located within the disproportionately affected counties as of January 1, 2017.
 - ☒ Are recommended by the board of county commissioners of the county in which the project or program will be located.
 - ☐ Partner with convention and visitor bureaus, tourist development councils, or chambers of commerce located within the disproportionately affected counties.
2. Please explain how the proposed project meets the priorities identified above.
[Please see the Attachment J.](#)

(If additional space is needed, please attach a Word document with your entire answer.)
3. Please explain how the proposed project or program meets the discretionary priorities identified by the Board.
[Please see Attachment K.](#)

(If additional space is needed, please attach a Word document with your entire answer.)
4. In which of the eight disproportionately affected county/counties is the proposed project or program located? (Circle all that apply)

Escambia

Santa Rosa

Okaloosa

Walton

Bay

Gulf

Franklin

Wakulla

5. Was this proposed project or program on a list of proposed projects and programs submitted to Triumph Gulf Coast, Inc., by one (or more) of the eight disproportionately affected Counties as a project and program located within its county?

☒ Yes ☐ No

If yes, list all Counties that apply: Bay County.

6. Does the Board of County Commissioners for each County listed in response to question 5, above, recommend this project or program to Triumph?

☒ Yes ☐ No

Please see Attachment L.

**Please attach proof of recommendation(s) from each County identified.

Approvals and Authority

1. If the Applicant is awarded grant funds based on this proposal, what approvals must be obtained before Applicant can execute an agreement with Triumph Gulf Coast, Inc.?
Any agreement or contract must be approved by the Panama City Port Authority Board of Directors.
(If additional space is needed, please attach a Word document with your entire answer.)
2. If approval of a board, commission, council or other group is needed prior to execution of an agreement between the entity and Triumph Gulf Coast:
- A. Provide the schedule of upcoming meetings for the group for a period of at least six months.
- B. State whether that group can hold special meetings, and if so, upon how many days' notice.
- A. The Board meets at 3pm on the second Thursday of every month.
- B. Special meetings can be called with 48 hour notice.

(If additional space is needed, please attach a Word document with your entire answer.)

3. Describe the timeline for the proposed project or program if an award of funding is approved, including milestones that will be achieved following an award through completion of the proposed project or program.

Please see Attachment M.

(If additional space is needed, please attach a Word document with your entire answer.)

4. Attach evidence that the undersigned has all necessary authority to execute this proposal on behalf of the entity applying for funding. This evidence may take a variety of forms, including but not limited to: a delegation of authority, citation to relevant laws or codes, policy documents, etc. In addition, please attach any support letters from partners.

Please see Attachment N.

Funding and Budget:

Pursuant to Section 288.8017, awards may not be used to finance 100 percent of any project or program. An awardee may not receive all of the funds available in any given year.

1. Identify the amount of funding sought from Triumph Gulf Coast, Inc. and the time period over which funding is requested.
\$10,000,000 with 50% available by July 2018 and 50% available by January 2019.
(If additional space is needed, please attach a Word document with your entire answer.)
2. What percentage of total program or project costs does the requested award from Triumph Gulf Coast, Inc. represent? (Please note that an award of funding will be for a defined monetary amount and will not be based on percentage of projected project costs.)
Sixteen point seven percent total (16.7%). (Please see Attachment O).
(If additional space is needed, please attach a Word document with your entire answer.)
3. Please describe the types and number of jobs expected from the proposed project or program and the expected average wage.
The project is expected to produce 148 direct jobs, with an average wage of \$46,892 and 163 induced and indirect jobs at various wage scales. The direct jobs will include cargo handling, stevedores, longshoreman, customs brokers, traffic clerks, CBP officers, vessel agents, mechanics, planners, line handlers, tugboat crewman, Bar Pilots, security guards, and administrative personnel. Induced and indirect jobs will include truck drivers, rail road workers, workers in WestRock Panama City plant, repair and maintenance workers, and professional consultants.
(If additional space is needed, please attach a Word document with your entire answer.)
4. Does the potential award supplement but not supplant existing funding sources? If yes, describe how the potential award supplements existing funding sources.
☒ Yes ☐ No
The award will supplement \$21.7 million in FDOT and FSTED grants and \$23 million in Port Authority funds and \$5 million in Federal funds. The State has committed the maximum amount of matching funds. The Port has committed all of its available cash (and has borrowed \$12 million for the project).
(If additional space is needed, please attach a Word document with your entire answer.)
5. Please provide a Project/Program Budget. Include all applicable costs and other funding sources available to support the proposal.

A. Project/Program Costs:

Example Costs (Note: Not exhaustive list of possible Cost categories.)

Construction	<u>\$ 23,950,000</u>
Reconstruction	<u>\$ 10,000,000(Bulkhead)</u>
Design & Engineering	<u>\$ 800,000</u>
Land Acquisition	<u>\$ 13,600,000</u>
Land Improvement	<u>\$ 4,000,000</u>
Equipment	<u>\$ N/A</u>
Supplies	<u>\$ N/A</u>
Salaries	<u>\$ N/A</u>

Other (specify)	<u>\$ 7,514,000 (Dredging)</u>
Total Project Costs:	<u>\$ 59,864,000</u>

B. Other Project Funding Sources:

Example Funding Sources (Note: Not an exhaustive list of possible Funding Sources.)

Port Authority	<u>\$ 23,200,000</u>
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Private Sources	<u>\$ _____ 0</u>
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Other (e.g., grants, etc.)	<u>\$ 26,574,000 (State & Federal)</u>
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Total Other Funding	<u>\$ 49,864,000</u>
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Total Amount Requested:	<u>\$ 10,000,000</u>
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Note: The total amount requested must equal the difference between the costs in 3A. and the other project funding sources in 3.B.

C. Provide a detailed budget narrative, including the timing and steps necessary to obtain the funding and any other pertinent budget-related information.
[See Attachment P.](#)

(If additional space is needed, please attach a Word document with your entire answer.)

Applicant understands that the Triumph Gulf Coast, Inc. statute requires that the award contract must include provisions requiring a performance report on the contracted activities, must account for the proper use of funds provided under the contract, and must include provisions for recovery of awards in the event the award was based upon fraudulent information or the awardee is not meeting the performance requirements of the award.

☒ Yes ☐ No

Applicant understands that awardees must regularly report to Triumph Gulf Coast, Inc. the expenditure of funds and the status of the project or program on a schedule determined by Triumph Gulf Coast, Inc.

☒ Yes ☐ No

Applicant acknowledges that Applicant and any co-Applicants will make books and records and other financial data available to Triumph Gulf Coast, Inc. as necessary to measure and confirm performance metrics and deliverables.

☒ Yes ☐ No

Applicant acknowledges that Triumph Gulf Coast, Inc. reserves the right to request additional information from Applicant concerning the proposed project or program.

☒ Yes ☐ No

ADDENDUM FOR INFRASTRUCTURE PROPOSALS:

1. Program Requirements

- A. Is the infrastructure owned by the public?
☒ Yes ☐ No
- B. Is the infrastructure for public use or does it predominately benefit the public?
☒ Yes ☐ No
- C. Will the public infrastructure improvements be for the exclusive benefit of any single company, corporation or business entity?
☐ Yes ☒ No
- D. Provide a detailed explanation of how the public infrastructure improvements will connect to a broader economic development vision for the community and benefit additional current and future businesses.
[Please see the Attachment Q.](#)
(If additional space is needed, please attach a Word document with your entire answer.)
- E. Provide a detailed description of, and quantitative evidence demonstrating how the proposed public infrastructure project will promote:
- ☒ i Economic recovery,
 - ☒ ii Economic Diversification,
 - ☒ iii Enhancement of the disproportionately affected counties,
 - ☒ iv Enhancement of a Targeted Industry.
- [Please see Attachment R.](#)
(If additional space is needed, please attach a Word document with your entire answer.)

2. Additional Information

- A. Is this project an expansion of existing infrastructure project?
☒ Yes ☐ No
- B. Provide the proposed beginning commencement date and number of days required to complete construction of the infrastructure project.
[The Port Authority has commenced construction on the initial stages of construction. Construction of the improvements to be partially funded by Triumph funds would begin in July of 2018 and be complete by June of 2019. All of the planned improvements, including the channel dredging, should be completed by December 2019.](#)
(If additional space is needed, please attach a Word document with your entire answer.)

C. What is the location of the public infrastructure? (Provide the road number, if applicable.) The East Terminal is located within the Panama City, City limits at 400 S. East Avenue Panama City, Florida 32401.
(If additional space is needed, please attach a Word document with your entire answer.)

D. Who is responsible for maintenance and upkeep? (Indicate if more than one are applicable.)
The Panama City Port Authority will maintain berth, the bulkhead, and all upland improvements.
(If additional space is needed, please attach a Word document with your entire answer.)

E. What permits are necessary for the infrastructure project?
City and County building permits have been issued for the site work and first phase of the Warehouse construction. Similar permits will be required for the remaining upland improvements. A minor Corps of Engineer and FDEP permit will be needed for the bulkhead construction.
(If additional space is needed, please attach a Word document with your entire answer.)

Detail whether required permits have been secured, and if not, detail the timeline for securing these permits. Additionally, if any required permits are local permits, will these permits be prioritized?
The land building permits required can be obtained within 30 days of submitting finalized Plans. The Corps and FDEP permits for the bulkhead will take approximately three months to secure.
(If additional space is needed, please attach a Word document with your entire answer.)

F. What is the future land use and zoning designation on the proposed site of the Infrastructure improvement, and will the improvements conform to those uses?

The East Terminal Site is zoned industrial waterfront.

(If additional space is needed, please attach a Word document with your entire answer.)

- G. Will an amendment to the local comprehensive plan or a development order be required on the site of the proposed project or on adjacent property to accommodate the infrastructure and potential current or future job creation opportunities? If yes, please detail the timeline

☐ Yes ☒ No

The Port Authority's 2013 masterplan included the proposed East Terminal development

and was approved by the County, the FDOT, the DEC, and the FDEP.

(If additional space is needed, please attach a Word document with your entire answer.)

- H. Does this project have a local match amount? If yes, please describe the entity providing the match and the amount.

☒ Yes ☐ No

The Panama City Port Authority is providing \$23 million in local funds to the project.

The FDOT is providing \$21 million in matching grant funds for the East Terminal Expansion project.

(If additional space is needed, please attach a Word document with your entire answer.)

- I. Provide any additional information or Attachments to be considered for this proposal.

Please see Attachment S.

(If additional space is needed, please attach a Word document with your entire answer.)

ADDENDUM FOR WORKFORCE TRAINING PROPOSALS

1. Program Requirements

- A. Will this proposal supports programs that prepare students for future occupations and careers at K-20 institutions that have campuses in the disproportionately affected counties? If yes, please identify where the campuses are located and provide details on how the proposed programs will prepare students for future occupations and at which K-20 institutions that programs will be provided.

☐ Yes ☐ No

(If additional space is needed, please attach a Word document with your entire answer.)

- B. Will the proposed program (check all that apply):

- ☐ Increase students' technology skills and knowledge Encourage
☐ industry certifications
☐ Provide rigorous, alterative pathways for students to meet high school graduation requirements
☐ Strengthen career readiness initiatives
☐ Fund high-demand programs of emphasis at the bachelor's and master's level designated by the Board of Governors Encourage
☐ students with interest or aptitude for science, technology, engineering, mathematics, and medical disciplines to pursue postsecondary education at a state university or a Florida College System institution within the disproportionately affected counties (similar to or the same as talent retention programs created by the Chancellor of the State University System and the Commission on Education)

For each item checked above, describe how the proposed program will achieve these goals

(If additional space is needed, please attach a Word document with your entire answer.)

- C. Will this proposal provide participants in the disproportionately affected counties with transferable, sustainable workforce skills but not confined to a single employer? If yes, please provide details.

☐ Yes ☐ No

(If additional space is needed, please attach a Word document with your entire answer.)

- D. Identify the disproportionately affected counties where the proposed programs will operate or provide participants with workforce skills.

(If additional space is needed, please attach a Word document with your entire answer.)

- E. Provide a detailed description of, and quantitative evidence demonstrating how the proposed project or program will promote:
- Economic recovery,
 - Economic Diversification,
 - Enhancement of the disproportionately affected counties,
 - Enhancement of a Targeted Industry.

(If additional space is needed, please attach a Word document with your entire answer.)

2. Additional Information

- A. Is this an expansion of an existing training program? Is yes, describe how the proposed program will enhance or improve the existing program and how the proposal program will supplements but not supplant existing funding sources.
- ☐ Yes ☐ No

(If additional space is needed, please attach a Word document with your entire answer.)

- B. Indicate how the training will be delivered (e.g., classroom-based, computer based, other).
- If in-person, identify the location(s) (e.g., city, campus, etc.) where the training will be available.

If computer-based, identify the targeted location(s) (e.g., city, county) where the training will be available.

(If additional space is needed, please attach a Word document with your entire answer.)

- C. Identify the number of anticipated enrolled students and completers.

(If additional space is needed, please attach a Word document with your entire answer.)

- D. Indicate the length of the program (e.g., quarters, semesters, weeks, months, etc.) including anticipated beginning and ending dates.

(If additional space is needed, please attach a Word document with your entire answer.)

- E. Describe the plan to support the sustainability of the proposed program.

(If additional space is needed, please attach a Word document with your entire answer.)

- F. Identify any certifications, degrees, etc. that will result from the completion of the program.

(If additional space is needed, please attach a Word document with your entire answer.)

- G. Does this project have a local match amount? If yes, please describe the entity providing the match and the amount.

☐

Yes

☐

No

(If additional space is needed, please attach a Word document with your entire answer.)

- H. Provide any additional information or Attachments to be considered for this proposal.

(If additional space is needed, please attach a Word document with your entire answer.)

ADDENDUM FOR AD VALOREM TAX RATE REDUCTION:

1. Program Requirements

- A. Describe the property or transaction that will be supported by the ad valorem tax rate reduction.

(If additional space is needed, please attach a Word document with your entire answer.)

- B. Provide a detailed explanation of how the ad valorem tax rate reduction will connect to a broader economic recovery, diversification, enhancement of the disproportionately affected counties and/or enhancement of a targeted industry.

(If additional space is needed, please attach a Word document with your entire answer.)

- C. Provide a detailed description of the quantitative evidence demonstrating how the proposed ad valorem tax reduction will promote:

- Economic recovery,
- Economic Diversification,
- Enhancement of the disproportionately affected counties,
- Enhancement of a Targeted Industry.

(If additional space is needed, please attach a Word document with your entire answer.)

2. Additional Information

- A. What is the location of the property or transaction that will be supported by the ad valorem tax rate reduction?

(If additional space is needed, please attach a Word document with your entire answer.)

- B. Detail the current status of the property or transaction that will be supported by the ad valorem tax rate reduction and provide a detailed description of when and how the ad valorem tax rate reduction will be implemented.

(If additional space is needed, please attach a Word document with your entire answer.)

- C. Does this proposed project have a local match amount? If yes, please describe the entity providing the match and the amount.
☐ Yes ☐ No

(If additional space is needed, please attach a Word document with your entire answer.)

- D. Provide any additional information or Attachments to be considered for this proposal.

(If additional space is needed, please attach a Word document with your entire answer.)

**ADDENDUM FOR LOCAL MATCH REQUIREMENTS OF SECTION 288.0655,
FLORIDA STATUTES**

1. Program Requirements

- A. Describe the local match requirements of Section 288.0655 and the underlying project, program or transaction that will be funded by the proposed award.

(If additional space is needed, please attach a Word document with your entire answer.)

- B. Provide a detailed explanation of how the local match requirements and the underlying project or program will connect to a broader economic recovery, diversification, enhancement of the disproportionately affected counties and/or enhancement of a targeted industry.

(If additional space is needed, please attach a Word document with your entire answer.)

- C. Provide a detailed description of, and quantitative evidence demonstrating how the proposed local match requirements will promote:
- Economic recovery,
 - Economic Diversification,
 - Enhancement of the disproportionately affected counties,
 - Enhancement of a Targeted Industry.

(If additional space is needed, please attach a Word document with your entire answer.)

2. Additional Information

- A. What is the location of the property or transaction that will be supported by the local match requirements?

(If additional space is needed, please attach a Word document with your entire answer.)

- B. Detail the current status of the property or transaction that will be supported by the local match requirement and provide a detailed description of when and how the local match requirement will be implemented.

(If additional space is needed, please attach a Word document with your entire answer.)

- C. Provide any additional information or Attachments to be considered for this proposal.

(If additional space is needed, please attach a Word document with your entire answer.)

ADDENDUM FOR LOCAL ACTION PLAN

1. Program Requirements

- A. Describe how the proposed award will establish and maintain equipment and trained personnel for local action plans of response to respond to disasters.
- B. Describe the type and amount of equipment and trained personnel that will be established or maintained by the proposed award.
- C. Identify the specific local action plans (*e.g.*, Coastal Impacts Assistance Program) that will benefit from the proposed award.
- D. Provide a detailed explanation of how the proposed award will connect to a broader economic recovery, diversification, enhancement of the disproportionately affected counties and/or enhancement of a targeted industry.

(If additional space is needed, please attach a Word document with your entire answer.)

- E. Provide a detailed description of the quantitative evidence demonstrating how the proposed will promote:
 - Economic recovery,
 - Economic Diversification,
 - Enhancement of the disproportionately affected counties,
 - Enhancement of a Targeted Industry.

(If additional space is needed, please attach a Word document with your entire answer.)

2. Additional Information

- A. What is the location of the local action program that will be supported by the proposed award?

(If additional space is needed, please attach a Word document with your entire answer.)

- B. Detail the current status of the local action plans (*e.g.*, new plans, existing plans, etc.) that will be supported by the proposed award and provide a detailed description of when and how the proposed award will be implemented.

(If additional space is needed, please attach a Word document with your entire answer.)

- C. Provide any additional information or Attachments to be considered for this proposal.

(If additional space is needed, please attach a Word document with your entire answer.)

ADDENDUM FOR ADVERTISING/PROMOTION

1. Program Requirements

- A. Is the applicant a tourism entity created under s. 288.1226, Florida Statutes? Yes

☐

☐ No

- B. Does the applicant advertise and promote tourism and Fresh From Florida? If yes, provide details on how it advertises and promotes tourism and Fresh From Florida.

☐ Yes

☐ No

(If additional space is needed, please attach a Word document with your entire answer.)

- C. Does the proposed award promote workforce and infrastructure on behalf of the disproportionately affected counties? If yes, describe how workforce and infrastructure is promoted on behalf of the disproportionately affected counties.

☐ Yes

☐ No

(If additional space is needed, please attach a Word document with your entire answer.)

- D. Provide a detailed explanation of how the proposed award will connect to a broader economic recovery, diversification, enhancement of the disproportionately affected counties and/or enhancement of a targeted industry.

(If additional space is needed, please attach a Word document with your entire answer.)

- E. Provide a detailed description of the quantitative evidence demonstrating how the proposed will promote:

- Economic recovery,
- Economic Diversification,
- Enhancement of the disproportionately affected counties,
- Enhancement of a Targeted Industry.

(If additional space is needed, please attach a Word document with your entire answer.)

2. Additional Information

- A. Describe the advertising and promotion mediums and locations where the advertising and promotion will occur.

(If additional space is needed, please attach a Word document with your entire answer.)

- B. Detail the current status of the advertising and promotion (*e.g.*, new plans, existing plans, etc.) that will be supported by the proposed award and provide a detailed description of when and how the proposed award will be implemented.

(If additional space is needed, please attach a Word document with your entire answer.)


- C. Provide any additional information or Attachments to be considered for this proposal.

(If additional space is needed, please attach a Word document with your entire answer.)

I, the undersigned, do hereby certify that I have express authority to sign this proposal on my behalf or on behalf of the above-described entity, organization, or governmental entity:

Name of Applicant: Panama City Port Authority

Name and Title of Authorized Representative: Wayne Stubbs, Executive Director

Representative Signature: 

Signature Date: February 23, 2018

10/13/2017 FINAL

Attachment A

Response for Question 1 on page 5: Has the applicant in the past requested or applied for funds for all of part of the proposed project/program?

The Port Authority has applied to the Florida Seaport and Economic Development Council for matching grants related to the project as follows.

- In August of 2016, the Port Authority applied for \$8,750,000 in FSTED funds to assist with the Forest Products Warehouse at the East Terminal including the road and rail infrastructure. In October of 2016, the FSTED council allocated \$1,500,000 in matching funds toward the construction of these improvements. These funds became available in July 2017.
- In June of 2017, the Port Authority applied for \$1,750,000 in FSTED Funding for assisting with construction of other improvements needed for the operations of the new East Terminal. In August of 2017, the FSTED council allocated \$1,539,000 towards construction of these improvements. These funds will become available in July 2018.

The Port Authority has maintained an ongoing dialogue regarding the East Terminal project with the FDOT Seaport office. Over time, the Seaport office has identified matching funds in the FDOT's five year work plan which the Port could rely on as it moves forward with its East Terminal expansion plans. To date these funds include:

- \$10,336,000 added to the FDOT work plan to assist with construction of the warehouse and related improvements.
- \$6,000,000 added to the FDOT work plan to assist with reinforcement of the bulkhead.
- \$2,315,000 added to the FDOT work plan to assist with the channel and berth dredging.

All of the above require matching contributions from the Port Authority. These funds are either available now or will be available by July 2018.

In addition to the state funding, the Port is working with the U.S. Army Corps of Engineers to deepen the East Channel. When constructed, that project will require approximately \$5,000,000 in Federal funds.

The Port purchased the East Terminal site in August of 2016 for \$13,600,000 and has begun construction of site improvements and the first phase of the new forest products warehouse.

This phase of the construction will cost \$14,500,000. The \$28,100,000 combined cost of the land acquisition and first phase of construction is being paid for with \$20,850,000 of Port funds (including \$12,000,000 in borrowed funds) and \$7,250,000 in FSTED and FDOT funds.

After completing the work currently underway the Port expects to have \$5,000,000 in cash reserves which is the minimum amount of cash reserves needed for the ongoing Port operations. The remaining landside work necessary to complete both phases of the warehouse, rebuild the bulkhead so that the berth can be deepened, and add other necessary infrastructure is projected to cost \$22,250,000. A total of \$12,125,000 in State funds are available for this work.

Please see Attachment "O" which depicts the State and Federal participation in the project.

Attachment B

Response for Question 2 on page 5: **Describe the financial status of the applicant and any co-applicants or partners.**

The Panama City Port Authority is a dependent special district which owns and operates the public port facilities in Panama City as a stand-alone enterprise. It currently generates annual revenues between \$14 million and \$15 million from ongoing Port operations. After depreciation and before grants, the Port Authority realizes a very modest net income. However, the operations do produce a positive cash flow of \$3 million to \$4 million annually which is reinvested in facilities and equipment.

As of September 30, 2017 the Port had \$117 million in total assets including \$10.7 million in cash reserves. The Port had total liabilities of \$27 million including \$25 million in long-term and short-term debt.

(For complete financial statement please see Attachment C).

Attachment C Financial Statement

PANAMA CITY PORT AUTHORITY STATEMENTS OF NET POSITION SEPTEMBER 30, 2017 AND 2016

ASSETS

	2017	2016
Current Assets:		
Cash and cash equivalents	\$ 5,275,320	\$ 4,673,886
Investments	5,512,528	4,507,538
Accounts receivable - trade	1,082,390	997,959
Accounts receivable - grants	116,348	175,610
Prepaid expenses	357,724	384,747
Notes receivable	-	483
Total current assets	<u>12,344,310</u>	<u>10,740,223</u>
Noncurrent Assets:		
Non-depreciable	28,167,646	35,090,866
Depreciable, net	76,926,992	71,055,495
Total capital assets	<u>105,094,638</u>	<u>106,146,361</u>
Total assets	<u>117,438,948</u>	<u>116,886,584</u>
Deferred Outflows of Resources:		
Deferred outflows from hedging	540,153	808,768
Deferred outflows from pension related items	98,310	92,959
Total deferred outflows of resources	<u>638,463</u>	<u>901,727</u>

LIABILITIES AND NET POSITION

	2017	2016
Current Liabilities:		
Current maturities of long-term debt, claims and judgments	2,503,186	2,394,585
Contingency payable	200,000	200,000
Accounts payable	636,984	441,965
Accrued expenses	148,381	167,754
Unearned revenue	91,287	-
Compensated absences	19,974	21,458
Total current liabilities	<u>3,599,812</u>	<u>3,225,762</u>
Noncurrent Liabilities:		
Long-term debt, less current maturities	21,881,348	22,624,839
Interest rate swap agreement, net	540,153	808,768
Claims and judgments, less current maturities	408,089	412,011
Net pension liability	272,987	284,612
Net OPEB obligation	29,000	14,000
Compensated absences, less current maturities	59,920	64,375
Total noncurrent liabilities	<u>23,191,497</u>	<u>24,208,605</u>
Total liabilities	<u>26,791,309</u>	<u>27,434,367</u>
Deferred Inflows of Resources:		
Deferred inflows from pension related items	<u>78,157</u>	<u>60,219</u>
Net Position:		
Net investment in capital assets	80,710,104	81,166,019
Unrestricted net position	10,497,841	9,127,706
Total net position	<u>\$ 91,207,945</u>	<u>\$ 90,293,725</u>

**PANAMA CITY PORT AUTHORITY
STATEMENTS OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
YEARS ENDED SEPTEMBER 30, 2017 AND 2016**

	2017	2016
Operating Revenues:		
Charges for services	\$ 14,347,121	\$ 15,008,698
Operating Expenses:		
Personnel services	4,832,876	4,676,628
Operations and maintenance	3,680,313	3,793,922
Depreciation expense	5,089,732	4,841,436
Total operating expenses	13,602,921	13,311,986
Operating income	744,200	1,696,712
Nonoperating Revenues (Expenses):		
Interest earned	42,317	25,510
Interest expense	(897,174)	(479,870)
Grant administrative fees	(30,000)	(20,000)
Contingency fees	(5,820)	(2,185)
Pellet warehouse fire	-	(72,095)
Total nonoperating revenues (expenses), net	(890,677)	(548,640)
Capital Contributions:		
Intergovernmental grant - capital	1,060,697	4,207,583
Change in Net Position	914,220	5,355,655
Net Position at Beginning of Year	90,293,725	84,938,070
Net Position at End of Year	\$ 91,207,945	\$ 90,293,725

Attachment D

Response for Question 2 on Page 7: Provide the title and a detailed description of the proposed project or program, including the location of the proposed project or program, a detailed description of, and quantitative evidence demonstrating how the proposed project or program will promote economic recovery, diversification, and enhancement of the disproportionately affected counties, a proposed timeline for the proposed project or program, and the disproportionately affected counties that will be impacted by the proposed project or program.

Title: Panama City Port Authority, East Terminal Development

Location: The project is located within the city limits of Panama City, Florida, in Bay County.

Project: The first phase of the East Terminal development.

Project Description: The project is the first phase of the East Terminal development which includes the construction of a 260,000 square foot modern forest products warehouse, the construction of a new 900 foot bulkhead wall to support the deepening of the channel and berth, improvements to the berth apron, the construction of a forty- car rail yard, the construction of internal roads, the construction of outside storage areas, the installation of security fences, gates, outdoor lighting, and employee parking.

Economic recovery, diversification, and enhancement:

The East Terminal Development is a landmark economic infrastructure project for the region which accomplishes three very important goals.

First, it preserves direct shipping services for WestRock's Panama City paper mill. The size of the vessels currently employed in the forest product trade has increased significantly over the last ten years. As the smaller ships are replaced with larger ships, it is essential that the Port provides adequate channel depth and the warehouse capacity for higher volumes of cargo. The thirty foot operating depth of the East Channel and the limited warehouse space at the former WestRock facility will not support continued ship calls at the facility. Without direct ship calls, the Panama City mill would be forced to ship most of its export production over to the Port of Savannah or the Port of Mobile, placing the mill at a competitive disadvantage with mills located near those ports. With the planned improvements, direct shipping services will be preserved securing the many existing jobs associated with the Panama City mill's export activity.

Second, the project provides the Port Authority with the new cargo handling capacity it needs to continue growing. In the last fifteen years the Port has increased its annual cargo activity from 500,000 tons to over 2,000,000 tons. It has developed a diversified and growing base of cargo. The Port of Panama City handles more inbound copper than any other Port in the Country. The Port handles more container trade with Mexico than any other Port in the Country. To date, the Port has handled more biomass exports than any other port in the U.S. In addition, the Port handles a significant amount of steel and forest products. However, without more space, the Port is severely limited in its ability to increase these activities or add new business as opportunities develop. The first phase of the East Terminal development immediately provides the Port with over 500,000 tons in new cargo capacity. By integrating the new capacity at the East Terminal with the existing terminal, the Port Authority will be able to support continual growth in every segment of its cargo activity.

Third, the East Terminal expansion provides the Port with the opportunity to achieve the scale it will need to compete in the future. The first phase of the East Terminal development will utilize approximately twenty acres of land. The entire site (including the twenty-seven acres of option land), is seventy acres. Over time, the Port Authority will have the opportunity to add a second deep water berth and add additional cargo handling facilities. Once fully developed, the East Terminal will support 1,500,000 tons of additional cargo activity annually. The combined capacity of both Port terminals will exceed 4,000,000 tons per year. At this level of cargo activity the Port and the companies providing services to the Port's shippers will have the ability to modernize equipment and expand capabilities as needed to match the services available in the larger Ports.

Summary:

Since the B.P. oil spill in 2010, the Port's growing capital activity and \$72 million in related investments have resulted in a significant expansion of the port-related economic benefits in the region. An economic impact study provided by Martin & Associates in August of 2016 determined that the Port's activities supported over 7,250 jobs, including 1,256 direct jobs with an average wage of \$46,892. This wage level is 19% higher than the average wage for Bay County wage of \$39,315.

The increase in the number of transportation jobs generated by the Port expansion, the higher wages associated with these jobs, and the benefits that the Port's expansion provides to the local manufacturers will make a significant contribution towards the recovery, diversification, and enhancing the economy of Bay County and the surrounding counties.

Attachment E

Response for Question 3 on Page 7: **Explain how the proposed project or program is considered transformational and how it will effect the disproportionately affected counties in the next ten (10) years.**

The East Terminal project provides the Port of Panama City with the opportunity to double its cargo activity over the next ten years and achieve the scale it will need to compete with other ports in the future.

Panama City will be recognized as a real “Port City” and the region, including the adjacent disproportionately affected counties, will be able to leverage the Port’s expanded services to attract new manufacturing jobs. The annual capital investments of the Port will inevitably grow to well over \$10 million per year, supporting local engineers and contractor’s year in and year out.

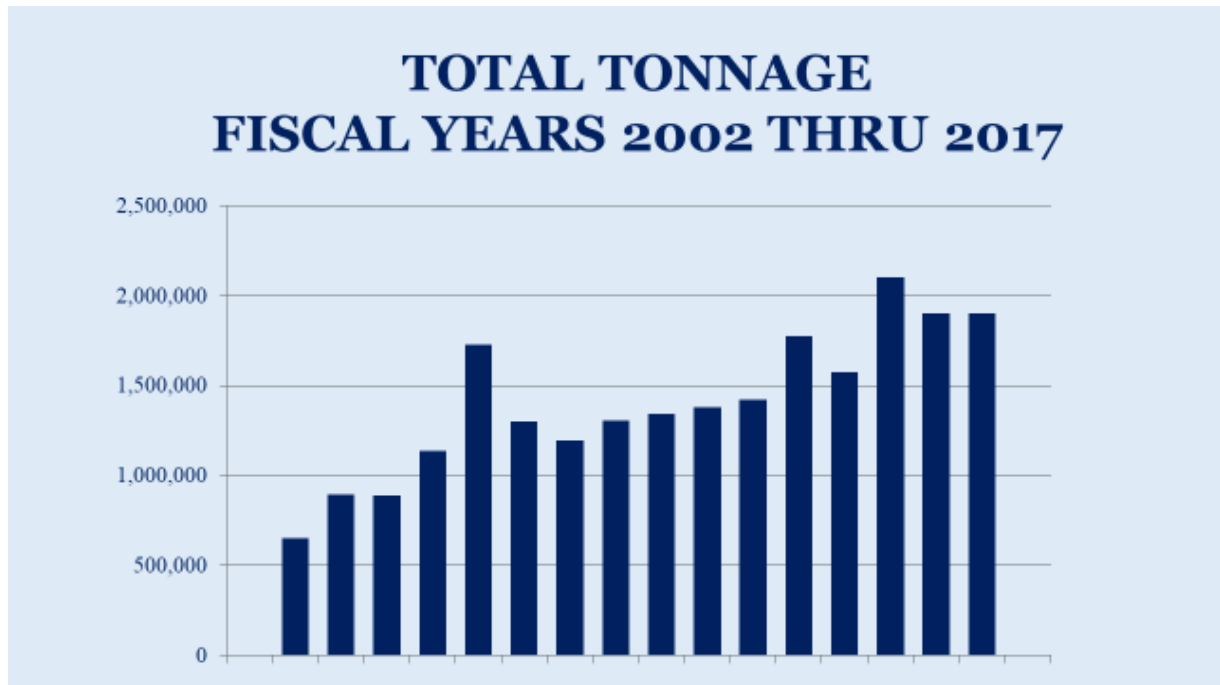
Within ten years, the new East Terminal, can “transform” our region from a part of the State with limited port services, to one which is enjoying the benefits of a strong and growing Port.

Attachment F

Response for Question 4 on Page 7: Describe data or information available to demonstrate the viability of the proposed project or program.

The tonnage chart below illustrates the Port's growth over the last fifteen years. The recent pause in growth is the result of a temporary trade issue related to imported steel which is expected to be resolved by the first quarter of 2018. Every other segment of the Ports cargo activity is continuing to grow.

Given the average 9% annual rate of growth, the Port's current facilities will be operating beyond the existing capacity within four years. The Port's growth, combined with WestRock's need for improved facilities to support their export activities, insures the development of the East Terminal is viable and needed.



Attachment G

Response for Question 5 on Page 7: **Describe how the impacts to the disproportionately affected counties will be measured long term.**

The Port's cargo activities support a significant number of direct jobs and a greater number of indirect and induced jobs. A recent economic impact study estimates the Port's impact in 2015 at \$1.4 billion annually.

The economic impact analysis done in November 2017 estimates the first phase of the East Terminal project will produce 148 direct jobs and 163 induced and indirect jobs. Further, this report estimates \$17.8 million in annual personal income and local consumption, \$156 million in direct business revenue from this project. (Please see Attachment H). These impacts are based on 539,000 tons of cargo activity. The Port expects to achieve this level of activity within five years of the project completion. The great majority of the above impact will naturally be in Bay County and surrounding counties.

Attachment H

Potential Economic Impacts of the East Terminal Development Project at Panama City

November 6, 2017

Conducted by Martin Associates

www.martinassoc.net



Overview of Port Panama City

Port Panama City is located on the Gulf Coast of the state of Florida on a 138-acre property that sits nine miles from the Intracoastal Waterway near the mouth of Saint Andrew Bay. The terminals at Port Panama City handle a variety of general cargo and bulk commodities. The bulk commodities include wood pellets, stone, and

molasses while the general cargos include containers, copper, linerboard, steel plates, steel pipes, steel coils, flexible pipes, and reels. Many of these commodities are used or produced by industrial tenants located directly on port property or elsewhere in Northwest Florida.

Economic Impact Analysis Methodology

Martin Associates was retained by Port Panama City to measure the local and regional economic impacts supported by maritime cargo and vessel activity at the Panama City marine terminals in FY 2015. The impacts are estimated in terms of jobs, personal earnings, business revenue, and state and local taxes. The study is based on interviews with 32 firms providing services to the cargo and vessels handled at the Port's marine terminals. These 32 firms represent 97% of the defined population of tenants and service providers in the Port's seaport community, underscoring the defensibility of the study. The data collected from the interviews was then used to develop an operational economic impact

model. This model can be used to test sensitivity of the impacts to changes in factors such as marine cargo tonnage levels, labor productivity, commodity mix, and inland origins/destinations of commodities and to evaluate impacts of new terminal development.

Specifically, this model is used to estimate the potential economic impacts of the East Terminal Development project, which includes the development of a state of the art forest products handling complex consisting of 260,000 sq. ft. of warehouse space and an additional 5 acres of outside storage.

2015 Port Panama City Baseline Economic Impacts

Port Panama City's marine terminals handled 2 million tons of waterborne commodities in FY 2015. These 2 million tons of cargo created 2,844 direct, induced, and indirect jobs in the Panama City region. Of these 2,844 jobs, **1,256 direct jobs** were generated by marine cargo and vessel activity. As a result of local and regional purchases by those 1,256 individuals, an additional **1,017 induced jobs** were supported in the regional economy. Another **571 indirect jobs** were supported by nearly \$42 million of local purchases made by businesses supplying services at the marine terminals and by businesses dependent on the marine terminals. An additional 5,994 related jobs with non-dependent shippers were supported, but not dependent upon, Panama City cargo.

\$58.9 million of direct wages and salaries were received by those 1,256 directly employed, representing an average salary of \$46,892. As the result of re-spending this income, an additional \$115.8 million of income and consumption expenditures were created. The 571 indirect job holders received \$24.0 million of indirect wages and salaries. In total, about **\$198.7 million of direct, induced, and**

indirect personal wages and salaries were generated by maritime activity in Panama City.

Businesses providing services at the marine terminals received **\$465.2 million of revenue**, excluding the value of cargo shipped through the marine terminals of Port Panama City.



\$22.3 million of state and local taxes were generated by activity at the marine terminals. The total economic value to the Panama City region is measured at **\$1.4 billion**. This consists of the direct business revenue of \$465.2 million, the re-spending and local consumption impact of \$115.8 million, and the related output of \$772.1 million. This dollar value represents the sphere of influence of the marine terminals in 2015.

The Potential Economic Impacts of the East Terminal Development

The Panama City Port Authority is constructing a modern forest products terminal on the new East Terminal site recently purchased from WestRock. The first phase includes a 260,000 sq. ft. warehouse designed with high clearances for stacking wood pulp units eight-high and linerboard rolls up to four-high. The total static storage capacity of the warehouse will be between 35,000 tons and 45,000 tons of wood pulp and linerboard, depending on the product mix. The annual capacity of this warehouse is 420,000 tons to 540,000 tons. Additionally, the

Port is improving 5 acres of outside storage area to accommodate imported lumber. The storage capacity of that area is projected to range between 48,000 to 60,000 tons, depending upon dwell time. In total, the new warehouse construction and improved open storage will provide the Port with an additional 468,000 to 600,000 tons of new forest products handling capacity, for an average annual capacity of 534,000 tons. Exhibit 1 is a rendering of the first phase of the East Terminal development project.

Exhibit 1
Phase I East Terminal Development



This potential annual forest products throughput tonnage at annual capacity was then used as inputs in the Panama City Economic Impact model to estimate the potential economic impacts that would be supported by the additional forest products tonnage. As shown in Exhibit 2, the East Terminal development is projected to support **148 direct jobs**, and 163 induced and indirect jobs for a total annual job impact of 311 newly supported jobs. In addition,

at capacity, the project is projected to create **\$17.8 million of personal income and local consumption expenditures** and **\$151.6 million of direct business revenue** to local firms providing handling and support services to the 534,000 annual tons of forest products throughput. In addition, at capacity, the new terminal is projected to generate **\$3.2 million of state and local taxes annually**.

Exhibit 2
Potential Annual Economic Impacts of the East Terminal Development

Impact Category	Potential Economic Impacts
Jobs	
Direct	148
Induced	96
Indirect	<u>67</u>
Total	311
Salary (1,000)	
Direct	\$5,061
Re-spending/Local Consumption	\$9,951
Indirect	<u>\$2,825</u>
Total	\$17,836
Business Revenue (1,000)	\$151,635
Local Purchases (1,000)	\$4,938
State/Local Taxes (1,000)	\$3,206



Attachment I

Response for Question 7 on Page 7: **Describe how the deliverables for the proposed project or program will be measured.**

The Port Authority will complete phase one of the East Terminal Development by December of 2019. (See rendering below).



Rendering

The facilities will be supporting 350,000 tons per year of cargo activity by December 2021 and 550,000 tons per year of cargo activity by December 2023. The Port Authority will seek reimbursement from Triumph Gulf Coast against documented construction expenditures signed by the project engineer.

Attachment J

Response for Question 2 on Page 8. Please explain how the proposed project meets the priorities identified above.

Generates maximum economic benefits (Please see Attachment H).

Increase household income- Port related jobs have an average wage of \$46,892 -19% higher than average wages in Bay County.

Leverage key Regional assets for Bay County - The Port of Panama City is a vital economic asset for Bay County and the region.

Partner with local Governments - The State is budgeting \$21,700,000 in matching funds for the project. The County and City are assisting the Port with local matching funds needed to replace the East Avenue Bridge and improve access to the project. The Panama City Port Authority is investing over \$23 million in Port funds in the project.

Benefit to Environment - The redevelopment of the site includes storm-water retention and treatment where none existed before. The development plan also isolates and encapsulates soils previously contaminated by in-ground oil storage.

Provide Outcome Measures - The cargo activity can be provided in annual reports. The direct and indirect economic benefits can be updated from economic impact study updates every five years.

Recommended by Board of County Commissioners in Bay County- Yes, the project was the only project submitted to the County by the City of Panama City and was recommended to the Triumph Gulf Coast Board by all five of the County Commissioners.

Attachment K

Response for Question 3 on Page 8. Please explain how the proposed project or program meets the discretionary priorities identified by the Board.

The Port's East Terminal Expansion project is consistent with nineteen of the twenty two priorities identified by the Triumph Gulf Coast Board.

(1) Are considered transformational, for the future of Northwest Florida region.

The Port of Panama City is the region's primary port. A major expansion of the Port's capacity is transformational, given the Port's recent history of growth and the value the Port provides to major industries in the region.

(2) May be consummated quickly and efficiently.

The Port Authority will be able to complete Phase One of the East Terminal Development by the end of 2019.

(3) Promote net-new jobs in the private sector with an income above regional average household income.

Most of the direct jobs created by the project will be private sector jobs with an average income above \$46,892.

(4) Align with Northwest Florida FORWARD, the regional strategic initiative for Northwest Florida economic transformation.

The Port's East Terminal Expansion Project is specifically identified in the Northwest Florida Forward Strategic Plan as part of the goal for Economic Infrastructure Development (see objective 3.4).

(5) Create net-new jobs in targeted industries to include: aerospace and defense, financial services/shared services, water transportation, artificial intelligence, cybersecurity, information technology, manufacturing, and robotics.

The Martin & Associates analysis (Attachment H) projects that the project will generate 148 direct jobs and another 163 induced and indirect jobs. A large majority of these jobs will be either related to water transportation or manufacturing.

(6) Promote industry cluster impact for unique targeted industries.

The East Terminal expansion contributes to the growth of the "water transportation" industry sector.

(7) Provide a wider regional impact versus solely local impact.

The East Terminal project will provide the region with economic benefits, primarily related to the benefits of the WestRock Panama City mill and the Bay Line Railroad. The long term regional benefits are difficult to quantify but are easy to predict as the new Port capacity will be a key factor in attracting new manufacturing to the region.

- (8) **Align with other similar programs across the regions for greater regional impact, and not be duplicative of other existing projects or programs.**

The Port of Panama City's plans are focused on growing its economic impact in the region without conflicting or competing with the Port of Port St. Joe or the Port of Pensacola.

- (9) **Demonstrate long-term financial sustainability following Triumph Gulf Coast, Inc. funding.**

The Panama City Port Authority has demonstrated its ability to successfully maintain and operate its facilities since the 1960's.

- (10) **Leverage funding from other government and private entity sources.**

The East Terminal development is project four times larger than any single project previously constructed by the Port Authority. To help manage this investment the Port Authority is leveraging over \$21 million in matching funds to the FDOT and FSTED Council.

- (11) **Provide local investment and spending.**

The Port Authority is providing over \$23 million in local funds for the East Terminal project. The City and the County are committed to sharing in the local funding requirement for the replacement of the East Avenue Bridge (providing better access to the new East Terminal). Within five years the Port expects its annual capital spending will increase to \$10 million per year.

- (12) **Are supported by more than one governmental entity and/or private sector companies, in particular proposed projects or programs supported by more than one county in the region.**

The East Terminal project was submitted to the County by the City of Panama City and subsequently supported by the County Commissioners. In addition the project is supported by the local stevedoring companies, the WestRock Panama City mill, the Bay Line Railroad, regional trucking companies, Mar-K Towing, the St. Andrews Bay Pilots, and a number of other local companies closely involved in Port operations.

- (13) **Provide clear performance metrics over duration of project or program.**

The success of the project will be measured in cargo tons handled and the economic benefit generated by the activity.

- (14) **Include deliverables-based payment system dependent upon achievement of interim performance metrics.**

The initial deliverables will be the documented expenditures related to the construction of the identified East Terminal infrastructure improvements.

- (15) **Provide capacity building support for regional economic growth.**

The East Terminal development will add new port capacity which will support regional economic growth.

Attachment L



BOARD OF COUNTY
COMMISSIONERS

www.baycountyfl.gov

840 WEST 11TH STREET
PANAMA CITY, FL 32401

COMMISSIONERS:

TOMMY HAMM
DISTRICT I

ROBERT CARROLL
DISTRICT II

WILLIAM T. DOZIER
DISTRICT III

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DISTRICT IV

PHILIP "GRIFF" GRIFFITTS
DISTRICT V

ROBERT J. MAJKA JR.
COUNTY MANAGER

BOARD OF COUNTY COMMISSIONERS

840 West 11th Street
Panama City, Florida 32401
Telephone: (850) 248-8140
Fax: (850) 248-8153

January 3, 2018

Ms. Susan Skelton
Executive Director
Florida Triumph Gulf Coast, Inc.
P.O. Box 12007
Tallahassee, FL 32317

Dear Ms. Skelton,

Thank you for allowing Bay County to host the last Triumph meeting of the year in our Commission Chambers. It was an honor to give Allan Bense the recognition he deserves and to welcome Senator Gaetz as the new Chair. The meeting also provided us with the direction we needed to move forward with recommendations on the first round pre-applications. While every project has merit, the Commission approved the below recommendations during the January 3, 2018 Board meeting. We believe these projects will strengthen and diversify our local and regional economy. Please note that the list we are providing is not ranked.

Crosswind Runway

Project SoHo

Project Blue Star

PCB Sports Park & Stadium Complex

Vessel Manufacturing

East Terminal Expansion

STEM Workforce Training Center

Manufacturing Academy Expansion: Welding Workforce Training Lab

Haney Pipefitter Program Renovation/Expansion

Advanced Manufacturing Innovation Institute AMI2

Panhandle Aging Research Center (FSU-PARC)

Thank you for your continued commitment to Bay County and the Florida Panhandle.

Respectfully,

A handwritten signature in blue ink that reads "William T. Dozier".

William T. Dozier
Chairman, Board of County Commissioners

Attachment M

Timeline for Construction of Phase I of the East Terminal Expansion

<u>Project Components</u>	<u>Design Complete</u>	<u>Award</u>	<u>Construction Complete</u>
Initial Site Work, 160,000 Square Feet of Warehouse Space, 40 Car Rail Yard.*	3/17	7/17	7/18
Demolition of Old Warehouses. Addition of 100,000 Square Foot of New Warehouse.**	3/17	5/18	12/18
Other Infrastructure (Internal Roads, Parking, Outside Cargo Storage Area, High- Mast Lighting).**	6/18	8/18	3/19
Bulkhead Reinforcement and Apron Improvement.**	9/18	12/18	6/19
Channel and Berth COE Dredging.*	12/18	3/19	9/19

* The Port will not utilize Triumph Gulf Coast funds for this component of the project.

** The Port is seeking assistance from Triumph Gulf Coast for this component of the project.

Attachment N Letter of Authority

RESOLUTION NO. 18-1-1

A RESOLUTION OF THE PANAMA CITY PORT AUTHORITY ("PORT AUTHORITY") AUTHORIZING THE EXECUTION OF DOCUMENTS ON BEHALF OF THE PORT AUTHORITY

WHEREAS, the execution of documents approved by the Governing Board of the Port Authority is vested in the Chairperson of the Governing Board.

WHEREAS, the Port Authority intends to make application to Triumph Gulf Coast Inc., for funding for certain projects or programs it deems desirable and within the Triumph Gulf Coast Inc.'s award parameters.

WHEREAS, the Triumph Gulf Coast, Inc., application and supporting documents are required to be executed by an individual authorized to bind the entity applying for the funds, a chief elected official, the administrator of the governmental entity, or other designee.

WHEREAS, in the event that the Chairperson is not available to execute the Triumph Gulf Coast, Inc., application or any supporting documents on behalf of the Port Authority, the Port Authority desires to designate an alternate signatory for that purpose.

WHEREAS, approval of an alternate signatory to execute approved documents when the Chairperson is unavailable requires the adoption of a resolution.

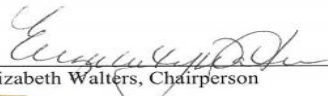
WHEREAS, at the meeting of the Governing Board held on January 11, 2018, upon motion duly made and carried, the following Resolution was adopted:

BE IT RESOLVED that in the event that the Chairperson is unavailable to execute the Triumph Gulf Coast, Inc., application and/or any supporting documents approved by the Governing Board on behalf of the Port Authority, the Executive Director of the Port Authority shall have the authority to do so.


BE IF FURTHER RESOLVED that any copy hereof shall be deemed an original for all purposes.

PASSED, APPROVED AND ADOPTED this 11th day of January, 2018.

PANAMA CITY PORT AUTHORITY

By: 
Elizabeth Walters, Chairperson

ATTESTED TO:


Secretary

SEAL



Attachment O
Percentage of Total Cost Chart

PANAMA CITY PORT AUTHORITY
East Terminal Development

	Total	Federal	Port	State	Program	Funds Identified	Funds Available
Purchase of existing facilities and 41 acres of land.	13,600,000	****	13,600,000			Jul-15	Dec-15
Warehouse Phase I (w/related sitework/rail)	14,500,000	****	7,250,000	7,250,000	SPII	Oct-15	Jul-16
Warehouse Phase II (including demo of existing buildings/road and rail)	6,500,000 ~ 2,000,000	****	3,250,000 ~ 1,000,000	3,250,000 ~ 1,000,000	SPII ~ FSTED	Oct-17 ~ Oct- 16	Jul-18 ~ Jul-17
Additional Cargo Storage Area, Security, Lights, Fencing, Gatehouse, Shops.	672,000 ~ 3,078,000	****	336,000 ~ 1,539,000	336,000 ~ 1,539,000	SPII ~ FSTED	Oct-17 ~ Oct- 16	Jul-18 ~ Jul-17
Reinforce Bulkhead	10,000,000	****	4,000,000	6,000,000	SPII	Oct-15	Jul-17
Federal Dredging Project	7,514,000	4,884,000	1,315,000	1,315,000	SIS	Oct-15	Jul-18
Dredging Berth Area	2,000,000	****	1,000,000	1,000,000	SIS	Oct-15	Jul-18
	\$59,864,000	\$4,884,000	\$33,290,000	\$21,690,000			

Note: The Port has identified the funds highlighted in green, but has not secured the funds highlighted in orange.

Attachment P

Question 5C on page 11: Provide a detailed budget narrative, including the timing and steps necessary to obtain the funding and any other pertinent budget-related information.

Background.

The Port Authority is regularly investing and reinvesting in its facilities. Over the last ten years the Port has averaged \$8.7 million a year in capital investments. It has achieved this level of investment with a combination of cash from operations (currently \$3.4 million per year), matching State grants (average of \$2.3 million per year), and some borrowing (\$19 million over the last ten years). These investments have paid off in terms of Port growth and significant economic benefits to the region.

Prior to the East Terminal Expansion, the Port's largest single capital project was the bulk wood pellet terminal which totaled \$15 million. Currently, the East Terminal Expansion project is projected to cost \$60 million, four times greater than anything the Port has undertaken in the past.

The Port Authority's East Terminal Expansion includes four phases.

The first phase was the purchase of the forty-one acre site from WestRock, LLC. This occurred in August 2016. The Port paid \$13,600,000 for the land and improvements. \$12,000,000 was borrowed from the State Infrastructure Bank with the balance paid in cash.

The second phase of the development includes a significant amount of site work, the construction of 160,000 square feet of modern warehouse space, and the construction of a forty-car rail yard. In July of 2017, the Port Authority awarded Culpepper Construction Company a \$13.9 million contract to construct this phase of the project. With the related engineering work and the extension of the offsite utilities, the total cost will be \$15 million. This phase will be complete in July.

The Port will pay for this phase with \$7,750,000 from the Port's cash reserves and ongoing cash flow, plus \$7,250,000 in FDOT grants. At the end of this phase, the Port will have reduced its cash reserves to around \$5 million dollars, which is the minimum the Port needs to maintain for emergencies.

The third phase of construction includes the demolition of the original warehouses, the construction of another 100,000 square feet of modern warehouse space, the construction of additional rail capacity, heavy paving for outdoor cargo storage, lighting, fencing, parking, and security gates. This phase also includes a new deeper bulkhead wall to support the planned channel and berth dredging. The additional landside improvements are projected to costs \$12,250,000. The new bulkhead is projected to costs \$10,000,000. The FDOT has committed \$12,125,000 in grants to assist with this work. The Port is seeking \$10,000,000 from Triumph Gulf Coast to help with this phase of the project.

The final phase of the East Terminal Expansion is the deepening of the East channel and the berth area (from 32' to 38'). The Port and WestRock have been jointly pursuing the channel and berth deepening project with the U.S. Corps of Engineers since 2013. The Corps completed a positive "Reauthorization Report" and are moving forward with the final design work under a contributed funds agreement. The Corps has already obtained the permits needed for the dredging. The project is supported by the Mobile District and the South Atlantic Division. We expect construction to be funded in the Corps' 2019 work plan.

The channel and berth dredging is expected to cost \$9.5 million. The Federal share is \$4.9 million. The FDOT has committed another \$2.3 million in grants for the work. If the Port is able to attract support from the Triumph

Gulf Coast for the third phase of work (above), it will have enough operating cash flow in 2019 to provide the \$2.3 million in local funds needed for the dredging project.

Note: All of the project phases and funding discussed above is illustrated in Attachment O.

Long term development of the East Terminal.

Over the next ten years, the Port hopes to add a second modern warehouse (\$8 million), add a second ship berth (\$15 million), and purchase the twenty-seven acres of contiguous land under option with WestRock (\$6 million).

Support from Triumph Gulf Coast for the current improvements will make a huge difference regarding the Ports ability to continue to develop the East Terminal. In fact, when the Port's ability to utilize matching state grants are considered, a \$10,000,000 Triumph grant at this stage will translate into \$15,000,000 in ongoing investments in the Port's East Terminal Expansion over the next ten years.

Attachment Q

Question 1 (D) on Page 13. **Provide a detailed explanation of how the public infrastructure improvements will connect to a broader economic development vision for the community and benefit additional current and future businesses.**

Additional Port capacity is essential to long term economic development of the region. The first phase development of the East Terminal will immediately benefit WestRock's Panama City Mill and all the companies that provide them with supplies and services. New Port capacity provided by the project will give the region an opportunity to compete for new manufacturing projects which require close proximity to a port with the capacity to support their needs. In addition to supporting existing industry and attracting new industry, a growing port will garner ongoing State investment in highway and rail facilities which service the region and the Port. Increased cargo activity will attract private investments in warehouse and distribution related to the Port's import and export activity.

Attachment R

Response for Question 1E on Page 13. **Provide a detailed description of, and quantitative evidence demonstrating how the proposed public infrastructure project will promote:**

- Economic recovery,
- Economic Diversification,
- Enhancement of the disproportionately affected counties,
- Enhancement of a Targeted Industry.

Economic Recovery:

The Panama City Port Authority plays an important role in the economic recovery of the region. Since the 2010 BP Oil Spill, the Port Authority has invested \$72 million in Port facilities and equipment. These investments generated construction jobs in Bay County during a time that the construction industry was depressed. More important, these investments provided needed infrastructure to a number of manufacturers in the region including Berg Steel Pipe, Oceaneering, and Green Circle Bioenergy (now Enviva Pellets, LLC.).

The Port's East Terminal Expansion includes \$48 million in construction spending over the next eighteen months and an anticipated \$25 million in construction spending during the following ten years. More important, the project provides much needed Port capacity improvements to the WestRock Mill and provides the Port Authority with the opportunity to continue expanding its cargo activity which will translate into hundreds of new permanent jobs.

Economic Diversification:

The East Terminal Expansion Project will create 148 direct jobs within three years and many more as the Port Authority continues to expand the new East Terminal. In addition, the project delivers much needed transportation improvements to the WestRock Mill, which helps to secure hundreds of indirect jobs at the mill and hundreds more among key suppliers to the mill.

Additional Port Capacity at the East Terminal will give the Port Authority the flexibility to provide additional space at the West Terminal to Berg Steel Pipe and to Oceaneering Multiflex as they expand operations. New Port capacity also provides Florida's Great Northwest and the Bay County EDA the opportunity to attract new port dependent industry to the Bay County region.

All of the transportation and manufacturing jobs discussed above contribute to economic diversification of the region which is currently heavily dependent on the tourism and the military.

Enhancement of the disproportionately affected counties.

The Port of Panama City has emerged as Northwest Florida's primary Port. Over time, the East Terminal Expansion will allow the Port to double its current level of cargo activity. At that point, the Port of Panama City will be one of Florida's most important regional Ports and can expect to see ongoing Federal and State investments in rail and road corridors as well as the Federal shipping channel. These investments will primarily enhance freight movements in the region, which will be a benefit to the major manufacturers in Bay County and to freight service providers in Bay County and the adjacent counties.

Enhancement of the targeted industry.

The Panama City Port Authority is clearly a "water transportation" industry. The East Terminal Expansion provides the Port of Panama City the opportunity to double its current level of cargo activity over time. The 2015 Martin & Associates Economic Impact Assessment determined that the Port's activities currently generates \$1.4 billion in annual economic impacts in the region. It is reasonable to assume that, over time, the East Terminal Expansion can deliver a similar level of new economic impacts in the region.

Attachment S



*"Dedicated to Excellence . . .
People Serving People"*

Bob Majka, County Manager
840 West 11th Street
Panama City, FL 32401

RECEIVED
BAY COUNTY COMMISSION
COUNTY MANAGERS OFFICE
NOV 01 2017

October 31, 2017

Mr. Majka.

The City Commission at their regular meeting on, October 24, 2017, unanimously voted to name the Panama City Port Authority's east terminal development as the City's project for the first round of Triumph Gulf Coast, Inc.'s funding. The \$10,000,000 would help the \$56,000,000 terminal expansion project and enable the port to complete improvements and bulk head refurbishments. The City is excited about the prospects of the over 330 direct and indirect jobs that will be created by this phase alone.

As you will remember Bay County, the Port Authority, the Florida Department of Transportation and the City have partnered to replace the bridge to the east terminal development on East Avenue. The City Commission believes that this project is valuable to the region as it further diversifies the local economy. It is the City's hope that the County will look upon the project with favor and recommend funding.

Thank you for all you do in making Panama City and Bay County a better place to live, work and play.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeffrey Brown".

Jeffrey Brown, City Manager

CC: City of Panama City Commission