

Application Score Sheet

Proposed Project: Panama City Port Authority, East Terminal Development (#49)

Proposed Project/Program County: Bay

Board of County Commission Support: Yes

Total Projected Project Cost: \$59,864,000

Match Provided: \$49,864,000

Triumph Funds Requested: \$10,000,000 (16.7%)

Triumph Funds Recommended:

Score:

Triumph Board Approval: Yes/No

Date:

The Panama City Port Authority is requesting \$10M in Triumph Gulf Coast funds to facilitate the completion of the first phase of the East Terminal development. This phase of the project includes the construction of a 260,000sf 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. The total project cost is estimated to be \$59,864,000.

The Port is experiencing an average 9% annual rate of growth in tonnage. At this rate the Port's current facilities will be operating beyond the existing capacity within four 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. 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.

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 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.

According to the Port, phase one of the East Terminal development 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.

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 attracts private investments in warehouse and distribution related to the Port's import and export activity. The first phase development of the East Terminal will provide immediate benefit to WestRock's Panama City Mill and all the companies that provide them with supplies and services.

In describing why the project is considered Transformational, the Port Authority states:

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.

The Triumph 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).

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.

Funding and Budget (as provided by the applicant)

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:	\$23,950,00
Reconstruction:	\$10,000,000 (Bulkhead)
Design & Engineering:	\$800,000
Land Acquisition:	\$13,600,000.
Land Improvement:	\$4,000,000
Equipment Supplies:	N/A
Salaries:	N/A
Other (specify):	\$7,514,000 (Dredging)

Total Project Costs: \$59,864,000

B. Other Project Funding Sources:

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

Port Authority	\$23,200,000
Private Sources	\$0
Other (e.g., grants, etc.)	\$26,574,000 (State & Federal)

Total Other Funding \$49,864,000

Total Amount Requested: \$10,000,000

Letters of Support

City of Panama City Commission

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.

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.

10/13/2017 FINAL