

**TRIUMPH GULF COAST, INC. PRE-APPLICATION FORM**

Triumph Gulf Coast, Inc. (“Triumph Gulf Coast”) has created a pre-application process to provide initial consideration of eligibility for potential ideas of projects or programs that may seek an award of funding. Applicants are required to participate in the pre-application process. Notwithstanding the response from Triumph Gulf Coast on the pre-application form, an Applicant may still elect to submit an Application.

**APPLICANT INFORMATION**

Name of Individual/Entity/Organization: **Port of Pensacola, City of Pensacola, Florida**  
Proposal Title: **Marine Modification, Maintenance, Repair, and Overhaul Complex (MMMRO)**  
Amount of Triumph Funds Requested: **\$16,329,406**  
Total Estimated Project Cost: **\$25,773,000**

Brief Description of Individual/Entity/Organization:

The applicant is the Port of Pensacola (Port), one of Florida’s 14 deep-water ports. The Port is owned by the City of Pensacola, Florida (City) and is operated as an enterprise department supported only by generated revenues with an annual budget of \$1.7 million. The Port is a 55-acre landlord/tenant port with Foreign Trade Zone status. Available infrastructure and facilities at the Port include warehouses, laydown area and open storage space, on-dock Class 1 rail service from CSX, covered railcar cargo loading and unloading, and 3370 feet of deep-water berthing space for any type of vessel and associated operations.

Contact Information

Primary Contact: **Ms. Amy Miller**  
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Names of co-applicants, partners or other entities, organizations that will have a role in the proposed project or program:

**Offshore Inland Marine & Oilfield Services, Inc. (OIMO), Project Blackbird, and Pate Stevedore Company (a member of Logistec USA)**

**REQUIRED EXECUTIVE SUMMARY**

In a maximum of two (2) pages, please describe the proposed project or program and anticipated outcomes including (i) the amount of funds being sought from Triumph Gulf Coast; (ii) the amount and identity of other sources of funds for the proposed project or program; (iii) the location of the project or program; (iv) summary description of the proposed program, including how the program will be transformational and promote economic recovery, diversification, and enhancement of the disproportionately affected counties, and (v) a summary timeline for the proposed project or program.

## **Executive Summary**

As the result of several studies and the leadership of City and Port staff, the Port has actively sought diversification of its historical lines of business: most notably into the offshore vessel and subsea support industries. The Port has enjoyed great success in these new lines of business and seeks to enhance its vessel support capabilities. The Port is proposing a significant infrastructure improvement program, which will upgrade and expand its capacity to support and foster what is being called a Marine Modification, Maintenance, Repair, and Overhaul (MMMRO) Complex. The Proposed Project addresses one of the six core tenets being proposed in the *Port of Pensacola Vision Plan and Reinvestment Strategy*, by “foster[ing] greater adaptability and flexibility of Port land and berths to help extend the service life and economic contribution of the seaport for future generations”. By diversifying its business/service lines from the more traditional cargo facilities, the proposed improvements will provide the Port a unique niche in the northwest Florida region and amongst Florida’s ports.

The proposed MMMRO Complex will significantly expand Port capabilities and competitiveness. The Port’s strategic location only 11 miles from the Gulf of Mexico (GOM) with unobstructed overhead passage, makes it an ideal location for supporting offshore oil & gas and other high-tech marine industry operations. These business sectors require constant vessel modifications, upgrades, project mobilization & de-mobilization services, and other miscellaneous vessel services. One of the Port’s current tenants, Offshore Inland Marine & Oilfield Services Inc., (OIMO) provides these services but is “growth restricted” due to Port infrastructure limitations.

The Proposed Project allows OIMO to compete for projects currently undertaken at facilities in other states in the GOM. The rehabilitation of Berth 6, the creation of a subsea component’s laydown yard, and the installation of a Heavylift 800-ton crane transforms the Port into a support hub for Eastern GOM oil and natural gas exploration and extraction operations, thus attracting major marine and oil and gas companies to the Port. Specifically, it allows the Port to become a premier staging base for rapid response operations to the Eastern GOM by providing offshore and subsea equipment staging and storage areas, in addition to supporting the high-tech deep-water subsea industry. This staging and operational capability does not exist at any Florida port, private terminal, or facility along the Northern GOM. Additionally, the proposed improvements, especially the 800-ton crane, will allow the Port and OIMO to be more competitive on major vessel projects; resulting in the employment of a larger and more permanent labor force and management team.

Project Blackbird, an aerospace manufacturer and spaceflight services company, has recently contracted with OIMO, to provide vessel modification services to its 600-foot vessel, with an estimated value in the tens-of-million. This exciting recent development validates the need for MMMRO services. The Proposed Project’s equipment and infrastructure improvements would enable the Port and OIMO to compete for future marine work for Project Blackbird that could exceed several million dollars. The improvements have the long-term potential of making the Port a prime location for the maritime operations associated with Project Blackbird’s spaceflight operations. These marine operations, capable of supporting multiple users, could carry additional multiple million dollars in annual service contracts to OIMO, in addition to dockage and other Port fees that would be generated.

OIMO anticipates hiring between 40 and 50 new FTE to support these near-term activities. The jobs fall under NAICS industry classification 336600 - Ship and Boat Building. The anticipated average salary is \$65,000, which is greater than 164% of the current average annual wage (\$39,473) for the Pensacola MSA, 41% higher than Pensacola’s median household income (MHI) of \$45,931, and 7% higher than the 2017 ACS national MHI of \$60,336. The creation of new high-tech high-wage jobs serves to increase the quality of life for the citizens of Pensacola, where 17% of the population lives in poverty (33% higher than the national average of 12.7%). The financial impacts of the proposed improvements are as follows: 1) Based on Sales Value, the REMI economic impact analysis projects that the current contract will support the development of 62 new forms of employment, an increase in personal income of \$3,429,634, and in GDP of \$7,082,156. The economic impact

from the construction of the proposed improvements would provide a one-time impact of 92 jobs, \$3.8 million in personal income and \$6 million in GDP; 2) Income from the rental of the 800t crane and the lay down yard have an annual estimated value of \$1.6 million and \$653,400, respectively; 3) Hundreds of thousands in dockage, harbor, and port security fees from Project Blackbird and other users. Project Blackbird’s pending vessel modifications and marine operations will be the catalyst that poises the Port and OIMO to expand existing MMMRO services and provide new services to this industry – transforming, diversifying, and enhancing the Port’s overall operations.

The Proposed Project transforms the Port and its tenant partners by creating a “one-stop shop” MMMRO facility, setting itself apart in an otherwise fragmented marine vessel support marketplace; resulting in an increase of new MMMRO activities at the Port and impacting the entire northwest Florida regional economy. The proposed improvements would allow OIMO and the Port to compete for additional work from Project Blackbird and others. Furthermore, the Proposed Project advances many of the opportunities and key strategies identified in the Northwest Florida FORWARD Plan, and other state and regional plans, which advocate for the transformation of the region through economic diversification and resiliency.

Total project costs are \$25.7 million, and the Port seeks \$16,329,406 million from Triumph Gulf Coast. The Port has identified the following funding sources: 1) Local public match - \$1,040,000; Private sector match - \$1,305,594; Other Match - \$7,098,000, of which it has secured \$6,843,594 million.

<b>MMMRO Proposed Improvements</b>	<b>Projected Cost</b>	<b>TRIUMPH</b>	<b>Local Public Match</b>	<b>Private Sector Match</b>	<b>Other Match</b>	<b>Match Source(s)</b>
Berth Dredging to 33'	\$1,500,000	\$750,000	\$40,000	\$ -	\$710,000	FSTED Grant - \$110,000 & local match secured
Fortified Hurricane Moorings (Phase I & 2) - Underway & Planned	\$2,985,000	\$1,679,406	\$ -	\$1,305,594	\$ -	Private Sector Partner Funding secured
Berth 6 Rehabilitation (Phase 1 & 2) - Underway & Ongoing	\$10,838,000	\$7,450,000	\$1,000,000	\$ -	\$2,388,000	All match funding in place and liquid
Warehouse #1 MMMRO Improvements	\$2,450,000	\$450,000	\$ -	\$ -	\$2,000,000	State Econ. Dev. Grant in place
Heavylift 800t Demag Crane	\$6,000,000	\$ 6,000,000				
Laydown Yard	\$2,000,000				\$2,000,000	EDA (Grant to be submitted)
<b>Subtotal</b>	<b>\$ 25,773,000</b>	<b>\$16,329,406</b>	<b>\$ 1,040,000</b>	<b>\$1,305,594</b>	<b>\$7,098,000</b>	

The Proposed Project will be undertaken on and in facilities located on the Port of Pensacola and owned by the City. Two projects within the scope of work are underway with secured partial funding: 1) the rehabilitation of Warehouse #1 MMMRO improvements; and 2) the rehabilitation of Berth # 6. The remaining scope of work has an anticipated start date of January 2019, with an anticipated completion date of June 2020.

**IMPORTANT NOTICE**

This pre-application process will **not** result in an award of funding by Triumph Gulf Coast. Rather, this process is designed to facilitate submission of ideas for potential projects or programs before the Applicant expends time and/or resources to complete a full Application. All Applicants for funding are required to complete an Application, which will be reviewed and then considered for award at the discretion of Triumph Gulf Coast Board.

**Please Select the Proposal’s Eligibility Category(s)**

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.

**Please Select the Priorities this Proposal's Outcomes will Achieve**

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.