



MEMORANDUM

DATE: December 18, 2018

TO: Susan Skelton, Executive Director, Triumph Gulf Coast

CC: Dr. Rick Harper, Cori Henderson

FROM: Dan Rowe

RE: Panama City Beach Sports Complex (Proposal #54)

As you know, Hurricane Michael left a lasting imprint on Bay County and other areas in our region. In the wake of this devastating and life-altering event, Triumph Gulf Coast (TGC) reached out to affected counties to determine whether post-storm realities warranted a revision of their pre-storm TGC project priorities.

I'm pleased to report that, in response to TGC's inquiry, the Bay County Board of County Commissioners unanimously reaffirmed its endorsement of the project during today's regular meeting.

From my perspective, Hurricane Michael served to reinforce the fact that now, more than ever, our community must invest in projects that will build infrastructure, create year-round jobs and stimulate economic development. The Panama City Beach Sports Complex accomplishes all three of these important objectives, and more.

While projections for utilization of the Sports Complex and the associated job creation remain unchanged, the hurricane did have an impact on other aspects of our proposal. As a result, we have revised the TGC application to reflect the following:

- The revised proposal does not include any costs or benefits associated with Bay District Schools' K-8 facility included in the original version;
- Hurricane Michael demonstrated a need for post-storm shelter that is not part of the school system in order to minimize impacts on students; and,

- The cost of building is expected to increase as a direct result of an increase in construction costs post-storm, as well as the additional expense of making the Indoor Sports Center “shelter compatible.”
- Our revised TGC funding request is \$23,658,000 – which reflects a \$2.24 million reduction from the original request submitted last March.

As you evaluate the benefits to Bay County of jobs created by the project, I urge you to consider that:

- Bay County’s tourism industry is primarily comprised of *small* businesses owned by *individuals* that risk their capital by making investments in the community;
- The large majority of new, incremental business generated by the Sports Complex will occur in non-summer months, leading to more stable, year-round employment and greater economic opportunities for tourism industry employees; and,
- The tourism industry itself and tourism-related jobs are undervalued in Florida:
 - ✓ The reason Florida residents do not pay state income tax is directly related to visitor spending.
 - ✓ Bay County’s ad valorem tax rates are among the lowest in the state due to the assessed valuation of tourism infrastructure – hotels, retail, attractions, and vacation homes – on Panama City Beach.
 - ✓ Though many tourism jobs pay less than the county’s median income, the taxes generated to fund state and local government for services utilized by all residents is significantly higher than for employees of other industries that make twice as much income.

There is a clear nexus between demand and tourism industry jobs. Without demand, the jobs do not exist. Without demand, taxable spending by visitors does not exist. Our studies demonstrate that 91 unique visitors sustain one tourism industry job.

SmartAsset.com has developed a model that estimates the amount of sales tax paid based upon an individual’s annual salary. A typical Florida resident earning \$75,000 per year is estimated to pay \$1,305 in sales taxes.

Conversely, a Bay County tourism industry employee earning \$30,554 is estimated to pay \$584 in sales taxes. However, since a tourism industry employee's job is dependent on visitor demand, it is logical to recognize the true value of that job to the local community as the employee's personal spending plus the spending of the 91 visitors required to sustain that job. In addition, our studies demonstrate that each visitor generates \$36.96 in sales taxes; therefore, each tourism industry job supports \$3,947 in sales taxes.

The extraordinary amount of taxes generated by visitors is clearly the reason why Florida residents are free from the burden of state income taxes.

In summary, the Panama City Beach Sports Complex remains a viable, sustainable and catalytic asset to our community and we hope the TGC Board will consider our funding application at its next meeting on January 14 in Port St. Joe.

Thank you for your consideration and I am happy to answer any questions or provide additional information at your convenience.



PANAMA CITY BEACH SPORTS COMPLEX

Triumph Gulf Coast Grant Application

Submitted By:
Panama City Beach Convention and Visitors Bureau, Inc.
March 2018 *(Revised December 2018)*



APPLICANT INFORMATION

Name of Entity/Organization: Panama City Beach Convention and Visitors Bureau, Inc.

Background of Applicant Individual/Entity/Organization: The Panama City Beach Convention and Visitors Bureau, Inc. (CVB) is a 501(c)(6) nonprofit corporation which is a component unit of Bay County, Florida and serves as the official destination marketing organization for the Greater Panama City Beaches.

The CVB is an extension of the Bay County Tourist Development Council (TDC). The CVB is primarily funded by a 5% Tourist Development Tax paid by visitors for overnight lodging stays and also generates revenue through cooperative marketing opportunities, corporate sponsorships and festivals/events. Funds are used for destination marketing, beach renourishment/maintenance and landscaping.

The CVB Board of Directors is exclusively comprised of the nine members of the TDC who are appointed by, and serve at the pleasure of, the Bay County Board of County Commissioners.

Federal Employer Identification Number: 59-3507881

Contact Information:

Primary Contact Information: Dan Rowe

Title: President & Chief Executive Officer

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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.

1. **Bay County Tourist Development Council (TDC)** contracts marketing and promotional activities with the Panama City Beach Convention and Visitors Bureau (CVB). The TDC is comprised of nine members appointed by the Bay County Board of County Commissioners. Three of the members are collectors of the Tourist Development Tax, three members represent tourist-related businesses and three members are elected officials. Four members are nominated by the City Council of the City of Panama City Beach. **ROLE: *financing of the Panama City Beach Sports Complex and oversight of the annual CVB budget and program of work.*** www.VisitPanamaCityBeach.com
2. **Bay County, Florida** is a non-chartered county established under the legal authority of the Constitution and Laws of the State of Florida. The county provides a full range of services, including tax assessments and collections, state and county courts, public safety, physical environment, transportation, economic environment, human services and general administrative services. **ROLE: *ownership of Panama City Beach Sports Complex.*** www.co.bay.fl.us
3. **City of Panama City Beach** is a home-rule city with a Council-City Manager form of government. The City Council is comprised of the mayor and four council members elected at-large from each of the city's four wards. The city provides the incorporated and unincorporated areas of the beach with a wide range of urban services, including parks and recreation, potable water, reuse water, sanitary sewer and road maintenance. **ROLE: *expansion of reclaimed water system to areas of existing and pending development.*** www.pcbgov.com
4. **The St. Joe Company** is a publicly-traded (NYSE: JOE) real estate development, asset management and operating company with real estate assets and operations currently concentrated primarily between Tallahassee and Destin, Florida, which the Company predominantly uses, or intends to use, for or in connection with, various residential or commercial real estate developments, resorts and leisure operations, and leasing operations or forestry operations on a limited basis. **ROLE: *land donation, cash investment and future retail/commercial development.*** www.joe.com
5. **Florida Department of Transportation (FDOT)** is an executive agency of the State of Florida with primary statutory responsibility for coordinating the planning and development of a safe, viable and balanced statewide transportation system and ensuring the compatibility of all components, including multimodal facilities. Florida's transportation system includes roadway, air, rail, sea, spaceports, bus transit, and bicycle and pedestrian facilities. **ROLE: *transportation infrastructure improvements.*** www.fdot.gov

6. **Sports Facilities Management** is a Florida Limited Liability Company based in Clearwater that provides turn-key management solutions for sports, recreation, and events centers across the country, with expertise in youth and amateur sports venue management services. **ROLE:** *day-to-day operations management of the Panama City Beach Sports Complex.* www.sportadvisory.com

Total amount of funding requested from Triumph Gulf Coast:

\$23,658,000 (30.7% of total project cost)

NOTE: As a result of the extensive work required to value engineer the Sports Park & Stadium Complex and ensure the best possible project at the lowest price, the CVB determined that, without Triumph Gulf Coast funding, it was not feasible to construct as originally designed.

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.

On October 22, 2014, the Bay County Tourist Development Council (TDC) submitted a pre-application for RESTORE Act Direct Component funds via the formal process established by the Bay County RESTORE Act Advisory Committee. The TDC requested \$2 million to finance construction of rectangular athletic fields for what was then known as Phase I of the Panama City Beach Sports Village, an early version of what has evolved into the current project.

The county received a total of 47 pre-applications for RESTORE Act funding and the TDC project was among 22 projects invited to submit full applications. The TDC's full application was submitted on February 6, 2015 but did not make the final list of nine projects selected for funding by the Bay County Board of County Commissioners.

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

Panama City Beach Convention and Visitors Bureau, Inc. (CVB) is a 501(c)(6) nonprofit corporation which is a component unit of Bay County, Florida. The CVB is primarily funded by a 5% Tourist Development Tax paid by visitors for overnight lodging stays and also generates revenue through cooperative marketing opportunities, corporate sponsorships and festivals/events. The bureau's budget is \$20.5 million in Fiscal Year 2017-18.

Bay County governmental activities are primarily supported by property taxes, sales taxes, federal and state grants, charges for services and state shared revenues. Business-type activities are supported by charges to the users of those activities such as water, sewer and solid waste disposal.

City of Panama City Beach derives revenue from a wide variety of sources and activities, including sales taxes, fuel taxes, business tax receipts, franchise fees, federal grants, state revenue sharing, impact fees, facility rental fees, licensing fees and charges to the users of the city's water and sewage treatment systems. The city remains one of the few Florida cities that does not assess an ad valorem tax on real property.

Florida Department of Transportation (FDOT) is funded at the federal level by the Federal Highway Trust Fund and motor fuel taxes. State-level funding includes revenue from motor vehicle fees, fuel taxes, document stamps, aviation and rental car receipts. Local funding sources include impact fees and local option fuel/sales taxes.

The St. Joe Company is a Florida Profit Corporation headquartered in WaterSound and publicly traded on the New York Stock Exchange. The company earns revenue through real estate, leasing, timber and resorts/leisure operations. As of December 31, 2017, the company reported cash, cash equivalents and investments of \$303.4 million.

Sports Facilities Management, LLC is a privately owned and operated Florida Limited Liability Company based in Clearwater. The company derives revenue from management services provided to sports facilities in Alabama, California, Connecticut, Florida, New Jersey, New York, North Carolina, Ohio, Oklahoma, South Carolina, Tennessee and Texas.

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

- ***EXHIBIT 1: Panama City Beach Convention and Visitors Bureau, Inc. Independent Auditor's Report for Fiscal Year Ended September 20, 2016***
- ***EXHIBIT 2: Bay County, Florida Comprehensive Financial Audit Report (CAFR) for Fiscal Year Ended September 30, 2016***

- **EXHIBIT 3:** *City of Panama City Beach Annual Financial Statements for Fiscal Year Ended September 30, 2016*
- **EXHIBIT 5:** *“The St. Joe Company Reports Fourth Quarter and Full Year 2017 Results,” Press Release, March 1, 2018*
- **EXHIBIT 6:** *Florida Department of Transportation, Office of Work Program and Budget, Five Year Work Program, Cauley Avenue Intersection Project*
- **EXHIBIT 7:** *Sports Facilities Management, LLC letter from Sams IV, CPA, PA*

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

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.

PANAMA CITY BEACH SPORTS COMPLEX

On March 24, 2016, the Panama City Beach Convention and Visitors Bureau, Bay County, Bay District Schools, Florida Department of Transportation and The St. Joe Company entered into a Land Transfer Agreement (LTA) to set the stage for the construction of the Panama City Beach Sports Complex on the eastern end of Breakfast Point.

Prior to execution of the LTA, the CVB purchased a 10 acre entry parcel located at 8222 Panama City Beach Parkway to facilitate this project. The St. Joe Company donated a total of 210 acres to the overall project to accommodate the sports park. The new entrance parkway, constructed on 10 acres, will serve the sports facility as well as the planned Breakfast Point subdivision.

Phase I of the project will consist of an outdoor field complex, walking/biking trails and the entrance road. Phase II expands the complex to include an indoor sports center and converts four natural grass fields to artificial turf.

Originally, the parties to the LTA did not contemplate applying for Triumph Gulf Coast funding for the construction of the first phase of the sports park. However, as plans for the project evolved, it became apparent that a TGC grant could further enhance the public benefit of the project.

Triumph Gulf Coast funds will be used primarily for construction of the indoor sports center, conversion of four fields from natural grass to artificial turf (to match the remaining fields) and construction of the entrance parkway.

The combination of high quality visitor amenities, state-of-the-art amateur athletic fields and creative site design will set a new standard for sports complexes throughout the country.

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

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

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

In the first year of operation, the outdoor field complex will host 29 events, generate 37,023 visitor room nights and produce \$876,000 in park revenue. In year four, after the initial ramp-up period, the outdoor facility will host 39 events, generate 74,377 visitor room nights and produce more than \$1.5 million in park revenue.

Addition of the indoor sports center increases the economic impact in year one to 51 events that will generate 59,365 visitor room nights and \$1.5 million in park revenue. In year four, the combined totals for the indoor and outdoor facilities will increase to 74 events, 111,059 visitor room nights and \$2.6 million in revenue from park operations.

Over the first 10 years of operations, the Panama City Beach Sports Complex will

produce a total economic impact of \$309 million. (*Economic impacts are described in detail in Section 4.*)

TIMELINE – PHASE I (Outdoor Fields Complex & Entrance Road)

MILESTONE	DATE
Sports Studies Completed	2013
CVB Purchase of Entry Parcel	July 2015
Land Transfer Agreement Finalized	March 2016
Financing Secured	June 2017
Proformas Completed	August 2017
Final Design Completed	January 2018
Construction Cost Negotiations Completed	January 2018
Economic Impact Analysis Completed	February 2018
Bay County Commission Final Approval	March 2018
Ground Breaking	March 2018
Grand Opening	Summer 2019

TIMELINE – PHASE II (Indoor Sports Center & Field Conversions)

MILESTONE	DATE
Proformas Completed	August 2017
Final Design Completed	January 2018
Construction Cost Negotiations Completed	January 2018
Economic Impact Analysis Completed	February 2018
Ground Breaking	Upon TGC Award
Grand Opening	Fall 2020

- **EXHIBIT 8:** *Land Transfer Agreement – Panama City Beach Public School and Sports Park*
- **EXHIBIT 9:** *“Five Year Operating Pro Forma – Outdoor Field Complex,” Sports Facilities Advisory, August 2017*
- **EXHIBIT 10:** *“Five Year Operating Pro Forma – Indoor Court Facility,” Sports Facilities Advisory, August 2017*
- **EXHIBIT 11:** *“Economic Impact of the Panama City Beach Sports Park & Stadium Complex,” Tourism Economics, March 2018*
- **EXHIBIT 12:** *LPA 16-02 (PZ 16-099) Large Scale Plan Amendment application by The St. Joe Company to Bay County Board of County Commissioners, January 17, 2017*
- **EXHIBIT 13:** *PZ 16-159 Zone Change Application by The St. Joe Company to Bay County Board of County Commissioners, January 17, 2017*

- **EXHIBIT 14:** Bay County, Florida Ordinance 17-01 adopted January 17, 2017
- **EXHIBIT 15:** Bay County, Florida Ordinance 17-02 adopted January 17, 2017

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

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

Triumph Gulf Coast's investment in the project will help spur more than \$200 million in new investment on the east end of Panama City Beach. Infrastructure improvements in the areas surrounding the park will attract new private capital investment in retail businesses and services to meet the economic, educational, recreation and quality of life needs of the growing market.

The project will provide a public benefit extending far beyond its boundaries and will serve as a catalyst for:

Transportation System Enhancements. Located directly across from the northern end of Cauley Avenue, in close proximity to the Hathaway Bridge system, the parcel of land at 8222 Panama City Beach Parkway has strategic value in addressing the region's transportation infrastructure needs.

The new access road to the sports complex provides an eastern terminus to an additional east-west traffic corridor through Panama City Beach that efficiently connects to all of the arterial roads on the east end of the Beach – U. S. Highway 98, Front Beach Road and Thomas Drive.

But for the CVB's purchase of this land, it is unlikely that it would have been used for this purpose. The land was available for sale and most likely would have seen development similar to that of nearby parcels, which includes a self-storage rental facility, car wash, paint store and RV repair shop.

Incremental Private Sector Investment. Due to increased access to Breakfast Point directly attributable to the project, The St. Joe Company applied for, and received approval of, an amendment to the Bay County Comprehensive Plan to include 750 hotel rooms, commercial office space (75,000 square feet) and retail space (160,000 square feet). Preliminary estimates of the company's investment in the construction of these new facilities exceed \$84 million.

Expansion of Municipal Services & Environmental Stewardship. The City of Panama City Beach will expand its reclaimed water system to provide service to the sports complex and residential and commercial customers in the surrounding area. Use of

reclaimed water will decrease demand on the city's water treatment system, provide water for irrigation and other non-potable uses, lessen the impact on ground water supplies from private wells in the area and moderate the effects of discharging treated effluent to the discharge wetlands in the Panama City Beach Conservation Park.

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

During the 2010 BP Deepwater Horizon incident, public perception that Northwest Florida's beaches were covered with oil caused many potential visitors to look elsewhere. Panama City Beach, with its strong sports travel foundation, was able to mitigate a significant portion of the lost business from traditional "beach-centric" vacationers because athletes and their families followed through with their travel plans, reinforcing the importance of amateur athletics to the destination.

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

As a result, there is a risk that some events could start looking for a change of venue due to a lack of facilities. On the other hand, a number of sports sanctioning bodies have indicated they will grow their existing events or relocate events now held in other markets if Panama City Beach's facilities are expanded.

Meanwhile, sports-related tourism is seen as a major growth opportunity by other destinations and they have begun to aggressively develop and market new venues. Without expanding its facilities, Bay County faces the real possibility of losing existing events to other communities. Expansion of existing infrastructure will enhance the visitor experience and allow the destination to maintain its market share and reputation as "the place to play."

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

In October 2017, the CVB engaged the services of Tourism Economics to estimate the development's positive impacts on the local economy. Tourism Economics, an Oxford Economics company, has conducted hundreds of economic impact studies and/or visitor projection models for developers, tourism associations, CVBs, state tourism offices and national tourism offices across every region of the world.

In this study, Tourism Economics performed a detailed evaluation of the economic impact of visitor spending in terms of business sales, personal income, employment and tax revenue using a regional Input-Output (I-O) model based on IMPLAN for Bay

County, Florida. IMPLAN is particularly effective because it calculates three levels of impact – direct, indirect and induced – for a broad set of indicators. Key findings related to the Panama City Beach Sports Complex include:

CONSTRUCTION PERIOD IMPACTS. The construction phase of the project will generate an additional \$14.6 million in indirect economic output and \$18.0 million in induced economic output, resulting in a total economic impact of \$92.7 million in Bay County. This total economic impact will include \$29.7 million in total personal income, supporting 747 total (full-time and part-time) jobs.

ONE-TIME CONSTRUCTION PERIOD IMPACTS				
DESCRIPTION	DIRECT IMPACT	INDIRECT IMPACT	INDUCED IMPACT	TOTAL IMPACT
Economic Output (\$ Millions)	\$60.1	\$14.6	\$18.0	\$92.7
Income (\$ Millions)	\$19.6	\$4.8	\$5.3	\$29.7
State & Local Taxes (\$ Millions)				\$2.8
Employment	502	107	138	747

Source: Tourism Economics (2018)

ANNUAL ECONOMIC IMPACTS. Sports complex operations and off-site ancillary spending will generate ongoing annual impacts in the regional economy. Preliminary estimates indicate that gross complex revenue will amount to \$2.5 million in the stabilized Year 4, while attendee spending at establishments and businesses outside the sports complex in Bay County will total \$38.5 million.

When combined, sports complex operations and ancillary spending will generate \$41.0 million in direct economic activity in Bay County in the fourth year of its operation, which is the first stabilized year post ramp-up period. This \$41.0 million in direct spending will generate \$10.1 million in indirect economic output and \$10.1 million in induced economic output, resulting in a total countywide economic impact of \$61.3 million. The total economic impact will include \$16.6 million in total personal income, supporting 603 (full-time and part-time) jobs.

ANNUAL ECONOMIC IMPACTS				
DESCRIPTION	DIRECT IMPACT	INDIRECT IMPACT	INDUCED IMPACT	TOTAL IMPACT
Economic Output (\$ Millions)	\$41.0	\$10.1	\$10.1	\$61.3
Personal Income (\$ Millions)	\$10.8	\$2.8	\$3.0	\$16.6
State & Local Taxes (\$ Millions)				\$4.5
Employment	453	73	77	603

Source: Tourism Economics (2018)

Over a ten-year period, the net present value of a cumulative total economic impact will be \$309.0 million:

CUMULATIVE 10-YEAR TOTAL IMPACTS	
DESCRIPTION	NET PRESENT VALUE (\$ Millions)
Economic Output	\$309.0
Personal Income	\$126.0
State & Local Taxes	\$31.0
Employment (10 year average)	528

Source: Tourism Economics (2018)

- **EXHIBIT 11:** “Economic Impact of the Panama City Beach Sports Park & Stadium Complex,” Tourism Economics, March 2018

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

As noted, in-depth analyses and feasibility studies support the need and likely success of the project. Key drivers include an ongoing funding mechanism already in place, multi-year agreements with event rights holders, commitments by rights holders to expand to Panama City Beach and revenue from park operations and corporate sponsorships.

Among the metrics to determine its success are facility usage rates, tournament/event participation, sales tax collections, Tourist Development Tax collections and construction/development of the area surrounding the project location.

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 Beach Sports Complex will be owned by Bay County and leased to the CVB for a period of 99 years. The CVB will manage and provide the strategic direction for the project but will hire a third-party firm, Sports Facilities Management, LLC, to run the day-to-day operations.

With the exception of debt service and capital replacement costs, the project is expected to be self-sustaining after year four. The TDC has arranged financing through a 15 year loan from BBVA Compass Bank and Tourist Development Tax proceeds will be used for the debt payments, as well as any capital replacement costs that are not funded through operations.

PROJECTIONS OF PARK OPERATIONS		
OUTDOOR FIELD COMPLEX	YEAR 1	YEAR 4
Events	29	39
Attendance	55,158	74,178
Visitor Room Nights	37,023	74,377
Park Revenue	\$876,089	\$1,536,053
INDOOR SPORTS CENTER	YEAR 1	YEAR 4
Events	22	35
Attendance	41,844	66,570
Visitor Room Nights	22,342	36,682
Park Revenue	\$631,935	\$1,031,821
COMBINED FACILITIES	YEAR 1	YEAR 4
Events	51	74
Attendance	97,002	140,748
Visitor Room Nights	59,365	111,059
Park Revenue	\$1,508,024	\$2,567,874

Source: Sports Facilities Advisory

- **EXHIBIT 9:** “Five Year Operating Pro Forma – Outdoor Field Complex,” Sports Facilities Advisory, August 2017
- **EXHIBIT 10:** “Five Year Operating Pro Forma – Indoor Court Facility,” Sports Facilities Advisory, August 2017

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

- a) **ENTRANCE PARKWAY.** The deliverable for this portion of the project will be the construction of the parkway described in the Land Transfer Agreement.
- b) **PANAMA CITY BEACH SPORTS COMPLEX.** The CVB will report to Triumph Gulf Coast, and all required parties, the economic benefit to the community derived from the combined indoor/outdoor facilities’ operations, utilizing the methodology articulated in Section 5 of this application.
- c) **JOB CREATION.** Employment growth will be measured based on the IMPLAN projection of one additional job created for every 147 overnight incremental visitors to Bay County. Because the sports park will be a new asset and expand the current tourism product by opening up new markets, the total number of patrons at the new park will represent incremental visitation.

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.

Agencies of local and state government view construction of the Panama City Beach Sports Complex as an opportunity to accelerate implementation of transformational improvements to public infrastructure. Benefits will be realized not just by non-resident patrons of the park but by the local community at-large, which will enjoy significant positive impact in terms of services, convenience and amenities.

For the City of Panama City Beach, the facility will stimulate development of the east end area and lead to additional revenue sources and greater utilization of water and sewer services at the city's premium rates. In addition, long-term plans for new roadways are critical to addressing traffic congestion, a natural by-product of growth

but a source of frustration for residents and visitors.

The city will also realize environmental and commercial benefits from expansion of its reclaimed water system. This component of the overall project will expand service to the sports complex and residential/commercial customers in the surrounding area while improving stormwater management and drinking water quality.

The Florida Department of Transportation (FDOT) has interest in the project because associated improvements to the highway infrastructure will alleviate congestion issues and provide more efficient traffic flow.

In January 2017, the Bay County Board of County Commissioners and Florida Department of Economic Opportunity approved The St. Joe Company's application for a large scale amendment to the Bay County Comprehensive Plan and subsequent zoning change covering approximately 1,250 acres including the Panama City Beach Sports Complex.

The project plan respects the natural environment and incorporates natural features, such as wetlands and mature trees, in a way that is uncommon for newly constructed sports parks. Woven throughout the landscape will be a system of walking/cycling trails connecting to park facilities and serving as an amenity for the surrounding Breakfast Point development.

In November 2017, the Bay County Board of County Commissioners voted 5-0 to forward 19 project pre-applications (including the Panama City Beach Sports Complex) to the TGC Board for funding consideration. At a subsequent regularly-scheduled meeting on January 3, 2018, commissioners further refined the list and formally endorsed 11 of the projects, including the Panama City Beach Sports Complex. On December 18, 2018, commissioners again endorsed the project in response to TGC's invitation to reevaluate priorities post-Hurricane Michael.

3. Please explain how the proposed project or program meets the discretionary priorities identified by the Board.

The project addresses multiple Triumph Gulf Coast priorities in that it will:

- a. Expand and diversify the publically owned tourism infrastructure to allow Panama City Beach, Bay County and the surrounding region to attract new market segments (not weather dependent) and families seeking non-traditional leisure and vacation travel experiences;
- b. Strengthen existing businesses, foster additional economic development, attract new private-sector capital, and drive additional demand for the region's airports;

- c. Increase the tax revenues to fund state and local governments through additional consumption taxes (state & local sales taxes, tourist development taxes) and higher property values surrounding the complex; and,
- d. Bring together a coalition of public and private-sector partners to maximize economies of scale, increase day to day utilization and spread operational costs.

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, Florida

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

On November 7, 2017, the Bay County Board of County Commissioners voted to forward all 19 Bay County proposals to Triumph Gulf Coast for further review. At a subsequent regularly-scheduled meeting on January 3, 2018, commissioners again discussed Bay County projects and each member of the board was asked to name projects to receive formal endorsement by the commission. Any project receiving three or more recommendations was included on the list to be forwarded to Triumph Gulf Coast.

The Panama City Beach Sports Complex was among the 11 projects officially endorsed by the Bay County Board of County Commissioners at its January 3, 2018 meeting.

At its regularly scheduled meeting on March 6, 2018, the Bay County Board of County Commissioners, in a series of unanimous votes, formally approved the final project financing plan, construction contract and Land Transfer Agreement.

In the aftermath of Hurricane Michael, which heavily damaged Bay County on October 10, 2018, Triumph Gulf Coast asked the Bay County Board of County

Commissioners to reevaluate the list of endorsed projects and advise whether priorities had changed. At its regularly scheduled meeting on December 18, 2018, commissioners voted unanimously to re-confirm its support of all previously-submitted projects – including the Panama City Beach Sports Complex.

- **EXHIBIT 16:** *Meeting Minutes, Bay County Board of County Commissioners, November 7, 2017, pp. 218-220*
- **EXHIBIT 17:** *Meeting Minutes, Bay County Board of County Commissioners, January 3, 2018, pp. 4-6*

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.?**

Panama City Beach CVB/Bay County TDC
Bay County Board of County Commissioners

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.**

The combined board of the Panama City Beach CVB/Bay County TDC meets on the second Tuesday of each month at 9:00 a.m. at Panama City Beach City Hall, 104 South Arnold Road, Panama City Beach, Florida. Dates of 2019 meetings are as follows:

- | | |
|----------------------|------------------|
| • <i>January 8</i> | • <i>April 9</i> |
| • <i>February 12</i> | • <i>May 14</i> |
| • <i>March 12</i> | • <i>June 11</i> |

The Bay County Board of County Commissioners meets on the first and third Tuesday of each month at 9:00 a.m. at the Bay County Government Center, 840 West 11th Street, Panama City, Florida. Dates of 2019 meetings are as follows:

- | | |
|------------------------------|---------------------------|
| • <i>January 3 & 15</i> | • <i>April 2 & 16</i> |
| • <i>February 5 & 20</i> | • <i>May 7 & 21</i> |
| • <i>March 5 & 19</i> | • <i>June 4 & 18</i> |

B. State whether that group can hold special meetings, and if so, upon how many days' notice.

- The Bay County Tourist Development Council can hold special meetings with 48 hours' notice.
- The Bay County Board of County Commissioners can hold special meetings of a non-emergency nature with a minimum of 10 days' notice.

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.

PROJECT TIMELINE – PHASES I & II

MILESTONE	DATE
Sports Studies Completed	2013
CVB Purchase of Entry Parcel	July 2015
Land Transfer Agreement Finalized	March 2016
Financing Secured	June 2017
Proformas Completed	August 2017
Final Design Completed	January 2018
Construction Cost Negotiations Completed	January 2018
Economic Impact Analysis Completed	February 2018
Bay County Commission Final Approval	March 2018
Ground Breaking – Phase I	March 2018
Ground Breaking – Phase II	Upon TGC Award
Grand Opening – Phase I	Summer 2019
Grand Opening – Phase II	Fall 2020

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.

- **EXHIBIT 18:** 2018 Florida Not For Profit Corporation Annual Report, Panama City Beach Convention and Visitors Bureau, filed January 25, 2018
- **EXHIBIT 19:** Letter of Support – Bay County, FL
- **EXHIBIT 20:** Letter of Support – City of Panama City Beach
- **EXHIBIT 22:** Letter of Support – The St. Joe Company

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.**

\$23,658,000 in TGC funding, which represents 30.7% of the total project cost, with disbursements as follows:

- a) \$4,000,000 to Bay County upon grant approval
- b) \$19,658,000 to Bay County on July 5, 2019

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.)**

Triumph Gulf Coast's investment represents 30.7% of the total project cost

3. **Please describe the types and number of jobs expected from the proposed project or program and the expected average wage.**

The new Panama City Beach Sports Complex will help generate demand in the shoulder season, which will not only create additional jobs in the tourism industry, but will also help stabilize overall employment by supporting existing jobs and decreasing seasonal layoffs.

Tourism Economics' IMPLAN modeling demonstrates that after the initial ramp-up period, one additional employee will be created for every 147 overnight incremental visitors to Bay County, helping generate a total of 620 additional jobs each year.

These new jobs will be comprised of both full-time and part-time employment and Tourism Economics expects the complex's operations to help reduce seasonality effects in Bay County's tourism labor market.

Within the tourism sector, the types of jobs created will be consistent with those currently existing in Panama City Beach; however, with the focus on non-summer, year-round programming, the average earnings from those positions will trend higher due to less seasonality.

Both the indoor and outdoor facilities will require the following management staff, with salaries ranging from \$20,000 - \$75,000 annually:

- General Manager
- Tournament Director
- Facility Manager
- Office Manager
- Marketing Assistant
- Administrative Support (part-time)

In addition, the sports park will employ operational staff at wages consistent with prevailing market rates, but with the promise of job stability due to less seasonality as previously noted. Positions required to successfully operate the sports park include:

- Facility Attendants
- Entry Staff
- Court/Field
- Tournament Staff
- Food & Beverage Staff
- Retail Staff

- **EXHIBIT 11:** “Economic Impact of the Panama City Beach Sports Park & Stadium Complex,” *Tourism Economics*, March 2018

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

Since 2015, the TDC has actively worked to bring an additional outdoor field complex to fruition by addressing key components such as land acquisition, financing, business proformas and project management.

In Second Quarter 2017, the TDC advertised for bids from qualified construction companies after receiving preliminary cost estimates in the \$30-\$35 million range from its consulting firm. The concept at that time involved significant collateral activities and retail establishments in addition to the direct sports and spectator facilities. When construction bids for the park and access road came in at \$20 million above the preliminary estimate, the TDC realized it could not build the facility as originally envisioned.

During negotiations with the contractor (selected based on its ability to deliver the “best value” to the county) and the value-engineering process, it became apparent that the project focus should shift away from the collateral features and include a large and attractive indoor sports center. This increases the project’s viability by more efficiently and effectively utilizing the available land, driving additional visitor demand and further diversifying the tourism economy with indoor athletic team tournaments, individual competitions, trade shows and expositions.

The refocused project still exceeds the TDC’s resources; however, the timing and potential availability of supplemental Triumph Gulf Coast funding make expansion of the project to fully leverage this unique opportunity possible.

5. Please provide a Project/Program Budget. Include all applicable costs and other funding sources available to support the proposal.

A. Project/Program Costs:

DESCRIPTION	COST
PHASE I – PANAMA CITY BEACH SPORTS COMPLEX	
Land Value	6,773,500
Construction	32,100,750
Design, Engineering & Administration	3,000,000
Waste Water Impact	35,000
Wetland Mitigation	497,775
SUBTOTAL	\$ 42,407,025
ENTRANCE ROAD	
Land Value	925,500
Construction	6,807,000
Design, Engineering & Administration	400,000
Wetland Mitigation	147,712
Intersection Improvements (FDOT)	2,491,194
Utility Relocation	452,745
SUBTOTAL	\$ 11,224,151
PHASE II – PANAMA CITY BEACH SPORTS COMPLEX	
Field Conversions (4) – grass to artificial turf & field lighting	2,900,000
Indoor Sports Facility Design & Construction	20,410,000
SUBTOTAL	\$ 23,310,000
TOTAL PROJECT COST	\$ 76,941,176

B. Other Project Funding Sources:

FUNDING SOURCE	DESCRIPTION	AMOUNT
Bay County Tourist Development Council	Financing	35,150,000
Bay County Tourist Development Council	Cash	2,500,000
PCB Convention and Visitors Bureau	Cash	1,544,750
The St. Joe Company	Land Donation	7,699,000
The St. Joe Company	Cash	2,800,000
The St. Joe Company	Mitigation Credits	645,487
City of Panama City Beach	In Kind	452,745
Florida Department of Transportation	In Kind	2,491,194
TOTAL APPLICANT FUNDING		\$ 53,283,176
APPLICANT FUNDED PERCENTAGE		69.3%

Note: The total amount requested must equal the difference between the costs in 5A and the other project funding sources in 5B.

C. Provide a detailed budget narrative, including the timing and steps necessary to obtain the funding and any other pertinent budget-related information.

On May 12, 2017, the Bay County Tourist Development Council approved financing of the Panama City Beach Sports Complex through a 15 year loan from BBVA Compass Bank.

On March 6, 2018, the Bay County Board of County Commissioners unanimously approved the financing plan. Loan closing took place on March 23, 2018 and funds became available to the CVB on the following day.

- **EXHIBIT 23:** Meeting Minutes, Bay County Tourist Development Council/Panama City Beach Convention and Visitors Bureau, Inc., May 12, 2017
- **EXHIBIT 24:** Bay County Board of County Commissioners, Agenda Item Summary: "Financing Bond Sports Park," Financing Resolution and Master Bond Resolution

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.

Infrastructure improvements in the areas surrounding the park will attract new private capital investment in retail businesses and services to meet the economic, educational, recreation and quality of life needs of the growing market. Triumph Gulf Coast's investment in the project will help spur more than \$200 million in new investment on the east end of Panama City Beach.

The project will provide a public benefit extending far beyond its boundaries and will serve as a catalyst for:

Transportation System Enhancements. Located directly across from the northern end of Cauley Avenue, in close proximity to the Hathaway Bridge system, the parcel of land at 8222 Panama City Beach Parkway has strategic value in addressing the region's transportation infrastructure needs. The new access road to the project provides an eastern terminus to an additional east-west traffic corridor through Panama City Beach that efficiently connects to all of the arterial roads on the east end of the Beach – U. S. Highway 98, Front Beach Road and Thomas Drive – in addition to providing access to a new school site.

Incremental Private Sector Investment. Due to increased access to Breakfast Point directly attributable to the project, The St. Joe Company applied for, and received approval of, an amendment to the Bay County Comprehensive Plan to include 750 hotel rooms, commercial office space (75,000 square feet) and retail space (160,000 square feet). Preliminary estimates of the company's investment in the construction of these new facilities exceed \$84 million.

- ***EXHIBIT 12: LPA 16-02 (PZ 16-099) Large Scale Plan Amendment application by The St. Joe Company***
- ***EXHIBIT 13: PZ 16-159 Zone Change Application by The St. Joe Company***
- ***EXHIBIT 14: Bay County, Florida Ordinance 17-01 adopted January 17, 2017***
- ***EXHIBIT 15: Bay County, Florida Ordinance 17-02 adopted January 17, 2017***

Expansion of Municipal Services & Environmental Stewardship. The City of Panama City Beach will expand its reclaimed water system to provide service to the sports complex and residential and commercial customers in the surrounding area. Use of reclaimed water will decrease demand on the city's water treatment system, provide water for irrigation and other non-potable uses, lessen the impact on ground water supplies from private wells in the area and moderate the effects of discharging treated effluent to the discharge wetlands in the Panama City Beach Conservation Park.

E. **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.**

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

In the first year of operation, the outdoor field complex will host 29 events, generate 37,023 visitor room nights and produce \$876,000 in park revenue. In year four, after the initial ramp-up period, the outdoor facility will host 39 events, generate 74,377 visitor room nights and produce more than \$1.5 million in park revenue.

Addition of the indoor sports center increases the economic impact in year one to 51 events that will generate 59,365 visitor room nights and \$1.5 million in park revenue. In year four, the combined totals for the indoor and outdoor facilities will increase to 74 events, 111,059 visitor room nights and \$2.6 million in revenue from park operations.

Over the first decade of operations, the Panama City Beach Sports Complex will produce a total economic impact of \$309 million.

- **EXHIBIT 9:** “Five Year Operating Pro Forma – Outdoor Field Complex,” Sports Facilities Advisory, August 2017
- **EXHIBIT 10:** “Five Year Operating Pro Forma – Indoor Court Facility,” Sports Facilities Advisory, August 2017
- **EXHIBIT 11:** “Economic Impact of the Panama City Beach Sports Park & Stadium Complex,” Tourism Economics, March 2018

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.

PHASE I – Outdoor Field Complex

Commencement Date: April 3, 2018
Construction Timeline: 395 calendar days to Substantial Completion

PHASE II – Indoor Sports Center

Commencement Date: TBD
Construction Timeline: 365 calendar days to Substantial Completion

C. What is the location of the public infrastructure? (Provide the road number, if applicable.)

Access to the sports complex will be via the new Chip Seal Parkway, which will originate on CVB-owned property located at 8222 Panama City Beach Parkway, at the northern end of Cauley Avenue and in close proximity to the Hathaway Bridge system.

D. Who is responsible for maintenance and upkeep? (Indicate if more than one are applicable.)

Bay County will be responsible for maintenance of the public right-of-ways and the CVB will be responsible for all associated stormwater ponds and park-related maintenance and upkeep.

E. What permits are necessary for the infrastructure project? 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?

U.S. Army Corps of Engineers

- Regional General Permits - *APPROVED*

Florida Department of Environmental Protection

- Stormwater – *APPROVED*
- Wastewater Collection/Transmission – *APPROVED*
- Drinking Water Extension/Distribution – *APPROVED*
- Wetlands Dredge & Fill - *APPROVED*

Bay County

- Development Order - *APPROVED*

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 ten (10) acre parcel acquired by the CVB for access to the property is designated as “C3 - General Commercial” and the larger parcel containing the sports park is designated as “PI – Public Institutional.” According to the Bay County Planning and Zoning Division, planned improvements associated with the sports complex will conform to those designated uses.

- **EXHIBIT 25:** *Bay County Future Land Use Map*
- **EXHIBIT 26:** *Bay County Zoning Map*
- **EXHIBIT 27:** *Site Plan – Panama City Beach Sports Complex*

- 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

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

☒ Yes ☐ No

ENTITY	DESCRIPTION	AMOUNT
Bay County TDC	Cash & Financing	37,650,000
Panama City Beach CVB	Cash	1,544,750
City of Panama City Beach	In Kind	452,745
The St. Joe Company	Land, Cash, Mitigation Credits	11,144,487
TOTAL LOCAL MATCHING FUNDS		\$50,791,982

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

- **EXHIBIT 28:** Bay County Development Order 16-60
- **EXHIBIT 29:** Request for Extension of Development Order 16-60 dated February 12, 2018
- **EXHIBIT 30:** U.S. Army Corps of Engineers Regional General Permit SAJ-2015-03090 (GP-LSL)
- **EXHIBIT 31:** Florida Department of Environmental Protection Permit 0349510-002-EI/03

ADDENDUM FOR WORKFORCE TRAINING PROPOSALS

1. Program Requirements

- A. Will this proposal support 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

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

- ☐ 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
- ☐ 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.

Bay District Schools works closely with community stakeholders to establish career pathways that meet both short- and long-term employment gaps and prepare students to become contributing members of the community.

Last year, in response to community labor shortfalls, Bay District Schools established five *Hospitality and Tourism Career Pathways* at high schools around the county to complement the four existing *Culinary Career Pathways*. Both of these programs focus on transferrable skills including

customer service, guest relations, soft skills, food presentation, food safety and marketing.

- 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

Students enrolled in Bay District Schools' *Hospitality and Tourism Career Pathways*, as well as its *Culinary Career Pathways*, learn a variety of skills that are both general and specialized in nature. Instructional areas include customer service, guest relations, marketing, food presentation and food safety.

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

Bay County, Florida

- 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.**

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

In terms of workforce development, the project's catalytic effects will provide new opportunities for students entering the job market. As Bay District Schools prepares students for careers in the tourism industry, it is critical that jobs provide assurances of year-round (and not seasonal) employment and opportunities for career progression. Local access to long-term career paths will offer citizens economic stability and, therefore, improve their overall quality of life. Bay District Schools sees this as critical to fostering healthy family environments that can change the learning profile of its most vulnerable students.

In the first year of operation, the outdoor field complex will host 29 events, generate 37,023 visitor room nights and produce \$876,000 in park revenue.

In year four, after the initial ramp-up period, the outdoor facility will host 39 events, generate 74,377 visitor room nights and produce more than \$1.5 million in park revenue.

Addition of the indoor sports center increases the economic impact in year one to 51 events that will generate 59,365 visitor room nights and \$1.5 million in park revenue. In year four, the combined totals for the indoor and outdoor facilities will increase to 74 events, 111,059 visitor room nights and \$2.6 million in revenue from park operations.

Over the first decade of operations, the Panama City Beach Sports Complex will produce a total economic impact of \$309 million.

- **EXHIBIT 9:** *“Five Year Operating Pro Forma – Outdoor Field Complex,” Sports Facilities Advisory, August 2017*
- **EXHIBIT 10:** *“Five Year Operating Pro Forma – Indoor Court Facility,” Sports Facilities Advisory, August 2017*
- **EXHIBIT 11:** *“Economic Impact of the Panama City Beach Sports Park & Stadium Complex,” Tourism Economics, March 2018*

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

- 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.**

Bay District Schools offers specialized tourism industry training at high schools throughout Bay County. In addition, students are required to complete in-field work experience and pass comprehensive exams.

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

According to Bay District Schools, there are currently 345 high school students enrolled in the *Hospitality and Tourism Career Pathways*. The *Culinary Career Pathways* currently has an enrollment of 542 high school students.

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

Bay District Schools' *Hospitality and Tourism Career Pathways* and *Culinary Career Pathways* are two-year programs offered on an ongoing basis in county high schools.

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

In-depth analyses and feasibility studies support the need and likely success of the project. Key drivers include an ongoing funding mechanism already in place, multi-year agreements with event rights holders, commitments by rights holders to expand to Panama City Beach and revenue from park operations and corporate sponsorships.

Among the metrics to determine its success are facility usage rates, tournament/event participation, sales tax collections, Tourist Development Tax collections and construction/development of the area surrounding the project location. The Panama City Beach Sports Complex will be owned by Bay County and leased to the CVB for a period of 99 years. The CVB will manage and provide the strategic direction for the project but will hire a third-party firm, Sports Facilities Management, LLC, to run the day-to-day operations.

With the exception of debt service and capital replacement costs, the project is expected to be self-sustaining after year four. The TDC has arranged financing through a 15 year loan from BBVA Compass Bank and Tourist Development Tax proceeds will be used for the debt payments, as well as any capital replacement costs that are not funded through operations.

- **EXHIBIT 9:** *"Five Year Operating Pro Forma – Outdoor Field Complex," Sports Facilities Advisory, August 2017*
- **EXHIBIT 10:** *"Five Year Operating Pro Forma – Indoor Court Facility," Sports Facilities Advisory, August 2017*

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

Students enrolled in the *Hospitality and Tourism Career Pathways* have the opportunity to earn a Front Desk Supervisor Certification which requires 100 hours of industry work experience in the field as well as the requirement that students pass a comprehensive exam at the end of years one and two of the program.

Students enrolled in the *Culinary Career Pathways* are engaged in learning culinary operations and will have the opportunity to earn the Safeserv Certification which is a prerequisite for working in a professional kitchen.

EXHIBITS & SUPPORTING DOCUMENTS

EXHIBIT #	DESCRIPTION
1	Panama City Beach Convention and Visitors Bureau, Inc. Independent Auditor's Report for Fiscal Year ended September 30, 2016
<u>2</u>	Bay County, Florida Comprehensive Financial Audit Report (CAFR) for Fiscal Year ended September 30, 2016 <i>(cover page)</i>
<u>3</u>	City of Panama City Beach Annual Financial Statements for Fiscal Year ended September 30, 2016 <i>(cover page)</i>
4	N/A
5	"The St. Joe Company Reports Fourth Quarter and Full Year 2017 Results," Press Release, March 1, 2018
6	Florida Department of Transportation, Office of Work Program and Budget, Five Year Work Program, Cauley Avenue Intersection Project
7	Sports Facilities Management, LLC letter from Sams IV, CPA, PA
8	Land Transfer Agreement – PCB Public School and Sports Park
9	"Five Year Operating Pro Forma – Outdoor Field Complex," Sports Facilities Advisory, August 2017
10	"Five Year Operating Pro Forma – Indoor Court Facility," Sports Facilities Advisory, August 2017
11	"Economic Impact of the Panama City Beach Sports Park & Stadium Complex," Tourism Economics, March 2018
12	LPA 16-02 (PZ 16-099) Large Scale Plan Amendment application by The St. Joe Company to Bay County Board of County Commissioners, January 17, 2017
13	PZ 16-159 Zone Change application by The St. Joe Company to Bay County Board of County Commissioners, January 17, 2017
14	Bay County, Florida Ordinance 17-01 adopted January 17, 2017
15	Bay County, Florida Ordinance 17-02 adopted January 17, 2017
16	Meeting Minutes, Bay County Board of County Commissioners, November 7, 2017, pp. 218-220
17	Meeting Minutes, Bay County Board of County Commissioners, January 3, 2018, pp. 4-6

EXHIBIT #	DESCRIPTION
18	2018 Florida Not For Profit Corporation Annual Report, Panama City Beach Convention and Visitors Bureau, filed January 25, 2018
19	Letter of Support – Bay County, Florida
20	Letter of Support – City of Panama City Beach, Florida
21	N/A
22	Letter of Support – The St. Joe Company
23	Meeting Minutes, Bay County Tourist Development Council/Panama City Beach Convention and Visitors Bureau, Inc., May 12, 2017
24	Bay County Board of County Commissioners, Agenda Item Summary: “Financing Bond Sports Park,” Financing Resolution and Master Bond Resolution
25	Bay County Future Land Use Map
26	Bay County Zoning Map
27	Site Plan – Panama City Beach Sports Complex
28	Bay County Development Order 16-60
29	Request for Extension of Development Order 16-60 dated February 12, 2018
30	U. S. Army Corps of Engineers Regional General Permit SAJ-2015-03090 (GP-LSL)
31	Florida Department of Environmental Protection Environmental Resource Permit #0349510-002-EI/03 (<i>cover page</i>)

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 Beach Convention and Visitors Bureau, Inc.

Name and Title of Authorized Representative: Dan Rowe, President & Chief Executive Officer

Representative Signature: _____

Signature Date: _____

