

Application Score Sheet

Proposed Project: Franklin County, Fort Coombs Armory Renovations (#20)

Proposed Project/Program County: Franklin County

Board of County Commission Support: Yes

Total Projected Project Cost: 2,000,000.00

Match Provided: \$200,000.00

Triumph Funds Requested: 1,800,000.00 (90%)

Score: C

Date: August 27, 2018

Economic Impact Analysis

The Franklin County Board of County Commissioners is seeking Triumph funding of \$1.8 million for reconstruction of the historic Fort Coombs Armory located at 66 4th St. in Apalachicola. Built in 1901 to replace the original Armory that was destroyed in the fire of May 1900, the last National Guard unit left the Armory some 15 years ago. Franklin County leases the property from the State of Florida. Since acquiring the property from the State, Franklin County has spent approximately \$1.3 million on repairs and renovations. The Triumph request of \$1,800,000 represents 90 percent of the estimated cost of the \$2 million project.

The Franklin County TDC will provide match of \$100,000 and the State of Florida State Fire Marshall will provide \$100,000 towards installing a sprinkler system. Design and engineering costs are estimated at \$337,000 and reconstruction costs at \$1,663,000.

The proposed project will complete renovations that will result in a code-compliant convention center that will serve the tourism market and meet other local needs. The facility currently has leaks in the roof and associated rot in exposed floor areas. The electrical system is out of date, the restrooms not handicapped accessible, and the building not air-conditioned. The floor has settled and there is lead paint throughout the building. Virtually all components of the building will be affected in the proposed renovation. There is limited occupancy allowed in the building and no additional renovation can be permitted until the fire suppression sprinkler system is installed.

Tourism is replacing the traditional industries of lumber and then seafood over time in Franklin County. The application notes that bed tax revenues grew from \$572,907 to \$1,250,726 from 2004 to 2016, representing an annual average growth rate of 6.7 percent. The current Armory is already used for events that attract out-of-town visitors, primarily at the weekends. However, there will be limitations on growth in the number of events that can be hosted, due simply to capacity constraints that will not be very much greater than current usage. This in turn imposes a limitation on net new visitation and associated job creation for Apalachicola and Franklin County.

Credible economic impact analysis suggests that upon completion of the renovation project, sustainable new direct jobs will be in the tourism sector at modest wages. The average cost per job across all jobs, including direct, indirect, and induced will be from \$200,000 to \$288,000 per job. Either a lower dollar request or the inclusion of credible additional uses for the facility in order to drive demand and thus job creation could help bring this cost per job down.

For the above reasons Triumph staff rate the Ft. Coombs Armory project as a score of “C” and do not recommend it for further action by the Triumph Board at this time.

Project Summary (based on information provided by the applicant)

Franklin County is requesting \$1,800,000 in Triumph Funds to complete the renovation of the Fort Coombs Armory into a Convention Center. The Fort Coombs Armory is located at 66 4th Street, Apalachicola, Florida 32320. Franklin County, a state designated Rural Area of Opportunity, has invested approximately \$1.3 million in repairing and renovating the building up to the present time. This project will complete the required renovations to the building and the outdoor yard adjacent to the building to fully convert Fort Coombs into a completely code-compliant convention center.

The Fort Coombs Armory was built in 1901, at a cost of \$10,522, to replace the original armory that burned in the May 25, 1900, fire that devastated five blocks of downtown Apalachicola. Built by the Franklin County Board of County Commissioners to house the local militia unit, the Franklin Guards, the building was later sold to the State of Florida. It housed military units until the last National Guard unit finally left the Armory in about 2003.

In 2004 the Board of County Commissioners subleased the Armory from the State of Florida Armory Board. The County was responsible for the day-to-day operation and maintenance of the building along with minor repairs. The Armory Board was responsible for major repairs and preparing grant applications to fund those major repairs.

Five years later, the Armory Board decided it had no further use of the property in Apalachicola and cancelled their lease with the State of Florida. The Franklin County Board of County Commissioners stepped in and leased the building directly from the State of Florida. With this lease Franklin County was responsible for all maintenance and repairs on the building.

At this time there were several significant problems with the Armory. The Florida National Guard had not spent any funds on repairs for a number of years prior to Franklin County assuming responsibility for the building. Major leaks in the roof had caused the floor to rot away in a storage area. The electrical system was out of date, and one of the roof leaks was directly above the electrical panel for the building. The restrooms were not handicapped accessible and inadequate for the size of the building. The kitchen was antiquated, and the building was not air-conditioned, making it unbearably hot during the summer. The floor in the main hall had settled over the past century and undulations were visible in the flooring looking across the room. Lead paint was present throughout the building.

Since leasing the building from the State of Florida, the County has undertaken a program of renovations and improvements to the building to correct problems and make the building more suitable for a convention center at a cost of approximately \$1.3 million.

The State Fire Marshal found that the building was not in compliance with the fire safety codes and has limited occupancy in the building to no more than 299 people until a sprinkler system is installed. In addition when any event is held in the building a county employee must be present as a fire watch, whose sole responsibility is to monitor the building for possible fires. The State Fire Marshal also has stated that they will not approve any more plans for renovation to the Fort Coombs Armory until the fire sprinkler system is installed.

From the time it was completed in 1901 the Fort Coombs Armory has functioned as a civic center as well as an armory. In addition to military activities, the building also hosted an assortment of civilian functions over the years. Dances, church bazaars, wedding receptions, training classes are just a few of the functions that have been held there over the years.

The main hall of the Armory is the largest indoor public space in Franklin County. Its location near downtown Apalachicola is also advantageous, since the building is easy to find for people from out of town. The location is also within walking distance of the shops and restaurants in downtown Apalachicola.

The historic buildings of Apalachicola are a major draw for tourists. Beginning with the restoration of the Gibson Inn in the mid 1980s many of the historic structures in town have been restored and returned to use, either as residences, businesses or civic structures.

As Franklin County tourist economy grows, the need for a large, enclosed, air-conditioned space for public and private events is becoming greater. The Armory may be the only building in the County that can accommodate events for over 150 people. The Florida Fish and Wildlife Conservation Commission has met twice in Franklin County in recent years. They expressed interest in meeting in the Armory, but could not utilize the building since it is not fully ADA compliant.

Around the time of the First World War the seafood industry came to dominate the local economy. In the last three decades, for a variety of reasons, the seafood industry has been in decline and the tourist industry has taken its place as the leading economic engine for Franklin County.

People are attracted to the beaches of Franklin County, which are not nearly as heavily developed as other Panhandle beaches further west, but they are also drawn by other factors. The abundant hunting and recreational fishing offered in the area is a major draw. The fresh seafood offered in local restaurants, the historical ambiance of Apalachicola, and the quiet laid-back lifestyle all contribute to entice people to visit Franklin County.

The Fort Coombs Armory is an essential component of increasing the tourist visitation in Franklin County. As an expansive, enclosed, air-conditioned space, the Armory is the site for large events. It is available for rental for private events, and is also used for public events. Completing the necessary renovations to the building will allow the building to be used to its full capacity.

The Franklin County Tourist Development Council has collected a tourist tax since the 2004-2005 fiscal year. Collections have more than doubled since that time from \$572,906.85 to \$1,250,725.82, in the 2016-2017 fiscal year, the last full year for which data is available. The tax rate has remained the same over that time period demonstrating the large increase in the number of tourists visiting Franklin County in the last thirteen years.

Based on the economic analysis of the proposed renovations to the Fort Coombs Armory prepared by the Apalachee Regional Planning Council this work will result in the addition of up to 97 non-construction related new jobs. Of those, 35 new jobs are attributable to increased sales in the economy due to the project. Another 58 new jobs are attributable to the amenity value added to the community from the project. As stated above, these new jobs are spread out over the whole economy. The new jobs attributable to sales are not necessarily retail sales positions but are jobs throughout the economic base of Franklin County.

To measure the outcomes of the project, Franklin County will monitor and keep track of how many events are held in the Fort Coombs Armory, what type of events they are, and approximately how many people attend

each event. The County will also monitor the amount of the Tourist Development Council collects each year to keep a track on how the project impacts the number of tourists visiting the area.

The renovation of the Fort Coombs Armory will allow the building to be used more fully as a convention center. The project will be sustained though Franklin County charging a user fee to users of the building. The income generated is used to pay the utility bills for the building.

Renovation of the Fort Coombs Armory is a project that can be consummated quickly and efficiently. Franklin County has an architect hired who has worked on previous phases of renovation on the building. Upon funding Franklin County will proceed with the design of the final renovations to the Fort Coombs Armory. It is expected that the design will take six months. Once the design is complete permitting will take two months, and bidding and award of the contract will take three months which can run simultaneously. Construction will take twelve months. The total length of time will be twenty-one months.

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:

A. Project/Program Costs:

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

Reconstruction	<u>\$ 1,663,000</u>
Design & Engineering	<u>\$ 337,000</u>
Total Project Costs:	<u>\$ 2,000,000</u>

B. Other Project Funding Sources:

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

City/County	\$ <u>100,000</u>
Private Sources	\$ _____
Other (e.g., grants, etc.)	\$ <u>100,000</u>

Total Other Funding: \$200,000.00

Total Amount Requested: \$200,000.00

This renovation is being accomplished in partnership with the Franklin County Tourist Development Council and the State of Florida through the State Fire Marshal. The TDC has provided \$790,000 of funding for renovation of the armory in the past and is providing \$100,000 for this final phase of renovations. The legislature allocated \$100,000 to installing a fire sprinkler system at Fort Coombs. These funds are being administered through the State Fire Marshal's Office.

Franklin County has continued to seek grant funding to bring the building up to current codes. Historical grants from the Florida Division of Historical Resources are limited to a maximum amount of \$500,000 and currently require a 25% match from Franklin County. Because of the requirement that an entity not have more than one historic grant from DHR open at any time, and assuming that Franklin County could come up with the necessary match, it would take Franklin County at least eight years to finish renovations on the Fort Coombs Armory just utilizing DHR grants.

The entire renovation project for the Fort Coombs Armory is estimated to cost \$2,000,000. Of this amount, \$337,000, or 16.9%, will go toward architectural and engineering fees for the project. These fees include the cost of designing the renovations plus bidding and construction administration. The design fees will probably be about 75% of the total architectural and engineering fees while the bidding and construction administration fees will take the remaining 25%.

The remainder of the project funding, \$1,663,000, will go into actual renovations to the building and grounds to produce a structure that is fully ADA accessible and meets the current building codes.

Letters of Support

Franklin County Board of County Commissioners