

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: Panama City – Bay County Airport and Industrial District
(DBA: Northwest Florida Beaches International Airport Authority)

Proposal Title: Northwest Florida Beaches International Airport - Aviation Center of Excellence

Amount of Triumph Funds Requested: \$35,200,000

Total Estimated Project Cost: \$139,216,064

Brief Description of Individual/Entity/Organization: The Northwest Florida Beaches International Airport opened in May of 2010 offering the Region new opportunities in air travel as well as aerospace manufacturing and repair. Air travel from Panama City prior to the opening of the Airport was from PFN, which served the City of Panama City and its surrounding communities with regional jet service to Atlanta. In May 2010, PFN closed and ECP opened with a 10,000 foot runway plus land for development. ECP brought to the Region, Southwest Airlines and the up-gauging of Delta aircraft, thus becoming the first Main Line Station for Delta Airlines in the Panhandle. Since the opening, United Airlines has added service to Houston’s George Bush Intercontinental Airport with connections to more than 160 cities worldwide and American Airlines to Charlotte, Dallas- Ft Worth, and Washington D.C. to more than 32 countries around the world. In addition to adding new service routes to locations, ECP has continued to surpass expectations for passenger traffic. In 2009, one of the final years of operation at the prior airport location, the airport saw approximately 312,000 total passengers. In just 10 years, the annual passenger traffic reached nearly 1.3M.

ECP continues to be in the spotlight of site consultants due to its close proximity to the beach, 4 lane highway system, quick and easy access to the global air traffic network and most importantly, its status of being a “Field of Opportunity”.

Contact Information:

Primary Contact Information: Parker W. McClellan, Jr. A.A.E.

Title: Executive Director – Northwest Florida Beaches International Airport

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Primary Educational Contact Information: Ann Leonard

Title: Director – Tom P. Haney Technical Center

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Email Address: leonaal@bay.k12.fl.us

Website: www.bayschools.com/htc

Names of co-applicants, partners or other entities, organizations that will have a role in the proposed project or program:

- Panama City - Bay County Airport and Industrial District (Airport Authority/ECP/Airport)
- Bay District Schools – Tom P. Haney Technical Center – Aviation Academy
- Bay Economic Development Alliance
- Bay County Commission
- CareerSource Gulf Coast
- Gulf Coast State College
- Florida State University – Panama City
- Enterprise Florida
- Department of Economic Opportunity
- Florida Department of Transportation
- Triumph Gulf Coast
- Space Florida
- U.S. Economic Development Administration

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.

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
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- 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

Project Overview

In Northwest Florida and in the Gulf South, the aerospace and aviation industry are prime targets for economic development growth and economic diversification. Northwest Florida has established itself as a burgeoning region for growth in this sector because of its military assets and its geographical proximity to several large original equipment manufacturers (OEMs) and aviation company headquarters. With the aviation and aerospace sector being such a major component of the U.S. economy, Northwest Florida and Bay County specifically, work to ensure that the proper investments are made now to keep pace with the national growth of the sector. According to the Aerospace Industries Association (AIA) 2019 report, there are currently 2.55M U.S. jobs that support the aerospace and defense industry. Additionally, the total revenue sales for the industry in 2018 exceeded \$929B, an increase of 4.17% from the prior year. The sector represents 1.8% of the entire GDP. According to AIA, based on global demand, the growth seen over the past several decades is not likely to subside and the projected outlook for the industry is only set to increase in the coming years.

Because of the importance of this sector for the U.S. economy and for U.S. global security, Northwest Florida must take the required steps now to remain a key region for the sector. As stated in the Northwest Florida Forward strategic plan, the Northwest Florida Region has a location quotient of 1.05 in this sector. However, according to EMSI projections from the HAAS Center within the strategic plan, this targeted cluster is projected to decrease in employment by 16% between 2016 to 2026 within Northwest Florida. Strategic activities in our region must occur to prevent a decrease in aviation companies and jobs.

Because of the geographic location of Northwest Florida and its military assets, the partners stated above are working to establish an Aviation Center of Excellence at the Northwest Florida Beaches International Airport (ECP). This Aviation Center of Excellence currently has four different components that bring together private MRO facilities, educational institutions, and a private aviation training provider. Once completed, the established education institution will provide a ready pipeline of workforce for the initial two MRO facilities and for future MRO operations. The establishment of this Center of Excellence will also assist in the stabilization of the regional economy in the wake of a major disaster such as what occurred in 2018 from Hurricane Michael and in 2010 with Deep Water Horizon Oil Spill.

Since establishment in 2010, ECP has become a spotlight for site selection consultants and companies for business locations due to it being one of the newest International Airports in the U.S., its 3,000 developable acres, global air traffic network, ready development sites adjacent to a 10,000 ft runway. These key assets are the prime contributors to making the airport a desirable location for economic development projects. Because of these opportunities available at ECP; the Airport Authority, Bay EDA, Bay County Commission, and several partners have come together and assembled the first two phases of establishing the Aviation Campus called the Aviation Center of Excellence at ECP. The projects included in Phase One and Phase Two for the Center of Excellence include Project Venus, Project Gator, Project Good Wrench, and Project Saturn. Summaries of these projects are below.

Project Venus is an aviation and aerospace company with headquarters in Europe. The company has an extensive network of aviation maintenance, repair, and overhaul facilities throughout Europe and Asia. The company has established itself as a fully integrated aircraft maintenance solutions' provider. The company has been established for over two decades and employs over 1,200 aviation professionals. With a long track record of success in the European and Asian markets, Project Venus representatives are looking to expand their operations into the Americas with a new facility to support their expansion. The company currently completes MRO operations on aircraft in the commercial and military sectors.

Project Venus is negotiating with Bay EDA, the Airport Authority, and Space Florida for the construction and lease of a four-bay, narrow body hangar (~104,000 sq. ft.), an office building (~40,000 sq. ft.), and warehouse/workshop facility (33,000 sq. ft.). When fully staffed, Project Venus is estimated to employ 250 local residents with an average wage of \$44,000, which is over 115% of the Bay County average. The estimated capital investment is approximately \$40M.

Project Gator is an aviation and aerospace company based in the southeast United States. Currently, Project Gator has facilities and operations in two states and desires to expand to Florida because of its proximity to key customers. Founded 10 years ago, the Company has grown to be a renowned leader as an aviation refinishing specialist. The company has seen record growth in sales in their business due to their reliable and meticulous approach to servicing customers and their business needs. Because of the company's growth and vision, the company is evaluating siting a new business location in Panama City, Bay County, Florida. This potential expansion will have no impact to the company's current operating locations.

For the proposed project, Project Gator is negotiating with Bay EDA, the Airport Authority, and Space Florida for the construction and lease of a wide-body paint hangar (~75,000 sq. ft.) to be located at the Northwest Florida Beaches International Airport. Once operational, the project will allow Project Gator the opportunity to begin operation in a third location and service additional customers and contracts to support their growing business. When fully staffed, Project Gator is estimating they will hire 96 employees with an average wage of \$45,895, which is over 115% of the Bay County average. The estimated capital investment is approximately \$21.3M.

Project "Good Wrench" is a partnership between the Bay County School System and Airport Authority to enhance educational opportunities for the expansion and development of the FAA Approved Airframe and Powerplant (A & P) Program at Tom P. Haney Technical Center (Haney). The present facilities at Haney are limiting the growth of the program that has seen recent success with the growth of the aviation industry worldwide.

Project Good Wrench would be the construction of a facility at ECP that would allow the A & P Program to relocate and expand the educational opportunities for students. The present facilities have the capability to allow 60 students per session and the new facility would provide classrooms, labs, engine test and support facilities for more than 120 students.

The unique location and the ability to have the students begin their training and familiarity of working at an airport and a MRO facility would enhance the employment and growth of the aviation sector in Northwest Florida. The facility would be designed as an MRO allowing students to be familiar with the working environment and as a result increase their employability upon completion of the licensing program. This relocation will also allow the A & P Program to become a new pipeline for employment opportunities supporting Project Venus, Project Gator, and future MRO facilities. This close proximity to existing employers will also provide opportunities for students to complete internships and Co-Op positions within these adjacent businesses.

Project Saturn is a private aviation training provider independent for aviation professionals. This European based company has a global network of clients in nearly 100 countries. The company also provides training for 14 types of aircraft including Airbus, Boeing, Embraer, and others. Working with Bay EDA, the Airport Authority, and other partners, Project Saturn is working to establish a training center within the Aviation Center of Excellence. The company intends to start with two full flight simulators (FFS) and expand to four FFSs and three fixed based simulators (FBS) in the coming years. Once operational, Project Saturn would hire 40 employees with an average wage of at least 115% of the Bay County average. The Project

Saturn operation is also projected to generate approximately 12,000 room nights annually for local hotel accommodations per each FFS. The projected capital investment for this project is expected to exceed \$50M.

To support the growth of the aerospace and defense sector in Northwest Florida; the Airport Authority, Bay EDA, and its partners have assembled the projects above to act as Phase 1 and Phase 2 of the establishment of the Aviation Center of Excellence at the Northwest Florida Beaches International Airport. This Aviation Center of Excellence Campus Concept is being pursued aggressively by local leaders, as it supports the true economic diversification that is needed within the regional economy. As was evidenced following Hurricane Michael in 2018, having an established industrial base in the wake of a major disaster helps make the economy stabilize much quicker. With the creation of this Aviation Campus and with the four projects below, the industrial base will further be expanded into the aerospace and defense sector making the Region's economy much more resilient in the wake of future disasters. In addition, with the recent news of the GKN Aerospace closure, the establishment of these new aerospace companies will allow impacted employees to receive employment in the aerospace sector matching their skillsets. In total, the estimated capital investment for the first four components of the Aviation Center of Excellence are estimated to be \$139M.

To support this Campus Concept and its four initial components, which include; maintenance, refinishing, training and education the Airport Authority and its partners are working with multiple state and federal agencies to assemble the needed funds to ensure the Aviation Center of Excellence is successful in Northwest Florida. This \$35.2M request from Triumph Gulf Coast is critical to bringing these projects to fruition at the Northwest Florida Beaches International Airport and our Region.

Proposed Project Budget

Project Budget- Draft

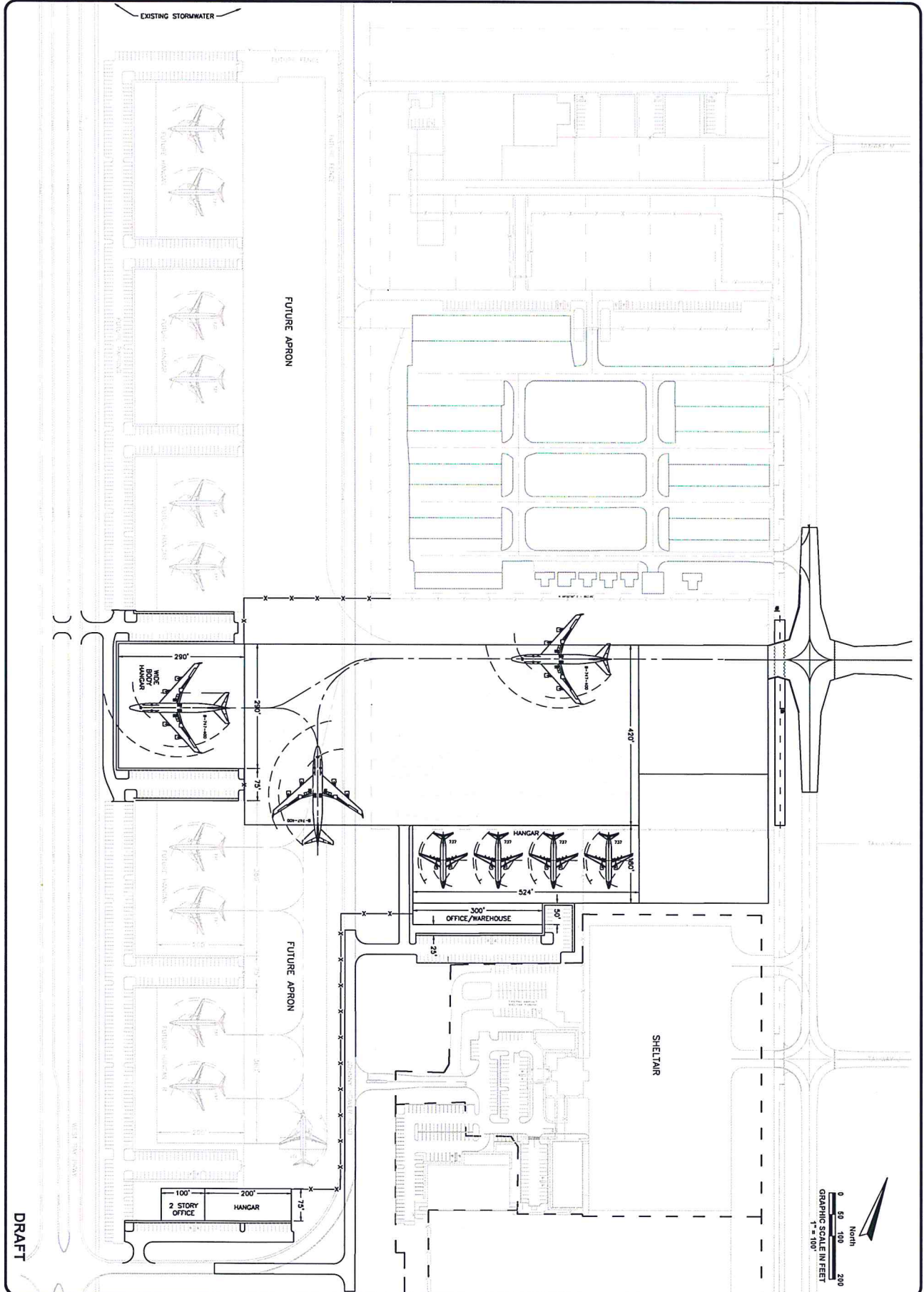
Project Venus		\$39,835,014
Project Gator		\$21,347,000
Project Good Wrench		\$8,034,050
Project Saturn		\$52,000,000
Apron/Infrastructure Improvements		\$18,000,000
Total Project Cost ----->		\$139,216,064

Source	Amount	Use
Northwest Florida Beaches Int'l Airport	\$4,000,000	Apron/Infrastructure Improvements
FDOT	\$8,000,000	Apron/Infrastructure Improvements
Federal EDA	\$10,000,000	Apron/Infrastructure Improvements
Governor's Job Growth Grant Fund	\$4,500,000	Apron/Infrastructure Improvements
Share the Future Fund	\$300,000	Apron/Infrastructure Improvements
Bay County	\$500,000	Apron/Infrastructure Improvements
Triumph - Venus	\$16,000,000	Venus Facility
Triumph - Gator	\$6,144,000	Gator Facility
Triumph - Good Wrench	\$8,034,050	Good Wrench Facility and Equipment
Triumph - Saturn	\$5,000,000	Project Saturn
Venus Company Investment	\$3,983,501	Venus Facility
Gator Company Investment	\$2,134,700	Gator Facility
Saturn Company Investment	\$5,200,000	Project Saturn

<i>Project Saturn Funding Investment</i>	<i>\$10,200,000</i>
<i>Project Venus Funding Investment</i>	<i>\$19,983,501</i>
<i>Project Gator Funding Investment</i>	<i>\$8,278,700</i>

Total Triumph Investment	\$35,178,050	To request \$35.2M
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Project Venus Financed Amount- Space Florida	\$19,851,513
Project Gator Financed Amount- Space Florida	\$13,068,300
Project Saturn Financed Amount- Space Florida	\$41,800,000



DRAFT

EXHIBIT 1

DESIGNED BY: T.N.
 DRAWN BY: M.B.
 CHECKED BY: T.N.
 APPROVED BY: V.L.
 PROJECT NO: 2014-07-03
 DATE: FEBRUARY 2009
 SHEET NUMBER

MRO IMPROVEMENTS
 PREPARED FOR
 NORTHWEST FLORIDA BEACHES
 INTERNATIONAL AIRPORT

CONCEPTUAL
 SITE PLAN

NO.	DATE	REVISION	BY

TOMLA D. NATION
 FL. FIRM CERTIFICATE OF
 AUTHORIZATION NO. 5557

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ECP Aviation Center of Excellence

