



PORT ST. JOE PORT AUTHORITY

101 Good Morning St, Ste 103
Port St. Joe, FL 32456-4770
Phone: (850) 229-5240

Ms. Susan Skelton
Executive Director
Triumph Gulf Coast
P.O. Box 12007
Tallahassee, Florida 32317

March 12, 2021

Re: Port Saint Joe Port Authority Submitted Triumph Gulf Coast Application

Dear Ms. Skelton,

Please find enclosed the Port Saint Joe Port Authority's application for funds with narrative and Letters of support. A copy of the most recent Audit with a Financial Statement is also enclosed.

We appreciate the opportunity to apply for this needed funding and are looking forward to providing you additional information that may be needed.

Respectfully Submitted,

Guerry P. Magidson Sr.
Chairman
Port Saint Joe Port Authority

Triumph Gulf Coast, Inc Trust Fund Application for Funds

Proposal Instructions: The Triumph Gulf Coast, Inc. Trust Fund Grant Application (this document) must be completed by the entity applying for the grant and signed, as applicable, by either the individual applying for funds, an individual authorized to bind the entity applying for funds, a chief elected official, the administrator for the governmental entity or their designee. Please read the Application carefully as some questions may require a separate narrative to be completed. In addition, please complete all Addendums that may be applicable to the proposed project or program.

Triumph Gulf Coast, Inc. will make awards from available funds to projects or programs that meet the priorities for economic recovery, diversification, and enhancement of the disproportionately affected counties. Triumph Gulf Coast, Inc. may make awards for:

- 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.

Pursuant to Florida Law, Triumph Gulf Coast, Inc. will provide priority consideration to Applications for projects or programs that

- 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.

Additionally, the Board of Triumph Gulf Coast, Inc. may provide discretionary priority to consideration of Applications for projects and programs that:

- Are considered transformational for the future of the Northwest Florida region.
- May be consummated quickly and efficiently.
- Promote net-new jobs in the private sector with an income above regional average household income.
- Align with Northwest Florida FORWARD, the regional strategic initiative for Northwest Florida economic transformation.
- Create net-new jobs in targeted industries to include: aerospace and defense, financial services/shared services, water transportation, artificial intelligence, cybersecurity, information technology, manufacturing, and robotics.
- Promote industry cluster impact for unique targeted industries.
- Create net-new jobs with wages above national average wage (*e.g.*, similar to EFI QTI program, measured on graduated scale).
- Are located in Rural Area of Opportunity as defined by the State of Florida (DEO).
- Provide a wider regional impact versus solely local impact.
- Align with other similar programs across the regions for greater regional impact, and not be duplicative of other existing projects or programs.
- Enhance research and innovative technologies in the region.
- Enhance a targeted industry cluster or create a Center of Excellence unique to Northwest Florida.
- Create a unique asset in the region that can be leveraged for regional growth of targeted industries.

- Demonstrate long-term financial sustainability following Triumph Gulf Coast, Inc. funding.
- Leverage funding from other government and private entity sources.
- Provide local investment and spending.
- Are supported by more than one governmental entity and/or private sector companies, in particular proposed projects or programs supported by more than one county in the region.
- Provide clear performance metrics over duration of project or program.
- Include deliverables-based payment system dependent upon achievement of interim performance metrics.
- Provide capacity building support for regional economic growth.
- Are environmentally conscious and business focused.
- Include Applicant and selected partners/vendors located in Northwest Florida.

Applications will be evaluated and scored based on compliance with the statutory requirements of the Triumph Gulf Coast legislation, including but not limited to the priorities identified therein and the geographic region served by the proposed project or program.

Applicant Information

Name of Entity/Organization: Port St. Joe Port Authority

Background of Applicant Individual/Entity/Organization: The Port St. Joe Port Authority which administers the Port of Port St. Joe, was originally created by special act of the Florida Legislature in 1955 and now operates consistent with Chapter 2000-488. The Port Authority consists of five commissioners appointed by the Governor.

Federal Employer Identification Number: 59-2391693

Contact Information:

Primary Contact Information: Guerry P Magidson

Title: Chairman, Port St. Joe Port Authority

Mailing Address: 101 Good Morning Street, Suite 103
Port St. Joe Fl. 32456

Phone: (850) 227-4855

Email: gmagidson@portofportstjoe.com

Website: www.portofportstjoe.com

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.

Gulf County intends to provide \$7,500,000 in CDBG funds, St. Joe Company has committed \$12,308,646 in land for spoil site mitigation and permit fees and the Florida Department of Transportation has paid \$1,500,000 in engineering/design costs & permit fees in the past allocated \$20,000,000 to the project.(See additional information in Narrative Attachment (page 1 Applicant & Partners))

(If additional space is needed, please attach a Word document with your entire answer.)

Total amount of funding requested from Triumph Gulf Coast: **\$17,500,000**

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.

(If additional space is needed, please attach a Word document with your entire answer.)

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

The Port St. Joe Port Authority is a public authority under Chapter 30787 Florida Statue and as such is audited annually by the Auditor General of Florida. (See Attached Audited Financial Statement)

(If additional space is needed, please attach a Word document with your entire answer.)

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

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

If yes, please identify the entity or individual that field for bankruptcy and the date of filing.

(If additional space is needed, please attach a Word document with your entire answer.)

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.

[See Narrative Attachment \(Page 1\)](#)

(If additional space is needed, please attach a Word document with your entire answer.)

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

[See Narrative Attachment \(Page 2\)](#)

(If additional space is needed, please attach a Word document with your entire answer.)

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

[See Narrative Attachment \(Page 3\)](#)

(If additional space is needed, please attach a Word document with your entire answer.)

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

[See Narrative Attachment \(Page 4\)](#)

(If additional space is needed, please attach a Word document with your entire answer.)

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.)

[See Narrative Attachment \(Page 5\)](#)

(If additional space is needed, please attach a Word document with your entire answer.)

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

[See Narrative Attachment \(Page 5\)](#)

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.

See Narrative Attachment (Page 7)

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

See Narrative Attachment (Page 7)

(If additional space is needed, please attach a Word document with your entire answer.)

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: Gulf County

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

SEE ATTACHED GULF COUNTY 02/24/2021 LETTER OF RECOMMENDATION
Gulf County will be a partner in funding the project

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.? **The Port St. Joe Port Authority has all necessary permits to dispose of the dredged material and the Army Corp of Engineers has the permits to perform the dredging.**

(If additional space is needed, please attach a Word document with your entire answer.)

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

The Port St. Joe Port Authority meets the 2nd Wednesday of every month and can call a special meeting with 48 hours public notice.

(If additional space is needed, please attach a Word document with your entire answer.)

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.

See Timeline in Narrative Attachment (Page8)

(If additional space is needed, please attach a Word document with your entire answer.)

4. Attach evidence that the undersigned has all necessary authority to execute this proposal on behalf of the entity applying for funding. **See-Attached minutes of the Port St/. Joe Port Authority meeting February 10,2021 on page 17 of this application.**

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. **The Port St. Joe Port Authority requests \$17,500,000 from Triumph Gulf Coast. See Funding and Budget Section of Narrative (Page 9)**

(If additional space is needed, please attach a Word document with your entire answer.)

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.)

The requested Triumph award of funding of \$17,500,00 is 29.75% of the \$58,808,646 Project Budget

(If additional space is needed, please attach a Word document with your entire answer.)

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

[See Narrative Attachment \(Page 8\)](#)

(If additional space is needed, please attach a Word document with your entire answer.)

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

Triumph's \$17.5 million will supplement Gulf County \$7.5 million, DOT \$21.5 million and St. Joe Co.'s \$12.3 million.

(If additional space is needed, please attach a Word document with your entire answer.)

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

A. Project/Program Costs:

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

Dredging	\$ <u>33,000,000</u>
Spoil Site Construction	\$ <u>12,000,000</u>
Design/Engineering/permits	\$ <u>1,500,000*</u>

* Previously paid by DOT*

Land for spoil sites	\$ <u>4,869,896</u>
Land Mitigation	\$ <u>7,188,750</u>
Permitting	\$ <u>250,000*</u>

*Previously Paid by St. Joe Co.

Total Project Costs:	\$ <u>58,808,646</u>
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Note: The total amount requested must equal the difference between the costs in 3A. and the other project funding sources in 3.B.

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

[See Narrative Attachment \(Page9\)](#)

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.

See Narrative Attachment (Pages10-14)

2. Additional Information

- A. Is this project an expansion of existing infrastructure project?

☒ Yes ☐ No

The dredging of the existing channel to 35 plus 2 feet provide the depth needed for domestic and international shipping.

- B. Provide the proposed beginning commencement date and number of days required to complete construction of the infrastructure project.

The Port St. Joe Port Authority has obtained the permits for the spoil areas, the Army Corp of engineers has the required dredging permits and all design and engineering work has been completed. The project can proceed immediately upon funding notice.

See Attached Time Frame for the Project in Narrative Section (Page8)

(If additional space is needed, please attach a Word document with your entire answer.)

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

The dredging work will be performed in Bay of Port St. Joe Florida and the adjacent property part of the shipping channel, all on public land.

See attached map (Page 3)

(If additional space is needed, please attach a Word document with your entire answer.)

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

The Army Corp of Engineers will be responsible for maintenance dredging once the project is complete.

(If additional space is needed, please attach a Word document with your entire answer.)

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

The Port St, Joe Port Authority has all the necessary permits to dispose of the dredged material and the Army Corp of Engineers has the dredging permits. Total cost for permitting was \$1 million which FDOT paid 75% and the St. Joe Company paid 25%. FDOT has also paid \$750 thousand for engineering of the dredge material disposal sites.

(If additional space is needed, please attach a Word document with your entire answer.)

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?

See above.

(If additional space is needed, please attach a Word document with your entire answer.)

- 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 project is consistent with the current and future land use designation.
See Attachment. (Pages 10 to 14)

(If additional space is needed, please attach a Word document with your entire answer.)

- 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

(If additional space is needed, please attach a Word document with your entire answer.)

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

☒ Yes ☐ No

Gulf County intend to provide \$7.5 Million in CDBG for the project, DOT previously paid \$1.5 million in engineering, design and permitting fees and has allocated \$20 million to the project in past budget years. The St. Joe Company has paid \$250,000 in permit fees and has committed \$12,058,646 in land and mitigation.

(If additional space is needed, please attach a Word document with your entire answer.)

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

See Freight Logistics Zone information in the Narrative Section (Pages 10-12)

(If additional space is needed, please attach a Word document with your entire answer.)

ADDENDUM FOR LOCAL MATCH REQUIREMENTS OF SECTION 288.0655, FLORIDA STATUTES-----Not Applicable

ADDENDUM FOR AD VALOREM TAX RATE REDUCTION-----Not Applicable

ADDENDUM FOR LOCAL ACTION PLAN, FLORIDA STATUTES-----Not Applicable

ADDENDUM FOR ADVERTISING/PROMOTIONS-----Not Applicable

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

See Attached letters of support from contiguous counties, regional planning authorities, economic development groups and a private sector business partner.

Name of Applicant: The Port St. Joe Port Authority

Name and Title of Authorized Representative: Guerry Magidson Sr., Chairman

Representative Signature:



Signature Date:

3/11/2021

**PORT ST.JOE PORT AUTHORITY
REGULAR MEETING MINUTES, WEDNESDAY, FEBRUARY 10, 2021
GULF COAST STATE COLLEGE, GULF/FRANKLIN CAMPUS
ROOM B112
3800 GARRISON AVE, PORT ST JOE, FLORIDA**

The mission of the Port St. Joe Port Authority is to enhance the economic vitality and quality of life in the Gulf County area and the Northwest Florida region by fostering the growth of domestic and foreign commerce, thereby providing jobs and economic opportunity to the region and the state of Florida.

Call to order at 10:03 am by Chairman – Guerry Magidson, Sr.

Guerry Magidson discussed Triumph Application and gave thanks to Jim McKnight for his assistance in the application process. Motion was made by Michael Mize to allow Chairman, Guerry Magidson to sign on behalf of the Port Authority Board. Seconded by Jera Horton. Motion carried unopposed.


Minutes from the January 2021 meeting were presented. Motion made by Michael Mize to approve as presented. Seconded by Jera Horton. Motion carried unopposed.

Financial reports were presented to the board. There was a brief discussion on the accrued interest from the county. Guerry Magidson is going to reach out to discuss having the interest waived. Motion made by Jera Horton to approve as presented. Michael Mize seconded. Motion carried unopposed.

Michael Mize recommended a financial limit to be approved to allow the board to pay bills/invoices without full board approval. Tom Gibson recommended \$5,000 limit. Motion was made by Michael Mize. Seconded by Jera Horton. Motion carried unopposed.

Reports were given by Tommy Pitts and Jim McKnight on current projects. There were no additional actions needed at this time.

Meeting was adjourned at 10:32am.


Jera L Horton

Secretary



Narrative Attachment

Triumph Gulf Coast

Application for Funds

Port St. Joe Port Authority

Dredging of the Shipping Channel of the Port of Port St. Joe

February 2021

Response to Applicant & Partners (Page 4) The applicant for Triumph funding is the Port St. Joe Port Authority. Partners in the project including Gulf County, the City of Port St. Joe, the St. Joe Company, and the State of Florida Department of Transportation. In addition, Franklin County, Liberty County and Gadsden County are supporting the project due to the projected impact on their counties from the FDOT accepted economic development strategic plan titled, “The Gulf to Gadsden Freight Logistics Zone”. Contingent on Triumph funding, partners in the project will provide the following: Gulf County intends to provide \$7,500,000 in funding to the project from CDBG funds. The St. Joe Company previously paid the \$250,000 dredging permit fee and will provide \$12,058,646 in land and mitigation for the spoil sites for a total project contribution of \$12,308,646. The Florida Department of Transportation in previous years paid \$1,500,000 in design, engineering and permit fees for the project and has budgeted \$20 million dollars for the project. It is expected those funds will be made available again contingent on the Triumph award. Gulf County and the City of Port St. Joe will seek other sources of infrastructure support.

Response Eligibility Question (Page 6) This is a public infrastructure project for the Port St. Joe Port Authority located in Gulf County, a Rural Area of Opportunity as defined by the State of Florida. The project will enhance the economic recovery and diversification of disproportionately affected Gulf County. Impacting contiguous counties of Franklin, Liberty, and Gadsden due to the common transportation asset, Genesee & Wyoming Apalachicola Northern Railroad, which connects the Port through each county to the Florida Gulf Atlantic Railroad and ultimately to both CSX and Norfolk Southern the dredging and related work will allow the Port to re-open for rail and water shipping to domestic and international markets. The Port St. Joe Port Authority, which administers the Port of Port St. Joe, was originally created by special act of the Florida Legislature under Chapter 30787, Laws of Florida, in 1955, as amended. In June 2000, Chapter 30787 was essentially replaced with the passage of Chapter 2000-488, Laws of Florida, providing for the re-codification and re-creation of the Port Authority, from which its current powers and legal authority to extend. The Port St. Joe Port Authority consists of five commissioners, appointed by the governor to four-year staggered terms. The geographic boundary limits of the Port Authority’s district are contiguous with the geographic boundary limits of Gulf County. As a public authority, the Port Authority is audited by the Auditor General of Florida. The Port St. Joe Port Authority has consistently received audits indicating that there were no significant or material findings.

See attached State of Florida Auditor General Report for Fiscal Year ended September 30, 2019.

2. Description of Project (beginning on page 7 of application) The Port St Joe Port Authority proposes to dredge the shipping channel to a depth of 35 feet plus 2 feet to provide access for domestic and international trade activity at the Port of Port St. Joe. It is imperative to the economic well-being of Gulf County, the surrounding counties, and the State of Florida that the Port become fully operational. The 35 feet plus 2 feet dredged depth will be sufficient for ocean going ships and allow the expansion of port tonnage, thereby providing the needed stimulus to the region’s economy to insure recovery from the Deep-Water Horizon Oil Spill and Hurricane Michael. A fully operational port is essential to the economic diversification of Port St. Joe, Gulf County, and this region of the State of Florida, as it will provide the port of entry for the Gulf to Gadsden Freight Logistic Zone (FLZ), a four-county economic development strategy linking identified and vetted industrial development sites along the Apalachicola Northern Railroad operated by Genesee & Wyoming (gwrr.com) from the port to Interstate 10.

3. Transformational (page 8) The proposed program is transformational, as the Port of Port St. Joe, a deep-water seaport located in Gulf County, Florida, is an integral component of the critical economic foundation of the Great Northwest and the Gulf to Gadsden Freight Logistics Zone, creating externality benefits that go beyond the quantification of *direct* and *indirect* economic impacts from Port operations alone. Among such externality benefits are the facilitation of business recruitment of international and national corporations that wish to locate near and to use a modernized port along Florida's Gulf Coast. This is supportive of the Economic Recovery of Florida's Great Northwest region. The Gulf to Gadsden Freight Logistic Zone strategy identifies two Intermodal Logistic Centers: 116 & 126 acres adjacent to the Port of Port St. Joe and 600 acres in Gadsden County bordered by both Interstate 10 and the railroad. Both proposed ILC's have employers seeking certainty in the port development process. In Gulf County, this project will facilitate business expansion and attraction in the following ways: The Gadsden County Development Council (GCDC) has 600 acres under option to purchase at the Gretna I-10 Interchange. A \$300,000 DEO Rural Infrastructure Fund Feasibility Grant has produced a Phase I ESA and related site plans for rail transfer and industrial uses.

In the 18 years the Port has been inactive, too many prospective businesses have been lost due to the inadequate depth of the shipping channel. The below listed businesses are currently considering locating at or near the Port of Port St. Joe and the increased channel depth would positively impact their decision.

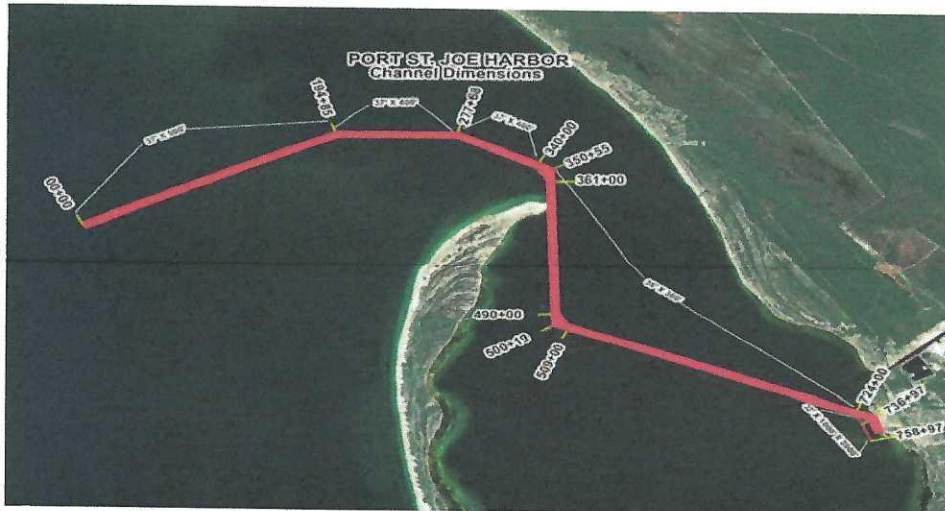
Project Name / Business Type	Site	Capital Investment	Direct Jobs	Average Salary	Indirect Jobs	Average Salary	Status
BioCarburant e/ Biofuel	Hwy 71 FLZ Site # 12045-021	\$448,712,928	99	\$42,717	123	\$55,362	Due Diligence by Investors
Project World/ Biomass	Gulf Canal MTI/Premier	\$550,000,000	175	\$72,000	600	\$55,000	Planning/Land Acquisition
Project Cal/ Timber Export	Gulf Canal MTI/Premier	\$390,000,000	100	\$43,500	123	\$55,362	Planning/Land Acquisition
Project Daly/ Natural Gas Facility	Gulf Canal MTI/Premier	\$3 Billion	175	\$72,000			Competitive Site Selection In process
Twin Rivers/ Wood Chipping Export	Old Mill Site at the Port Bulkhead	\$4,000,000	12	\$42,717	123	\$55,362	On Site awaiting permits

NOTE: Acquisition of the MTI/Premier site by one of the three interested companies would eliminate the other two

In addition to the above-mentioned prospective businesses, Eastern Ship Building has begun operation of their shipyard at the Port St. Joe bulkhead. Their current contracted work includes the outfitting and completion of three (3) Staten Island Ferries at the Port St. Joe yard. Future Eastern Ship Building contracted work includes ten (10) Coast Guard Cutters, that would require the project's 35-foot channel depth for the outfitting to be done in Port St. Joe.

The impact of reopening the Port of Port St. Joe was estimated to generate the following economic impacts based on the 2015 Washington Economic Group Study: Note for the purposes of this application the study timetable was advanced to a dredging commencement date in 2022.

- An average of 803 annual equivalent jobs across in the ten-year following commencement of the dredging project period. This includes the temporary construction jobs in the first two years along with the jobs that accompany sustained operations at the modernized Port beginning in 2022.
- By 2030, the project is expected to yield over \$941 million in Total Economic Impact and add \$490 million to Florida's Gross Domestic Product.
- From an ROI perspective, the modernization plans of the Port are estimated to generate nearly \$133 million in net State revenues (fiscal impacts) for taxpayers, representing a total ROI of nearly \$4.66 to the State taxpayers for each state dollar invested in the project (assuming \$20 million investment in FDOT state funds).



The Port St. Joe Port Authority is requesting \$17,500,000 from Triumph Gulf Coast in support of a \$58,058,646 project to dredge the shipping channel and provide the needed spoil areas at the Port of Port St. Joe. Funding from the other partners in the project is contingent on the award of \$17.5 million Triumph funds and those contributions include \$20 million from the Florida Department of Transportation, \$7.5 million from Gulf County CDBG funds, and \$12,308.646 million from the St. Joe Company in land value, spoil site mitigation and dredging permit fees (permit fee previously paid). The tier one site at the mill site is 72 acres and the tier 2 site on the canal is 256 acres. The projected cost per job (including construction jobs) created by Triumph funding is \$21,766 per job and the cost new jobs created excluding construction jobs is \$33,936 per job.

4. Viability- The Port St. Joe Port Authority has all the necessary permits to dispose of the dredged material and the Army Corp of Engineers has the permits to dredge the channel. The project is part of the Florida Department of Transportation long term plan for Port's development as evidenced by their paying 75% of the \$1 million cost for permitting (the St. Joe Company paid he 25%). FDOT also paid \$750 thousand for engineering of the design of the dredge material disposal sites. The engineers design approach was based on the premises that the Port Authority would provide the disposal areas through a design and construction process. Subsequently the US Army Corp of Engineers will accomplish the actual dredging through a contributed funds agreement with the Port St. Joe Port Authority. The metrics of the dredge operation were received from the Corp and include dredge size, capacity, and flow rates etc. The disposal area design method from the Corp manuals was followed for procedures, formulas etc. The footprint of the disposal areas was established and permitted. The St. Joe Company has agreed to donate land and mitigation credits for the building of the disposal sites. See sites below.



5. Impact on Disproportionately affected counties- The proposed project is in disproportionately affected Gulf County that was impacted by the Horizon Oil Spill and devastated by Hurricane Michael. Contiguous Franklin County, also a disproportionately affected county, will benefit from direct and indirect job increase, as the Port is less than a 25-minute drive from Apalachicola. There are development sites in Gulf and Franklin County, previously vetted in a January 2017 Apalachee Regional Planning Council FLZ study funded by Department of Economic Opportunity that would enhance the Port and Rail line reopening. See high priority sites below.

Franklin County

12037-001: (COUNTY PRIORITY: HIGH) The site is approximately 978 acres located on U.S. HWY 98, 2 miles west of the city limits of Apalachicola, FL. The site is west adjacent to the Apalachicola Regional Airport. The northern border of the site runs adjacent to Apalachicola Northern Railroad (AN), giving the site approximately 5,520 feet of rail frontage.



12037-002: (COUTNY PRIORITY: HIGH) The site is approximately 65 acres located 2 miles west of the city limits of Apalachicola, FL. The nearest points of road access are U.S. HWY 98 and Apalachee Street. The site is west adjacent to the Apalachicola Regional Airport.



Gulf County

12045-021: (COUTNY PRIORITY: HIGH) The site is approximately 116 acres located on State HWY 71, near the city limits of Port St. Joe, FL. This site was provided by the St. Joe Company (Old L&P Site). A rail spur runs through the southwestern portion of the site.



6. Sustainability Modern Ports such as what the Port of Port St. Joe are aiming to be key components of the 21st Century inter-modal transportation system, fostering connectivity with various modes of transportation. Seaports add to the comparative advantage of high value-added industries by lowering shipping costs to markets outside the local area. Despite a \$23 billion dollar loss due to COVID, Florida's Ports remain strong and have budgeted \$3.1 billion dollars in Capital Improvements in the next five years to service the increasing shipping business. The need for and sustainability of the Port of Port St. Joe project is evidenced by nearby Port of Panama City embarking on a \$59 million dollar expansion that will double their annual cargo shipped. Additionally, E-commerce has transformed the way shipping companies think about their business. Greater consumer spending on e-commerce platforms have led to an increases in the shipping business The dredging of the channel to 35' is the proverbial chicken before the egg solution to reopening the Port of Port St. Joe to domestic and international shipping and insuring sustainability of the

deliverable jobs. Eastern Ship building is currently working on Staten Island Ferries at the Port and would benefit from a deeper channel for their future Coast Guard Cutter project and Twin Rivers Land Development, which is now located at the bulkhead would be able to ship wood chips to Honduras and return with aggregate rock. Those businesses and any one the five companies now considering locating in port St. Joe along with the developing Gulf to Gadsden freight logistics zone will insure sustainability.

7. Deliverables- The deliverables for the project are listed below:

- * Documentation of receipts for dredging and spoil site mitigation expenses.
- * Completion of spoil sites and channel dredging to 35 feet (24) months post Triumph grant award.
- * Opening the shipping channel for domestic and international shipping (24) months post Triumph grant award.

Priorities (beginning on page 8 of application)

2. (page 9) Explain how project meets the priorities Identified

- **Increase household income in the disproportionately affected counties above national average household income.** The per capita income in Gulf County for 2015-19 in 2019 dollars was \$23,252 which is \$10,851 dollars less than the national income per capita of \$34,103 and the Gulf County median household income of \$47,712 was \$15,131 less than the U.S. median income per household of \$62,843. The prospective businesses presently considering locating in Gulf County dependent on the increased depth of the shipping channel all pay a per capita income higher than the U.S. per capita income and almost twice Gulf County's income. As illustrated in the table below, all the current prospective businesses pay average salaries that would result in a higher median household income than the US rate and two of the companies pay an average salary that exceeds the current U.S. median household income.

Businesses considering locating in Port St. Joe Florida

Industry / Project		Direct	Indirect	Induced	Total	NAICS
Biofuel production	Employment	99	59	34	192	325199
BIOCARBURANTE	Sales/Output	\$198,681,010	\$22,744,179	\$5,726,453	\$227,151,643	
	Average Salary	\$52,586	\$57,881			

Biomass to Electricity	Employment	175	71	81	326	221117
Project WORLD	Sales/Output	\$90,752,245	\$12,731,804	\$14,512,244	\$117,996,293	
	Average Salary	\$63,857	\$47,338			

Timber Export	Employment	100	243	132	475	321219
Project CAL	Sales/Output	\$83,263,483	\$50,132,601	\$23,695,183	\$157,091,267	
	Average Salary	\$38,660	\$56,915			

LNG production	Employment	175	103	55	333	211130
Project DALY	Sales/Output	\$125,791,190	\$23,283,498	\$9,905,313	\$158,980,001	
	Average Salary	\$66,354	\$48,814			

Wood Chips Export	Employment	12	29	16	57	321219
TWIN RIVERS	Sales/Output	\$9,991,618	\$6,015,912	\$2,843,422	\$18,850,952	

	Average Salary	\$38,660	\$ 32,169			
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Source: [JobsEQ®](#)

Data as of
2020Q3

Note: Figures may not sum due to rounding.

- **Leverages and enhances key regional assets-** The dredging of the shipping channel at the Port of Port St. Joe is the needed to reopen the port as deep-water seaport. Located in Gulf County, Florida, the port is an integral component of the critical economic foundation of the Florida's Great Northwest's future and the Gulf to Gadsden Freight Logistics Zone, creating externality benefits that go beyond the quantification of *direct* and *indirect* economic impacts from Port operations alone. Among such externality benefits are the facilitation of business recruitment of international and national corporations that wish to locate near and use a port along Florida's Gulf Coast. This project is supportive of the Economic Recovery of Florida's Great Northwest region.
- **Partner with local governments to provide funds, infrastructure, land.** Partners in the project include Gulf County and the City of Port St. Joe. Gulf County intends to provide \$7,500,000 in funding support to the project from CDBG funds. Gulf County and the City of Port St. Joe will seek other sources of infrastructure support. In addition, Franklin County, Liberty County and Gadsden County are partnering to support the project due the projected impact on their counties from the Gulf to Gadsden Freight Logistics Zone now in development.
- **Recommended by the board of county commissioners** See Attached Letter of recommendation and commitment supporting the project from the Gulf County Commission dated February 15, 2021

3. Project meets the discretionary priorities identified by the Board (Page 10)

- The project's development of critically needed infrastructure aligns with Northwest Florida FORWARD and their regional strategic initiative for Northwest Florida's economic transformation.
- The project aligns with the Apalachee Regional Planning Council's Gulf to Gadsden Freight Logistics Zone Strategic Plan, which includes Gulf, Franklin, Liberty and Gadsden Counties, all of which are part of the Opportunity Florida Rural Area of Opportunity.
- The project will lead to the creation of targeted industry jobs in manufacturing, warehousing, distribution, and logistics supported by enhancing critical transportation infrastructure.
- Will create jobs with an average wage above the national average wage. **See prospective business table above.**
- Gulf County is in a Rural Area of Opportunity as defined by the State of Florida (DEO).
- The project creates a unique asset and is not duplicative as it opens the one port of 15 Florida Ports in Florida currently not open for domestic and international shipping.

Approvals and Authority**3 The timeline for the project: (Page 10)**

2015-2020	Permits obtained from the Army Corp of Engineering Design and engineering work completed St. Joe Company makes land available for spoil area and mitigation
March-May 2021	Submission and Approval of Project by Triumph Gulf Coast
March 2, 2021	Eastern Ship Building opened shipyard-Staten Island Ferry work began.
June 2021	Port St. Joe Port Authority issues bids for spoil site work
July 2021	Army Corp of Engineers notified funding available
August- September 2021	Army Corp of Engineers planning and scheduling work
September 2021	Award Dredging Contract if the Crop contract the work
December 2021	Dredging Begins
December 2023	Dredging Complete
January 2024	Port Operations begins
January 2025	Port Fully Operational
2024-2030	Documented job growth

4. Evidence of Authority of the Port St. Joe Port Authority Chairman to sign / execute the Triumph Agreement---- [See copy of minutes from February 10, 2021 Port St. Joe Port Authority Meeting attached as page 17 of application.](#)

Funding and Budget:

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

Triumph Funding \$17,500,000- It is projected that a Triumph award of \$17,500,000 can be obtained by June 1, 2021 with half of those funds (\$8,750,000) to be expended each year on dredging the channel in 2022 and 2023.

Gulf County \$7,500,000- will seek CDBG funding of \$7,500,000 and will commit those funds to this project by December 31, 2021, contingent on an award of Triumph dollars. These funds will be the first to be used mostly for dredging, but some funds can be used for startup design or other costs that may arise.

State of Florida Department of Transportation \$21,500,000 DOT previously budgeted \$20,000,000 for dredging and we have verbal assurances that these funds will be made available in this or next year's budget contingent on a Triumph award. DOT previously paid \$750,000 in Permit Fees and another \$750,000 in design/engineering expenses.

St, Joe Company-\$12,308,646 in contributions in land value, spoil site mitigation and permitting fee (\$250,000 permit already paid) to be spread over life of the project.

Budget Triumph Requested Funding

Item	2021	2022	2023	2024	Total Award	
Dredging	-0-	\$8,750,000	\$8,000,000	\$750,000	\$17,500,000	
Annual Total	-0-	\$8,750,000	\$8,000,000	\$750,000	\$17,500,000	

Budget Gulf County

Item	2021	2022	2023	2024	Total Expended	
Dredging	-0-	\$ 3,550,000	\$3,130,000	\$520,000	\$7,200,000	
Design/Other	\$300,000				\$300,000	
Annual Total	\$300,000	\$ 3,550,000	\$3,330,000	\$320,000	\$7,500,000	

Budget Department of Transportation

Item	Paid Prior to 2021	2022	2023	2024	Total Expended	
Dredging	-0-	\$10,00,000	\$9,500,000	\$500,000	\$20,000,000	
Design/Engineering	\$750,000				\$750,000	
Permit	\$750,000				\$750,000	
Annual Total	\$1,500,000	\$10,000,000	\$9,500,000	\$500,000	\$21,500,000	

Total Project Expense \$58,808,346**ADDENDUM FOR INFRASTRUCTURE PROPOSALS (Pg. 14):**

- 1. Program Requirements 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.**
- 2. (Also addresses:) Pg. 23 ADDENDUM FOR LOCAL MATCH REQUIREMENTS OF SECTION 288.065. FLORIDA STATUTES Program Requirements B. Provide a detailed explanation of how the local match requirements and the underlying project or program will connect to a broader economic development vision for the community and benefit additional current and future businesses.**

Gulf County and other rural counties in the surrounding region (Franklin, Liberty, and Gadsden Counties) have been working together over many years to designate the Gulf to Gadsden Freight Logistics Zone (FLZ) in order to promote the planning and funding of infrastructure improvements, intermodal connectivity and to facilitate freight activities and services within the rural Panhandle region. The Port of Port St. Joe is the key to the success of the FLZ that covers areas having the potential to play a significant role in the generation of freight related activity and promote economic development competitiveness.

As part of the process to designate the Gulf to Gadsden FLZ (**Figure 1**), a Strategic Sites Inventory (SSI) project was conducted by Leotta Location and Design, (LL+D) in each of the four counties. The goal of the SSI project was to identify potential high quality industrial and commercial sites situated along or near key transportation assets in the area in order to market these sites for development of manufacturing and distribution projects that rely on multimodal transportation means for receiving process inputs and delivery of products to market.

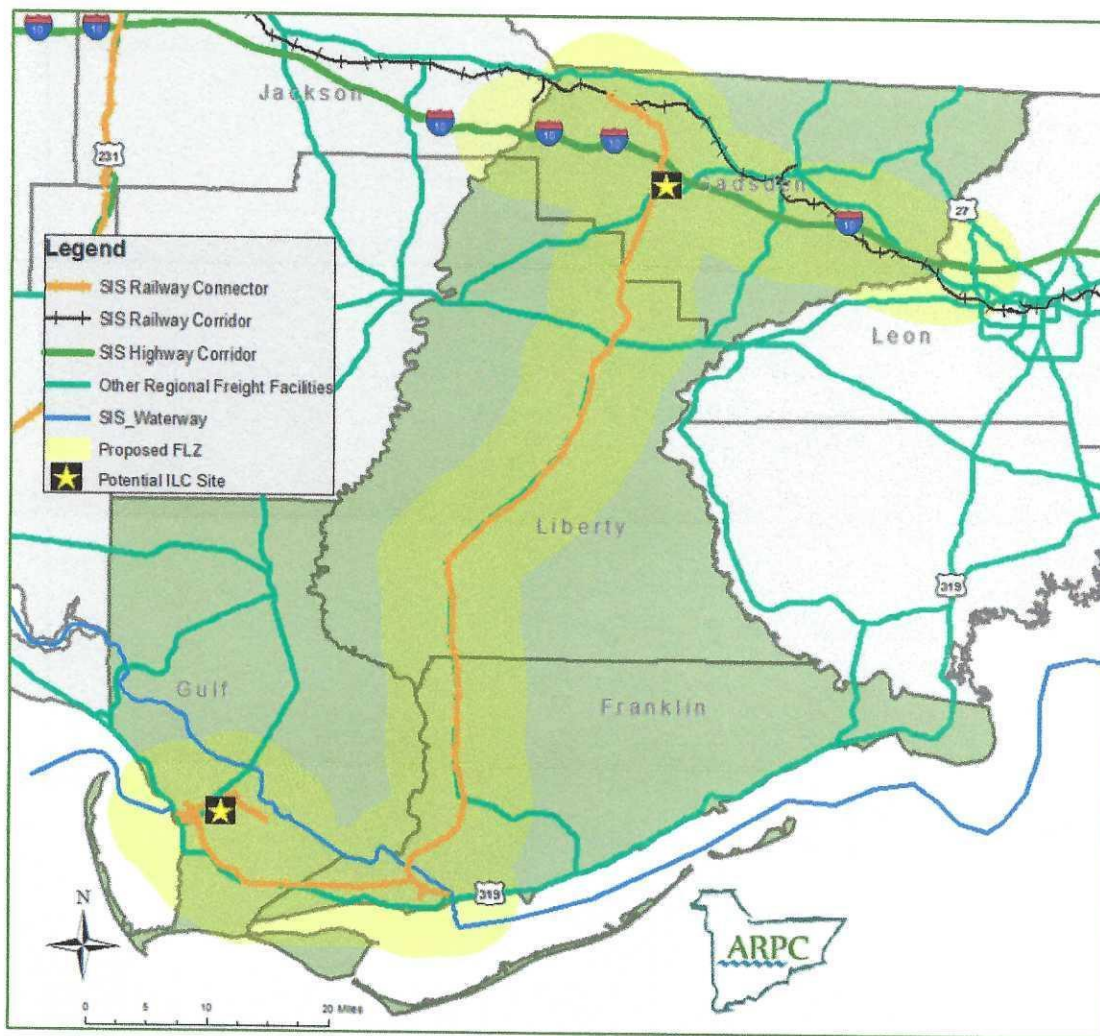


Figure 1. Gulf-to-Gadsden Freight Logistics Zone.

The SSI search was tailored to meet the specific needs of each county based on its location, natural resources, transportation assets, and economic interests:

- The SSI Phase I search for Gulf County was an expansion of a previous Duke Energy-funded SSI Phase I site search that was focused on identifying large contiguous tracts for heavy industrial project development. The goal was to identify any additional potential strategic sites for economic development beyond initial SSI Phase I site searches. Site searches were geographically constrained within a two-mile buffer along state and federal highway corridors and the Apalachicola Northern Railroad and within a three-mile radius of the Port of Port St. Joe. Specific site search consideration was given to areas around the Port of Port St. Joe.
- The SSI Phase I search for Liberty County was conducted to identify potential strategic sites with attributes suitable for wood product manufacturing for both construction materials and utilization of wood waste byproduct repurposing. Site searches were geographically constrained within a two-mile buffer along SR 65 for direct connectivity to Interstate 10, the Apalachicola Northern Railroad and direct connectivity to both the Port of Port St. Joe and the Port of Panama City in neighboring Gulf and Bay Counties, respectively.
- The SSI Phase I search for Franklin County was also conducted to identify potential strategic sites with attributes suitable for wood product manufacturing for both construction materials and utilization of wood waste byproduct repurposing. Additionally, sites suitable for light manufacturing and aviation related light industrial and commercial operations were considered. Site searches were geographically constrained within a two-mile buffer along state and federal highway corridors and the Apalachicola Northern Railroad. Specific site search attention

was given to areas around the Apalachicola Regional Airport. The capacity of the airport to accommodate cargo and rail access immediately to the north positions the airport as a strategic intermodal transportation asset.

- The SSI efforts in Gadsden County focused on landowner engagement for a site previously identified through a Duke Energy sponsored SSI Phase I project and a Phase II study recently conducted by LL+D. The objective was to provide incentives for the landowner to enter into an agreement with the Gadsden County Development Council to enable the site to be marketed for economic development.

Together, the exercise of evaluating sites in each county shows the commitment for economic development on a regional level that would have far-reaching impacts on the state and southeastern US economies. Development and on-going operation of the Port of Port St. Joe is key to success of the entire proposed FPZ. With Port of Port St. Joe operating a full capacity, there will be a domino effect of new industry and support services being attracted the rural Florida panhandle region.

Section 311.103.1, F.S. defines “freight logistics zone” as “a grouping of activities and infrastructure associated with freight transportation and related services within a defined area around an intermodal logistics center, as defined in s. 311.101(2)”. As a key component of an FLZ, an “intermodal logistics center” (ILC) is also defined as “a facility or group of facilities serving as a point of intermodal transfer of freight in a specific area physically separated from a seaport where activities relating to transport, logistics, goods distribution, consolidation, or value-added activities are carried out and whose activities and services are designed to support or be supported by conveyance or shipping through one or more seaports listed in s. 311.09.”

The Gulf to Gadsden FLZ has significant potential to become an important area for movement of goods in northwest Florida where local, regional and state officials have been working on plans to support and promote economic development competitiveness. The plans ultimately include redevelopment of the Port of Port St Joe, improvements to the rail facilities, improvements to the Apalachicola Regional Airport, ILCs in Gulf and Gadsden Counties, and strategic sites inventories in all four counties to identify lands with potential for industrial and commercial development.

The location of current infrastructure and planned improvements is in a prime location between the larger Ports of Jacksonville and Pensacola, both more than a three-hour drive away. The Port of Panama City is also about 40 miles to the west; however, the Port of Port St. Joe could provide service and help ease a congested port and be a valuable third port asset on the Northwest Florida Gulf Coast.

The location of the potential ILCs serve regional goals of growth and connectivity and provide the multimodal service required for a successful freight industry network. Each potential ILC location has convenient access to a regionally significant road. The ILC in Gulf County has connectivity to SR 71, a north/south road that intersects I-10, an east/west highway and part of the Florida Department of Transportation (FDOT)’s Strategic Intermodal System (SIS). SR 71 continues north where it changes to SR 53 in Alabama and has connections to many other highways in Dothan, AL. The ILC location in Gadsden County has almost direct access to I-10 from the site, allowing for an easier movement of freight by truck. The additional freight industries that would be added by the designation of an FLZ are important assets for local economic growth and the financial stability of the region.

Not only is it locally and regionally important, but the Gulf to Gadsden FLZ has significant potential to become a prime corridor to move freight across the state and nation. Located between the Port of Tampa Bay to the southeast and the Ports of Panama City and Pensacola to the west, the FLZ serves as a centralized location to receive freight and move it in a northerly direction across the nation. Located within proximity to the regional transportation network, the Gulf to Gadsden FLZ has access to the Intracoastal Waterway, rail access and SIS roadways throughout the Region. The economic impact to the Region would be significant, including the direct and indirect employment generated by the resurgence of the Port.

The FLZ’s location along the AN Rail line serves a strategic use whereby the Rail encompasses each of the four counties, starting at the Port of Port St. Joe, extending eastward to Apalachicola near the Apalachicola Regional Airport, then north through Apalachicola near the Apalachicola Regional Airport, north through Liberty County,

running close to lumber mills, and into Gadsden County where it connects to the Florida Gulf & Atlantic (FGA) mainline running east and west. As it also crosses I-10, the potential for multimodal transfer will allow freight to be easily shipped throughout North America. The Gulf to Gadsden FLZ is strategically located on the north gulf coast of Florida. With the widening of the Panama Canal, the FLZ would provide ships with another option for a port in north Florida thus reducing travel time for ships having to go up the Atlantic Coast (**Figure 2**) and reducing fuel costs for truck freight having to travel the length of the Peninsula to move Freight across state lines.



Figure 2. Comparison of Maritime Travel Distances from the Panama Canal to Southeastern US Port Facilities.

ADDENDUM FOR INFRASTRUCTURE PROPOSALS (Page 16)

- 1. Additional Information 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. **The proposed project will not require an amendment to either the Gulf County Comprehensive Plan or the City of Port St. Joe Comprehensive Plan.**

The project is consistent with the following policies in the Gulf County Comprehensive Plan:

Chapter 5: Coastal Management Element:

Policy 1.3.2: Gulf County will support the orderly development and use of the Port of Port St. Joe to create economic and employment opportunities by cooperating with the City of Port St. Joe and the Port Authority. The Port is located partially within unincorporated Gulf County and partially within the City of Port St. Joe. Any development within the Port shall be consistent with Gulf County's Future Land Use Map for the unincorporated area and with the City of Port St. Joe's Future Land Use Map for the incorporated lands.

Chapter 11: Economic Development Element:

Policy 1.1: Gulf County shall continue to work with the local Economic Development Coalition (EDC), Chamber of Commerce (CC), Tourist Development Council (TDC), Port Authority, Cities and other local or area organizations in promoting economic development in Gulf County.

Policy 1.13: Gulf County recognizes the economic potentials that the Port of Port St. Joe represents and encourages continued development of the Port for both barge and deep-water vessels.

Policy 1.15: Gulf County encourages economic development that maximizes the opportunities that rail and water transportation provide for reducing highway traffic and volume transporting.

The project is consistent with the following policies in the Port St. Joe Comprehensive Plan:

Traffic Circulation Element:

Policy 1.5.6: The City shall collaborate with the Port St. Joe Port Authority, county, state, and federal agencies and with private entities responsible for water, highway, and rail connectivity to ensure that the intermodal transportation infrastructure and connectivity essential to Port operations are in place.

Economic Development Element:

Policy 1.2.1: Support the Port Authority's efforts to obtain funds for dredging of the Ship Channel through continued coordination with Florida Department of Transportation (FDOT), the Governor's offices and Legislative delegation.

Policy 1.2.2: Support the Port St. Joe Port Authority's efforts to maintain the Port designation an "emerging Strategic Intermodal System (SIS)" by FDOT which provides a link to federal and state funding for the Port.

Policy 1.2.3: Continue to support the efforts of the Port Authority and the Gulf County Economic Development Coalition (EDC) to market the port as a location for bulk, container, or vehicle shipments to and from the region.

Policy 1.2.4: Continue to pursue FDOT's release of grant funds to restore rail service to the City of Port St. Joe to serve the Port facilities and promote general economic development in the community.

Policy 1.2.7: Continue to support the operation of the AN Railway as a regionally important Port to Rail component to link the port with the national rail system.

Policy 1.2.8: Participate in Sister City or Sister Port programs with developing ports in South and Central America.

Policy 1.5.8: Work cooperatively with the Tourism Development Council, the Port St. Joe Redevelopment Agency, (and) the Port Authority to develop (an) advertising program for the City of Port St. Joe that creates a level of awareness of the redevelopment plans of the Port facilities, and promotes the City as a tourist destination.

Policy 1.5.9: Promote cooperation and communication among the Port of Port St. Joe, the Port of Panama City, and Port of Pensacola as significant assets of the Northwest Florida.

BOARD OF COUNTY COMMISSIONERS GULF COUNTY, FLORIDA

1000 Cecil G. Costin, Sr. Blvd. • Room 302 • Port St. Joe, Florida • 32456

850.229.6106 • Fax: 850.564.7503

www.gulfcounty-fl.gov • bocc@gulfcounty-fl.gov

DATE & TIME OF MEETINGS: *Fourth Tuesdays at 9:00 a.m., E.T.*

February 15, 2021

Dear Triumph Board Members,

As chairman of the Gulf County Board of County Commissioners, I am writing to express the Board's support of the application being submitted by Port St. Joe Port Authority. This application proposes to dredge the shipping channel that will provide the Port of Port St. Joe with access to the shipping lanes necessary for port expansion, modernization and increase domestic and international trade activity in the Panhandle, thereby enhancing our recovery from the Deep Water Horizon Oil Spill and Hurricane Michael.

Our Board is very supportive of this request because we recognize that it will enhance the economic recovery and diversification of disproportionately affected Gulf County and impact on our contiguous counties. Contingent upon a Triumph grant award to the Port Authority, Gulf County has earmarked CDBG funding as matching funds for the project and stands ready to seek additional infrastructure support and provide expedited permitting.

Again, we are extremely supportive of this application and the benefits it will provide our citizens and the community overall. Please feel free to contact me if you have any questions or need additional information.

Sincerely,



Sandy Quinn, Chairman
Gulf County Board of County Commissioners

FRANKLIN COUNTY

REPLY TO: ☐
BOARD OF COUNTY COMMISSIONERS
33 MARKET STREET, SUITE 203
APALACHICOLA, FL 32320
(850) 653-8861, EXT. 100
(850) 653-4795 FAX



REPLY TO: ☐
PLANNING & BUILDING DEPARTMENT
34 FORBES STREET, SUITE 1
APALACHICOLA, FL 32320
(850) 653-9783
(850) 653-9799 FAX

March 2, 2021

Dear Triumph Board Members,

The Franklin County Board of County Commissioners is pleased to submit this letter of support for the application to Triumph from Port of St. Joe Port Authority. We understand this application proposes to utilize Gulf County's TRIUMPH funds to dredge the shipping channel that will provide the Port of Port St. Joe with access to the shipping lanes necessary for port expansion, modernization and increase domestic and international trade activity in the Panhandle, thereby enhancing our region's recovery from the Deep Water Horizon Oil Spill and Hurricane Michael.

Franklin County will benefit from the high paying jobs at the Port and adjacent businesses as the driving time from Apalachicola is less than 25 minutes. In addition direct jobs and indirect jobs will increase in our County, as this project will provide the port of entry for the Gulf to Gadsden Freight Logistic Zone (FLZ), a four-county economic development strategy linking identified and vetted industrial development sites in Franklin, Liberty, Gadsden and Gulf Counties, along the Apalachicola Northern Railroad operated by Genesee & Wyoming (gwrr.com) from the port to Interstate 10.

Again, we are extremely supportive of this application and the benefits it will provide our citizens and the community overall. Please feel free to contact me if you have any questions or need additional information. I can be reached through Mr. Michael Moron, County Coordinator, at 850-653-5373.

Sincerely,

A handwritten signature in blue ink that reads "Ricky D. Jones".

Ricky Jones, Chairman
Franklin County Board of County Commissioners

RICKY D. JONES
DISTRICT ONE

BERT BOLDT
DISTRICT TWO

NOAH LOCKLEY, JR.
DISTRICT THREE

JOSEPH PARRISH
DISTRICT FOUR

JESSICA V. WARD
DISTRICT FIVE



March 4, 2021

Triumph Gulf Coast, Inc.
P.O. Box 12007
Tallahassee, FL 32317

Re: Application for Dredging of the Shipping Channel of the Port of Port St. Joe

Triumph Board Members,

The St. Joe Company ("JOE") believes in initiatives that promote economic growth and diversification across Northwest Florida and particularly in Walton, Bay, & Gulf Counties. This is one of the reasons JOE has supported the Port Authority of the Port of Port St. Joe ("Port Authority") for many years.

JOE supports the Port Authority's Triumph Gulf Coast application for funding and believes that dredging the shipping channel of the Port of Port St. Joe has the potential to boost the economic growth of Gulf County. We appreciate your consideration.

Sincerely,

Dan Velazquez

Senior Vice President, Commercial Real Estate



Liberty County Board of County Commissioners

P.O. Box 399
Bristol, FL 32321
Phone: (850) 643-5404



March 8, 2021

Triumph Gulf Coast, INC
P.O. Box 12007
Tallahassee, Florida 32317

Dear Triumph Board Members:

Thank you for allowing me to submit this letter in support of a Port St. Joe Port Authority application to your board.

Gulf County, along with its corporate and public citizens, has missed many prospective new companies at its doorsteps because of a lack of channel depth and railroad infrastructure to serve our region's third deep water port. Currently, viable employers and jobs await in several industries that that could help this region recover from the Great Recession and Hurricane Michael.

Improvements to the channel and the Port of Port St. Joe would not only impact Gulf County and neighboring communities, but would also trigger work to improve the Apalachicola Northern Railroad (ANRR). A fully operational ANRR all the way south to the Port would be an economic impact to four Northwest Florida rural counties (Gadsden, Liberty, Franklin, and Gulf) along what is designated as the North Florida Freight Logistics Zone.

A fulfilled track (from the proposed intermodal Logistics Center in Gadsden County down to the Port) opens up economic opportunities for more industries to locate in our region. Utilizing our regions vast logistics network of highways (State Roads 20, 69, and 71, along with Interstate 10), railroads and ports so that products and materials can move the Southeast and Midwest United States.

We support this opportunity to open up more traffic corridors on land and sea that will create new businesses and opportunities in rural Northwest Florida.

Sincerely,

Dewayne Branch
Chairman of the Liberty County Board of County Commissioners



February 22, 2021

Florida Triumph Gulf Coast, Inc.
MyFloridaTriumph.com
P.O. Box 12007
Tallahassee, Florida 32317

RE: Gulf County Port of Port St. Joe Infrastructure Investment Proposal

Dear Triumph Gulf Coast Board Members,

The Gadsden County Development Council (GCDC) supports Gulf County's proposal for dredging the Port of Port St. Joe to accommodate ocean going vessels. As a partner in the Gulf to Gadsden Freight Logistics Zone defined by 311.103 f.s. as a grouping of activities and infrastructure associated with freight transportation and related services within a defined area around an intermodal logistics center, the GCDC and the City of Gretna in Gadsden County have conducted necessary due diligence on a 600 acre site bordered by the Apalachicola Northern Railroad and Interstate 10 resulting in a Phase I ESA and related site plans for an ILC and an Industrial Commerce Park.

Because Gulf and Gadsden counties are working in concert to provide ready sites near the port and Interstate 10, including port to rail and rail to truck operations, the Triumph Gulf Coast investment will be a transformational and sustainable investment in long term job creation, capital investment and economic diversity for Northwest Florida.

Joint marketing efforts through partnerships with Enterprise Florida, Opportunity Florida and the Genesee & Wyoming Railroad have resulted in multiple prospects for both counties. Creating certainty in the expansion of port operations will only solidify investment by existing and future prospects.

If I can be of further assistance, please do not hesitate to contact me at bethkirkland@gadsdenfldev.com.

Sincerely,

A handwritten signature in blue ink that reads "Beth Cicchetti".

Beth Cicchetti, CEcD
Executive Director



APALACHEE REGIONAL PLANNING COUNCIL

Serving Calhoun, Franklin, Gadsden, Gulf, Jackson, Jefferson, Leon, Liberty, & Wakulla counties & their municipalities

LOCAL PARTNERSHIPS, REGIONAL IMPACT.

March 3, 2021

Triumph Gulf Coast, Inc.
P.O. Box 12007
Tallahassee, Florida 32317

**RE: Letter of Support: Dredging of the Shipping Channel of the Port of Port St. Joe
Triumph Gulf Coast, Inc. Application for Funds**

Dear Triumph Board Members:

The Apalachee Regional Planning Council (ARPC) wishes to express full support of the Port Authority of Port St. Joe in their application for funding from Triumph Gulf Coast, Inc. to dredge the shipping channel of the port to provide access for domestic and international trade activity.

The ARPC is a multi-purpose agency of the State of Florida providing technical assistance and planning services to meet the needs of our member local governments within a nine-county region comprised of Calhoun, Franklin, Gadsden, Gulf, Jackson, Jefferson, Leon, Liberty and Wakulla counties and their municipalities. Gulf County, the City of Port St. Joe, the Gulf County Economic Development Coalition, and the Port Authority are longstanding partners with the ARPC, and we are honored to provide ongoing support.

As the designated Economic Development District (EDD) for the U.S. Department of Commerce, Economic Development Administration (EDA), the ARPC is required to develop and maintain the Comprehensive Economic Development Strategy (CEDS), which provides an analysis of existing economic conditions and strategies for future growth for the nine-county region we serve.

In support of the Port Authority's application, the ARPC finds the proposed project to dredge the shipping channel to be consistent with the goals and objectives of the 2018-2022 Apalachee CEDS. Specifically, **Objective 1.4** states:

Develop unified and responsive county and regional applications for Triumph Gulf Coast, Inc. and Job Growth Grant Fund on a yearly basis.



APALACHEE REGIONAL PLANNING COUNCIL

Serving Calhoun, Franklin, Gadsden, Gulf, Jackson, Jefferson, Leon, Liberty, & Wakulla counties & their municipalities

LOCAL PARTNERSHIPS, REGIONAL IMPACT.

In support of development at the Port of Port St. Joe and economic development throughout the Florida Panhandle, the project also aligns with Apalachee CEDS **Objective 2.13:**

Progress in the development of the Port at Port St. Joe and associated Freight and Logistics Zone and I-10 Logistics and Manufacturing Corridor infrastructure including new Apalachicola Northern Railroad spurs, Intermodal Logistics Sites, and road enhancements along US 98, SR 20, SR 12, and at the I-10 interchange.

The completion of this important project is a critical component of the further development of the Gulf-to-Gadsden Freight Logistics Zone (FLZ), a regional keystone project for economic development in Florida's rural Panhandle area. The FLZ has an extensive regional network of intermodal assets serving north Florida and the southeastern United States and the Mid-West.

Anchored by the Port of Port St. Joe, FLZ is serviced by several significant components of Florida's Strategic Intermodal System (SIS), including approximately 35 miles of SIS roadways (the I-10 corridor), over 120 miles of SIS Rail (35 miles of Florida Gulf & Atlantic Railroad (formerly CSX), and 93 miles of Apalachicola Northern (AN) rail line), and nearly 95 miles of SIS Waterways, including the Gulf Intracoastal Waterway from Panama City Harbor to the City of Carrabelle to the west, and the Gulf Coastal Shipping Lane from the Anclote River to Apalachee Bay at Carrabelle to the east. These SIS facilities are supported by over 200 miles of regionally significant roads, including U.S. Highways; US 98, US 319, US 90, US 27 and State Roads; SR 71, SR 65, SR 20, SR 12, and SR 267.

Please accept this letter as evidence confirming the ARPC's full support of this project to dredge the shipping channel of the Port of Port St. Joe. The Board's favorable consideration to fund this project, alongside other committed investment from Gulf County, the St. Joe Company, and the Florida Department of Transportation, is greatly appreciated.

For questions regarding the ARPC's support, please contact me directly at 850.488.6211 ext. 111 or by e-mail at bchandler@arpc.org.

Sincerely,

Ben Chandler, AICP
Disaster Resilience Coordinator



February 22, 2021

Mr. Jim McKnight
Gulf County Economic Development Coalition
1000 Cecil Costin Blvd., Suite 136
Port St. Joe, Florida 32456

Dear Mr. McKnight,

I am writing to express support of the application to Triumph Gulf Coast for the dredging of the shipping channel of the Port of Port St. Joe.

Florida's Great Northwest is the regional economic development organization for the Panhandle. We provide technical support, lead generation and marketing support to our economic development organizations, including Gulf County. The infrastructure investments to dredge the shipping channel will allow for the Port of Port St. Joe to compete for both domestic and international business opportunities which would greatly enhance the community's competitiveness to attract private sector investment and job creation.

It has been proven that communities with readily available industrial sites linked to active transportation lines are more successful in their endeavors to attract quality jobs. Net new job creation has a substantial impact on the quality of life of residents in all areas, but especially rural areas.

We will support Gulf County and the Port Authority of the Port of Port St. Joe with marketing these new opportunities for business. We have several platforms for domestic and international outreach and will work together with the Gulf County Economic Development Coalition to enhance its exposure to site selectors and company decision makers for new opportunities at the Port of Port St. Joe.

We stand ready to assist you as you move forward in this process.

Sincerely,

Jennifer Conoley
President & CEO



February 15, 2021

Triumph Gulf Coast, Inc.
P.O. Box 12007
Tallahassee, FL 32317

Dear Triumph Board Members:

Thank you for allowing me to submit this letter in support of a Port St Joe Port Authority application to your board.

Gulf County, along with its corporate and public citizens, has missed many prospective new companies at its doorsteps because of a lack of channel depth and railroad infrastructure to serve our region's third deep water port. Currently viable new employers and jobs await in several industries that could help this region recover from the Great Recession and Hurricane Michael.

Improvements to the channel and the Port of Port St Joe would not only impact Gulf County and neighboring communities but would also trigger work to improve the Apalachicola Northern Railroad (ANRR). A fully operational AN Railroad all the way south to the Port would be an economic impact to four NW Florida rural counties (Gadsden, Liberty, Franklin, and Gulf) along what is designated as the North Florida Freight Logistics Zone.

A fulfilled track (from the FGA Railroad connection at the proposed Intermodal Logistics Center in Gadsden County down to the Port) opens up economic opportunities for more industries to locate in Franklin and Gulf, utilizing our region's vast logistics networks of highways (State Roads 69 and 71, along with Interstate 10), railroads and ports so that product and materials can move through the Southeast and Midwest United States.

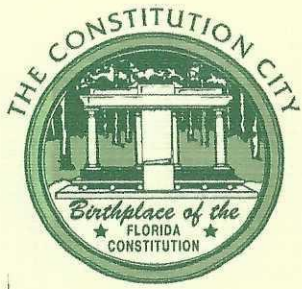
We support this opportunity to open up more traffic corridors on land and sea that will create new businesses and opportunities in rural NW Florida!

Best Regards,

Richard Williams
Executive Director

Calhoun • Franklin • Gadsden • Gulf • Holmes • Jackson • Liberty • Wakulla • Washington • Walton North

4636 Highway 90, Suite K, Marianna, FL 32446 + 850-633-4118 + www.opportunityflorida.com



The City of Port St. Joe

February 15, 2021

Dear Triumph Board Members:

As Mayor of the City of Port St. Joe, I am writing to express the City Commission's support of the Port St. Joe Port Authority's application to Triumph Gulf Coast. The City of Port St. Joe supports this application and the Port Authority's efforts to dredge the shipping channel at the Port of Port St. Joe. It is imperative that the Channel be dredged to take the shutters off the inactive port and to insure the region's recovery from the Deep-Water Horizon Oil Spill and Hurricane Michael disasters.

The opening of the port will increase employment opportunities and jump start our City's economy, along with other communities in this region of Florida. The dredging of the channel is key to reopening the port for shipping. It will likely result in the rail line re-opening and the development of the Gulf to Gadsden Freight Logistics Zone. We stand ready to partner with the Port Authority to seek other infrastructure support and will provide expedited permitting where possible.

Again, we are extremely supportive of this application and the benefits it will provide our citizens as well as the community overall. Please contact me if you have any questions or need additional information.

Sincerely,

Rex Buzzett
Mayor

Port St. Joe Port Authority

Financial Statements
September 30, 2019

Vance CPA LLC
Certified Public Accountant
219-B Avenue E • Apalachicola, FL 32320
(706) 278-1221 • Fax (866) 406-7422

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PORT ST. JOE PORT AUTHORITY

For the Year Ended September 30, 2019

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Vance CPA LLC
Certified Public Accountant
219-B Avenue E
Apalachicola, FL 32320
(888) 531-6408 • Fax (866) 406-7422

INDEPENDENT AUDITORS' REPORT

Board of Directors
Port St. Joe Port Authority
Port St. Joe, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the Port St. Joe Port Authority, (The Port Authority), as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Port Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Port St. Joe Port Authority, as of September 30, 2019, and the respective changes in financial position and, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of changes in net pension liability and schedule of employers' pension contribution be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2020 on our consideration of the Port St. Joe Port Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Port Authority's internal control over financial reporting and compliance.

Apalachicola, FL
June 29, 2020

Vance CPA LLC

Vance CPA, LLC

Port St. Joe Port Authority Management's Discussion and Analysis

Management's discussion and analysis (MD&A) of the Port St. Joe Port Authority's ("the Port Authority") financial activities in the fiscal year ended September 30, 2019 is presented below. It should be read in conjunction with the Port Authority's financial statements.

Financial Highlights and Analysis

The Port Authority had total assets of over \$2.2 million and \$2.2 million on September 30, 2019 and 2018, respectively. Total assets of the Port Authority exceeded its liabilities at September 30, 2019 and 2018 by \$1.654 million and \$1.625 thousand, respectively. Of these amounts \$100,702 and \$83,977 may be used to meet the Port Authority's ongoing obligations (unrestricted net position), respectively. Net position increased by \$29 thousand. At September 30, 2019, the Port Authority employed no full time employees.

The Port Authority's Funds

The Port Authority records all transactions in a proprietary fund. Summarized 2019 and 2018 data (in 000's) is as follows:

	<u>Year Ended 9/30/2019</u>	<u>Year Ended 9/30/2018</u>
Operating revenue	\$ 94	\$ 109
Cost and expenses	(65)	(33)
Nonoperating revenue		
and expenses, net	<u>—</u>	<u>82</u>
Net income	<u><u>\$ 29</u></u>	<u><u>\$ 158</u></u>

Net nonoperating revenue in 2019 and 2018 was comprised principally of grant proceeds and contributions in the amounts of \$0 and \$87,753, respectively.

The Port Authority does not levy property taxes, but may levy non-ad valorem fees and assessments against benefited property. In addition, the Gulf County Commission and the City of Port St. Joe may levy millage to finance the Port Authority.

Capital Assets

The Port Authority had the sum of \$2.064 million invested in capital assets at September 30, 2019 and \$2.064 million at September 30, 2018.

**Port St. Joe Port Authority
Management's Discussion and Analysis (continued)**

Debt

The Port Authority had \$509,898 and \$541,215 in debt outstanding at September 30, 2019, and 2018, respectively.

Economic and Other Factors

The future costs to finance the development and to operate a port facility will be significant and success will be dependent, among other things, on the ability of the Port Authority to attract shipping interest with adequate cargo volume to generate sufficient revenue for the Port Authority to conduct operations. In addition, the Port Authority must obtain sufficient financing through governmental grants and third party loans and/or investments to enable it to complete the development of a port site.

Contacting the Port Authority

This financial report is designed to provide interested parties with a general overview of the Port Authority's finances and to demonstrate the Port Authority's accountability for the money it receives. Questions about this report or requests for additional financial information should be addressed to the Port Authority's Director at P.O. Box 745, Port St. Joe, Florida, 32457.

**STATEMENT OF NET POSITION
PROPRIETARY FUND
PORT ST. JOE PORT AUTHORITY**

For the Year Ended September 30, 2019

Current Assets	
Cash and temporary cash investments	\$ 134,518
Accounts receivable	532
Prepaid assets	<u>2,140</u>
Total current assets	<u>137,190</u>
Noncurrent Assets	
Capital assets	
Land and construction in progress	2,063,800
Office equipment	4,933
Less accumulated depreciation	<u>(4,933)</u>
Net capital assets	<u>2,063,800</u>
Total Assets	<u>2,200,990</u>
LIABILITIES	
Current liabilities:	
Accounts payable	7,212
Note payable – current portion	<u>16,048</u>
Total current liabilities	<u>23,260</u>
Long Term Liabilities	
Accrued interest	31,778
Note payable	<u>493,850</u>
Total long term liabilities	<u>525,628</u>
Total liabilities	<u>548,888</u>
DEFERRED INFLOWS OF RESOURCES	
Pension earnings	<u>(2,502)</u>
Total deferred inflows	<u><u>(2,502)</u></u>
NET POSITION	
Net investment in capital assets	1,553,902
Unrestricted	<u>100,702</u>
Total net position	<u>1,654,604</u>
Total liabilities deferred inflows, and net position	<u>\$ 2,200,990</u>

See accompanying notes to financial statements

**STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN NET POSITION – PROPRIETARY FUND**

PORT ST. JOE PORT AUTHORITY

For the Year Ended September 30, 2019

Operating Revenues

Rent income	\$ 92,500
Miscellaneous revenue	<u>1,493</u>
	<u>93,993</u>

Cost and expenses

Professional services	26,477
Insurance	3,481
Retirement expense	4,115
Dues	15,500
Other costs and expenses	<u>15,178</u>
Total costs and expenses	<u>64,751</u>

Net income (loss) 29,242

Total net position, beginning of year 1,625,362

Total net position, end of year **\$ 1,654,604**

See accompanying notes to financial statements

STATEMENTS OF CASH FLOWS – PROPRIETARY FUND

PORT ST. JOE PORT AUTHORITY

For the Year Ended September 30, 2019

Cash flows from operating activities

Receipts from customers	\$ 80,000
Expenses for services and suppliers	<u>(31,012)</u>

Net cash used in operating activities	<u>48,988</u>
---------------------------------------	---------------

Cash flows from capital and related financing activities

Debt payments	<u>(31,317)</u>
---------------	-----------------

Net cash from capital and related financing activities	<u>(31,317)</u>
--	-----------------

Net increase in cash and temporary investments	17,671
--	--------

Cash and temporary investments, beginning of year	<u>116,847</u>
---	----------------

Cash and temporary investments, end of year	<u><u>\$ 134,518</u></u>
---	--------------------------

Reconciliation of loss from operations to net cash used in operating activities

Income from operations	29,242
(Increase) decrease in prepaid assets	207
(Increase) decrease in accounts receivable	24,468
Increase (decrease) in accounts payable	3,456
Increase (decrease) in pension liabilities	4,115
Increase (decrease) in deferred revenue	<u>(12,500)</u>

Net cash (used in) operating activities	<u><u>\$ 48,988</u></u>
---	-------------------------

See accompanying notes to financial statements

NOTES TO THE FINANCIAL STATEMENTS

PORT ST. JOE PORT AUTHORITY

For the Year Ended September 30, 2019

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization and Reporting Entity

The Port St. Joe Authority (Port Authority) is an agency organized to acquire, construct, maintain and operate port terminal facilities at Port St. Joe, Florida. The Port Authority is an independent Special District created in 1955 under Special Act 1955, Chapter 30787, and amended in 1978 under Chapter 514. A special act under Laws of Florida, Chapter 2000-488, codified and amended previous acts of legislation.

The Port Authority's mission is to return the port to its historic status, thereby creating jobs and economic development for the Port St. Joe area. The County Commission of Gulf County may pledge the second cent gas tax or may levy a millage, and the City of Port St. Joe may levy a millage to finance the Port Authority. The Port Authority may also levy non ad valorem assessments and fees against benefited property. No taxes have been assessed since inception. The Port Authority is governed by a five-member Board of Directors appointed to four-year terms by the Governor of the State of Florida. The Port Authority has a Port Director and one additional employee. The Port Director and Board of Directors exercise oversight responsibility for all matters relating to Port Authority business. There are no component units for which the Port Authority has oversight responsibility. While the Port Authority is only operational to the extent of leasing land, extensive activities are occurring, including bulkhead construction and dredging, leasing a site for future port development and new customer interest.

B. Basis of Accounting

The Port Authority accounts for its financial activities on a flow of economic resources measurement focus (accrual basis of accounting). All assets and liabilities (whether current or noncurrent) associated with this activity are included on the statements of net position. Under this method, any revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. The Port Authority does not use an encumbrance system.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues will result from providing port services in connection with a proprietary fund's principal ongoing operations. Operating expenses include administrative and other expenses incurred in developing a port site. All revenue and expenses not meeting this definition are reported as nonoperating revenues and expenses.

NOTES TO THE FINANCIAL STATEMENTS

PORT ST. JOE PORT AUTHORITY

For the Year Ended September 30, 2019

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

GASB Statement No. 34

The Port Authority follows the provisions of GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*. Statement 34 establishes standards for external financial reporting for all state and local governmental entities which includes a Management's Discussion and Analysis section, a Balance Sheet, a Statement of Revenues, Expenses, and Changes in Net Position and a Statement of Cash Flows. It requires the classification of Net Position into three components - Invested in Capital Assets net of related debt; Restricted; and Unrestricted. The Port Authority had no restricted assets in 2019.

The Port Authority applies all applicable GASB pronouncements.

C. Cash and Temporary Investments

The Port Authority's cash and cash investments considers certificates of deposit and other highly liquid debt instruments to be cash equivalents. When applicable, the Port Authority follows GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. Generally, this statement establishes fair value standards for various investments, including debt securities and open-end mutual funds.

D. Income Taxes

The Port Authority is an independent special district and is exempt from federal and state income taxes.

E. Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

F. Property and Improvements

Property and improvements are recorded at cost. Property and improvements includes the cost of construction, dredging and engineering.

NOTES TO THE FINANCIAL STATEMENTS

PORT ST. JOE PORT AUTHORITY

For the Year Ended September 30, 2019

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. Other Capital Assets

It is the Port Authority's policy to capitalize property and equipment with a cost of over \$1,000 with an estimated useful life in excess of one year. Lesser amounts are expensed. Property and equipment is valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair value on the date donated. Depreciation of fixed assets other than land and construction in process is charged as an expense against operations. Depreciation of office equipment is computed on the straight-line method over the estimated useful lives of the assets, generally 5-7 years.

H. Accounting for Long-Lived Assets

The Port Authority reviews its long-term assets, including property and improvements, for impairment whenever events or change in circumstances indicate that the carrying amount of the assets may not be recoverable.

I. Subsequent Events

The Authority evaluated subsequent events through June 29, 2020, the date which the financial statements were available to be issued. The Port Authority did not have any subsequent events requiring disclosure or recording in the financial statements.

J. Deferred Inflows

Deferred inflows reported in the business-type financial statements represent unearned revenues. The deferred inflows will be recognized as revenue in the fiscal year they are earned in accordance with the accrual basis of accounting.

NOTE 2 – DEPOSITS AND INVESTMENTS

Deposits

All cash resources of the Port Authority are placed in banks that are qualified public depositories, as required by law (Florida Security for Public Deposits Act). Every qualified public depository is required by this law to deposit with the State Treasurer eligible collateral equal to, or in excess of, an amount to be determined by the State Treasurer. The State Treasurer is required by this law to ensure that the Port Authority's funds are entirely collateralized throughout the fiscal year.

NOTES TO THE FINANCIAL STATEMENTS

PORT ST. JOE PORT AUTHORITY

For the Year Ended September 30, 2019

NOTE 2 – DEPOSITS AND INVESTMENTS (continued)

In the event of failure by a qualified public depository, losses, in excess of federal depository insurance and proceeds from the sale of the securities pledged by the defaulting depository, are assessed against the other qualified public depositories of the same type as the depository in default. When other qualified public depositories are assessed additional amounts, they are assessed on a pro-rata basis.

Investments

Florida Statutes, Section 218.415, authorizes the Port Authority to invest surplus funds in the following;

The Local Government Surplus Funds Trust Fund, or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation act of 1969; Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency; interest-bearing time deposits or savings accounts in qualified public depositories; or direct obligations of the United States Treasury.

Credit Risks

The credit risk of certain investments, such as investment pools managed by other outside parties, cannot be categorized as to credit risk because such investments are not evidenced by specific, identifiable investment securities. The Port Authority does not own these types of investments.

Interest Rate Risks

At September 30, 2019, the Port Authority did not hold any investments that were considered to be an interest rate risk.

Custodial Risks

At September 30, 2019, the Port Authority did not hold any deposits or investments that were considered to be a custodial risk.

Concentration of Credit Risk

At September 30, 2019, the Port Authority did not hold any investments that were considered to be a concentration of credit risk.

NOTES TO THE FINANCIAL STATEMENTS

PORT ST. JOE PORT AUTHORITY

For the Year Ended September 30, 2019

NOTE 3 – EMPLOYEE BENEFITS

A. Florida Retirement System

Plan Description – The Authority contributes to the Florida Retirement System (the FRS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of Florida, Department of Administration, Division of Retirement. The FRS provides retirement, disability or death benefits to retirees or their designated beneficiaries along with an annual cost-of-living adjustment. Employees are classified in either the regular service class or the senior management service class. Currently, the active participants for Port St. Joe Port Authority are 0 out of total of 514,629 active FRS participants.

The Florida Legislature created the Florida Retirement Investment Plan (the “investment Plan”), a defined contribution plan qualified under Section 401 (a) of the Internal Revenue Code. The Investment Plan is administered by the Department of Management Services and is an alternative available to members of the Florida Retirement System in lieu of participation in the defined benefit retirement plan (“the Pension Plan”). If the Investment Plan is elected, active membership in the Pension Plan is terminated. Eligible members of the Investment Plan are vested at one year of service and receive a contribution in an investment product with a third party administrator selected by the State Board of Administration.

Chapter 121, *Florida Statutes*, establishes the authority for benefit provisions and contribution requirements. Changes to the law can only occur through an act of the Florida Legislature. There are uniform contribution rates as discussed on the following page that cover both the defined benefit and defined contribution plans. Information for the required employer contributions made to the Investment Plan were unavailable from FRS.

Additional Financial and Actuarial Information – Additional audited financial information supporting the Schedules of Employer Allocations and the Schedule of Pension Amounts by Employer is located in the Florida Comprehensive Annual Financial Report (CAFR) and in the Florida Retirement System Pension Plan, and Other State-Administered Systems CAFR.

See <http://www.myfloridacfo.com/Division/AA/Reports/default.htm> for an available copy of the Florida CAFR online.

The FRS CAFR and actuarial valuation reports as of July 1, 2019 are available online at http://ww.dms.myflorida.com/workforce_operations/retirement/publications/annual_reports.

NOTES TO THE FINANCIAL STATEMENTS

PORT ST. JOE PORT AUTHORITY

For the Year Ended September 30, 2019

NOTE 3 – EMPLOYEE BENEFITS (continued)

Reports may also be obtained by contacting the Division of Retirement at:

Department of Management Services
Division of Retirement
Bureau of Research and Member Communications
P O Box 9000
Tallahassee, Florida 32315-9000
850-488-4706 or toll free at 877-377-1737

Funding Policy – Prior to July 1, 2011, the FRS was employee noncontributory. Beginning July 1, 2011, employees who are not participating in the Deferred Retirement Option Plan (DROP) are required to contribute 3% of their salary to the FRS. The Authority is required to contribute at an actuarially-determined rate.

The FRS relies upon contributions from employees and employers, along with investment income, to meet the funding requirements of an actuarially determined accrued liability. As of July 1, 2018, the date of the latest valuation, the FRS funded ratio was 85.4% on the valuation funding basis and 83.2% on a Market Value of Assets basis.

The Authority also participates in the Retiree Health Insurance Subsidy (HIS) Program, a cost sharing, multiple-employer defined benefit pension plan established under Section 112.363, *Florida Statutes*. The benefit is a monthly cash payment to assist retirees of state-administered retirement systems in paying their health insurance costs.

In addition to the above benefits, the FRS administers a Deferred Retirement Option Program (“DROP”). This program allows eligible employees to defer receipt of monthly retirement benefit payments while continuing employment with a Florida Retirement System employer for a period not to exceed 60 months after electing to participate. DROP benefits are held in the FRS Trust Fund and accrue interest.

The HIS Program is funded by required contributions from FRS participating employers as set by the State Legislature. Employer contributions are a percentage of gross compensation for all active FRS employees and are reported by employers with monthly payroll reports and included with the amount submitted for retirement contributions. For the fiscal year ended September 30, 2019, the contribution rate was 1.66% of payroll pursuant to Section 112.363, *Florida Statutes*.

The contributions required for the years ended September 30, 2019, 2018, and 2017 were \$0, \$0, and \$0, respectively, which is equal to 100% of the required contribution for each year.

NOTES TO THE FINANCIAL STATEMENTS

PORT ST. JOE PORT AUTHORITY

For the Year Ended September 30, 2019

NOTE 3 – EMPLOYEE BENEFITS (continued)

The rates for 2019 fiscal year were as follows:

Membership Category	Benefits	Vesting	Employer Contribution Rate	
			FRS	HIS
Regular Class	For employees in the FRS as of June 30, 2011, normal retirement at age 62 or at least 30 years of service: 1.60% times average compensation (five highest years) times years of creditable service.	After six years creditable service.	7.92%	1.66%

Net Pension Liability – At September 30, 2019, the Authority reported for its share of the FRS and HIS plans the amount for the net pension liability as shown below:

	FRS	HIS	Total
June 30, 2018	\$ —	\$ —	\$ —
June 30, 2017	\$ —	\$ —	\$ —

The net pension liability for each plan was determined by the plans' actuary and reported in the plans' valuations dated July 1, 2018 and July 1, 2017 for the net pension liability as of June 30, 2018 and 2017, respectively.

	FRS	HIS
June 30, 2018	0%	0%
June 30, 2017	0%	0%
Increase in Share for 2017	0%	0%

The Authority's proportionate share of the net pension liability was based on the Authority's 2018-2019 fiscal year contributions relative to the 2017-2018 fiscal year contributions of all participating members of FRS.

NOTES TO THE FINANCIAL STATEMENTS

PORT ST. JOE PORT AUTHORITY

For the Year Ended September 30, 2019

NOTE 3 – EMPLOYEE BENEFITS (continued)

Actuarial Methods and Assumptions – Actuarial Assumptions for both defined benefit plans are reviewed by the Florida Retirement System Actuarial Assumptions Conference on an annual basis. The FRS Pension Plan has an annual valuation in accordance with 121.031(3), Florida Statutes while the Health Insurance Subsidy HIS program is valued biennially and updated for GASB reporting in the year a valuation is not performed. An experience study for the FRS Pension Plan was completed in 2014 for the period July 1, 2008 through June 30, 2013. The HIS program is funded on a pay as you go basis and so no experience study has been completed for this program.

The total pension liability for each of the defined plans determined by an actuarial valuation as of July 1, 2017, using the entry age normal actuarial cost method. Inflation increases for both plans is assumed at 2.60%. Payroll growth for both plans is assumed at 3.25%. Both the discount rate and the long term expected rate of return used for the FRS Pension Plan investments is 7.1%.

The plan's fiduciary net position was projected as available for all projected future benefit payments of current active and inactive employees. The discount rate for calculating the total pension liability is equal to the long term expected rate of return. For the HIS program, a municipal bond rate of 3.80% was used to determine the total pension liability. Mortality assumptions for both plans were based on the Generational RP-2000 with Projection Scale BB Tables.

The actuarial assumptions that determined the total pension liability as of June 30, 2019 were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2013 and are shown below:

Valuation Date	July 1, 2015	July 1, 2014
Measurement Date	June 30, 2016	June 30, 2015
Payroll Growth	1.00%	0.65%
Inflation	3.00%	2.60%
Salary Increases Including Inflation	4.00 %	3.25%
Rate of Return	7.60%	7.65%
HIS Municipal	4.29%	3.80%
Mortality	Generational RP-2000 with Projection Scale AA	Generational RP-2000 with Projection Scale BB
Actuarial Cost Method	Entry Age Normal	Entry Age Normal

NOTES TO THE FINANCIAL STATEMENTS

PORT ST. JOE PORT AUTHORITY

For the Year Ended September 30, 2019

NOTE 3 – EMPLOYEE BENEFITS (continued)

Investments – To develop an analytical basis for the selection of the long-term expected rate of return assumption, in October 2015 the FRS Actuarial Assumptions conference reviewed long-term assumptions developed by Milliman’s capital market assumptions team and by a capital market assumptions team from Aon Hewitt Investment Consulting. The table below shows Milliman’s assumptions for each asset classes in which the plan was invested at that time based on the long-term target asset allocation. The allocation policy’s description of each class was used to map the target allocation to the classes shown below. Each assumption is based on a consistent set of underlying assumptions, and includes an adjustment for inflation. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

<u>Asset Class</u>	<u>Target Allocation (1)</u>	<u>Annual Arithmetic Return</u>	<u>Compound Annual (Geometric) Return</u>	<u>Standard Deviation</u>
Cash	1.00%	3.20%	3.10%	1.70%
Fixed Income	18.00%	4.80%	4.70%	4.70%
Global Equity	54.00%	8.50%	7.20%	17.70%
Real Estate (Property)	10.00%	6.80%	6.20%	12.00%
Private Equity	11.00%	11.90%	8.20%	30.00%
Strategic Investments	6.00%	6.70%	6.10%	11.40%
Total	<u>100.00%</u>			

Assumed Inflation – Mean

2.60%

1.90%

Sensitivity Analysis – the tables below represent the sensitivity of the net pension liability to changes in the discount rate for Port St. Joe Port Authority. The sensitivity analysis shows the impact to the collective net pension liability of the participating employers if the discount rate shows as 1.00% higher or 1.00% lower than the current discounted rate at June 30, 2019.

NOTES TO THE FINANCIAL STATEMENTS

PORT ST. JOE PORT AUTHORITY

For the Year Ended September 30, 2019

NOTE 3 – EMPLOYEE BENEFITS (continued)

FRS Net Pension Liability		
1% Decrease 5.9%	Current Discount Rate 6.9%	1% Increase 7.9%
<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
HISNet Pension Liability		
1% Decrease 2.9%	Current Discount Rate 3.5%	1% Increase 4.5%
<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>

Pension Expense and Deferred Outflows (Inflows) of Resources – In accordance with GASB 68, paragraph 71, changes in the net pension liability are recognized as pension expense in the current measurement period with the following exceptions shown below. For each of the following, a portion is recognized in pension expense in the current measurement period, and the balance is amortized as deferred outflows or inflows of resources using rational method over a time period, as defined below:

- Differences between expected and actual experience with regard to economic and demographic factors which are amortized over the average expected remaining service life of all employees that are provided with pensions through the pension plan, both active and inactive.
- Changes of Assumptions or other inputs which are amortized over the average expected remaining service life of all employees that are provided with pensions through the pension plan, both active and inactive.
- Differences between expected and actual earnings on pension plan investments are amortized over five years.

NOTES TO THE FINANCIAL STATEMENTS

PORT ST. JOE PORT AUTHORITY

For the Year Ended September 30, 2019

NOTE 3 – EMPLOYEE BENEFITS (continued)

For the fiscal year ended September 30, 2019, the Authority recognized pension expense of \$0 for the FRS plan. In addition the Authority reported deferred outflows of resources and deferred inflows of resources relate to pensions from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources for the FRS Plan</u>	<u>Deferred Inflows of Resources for the FRS Plan</u>
Differences between expected and actual experience	\$ —	\$ —
Change of assumptions	—	—
Net difference between projected and actual earnings on FRS Plan investments	—	—
Changes in proportion and differences between Authority FRS Plan contributions and proportionate share of contributions	—	(812)
Authority FRS Plan contributions subsequent to the measurement date	—	—
Total	\$ —	\$ (812)

The deferred outflows of resources related to the Pension Plan, totaling \$0 and resulting from Authority contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Pension Plan will be recognized in pension expense as follows:

<u>Reporting Period Ending June 30</u>	<u>FRS Expense</u>
2020	\$ —
2021	—
2022	—
2023	—
2024	—
Thereafter	—

NOTES TO THE FINANCIAL STATEMENTS

PORT ST. JOE PORT AUTHORITY

For the Year Ended September 30, 2019

NOTE 3 – EMPLOYEE BENEFITS (continued)

Health Insurance Subsidy

The components of the collective pension expense reported in the pension allocation schedules for the Florida Retirement System's Health Insurance Subsidy for the year ended June 30, 2019 are presented below and are used for to calculate Port St. Joe Port Authority's share for 2019 which is 0%.

For the fiscal year ended September 30, 2019, the Authority recognized pension expense of \$0 for the HIS plan. In addition the Authority reported deferred outflows of resources and deferred in flows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources for the HIS Plan	Deferred Inflows of Resources for the HIS Plan
Differences between expected and actual experience	\$ —	\$ —
Change of assumptions	—	—
Net difference between projected and actual earnings on HIS Plan investments	—	—
Changes in proportion and differences between Authority HIS Plan contributions and proportionate share of contributions	—	(1,690)
Authority HIS Plan contributions subsequent to the measurement date	—	—
Total	\$ —	\$ (1,690)

The deferred outflows of resources related to the HIS Plan, totaling \$0 resulting from Authority contributions to the HIS Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2019. Other amounts reported by the Authority as deferred outflows of resources and deferred inflows of resources related to the HIS Plan will be recognized in pension expense as follows:

Reporting Period Ending June 30	HIS Expense
2020	\$ —
2021	—
2022	—
2024	—
2023	—
Thereafter	—

NOTES TO THE FINANCIAL STATEMENTS

PORT ST. JOE PORT AUTHORITY

For the Year Ended September 30, 2019

NOTE 4 – NOTES PAYABLE

Gulf County Note Payable

On May 2011 the County entered into a mortgage agreement with the Port St. Joe Port Authority whereby the County made a loan in the amount of \$199,000 which is secured by real estate. In 2014 the County refinanced the debt advancing another \$60,000 plus accrued interest and loan costs to the Authority, with another \$60,000 advance in 2015, securing debt with a mortgage on real estate. The loan is to be repaid over a ten year period and has an annual interest rate of 3%. No payments will be made for the first two years. Thereafter a sum of \$10,000 per year will be paid on the outstanding balance with the first payment due on August 21, 2017. The note will balloon on July 21, 2024 at which time all accrued interest and remaining balance will be due.

During the year the County has removed the interest requirement and all payments will now be considered as principle payments.

City of Port St. Joe Note Payable

On May 9, 2016 the Authority entered into a mortgage agreement with the City of Port St. Joe whereby the City made a loan in the amount of \$210,402 which is secured by real estate. The loan is to be repaid over a five year period and has an annual interest rate of 3%. The loan was for the purpose of paying the settlement expense involving the property foreclosure in a prior year.

The first payment on the loan was due May 9, 2019 with subsequent monthly interest payment of \$504 with the final payment being due on May 9, 2021 in the amount of \$229,032.

During the year the County has removed the interest requirement and all payments will now be considered as principle payments.

Note Payable

On June 2, 2016 the Authority entered into a mortgage agreement with a private entity wherein the Authority borrowed \$55,000 to be used for operating expenses. The loan is secured by real estate and carries a zero percent interest rate.

The loan is being funded in quarterly installments of \$13,875 and at 9/30/16, \$27,750 had been funded. Repayment is over a two year period in annual installments commencing June 2, 2017.

The loan was paid in full during the year.

NOTES TO THE FINANCIAL STATEMENTS

PORT ST. JOE PORT AUTHORITY

For the Year Ended September 30, 2019

NOTE 4 – NOTES PAYABLE (continued)

Long-term obligations and debt at September 30, 2019, are as follows:

	<u>Balance September 30, 2018</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance September 30, 2019</u>	<u>Due Within One Year</u>
Governmental activities					
Gulf County Note Payable	\$ 319,000	\$ —	\$ (10,000)	\$ 309,000	\$ 10,000
City of Port St. Joe Note Payable	201,402	—	(504)	200,898	6,048
Note Payable	<u>20,813</u>	<u>—</u>	<u>(20,813)</u>	<u>—</u>	<u>—</u>
Total governmental activities Long-term obligations	<u>\$ 541,215</u>	<u>\$ —</u>	<u>\$ (31,317)</u>	<u>\$ 509,898</u>	<u>\$ 16,048</u>

Future debt service requirements for the governmental funds:

	<u>Gulf County</u>		<u>City of Port St. Joe</u>		<u>Total</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2020	\$ 10,000	\$ —	\$ 6,048	\$ —	\$ 16,048	\$ —
2021	10,000	—	194,850	—	204,850	—
2022	10,000	—	—	—	10,000	—
2023	10,000	—	—	—	10,000	—
2024	<u>269,000</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>269,000</u>	<u>—</u>
	<u>309,000</u>	<u>—</u>	<u>200,898</u>	<u>—</u>	<u>509,898</u>	<u>—</u>

NOTE 5 – OTHER POSTEMPLOYMENT BENEFITS

The Port Authority pays no post employment benefits.

NOTE 6 – CONTINGENCIES

The Port Authority has received in the past, grants that are subject to special compliance audits by the grantor agency, which may result in disallowed expense amounts. These amounts constitute a contingent liability of the Port Authority. The Port Authority does not believe any contingent liabilities to be material.

NOTES TO THE FINANCIAL STATEMENTS

PORT ST. JOE PORT AUTHORITY

For the Year Ended September 30, 2019

NOTE 7 – CAPITAL ASSETS

Capital assets activity for the year ended September 30, 2019 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital Assets not being Depreciated				
Land and improvements	\$ 1,310,000	\$ —	\$ —	\$ 1,310,000
Construction in progress	<u>753,800</u>	<u>—</u>	<u>—</u>	<u>753,800</u>
Total Capital Assets not being Depreciated	<u>2,063,800</u>	<u>—</u>	<u>—</u>	<u>2,063,800</u>
Other Capital Assets				
Equipment	<u>4,933</u>	<u>—</u>	<u>—</u>	<u>4,933</u>
Total Other Capital Assets at Historical Cost	<u>4,933</u>	<u>—</u>	<u>—</u>	<u>4,933</u>
Less Accumulated Depreciation for:				
Equipment	<u>(4,933)</u>	<u>—</u>	<u>—</u>	<u>(4,933)</u>
Total Accumulated Depreciation	<u>(4,933)</u>	<u>—</u>	<u>—</u>	<u>(4,933)</u>
Other Capital Assets, net	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Capital Assets, net	<u><u>\$ 2,063,800</u></u>	<u><u>\$ —</u></u>	<u><u>\$ —</u></u>	<u><u>\$ 2,063,800</u></u>

NOTE 8 – JOINT PARTICIPATION AGREEMENT AND CONSTRUCTION IN PROGRESS

On November 10, 2015 the Authority entered into a Joint Participation Agreement with the State of Florida Department of Transportation for Dredging Spoil Area. The estimated cost of the project is \$1,000,000 with The Department of Transportation providing 100% of the total cost.

Upon execution, The Department of Transportation made \$753,800 available for task #1 of the project, Spoil Area Design. Other funds will be released with consultation and confirmation from The Florida Department of Transportation.

The Authority released a work order to Hatch Mott Macdonald Florida LLC to provide engineering services described in Task #1 of the Agreement. As of September 30, 2019, task #1 had been completed.

This agreement is part of a larger project wherein the St. Joseph Bay area will be dredged with a total project cost estimated at \$54.8 million. The larger project will only occur if financing of the remaining project costs can be located.

REQUIRED SUPPLEMENTARY INFORMATION

PORT ST. JOE PORT AUTHORITY
PROPORTIONATE SHARE OF NET PENSION LIABILITY
Last Ten Years*
SEPTEMBER 30, 2019

		<u>2019</u>		<u>2018</u>		<u>2017</u>		<u>2016</u>	
Authority's proportion of the net pension liability		0%		0%		0%		0%	
Authority's proportionate share of the net pension liability	\$	—		\$	—	\$	—	\$	—
Authority's covered-employee payroll	\$	—		\$	—	\$	—		
Authority's proportionate share of the net pension liability as a percentage of its covered-employee payroll		0%		0%		0%		0%	
Plan fiduciary net position as a percentage of the total pension liability		0%		0%		84.94%		84.94%	

		<u>2015</u>
Authority's proportion of the net pension liability		0%
Authority's proportionate share of the net pension liability	\$	—
Authority's covered-employee payroll	\$	—
Authority's proportionate share of the net pension liability as a percentage of its covered-employee payroll		0%
Plan fiduciary net position as a percentage of the total pension liability		92.00%

* The amounts presented for each fiscal year were determined as of 6/30 except for the covered payroll determined as of 9/30. The schedule is intended to show information for 10 years. Additional years will be displayed as the information becomes available.

PORT ST. JOE PORT AUTHORITY
SCHEDULE OF EMPLOYER CONTRIBUTIONS
Last Ten Fiscal Years*
SEPTEMBER 30, 2019

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ —	\$ —	\$ —	\$ —
Contributions in relation to the contractually required contribution	—	—	—	—
Contribution deficiency (excess)	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
Authority's covered-employee payroll	\$ —	\$ —	\$ —	\$ —
Contribution as a percentage of covered-employee payroll	0%	0%	0%	0%

	<u>2015</u>
Contractually required contribution	\$ —
Contributions in relation to the contractually required contribution	—
Contribution deficiency (excess)	<u>\$ —</u>
Authority's covered-employee payroll	\$ —
Contribution as a percentage of covered-employee payroll	0%

* The amounts presented for each fiscal year were determined as of 6/30 except for the covered payroll determined as of 9/30. The schedule is intended to show information for 10 years. Additional years will be displayed as the information becomes available.

COMPLIANCE SECTION

Vance CPA LLC
Certified Public Accountant
219-B Avenue E
Apalachicola, FL 32320
(888) 531-6408 • Fax (866) 406-7422

**INDEPENDENT AUDITOR'S REPORT
ON INVESTMENT COMPLIANCE**

Board of Directors
Port St. Joe Port Authority
Port St. Joe, Florida

We have examined the Port St. Joe Port Authority, Florida's compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2019. Management is responsible for the Authority's compliance with those requirements. Our responsibility is to express an opinion on the Authority's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Authority's compliance with specified requirements.

In our opinion, the Authority complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2019.

This report is intended solely for the information and use of the Authority and the Auditor General, State of Florida, and is not intended to be and should not be used by anyone other than these specified parties.

Vance CPA LLC

Vance CPA LLC
June 29, 2020

Vance CPA LLC
Certified Public Accountant
219-B Avenue E
Apalachicola, FL 32320
(888) 531-6408 • Fax (866) 406-7422

INDEPENDENT AUDITOR'S MANAGEMENT LETTER

Board of Directors
Port St. Joe Port Authority
Port St. Joe, Florida

Report on Financial Statements

We have audited the financial statements of the Port St. Joe Port Authority, Florida as of and for the fiscal year ended September 30, 2019, and have issued our report thereon dated June 29, 2020.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Schedule of Findings and Responses; and Independent Auditor's Report on an examination conducted in accordance with *AICPA Professional Standards*, Section 601, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated June 29, 2020, should be considered in conjunction with this management letter.

Prior Audit Findings:

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Corrective actions have not been taken to address all prior year findings.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statement. The Port St. Joe Port Authority was established in 1955, under a Special Act Florida Statutes 1955 Chapter 30787, and amended in 1978 under Chapter 514. There are no component units.

Other Matters

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Port Authority Board, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Vance CPA LLC". The signature is written in a cursive, flowing style.

Vance CPA LLC

June 29, 2020

Vance CPA LLC
Certified Public Accountant

219-B Avenue E
Apalachicola, FL 32320
(888) 531-6408 • Fax (866) 406-7422

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Directors
Port St. Joe Port Authority
Port St. Joe, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities, of the Port St. Joe Port Authority, Florida, as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Port St. Joe Port Authority, Florida's basic financial statements, and have issued our report thereon dated June 29, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Port St. Joe Port Authority, Florida's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Port St. Joe Port Authority, Florida's internal control. Accordingly, we do not express an opinion on the effectiveness of the Port St. Joe Port Authority, Florida's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control limitations, during our audit we did not identify and deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Port St. Joe Port Authority, Florida's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Vance CPA LLC". The signature is written in a cursive, flowing style.

Vance CPA LLC

June 29, 2020

**PORT ST. JOE PORT AUTHORITY
SUMMARY SCHEDULE OF CURRENT YEAR AUDIT FINDINGS
SEPTEMBER 30, 2019**

SUMMARY SCHEDULE OF CURRENT YEAR AUDIT FINDINGS

None Noted

**PORT ST. JOE PORT AUTHORITY
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
SEPTEMBER 30, 2019**

2018-001 Inadequate Design of Internal Control

Status: Resolved

2018-002 Material Audit Adjustments

Status: Resolved