

TRIUMPH GULF COAST, INC. PRE-APPLICATION FORM

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

APPLICANT INFORMATION

Name of Individual/Entity/Organization: Board of County Commissioners of Gulf County

Proposal Title: Gulf County Industrial Complex Drydock

Amount of Triumph Funds Requested: \$26,000,000.

Total Estimated Project Cost: \$57,000,000.

Brief Description of Individual/Entity/Organization: Board of County Commissioners of Gulf County

Contact Information

Primary Contact: Jim McKnight

Title: Director, Gulf County Economic Development Coalition

Mailing Address: 1000 Cecil G. Costin Sr. Blvd.

City: Port St. Joe State: FL Zip Code: 32456

Telephone Number: 850-832-0227

Email Address: jmcknight@gulfcounty-fl.gov

Website: gulfcounty-fl.gov

Names of co-applicants, partners or other entities, organizations that will have a role in the proposed project or program: Gulf County will retain ownership of the drydock and Eastern Shipbuilding Group will be the exclusive tenant.

REQUIRED EXECUTIVE SUMMARY

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

IMPORTANT NOTICE

This pre-application process will **not** result in an award of funding by Triumph Gulf Coast. Rather, this process is designed to facilitate submission of ideas for potential projects or

programs before the Applicant expends time and/or resources to complete a full Application. All Applicants for funding are required to complete an Application, which will be reviewed and then considered for award at the discretion of Triumph Gulf Coast Board.

Please Select the Proposal's Eligibility Category(s)

Pursuant to Section 288.8017, Triumph Gulf Coast, Inc. was created to make awards from available funds to projects or programs that meet the priorities for economic recovery, diversification, and enhancement of the disproportionately affected counties. The disproportionately affected counties are: Bay County, Escambia County, Franklin County, Gulf County, Okaloosa County, Santa Rosa County, Walton County, or Wakulla County. *See*, Section 288.08012.

1. From the choices below, please check the box that describes the purpose of the proposed project or program (check all that apply):

- Ad valorem tax rate reduction within disproportionately affected counties;
- Local match requirements of s. 288.0655 for projects in the disproportionately affected counties;
- Public infrastructure projects for construction, expansion, or maintenance which are shown to enhance economic recovery, diversification, and enhancement of the disproportionately affected counties;
- Grants to local governments in the disproportionately affected counties to establish and maintain equipment and trained personnel for local action plans of response to respond to disasters, such as plans created for the Coastal Impacts Assistance Program;
- Grants to support programs that prepare students for future occupations and careers at K-20 institutions that have campuses in the disproportionately affected counties. Eligible programs include those that increase students' technology skills and knowledge; encourage industry certifications; provide rigorous, alternative pathways for students to meet high school graduation requirements; strengthen career readiness initiatives; fund high-demand programs of emphasis at the bachelor's and master's level designated by the Board of Governors; and, similar to or the same as talent retention programs created by the Chancellor of the State University System and the Commission of Education, encourage students with interest or aptitude for science, technology, engineering, mathematics, and medical disciplines to pursue postsecondary education at a state university or a Florida College System institution within the disproportionately affected counties;
- Grants to support programs that provide participants in the disproportionately affected counties with transferable, sustainable workforce skills that are not confined to a single employer; and
- Grants to the tourism entity created under s. 288.1226 for the purpose of advertising and promoting tourism and Fresh From Florida, and grants to promote

workforce and infrastructure, on behalf of all of the disproportionately affected counties.

Please Select the Priorities this Proposal's Outcomes will Achieve

1. Please check the box if the proposed project or program will meet any of the following priorities (check all that apply):

- Generate maximum estimated economic benefits, based on tools and models not generally employed by economic input-output analyses, including cost-benefit, return-on-investment, or dynamic scoring techniques to determine how the longterm 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.

The Gulf County Floating Dry Dock in Port St Joe is a transformational project which proposes to create infrastructure, create a skilled workforce and develop an ongoing ship repair and haul out facility on deepwater property in Port St. Joe. Necessary infrastructure includes a self-docking floating dry dock capable of handling vessels up to 10,000 LT weight and serve as catalyst to a myriad of additional business and industry for Gulf County and the region. The drydock design has been completed. Gulf County intends to competitively solicit bids for construction. Eastern has already agreed to exclusively lease and operate the dry dock following the permitting and dredging of a 100' x 1,000' bulkhead. This project is complementary to the 2016 United States Coast Guard Offshore Patrol Cutter design and manufacturing contract awarded to Eastern for the first 4 of a 25-vessel program of record.

The proposal also enables Port St Joe, Gulf County and the region to become a vessel outfitting and vessel repair center for the northern Gulf of Mexico competing with the likes of Tampa, Mobile, New Orleans and related vessel outfitting and repair locations. This project has been unanimously supported by all four of Gulf County's elected boards (Gulf County, City of Port St. Joe, City of Wewahitchka and the Gulf County School Board) and unanimous support by the appointed board, Port St. Joe Port Authority all citing the transformational potential for our county and the eastern region of the Panhandle.

Our request from Triumph Gulf Coast is \$26,000,000. in funding to supplement the federal, state, county and private sector funds which have been and will be invested. Gulf County has committed to \$24,000,000 in revenue bonds, while the Florida Legislature appropriated \$6,000,000 of which approximately \$5,000,000 has already been expended. Congress has committed \$1,000,000. Eastern Shipbuilding has expended approximately \$40,000,000 in Bay County for facilities which are beneficial in the supply line of work to the Gulf County Industrial Complex. The St Joe Company will provide a dredge spoil disposal site.

The services sector, such as management of companies, architectural, engineering, and related services, other professional; services, employment services, and business support services, received nearly half of the indirect impact due to its importance in the supply chain to the shipbuilding and repairing industry. The services sector further received more than half of the induced impact from consumer spending attributable to the industry.

Considering the indirect and induced impacts, each direct job in the U.S. shipbuilding and repairing industry is associated with another 2.62 jobs in other parts of the national economy; each dollar of direct labor income and GDP is associated with another \$1.74 in labor income and \$2.49 in GDP, respectively, outside of the shipbuilding and repairing industry."¹

With the approval and funding of Gulf County's unanimous and overwhelming support for this project, it will be continuing its century tradition of a diversified economy, providing stability through future adverse economic challenges and in supporting Eastern Shipbuilding in its once in a generation opportunity to spur economic growth in Gulf County. In 2016, the US Coast Guard awarded its largest ever vessel procurement contract to Eastern. The contract is initially for a series of 4 Offshore Patrol Cutters and the program of record is for a total of 25 vessels over the next 20

¹ <https://www.maritime.dot.gov/sites/marad.dot.gov/files/docs/resources/3641/maradeconstudyfinalreport2015.pdf>

years. The total manufacturing contract value is more than \$10 Billion. Eastern will manufacture OPC vessels designed to conduct multiple missions in support of the United States' maritime security and border protection. In early 2019 Eastern cut steel for the first OPC and quickly ramped up direct employment of what will be nearly 900 employees in the manufacture, launch and outfitting of up to twenty-five United States Coast Guard Offshore Patrol Cutters at its shipyards in Bay County, Florida. Additionally, the project proposes to develop a dry dock facility for vessel haul out as well as a vessel repair and outfitting facility in Port St. Joe.

To do so, Eastern will employ for their Port St. Joe vessel repair, outfitting and haul out facilities welders, shipfitters, plumbers, pipefitters, supervisors of production, operating workers, electricians, painters, carpenters, construction and related workers, helpers, mechanists, and repair workers in numbers as outlined below. Direct employees will learn transferable, sustainable workforce skills, and gain certifications in their respective trades which are valuable across multiple industries. Eastern's historical success, significant investments and future workload leads to this proposal which creates unparalleled opportunities for transformational revitalization of Gulf County's economy.

Eastern commenced in 2017 with the rehabilitation of property historically used as the St Joe Papermill and the adjacent deepwater port. The overall project proposal included (1) repairs and rehabilitation to existing wharf (2) dry dock design, construction and use, (3) upland improvements design, construction and use and (4) dredge area permitting, design, spoil removal and spoil disposal. In its 2017 regular session, the Florida Legislature appropriated a total of \$6 million for this project, of which \$1 million was designated for dredging and \$5 million for infrastructure and costs associated with construction of the floating dry dock. The Joint Participation Agreement between the Florida Department of Transportation and the Gulf County Commission in the amount of \$5,000,000.00 towards costs for engineering design and construction of a floating dry dock and related infrastructure necessary for operations at Port St Joe including but not limited to construction materials, supplies related equipment for the drydock as well as engineering design, design licensing and construction of related upland improvements, utilities and appurtenances.

Gulf County executed a Joint Participation Agreement with the Florida Department of Transportation on December 12, 2017 for the appropriated State expenditures toward this project. The legislative appropriations funded design of a floating dry dock. Of the \$6,000,000. appropriated, \$224,162. remains available for upland improvements while \$897,520. remains available for dredging adjacent to the bulkhead.

In February 2021, the first of three Staten Island Ferries were delivered to Port St. Joe for outfitting prior to delivery. As of April, 2021, two ferries are moored with a third expected to be delivered for outfitting in Port St. Joe in Fall, 2021. The first ferry is scheduled to be delivered in June, 2021, while the second ferry is scheduled for delivery in December 2021. Approximately 115 full-time ESG employees along with approximately 30 additional vendor and subcontractor employees are outfitting these vessels. Additional commercial drydock and outfitting projects are available in this industrial market upon completion of additional infrastructure as is proposed in this Gulf County Industrial Complex project. Following environmental permit approval in 2022, the drydock can be operational within 33 months of Triumph Gulf Coast's approval of the requested funding.