

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: Bay County Board of Commissioners

Proposal Title: Project “Beacon”

Amount of Triumph Funds Requested:

\$1.6M

Total Estimated Project Cost: \$18.5M

Brief Description of Individual/Entity/Organization: Project “Beacon” was established in Los Angeles California in the 1921 and invented the first replaceable babbitt bearings for automobile engines. Later the company began inventing and producing the most innovative marine bearings, components, seals, and other military equipment designs to support customers the world over. They are a TIER 1 Supplier and designer to their customers which include: US Government, US Navy, Bath Iron Works, Huntington Ingalls, NAVSEA, Australian Submarine Corporation – Adelaide Australia, Navantia Naval-Spain, Fincantieri Naval-Italy, General Dynamics, US Coast Guard, and Northrop Grumman. In order to carry on this legacy of research, innovation, and production, as well as begin new projects, it is necessary for “Beacon” to both relocate and expand.

Contact Information

Primary Contact:	<u>Becca Hardin</u>
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Names of co-applicants, partners or other entities, organizations that will have a role in the proposed project or program:

- Gulf Coast State College
- Florida State University
- CareerSource Gulf Coast
- City of Panama City
- Space Florida

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 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 "Beacon"ers of commerce located within the disproportionately affected counties.

Executive Summary:

Code Name: **Project Beacon**, Industry: **Bearings Manufacturing**, Location: **Panama City, Bay County**

Project estimated investment: **\$18.5M**

Job Creation: 35 by end of 2024, with average salary estimated at \$90,657 versus Bay County average of \$37,035.

Project “Beacon” is a TIER 1 Supplier to the Navy and other NATO countries. “Beacon” designs, develops, engineers, manufactures, and sells a complete range of state-of-the-art solutions developed around bearing propulsor systems, its associated hardware, and other Military equipment. Their portfolio of products includes Engineering services, Research and Development, Propulsor bearings, Lineshaft bearings, Stave bearings, Partial arc bearings, Seals and sealing systems, and applied research associated with bearing designs and application. “Beacon” is preparing to move all its headquarters and operations to a new facility in the South-East where they will require at minimum a 60,000 sq. ft. building that is dedicated to headquarters, engineering, production, research, warehousing, after-sales services of our products, and engineering special projects. “Beacon” is undergoing this move for two reasons: First, to expand Engineering and R&D capabilities for large-scale testing which requires a larger support facility. Second, at the request of their employees, customers, and given the continual business demands to be more centrally located to customers, they are engaging in this move. They intend to also reduce overall costs as applied to projects and production.

In addition to the Bay Economic Development Alliance and Bay County Commission, “Beacon” is working with Space Florida on this project. Space Florida will own the facility and will enter in a long term lease with “BEACON”. The \$1.6M Triumph grant will be used towards the infrastructure improvements and site preparation of the proposed site.

Upon completing the move to FL, “Beacon” intends on greatly growing their business and coming out with many different products that have not currently introduced to the Market. These include: Additional Bearing inventions, Submarine and Ship components, Marine related Turbine engines and equipment, UUV (Unmanned Underwater Vehicle and Small Surface Vehicle) propulsion systems and hull forms. They can design complete craft and propulsion for specialty missions. These will be constructed of their own engineering and materials selection and built in their factory.

“Beacon” will have 10 to 15 employees relocate with the company and intends on hiring 15 to 20 personnel from the local community at the beginning of its move with an average wage of \$90,657 by 2023. These positions are highly skilled positions in Engineering, Accounting, Contract Management, Multi-Axis Machine CNC operators, and QC personnel. The company provides some of the top benefits to employees equal to that of fortune fifty (50) companies. As part of their corporate policy, they also participate in community out-reach, and have in many instances acquired newly hired employees from local programs with which we support in local schools and colleges. Their customers are located all over the world and given that they Design,

Engineer, Produce, and Test products in house, they are somewhat unique. Their facilities are very clean and working environments very well kept at all levels, pollution of all types (noise, effluent, hazardous wastes etc.) are contained to the strictest US standards with community. Also, “Beacon” intends on being one of the most sought-after companies to work for in the Panama City, FL community. What is most unique about “Beacon” is that they conceive, design, engineer, test, produce, and certify our MIL-SPEC products in house. To accomplish these jobs, they plan to hire highly experienced personnel in the Military contracting business. All of the employees at “Beacon” are highly trained from the ground up. “Beacon” has only a few competitors throughout the world in the products they produce and services we provide. Below is a list of some of the attributes and further description of their business:

1. Half of the business is Engineering based with a portion of that being highly advanced R&D requiring very educated personnel, the rest of the business is high precision manufacture using machines costing up to 5 million each.
2. The company exceeds working conditions and medical benefits beyond most Fortune 100 companies due to the requirements to work with us.
3. All of the machines are in an environmentally controlled building.
4. In Florida, they will have to control the building grounds, being that their processes and parts are highly restricted to public view.
5. Diesel truck traffic is minimal at approximately 3 to 5 trucks per month accessing the facility.
6. The company will work with the community sometimes taking on interns and we support our local schools, colleges and universities.
7. Very clean operations with no air or water pollutants.
8. Noise is minimal.
9. Currently, they are operating within a city that is mostly mixed residential, and we are only 500ft from major housing developments and restaurants. We operate with very few even knowing what we do or that we exist within the community.
10. From the community, they would require highly qualified candidates in Business, Engineering, Precision-high tolerance machining, and MIL-SPEC/Aerospace qualified QA/QC. Requirements may include master’s degrees, bachelor’s degrees, highly skilled HS graduates.
11. Employees must pass different levels of security background checks depending on their position or job.

Description	Estimated Timeline	Status
Site review (TN, FL)	Q4-2020 to Q2-2021	In progress
Triumph Funding	Q2-2021	
Purchase land	Q2-2021	In Progress
building Contractor selection	Q2-2021	In Progress
building commencement	Q3-2021	
New equipments’ order	Q3-2021	
Building complete	Q1-2022	
Installing machine/equipment	Q2-2022	
Start Production	Q3-2022	