



Triumph Gulf Coast, Inc.

MyFloridaTriumph.com

**Request to Withdraw Triumph Application**

**Applicant Name:** Board of County Commissioners  
**County:** Gulf  
**Proposal Title:** Floating Drydock Application # 249

**Contact Information**

**Primary Contact:** Jim McKnight  
**Title** Director Gulf County Economic Development Coalition  
**Email:** [jmcknight@gulfcountry-fl.gov](mailto:jmcknight@gulfcountry-fl.gov)  
**Phone** (850) 832-0227

Gulf County hereby requests Triumph Gulf Coast withdraw our Floating Drydock application #249.

We are attaching a Triumph Pre-application request for funding an updated version of the project withdrawn.

Sincerely,

Michael L. Hammond  
County Administrator

5-20-24

Date

## **TRIUMPH GULF COAST, INC. PRE-APPLICATION FORM**

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### **APPLICANT INFORMATION**

Name of Individual/Entity/Organization: Board of County Commissioners of Gulf County  
Proposal Title: Gulf County Ship Maintenance, Repair, and Overhaul Facility (SMRO)  
Amount of Triumph Funds Requested: \$44,500,000.00  
Total Estimated Project Cost: \$126,000,000.00

Brief Description of Individual/Entity/Organization:

County Government

#### **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: 322456  
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Email Address: [jmcknight@gulfcountry-fl.gov](mailto:jmcknight@gulfcountry-fl.gov)  
Website: [www.gulfcountry-fl.gov](http://www.gulfcountry-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 floating drydock which will be located on Sovereignty Submerged Land in St Joe Bay.

Eastern Shipbuilding holds a long-term lease along one thousand (1,000) feet of deepwater on St Joe Bay and Eastern will be the exclusive tenant of the floating dry dock.

### **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.

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**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 chambers of commerce located within the disproportionately affected counties.



## **Executive Summary**

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The Gulf County Ship Maintenance Repair and Overhaul facility project (SMRO) proposes to create infrastructure that will transform a recently established shipbuilding facility from one that currently relies on the cyclical new construction shipbuilding market into an SMRO facility that will benefit from a steady stream of maintenance, repair, and overhaul work for both government and commercial vessels. SMRO facility infrastructure includes construction of a Jones Act Compliant self-docking floating dry dock capable of lifting vessels up to 15,000 long tons in weight out of the water, completion of associated dredging, Installation of shoreside mooring structures and services, as well as installation of water borne mooring structures. The SMRO facility will bring steady economic expansion to Gulf County and serve as a catalyst to a myriad of additional supporting businesses and industries for Gulf County and the region. The floating drydock functional design has been completed utilizing funding invested by the state of Florida under a grant through the Florida Department of Transportation. Eastern Shipbuilding (who currently operates the shipbuilding facility in Gulf County where the drydock is intended to be operated) has already agreed to exclusively lease and operate the dry dock following completion of drydock construction, the necessary dredging of a submergence basin adjacent to the existing bulkhead, and the requisite mooring fixtures and services. This project is complementary to Eastern Shipbuilding's current market share in the commercial and government new construction market, which is underpinned by the 2016 United States Coast Guard Offshore Patrol Cutter design and manufacturing contract award. Perhaps even more significant is the fact that the creation of an SMRO facility plays an integral role in its planned expansion into supporting future major shipbuilding programs for the United States Navy.

Eastern Shipbuilding and Gulf County have a strong partnership and an exceptional track record in collaborating to produce shipbuilding excellence. It began in 2012, when Eastern Shipbuilding Group secured an exclusive long-term lease with the St Joe Company for vessel construction and repair on 20 acres with the option to secure an additional adjacent 20 acres. The property includes approximately 1,000 feet of deepwater bulkhead on St Joe Bay, adjacent to a congressionally authorized shipping channel and turning basin. Gulf County subsequently applied for a state grant for the rehabilitation of the site into a working shipbuilding facility capable of supporting new vessel construction outfitting, test and trials, and final delivery. The overall project proposal included (1) repairs and rehabilitation to the existing wharf (2) completion of the functional design for a floating drydock (3) necessary upland infrastructure improvements (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 upland infrastructure and costs associated with construction of the floating dry dock. 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.



Project funding source breakdown:

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| Triumph Funds Requested:   | \$44,500,000.00  |
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| Federal Government:        | \$1,000,000.00   |
| ESG Capex Investment 2023  | \$45,000,000.00  |
| Total Project Costs:       | \$126,000,000.00 |

**Timeline:**

**Design and Design:** The Gulf County Commission, following a competitive solicitation process, selected Heger Dry Dock, Inc., for the floating dry dock design. Heger is an industry leader in dry dock design, dock selection, floating dock mooring design, inspection, certification as well as docking and launching calculations. They have extensive experience in most major shipyards in the United States resulting in their excellent reputation with the U.S. Coast Guard, the U.S. Navy and Military Sealift Command. Heger has experience designing 1,000 to 80,000-ton capacity floating drydocks, basin dock projects, vessel transfer systems, and blockings arrangements for extraordinary vessels and emergency repair projects. Drydock design is complete, unless plan revisions are beneficial, and upland investments have been completed.

**Dry Dock Construction:** Using Heger's engineering design, a competitive public bidding and procurement process acceptable to Triumph will be completed. Construction is expected to take up to 36 months after Triumph approval and the letting of a contract. The required dredging activities and construction of necessary mooring structures will be completed concurrently with the construction of the dry-dock, followed by the immediate opening of the SMRO operation in Gulf County. Upon full operation of the dry dock, Eastern will have employees at its Port St Joe facility supporting both new construction outfitting, test, and trials activities as well as supporting SMRO operations.

**Dry Dock Ownership and Use:** The Gulf County Commission will retain ownership of the Floating Dry Dock with an exclusive 50-year lease and purchase option with Eastern Shipbuilding Group, Inc. Eastern will be responsible for maintenance, upkeep and repair of the Dry Dock pursuant to the terms of a negotiated triple-net lease. Eastern will agree to exclusively operate the Dry Dock at Port St Joe, unless it is necessary to temporarily utilize the drydock for launching a very large deep draft vessel in the waters adjacent to its Allanton facility.

**Dredging:** The 2017 Joint Participation Agreement between the Florida Department of Transportation and the Gulf County Commission includes \$1,000,000.00 for the engineering design, permitting, mobilization and dredging of a submergence pit to a depth of at least 48 feet at the proposed submergence location of the floating drydock and 35 feet along the remainder of the bulkhead at Port St Joe. Gulf County intends to place dredged material in the area already designated and permitted for this purpose under the existing ACOE channel and turning basin dredging permit.

**Dredging Schedule:** Permitting was slowed due to Hurricane Michael and the COVID 19 pandemic, but is actively progressing. Permit issuance is expected in late 2024. Mobilization and dredging can be complete in roughly six months after issuance of a contract.

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(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.

The Gulf County Ship Maintenance Repair and Overhaul facility project (SMRO) proposes to create infrastructure that will transform a recently established shipbuilding facility from one that currently relies on the cyclical new construction shipbuilding market into an SMRO facility that will benefit from a steady stream of maintenance, repair, and overhaul work for both government and commercial vessels. SMRO facility infrastructure includes construction of a Jones Act Compliant self-docking floating dry dock capable of lifting vessels up to 15,000 long tons in weight out of the water, completion of associated dredging, Installation of shoreside mooring structures and services, as well as installation of water borne mooring structures. The SMRO facility will bring steady economic expansion to Gulf County and serve as a catalyst to a myriad of additional supporting businesses and industries for Gulf County and the region. The floating drydock functional design has been completed utilizing funding invested by the state of Florida under a grant through the Florida Department of Transportation. Eastern Shipbuilding (who currently operates the shipbuilding facility in Gulf County where the drydock is intended to be operated) has already agreed to exclusively lease and operate the dry dock following completion of drydock construction, the necessary dredging of a submergence basin adjacent to the existing bulkhead, and the requisite mooring fixtures and services. This project is complementary to Eastern Shipbuilding's current market share in the commercial and government new construction market, which is underpinned by the 2016 United States Coast Guard Offshore Patrol Cutter design and manufacturing contract award. Perhaps even more significant is the fact that the creation of an SMRO facility plays an integral role in its planned expansion into supporting future major shipbuilding programs for the United States Navy.

Eastern Shipbuilding and Gulf County have a strong partnership and an exceptional track record in collaborating to produce shipbuilding excellence. It began in 2012, when Eastern Shipbuilding Group secured an exclusive long-term lease with the St Joe Company for vessel construction and repair on 20 acres with the option to secure an additional adjacent 20 acres. The property includes approximately 1,000 feet of deepwater bulkhead on St Joe Bay, adjacent to a congressionally authorized shipping channel and turning basin. Gulf County subsequently applied for a state grant for the rehabilitation of the site into a working shipbuilding facility capable of supporting new vessel construction outfitting, test and trials, and final delivery. The overall project proposal included (1) repairs and rehabilitation to the existing wharf (2) completion of the functional design for a floating drydock (3) necessary upland infrastructure improvements (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 upland infrastructure and costs associated with construction of the floating dry dock. 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.



Project funding source breakdown:

|                            |                  |
|----------------------------|------------------|
| Triumph Funds Requested:   | \$44,500,000.00  |
| Gulf County Bond           | \$29,500,000.00  |
| Legislative Appropriation: | \$6,000,000.00   |
| Federal Government:        | \$1,000,000.00   |
| ESG Capex Investment 2023  | \$45,000,000.00  |
| Total Project Costs:       | \$126,000,000.00 |

**Timeline:**

**Design and Design:** The Gulf County Commission, following a competitive solicitation process, selected Heger Dry Dock, Inc., for the floating dry dock design. Heger is an industry leader in dry dock design, dock selection, floating dock mooring design, inspection, certification as well as docking and launching calculations. They have extensive experience in most major shipyards in the United States resulting in their excellent reputation with the U.S. Coast Guard, the U.S. Navy and Military Sealift Command. Heger has experience designing 1,000 to 80,000-ton capacity floating drydocks, basin dock projects, vessel transfer systems, and blockings arrangements for extraordinary vessels and emergency repair projects. Drydock design is complete, unless plan revisions are beneficial, and upland investments have been completed.

**Dry Dock Construction:** Using Heger's engineering design, a competitive public bidding and procurement process acceptable to Triumph will be completed. Construction is expected to take up to 36 months after Triumph approval and the letting of a contract. The required dredging activities and construction of necessary mooring structures will be completed concurrently with the construction of the dry-dock, followed by the immediate opening of the SMRO operation in Gulf County. Upon full operation of the dry dock, Eastern will have employees at its Port St Joe facility supporting both new construction outfitting, test, and trials activities as well as supporting SMRO operations.

**Dry Dock Ownership and Use:** The Gulf County Commission will retain ownership of the Floating Dry Dock with an exclusive 50-year lease and purchase option with Eastern Shipbuilding Group, Inc. Eastern will be responsible for maintenance, upkeep and repair of the Dry Dock pursuant to the terms of a negotiated triple-net lease. Eastern will agree to exclusively operate the Dry Dock at Port St Joe, unless it is necessary to temporarily utilize the drydock for launching a very large deep draft vessel in the waters adjacent to its Allanton facility.

**Dredging:** The 2017 Joint Participation Agreement between the Florida Department of Transportation and the Gulf County Commission includes \$1,000,000.00 for the engineering design, permitting, mobilization and dredging of a submergence pit to a depth of at least 48 feet at the proposed submergence location of the floating drydock and 35 feet along the remainder of the bulkhead at Port St Joe. Gulf County intends to place dredged material in the area already designated and permitted for this purpose under the existing ACOE channel and turning basin dredging permit.

**Dredging Schedule:** Permitting was slowed due to Hurricane Michael and the COVID 19 pandemic, but is actively progressing. Permit issuance is expected in late 2024. Mobilization and dredging can be complete in roughly six months after issuance of a contract.