

Application Score Sheet

Proposed Project: Gulf Board of County Commission, Ship MRO (#337)
Proposed Project/Program County: Gulf
Board of County Commission Support: Yes
Rural County: Yes
Opportunity Zone:

Total Projected Project Cost: \$64,000,00
Match Provided: \$40,500,000
Triumph Funds Requested: \$23,500,000 (36.7%)
Triumph Funds Recommended by Staff: \$23,500,000

Score: A

ROI: 22.2 dollars of additional household income for every Triumph dollar expended

Economic Analysis, Impact, and Score

The Gulf County Board of County Commissioners is requesting \$23,500,000 in Triumph Gulf Coast funds for the Gulf County Floating Drydock Maintenance, Overhaul and Repair Facility at the Eastern Shipbuilding Group Port St. Joe Shipyard. Per the County's May 6, 2026 letter requesting updates to the original application, the total project cost would be \$64,000,000, with Triumph bearing 36.7 percent of project costs and the remaining \$40,500,000, or 63.3 percent, coming from other sources including a \$6,000,000 Florida Commerce Job Growth Grant award, a \$4,000,000 Rural Infrastructure Grant, a pending \$10,000,000 EDA grant, and \$20,500,000 in Gulf County bond and Eastern lease proceeds. The updated request substantially reduces the original Triumph ask and reframes the project as a phased infrastructure initiative intended to support Eastern Shipbuilding Group's continued presence and expansion in Gulf County.

Triumph funds will be spent on the core infrastructure necessary to establish the marine maintenance, overhaul, and repair platform at Port St. Joe. The revised budget provides for \$40,000,000 in floating drydock and breakwater construction, \$14,000,000 for dredging, \$8,500,000 for mooring dolphins, and \$1,500,000 for heavy moorings, for a total of \$64,000,000. The updated request explains that initial infrastructure improvements will include bulkhead improvements at Eastern Shipbuilding Group's outfitting facilities, dredging along the bulkhead and into the turning basin, construction of mooring and heavy dolphins, breakwater armoring for bulkhead mooring protection, and placement of the floating drydock.

As described by the applicant, the benefits of the project are significant for both Gulf County and the broader regional shipbuilding economy. Gulf County states that it has pursued since 2017 the creation of a transformational economic cluster centered on Eastern Shipbuilding Group's operations and record of success in the county, and that this proposal advances that goal through achievable phased milestones rather than a single large step. The updated proposal projects that the improved facility will enable Eastern to maintain 400 full-time equivalent positions, an

increase from the 215 jobs originally proposed, and notes that the average shipbuilding salary reported by Florida Commerce is \$88,342, compared with an average wage in Gulf County of \$55,397. In the context of a rural county that has struggled to recruit major employers because of distance from four-lane highway and interstate access, this level of infrastructure support is likely necessary to secure and retain high-wage maritime employment and to establish a long-sought industrial cluster around ship repair and overhaul in Port St. Joe.

Using the updated request of \$23,500,000 from Triumph. and the applicant's revised job figure of 400 full-time equivalent positions, the cost to Triumph Gulf Coast is \$58,750 per job. The projected Triumph ROI is 22.2 dollars of additional household income for every Triumph dollar expended, along with \$317.5 million in additional household incomes over the ten years following the job ramp-up period. For these reasons, Triumph staff scores this project as an "A."

Project Summary (based on information provided by the applicant)

The Gulf County Board of County Commissioners is requesting a \$23,500,000 to expand a Gulf County Ship Maintenance Repair and Overhaul facility (SMRO) that will provide steady maintenance, repair, and overhaul work for both government and commercial vessels, creating 388 new high wage jobs and the retention of 12 jobs paying at least 115% of the county's average wage. The Triumph funds will be used toward the design, engineering and construction of a breakwater, a 428' L x 120' W x 45' D floating drydock, and dredging at the facility. The project's total capital investment from additional partners including the State of Florida and USEDA is estimated to be \$64,000,000.

The expanded SMRO facility will enable Gulf County and the region to compete with Tampa, Mobile, New Orleans and other vessel repair locations on the Gulf Coast and throughout the nation, diversifying Gulf County's tourism-based economy. The shipbuilding industry carries with it wide ranging positive impacts to the area economy due to the depth of the supply chain required and the array of labor skillsets required.

Port Saint Joe was once a vibrant city with a thriving fishing industry and active paper mill. In 1994, a Florida Constitutional Amendment banned fishing nets, which directly impacted Gulf County and its multi-generational fishing industry. Five years later, the papermill closed its doors after nearly 60 years of operation, and with-it hundreds of direct jobs evaporated along with all the indirect jobs supported by mill operations. The community began what would become a desperate decades-long campaign to attract jobs and economic stability to Gulf County.

Despite sporadic flashes of hope, meaningful and stable employment has been illusive for nearly 30 years. Residents are traveling further and further distances to provide for their families. Eventually, out of necessity, many chose to relocate elsewhere. Less than 46% of Gulf County's population is in the workforce, which is nearly 20% below the State average. The civilian workforce peaked in 1994 and declined to a record low in 2000, rising to a record high in 2005 with the real estate boom, but has since experienced an overall general decline.

The history of Eastern Shipbuilding Group (ESG) and its transition to Gulf County can be traced back to its original shipyard, which was established in 1976. In 1981, Eastern expanded

manufacturing to a second facility in Allanton in order to build a broader range of vessels and has since delivered vessels serving a wide variety of markets throughout the US and abroad. Eastern Shipbuilding is a mid-sized tier 2 shipyard primarily engaged in new construction and repair of government and commercial vessels in Bay and Gulf Counties.

ESG and Gulf County have a strong partnership and track record in collaborating to produce shipbuilding excellence. It began in 2012, when ESG 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. 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 a floating drydock. 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.

In May 2018 ESG, Gulf County and the St Joe Company executed an Economic Development Agreement whereby Gulf County undertook responsibility for the design, construction and oversight of the legislatively appropriated projects in Port St Joe. Design and construction of the new facility began shortly thereafter with the award for construction management services and the award of a design contract for a floating drydock.

Following approval of the development order construction began on site. A 10,000 sq ft expandable warehouse and other requisite service structures were installed across the upland parcel. During this time, ESG completed additional infrastructure improvements that were required but not covered by the grant.

In early 2021, the rehabilitated facility was officially commissioned and ESG immediately began using the facility to perform final vessel outfitting, tests, and sea trials on several new construction vessel contracts. In February 2021, the first of three Staten Island Ferries were delivered to Port St. Joe for outfitting and testing prior to delivery.

Construction of the floating drydock is expected to take up to 36 months after the public procurement process and the letting of a contract. Necessary dredging activities and construction of mooring structures will be completed concurrently with the construction of the drydock.

The Gulf County Commission will retain ownership of the floating drydock with a lease with ESG. The company will be responsible for maintenance, upkeep and repair of the drydock pursuant to the terms of a negotiated triple-net lease. Eastern will agree to exclusively operate the drydock at Port St Joe.

The total project includes heavy weather moorings designed to mate with pier side heavy weather mooring infrastructure and mooring dolphins designed to mate with a complementary system mounted to mooring dolphins. This mooring system limits side to side movements of the dock, while at the same time allowing for free up and down movement to account for tidal changes and submergence/re-floating operations.

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.

Funding and Budget

Attached

Letters of Support

Franklin County Board of County Commissioners

Apalachee Regional Planning Council

Florida's Great Northwest

Opportunity Florida

Gulf County School District

Gulf County Economic Development Coalition

Grant #337 – Gulf County Maintenance, Overhaul, and Repair Facility at Eastern Shipbuilding Group, Inc.’s Port St. Joe Shipyard

Budget: \$64,000,000

Notional Start: 7/1/2026

Education Component: N/A

		Category #1 - Drydock, Breakwater, Dredging	Category #2 - Mooring Dolphins	Category #3 - Heavy Moorings	Total
Please change year # to actual year					
Project Total					
	2026	2,000,000.00	470,588.00	-	2,470,588.00
	2027	9,500,000.00	1,725,490.00	300,000.00	11,525,490.00
	2028	24,960,000.00	4,303,922.00	725,000.00	29,988,922.00
	2029	17,540,000.00	2,000,000.00	475,000.00	20,015,000.00
	2030	-	-	-	-
Project Total		54,000,000.00	8,500,000.00	1,500,000.00	64,000,000.00
Triumph					
	2026	1,000,000.00			1,000,000.00
	2027	4,750,000.00			4,750,000.00
	2028	11,230,000.00			11,230,000.00
	2029	6,520,000.00			6,520,000.00
	2030	-			-
Triumph Total		23,500,000.00	-	-	23,500,000.00
Grantee - Gulf County Bond/Eastern Lease					
	2026	750,000.00			750,000.00
	2027	4,250,000.00			4,250,000.00
	2028	8,730,000.00			8,730,000.00
	2029	6,770,000.00			6,770,000.00
	2030	-			-
Grantee Total		20,500,000.00	-	-	20,500,000.00
Match Source 1 - Federal EDA Grant					
	2026	250,000.00	220,588.00		470,588.00
	2027	500,000.00	1,446,078.00		1,946,078.00
	2028	5,000,000.00	833,334.00		5,833,334.00
	2029	4,250,000.00			4,250,000.00
	2030	-			-
Match Source 1 Total		10,000,000.00	2,500,000.00	-	12,500,000.00
Match Source 2 - Florida Commerce Job Growth Grant					
	2026		250,000.00		250,000.00
	2027		279,412.00		279,412.00
	2028		3,470,588.00		3,470,588.00
	2029		2,000,000.00		2,000,000.00
	2030				-
Match Source 2 Total		-	6,000,000.00	-	6,000,000.00
Match Source 3 - Florida Commerce Infrastructure Grant					
	2026				-

2027		300,000.00	300,000.00
2028		725,000.00	725,000.00
2029		475,000.00	475,000.00
2030			-
Match Source 2 Total		-	-
		1,500,000.00	1,500,000.00