



July 31, 2011

Chairman Bill Dozier
Bay County Board of County Commissioners
840 West 11th Street
Panama City, FL 32401

Re: Bay County Economic Development Alliance Quarterly Report

Dear Chairman Dozier:

The Bay County Economic Development Alliance (EDA) is pleased submit the quarterly report for the period of April 1, 2011 through June 30, 2011. The EDA operates on a calendar year, so the report represents the second quarter of the EDA's 2011 operating year. During the second quarter of 2011, the EDA had 18 local business expansion and new location projects on its activity list.

EDA Project Activity:

- **Announcements:** Redpine Healthcare Technologies announced its location to Bay County beginning September 1, 2011. The company is a healthcare software development company and will locate its corporate headquarters to Panama City from Spokane, Washington. This project will bring 410 jobs by the end of 2015 with an average annual wage 150 percent above Bay County's and with an annual economic impact of \$20 million.
- **Active Location Projects:** Two active projects are currently considering and/or negotiating for sites and buildings including: a jet maintenance repair and overhaul facility (250,000 sq. ft. and 250 jobs) and a manufacturing assembly facility (125,000 sq. ft. and 400 jobs). We hope to have a decision on these projects by the end of 2011.
- **Active Location Prospects:** We are in the early stages of competition with 15 active prospects in a national site search, including eight manufacturers, three renewable energy facilities, one back office operation, one aviation training facility, one beverage bottling company and one steel pipe mill.
- **Expansions:** Seven expansion projects are in progress, including five defense contractors and two manufacturers. One project is anticipated to announce its expansion in early September 2011.
- **Terminated Projects and Prospects:** Five location projects and/or prospects were terminated during the second quarter. No buildings or sites were available for four project proposals and three projects were indefinitely postponed.

Marketing Activity: The EDA participated with Florida's Great Northwest and Enterprise Florida at the aviation aerospace industry's largest event in Le Bourget, France. We met with the executives from nine global aviation-aerospace companies that indicated the potential for a future U.S. location, as well as the CEO of a company currently considering Bay County. In addition, we visited with the national corporate executives of our existing businesses participating in the show. The day before the show, as part of the four-state Gulf Coast Aerospace Alliance (Alabama, Mississippi, Louisiana and Florida), we hosted more than 200 top level executives, along with Governors, Congressmen and State Legislators from the four states. This is an annual networking event that has resulted in us being considered for several projects.

Site Readiness Activities: The EDA continues to work with its cities and community partners to identify competitive sites and buildings and facilitate the development of new site inventory to enable Bay County to be more competitive in attracting target industries. Site readiness activity was focused on the industrial lands surrounding the airport; identifying sites and preparing marketing packages in Lynn Haven; pre-packaged site and building inventory in Panama City, including Port Panama City's Intermodal Distribution Center; and identifying potential office and light industrial sites in Callaway.

Bay County Economic Partnership: The EDA worked with the Bay County Manager and staff to design a competitive incentive plan which was approved by the Bay County Commission to be used as an attraction tool. It is a comprehensive, flexible, performance-based plan that acts as an inducement for companies to bring high-skill, high-wage jobs into Bay County.

EDA Meetings, Events & Other Activities:

- **April Quarterly Meeting:** The EDA held its Quarterly Meeting on April 20 with approximately 80 attendees. A marketing activity report and project update for the first quarter of 2011 was presented. Gray Swoope, Florida's Secretary of Commerce and president and CEO of Enterprise Florida, presented on the new direction for the state. Dr. Rod Lewis with the UWF Haas Center presented on the economic conditions of Bay County and the region. At the end of the meeting, a reception was hosted to welcome Mark Crosswhite, president & CEO of Gulf Power, to the community as well as to congratulate Eastern Shipbuilding Group and ARINC on their recent expansions.
- **Mid-Year Meeting:** The EDA held its Mid-Year Meeting on June 29th with approximately 70 attendees. Dr. Rod Lewis with the UWF Haas Center presented on the economic conditions of Bay County and the region. Marketing and project accomplishments for the first half of 2011 were presented. An overview of the EDA's new proposed operating structure was presented and slides summarizing the new structure highlights are attached. The meeting concluded with a reception introducing Shad Wheeler, president of Redpine Healthcare Technologies to the community as well as two newly appointed commissioners, Commissioner Rodney Friend with the City of Lynn Haven and Commissioner Kenneth Brown with the City of Panama City.
- **Lambda Rail** – The EDA continues to work with the Naval Support Activity, Tyndall Air Force Base, Bay Defense Alliance and Bay County on the Lambda Rail grant. We are preparing an RFP seeking a firm to prepare a community evaluation and plan which will include identifying existing resources and a cost estimate for connectivity.
- **International Trade Session** – The EDA hosted an international trade session in May, *Increasing Your Bottom Line Through International Trade*. Over 60 people from the region attended. The session included speakers from the US Department of Commerce, Enterprise Florida, Linea

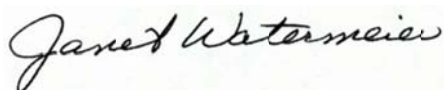
Peninsular, Page and Jones, Port Panama City and SunTrust Global Trade. Several potential exporting opportunities with our existing companies were discovered during the session.

- **Miscellaneous Meetings:** The EDA staff continues to participate in organizations, committees and board meetings affiliated with economic development activities including:
 - Enterprise Florida board meetings, Stakeholder Council meetings and various task forces
 - Florida's Great Northwest board meetings, marketing meetings and marketing missions
 - Gulf Coast Workforce Board meetings and task forces
 - Bay County Career and Technical Education Board
 - FSU STEM Council
 - Small Business Incubator Board
 - Bay Defense Alliance
 - Bay County and Panama City Beach Chamber of Commerce boards
 - Economic development public speaking engagements for community organizations

The EDA accounts separately for public and private funds. A summary of 2011 second quarter public funds receipts and expenditures is attached.

Thank you for your support. We look forward to continuing to work closely with the Bay County Commission and administration to enhance and promote a globally competitive environment for Bay County to encourage economic growth, enhance the community's quality of life and nurture the creation and expansion of business. If you would like to receive a presentation on these results at a Commission meeting or in a special workshop, please let us know.

Sincerely,



Janet Watermeier
Executive Director

Cc: Mr. Ed Smith, County Manager
Mr. Ashley Stukey, Budget Officer
Commissioner George Gainer
Commissioner Mike Nelson
Commissioner Mike Thomas
Commissioner Guy Tunnell

Attachment