



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

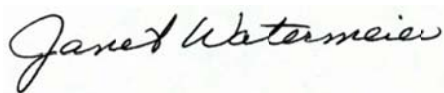
Peninsular, Page and Jones, Port Panama City and SunTrust Global Trade. Several potential exporting opportunities with our existing companies were discovered during the session.

- **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

Bay County Economic Development Alliance
BUDGET COMPARISON REPORT
PUBLIC FUNDS

2nd QTR 2011 - January 1, 2011 to June 30, 2011

	Actual	% Annual Budget	Annual Budget
Revenue			
Bay County	24,488.25	25%	97,953.00
Callaway	9,747.00	50%	19,494.00
Lynn Haven	16,940.13	75%	22,587.00
Panama City	37,875.60	75%	50,501.00
Port Panama City	15,000.00	75%	20,000.00
PC/Bay Co. Airport	15,000.00	75%	20,000.00
GC Workforce Board	0	0%	20,000.00
TOTAL Revenue	<u>119,050.98</u>	48%	<u>250,535.00</u>
Expenses			
Staffing			
Salaries & Taxes	39,676.55		81,967.20
Pension	3,191.92		7,461.60
Insurance	4,080.16		12,610.20
Management Services	40,080.00		80,160.00
Total Staffing	<u>87,028.63</u>	48%	<u>182,199.00</u>
Operating Expenses			
Repair & Maintenance	992.14		1,250.00
Overhead Charges	18,306.00		32,640.00
Telephone	1,949.10		3,400.00
Utilities	3,236.02		4,800.00
Total Operating	<u>24,483.26</u>	58%	<u>42,090.00</u>
Administrative Costs			
Audit			3,795.00
Office supplies	2,428.16		3,000.00
Total Administrative Costs	<u>2,428.16</u>	36%	<u>6,795.00</u>
Program Expenses			
Marketing	6,040.84		12,250.00
Travel	208.27		2,000.00
FGNW	2,500.00		5,000.00
Total Program Expenses	<u>8,749.11</u>	45%	<u>19,250.00</u>
TOTAL Expenses	<u><u>122,689.16</u></u>	49%	<u><u>250,334.00</u></u>



Site Readiness Activity

- Panama City**
 - Bayline Industrial Park
 - Intermodal Distribution Center
 - Waterfront Office Park
- Lynn Haven**
 - ID New Property
 - FSU PC Research Park
 - Hugh Nelson Park
 - Manufacturing Incubator
- Callaway**
 - Site Locations
 - Pre-permitted Building
 - CRA & Planning Support
- Bay County Uninc.**
 - Venture Crossings
 - Airport

A collage of images related to site readiness activity. It includes a sign for "PORT PANAMA CITY DISTRIBUTION CENTER", a map titled "2010 WATERFRONT OFFICE PARK CONCEPT STUDY FOR PORT PANAMA CITY, FLORIDA", an aerial view of a site labeled "FSU PC", and a map showing "Phase 1 Business Center" and "Phase 2 Business Center".

Lambda Rail

May 18, 2011

- BDA - Bay County - EDA Partnership
- \$250,000 Grant from Enterprise Florida
- Military Bases for needs assessment
- First Telephone Conference with Stakeholders
- Task Forces in place for each Military Base
- Draft Consultant RFP to prepare community evaluation and plan
 - Identify existing resources
 - Cost estimate for connectivity
 - Include Military Bases, Education & Medical Facilities



Increasing Your Bottom Line Through International Trade



May 25, 2011

- Over 60 Attendees
- Speakers
 - ✓ Department of Commerce
 - ✓ Enterprise Florida
 - ✓ Linea Peninsular
 - ✓ Page & Jones
 - ✓ Port Panama City
 - ✓ SunTrust Global Trade

Presentations available on video



Direct Marketing Activities

- Atlanta Consultant Mission - FGNW
 - 14 Consultant Appointments
 - 1 Bay County Consultant Visit
- New York Media Interviews – St. Joe
 - Mayor Clemons
 - *Christian Science Monitor*
 - *Wall Street Journal*
 - *Southern Business*
- New York—New Jersey Site Consultant Lunch
St. Joe, Gulf Power, Power South & FGNW
 - 1 Bay County Consultant Visit
- Air Show
 - Gulf Coast Alliance Reception for Aviation CEO's
Mississippi, Alabama, Louisiana & FGNW
 - 9 Appointments
 - 1 July Site Visit Scheduled




2011 Activity To-Date

- **Events**
 - Gulf Coast Salute
 - ED 101
 - Hosted Consul General of France
 - Airport Anniversary Celebration
 - International Trade Session
- **City-County Meetings**
 - Bay County – Quarterly Reports
 - Bay County Commission Report
 - Panama City Rail Park
 - Callaway Site Evaluation
 - Lynn Haven Tax Abatement
 - Lynn Haven Task Force – Hugh Nelson
Industrial Park Land Use Changes
- **Media**
 - NYC Press Tour
 - 5 Economic Development Articles
 - 7 Television Interviews
 - 10 Media requests from State or
National Publication
 - Radio Blog
- **FGNW Partner**
 - FGNW Atlanta Mission
 - Paris Air Show
 - Board & Marketing Meetings
- **EFI Partner**
 - EFI Board Meeting
 - Stakeholders Councils
 - Co-Chair Competitiveness
 - International Trade Group
- **Public Speaking**
 - HR Management Association
 - Kiwanis Club
 - Small Business Development
Conference
 - Economic Development Blog
 - Educators & Industry
 - Washington County Economic
Development Committee
- **Committees & Boards**
 - West Bay—Airport Marketing
 - Career & Technical Education
 - Gulf Coast Workforce Board
 - Bay Defense Alliance
 - 2 Chamber Boards
 - Incubator Board
 - STEM Institute
 - FL 2060 Transportation Plan
 - Governor Scott Transition Team
 - NWFL Oil Recovery Team



New Location Activity

End of 2010	Projects in Pipeline	16
Jan-June 2011	New Referrals	18
	No Buildings or Sites	- 4
	Terminated 2011	- 9
	Postponed Decision	<u>- 3</u>
As of Today	Projects in Pipeline	18



Activity Summary - 2011

Activity Summary - 2011							
Activity – Mid-year 2011	Project Type	Jobs-3 Yrs.	Size – sf	\$M Capital	When	Visit	
	<u>Active Projects</u>						
	1	MRO	250	250,000	20.0	3 rd Qtr. 2011	Yes
	2	Aircraft Assembly	400	125,000	38.0	4 th Qtr. 2011	Yes
	3	Healthcare Software	<u>410</u>	<u>30,000</u>	<u>2.5</u>	2 nd Qtr. 2011	Yes
			1,220	405,000	60.6		
	<u>Active Prospects</u>						
	15	Prospects	2,140	2,085,000	947.0		
	<u>Expansion Projects</u>						
	7	Working	150	200,000	95		
	12	3.9% Workforce	3,510	2,690,000	1.102.6M		3

Active Prospects – Mid-year 2011							
Active Prospects – Mid-year 2011	Project Type	Jobs-3 Yrs.	Size – sf	\$M Capital	When	Visit	
	<u>Active Prospects</u>						
	1	Back Office Operation	300	40,000	1.0	Imminent	
	2	Renewable Energy	100	50,000	1.5	Unknown	
	3	Aviation Training	30	30,000	2.0	4 th Qtr. 2011	
	4	Manufacturing & Hdqtrs.	150	70,000	4.5	3 rd Qtr. 2012	
	5	Food Manufacturing	65	120,000	7.0	Uncertain	
	6	Steel-Pipe Mills	800	1,000,000	800.0	4 th Qtr. 2011	
	7	Manufacturing & R&D	40	40,000	4.0	2 nd Qtr. 2011	
	8	Tile Manufacturer	200	200,000	70.0	1 st Qtr. 2012	
	9	Manufacturing	90	60,000	10.0	3 rd Qtr. 2011	
	10	Manufacturing	20	10,000	1.0	Uncertain	
	11	Manuf. Styrofoam Blocks	50	15,000	8.0	3 rd Qtr. 2011	
	12	Paper Board Manuf.	40	60,000	5.0	Uncertain	
	13	Export Beverage Bottler	55	300,000	8.0	3 rd Qtr. 2011	
	14	Renewable Energy	50	50,000	10.0	Uncertain	
15	Renewable Energy	150	40,000	15.0	Uncertain		
15	3.2% Workforce	2,140	2,085,000	\$947 M			

Active Prospects

1 - Lynn Haven
 1 - Panama City Beach
 5 - Panama City

Expansion Projects	18 Location + 7 Expansions = 25								
4 Working Expansion Projects 3 New Expansion Projects 7 Total Expansions Projects	<p>25 Prospects Working</p> <table border="1"> <tr> <td>9 Local</td> <td>36%</td> </tr> <tr> <td>7 EFI</td> <td>28%</td> </tr> <tr> <td>6 FG NW</td> <td>24%</td> </tr> <tr> <td>3 EFI Int.</td> <td>12%</td> </tr> </table>	9 Local	36%	7 EFI	28%	6 FG NW	24%	3 EFI Int.	12%
9 Local		36%							
7 EFI	28%								
6 FG NW	24%								
3 EFI Int.	12%								
Activity									
<ul style="list-style-type: none"> 3 Site Consultant Visits 2 Project Visits 2 Yes - subject to incentives & successful lease negotiations ARINC – State QTI Approval Soften – Governors Closing Fund & Local QTI 									

EDA Structure

Evolution of EDA

1980's

Bay County Chamber Committee of 100

- Chamber Member dues of \$100+
- Some Government Support
- Annual Budget \$120,000 – 2 Staff

1993

Economic Development Council

- 14 Member Council
- 9 Chamber – Dues increase to \$350
- 5 Government (2BC, 2PC, 1 Port)

1999

Economic Development Alliance

- Proposed 11 Member Board
- 6 Chamber, 2 BC 2 PC, 1 Port
- \$25,000 a seat - \$275,000 Budget

EDA Features

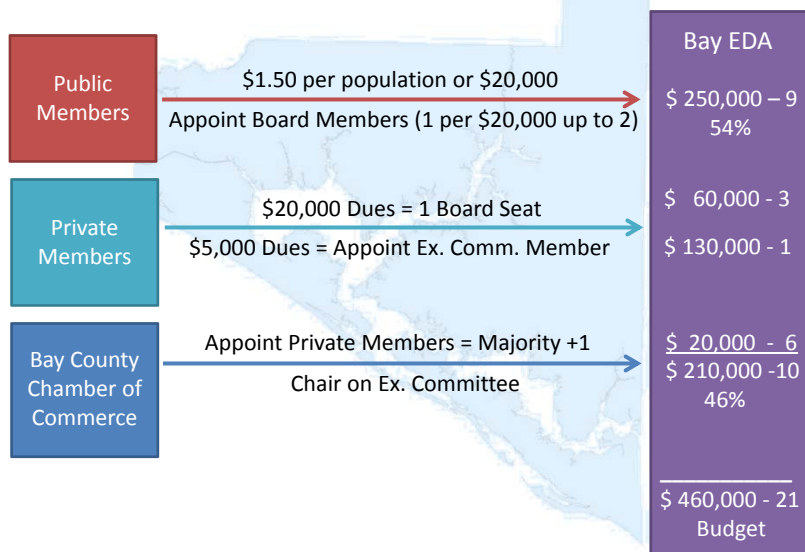
- Separate EDA Board
 - With Mission & Budget Authority
- Executive Director
 - Accountable to EDA Board
- Shares Chamber Tax ID

2000 EDA Funding Formula Changed

- Government Funding
 - \$1.50 per resident
 - Recruit additional Cities
- Addition of Private Partners
 - \$20,000 with Board Seat
- Chamber Funding
 - 23.5% of Chamber Dues to EDA less 10.9% of Chamber Expenses
 - Chamber Board appoints private members = public members +1
- Enterprise Bay Formed
 - \$5,000
 - 1 Board/Executive Committee Seat

EDA Currently

21 Member Board of Directors



EDA In Transition

FROM . . .

- ✓ A 21 Member Appointed Board of Directors
- ✓ With an Executive Committee of 5
- ✓ With no requirement to be an Investor to participate on the Board or Executive Committee

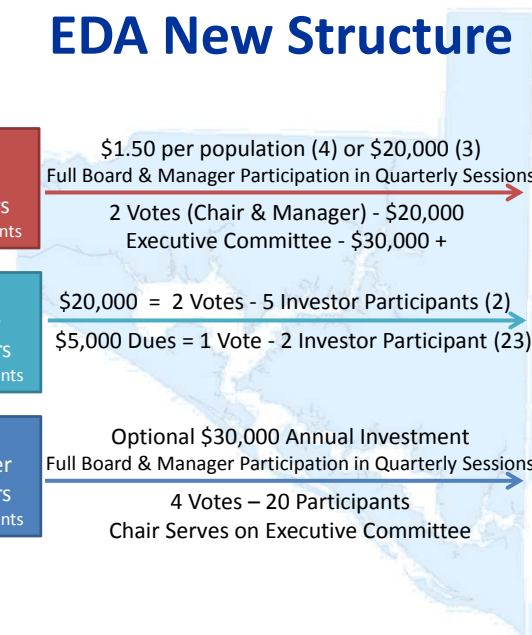
To . . .

- ✓ An Investor Base of 40 Organizations
- ✓ 52 voting members based on contribution level
- ✓ Participation by more than 150 people
- ✓ Managed by an Executive Committee of 10 Investors (public & private)




EDA New Structure

+5	7 Public Investors 48 Participants	\$1.50 per population (4) or \$20,000 (3) Full Board & Manager Participation in Quarterly Sessions 2 Votes (Chair & Manager) - \$20,000 Executive Committee - \$30,000 +	Bay EDA Exec. 2-County 1-City 5 Chair Vice Chair Secretary Treasurer Past Chair 2 Bay Chair Beach Chair
+28	28 Private Investors 60 Participants	\$20,000 = 2 Votes - 5 Investor Participants (2) \$5,000 Dues = 1 Vote - 2 Investor Participant (23)	
	2 Chamber Investors 42 Participants	Optional \$30,000 Annual Investment Full Board & Manager Participation in Quarterly Sessions 4 Votes – 20 Participants Chair Serves on Executive Committee	
			\$ 460,000 Budget



Features

- **4 Investor Categories**
 - City-County Investor (Public)
 - Chamber of Commerce Investor
 - Economic Development Investor (Private & Public)
 - Community & Corporate Investor (Private & Public)
- **EDA Corporate Investors**
 - Must be a Member of a U.S. or Florida affiliated Chamber of Commerce
- **Private Voting Representatives Elect EDA Officers**
 - Chair, Vice-Chair, Secretary, Treasurer (1 Year Terms)
 - Officers serve on Executive Committee joined by
 - County & City Representatives investing \$30,000 or more a year
 - Immediate Past Chair of the EDA
 - Chair of a Chamber of Commerce Investor



Meetings

- **Executive Committee meets Monthly**
- **EDA Investors meet Quarterly**
 - 3:00 to 5:00 followed by a Reception introducing and welcoming new business leaders
 - Advertised Meetings
 - EDA Activity & Project Report
 - Bay County Economic Update
 - Future Visioning and Strategy Development
- **Annual Celebration of Industry Awards Lunch**
 - 3rd Week of September, 11:30 to 1:30
 - In Partnership with Chamber Investors



Purpose & Mission

- ❖ The purpose of the EDA is to bring together the public and the private sectors to work together through a public-private alliance under a common mission to establish Bay County as a globally competitive environment to conduct business, encourage economic growth that enhances the standard of living and quality of life and facilitates the creation of an environment that encourages the expansion of existing business and the location of new business.
- ❖ The mission of the EDA is to assist in the attraction of new and diversified employers, to retain and encourage the expansion of existing employers and to work to improve the business environment in Bay County.



Budgets & Bank Accounts

Separate Public & Private Budgets & Bank Accounts

- ❖ The EDA provides an opportunity for the public sector and the private sector to work together under a common mission with each sector independently funding certain functions.
- ❖ It is an alliance of public investors and private investors, and as such, public funds and private funds are maintained and accounted for separately and are not co-mingled.
- ❖ Separate budgets and bank accounts are maintained for public funds and separate budgets and bank accounts are maintained for private funds.
- ❖ Private sector funds supplement public sector funds and private funds, budgets and expenditures are approved solely by the private sector investors.



County-City Investor

- ❖ County-City Investors participate in the EDA through a funding contribution based on a funding formula established by the EDA Executive Committee and approved by the City-County Investors.
- ❖ The initial funding formula is \$1.50 for each resident living within Bay County, or within the respective municipal boundaries, as estimated by the Florida Bureau of Business and Economic Research (BEER). The funding formula may change from time to time as approved by the County-City Members and the EDA Executive Committee.
- ❖ The Chair of the Commission, or a Commissioner designee, and the respective County/City Manager serve as the primary voting representatives the EDA; however, all members of the Commission and key staff members are invited to participate in EDA general membership meetings.
- ❖ Any municipality within Bay County desiring to become an EDA Investor may do so by contributing the appropriate funding formula amount.



Chamber of Commerce Investor

- ❖ EDA Chamber of Commerce Investor status may be granted to a Chamber of Commerce, if requested by the Chamber of Commerce Board of Directors and approved by the EDA Executive Committee.
- ❖ The Chair of an EDA Chamber of Commerce Investor serves on the EDA Executive Committee.
- ❖ The EDA Chamber of Commerce Investor's Chair, Vice Chair, Immediate Past Chair and President are voting representatives of the EDA; however, all members of an EDA Chamber of Commerce Investor's Board of Directors may participate in EDA quarterly meetings and special events.
- ❖ The initial annual funding contribution for Chamber of Commerce Investor status is \$30,000 annually; which may be paid in one lump sum, in payments of \$15,000 semi-annually, or in payments of \$7,500 quarterly.
- ❖ The contribution level may change from time to time as approved by the EDA Chamber of Commerce Investors and the EDA Executive Committee.



Economic Development Investor

- ❖ Economic Development Investors may be private or public and participate in the EDA by payment of an annual funding contribution established by the EDA Executive Committee.
- ❖ The initial annual funding contribution is \$20,000; which may be paid in one lump sum, in payments of \$10,000 semi-annually, or in payments of \$5,000 quarterly. The contribution level may change from time to time as modified by the Executive Committee
- ❖ If the Economic Development Investor is a public entity or private non-profit organization, the Chair of the organization, or a designated board member, and its lead paid staff member are the organizations voting representatives of the EDA.
- ❖ If the Economic Development Investor is a private company, the company may designate two senior level officers or managers as voting representatives of the EDA. Three additional non-voting representatives may be designated to participate in EDA quarterly meetings and Special Events.
- ❖ Economic Development Investors, properties and services are designated on the EDA website, and may participate in joint programs or co-op advertising opportunities.
- ❖ New Economic Development Investors complete an application which is reviewed and approved by the Executive Committee.



Community & Corporate Investor

- ❖ Community (public) and Corporate (private) Investors participate in the EDA by payment of an annual funding contribution established by the EDA Executive Committee.
- ❖ The initial annual contribution is \$5,000 annually; which may be paid in one lump sum, in payments of \$2,625 semi-annually, in payments of \$1,375 quarterly or in payments of \$500 monthly. The contribution level may change from time to time as modified by the Executive Committee.
- ❖ The top level manager or a company designated senior level manager may serve as the voting representative to the EDA. An alternate may be designated to serve in the absence of the designated member. When not serving as the alternate for voting purposes, the alternate may participate in EDA quarterly meetings and special events in a non-voting capacity.
- ❖ New Corporate Investors should be a member of a U.S. or Florida affiliated chamber of commerce and must complete an application which is reviewed and approved by the Executive Committee.



<h2>EDA Investors</h2>	<h2>Community & Corporate Investors - \$5,000</h2>
<h3>Chamber Investors - \$30,000</h3> <ul style="list-style-type: none"> • Bay County Chamber • Panama City Beach Chamber 	<ul style="list-style-type: none"> • AT&T • Applied Research Associates • ARINC • Atkins • BB&T Bank • Bay Medical Center • Beazer Homes • Burke Blue Hutchison Walters Smith • Carr, Riggs & Ingram • ERA Neubauer Real Estate • ERC Ecological Resource Consultants • FSU Panama City • GAC • Gulf Coast Electric Cooperative • Gulf Coast Medical Center • Gulf Coast Workforce Board • Knology • Magnum Capital • Regions Bank • Southwest Airlines • SunTrust Bank • Teco • Vision Bank
<h3>Economic Development Investors - \$20,000</h3> <ul style="list-style-type: none"> • Airport Authority • Gulf Power • Gulf Coast Workforce Board • Port Authority • St. Joe Company 	
<h3>County & City Investors \$1.50 per Resident</h3> <ul style="list-style-type: none"> • Bay County • Panama City • Lynn Haven • Callaway 	

Timeline

- **July – August**
 - Meet with all EDA Current Members
 - Input & Revisions
- **September**
 - EDA Board Approval of Final Plan
 - File Documents
- **October 1, 2011 – Begin New Structure**
 - October 1 to September 30 Fiscal Year