

WORKSHOP MINUTES**PANAMA CITY – BAY COUNTY AIRPORT AND INDUSTRIAL DISTRICT**

Opening:

The Special Board Workshop of the Panama City-Bay County Airport and Industrial District was called to order at 1:00 p.m., March 26, 2021 by Chair Glen McDonald.

The Invocation was given by Vice Chair Holly Melzer.

The Pledge of Allegiance was led by Chair McDonald.

The Executive Secretary called the roll and indicated all the Board members were present except Mayor Mark Sheldon, Mr. James Johnson, and Mr. Del Lee. Mr. Lee joined the Workshop at 1:02 p.m. Mr. Jay Tusa left the Workshop at 2:30 p.m.

Unrelated to the Workshop, Chairman McDonald announced that the Secretary of the United States Air Force just signed a long-anticipated Record of Decision (ROD) selecting Tyndall AFB as the 8th F-35 operational location to base three F-35 squadrons.

Chairman Comments:

Chair McDonald began the Workshop with his comments on Economic Development at the Airport by reporting that when ECP opened over 11 years ago, the vision was threefold: more airline choices, lower ticket prices and more passengers, and to become an economic development engine for our Community. He urged the Board to use this Workshop to hear from the Airport, Florida's Great Northwest, and Bay EDA and to use the information provided to step up our economic development game.

Chair McDonald announced that today was Bay EDA's Vice President Garrett Wright's last day and he would be moving to Oklahoma to explore other opportunities; and thanked him for all he has done.

Unrelated to the Workshop, Mr. Parker McClellan described to the Board the Gate 6-7 restaurant concept by showing color renderings.

ECP Presentation:

Mr. McClellan presented the staff report on Economic Development, and elaborated on the ECP economic development philosophy: Passengers, Aviation Jobs, and Education. He showed aerial photos of ECP's 4,000 acre-property back in 2008; 2010 when ECP opened; the wetlands on ECP property before and after we have addressed them; and what is available for future development. Mr. McClellan showed renderings of projects we (ECP and Bay EDA) are actively pursuing (e.g., Aviation - Center of Excellence, the area for the Florida Army National Guard, sites in Venture Crossings as neighbors, and the Infield Expansion).

Airport Authority Legal Counsel Franklin Harrison and Nick Beninate joined the Workshop at this time.

Mr. McClellan reported that we continue to build and morph the Aviation - Center of Excellence in phases to maximize the benefit of the Airport depending on funding.

Mr. McClellan explained the different potential funding sources: Normal Funding Opportunities (Airport Funding, FDOT Participation, and FAA Participation); and Other Funding Sources (Triumph – Gulf

Coast; CARES Act 1-3; Earmarks 2021; and Opportunity Funds) while following FAA guidance for the uses of those funds. He showed how using CARES Act funds for ECP Costs, and Debt Service and Operating Expenses, would benefit the Airlines by lowering their Terminal Rate (measured per sq. ft.), Landing Fee (measured per weight of aircraft), and Cost per Enplaned Passenger (CPE); and what the savings would be for them.

Chair McDonald asked Darlene Gordon to be able to provide the Board with what the Net Effect number in cash would be for our operation. Mr. McClellan further clarified that the revenue sharing with the airlines is not a factor in how the CARES Act funds are distributed; the funds are only a factor in reducing the airlines' Rates and Charges.

Florida's Great Northwest Presentation:

Florida's Great Northwest President & CEO Jennifer Conoley presented to the Board an overview of what role they have played and will play in ECP economic development. Ms. Conoley informed the Board of those on her Regional team, and the individuals throughout 12 counties in the Panhandle who partner with them in their marketing outreach.

Ms. Conoley reported how they portray our Region's economic development opportunities for aerospace (close proximity to 6 major aerospace OEMs (Original Equipment Manufacturers); 6 major military installations, all with aviation-related missions and/or RDT&E (Research, Development, Test and Evaluation) focus; 3,000 exiting military personnel per year; 3,200+ employed in the aviation/aerospace/defense industry; available properties at airports, and "through the fence" airfield access). Ms. Becca Hardin commented that Florida is the largest aviation recruiter in the United States. Ms. Conoley showed an interactive map they have recently started building on, that illustrates the aerospace assets available in the Region, and how they use business intelligence software to identify who to target.

Bay EDA Presentation:

Bay EDA's President Becca Hardin presented Bay EDA's assets (exceptionally committed elected, volunteer, professional leadership; an economic platform with a "can-do" attitude to take Bay County to the next level; centrally located logistically; two "certified" pad-ready sites – Panama City Port Authority's Intermodal Distribution Center (IDC) and Venture Crossings; state-of-the-art airport/sites with access to a 10,000 ft runway; international port that supports 2,500 jobs and generates more than \$1.4B annually; major university/college presence – FSU/GCSC/Embry Riddle/Troy; FAA approved Airframe and Powerplant (A&P) program at Haney for aviation maintenance training; strong military presence – Tyndall and NSA; and we live and work in Paradise.)

Ms. Hardin listed Bay EDA's 2020 highlights despite limited travel due to COVID (two project announcements; 20 "virtual" company and consultant visits; 35 RFPs completed; 55 proposals sent to prospects; two active local expansion projects; 17 active recruitment projects; \$4.8M Triumph Gulf Coast Grant in support of Project Gator (aviation MRO; double bay/narrow body hangar adjacent to ECP runway; 96 new jobs; 115% of Bay County average salary; and \$26M capital investment) whose business has grown so much they are turning away work and really need an ECP hangar, and have been trying to lower their costs; and working with GCSC and CareerSource Gulf Coast, starting the Gulf Coast FAME chapter (connecting students with local manufacturing companies).

Ms. Hardin spoke about Project Venus the European company who is still very interested, but has not been able to travel due to COVID and will visit again once everyone is vaccinated; and Project Goodwrench, that with Triumph Funding to build a modified hangar/classroom, could utilize the A&P program to test drive students – a win-win for everybody.

Ms. Hardin reported on ACMT, Inc.'s current status locally as an aerospace component manufacturer with their Grand Opening scheduled for April 2021 (\$7M of equipment being installed now, including \$1.7M state-of-the-art hydroforming machine). She spoke about ECP's assets (10,000 ft. runway expandable to 12,000 ft.; 4 major airline carriers; operational in 2010; Venture Crossings' 60,000 sq. ft. "spec" building); and the completed ECP Transient Apron – Taxiway E1 infrastructure. Ms. Hardin said that approximately 85% of their efforts involve the Airport.

Ms. Hardin reported opportunities continue to be a struggle as issues remain that will resolve themselves through time, but are difficult to explain include the following: Bay County brand awareness; COVID business environment/industry stalls; construction prices, availability of construction materials, workforce, and workforce housing; lack of State incentives (QTI); and the creation of creative local incentive programs.

Ms. Hardin listed the upcoming shows Bay EDA will be attending, and asked her colleague Mr. Garrett Wright to share with the Board an Incentive Model for Ground Leases. A Board discussion ensued.

Mr. Tusa left the Workshop at this time.

Further Board discussion regarding incentives for Ground Leases ensued. Vice Chair Melzer asked for additional information on what we offer now to Ground Leases, and Attorney Nick Beninate described the ECP Ground Lease. Chair McDonald asked about the status of the 300 acres north of the Terminal, and Mr. McClellan explained that an Environmental Assessment and 404 Permit Modification remain, but because of COVID, and a letter ECP sent to the FAA asking not to include the 25 acres for the Florida Army National Guard and another Project that we are asking to include the 300 acres in, it may be another 6-9 months for us to hear back from the FAA.

Mr. McClellan asked if the Board is happy with the direction the Airport and Bay EDA have been moving, and said that they review and turn companies away after looking at their financials, etc., and Chair McDonald confirmed he is happy with the direction, and would like to learn ways the Board can help without breaking laws and lowering revenues to a great extent. Mr. Cramer asked if there was more we could do to create brand awareness, and Mr. Wright gave an example of sending ads of Bay County and ECP to individuals who were centered around certain aviation locations in CT.

This Workshop provided for a discussion of Economic Development at the Airport and required no formal action by the Board.

Adjournment:

The Workshop was adjourned at approximately 2:52 p.m.

Kathy Gilmore, Executive Assistant

Glen McDonald, Chair