



Bay County, Florida
Economic Development Public Funding and Activity Report
2009-2010 Fiscal Year

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The Bay County Economic Development Alliance (EDA) is a public-private partnership comprised of Bay County and the Cities of Panama City, Lynn Haven and Callaway; Panama City-Bay County Airport and Industrial District; Port Panama City Port Authority; Gulf Coast Workforce Board; Bay County Chamber of Commerce; Panama City Beach Chamber of Commerce; and 20 private businesses and education providers.

The EDA’s mission is 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 facilitate the creation of an environment that encourages the expansion of existing business and the location of new business.

Funding: Bay County and partnering cities contributed \$1.35 per resident in Fiscal Year 2009-2010 which is a reduction of 10% from the agreed upon annual contribution of \$1.50 per resident. The temporary reduction was in response to the economic recession and anticipated lower tax revenues for the public partners. Public and private funds are maintained in separate bank accounts with separate budgets and reported separately. A public funds revenue and expense summary is provided for the period of October 1, 2009 through September 30, 2010.

Funding Chart:

<i>Description</i>	<i>2010 Funding</i>	<i>% Public Funds</i>	<i>% Total Funds</i>
Bay County	\$97,596.98	42%	23%
Panama City	50,566.96	22%	12%
Lynn Haven	22,468.40	10%	5%
Callaway	19,785.60	9%	5%
PC-Bay Airport Authority	20,000.00	9%	5%
Panama City Port Authority	<u>20,000.00</u>	9%	5%
Total Public Funds	\$230,378.46	100%	55%
Private Funds	<u>\$188,382.21</u>		45%
EDA Total Revenues	\$418,760.67		100%

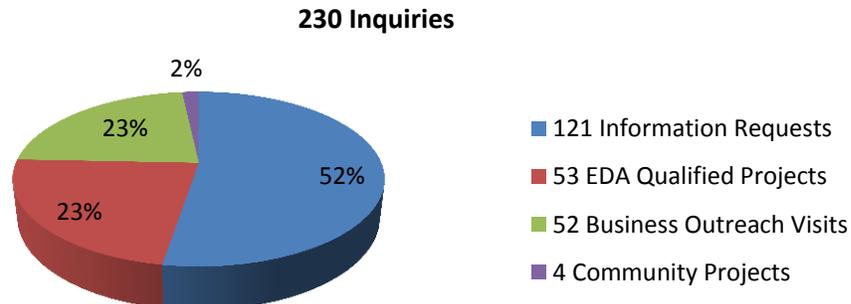
Expense Chart:

<i>Expense Category</i>	<i>\$ Amount</i>	<i>% Public Funds</i>
Staffing	171,313	74%
Operating	33,005	14%
Administrative	10,303	5%
Programs	15,757	7%
Total	\$230,378	100%

Staffing: Payroll, payroll taxes, employee benefits and contract labor
 Operating: Rent, telephone, utilities, repair and maintenance
 Administrative: Bank charges, office supplies, audit, postage and printing
 Program: Marketing, travel, dues and subscriptions

Project Activity: Many projects span more than one year to complete and it is customary to list them in the year the project is announced or becomes public. If the local government awarded an incentive, tax abatement or state incentive match in a public forum, the project is listed even though it may require final approval by the state before progressing forward. A project is recorded as new activity only once, and in future years, as the project progresses, activity is listed in the “Other Activity” section below.

The EDA had an active year despite the challenges the community faced from the national recession and Deepwater Horizon Oil Spill. The EDA responded to more than 230 information requests including a total of 53 expansion and new location project inquiries meeting the EDA’s minimum project qualifications.

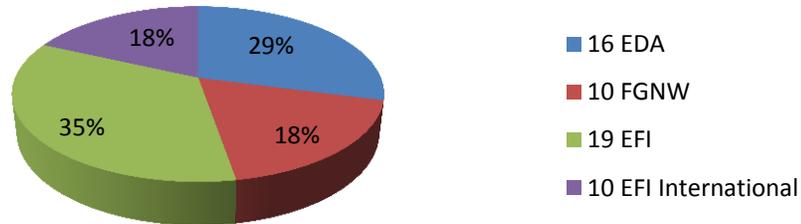


- Leads and Information Requests:

- EDA direct marketing, referral and outreach activities:
 - 139 leads were captured producing 16 working prospects (7 location and 9 expansion prospects) and 4 community investment prospects;
 - 52 existing target industry outreach visits and business climate surveys were conducted identifying 12 future potential expansions, 6 workforce development and training referrals, and 3 permitting or government assistance requests.
- Florida’s Great Northwest Referrals:
 - 10 location prospects were referred by Florida’s Great Northwest, Inc., (FGNW) Northwest Florida’s 16-county regional economic development organization, or came from site consultants introduced through FGNW sponsored site consultant events.

- Enterprise Florida Referrals:
 - 19 location prospects were referred by Enterprise Florida, Inc., Florida’s economic development organization
 - 10 international investment inquiries were referred from Enterprise Florida’s Division of International Trade.

53 Projects by Source
23 Bay County Qualified Projects (44%)



- Project Proposals:
 - 23 formal proposal packages were prepared and submitted; 13 remain active.
 - 7 site tours were conducted.
 - 8 projects were terminated; 3 went to other states, 2 were put on hold, 1 went to another Florida county and 1 expanded at its current location.
 - 30 qualified projects received no response (approximately 57%) as Bay County did not have appropriate buildings, sites or workforce to meet the minimum company requirements.
- Locations & Expansions:

<i>Project</i>	<i>Type</i>	<i>Planned New Jobs</i>	<i>Direct Wage Economic Impact</i>	<i>Direct + Indirect Total Impact</i>	<i>Planned New Space</i>	<i>New Capital Investment</i>
Coast Products	Location	230	\$8	20	100,000	5
Trane	Expansion	150	\$5	11	32,000	10
Conner Industries	Location	36	1	1	30,000	3
ARINC	Expansion	21	1	2	50,000	5
Total (Est.)		437 Jobs	\$15 Million	\$34 Million	212,000 sf	\$253 Million

3 companies opened new start-up offices employing less than 10 people with future plans for job growth and new facilities:
Arnold-Hanafin Corporation, Purvis and Yulista Management Services.

- **Coast Products LLC** is a manufacturer of water saving devices that moved its plant from California to Bay County in November, 2009. It began operations in Panama City Beach in 2010 with its first 35 new hires and received the Florida Governor’s Newcomer Award in September. The company plans to expand to more than 100,000 sq. ft. The site will become its world headquarters and include sales, manufacturing, assembly and distribution. Job growth is anticipated to reach 230 employees over the next four years. Average wages are projected to be a minimum of 115% above the Bay County average wage. The Bay County Commission and State of Florida approved a Qualified Target Industry Tax Refund incentive. Company website: www.coastproductsusa.com

- Trane, an air conditioner manufacturer owned by Ingersoll Rand, expanded its 400 employee workforce by 150 jobs with the relocation of one of its product lines from Fort Smith, Arkansas. This project was a 400 employee retention project, as well as a 150 employee expansion project. Ingersoll Rand evaluated its production facilities in multiple locations for closure and consolidation, including the Lynn Haven facility. Fortunately, Bay County was on the job receiving end. Trane added an additional shift at its Lynn Haven plant and purchased an adjacent 35,000 sq. ft. building. The 150 new jobs with a direct annual wage impact of \$6 million plus an additional 89 spin-off jobs provides a total of 239 new jobs with a total direct and indirect economic impact of \$11 million annually. The 140,000 sq. ft. former Honeywell building in Lynn Haven was leased to an existing local company to support Trane's Vendor Managed Inventory for the new line. The Bay County Commission approved a 10-year property tax abatement and the City of Lynn Haven is working on a 3-year tax abatement to hopefully be approved in 2011. Company website: www.trane.com.
- Conner Industries, Inc. specializes in industrial lumber and wooden packaging and crating. The company assembles wooden pallets, crates, boxes and skids. Conner has 10 locations throughout the southern U.S. from Virginia to Texas plus the newest assembly and distribution facility located in Panama City, Florida. Conner Industries is a supplier to Trane. Conner initially planned to create 13 new jobs, but has already reached 36 new jobs with plans to grow. The economic impact of the 36 positions exceeds \$1 million annually. The City of Panama City provided fast-track permitting to facilitate improvements to the site. Company website: www.connerindustries.com
- ARINC is a world leader in transportation communications systems and engineering with offices in 104 countries and 3,200 employees worldwide. The company has been a Bay County employer for more than 10 years with 225 employees. ARINC is pursuing several new and expanding business opportunities and plans to increase its workforce by 10% or more, with a minimum of 21 new jobs at an average wage 150% above the Bay County average. These 21 jobs are anticipated to generate another 19 local jobs producing an annual economic impact of approximately \$1.5 million. The Bay County Commission has approved a Qualified Target Industry Tax Refund match. The final decision is contingent upon receipt of approval from Florida which is anticipated in 2011. If approved, ARINC plans to expand by at least 50,000 sq. ft., or build a new 100,000 to 130,000 sq. ft. facility. Company website: www.arinc.com

Other Bay County Job Growth and Expansion Activity:

- St. Joe Company (NYSE: JOE) announced its corporate headquarters location to West Bay from Jacksonville, FL. A new 35,000 sq. ft. corporate headquarters building is under construction with 100+ employees anticipated to relocate.
- The Naval Surface Warfare Center Panama City Division announced the addition of 175 new hires, the majority of which will be scientists and engineers.
- BookIt.com expanded into a new 100,000 square foot facility in Panama City Beach and grew its workforce from 200 to 400 employees. The Bay County Commission approved a property tax abatement for the company in 2008 projecting 200 employees.
- Berg Steel Pipe Corporation received approval from its corporate headquarters in Germany to expand and modernize its equipment at Port Panama City. Berg presented its expansion and investment plan to the Bay County Board of Commissioners.
- Tyndall Air Force Base will receive an additional squadron of F-22s to the base, bringing 589 jobs to the local economy in 2013 with a direct annual wage economic impact of over \$20 million.
- Northwest Florida Beaches International Airport opened in May 2010 bringing with it 35 Southwest Airlines jobs and TIMCO, a subcontractor for maintenance and repair operations with 15 jobs.

Other EDA Activities:

- Drafted and presented the Bay County Strategic Plan for Global Competitiveness. The report is available for viewing at www.bayedada.com.
- Partnered with the Cities of Callaway, Lynn Haven and Panama City in identifying future economic development site inventory and business parks within municipal boundaries.
- Worked with Panama City and its CRA to identify opportunities for brownfield incentives and Enterprise Zones.
- Prepared a tri-fold brochure for Panama City.
- Marketed the Port Authority's Intermodal Distribution Center, Airport industrial sites, Venture Crossings at West Bay speculative building and sites and Sallie Mae Center to prospects and site consultants.
- Participated in media outreach through media tours, article placement, press releases and media interviews promoting Bay County and its cities as a business destination.
- Coordinated an outreach effort for renewal of Bay County Property Tax Exemption resulting in approval for the next 10 years by 75 percent of the voters.
- Honored four local businesses at the EDA's Celebration of Industry Excellence Awards Luncheon and set up tours of three local manufacturers.
- Hosted the reception at the Northwest Florida Beaches International Airport's grand opening, and brought in prospects and site consultants to participate in the events.
- Attended site consultant missions and marketing events, including Florida's Great Northwest (FGNW) Atlanta mission, the Farnborough Air Show, 4-state Gulf Coast Aerospace Alliance CEO Reception and FGNW's Focus event.
- Participated in Enterprise Florida meetings, stakeholder working groups and as co-chair of the Competitiveness Working Group.
- Hosted existing industry roundtables and grant support for defense contractors and manufacturers, including Southwest Airlines corporate program; GrowFL seminar for second stage companies; mobile training tool for manufacturers through the Manufacturing Extension Program; Robotics Cluster and entrepreneurial support grant through the SBA; WIRED grant application with Gulf Coast Workforce Board resulting in training funds for 4 defense contractors.
- Coordinated the Florida Bridge Loan Program in partnership with the SBDC which resulted in two local companies receiving financial assistance during the Deepwater Horizon Oil Spill.
- Hosted a three-day workshop for long-term economic recovery where seven U.S. federal agencies organized by the U.S. Economic Development Administration, in partnership with the International Economic Development Council, outlined a long-term recovery plan for Bay County. Over 75 community leaders participated.
- Participated in workforce, regional organizations and business development boards, including Gulf Coast Workforce Board; Career and Technical Education Council; STEM Council, Incubator Board, Bay County Chamber of Commerce Board, Panama City Beach Chamber of Commerce Board, Comprehensive Economic Development Strategy (CEDS) for the West Florida Regional Planning Council and Florida's Great Northwest Board.