

2019-2020 Florida Job Growth Grant Fund Public Infrastructure Grant Proposal

Proposal Instructions: The Florida Job Growth Grant Fund Proposal (this document) must be completed by the governmental entity applying for the grant and signed by either the chief elected official, the administrator for the governmental entity or their designee. Please read the proposal carefully as some questions may require a separate narrative to be completed. If additional space is needed, attach a word document with your entire answer.

Governmental Entity Information

Name of Governmental Entity: City of Panama City

Government Federal Employer Identification Number: ██████████

Primary Contact Name: Johnny Sims

Title: Public Works Director

Mailing Address: 501 Harrison Avenue

Panama City, FL 32401

Phone Number: 850-872-3010

Email: jsims@pcgov.org

Secondary Contact Name: Mark McQueen

Title: City Manager

Phone Number: 850-872-3010

Public Infrastructure Grant Eligibility

Pursuant to section 288.101, F.S., the Florida Job Growth Grant Fund was created to promote economic opportunity by improving public infrastructure and enhancing workforce training. Eligible entities that wish to access this grant fund must submit public infrastructure proposals that:

- Promote economic recovery in specific regions of the state, economic diversification or economic enhancement in a targeted industry. ([View Florida's Targeted Industries here.](#))
- Are not for the exclusive benefit of any single company, corporation or business entity.
- Are for infrastructure that is owned by the public and is for public use or predominately benefits the Public.

1. Program Requirements:

(If additional space is needed, attach a word document with your entire answer.)

Each proposal must include the following information describing how the project satisfies eligibility requirements listed on page 1.

A. Provide a detailed description of the public infrastructure improvements.

The proposed infrastructure project will construct a two lane connecting road and related underground utilities that provides traffic relief and access to a new housing development of a new 840 unit apartment complex.

B. Provide location of public infrastructure, including physical address and county of project.

This project is located in Panama City North in the northeastern quarter of Bay County, a proposed connection between Nehi Road and Star Avenue.

C. Is this infrastructure currently owned by the public?

Yes

No

If no, is there a current option to purchase or right of way provided to the County?

The proposed infrastructure will be owned by the City of Panama City as a right of way.

D. Provide current property owner.

St. Joseph Land and Development Company
Parcel # 05906-010-000, Bay County Florida

E. Is this infrastructure for public use or does it predominately benefit the public?

Yes

No

The infrastructure's predominate use will be for public use and benefit.

F. Will the public infrastructure improvements be for the exclusive benefit of any single company, corporation or business entity?

Yes

No

The public infrastructure (Spine Road) will be for the unfettered use by the general public as a right of way. The development of the Spine Road will benefit the public, as well as providing infrastructure to connect planned developed housing - through the building of an 840-unit apartment complex - to existing transportation and utility infrastructure. This housing development is targeted at addressing the critical lack of affordable and accessible housing to residents in Panama City after Hurricane Michael.

- G.** Provide a detailed description of, and quantitative evidence demonstrating, how the proposed public infrastructure project will promote:
- Economic recovery in specific regions of the state;
 - Economic diversification; or
 - Economic enhancement of a Targeted Industry ([View Florida's Targeted Industries here.](#))
 - Describe how the project will promote specific job growth. Include the number of jobs that will be retained or created, and in which industry(ies) the new net jobs will be created using the North American Industry Classification System ([NAICS](#)) codes. Where applicable, you may list specific businesses that will retain or create jobs or make capital investment.
 - Provide a detailed explanation of how the public infrastructure improvements will connect to a broader economic development vision for the community and benefit additional current or future businesses.

See attachment

2. Additional Information:

(If additional space is needed, attach a word document with your entire answer.)

- A.** Provide the proposed commencement date and number of days required to complete construction of the public infrastructure project.

The proposed infrastructure is projected to initiate design in January 2020. Construction will begin June 2020 and will be completed in January 2021 (7 months construction timeline).

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- B.** What permits are necessary for the public infrastructure project?

Northwest Florida Water Management District (Resource Permit)
Florida Department of Environmental Protection (Wetland, Potable Water, and Sanitary Sewer Permit)
US Army Corps of Engineers (Wetland Permit)

- C. Detail whether required permits have been secured, and if not, detail the timeline for securing these permits. Additionally, if any required permits are local permits, will these permits be prioritized?

The local permits will include both the Northwest Florida Water Management District and Florida Department of Environmental Protection. Local permits will be prioritized, and processes to secure permits will begin in March 2020 to meet a June 2020 construction timeline.

- D. What is the future land use and zoning designation on the proposed site of the infrastructure improvements, and will the improvements conform to those uses?

The future land use and zoning designation of the proposed site will be Mixed Use - 3 (MU-3). The improvements to be made conform to the future land use and zoning.

- E. Will an amendment to the local comprehensive plan or a development order be required on the site of the proposed project or on adjacent property to accommodate the infrastructure and potential current or future job creation opportunities? If yes, please detail the timeline.

Yes No

A petition and request to amend the future land use map was initiated on August 13, 2019. Additionally, action has been initiated to rezone the property to Mixed Use - 3 (MU-3) and is anticipated to be completed by November 2019.

- F. Is the project ready to commence upon grant fund approval and contract execution? If no, please explain.

Yes No

The project is ready to commence upon grant approval.

- G. Does this project have a local match amount? Yes No

If yes, please describe the entity providing the match and the amount.

The City of Panama City expects the total project cost, including engineering and construction engineering inspections to cost \$2.6 million dollars. The City is requesting \$1.6 million dollars through the Florida Job Growth Development Grant Fund and the City will provide \$1 million dollars (a 39% local match).

- H. Provide any additional information or attachments to be considered for this proposal. Maps and other supporting documents are encouraged.

Please see attached additional supporting documentation

3. Program Budget

(If additional space is needed, attach a word document with your entire answer.)

Estimated Costs and Sources of Funding: Include all applicable public infrastructure costs and other funding sources available to support the proposal.

1.) Total Amount Requested \$ 1,600,000.00
 Florida Job Growth Grant Fund

A. Other Public Infrastructure Project Funding Sources:

City/County \$ 1,000,000.00

Private Sources \$

Other (grants, etc.) \$ 100,000.00

Please Specify: _____

Total Other Funding \$ 1,000,000.00

B. Public Infrastructure Project Costs:

Construction \$ 2,365,000.00

Reconstruction \$

Design & Engineering \$ 135,000.00

Land Acquisition \$

Land Improvement \$

Other \$ 100,000.00

Please Specify: Construction
 Engineering
 Inspections;
 Wetland
 Mitigation

Total Project Costs \$ 2,600,000.00

Note: The total amount requested must be calculated by subtracting the total other public infrastructure project funding sources in A. from the total public infrastructure project costs in B.

- C. Provide a detailed budget narrative, including the timing and steps necessary to obtain the funding and any other pertinent budget-related information.

See attached budget document.

4. Approvals and Authority

(If additional space is needed, attach a word document with your entire answer.)

- A. If the governmental entity is awarded grant funds based on this proposal, what approvals must be obtained before it can execute a grant agreement with the Florida Department of Economic Opportunity (e.g., approval of a board, commission or council)?

Approval to accept the awarded grant funds requires City Commission Approval

If board authorization is not required, who is authorized to sign?

N/A

- B. If approval of a board, commission, council or other group is needed prior to execution of an agreement between the governmental entity and the Florida Department of Economic Opportunity:

- i. Provide the schedule of upcoming meetings for the group for a period of at least six months.
- ii. State whether entity is willing and able to hold special meetings, and if so, upon how many days' notice.

All upcoming City Commission Meetings are posted on pcgov.org, including special sessions or meetings scheduled as needed. The City Commission is willing and able to hold special meetings with a minimum of 72 hours notice.


- C. Attach evidence that the undersigned has all necessary authority to execute this proposal on behalf of the governmental entity. This evidence may take a variety of forms, including but not limited to: a delegation of authority, citation to relevant laws or codes, policy documents, etc.

See attached designation of signatory authority.

I, the undersigned, do hereby certify that I have express authority to sign this proposal on behalf of the above-described entity and to the best of my knowledge, that all data and information submitted in proposal is truthful and accurate and no material fact has been omitted.

Name of Governmental Entity: City of Panama City

Name and Title of Authorized Representative: Mark McQueen, City Manager

Representative Signature: 

Signature Date: September 20, 2019



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City of Panama City

2019 – 2020 Florida Job Growth Grant Fund
Public Infrastructure Grant Proposal

1G – Project Narrative

Introduction

When Hurricane Michael made landfall near Tyndall Air Force Base on October 10, 2018, as a Category 5 storm, it became the most powerful storm to impact North Florida in recorded history. As the storm made landfall moving northeast, it tore through the Panhandle, leaving a trail of demolished homes, leveled businesses, and debilitated infrastructure. Hurricane Michael caused 59 deaths and \$25 billion in damage.

The City of Panama City is seeking funding for the Spine Roads and Utilities Project (sewer, potable water, and underground power service) to connect planned housing to existing transportation infrastructure. These planned housing developments will consist of 1,700 single family homes and 840 apartment units with the potential to house over 6,500 individuals. Florida Job Growth Grant funding and the implementation of the Spine Road infrastructure projects will be part of a holistic solution articulated in the City’s Long Term Recovery Plan to address the growing housing crisis after Hurricane Michael.

City of Panama City Housing Crisis & Resulting Economic Impacts

Prior to Hurricane Michael, the City of Panama City maintained a housing stock of approximately 112,746 housing units (56 percent single unit, 30 percent multi-unit, and 14 percent mobile home). While updates to the Florida Building Code (FBC) were enacted on March 1, 2002, which required all new construction to meet higher standards for hurricane-force wind protection, approximately 94 percent of the housing units within the City of Panama City were built before 2002 and therefore were not subject to higher building standards. As a result, the vast majority of housing units within the City of Panama City were more vulnerable to the impacts of hurricane-force winds in comparison to other areas throughout the state with newer and more resilient building construction. The City of Panama City had a disproportionate percentage of renters with 51.3% of all citizens renting.

Hurricane Michael exacerbated shortages in affordable housing within the City, damaging or destroying approximately 60 percent of the City’s housing stock. Citizens have been displaced to temporary housing solutions, including austere or costly conditions, are experiencing prolonged housing insecurity, or have been forced to seek affordable housing outside the City limits.

The extensive damage to housing stock drove up market demand for unimpacted rental properties, which in turn caused rental rates to skyrocket. In some instances, rental rates rose as



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high as 200, 300, and even 400 percent when compared to their pre-disaster rates. The housing shortage was exacerbated by the influx of contractors and other support services to the region, which further depleted the unaffected housing stock. Due to the significant shortage in affordable housing options, residents were either forced to pay higher rental rates; reside in disaster shelters, tents, cars, or trailers; or move out of the City.

Despite the dramatic increase in rental unit costs, the housing market remained relatively stable, increasing just four percent since Hurricane Michael. As an alternative to pursuing affordable rental properties, many real estate companies recommended that individuals who had previously been renting property look to purchase property. While this may have been a lucrative financial investment to some, limited funding and insufficient mortgage rates prevented lower-income families from affording the properties and thus were forced to continue to seek affordable rental options. Recognizing the disparity between rental rates and home ownership rates, many contractors who possessed the financial means to purchase damaged/destroyed properties elected to buy up, rebuild, and operate out of these properties rather than paying the high rental rates prevalent throughout the City.

The City of Panama City faces a shortage of workers due to a diminished housing stock and a lack of workers to replenish the diminished housing stock. The lack of housing is causing disruptions in the regional economy as firms struggle to find workers to take shifts for their businesses. In a business impact survey of Bay County businesses, most respondents cited workforce issues when asked about their top three challenges to recovery and a third of firms requesting business counseling services asked for help addressing workforce challenges. More than 20 percent of these businesses reported operating below full staffing levels.

Leading industries within the City of Panama City, such as shipbuilding where the City had 14 times the employees in this industry than the national average, are at risk of losing national contracts due to the displacement of qualified workers. Other industries such as the Tyndall Airforce Base are dependent on local housing stock for the 70% of airmen and women that live off base. Approximately 31% of the City’s revenue is attributed to the military and civilian men and women assigned to local bases. With approximately 26,000 individuals accessing Tyndall Airforce Base daily—for work, school, and retail—the restoration of the base is critical to the community. However, the restoration of the base is dependent on the ability for Tyndall procure and lodge sufficient numbers of construction laborers to complete the \$2.9 Billion rebuild of the base and then subsequently lodge their airmen and women, as well as their families, off base.

Future Exacerbation of Housing Crisis

The continued recovery from Hurricane Michael will only further exacerbate the housing crisis. In Bay County alone, there will be over \$1.3 billion in construction contracts released over the next several years for infrastructure redevelopment by local government entities. Additionally, Tyndall Airforce Base alone will be initiating construction on their 5th Generation Base at the cost of \$2.2



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billion. The sudden release of over \$3.2 billion in infrastructure redevelopment contracts will require a significant influx of laborers requiring lodging. Housing continues to be the pivotal unmet need that must be addressed to not only enable the Hurricane Michael physical recovery, but economic recovery and diversification.

Economic Impact of New Infrastructure

The development of this infrastructure project will enable the creation of approximately 3,100 positions related to or in support of construction. However, more importantly, this project will enable the supply of approximately 6,500 members of the workforce (assuming a 2.59 persons per household average in Bay County, 2013-2017 Census) to remain in the City or enable new qualified workers to find housing in the City to support in the Hurricane Michael recovery. This development of the City’s workforce, addressing the current housing crisis, will result in direct economic impacts enabling business, government entities, and construction firms to recruit and maintain qualified workers.

The National Association of Home Builders estimates that building 100 new units for families leads to the creation of 80 jobs from the direct and indirect effects of construction and 42 jobs supported by the induced effects of the spending. The construction of these spine roads will enable the construction of the additional 2,540 units/homes. Therefore, approximately over 3,098 positions will be created in the construction phase alone. In addition to these “real-time” jobs and economic activity, building 100 family units also leads to the long-term creation of 30 new jobs that support the ongoing consumer activity of these homes’ new residents; therefore this project will result in the ongoing long term creation of 762 positions to support the 6,500 residents within these communities.

Conclusion

The Housing Crisis in the City of Panama City has had a cascading impact on all aspects of life, especially within the regional economy. The housing communities that will be enabled by this infrastructure project will result in local businesses, non-profits, and government entities to have a larger pool of qualified workers or enable qualified workers seeking jobs to easily relocate to the City of Panama City to contribute to the City’s economy. Many businesses are unsuccessfully trying to recruit local labor, such as the 800 qualified staff needed at Bay Medical Hospital, but are unable to due to the lack of affordable housing for their workforce.

While Hurricane Michael left a wake of devastation and destruction, it also created an opportunity: an opportunity to expand on the City of Panama City’s potential and create a vibrant, thriving community supported by the City’s greatest asset—its residents. The hurricane requires that the City recover and repair, but also enables its residents to develop a City for the future, focused on four major priority areas: Safety and Security, Infrastructure, Economy, and Quality of Life. Together, these four focus areas organize the City’s unique assets and profound sense of community to guide recovery and build a world-class City. This vision of recovery has been the



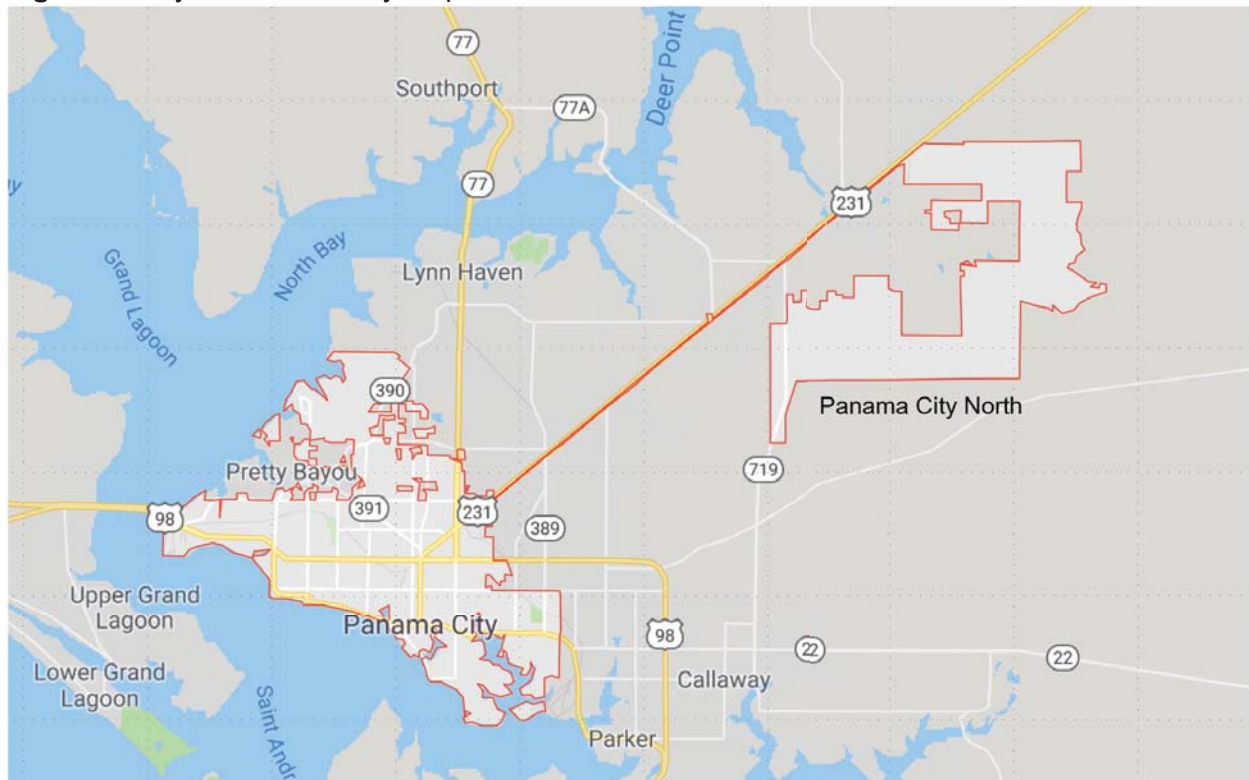
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City’s roadmap to create a Long Term Recovery Plan. Combining urban planning, economic development, and preparedness to plan for the next storm, the Long Term Recovery Plan outlines the strategic and innovative approach the City is taking to address the needs of its citizens and stakeholders. The Plan will provide a guide on the City’s holistic approach to recovery: not just building back, but building stronger, more resilient, safer, and sustainably.

The Spine Road Projects are a critical component in achieving that vision: this infrastructure will connect new housing to the City, and it will reduce the scarcity that drives the housing crisis. This project will create and maintain jobs not just in construction, but in shipbuilding, retail, technology, and service as these planned housing developments are built and can become homes for families, medical professionals, shipbuilders, educators, and the service men and women at Tyndall Air Force Base.

2H – Additional Information

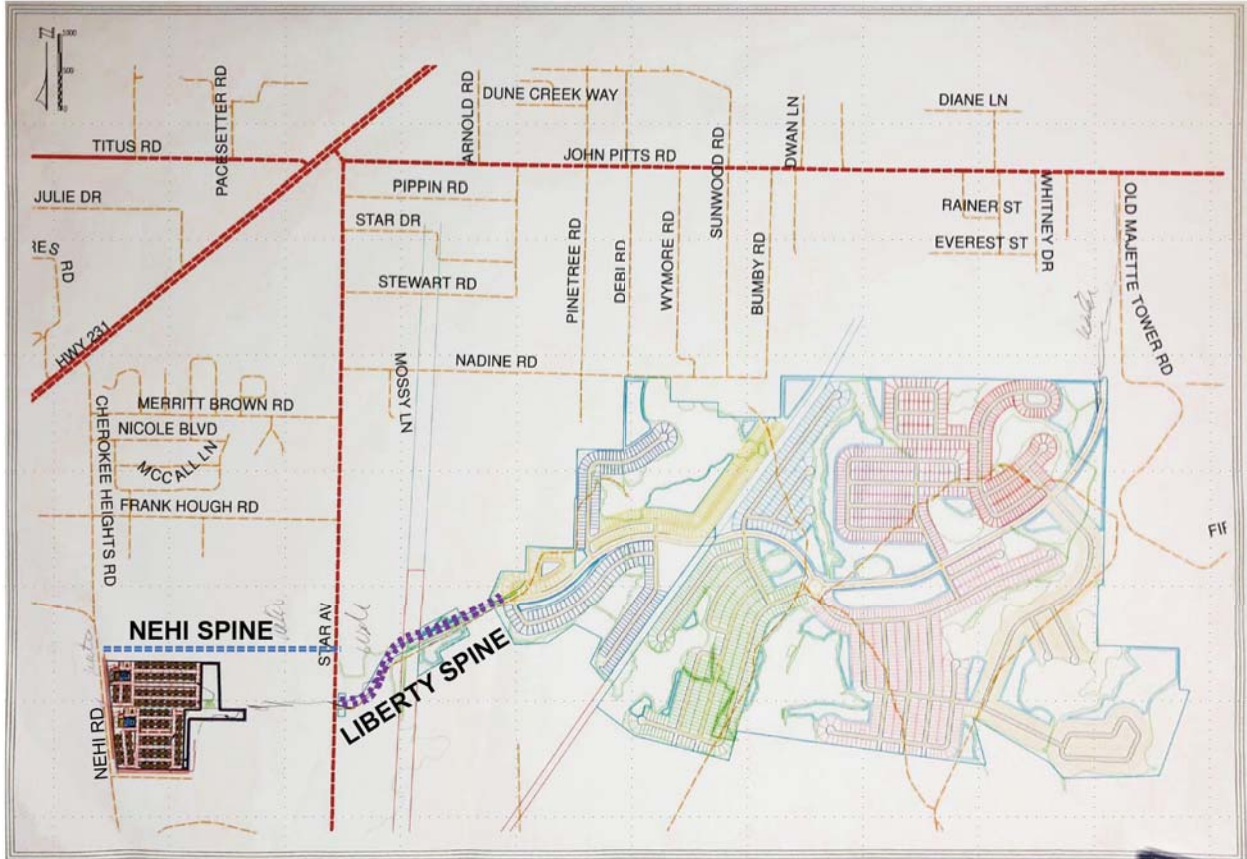
Figure 1: City of Panama City Map





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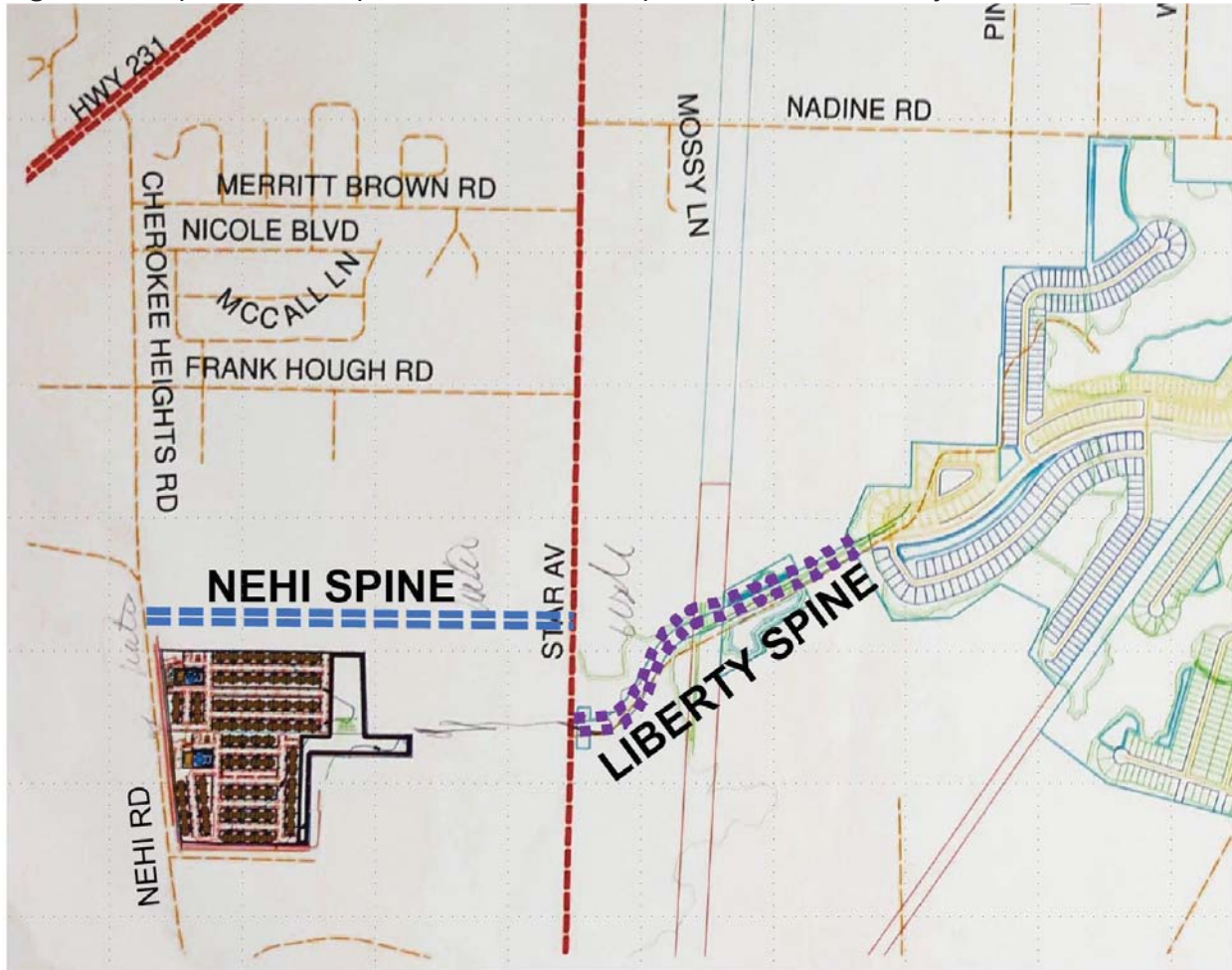
Figure 2: Panama City North, with Proposed Spine Road Projects





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Figure 3: Proposed Development Detail, with Proposed Spine Road Projects





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3C – Detailed Budget Information

NEHI SPINE ROAD Budget

Budget Category	Projected Budget	Proposed Project Timeline
Engineering	\$135,000.00	January 2020 - June 2020
Wetland Mitigation	\$50,000.00	January 2020 - June 2020
Construction	\$2,365,000.00	June 2020 - January 2021
Construction Engineering Inspections	\$50,000.00	June 2020 - January 2021
TOTAL	\$2,600,000.00	January 2020 - July 2021

LIBERTY SPINE ROAD Budget

Budget Category	Projected Budget	Proposed Project Timeline
Construction	\$1,000,000.00	November 2019 - August 2020
Project Administration	\$225,000.00	November 2019 - August 2020
Construction Engineering Inspections	\$125,000.00	November 2019 - August 2020
TOTAL	\$1,350,000.00	November 2019 - August 2020



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March 19, 2019

Melissa Shirah, State Public Assistance Officer
Florida Division of Emergency Management
Melissa.Shirah@em.myflorida.gov

Dear Ms. Shirah, and To Whom It May Concern:

RE: Delegation of Authority to Execute Grant Applications and Related Documents

I, Greg Brudnicki, Mayor of Panama City, am designating **Mark McQueen, City Manager**, as the primary authorized representative for the City of Panama City and am delegating to him signature authority for any and all documents required for grant application, contract, modification, and other document(s) related to any grants on behalf of the City of Panama City.

This signature authority is effective the date of this memorandum and will remain in effect until revoked by me.

A handwritten signature in blue ink, appearing to read "G. Brudnicki".

Greg Brudnicki
Mayor of Panama City

CC: Mark McQueen, City Manager
City Commission of Panama City
Darlene Hachmeister, City Clerk
Nevin Zimmerman, City Attorney
Jared Jones, Assistant City Manager
Jennifer Aldridge, Disaster Recovery Project Manager