Data Collection Form

Part A: Project Information
(To be completed by all Proposers)

Okaloosa RESTORE Advisory Committee

Approved by the Okaloosa RESTORE Advisory Committee: December 4, 2014
Okaloosa County, Florida

1/17/2014

INTRODUCTION

The purpose of this data collection form is to assist Okaloosa County in prioritizing projects submitted for Direct Component ("Pot #1") funds allocated from the Gulf Coast Restoration Trust Fund through the Resources and Ecosystems Sustainability, Tourist Opportunities and Revived Economies of the Gulf Coast States Act of 2012 (RESTORE Act).

The following terms are used in this data collection form:

- Applicant - the Okaloosa County Board of County Commissioners (BOCC)
- Project Proposer - the individual or organization completing this form
- Responsible Entity - the Okaloosa County BOCC

Prior to initiating this data collection form, it is recommended the Project Proposer download and review the entire form to understand the range of required information. Tools/data required to complete this form may include: permits, interlocal agreements, comprehensive plans, evidence of property ownership, and estimated project costs. Completing all required information in the collection form may require many hours; this will be a function of project complexity and proposer preparedness.

This data collection form differs from the U.S. Treasury Application Form (RESTORE Act Direct Component Guidance and Application to Receive Federal Financial Assistance; August 2014). This data collection form was designed to assist the Okaloosa RESTORE Advisory Committee (ORAC) in their task of developing a recommended list of potential projects for inclusion in the BOCC's Multi-Year Implementation Plan (MYIP).

Projects that are identified for funding in the MYIP will require additional information from the Project Proposer. Although completion of Part C of this data collection form is not required at this time, the Project Proposer is encouraged to thoroughly review Part C to ensure the ability to fully comply with the minimum information required by the U.S. Treasury for project funding. If a proposed project is ultimately included in the approved MYIP, failure of the Project Proposer to then provide the required project information in Part C may preclude funding for that project.

Per RESTORE Act guidance, the responsible entity shall be solely responsible for the execution of each funded project, including procurement of professional services and/or construction services. The Okaloosa County BOCC (the responsible entity) reserves the right to delegate these services to sub-entities with the demonstrated capability to comply with all County and Federal procurement processes required by the RESTORE Act.

By proposing a project through this data collection form, the Project Proposer acknowledges there is no guarantee the proposed project will be funded. Further, the Project Proposer acknowledges no reimbursement or compensation shall be provided for completing the data collection form or any other activities associated with proposing a project.

Part A: Project Information

NOTE: Incomplete applications will not be considered. By submitting this project proposal, the proposer certifies that the statements herein are true, complete and accurate to the best of his/her knowledge. Any false, fictitious, or fraudulent statements or claims may cause the application to be rejected without the opportunity to re-submit.

A.1 Project Proposer: Provide the name and contact info of the Project Proposer.

Michael J. Stenson, Deputy Airport Director
Destin-Ft. Walton Beach Airport
1701 State Road 85N
Eglin AFB, Florida 32542
(850) 651-7160, Ext. 1004; mstenson@co.okaloosa.fl.us

A.2 Point of Contact: Provide the name and contact information of the person to be contacted on matters concerning this project (POC).

Michael J. Stenson, Deputy Airport Director
Destin-Ft. Walton Beach Airport
1701 State Road 85N
Eglin AFB, Florida 32542
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A.3 Proposed Activity Name: Provide the name of the Proposed Activity.

Revenue Guarantee for New Airline Service at VPS

A.4 Claimed in Oil Liability Trust Fund After July 6, 2012: Was this proposed activity included in any claim for compensation paid out by the Oil Spill Liability Trust Fund after July 6, 2012***?***

- ☐ Yes (STOP. This activity is not eligible.)
- ☒ No

A.5 Qualifying Eligible Activity: Please check the primary eligible activity in the first column and then all other eligible activities that apply in the second column by placing an 'X" in the column in the row corresponding to the qualifying eligible activity.

Select Primary Activity (Select only one)	Select All Others That Apply	Qualifying Eligible Activity
☐	☐	Restoration and protection of the natural resources, ecosystems, fisheries, marine and wildlife habitats, beaches and coastal wetlands of the Gulf Coast Region
☐	☐	Mitigation of damage to fish, wildlife and natural resources
☐	☐	Implementation of a federally approved marine, coastal, or comprehensive conservation management plan, including fisheries monitoring
☐	☒	Workforce development and job creation
☐	☐	Improvements to or on State parks located in coastal areas affected by the Deepwater Horizon oil spill
☐	☐	Infrastructure projects benefitting the economy or ecological resources, including port infrastructure
☐	☐	Coastal flood protection and related infrastructure
☐	☐	Planning assistance
☒	☐	Promotion of tourism in the Gulf Coast Region, including recreational fishing
☐	☒	Promotion of the consumption of seafood harvested from the Gulf Coast Region

A.6 Location of Activity: Provide the project location. If there is more than one location for the activity, attach a list of the additional locations.

A.6.1 Address: Provide the actual address for the activity (street address, municipality(ies), county/parish, state, zip code). (If there is no street number, provide the nearest intersection or note boundaries on map submitted with Question A.6.2.)

Latitude/Longitude (if available): 30.4833° N, 86.5253° W

Street address: 1701 State Road 85N

Municipality(ies): Eglin AFB

County/parish: Okaloosa

State: Florida

Zip code: 32542

A.6.2 Map: Provide a map of the project location and the area affected by the project.

A.6.3 Property Ownership: If project requires the use of land, provide details of property disposition to include land acquisition, ownership, agreements to use property, permits, easements, etc.

Project will take place on the current property of Eglin AFB/Destin-Ft. Walton Beach Airport, including the runways, taxiways, air carrier ramp, and passenger terminal.

A.6.3.1 Attach documentation (i.e. letter of commitment, Memorandum of Understanding, deed, etc.)

A.7 Project Schedule: Provide a proposed project schedule to include: start date (MM/YY), end date (MM/YY), and major milestones.

May 2015: Air carrier recruitment begins.
May 2015 - December 2015: Airline network planning meetings with airport
January 2016: New service announcement
May 2016: New service launch

A.8 Monitoring: During the project & following its completion, will the project be subject to a monitoring program to evaluate project success?

- ☐ No
- ☒ Yes (provide information on monitoring and evaluation)

The airport will constantly monitor the performance of new service. Service will be measured based on the number of passengers using it, with a special emphasis on inbound tourists. Profitability will also be tracked and reported by the airlines.

A.9 Management/Maintenance Program: Will the project be subject to a management/maintenance program to ensure project success?

☐ No

☒ Yes (Provide information on how the project will be monitored and maintained as well as the party (or parties) responsible for performing these tasks.) (240 words max.)

The project will be monitored by both the airport, through Department of Transportation data, and the airline, through internal auditing. Results will be reported on a quarterly basis once new airline service begins.

A.10 PROJECT SUMMARY

Provide a narrative of your project and why this project should be funded. Discuss the following items as a minimum:

- Economics of the project: Explain how the overall budget supports the proposed work
  - Project Expenditures (long term and short term)
  - Project Revenues (sales, donations, etc.)
- Other funds to be used in addition to Direct Component funds
- Key personnel involved with the project
- Specific objectives
- Permits or land acquisition required
- Design status
- Similar project success or if new technology explain
- Environmental impact (species affected, existing plans supported, etc.)
- Risks to implement and maintain the activity
- Jobs Created (short term, long term, and wage scales)

(1,500 words max)

Destin-Ft. Walton Beach Airport (VPS)has been a key component of the Emerald Coast economy for more than 50 years. Each year, it draws more than 280,000 tourists to the region who spend more than $192 million on goods and services, supporting 1,400 jobs. Still, passengers using the airport have remained flat for the last decade, as carriers have continued to trim nationwide airline capacity.

Since the fuel cost spike of 2008, airlines have cut capacity at non-hub airports, like VPS, by 31%. Much of the flying airlines used to operate is simply no longer profitable with fuel prices higher than $2 a gallon. VPS lost fewer seats, but just in the last year airlines trimmed VPS peak summertime capacity by 5%.

These capacity cuts have caused fares to rise – which is the goal of virtually all of the nation's major carriers. VPS has the unenviable ranking of the highest fare airport in the southeast region, with an average one way fare that is 52% higher than the regional average.

With rising fares and reduced flights, more visitors have chosen to take their vacations in places other than the Emerald Coast. For every group of 200 visitors that choses not to arrive at VPS, the region loses one job and $137,000 in spending.

The best way to combat the loss of airline seats and the reduced economic impact is to recruit airlines to operate more flights at VPS. In this effort, VPS faces tremendous competition, as more than 370 commercially-served airports in the US are constantly requesting additional service. It is imperative that airports offer incentives to reduce airline risk in beginning new service and to help them stand out from competing airports.

Airports are limited by the Federal Aviation Administration (FAA) in the types of incentives they can offer. VPS offers the maximum allowable under the law, including fee/rent waivers and marketing cash. VPS has pledged roughly $250,000 in landing fee waivers, terminal rent abatements, and marketing cash for each of the four new airline service targets included in this project, for a total airport component of $1 million.

Most airlines seek revenue guarantees. These programs guarantee a minimum amount of revenue, with a cap, for the first one or two years of service – taking more of the risk away from the airline and reducing the major barrier to entry – a loss during the start-up phase of service in a new market. The FAA, however, prohibits airports from offering revenue guarantees, themselves, mandating that guarantees must come from grants and communities.

As a critical tourism and economic engine on the Emerald Coast, Destin-Ft. Walton Beach Airport requests a grant of $6 million from the Okaloosa RESTORE Advisory Committee for revenue guarantees for new airline service. The grant request consists of four unique $1.5 million dollar airline projects, seeking to add non-stop service to New York City, Chicago, Miami/Ft. Lauderdale, and Toronto, Ontario.

Together, these services are forecast to generate $32.3 million in new economic impact to the region in their first year of service:
New York/Newark: $12,933,785
Chicago: $8,831,591
Miami/Ft. Lauderdale: $7,834,232
Toronto, Ontario: $2,731,601
Total Impact: $32,331,209

In addition to the large economic impact, this project is forecast to create 236 new jobs in the first year of new service, throughout the economy. While a small number of these jobs will be directly on-airport, in positions such as airline customer service agents and ground handling agents, the majority of the jobs will be created elsewhere in the community. The average annual wage, according to the airport's economic impact study, of jobs created is $44,000. That represents $10.4 million in new wages filtering throughout the region in year one of new service.

Airport staff has already started work on this project. In the past 12 months it has met, in person, with more than a dozen airlines with interest in expanding service. It has developed the plan with direct airline feedback, so that once funding is secured agreements for new service can be quickly negotiated. Assuming negotiations take place on our estimated timeline, we would expect some new service to be in place for the summer of 2016.

This project does, however, rely upon the airline industry remaining healthy. Major global-scale events could alter the timeline of this project. A terrorist event, a global recession, or a large increase in the price of fuel could cause airlines to shelve expansion plans. These events are out of the control of the airport. There are no on-airport or in-market threats to the success of new service or the success of this project.

The project has no discernable impact on the environment. The additional flight frequencies would only add 31 flights a week to the VPS schedule, which is an average of 4.4 operations per day. This represents just an 8% increase in commercial operations at the airport.
Projects like this have been successful in bringing new service to dozens of cities around the country. In Panama City, a large corporation developed a $25 million revenue guarantee to bring Southwest service to the new ECP airport. In that case, none of the funding was expended while the service saw immediate success and profitability. In Pensacola, a large local incentive landed new Houston service beginning this summer.

Market research on Destin-Ft. Walton Beach shows that the airport loses more than 40% of potential trips to either other airports, other destinations, or to the car. The lack of air service costs the regional economy many millions of dollars per year. This project would help to fix this deficiency and restore tourist trips to the Emerald Coast. This project fits in well with the overall mission of the RESTORE Act – to grow inbound tourism and support jobs along the Gulf.

A.11 Requested Funding Amount: How much Direct Component (Pot #1) funding is being requested for this project?

$6 million total request. $1.5 million per new air service route.

A.11.1 Other Funding: Is additional funding, outside of this request, being used for the project?

- ☐ No
- ☒ Yes (provide information on all additional funding sources and amounts.)

The airport will provide the following incentives for each new route:
Landing Fee and Terminal Rent Waivers: $165,000
Marketing Cash: $85,000
Total per Route: $250,000
Total for Four Routes: $1 million

A.11.2 Funding Under $90,000: Is the requested funding under $90,000?

- ☐ Less than or equal to $90,000 (Application is complete)
- ☒ More than $90,000 (Proceed to Part B)

END OF PART A