



## Panama City, Florida



Application for a

## Small Community Air Service Development Program Grant

Docket DOT-OST-2014-0113

By the **Panama City-Bay County Airport and Industrial District**

For the **Northwest Florida Beaches International Airport**

DUNS# 096597869

Congressional District: FL-2



**APPLICATION UNDER  
SMALL COMMUNITY AIR SERVICE DEVELOPMENT PROGRAM  
DOCKET DOT-OST-2014-0133**

**SUMMARY INFORMATION<sup>1</sup>**

**All applicants must submit this Summary Information schedule, as the application coversheet, a completed standard form SF424 and the full application proposal on [www.grants.gov](http://www.grants.gov).**

**For your preparation convenience, this Summary Information schedule is located at <http://www.dot.gov/policy/aviation-policy/small-community-rural-air-service/SCASDP>**

**A. PROVIDE THE LEGAL SPONSOR AND ITS DUN AND BRADSTREET (D&B) DATA UNIVERSAL NUMBERING SYSTEM (DUNS) NUMBER, INCLUDING +4, EMPLOYEE IDENTIFICATION NUMBER (EIN) OR TAX ID.**     Enter Y or N

**Legal Sponsor Name:** Panama City - Bay County Airport and Industrial District

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**Name of Signatory Party for Legal Sponsor:** Mr. Parker W. McClellan, Jr., Executive Director

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**DUNS Number:** 096597869

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**EIN/Tax ID:** 59-6002804

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**B. LIST THE NAME OF THE COMMUNITY OR CONSORTIUM OF COMMUNITIES APPLYING:**

1. Panama City, Florida \_\_\_\_\_

2. \_\_\_\_\_

3. \_\_\_\_\_

4. \_\_\_\_\_

**C. PROVIDE THE FULL AIRPORT NAME AND 3-LETTER IATA AIRPORT CODE FOR THE APPLICANT(S) AIRPORT(S) (ONLY PROVIDE CODES FOR THE AIRPORT(S) THAT ARE ACTUALLY SEEKING SERVICE).**

1. Northwest Florida Beaches Int'l. Airport (ECP)     2. \_\_\_\_\_

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3. \_\_\_\_\_     4. \_\_\_\_\_

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<sup>1</sup> Note that the Summary Information does not count against the 20-page limit of the SCASDP application.

**DOES THE AIRPORT SEEKING SERVICE HOLD AN AIRPORT OPERATING CERTIFICATE ISSUED BY THE FEDERAL AVIATION ADMINISTRATION UNDER 14 CFR PART 139? (IF "NO", PLEASE EXPLAIN WHETHER THE AIRPORT INTENDS TO APPLY FOR A CERTIFICATE OR WHETHER AN APPLICATION UNDER PART 139 IS PENDING.)**

**Yes**       **No (explain)**

**D. LIST THE 2-DIGIT CONGRESSIONAL DISTRICT CODE APPLICABLE TO THE SPONSORING ORGANIZATION, AND IF A CONSORTIUM, TO EACH PARTICIPATING COMMUNITY.**

1. FL-02	2.
3.	4.

**E. APPLICANT INFORMATION: (CHECK ALL THAT APPLY)**

- Not a Consortium**     
  **Interstate Consortium**     
  **Intrastate Consortium**  
 **Community currently receives subsidized Essential Air Service**  
 **Community (or Consortium member) previously received a Small Community Air Service Development Program Grant**

**If previous recipient: Provide year of grant(s):** 2007 **;** **and, the text of the grant agreement section(s) setting forth the scope of the grant project:**

- Secure scheduled airline service to Charlotte, North Carolina; Houston, Texas; and/or Dallas Ft. Worth, Texas;
- Provide station operating cost support for the new service; and
- Provide marketing and advertising support for the new service.

**F. PUBLIC/PRIVATE PARTNERSHIPS: (LIST ORGANIZATION NAMES)**

<b>PUBLIC</b>	<b>PRIVATE</b>
1. Panama City-Bay County Airport and Industrial District	1. Panama City Beach CVB/Bay County TDC
2.	2. The St. Joe Company
3.	3. Panama City Beach Chamber of Commerce
4.	4. Bay County Chamber of Commerce
5.	5.

**G. PROJECT PROPOSAL:**

**1. GRANT GOALS: (CHECK ALL THAT APPLY)**

- |   |  |   |
|---|--|---|
| <input checked="" type="checkbox"/> <b>Launch New Carrier</b> | <input checked="" type="checkbox"/> <b>Secure Additional Service</b> | <input type="checkbox"/> <b>Upgrade Aircraft</b>                  |
| <input type="checkbox"/> <b>First Service</b>                 | <input checked="" type="checkbox"/> <b>New Route</b>                 | <input type="checkbox"/> <b>Service Restoration</b>               |
| <input type="checkbox"/> <b>Regional Service</b>              | <input type="checkbox"/> <b>Surface Transportation</b>               | <input type="checkbox"/> <b>Professional Services<sup>2</sup></b> |
| <input type="checkbox"/> <b>Other</b> (explain below)         |  |   |

**2. FINANCIAL TOOLS TO BE USED: (CHECK ALL THAT APPLY)**

- Marketing (including Advertising):** promotion of the air service to the public
- Start-up Cost Offset:** offsetting expenses to assist an air service provider in setting up a new station and starting new service (for example, ticket counter reconfiguration)
- Revenue Guarantee:** an agreement with an air service provider setting forth a minimum guaranteed profit margin, a portion of which is eligible for reimbursement by the community
- Recruitment of Air Carrier:** air service development activities to recruit new air service, including expenses for airport marketers to meet with air service providers to make the case for new air service
- Fee Waivers:** waiver of airport fees, such as landing fees, to encourage new air service; counted as in-kind contributions only
- Ground Handling Fee:** reimbursement of expenses for passenger, cabin, and ramp (below wing) services provided by third party ground handlers
- Travel Bank:** travel pledges, or deposited monetary funds, from participating parties for the purchase of air travel on an air carrier, with defined procedures for the subsequent use of the pledges or the deposited funds; counted as in-kind contributions only

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<sup>2</sup> “Professional Services” involve a community contracting with a firm to produce a product such as a marketing plan, study, air carrier proposal, etc.

**Other** (explain below)

**H. EXISTING LANDING AIDS AT LOCAL AIRPORT:**

- Full ILS                       Outer/Middle Marker     Published Instrument Approach  
 Localizer                       Other (specify) GPS based RNAV

**I. PROJECT COST: DO NOT ENTER TEXT IN SHADED AREA** Enter Y or N

LINE	DESCRIPTION	SUB TOTAL	TOTAL AMOUNT
1	Federal amount requested		\$400,000
2	State <u>cash</u> financial contribution		\$0
	<i>Local cash financial contribution</i>		
	<b>3a</b> Airport <u>cash</u> funds	\$0	
	<b>3b</b> Non-airport <u>cash</u> funds	\$350,000	
3	Total local <u>cash</u> funds ( <b>3a</b> + <b>3b</b> )		\$350,000
4	TOTAL CASH FUNDING ( <b>1</b> + <b>2</b> + <b>3</b> )		\$750,000
	<i>In-Kind contribution</i>		
	<b>5a</b> Airport <u>In-Kind</u> contribution**	\$962,700	
	<b>5b</b> Other <u>In-Kind</u> contribution**	\$100,000	
5	TOTAL IN-KIND CONTRIBUTION ( <b>5a</b> + <b>5b</b> )		\$1,062,700
6	TOTAL PROJECT COST ( <b>4</b> + <b>5</b> )		\$1,812,700

**J. IN-KIND CONTRIBUTIONS\*\***

For funds in lines 5a (Airport In-Kind contribution) and 5b (Other In-Kind contribution), please describe the source(s) of fund(s) and the value (\$) of each.

5(a) - Airport rents/fees rebate \$962,700. Source is airport general fund.  
 5(b) - Panama City Beach Chamber of Commerce and Bay County Chamber of Commerce - \$50,000 from each entity.

**K. IS THIS APPLICATION SUBJECT TO REVIEW BY AN AFFECTED STATE UNDER EXECUTIVE ORDER 12372 PROCESS?**

- a. This application was made available to the State under the Executive Order 12372 Process for review on (date) \_\_\_\_\_.
- b. Program is subject to E.O. 12372, but has not been selected by the State for review.
- c. Program is not covered by E.O. 12372.

**L. IS THE LEAD APPLICANT OR ANY CO-APPLICANTS DELINQUENT ON ANY FEDERAL DEBT? (IF "YES", PROVIDE EXPLANATION)**

- No  Yes (explain)

**APPLICATION CHECKLIST**

INCLUDED?	ITEM
Enter Y or N	<i>For Immediate Action</i>
N/A	Determine Eligibility
N/A	New Grants.gov users must register with <a href="http://www.grants.gov">www.grants.gov</a> . Existing Grants.gov users <i>must verify existing <a href="http://www.grants.gov">www.grants.gov</a> account has not expired and the Authorized Organization Representative (AOR) is current.</i>
<i>For Submission by 5:00 PM EDT on July 31, 2014</i>	
N/A	Communities with active SCASDP grants: notify DOT/X50 of intent to terminate existing grant in order to be eligible for selection in FY2014
N/A	Complete Application for Federal Domestic Assistance (SF424) via <a href="http://www.grants.gov">www.grants.gov</a>
Yes	Summary Information schedule complete and used as cover sheet (see <b>Appendix B</b> )
Yes	<b>Application of up to 20 one-sided pages (excluding any letters from the community or an air carrier showing support for the application), to include:</b>
Yes	• A description of the community's air service needs or deficiencies.
Yes	• A strategic plan for meeting those needs under the Small Community Program.
Yes	• A detailed description of the funding necessary for implementation of the community's project.
Yes	• An explanation of how the proposed project differs from any previous projects for which the community received SCASDP funds (if applicable).
Yes	• Designation of a legal sponsor responsible for administering the program.
No	• A motion for confidential treatment (if applicable) – see Appendix D below.





July 31, 2014

Brooke Chapman, Associate Director  
Small Community Air Service Development  
US Department of Transportation  
1200 New Jersey Avenue, SE  
Washington, D.C. 20590

REF: Small Community Air Service Development Program Application

Dear Ms. Chapman:

The Panama City – Bay County Airport and Industrial District, which owns and operates the Northwest Florida Beaches International Airport (Airport) is pleased to submit an application for the 2014 Small Community Air Service Development Program (SCASDP). The grant award would be utilized to assist with marketing and advertising efforts to promote a proposed new daily, nonstop air service between the Florida Panhandle region and the New York metropolitan area – a service which would be the first of its kind in recent years.

As the airline industry continues the process of consolidation, airlines' network and pricing strategies have also continued to evolve. In 2010, when the Airport opened, air service was provided by Delta Airlines and Southwest Airlines. Delta and Southwest had nineteen (19) flights daily, with competitive air fares. However, recent negative capacity/schedule adjustments and fare increases are beginning to have an impact on both the potential economic growth of the community surrounding the Airport as well as the broader Region.

We are currently in discussions with JetBlue for service between the Airport (ECP) and JetBlue's hub at John F. Kennedy International Airport (JFK) in New York. JetBlue has a large presence in the Northeast to Florida market and does not currently serve any cities between Jacksonville and New Orleans.

The New York metropolitan area and the Northeast U.S. in general, are a large and important target market for both our business community and tourism sector. We believe that the addition of a new low-cost carrier at the Airport serving this market would have a significant positive impact in our community.

Thank you in advance for your thoughtful consideration of our proposal.

Respectfully,

A handwritten signature in black ink, appearing to read "Parker W. McClellan, Jr.", with a long horizontal flourish extending to the right.

Parker W. McClellan, Jr., A.A.E.  
Executive Director



27-01 Queens Plaza North  
Long Island City, NY 11101  
jetblue.com

July 22, 2014

Ms. Brooke Chapman  
Associate Director Small Community Air Service Development Program  
U.S. Department of Transportation Office of Aviation Analysis  
1200 New Jersey Avenue, SE  
Washington, D.C. 20590

Dear Ms. Chapman:

JetBlue is pleased to submit this letter on behalf of the Panama City-Bay County Airport and Industrial District ("District") for their Small Community Air Service Development Program grant proposal. We are currently considering nonstop service to Northwest Florida from New York City's John F. Kennedy International Airport as part of JetBlue's five year growth plan. This service would continue to strengthen JetBlue's service offerings in one of our core markets – the Northeastern United States to Florida.

Centrally located in the middle of the Florida Panhandle, with a catchment area of over 1.5 million people in three states, the Airport is a potential gateway for JetBlue's first service to this rapidly growing region. Key population centers as far as Pensacola to the west and Tallahassee to the east are no more than a two-hour drive away from the Airport and the Airport is the closest in the region to the unique coastal communities of South Walton and Panama City.

At present, there is no airport in the Panhandle that has nonstop service to/from the Northeastern United States. We expect that our low-fare, high quality service would attract visitors from the New York City area and other parts of the Northeast wanting to experience the Panhandle of Florida, as well as provide an efficient new link to the Northeast for Panhandle based-travelers.

Thank you for your prompt and favorable consideration of this application.

Sincerely,

John Checketts  
Director, Route Planning



STEVE SOUTHERLAND, II  
2ND DISTRICT, FLORIDA

COMMITTEE ON NATURAL RESOURCES  
COMMITTEE ON  
TRANSPORTATION AND INFRASTRUCTURE

Congress of the United States  
House of Representatives  
Washington, DC 20515-0902

1229 LONGWORTH HOUSE OFFICE BUILDING  
WASHINGTON, DC 20515  
(202) 225-5235

840 WEST 11TH STREET  
SUITE 2250  
PANAMA CITY, FL 32401  
(850) 785-0812

3116 CAPITAL CIRCLE NE  
SUITE 9  
TALLAHASSEE, FL 32308  
(850) 561-3979

July 30, 2013

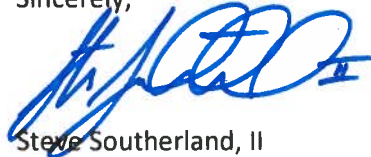
Ms. Brooke Chapman  
Associate Director  
Small Community Air Service Development  
Office of Aviation Analysis  
U.S. Department of Transportation  
Room W86-307  
1200 New Jersey Avenue, Southeast  
Washington, DC 20590

Dear Ms. Chapman,

I am writing in regards to the application of Northwest Florida Beaches International Airport for the Small Community Air Service Development Program Grant administered by the U.S. Department of Transportation. I strongly support Northwest Florida Beaches International Airport's objective of expanding access to Northwest Florida, specifically through the addition of JetBlue Airways service.

The grant funding requested would go towards offsetting the startup and marketing costs of this new service. It is my hope that you will fully consider this grant application consistent with guidelines and policies, keeping in mind the considerable positive economic impact such a grant would have on Panama City and the surrounding Northwest Florida area. Should you require any additional information, please do not hesitate to contact my Washington, D.C. office at (202) 225-5235.

Sincerely,



Steve Southerland, II  
Member of Congress

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Appendix B: New York City Media Articles Regarding Northwest Florida Beaches International Airport Catchment Area Tourism

# 1. Executive Summary

## 1.1 Introduction and Background

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The Panama City – Bay County Airport and Industrial District (“District”) requests a grant of \$400,000 from the U.S. DOT’s Small Community Air Service Development Program to help provide marketing support for a new daily JetBlue Airways service between Northwest Florida Beaches International Airport in Panama City, Florida (“Airport” or “ECP”) and John F. Kennedy International Airport in New York City, New York (“JFK”). The grant will be supplemented with \$350,000 in local cash contributions from organizations focused on inbound marketing and \$1,062,700 of in-kind contributions, including support from organizations focused on outbound marketing and airport cost rebates for the new service.

The new JetBlue service envisioned in this grant application would help to address two significant air service deficiencies at the Airport as identified by the District. It would provide new nonstop service in the top unserved O&D market from the Catchment Area (see definition in Section 2.1 below) – New York City. A new JetBlue ECP-JFK service would also broaden the carrier base at the Airport and provide downward fare pressure in key markets to the Northeast portion of the United States, significantly stimulating air travel volumes between the Northeast and the entire Florida Panhandle Region.

The proposal also meets five of the six priority selection criteria set out in the Notice of Order Soliciting Community Proposals:

- *“The community or consortium will provide a portion of the cost of the activity from local sources other than airport revenue sources.”* A broad range of local private entities are contributing \$350,000 in cash plus \$100,000 of in-kind support. This constitutes a 112.5% match of the grant request amount of \$400,000.
- *“The community or consortium has established or will establish a public-private partnership to facilitate air carrier service to the public.”* A partnership has been formed in support of the new JetBlue ECP-JFK service between the Airport (public) and the following private entities: Panama City Beach Convention and Visitors Bureau/Bay County Tourist Development Council, The St. Joe Company, the Panama City Beach Chamber of Commerce and the Bay County Chamber of Commerce. Each entity will play an active role in the marketing campaign (either inbound or outbound) designed to support the new JetBlue service.

- *“The assistance will provide material benefits to a broad segment of the traveling public, including businesses, education institutions and other enterprises, whose access to the national air transportation system is limited.”* The assistance would facilitate the only nonstop, low-cost carrier service to New York City and the Northeast portion of the United States from the entire Florida Panhandle Region. This service would help economically support a wide range of tourism-dependent businesses in the Catchment Area and the Region as a whole by providing a new source of relatively affluent travelers. In turn, local residents and businesses from as far away as Pensacola and Tallahassee would gain new, nonstop low-fare access to New York City and the Northeast.
- *“The assistance will be used in a timely manner.”* We have coordinated this proposal with JetBlue and new service (and the assistance envisioned by this grant) could be implemented as early as Spring 2015, with the funds being used within a two-year time frame as requested by the U.S. DOT.
- *“Multiple communities cooperate to submit a regional or multistate application to consolidate air service into one regional airport.”* Although this proposal does not consolidate all air service into one regional airport, it envisions a unique service from the airport most centrally located in the Florida Panhandle Region that residents and businesses in the entire Region can benefit from and should support. It would have the practical effect of making the Airport the de facto regional gateway to the Northeast at the present time.

## 1.2 Previous SCADSP Grant Awards

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In 2007, the Panama City – Bay County Airport and Industrial District was awarded a grant of \$575,000 to help offset (as described in the 2007 application), ”a revenue guarantee, marketing assistance and start-up cost relief for three daily regional jet flights to new destination hubs in the Southeastern U.S. (Charlotte) or to the Southwestern U.S. (Dallas and Houston).”

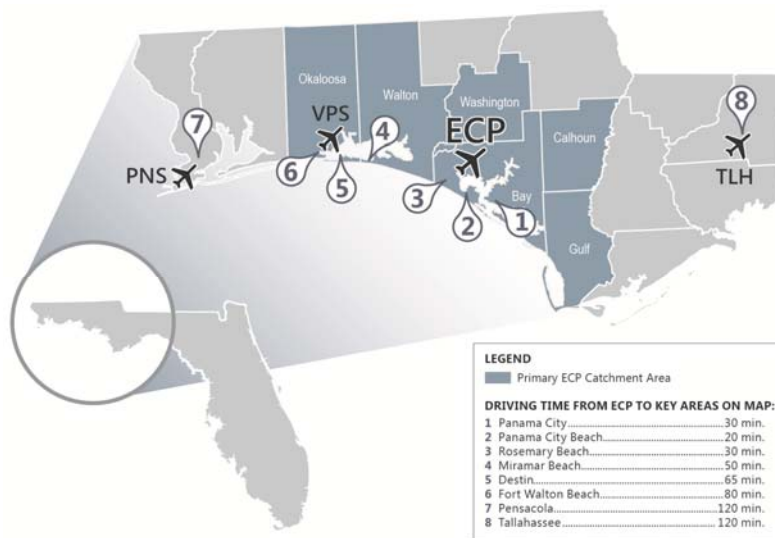
The current proposed project represents a new project and does not violate the “Same Project” limitation as described in the Notice of Order Soliciting Community Proposals. The goals and objectives of the current application, securing new daily service to a low-cost carrier destination hub in the Northeast United States via mainline aircraft are substantially different from the goals and objectives described in the 2007 application. Additionally, the means by which the goals and objectives are to be achieved are somewhat different, as the current application does not contemplate the use of a revenue guarantee as the 2007 application did. Finally, the current application will support service from the new Northwest Florida Beaches International Airport which opened for commercial flights in May 2010, rather than now closed Panama City – Bay County International Airport as proposed in the 2007 application.

## 2. Overview of ECP Market

### 2.1 Catchment Area

The Northwest Florida Beaches International Airport is located in Bay County, Florida, approximately 18 miles northwest of Panama City, Florida. The Airport is one of four airports providing commercial service in the Florida Panhandle Region and is the airport most centrally located in the middle of the Region (see map below). This favorable geographic positioning for serving the entire Region was a significant reason why Southwest Airlines chose the Airport as its initial gateway for the Region, commencing service to the Region in conjunction with the Airport’s opening.

The Northwest Florida Beaches International Airport primary catchment area (depicted in blue in the map below, referred to as “Catchment Area”) is a six-county area with an approximate population of 484,000 in 2013. The primary catchment area also overlaps with significant portions of the Northwest Florida Regional Airport (“VPS”) catchment area. A broader secondary catchment area includes nine additional counties in Florida (including the counties where the major population centers of Pensacola and Tallahassee are located – each within two hours driving time from the Airport), five counties in southeast Alabama and two counties in southwest Georgia. The primary and secondary catchment areas together have a population of over 1.5 million. Given the catchment areas described above, a new JetBlue service (the only nonstop, low-cost carrier service to New York City and the Northeast portion of the United States from the Region) could reasonably be expected to bring material benefits to a wide range of travelers in not just the local community, but the Region as a whole.





## 2.2 Economic Base and Tourism

### 2.2.1 Economic Base

Economic indicators statistically correlated to air travel demand can be used as a broad proxy for the potential ability of the Catchment Area population to utilize new air service (e.g., a new JetBlue ECP-JFK flight). The Catchment Area has had, and is in most cases forecast to continue to have, significantly better performance than the United States as a whole using economic indicators such as annual population growth, unemployment rate, Gross Regional Product growth and total personal income growth (see table below).

#### Economic Indicators Correlated to Air Travel Demand

ECONOMIC INDICATOR	ECP CATCHMENT	FLORIDA	U.S.
2003-2013 Annual Population Growth	1.1%	1.4%	0.9%
2013-2020(f) Annual Population Growth	1.2%	1.4%	1.0%
June 2014 Unemployment Rate (not seas. adj.)	4.9%	6.2%	6.3%
2003-2013 Annual GRP Growth	1.9%	1.4%	1.4%
2013(est.)-2020(f) Annual GRP Growth	2.4%	2.6%	2.2%
2003-2013 Annual Total Pers. Income Growth	1.4%	0.8%	1.0%
2013(est.)-2020(f) Annual Total Pers. Income Growth	1.1%	1.2%	1.3%

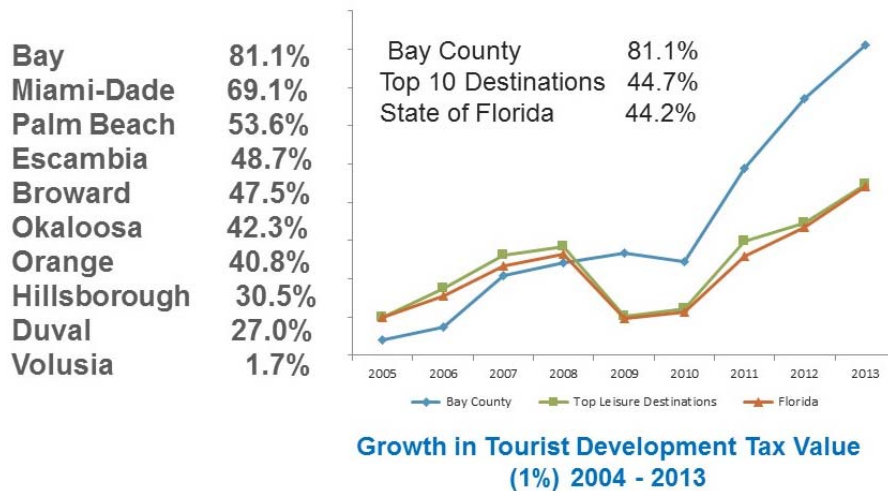
Sources: Woods & Poole Economics, Inc., CEDDS 2014 data and U.S. Bureau of Labor Statistics.

The Catchment Area’s economic base remains closely tied to the military and tourism. Despite this somewhat limited scope, a recent local revenue bond ratings report noted that the Catchment Area’s economy had been “resilient through the [recent] economic downturn,” in part due to the stabilizing influence of these sectors. The Catchment Area is part of the largest military base footprint in the United States. Naval Support Activity Panama City and Tyndall Air Force Base (employing nearly 10,000 people), along with nearby Eglin Air Force Base, are a catalyst for the development of a strong cluster of research activity, defense contractors and aviation and aerospace related companies and suppliers. A new JetBlue ECP-JFK service, for example, would prove attractive to a defense contractor such as Raytheon which has a significant business presence in both the Catchment Area and the Northeast (where the company is headquartered). Additionally, large locally-headquartered employers such as Eastern Shipbuilding Group, a vessel construction and repair operation, have significant business contacts with the New York City area and the Northeast.

### 2.2.2 Tourism

Growth in tourism-related revenues can be used as a broad proxy for the relative attractiveness of the Catchment Area to potential inbound passengers who would utilize new air service. While inbound passengers may also be traveling to the area for business, tourist traffic has historically made up a significant portion of the Catchment Area’s inbound air passenger volume. As shown below, the value of tourist development tax receipts in Bay County (the county that the Airport is located in) has grown much more rapidly from 2004-2013 than in any of the other top Florida counties that are the most popular destinations for inbound tourists.

## Top Leisure Destinations – 10 year Growth



Source: Florida Department of Revenue. Value of 1% of Tourist Development Tax.

The Catchment Area’s renowned beaches currently attract over 14 million tourists a year and generate approximately \$3 billion in visitor spending that is vital to the local economy (St Andrews State Park in Bay County and St. Joseph Peninsula State Park in Gulf County have each been ranked as the “Best Beach in the United States” in recent years in beach expert Stephen Leatherman’s annual rankings). In the Panama City area alone, approximately 22,000 jobs are dependent on tourism.

Despite rapid overall tourism growth in recent years, the Catchment Area's tourist base is still predominately drive-oriented and Southern in origin. According to recent statistics from the Panama City Beach Convention and Visitors Bureau, approximately 12 percent of visitors to the area arrive by air. Visitors to the Catchment Area arriving by air typically spend more than tourists arriving by car and spend more nights at their destination.

A new JetBlue ECP-JFK service has the potential to provide significant local economic benefits by attracting relatively more affluent tourists from New York City and the Northeast to the Catchment Area and Florida Panhandle Region as a whole. According to March 2014 data from the Bureau of Economic Analysis of the U.S. Department of Commerce, residents of the Mideast (e.g., New York City) and New England (e.g. Boston) regions have the highest per capita disposable personal incomes of any region of the United States.

## **2.3 Historical Air Service Trends**

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### **2.3.1 Airline Base and Destinations Served**

Since its May 2010 opening, Northwest Florida Beaches International Airport has been primarily served by two scheduled air carriers, Delta and Southwest, and their affiliates (not counting Part 135 operators such as Southern Airways Express). Delta service from Atlanta and Memphis was transferred from Panama – City Bay County International Airport in May 2010 and was joined by new Southwest service to four destinations – Baltimore/Washington, Houston, Nashville and Orlando.

Subsequent changes to service after May 2010 were as follows:

- Delta discontinued Memphis service in January 2012 as part of the pull down of the carrier's hub there. Southern Airways Express currently operates limited service to Memphis.
- In June 2012, Southwest added summer seasonal service to St. Louis – the months of which were expanded in subsequent years due to the popularity of the service (e.g., in 2014 service runs from March through August).
- In January 2013, Southwest discontinued service to Orlando. This was consistent with the carrier's decision to pull down service in multiple intra-Florida (e.g., TPA-JAX) and other short-haul markets (e.g., MDW-IND) throughout the United States due to high fuel costs.
- In March 2014, Southwest announced that Dallas-Love Field – Panama City service would begin sometime in 2015, with the exact date still to be determined.

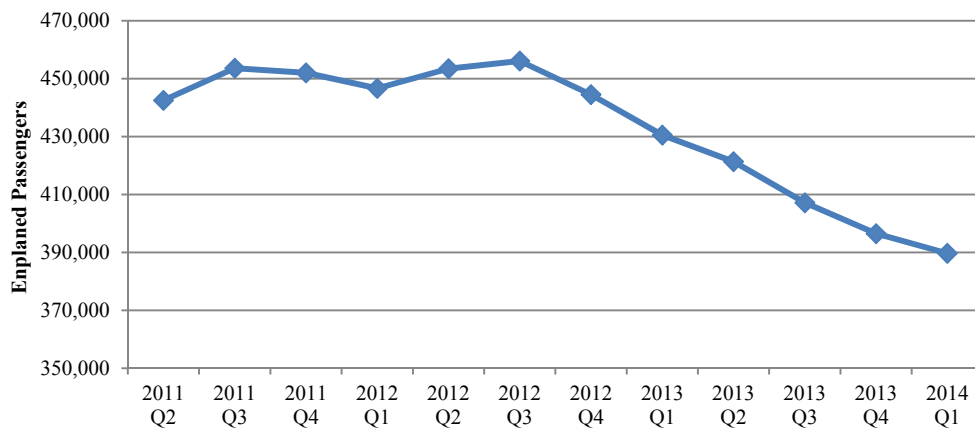
The results of these changes are reflected in the map below showing the current network of services from the Airport and potential future destinations.



### 2.3.2 Traffic and Fares

The chart below shows enplanements at the Airport on a rolling four quarter basis since the Airport’s opening. Enplanements peaked at 456,000 in in Q3 2012 and have steadily declined since then (in the most recent period ending Q1 2014, enplanements were 390,000) primarily due to frequency adjustments by Southwest on multiple routes and the cancelation of the Orlando service. From Q3 2012 to Q1 2014, enplanements declined by 15 percent.

**ECP Enplanements - Rolling Four Quarters**



Note: Figures are presented as a rolling four quarters total.

Source: US DOT T100 Database, July 2014.

Over a similar period (using US DOT O&D Passenger Survey data), on a rolling four quarter basis, one-way average O&D fares (before taxes and other fees) at the Airport have steadily increased from a low of \$178 in Q2 2011 to a high of \$199 in Q1 2014, an increase of 12 percent. In comparison, a similarly situated airport (summer seasonal peak, beach destination, similar visitor demographic) Myrtle Beach International Airport, with service by multiple low-cost carriers (e.g., Spirit, Allegiant), experienced a slight decrease in one-way average O&D fares over the same period (\$123 in Q2 2011 vs. \$122 in Q1 2014).

## **2.4 Current Deficiencies and Proposed New Service**

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### **2.4.1 Air Service Development Efforts and Current Needs/Deficiencies**

The Panama City – Bay County Airport and Industrial District has been engaged over the past three years in the assessing gaps in the portfolio of air services offered at Northwest Florida Beaches International Airport and actively meeting with airlines in an effort to address these gaps. The District has had numerous meetings with route planners for both legacy and low-cost carriers both at air service development events (the District recently attended the ACI-NA JumpStart conference in June 2014 and will be attending the 20<sup>th</sup> World Route Development Forum in September 2014) and through direct dialogue. The District has also hosted airline route planners for on-site visits in an effort to improve their knowledge base about the Catchment Area.

As part of the air service development process, the following key needs/deficiencies have been identified:

- Top O&D markets, by number of passengers, in the Northeast (New York City) and Midwest (Chicago) are currently unserved on a nonstop basis.
- Narrow base of airlines at Airport, lacking a true low-cost carrier to discipline rising fare levels at Airport.
- Need to attract new legacy carrier service to major hub to compete with Delta.
- Replace lost intra-Florida service to Orlando and recruit service to new intra-Florida destinations such as Tampa (last served at old airport).
- Restore frequency by Southwest in existing markets and recruit new service to markets with similar characteristics as St. Louis (e.g., Memphis).

### **2.4.2 Proposed New JetBlue Service**

The District has been in discussions with JetBlue since early 2012 about a nonstop daily, year-round service between Northwest Florida Beaches International Airport and the carrier's hub at John F. Kennedy International Airport in New York City. The JetBlue route planning team has



conducted a site visit to the Catchment Area and their forecast analysis has progressed to the point where, as shown by the attached letter of support from JetBlue, they strongly support the District’s SCASDP application. The Airport has informed JetBlue that the Airport has the appropriate facilities (e.g., terminal, runway, etc.) to immediately and safely accommodate JetBlue’s ECP-JFK service whenever the carrier chooses to start service as well as any additional services that JetBlue may announce.

The first need/deficiency noted in Section 2.4.1 that the JetBlue ECP-JFK service would address is that it would add nonstop service in the top unserved O&D market from the Catchment Area. As shown in the table below, New York City is the fifth-largest O&D market from the Catchment Area and the largest without nonstop service. In 2013, approximately 66 passengers per day each way (“PDEW”) traveled between the Catchment Area and New York City. With a new nonstop routing and the low-fare, high-quality service JetBlue provides, one could expect significant stimulation of this local market once JetBlue begins service, driving the PDEW number higher. Additionally, the unique nature of this service is likely to entice passengers to drive from/to Pensacola, Tallahassee and other points in the Airport’s broader secondary catchment area, further increasing local market passenger numbers (PNS and TLH combined generated 142 PDEW to New York City in 2013). A route forecast would further take into account potential passengers connecting between the Catchment Area and the eight points behind JFK currently served by JetBlue (combined 62 PDEW in 2013). The largest of these is Boston, which generated approximately 29 PDEW in 2013 (it may be useful for JetBlue to market the ECP-JFK route as a same plane 1-stop service to Boston with a single flight number). Our analysis suggests that there will clearly be enough passenger demand to support the new daily service that JetBlue envisions.

### Top 5 Catchment Area (ECP and VPS Combined) O&D Markets

(Passengers are Per Day, Each Way, Full Year 2013)

RANK	MARKET	TOTAL O&D PASSENGERS	ECP SERVICE	VPS SERVICE	NON-STOP SERVICE
1	Washington D.C. <sup>1/</sup>	198	Southwest (BWI)	US Airways (DCA)	YES
2	Nashville	132	Southwest	NONE	YES
3	Dallas <sup>2/</sup>	132	Southwest (DAL in 2015)	American (DFW)	YES
4	Houston <sup>3/</sup>	89	Southwest (HOU)	United (IAH)	YES
5	<b>New York</b> <sup>4/</sup>	<b>66</b>	<b>NONE</b>	<b>NONE</b>	<b>NO</b>

Notes:

1/ Includes Baltimore/Washington International Airport (BWI), Washington Dulles International Airport (IAD), and Washington Reagan National Airport (DCA).

2/ Includes Dallas-Ft. Worth Airport (DFW) and Dallas Love Field (DAL).

3/ Includes Houston Intercontinental (IAH) and Houston Hobby (HOU).

4/ Includes John F. Kennedy (JFK), LaGuardia (LGA), Newark, NJ (EWR), Long Island MacArthur (ISP), and Stewart (SWF).

Source: US DOT Origin & Destination Survey of Airline Passenger Traffic, Domestic, July 2014.

A JetBlue ECP-JFK service would also broaden the carrier base at the Airport and provide downward fare pressure in key markets to the Northeast, significantly stimulating air travel volumes between the Northeast and the Florida Panhandle. Delta's service at the Airport can be classified as a legacy carrier service to a major hub (Atlanta), and Southwest's business model has evolved to have hybrid characteristics of both a legacy and low-cost carrier. However, the public benefits from having true low-cost carrier service at an airport, have been well documented. In a 2013 MIT study entitled "Evolving Trends of U.S. Domestic Airfares: The Impacts of Competition, Consolidation and Low-Cost Carriers," the authors found that:

*JetBlue is now the airline whose presence is associated with the largest decrease in average fares. As such, we would not be surprised to see airports, particularly small community airports or secondary airports in large multi-airport regions, work particularly hard to attract JetBlue service. Gaining service from an airline like JetBlue not only attracts customers through a decrease in average fare, but also through an increase in connectivity and the number of destinations that can be reached through both non-stop and connecting service.*

Finally, the timing is right for a JetBlue ECP-JFK service to be successful. Awareness of the Florida Panhandle Region in New York City has increased significantly in recent years, in part due to advertising performed subsequent to the 2010 BP oil spill, and through various marketing initiatives by organizations such as the Bay County Tourist Development Council. As shown in Appendix B, there have also been numerous recent articles in the New York Post and New York Times extolling the virtues of a leisure trip to the Catchment Area. With the proper initial marketing support, as envisioned in Section 3 of this application, a new air service linking the fastest growing tourist region in Florida (Florida Panhandle) with the top metropolitan area for inbound visitors to Florida (New York City) should prove to be profitable and self-sufficient in the long-term.

### **3. Strategic Plan for Air Service**

#### **3.1 Strategic Goals and Objectives**

---

The community's overall strategic objective is to establish a sustainable, nonstop air linkage between the Florida Panhandle Region and New York City and the Northeast portion of the United States. Recruiting nonstop daily, year-round ECP-JFK service by JetBlue will help to accomplish this objective. Specific project goals include the following:

- Implement a comprehensive advertising and promotion plan for the new JetBlue ECP-JFK service and any additional services the airline may initiate from ECP.
- Increase public awareness of the Catchment Area/Florida Panhandle Region for potential inbound visitors as well as awareness of ECP as the only Airport in the Region with nonstop service to New York City/Northeast among local residents, through marketing and promotional campaigns in support of the JetBlue services.
- Rebate of rents and fees at Airport for two years for JetBlue to reduce start-up costs associated with the new ECP-JFK service.

### **3.2 Public-Private Partnership**

---

The District has assembled a strong public-private partnership team that has pledged to contribute significant amounts of non-airport provided local funding in support of the JetBlue ECP-JFK service. These team members include:

- Panama City Beach Convention and Visitors Bureau/Bay County Tourist Development Council – The Bay County Tourist Development Council (TDC) contracts marketing and promotional activities with the Panama City Beach Convention & Visitors Bureau. A fifth cent bed tax collection was established by the TDC in 2009 for the purpose of supporting low-cost air carriers providing service to Bay County. The TDC has cooperated extensively with Southwest Airlines on successful inbound destination marketing campaigns supporting Southwest’s service at the Airport. The TDC will contribute \$250,000 in cash and play a lead role in cooperating with JetBlue and the Airport to ensure development of a similarly successful inbound destination marketing campaign in New York City and other key markets in the Northeast.
- The St. Joe Company – The St. Joe Company is a Florida-based real estate developer and manager. The Company owns land concentrated primarily in Northwest Florida, and has significant residential and land-use entitlements in hand or in process. The Company also owns various commercial, resort and club properties. The Company will support the inbound destination marketing campaign as the Company is interested in generating more traffic and investment from New York and the Northeast. The St. Joe Company will contribute \$100,000 in cash.
- Panama City Beach Chamber of Commerce and Bay County Chamber of Commerce – Each of these organizations represents the business base of Bay County, and work to promote industrial, economic and tourism growth in the area. They also have close ties with the local military installations. Due to these close ties with the area’s business community, both

Chambers will play a lead role in developing with JetBlue and the Airport a local marketing campaign to generate outbound travel on the new JetBlue flight from the Catchment Area and Florida Panhandle Region. Each organization will contribute \$50,000 of in-kind support towards this effort.

### **3.3 Strategic Use of Funds, Implementation Timeline and Monitoring**


---

The majority of funding for this project will be spent on developing and implementing marketing and promotional campaigns for the new JetBlue ECP-JFK service. Additional funding (in-kind) will include a rebate of terminal rents and landing fees by the Airport for the new service for two years.

Given that the typical point of origin split on ECP services favors inbound travelers, particular emphasis will initially be placed on developing an effective inbound destination marketing campaign for the new service in the New York City and broader Northeast (e.g., Boston) region. A significant amount of money has been allocated for this campaign given that the Northeast media markets are quite expensive to penetrate effectively and will require a robust investment of funds. Specific steps that will be taken will include the following:

- The key entities leading the effort, including the Panama City Beach Convention and Visitors Bureau/Bay County Tourist Development Council, The St. Joe Company and the Airport, will have a kickoff meeting with JetBlue immediately after plans for the new service are finalized to coordinate joint marketing efforts with JetBlue's own marketing plan and media strategy for the new service.
- In conjunction with JetBlue, a theme for the marketing campaign will be chosen along with the channels the campaign will be conducted through, how target audiences will be segmented, the role each entity will play in the co-branding effort and how their efforts will be focused. For example, for a campaign supporting Southwest's new seasonal nonstop service to St. Louis, the Panama City Beach Convention and Visitors Bureau/Bay County Tourist Development Council, in conjunction with Southwest, developed a campaign that utilized a cardinal – a bird synonymous with the St. Louis Cardinals professional baseball team – which created a natural connection and affinity with the St. Louis market. A media plan was developed that utilized print, outdoor, digital and radio. A key component was an email blast (shown on the next page), which was sent to more than 245,000 *St. Louis Post Dispatch* subscribers and featured Panama City Beach in the top portion – promoting the new flight – and eight destination partners in the body of the email, promoting their individual offerings.

- After the individual elements of the marketing campaign are implemented by each entity, metrics will be developed and monitored to track penetration of the advertising and conversion of the target audience to customers travelling on JetBlue’s ECP-JFK flight. Every two months over the two-year period of marketing support for the project, meetings will be held between the participating entities and the airport to track performance, make necessary adjustments and re-allocate budget.




**Nonstop flights to Panama City Beach.**  
*June 3rd - August 11th*

visitpanamacitybeach.com

**Panama City Beach**  
REAL. FUN. BEACH.


**SOUTHWEST.COM**

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A similar process will be followed for developing the local Catchment Area/Florida Panhandle Region-directed marketing efforts by the two Chambers of Commerce, the Airport and JetBlue. However, somewhat less funding will initially be dedicated towards these efforts (although the funding allocation between marketing targeted at inbound and outbound traveler segments can be adjusted as monitoring of the flight's point of sale split dictates). It is envisioned that targeted speaking engagements by Chamber/Airport/JetBlue executives, an inaugural event timed to coordinate with arrival/departure of the first flight to maximize local media coverage, and ticket giveaways could be key parts of the local marketing efforts. Particular emphasis will be placed, events will be targeted, and theming will be developed around the fact that the unique benefits of the new service (only nonstop air link between the Florida Panhandle Region and New York City/Northeast) are not limited to the Catchment Area but can be appreciated by the entire Florida Panhandle region.

The District offers an air service incentive program to help support new air services at Northwest Florida Beaches International Airport. Program incentives include a rebate of terminal rents and landing fees for a two-year period. This program will be offered to JetBlue for the new ECP-JFK service.

### **3.4 Funding Plan and Grant Request**

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The Panama City-Bay County Airport and Industrial District requests a grant of \$400,000 to support the implementation of the project described in this proposal. This funding will be matched by \$350,000 in local cash contributions, all from non-airport sources. The Panama City Beach Convention and Visitors Bureau/Bay County Tourist Development Council will contribute \$250,000 cash and The St. Joe Company will contribute \$100,000 cash. In addition to the cash contributions, the local community will contribute \$100,000 of in-kind contributions (\$50,000 each from both the Panama City Beach Chamber of Commerce and the Bay County Chamber of Commerce). The District will also provide \$962,700 in cost offsets to JetBlue over a two-year period. Full project cost and funding sources are shown on the next page along with details on the cost offsets provided to JetBlue by the District.

### Project Cost and Funding Sources

LINE	DESCRIPTION	SUBTOTAL	TOTAL AMOUNT
1	Federal amount requested		\$400,000
2	State <u>cash</u> financial contribution		-
	<i>Local cash financial contribution</i>		
	<b>3a:</b> Airport <u>cash</u> funds	-	
	<b>3b:</b> Non-airport <u>cash</u> funds	\$350,000	
3	Total local <u>cash</u> funds ( <b>3a+3b</b> )		\$350,000
4	TOTAL CASH FUNDING ( <b>1+2+3</b> )		\$750,000
	<i>In-Kind contribution</i>		
	<b>5a:</b> Airport <u>In-Kind</u> contribution	\$962,700	
	<b>5b:</b> Other <u>In Kind</u> contribution	\$100,000	
5	TOTAL IN-KIND CCONTRIBUTION ( <b>5a+5b</b> )		\$1,062,700
6	TOTAL PROJECT COST ( <b>4+5</b> )		\$1,812,700

Source: Panama City – Bay County Airport and Industrial District.

### Airport In-Kind Contributions - Airport Cost Rebates

AIRPORT COST	YEAR 1	YEAR 2	TOTAL
Terminal Rent	\$216,125	\$216,125	\$432,250
Landing Fee	\$265,225	\$265,225	\$530,450
Total Rebated Charges/Fees			\$962,700

Source: Panama City – Bay County Airport and Industrial District.

## 3.5 Legal Sponsor

The Panama City – Bay County Airport and Industrial District will serve as the legal sponsor for this project and will be responsible for executing and administering the SCASDP grant. The District is a public authority responsible for the ownership and operation of the Northwest Florida Beaches International Airport.

The contact information for the signatory party for the legal sponsor is as follows: Panama City-Bay County Airport and Industrial District, Parker W. McClellan, Jr., A.A.E, Executive Director, 6300 West Bay Parkway, Suite A, Panama City, FL 32409.

## **Appendix A**

### Additional Support Letters

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July 29, 2014

Ms. Brooke Chapman, Associate Director  
Small Community Air Service Development  
Office of Aviation of Analysis  
U.S. Department of Transportation  
1200 New Jersey Avenue, SE  
Washington, DC 20590

Dear Ms. Chapman:

On behalf of the Panama City Beach Convention & Visitors Bureau (CVB) and the entire Northwest Florida tourism industry, I am pleased to support the initiative to bring daily, year-round service from John F. Kennedy International Airport (JFK) to Northwest Florida Beaches International Airport (ECP) on JetBlue Airlines. Attracting new, affordable air service will not only benefit Panama City Beach, but the entire region's future economic prosperity.

We believe the Department of Transportation's Small Community Air Service Development Program Grant is a critical component to expand air service into our region. As you may be aware, the CVB played a critical role in helping to land Southwest Airlines at ECP when the airport opened on May 22, 2010. We look forward to partnering with the Department of Transportation, and our regional stakeholders, in making this opportunity a reality. To this end, we pledge \$250,000 in marketing support to this expanded service.

I request that the highest consideration be given to the ECP's application for this grant in an effort to improve our local air service. It is crucial that all communities have access to a national air transportation system with competitive options that fosters economic growth and enhances the ability of our citizens to efficiently travel around the country.

Thank you for your consideration.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Dan Rowe".

Dan Rowe  
President/CEO

July 28, 2014



Ms. Brooke Chapman, Associate Director  
Small Community Air Service Development Program  
U.S. Department of Transportation Office of Aviation Analysis  
1200 New Jersey Avenue, SE  
Washington, DC 20590

Dear Ms. Chapman,

The St. Joe Company strongly supports your efforts in applying for funding from the U.S. Department of Transportation, Small Community Air Service Development Program. We understand that the funds will be used to support Northwest Florida Beaches International Airport (ECP)'s need for a new daily, year-round service by JetBlue Airways between Northwest Florida Beaches International Airport and John F. Kennedy International Airport in New York City.

Northwest Florida Beaches International Airport (ECP) is a valuable asset to our community, and improving the level of air service is a critical element to the successful economic development. We have worked together to achieve our common goals of making Bay County and Northwest Florida a better place to live, work and play and we will continue to work together to ensure the success of this grant program. The St. Joe Company pledges our support with a financial contribution of \$100,000 to be used towards marketing the new service. This pledge is expressly conditioned on a binding written commitment by JetBlue Airways to provide daily, year-round service between Northwest Florida Beaches International Airport and John F. Kennedy International Airport in New York City.

We look forward to working together to improve air service to our community.

Sincerely,



Park Brady, Chief Executive Officer

The St. Joe Company



July 29, 2014

Ms. Brooke Chapman, Associate Director  
Small Community Air Service Development Program  
U.S. Department of Transportation Office of Aviation Analysis  
1200 new Jersey Avenue, SE  
Washington, DC 20590

Dear Ms. Chapman,

The Bay County Chamber of Commerce strongly supports the Northwest Florida Beaches International Airport (ECP) and their application for funding from the U.S. Department of Transportation Small Community Air Service Development Grant Program.

If approved, these funds will be vital in ECP's recruitment of JetBlue Airways and efforts to encourage service to John F. Kennedy International Airport in New York City. This service is much needed in our region not only for economic development purposes but also for the leisure travel market.

Our organization stands ready to do its part in this worthwhile endeavor. With that, the Bay County Chamber of Commerce commits to continued participation in the airline recruitment effort and will contribute \$25,000 per year for two years in in-kind marketing monies to support the cause.

Sincerely,

Carol A. Roberts  
President/CEO





July 29, 2014

Ms. Brooke Chapman, Associate Director  
Small Community Air Service Development Program  
U.S. Department of Transportation Office of Aviation Analysis  
1200 new Jersey Avenue, SE  
Washington, DC 20590

Dear Ms. Chapman,

The Panama City Beach Chamber of Commerce strongly supports the Northwest Florida Beaches International Airport (ECP) and their application for funding from the U.S. Department of Transportation Small Community Air Service Development Grant Program.

If approved, these funds will be vital in ECP's recruitment of JetBlue Airways and efforts to encourage service to John F. Kennedy International Airport in New York City. This service is much needed in our region not only for economic development purposes but also for the leisure travel market.

As the representative of over 900 business members, our organization stands ready to do its part in this worthwhile endeavor. With that, the Panama City Beach Chamber of Commerce commits to continued participation in the airline recruitment effort and will contribute \$25,000 per year for two years in in-kind marketing monies to support the cause.

Sincerely,

A handwritten signature in black ink, appearing to read "Lance Allison", is written over a horizontal line.

Lance Allison  
President/CEO



July 29, 2014

Ms. Brooke Chapman  
Associate Director  
Small Community Air Service Development Program  
U.S. Department of Transportation Office of Aviation Analysis  
1200 New Jersey Avenue, SE  
Washington, D. C. 20590

Dear Ms. Chapman:

The Bay Economic Development Alliance (Bay EDA) fully supports the efforts of the Northwest Florida Beaches International Airport (ECP) in its application for funding from the U.S. Department of Transportation, Small Community Air Service Development Program. We understand that the funds will be used to support ECP's multi-year effort to improve the frequency, number of destinations served and cost of air service for our passengers.

In particular, the Bay EDA strongly supports proposed new daily, year-round service by JetBlue Airways between Northwest Florida Beaches International Airport and John F. Kennedy International Airport in New York City. Non-stop service between our area and the Northeast United States would open new opportunities for industries and companies to consider Bay County as a viable location for expansion into the Southeast. Quite often, direct non-stop service can be a determining factor in a company's decision to seriously consider a region for expansion and growth.

The Northwest Florida Beaches International Airport is a very valuable asset to our community and the potential for major job growth in this area. The Bay EDA and ECP work very closely together to achieve our common goals of making the region a better place to live, work and play. In that spirit of partnership, the Bay EDA will continue to expend funds, provide in-kind services and continue marketing efforts to promote ECP as the county's economic engine.

We look forward to a successful application and working together to improve air service, grow jobs and raise the region's standard of living.

Sincerely,

A handwritten signature in black ink, appearing to read "Neal Wade", with a horizontal line extending to the right.

Neal Wade



July 30, 2014

Ms. Brooke Chapman, Associate Director  
Small Community Air Service Development Program  
US Department of Transportation Office of Aviation Analysis  
1200 New Jersey Ave, SE  
Washington, DC 20590

Ms. Chapman,

On behalf of Visit South Walton and the South Walton area hospitality and tourism industry, I am pleased to strongly support the proposed Northwest Florida Beaches International Airport's request for the Department of Transportation's Small Community Air Service Development Program grant. Supporting the airport's objective of attracting new daily, year-round flight services to our area are critical to the South Walton community and future economic prosperity.

The new services proposed with JetBlue Airways would play a major role in satisfying the needs of both residents and visitors. I have two daughters currently living in New York City and know first-hand the extreme cost in both time and money in accessing that and similar markets.

I encourage and ask that the highest consideration be given to the Northwest Florida Beaches International Airport's application for this grant in an effort to improve our local air service. It is crucial that all communities have access to the national air transportation system with competitive options without compromise by higher average airfares when compared to other communities.

Thank you for your consideration.

Respectfully yours,

A handwritten signature in blue ink that reads "James B. Bagby". The signature is stylized and fluid, with the first and last names being the most prominent.

James B. Bagby  
Executive Director  
Visit South Walton



Florida House of Representatives  
Representative Jimmy Patronis  
District 6

July 28, 2014

**DISTRICT OFFICE:**

455 Harrison Ave, Ste A  
Panama City, Florida  
32401-2775  
Tel (850) 914-6300  
Fax (850) 914-6302

**CAPITOL OFFICE:**

204 HOB  
402 South Monroe Street  
Tallahassee, Florida  
32399-1300  
Tel (850) 717-5006  
Fax (850) 410-0129

**COMMITTEES:**

Economic Affairs  
Committee (Chair)

Appropriations  
Committee

Health & Human Services  
Committee

Health Quality  
Subcommittee

**DISTRICT STAFF:**

Patti Butchikas  
Chief Legislative  
Assistant

Janette Andersen  
District Senior Executive  
Secretary

Ms. Brooke Chapman, Associate Director  
Small Community Air Service Development Program  
U.S. Department of Transportation Office of Aviation Analysis  
1200 New Jersey Avenue, SE  
Washington, D.C. 20590

Dear Ms. Chapman,


I am writing in support of the Northwest Florida Beaches International Airport's Small Community Air Service Development Program grant application.

Northwest Florida Beaches International Airport (ECP) in Bay County, Florida is a non-hub commercial airport which has a service area that spans a three-state region with a combined population of over two million people. The ECP market has traditionally suffered from unusually high air fares even though the Airport Authority and community have worked tirelessly to enhance service and lower air fares.

If the Northwest Florida Beaches International Airport is awarded this grant, it will use the funds in association with community donations to offer incentives to attract new carriers and add new routes, thereby creating better competition within the existing market.

I ask that you look favorably upon this important proposal to enhance air service at the Northwest Florida Beaches International Airport.

Sincerely,

  
Jimmy Patronis  
State Representative  
District 6



## **Appendix B**

### New York City Media Articles Regarding Northwest Florida Beaches International Airport Catchment Area Tourism

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February 28, 2013

# 36 Hours in Panama City Beach, Fla.

By INGRID K. WILLIAMS

As Jimmy Buffett once astutely observed, changes in latitudes necessitate changes in attitudes. Keep that in mind when visiting Panama City Beach on the Florida Panhandle, where the clear waters of the Gulf of Mexico lap a seemingly infinite ribbon of white-sand beaches. In this self-styled “Spring Break Capital of the World” — a moniker validated by the hundreds of thousands of students who descend on the town every March and April — you’ll find a predictably high density of tattoo parlors and mini-golf courses. But hidden amid this lowbrow mix are welcome additions including a farmers’ market and the area’s first craft beer pub. And in 2010, the new Northwest Florida Beaches International Airport opened just north of the city, making the trip south even easier. So trade in expectations of starched tablecloths and fine-art museums, and embrace the carefree notions that swirl with silly pineapple daiquiris and every facet of the relaxing life aquatic here on Florida’s laid-back Emerald Coast.

## FRIDAY

### 3 p.m.

#### 1. Hooked From the Pier

One lovely location from which to make your initial assessment of the stunning shore is the Russell-Fields Pier ([pcb.gov/visitors\\_citypier.htm](http://pcb.gov/visitors_citypier.htm)), jutting 1,500 feet into the emerald blue waters of the Gulf of Mexico. Take a stroll to the end of the pier to marvel at the miles of sugary white sand stretching in either direction as far as the eye can see. Or rent a rod at the pier’s bait-and-tackle shop, Half Hitch Tackle ([halfhitch.com](http://halfhitch.com)), and cast a line to see what’s biting. After you’ve caught your fill of pompano, whiting and Spanish mackerel, retire to Hook’d Pier Bar & Grill (16201 Front Beach Road; [hookedpierbar.com](http://hookedpierbar.com)) at the base of the pier for a cold beer and a snack of honey-and-lime fried plantains (\$5.95). On this casual spot’s sunny wooden deck, with views of the sloping sand and rolling waves, you’re sure to find a sympathetic ear for unspooling your tales about the big one that got away.

### 6 p.m.

#### 2. Bayou Bites

Panama City Beach’s long main drag, Front Beach Road, is lined with a disproportionate number of stores peddling airbrushed T-shirts, cheap bikinis and gaudy souvenirs. But nestled among this neon riot of déclassé consumerism is the occasional refreshing exception, like Dee’s Hangout (10440 Front Beach; [deeshangout.com](http://deeshangout.com)), a homey restaurant specializing in Cajun cuisine. The



no-frills atmosphere won't transport you to the bayou, but the daily specials scrawled on the rear chalkboard might. Recently, a Cajun platter special included a sampling of fried catfish, chicken gumbo, shrimp étouffée, coleslaw and hushpuppies (\$12.95). The regular menu lists winning dishes like Cajun-spiced jambalaya with shrimp and sausage (\$12.99). Try a bottle of pale ale from the Grayton Beer Company, a Panhandle microbrewery that opened in 2011 less than 30 miles west of Panama City Beach.

**9 p.m.**

### **3. Tiptop Taps**

During spring break, Panama City Beach plays host to thumping mega-clubs with capacities greater than small towns, wet T-shirt contests, foam parties and enough fluorescent glow sticks to signal warnings to the Coast Guard. These concentrated revelry zones are not hard to find, but those who prefer civilized drinking to debauched dancing should visit the new Fishale Taphouse and Grill (7715 Front Beach; [fishales.com](http://fishales.com)), a craft beer bar that opened last year. Many rare Dixie brews cycle through the bar's 60-some taps, so you're bound to find something intriguing. Sample the Pensacola Sawgrass (\$4.75), a refreshing pale wheat ale from just down the Florida Panhandle, or try the Southern Pecan Nut Brown Ale (\$5.50) from the Mississippi craft brewery Lazy Magnolia. Then retire with your pint to an armchair in front of the cozy fireplace.

## **SATURDAY**

**8 a.m.**

### **4. Trails and Trees**

Start the day with a brisk walk, jog or bike ride through Conservation Park (100 Conservation Drive; [pcb.gov/conservation-park.htm](http://pcb.gov/conservation-park.htm)), a nature preserve that opened in October 2011 only two miles from the beach. With 24 miles of trails winding through 2,900 acres of parkland, there's a path to suit every fitness level. Regardless of whether you embark on a relaxing half-mile loop or a scenic 11-mile trek, you're bound to cross wooden boardwalks traversing the park's wetland sections, where woodpeckers tap at tall trees and alligators lurk between cypress knees. Sprinkled along the trails and tracts of palmettos and slash pines are unobtrusive signs identifying the local flora and fauna; pause to read the informative descriptions and savor the peaceful sound of leaves rustling in the breeze.

**10:30 a.m.**

### **5. Sunken Treasures**

To honor the town's considerable naval presence and history, dive into the Man in the Sea Museum (17314 Panama City Beach Parkway; [maninthesea.org](http://maninthesea.org); \$5). The warehouselike museum was created by the Institute of Diving, a nonprofit organization established by divers from the United States Navy's Sealab program. It's an impressive repository of historical maritime items ranging

from antiquated diving masks to an entire underwater living facility: the United States Navy Sealab-1, which now calls the parking lot home. Inside the museum, there are exhibitions illustrating primitive diving techniques, an old submarine and mannequins displaying the commercial diving gear of yore.

## **Noon**

### **6. Muffulettas and More**

The Big Easy is 300 miles away, but inside the pink house of David's New Orleans Style Sno-Balls (13913-A Panama City Beach Parkway; [davidssnoballs.com](http://davidssnoballs.com)), you'll find Crescent City specialties like meat-layered muffulettas and "Café du Monde beignets" buried under a snowdrift of powdered sugar. If your stomach is growling, dig into a messy roast beef po'boy (six inches, \$6.25). But in warm weather, most patrons arrive in pursuit of a stuffed "sno-ball," a cupful of flavored shaved ice atop a swirl of soft serve ice cream. Can't decide among the 40-plus flavors? Go with strawberry daiquiri (10 oz., \$3.75). Or to completely overload on sugar, order the Key lime "sno-ball" pie with crumbled graham crackers (\$3.95).

## **2 p.m.**

### **7. Beach Bliss**

Walk off lunch on the nature trails at St. Andrews State Park (4607 State Park Lane; [floridastateparks.org/standrews](http://floridastateparks.org/standrews)) on the easternmost edge of town. The park has a mile and a half of beaches that stretch along the gulf and the Grand Lagoon, as well as wooded paths where you might spy white-tailed deer grazing or herons taking flight. But if the thought of encountering an alligator is too frightening, skip strolling near Gator Lake and go straight to the beach. In contrast to the busier beaches to the west that are backed by high-rise condos, the park's sandy shores are hugged by undulating grassy dunes. The waters offshore here are popular with surfers and SUPers (stand-up paddle boarders, that is), while snorkelers dwell among the local marine life along the rock jetty. Whatever your sport — swimming, surfing, sunbathing — this is the secluded spot to do it.

## **6 p.m.**

### **8. Sunset Serenade**

When the sun sags low in the sky, it's time for a sundowner on the beach. To feel like you're in a Kenny Chesney song — "the sun and the sand and a drink in my hand" — head to Schooners (5121 Gulf Drive; [schooners.com](http://schooners.com)), a bar and restaurant near the park that has direct access to the beach from its deck. But the views are equally spectacular from the pier bar of Pineapple Willy's (9875 South Thomas Drive; [pwillys.com](http://pwillys.com)), a restaurant and bar offering up live music and irresistibly sweet frozen drinks. Embrace the spot's goofiness with the eponymous cocktail (rum, pineapple juice and cream of coconut) as the glowing orange orb dips into the gulf.

**9 p.m.**

## **9. Gulf Grub**

Locals are quick to engage in spirited debate about where to find the best oysters in town. Many claim allegiance to Hunt's Oyster Bar ([huntsoysterbar.com](http://huntsoysterbar.com)) across the bridge in Panama City proper. But by the beach, Dusty's Oyster Bar (16450 Front Beach; 850-233-0035) is the favorite, as evidenced by its jammed parking lot. There's nothing fancy about this roadside seafood shack — draft beers are served in plastic cups, nearly every inch of the walls and ceiling is stapled with dollar bills — but, like any great dive, that's part of the appeal. And then there are the fresh bivalves. Start with a dozen of the three-cheese baked oysters (\$8.99), and follow with Dusty's Seafood Adventure (\$22.99), a mountain of fried shrimp, scallops, clams, crab claws, oysters, grouper, fries and a stuffed crab. When you've sucked the meat off the last crab claw, order another round of beers and see if your appetite doesn't lead you back to another half-dozen oysters.

## **SUNDAY**

**11 a.m.**

## **10. Expanding Markets**

The line forms early for the freshly made doughnuts at Thomas Donut & Snack Shop (19208 Front Beach; [thomasdonutandsnackshop.com](http://thomasdonutandsnackshop.com)), and for good reason: the red velvet cake doughnuts are delectable (\$1.05). But resist the temptation to order in triplicate because you might find something even tastier, like homemade toffee or fluffy biscuits, across town at the Grand Lagoon Waterfront Farmers' Market (Pirate's Cove Marina, 3901 Thomas Drive; [waterfrontmarkets.org](http://waterfrontmarkets.org)). At this year-round market, opened last April at Pirate's Cove Marina, expect live music and rotating stalls from local vendors selling everything from fresh produce and fruit preserves to artwork made from seashells.

**1:30 p.m.**

## **11. Island Life**

After the market, hop on the Shell Island Shuttle (4607 State Park Lane; [shellislandshuttle.com](http://shellislandshuttle.com); \$16.95), a ferry departing from St. Andrews State Park for Shell Island, an uninhabited seven-mile-long barrier island separating the gulf from St. Andrews Bay. On the short ride, scan the clear waters for the high concentration of bottlenose dolphins that swim in the area. Then spend the afternoon exploring the island's empty beaches, searching for the perfect shell, snorkeling in the turquoise waters and lounging in the silky white sand on this peaceful patch of panhandle paradise.

LIVING

# The hidden pocket of Florida that beckons

By Chris Bunting

July 14, 2014 | 6:52pm



Dune Allen beach is just one of the many breathtaking escape spots that await travelers in South Walton, Florida. Photo: Visit South Walton

There's only one thing Southerners are better at than being nice and courteous — and that's reminding you just how nice and courteous they are, every chance they get (especially if they get a whiff of Yankee stank on your person).

Oh, wait — they also have an incredible knack for developing stunning, carefully planned beach communities, something both sides of the Mason-Dixon are cool with incessantly be reminded of.

To wit: Fly into Panama City, Fla. (don't be afraid, you won't be staying long), rent some wheels and find your way an hour south to Florida State Road 30A, which hugs the beachy shoreline of the Gulf of Mexico and runs through (or near) 16 meticulously kempt beach 'hoods, collectively known as South Walton.

Name-wise, you're likelier to remember every country in Africa before locking down these guys, but here goes, anyway — there's Miramar Beach, Seascape, Sandestin, Dune Allen, Gulf Place, Santa Rosa Beach, Blue Mountain, Grayton Beach, WaterColor, Seaside, Seagrove, WaterSound, Seacrest, Alys Beach, Rosemary Beach and, and, and ... Inlet Beach! Phew!

You'll know you're in the right place if you can't look directly at the beach they line without sunglasses. Seriously, don't. It's so glaringly, eyeball-meltingly white, it's as if one of those cartel narco-subs beached itself, then leaked its snortable contents up and down SoWal's 26-mile slice of Gulf Coast. This is also known as the Emerald Coast, surely named because its seawater drifts by like long, flowing blue locks with green

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highlights where it's shallower. (SoWal's buildings — with a few rogue exceptions — can't be higher than 50 feet lest they obstruct views of it.)

Each town in the collective very much has its own distinct personality, but Seaside is the star of the show. The brainchild of a man named Robert S. Davis, Seaside is a pure Gen-Xer, born in 1979 as a New Urbanism test-tube baby, raised in the '80s — it became more or less the template for many of the surrounding communities that didn't already exist as feral, organic beach towns.

Seaside's lust of white picket fences (they're mandatory and no two on the same street can be the same) and other symptoms of almost-too-perfectness led to a degree of stardom, as it was cast as the backdrop for 1998's "The Truman Show." But these days, Seaside's prefer to play up the hipper aspects of their home, like food truck row.



Santa Rosa Beach  
Photo: Visit South Walton



A grilled cheese sandwich at The Meltdown.  
Photo: Visit South Walton

What do the All-American Rejects, Mike Huckabee and Sheryl Crow have in common? They've all stuffed their faces at The Meltdown (850-231-0952), one of the row's more popular hashslinging Airstreams, specializing in all kinds of grilled cheese sandwiches (caprese mozzarella? Yessir!).



Central Square Records  
Photo: Visit South Walton

Then there's [Central Square Records](#), which sells those weird musical glass frisbee things. Coveting that new Seether album? You've come to the right place, throw-back friend. It enjoys squatting on the even hipsterier and erudite [Sundog Books](#), family-owned and riot grrl-staffed.

Likewise trying to up the area's cool factor is Jeff Archer, who co-founded zeitgeistily named [Yolo Board](#) in Santa Rosa Beach, selling surf/stand-up paddle boards, shirts and various other gear. Don't be fooled by his surfer dude persona — he's been explored all corners of the planet and he's enterprisingly bringing home everything cool he's gleaned from it to the many in the area who haven't.



Go stand-up paddleboarding with Yolo Boards gear then reward your efforts at quirky Red Bar, in Grayton.  
Photo: Visit South Walton

Stand-up paddleboarding, for starters — the Gulf Coast is rather late to the party that West and East Coasters have taken for granted for years now. He's soon to add a smoothie/organic juice/coffee bar to his main shop, and has already opened up a second outfit in SoWal.

Filipponi.

Flying Florida's flag, SoWal's dining scene will always live in the daunting shadow of Miami. But you can find a very nice, quasi-celebuchefed resto over in Santa Rosa Beach called [Vue on 30a](#). Its menu is equally surfed and turfed, thanks to "Hell's Kitchen" season five's Giovanni

The waiters are especially hilarious, and no one does over-water sunsets better. After dinner, while SoWal can be as sleepy as anywhere you'll find in the South, there are exceptions. Grayton Beach's [The Red Bar](#), for one, which is aptly named, ambiance-wise, hosts live bands (shout out, Dread Clampitt, every Sunday) and looks every bit like a grenade filled with random kitsch, street signs and R. Crumb comics exploded and coated its walls — permanently. It competes with other live-act Grayton venues Shorty's and Pandora's to piss off uptight noise-hating neighbors.

While there are certainly wealthier and more exclusive parts of SoWal (gated-

Inside Renée Zellweger's \$1.6M farmhouse

Star snaps of the day

SEE ALL

and-then-some, WaterSound, e.g., is one of alpha-developer St. Joe Company's prized babies), the collective is far from being a you-have-to-own-this-many-companies-to-ride-this-ride communities like, say, Windsor, Fla. Funk and artistry are still coveted virtues here. Just drive a few towns east into nearby Alys Beach, e.g., and all of the sudden the buildings become purely white and pyramidal — forget "Truman," here it's more like something out of some surreal "Zardoz" sequel. Weirder still, those white walls moonlight as artistic digital graffiti canvases from time to time.

Speaking of art, SoWal's "Artist of the Year" program, of which is extremely proud to say the least, has been going strong since its inception in 2003. I visited last year's gifted winner, [Andy Saczynski](#), in Grayton Beach and his work space was half junkyard, half gallery. Er, make that 90 percent junk yard. As an "assemblage" artist (and, in that same hoarding vein, the father of five, thanks to his doting wife), he's all about collecting the discarded and turning it into something someone will once again want (and pay for) — and people do. Broken violins, metal scrap, whatever jetsam he finds hanging about. And he gladly accepts donations.

At its heart, though, this panhandled portion of Florida is simply "the country" — more specifically, SEC football country, something you're reminded of by the constant parade of trucks tattooed with either LSU (five hours west), 'Bama (4½ hours north) or U of F (four hours east) decals that goes by.

And the best way to experience said country is to head to 1,640-acre [Topsail Hill Preserve State Park](#), home to giant 25-foot sand dunes, a slew of tent, RV and cabin sites and loads of leatherback and loggerhead turtle babies who park specialists like Jeff Talbert will fight to the death to protect. (Don't mess with the bearded gentle giant either — he was an assistant football coach at Florida State).

So Northerners, just beware: you will be charmed by Florida's deep south, no matter how hard you fight it — they know it, everybody knows it. But maybe leave the Rutgers and 'Cuse jerseys at home in the fall, just to keep everybody nice and courteous.

STAY: Just to reiterate, this isn't Panama City — you can't just get drunk and pass out on the beach. You're going to need a room. At another one of St. Joe's properties, WaterColor Inn & Resort, in Santa Rosa Beach, you can either get a regular old hotel room overlooking the sea (all of the David Rockwell-designed inn's 60 units have either a balcony or a deck) or rent out a vacation home. This place is wedding-central and is hosting its annual Mountainfilm on Tour outdoor movie fest Nov. 7-8 (from \$295; [watercolorresort.com](#)). A sleeker, TVs-in-your-bathroom-mirror option is the new 55-room Pearl hotel, in Rosemary Beach, which doubles as SoWal's French Quarter (wrap-around balconies, et al.). It's got a vibing, fountained private pool scene and a very cool Havana-themed bar which only shows the videos and photography by neighbor Tommy Crow on its TV screens (unless an SEC game is on, of course). From \$329, [thepearlrb.com](#).

For more info on South Walton, check out [visitsouthwalton.com](#).

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Grayton Beach State Park  
Photo: Visit South Walton



Red Bar  
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The Pearl Hotel  
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The Watercolor Inn  
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