



MEMORANDUM

TO: Jonathan H. Hayes, City Manager

VIA: Jared Jones, Assistant City Manager
Brandy L. Waldron, Assistant City Manager

CC: Janette Smith, CPA, CMC, City Clerk-Treasurer
Kieth Meyerl, Director of PCR
Stacy Rausch, P.E., PMP, City Engineer
Matt DeVito, P.E., Deputy City Engineer

FR: Clint W. Murphy, J.D., Public Works Director

RE: Revised Estimate of Probable Cost for the Upland Reconstruction of the St. Andrews Marina

DT: 2/2/2026

SUMMARY:

On April 16, 2024, the City of Panama City (“the City”) held a Special City Commission to consider entering into an agreement with the St. Andrews Marina Partnership (SAMP). This agreement, which is attached as background information as Exhibit A to this Memo, obligates the City to fund the repair of the St. Andrews Marina upland portion of the Marina and Obligates SAMP to fund and construct the wet slip portion of the marina. At the time of this meeting, SAMP estimated the cost of the upland refurbishment to be approximately \$ 12.9 M in 2024 dollars. The vote by the Commission approved the funding for this repair to be provided by the revolving line of credit the City obtained for hurricane related damages. This agreement, referred to as a Ground Lease between SAMP and the City, was formally executed on May 14, 2024.

BACKGROUND:

The St. Andrews Marina is a unique and treasured, waterfront asset of the City which has been used for a variety of public and private purposes and is a vital catalyst to the local economy through commercial, private and recreational boating operations that bring business and tourism dollars into St. Andrews. Hurricane Michael made landfall as a category 5 hurricane in Bay County on October 10th, 2018, with sustained winds reaching over 160 mph. These winds, and associated storm surge, caused catastrophic damage to infrastructure within the City including the St. Andrews Marina taking out most of the wet slips and causing major structural damage to the bulkheads surrounding the upland infrastructure of the Marina.

Numerous public hearings and community planning initiatives regarding St. Andrews and the marina have been held and public support for the Marina remains strong and the lack of progress has created some frustration from residents of the City who want to have this Marina back in operation. During the Panama City Long Term Recovery Planning conducted after Hurricane Michael, it was documented that many citizens believed that a well opporated St. Andrews Marina will, in fact, facilitate redevelopment of greater St. Andrews and ultimately the whole City by encouraging multiple, private investments and developments by a variety of persons in the private sector.

At the direction of FEMA, the city hired consulting engineers to conduct detailed damage assessments that eventually progressed into FEMA claims submitted under the guidelines of the disaster recovery related Federal Stafford Act. The city was only partially successful in collecting these claims and received roughly \$ 5 M in FEMA funding to go toward the repair of the Marina and included separate claims for both the wet slips and upland components. FEMA did not grant the full amount of the claims and cited deferred maintenance and non-storm related wear and tear as the driving factor for this decision. The Commission later decided to utilize this funding to repair other City owned facilities, utilizing Suction 428 of the Stafford Act that allows an applicant to transfer grant funds to other project(s) owned and maintained by the same Applicant. This created a challenge to the City to find a funding mechanism for the needed repairs of the St. Andrews Marina.

After the decision was made by the Commission to transfer the funding received from the St. Andrews Marina FEMA claim to other City Projects, City leadership started to explore alternative funding options for repairing The Marina. Many options were considered, but eventually the recommendation was made to consider a Public Private Partnership to bring in critically needed outside investment to assist in moving the redevelopment project forward.

On July 28, 2023, the City issued and published the Request for Proposal PC23-055 (the “RFP”) to seek interested firms to submit proposals to provide a turnkey operation for the redevelopment of the Marina that may include, but is not limited to, the design, permitting, financing, construction and management or lease of the Marina. The City accepted the submission of proposals from the date of publication until September 6, 2023. In response to the RFP, three companies responded with written proposals and were interviewed by representatives of the City. SAMP was one of the three companies that responded, and SAMP was ranked as the best proposal by the City Commission on or about November 28, 2023.

The formal Agreement with SAMP was approved by Commission with a 4-0 vote on April 16, 2024 and formally executed on May 14, 2024. Included in this motion to approve the agreement, it was stipulated that the funding source would be the revolving line of credit established after Hurricane Michael for disaster related recovery efforts.

CURRENT STATUS:

SAMP, through their construction arm R.J. Gorman Construction, began construction on the first 50 wet slips in 2025. The current schedule has SAMP taking over Marina operations on April 1, 2026, with the first 50 slips available on or about this same date. Their plan is to begin the repair

to the upland portion of the Marina as soon as the Cost-Plus Contract is executed and materials are ordered and delivered on site. This Cost-Plus contract, in draft form, was attached as Exhibit G to the executed Land Lease Agreement. This contract is currently being updated to reference the revised estimate of probable cost and will be brought before the Commission soon for approval. Figure 1 below outlines the proposed phasing of the upland reconstruction work.

SAMP Has proposed a four phased approach in the upland construction with a goal of always maintaining access to the Marina Store and wet slips. The phasing is outlined below in Figure 1 and anticipates a 20-month construction schedule. This schedule is based on an assumed start date of February and will need to be adjusted based on when an actual notice to proceed is given.

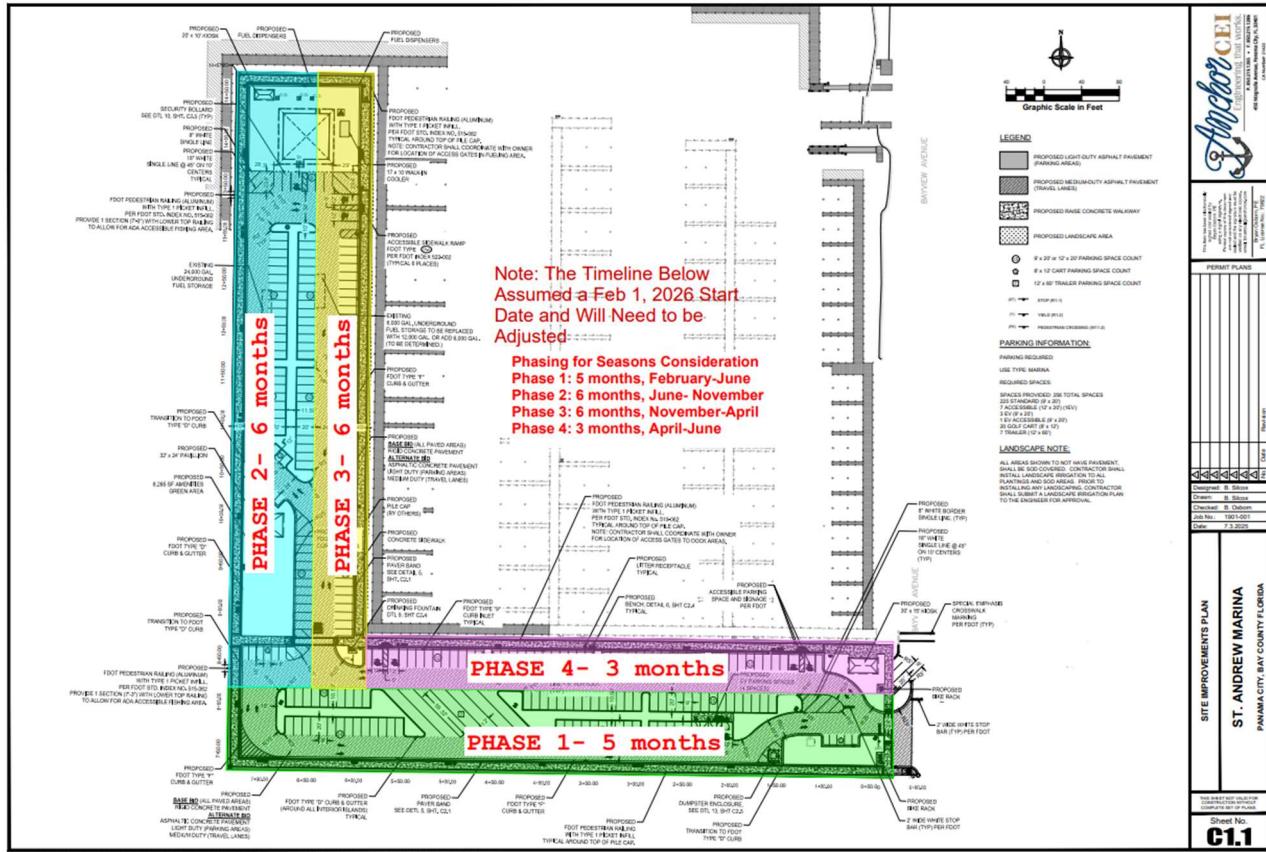


Figure 1: Phasing Plan and Schedule – SA Marina Upland Construction

The phasing outlined above in Figure 2, shows the construction starting at the point of the marina closest to Harbour Village Condos and will work its way clockwise around the perimeter finishing in 20 months back close to Bayview Drive across from Alice's. The goal is to never stop the sheet pile installation as they work their way clockwise around the perimeter. There is no planned weekend work. So, the pile driving work will be M – F, starting no earlier than 7am.

Additional Scope of Work:

In addition to the Bulkhead repair, new water, sewer and electrical lines will be installed, new sidewalks, landscaping and a smaller pavilion is planned along with a dumpster enclosure. The concrete parking surface will be demolished\removed and clean fill will be brought in and compacted before replacing the parking surface with new concrete. New lighting will replace the

existing, drinking fountains, benches and bike racks will be installed. Lastly, the new parking lot will be striped, with new tire stops provided.

Revised Cost Estimate:

In anticipation of beginning the upland reconstruction work SAMP was asked to revise the cost estimate they completed in 2024.

The pricing that was submitted back in 2024 was a preliminary estimate of probable cost for this work as detailed drawings were not available at that time. This dictates a unit cost method of estimating and normally results in a high rate of variability and lower rate of accuracy. As compared to these 2024 numbers, we now have full plans available and have sought competitive pricing for a minimum of three vendors for each major component of the project. These current numbers are based on more refined design documents and are supported by competitive quotes from contractors for various components of the required repair work.

Figure 2 below shows the comparison Between the 2024 pricing and 2026 updated pricing.

| St. Andrews Marina Upland Reconstruction Pricing | | | | |
|---|-------------|------------|--------------------------------|---------------------------------------|
| | | | 2024 Replacement-Budget | 2026 Proposed Contractor Costs |
| Description | Unit | QTY | Price | Price |
| Steel Sheet Pile Wall | LF | 2,644 | \$ 7,932,000.00 | \$ 9,880,185.60 |
| Concrete Deck | SF | 145,334 | \$ 1,802,141.60 | \$ 1,069,125.00 |
| F Curb | LF | 2,644 | \$ 105,760.00 | \$ 158,356.23 |
| Selective Demolition | LS | 1 | \$ 400,000.00 | \$ 951,301.98 |
| Sidewalks- 8'x2,644' | SF | 21,152 | \$ 253,824.00 | \$ 411,923.25 |
| Utilities | LS | 1 | \$ 1,600,000.00 | \$ 1,142,672.00 |
| Drainage/Scupper | EA | 27 | \$ 54,000.00 | \$ 202,613.08 |
| Curb Stops | EA | 150 | \$ 45,000.00 | \$ 27,687.25 |
| Striping | LS | 1 | \$ 70,000.00 | \$ 10,002.41 |
| Railing | LF | 2,644 | \$ 264,400.00 | \$ 335,011.95 |
| Clean Fill | CY | 5,400 | \$ 135,000.00 | \$ 105,350.79 |
| Misc | LS | 1 | \$ 300,000.00 | \$ - |
| Total | | | \$ 12,962,125.60 | \$ 14,294,229.54 |
| Mobilization | LS | 1 | | \$ 200,000.00 |
| MOT | LS | 1 | | \$ 32,059.03 |
| Floating Turbidity Barrier | LF | 1,000 | | \$ 19,590.00 |
| Irrigation | LS | 1 | | \$ 89,380.58 |
| Erosion Control | LS | 1 | | \$ 19,310.68 |
| Dumpster Enclosure | LS | 1 | | \$ 19,235.41 |
| Not Included in Original Budget | | | | \$ 379,575.70 |
| Pavilion Budget | SF | 768 | | \$ 375,000.00 |
| Misc (trash cans, security bollards, drinking fountain, benches, bike rack) | LS | 1 | | \$ 171,800.00 |
| Optional Items | | | | \$ 546,800.00 |
| Grand Total | | | \$ 12,962,125.60 | \$ 15,220,605.24 |

Figure 2: Revised Estimate of Cost – SA Marina Upland Construction 2026

Competitive pricing has been obtained for the following components of the scope of work...

- Steel (Sheet Piles, Walers, Tie Rods)
- Electrical
- Water Utilities
- Sewer Utilities
- Parking Deck Construction
- Railing
- IN PROGRESS - Pavilion and Various Misc Amenities (Trash Cans, bollards, drinking fountains, bike racks and benches)

The anticipated cost for construction has increased to \$15.2 M. This increase in anticipated cost can be attributed to the following three main factors:

1) Quantity and Construction Methods

The further development of design documents and refinement of the scope of work materially changed quantities and construction methods as compared to the remove preliminary assumptions that fed into the unit cost analysis. A good example of this is looking at the selective demolition cost. During the 2024 estimate it was assumed that a concrete overlay could be successfully applied over the existing concrete decking. Upon more detailed review, this was not determined to be a feasible solution, and the old decking must be removed and replaced with all new surface.

2) Market increase in Cost

Market costs have escalated for labor, concrete, steel and aluminum.

3) Increase in Scope of Work

Items not originally contemplated in the 2024 conceptual estimate are now being provided in the final design documents. These items are shown in the lower partition of Table 1 and include the replacement of a waterside pavilion that has been identified as an important amenity by citizens providing input into the Marina redevelopment.

Exhibit B to this Memo represents a detailed outline of the primary drivers for this increase in anticipated cost and was provided by SAMP at the request of the City.

Reimbursement Option for the Increase in Cost

The provisions of the land lease agreement approved on April 16th, 2024, provide for the funding of a capital improvement sinking fund generated by incremental deposits from profits received after SAMP begins operating the Marina. This fund in essence serves as a reserve savings account to pay for future maintenance items needed for proper upkeep on the Marina facility. However, in addition to upkeep, the details of the agreement also allow for the reimbursement of any additional repair cost above and beyond the original 12.9 million committed to under the terms of the agreement. If the Commission is concerned about obligating the city to provide additional long-term debt service, estimated at roughly \$ 2.3 M in Figure 2 above, there is the option to reimburse ourselves through incremental payments through the future capital improvement sinking fund deposits as provided for in the Land Lease Agreement.

CONCLUSION:

The St. Andrews Marina is a meaningful waterfront asset and is highly valued by the residents of Panama City. The existence of this Marina has been missed by many City residents since it was destroyed by the high winds and storm surge of Hurricane Michael. This memo was written to provide an update on the progress being made to repair the St. Andrews Marina with a goal of getting it operational as quickly as possible. The Land Lease approved by this Commission and formally executed on May 14, 2024, distributed the responsibility between SAMP and the City regarding the repair work needed for this project. With more detailed design documents, and the opportunity to get competitive pricing from local vendors and contractors on key components of the project, SAMP has been able to provide a more accurate estimate of probable cost. While the estimated cost has increased as detailed in Figure 2 of this Memo, there is a mechanism built into the existing Land Lease agreement that allows for the City to be reimbursed from the Maintenance Savings Fund that will begin to populate once the marina achieves a level of profitability as called for in the Agreement. One option is to extend the revolving line of credit to include this extra cost and slowly seek reimbursement as the Marina becomes profitable and the Maintenance account begins to draw funds.

****** END OF DOCUMENT ******