

Proposed BP Deepwater Horizon Damages Settlement

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Deepwater Horizon Disaster Proposed Settlement Overview

BP to pay up to \$18.7 billion over 18 years
for:

- * Clean Water Act penalties (relates to RESTORE Act)
- * natural resource damages
- * economic claims

Deepwater Horizon Disaster Proposed Settlement Overview

Clean Water Act penalties - \$5.5 Billion
over 15 years

- * 80% to RESTORE Act trust fund
- * Florida receives at least \$572 million
- * Bay County receives \$34.9 million – only funds that Bay County is guaranteed

Deepwater Horizon Disaster Proposed Settlement Overview

Natural resource damages - \$7.1 billion

- * Louisiana: \$ 5 billion
- * Florida: \$680 million
- * Mississippi: \$296 million
- * Alabama: \$296 million
- * Texas: \$238 million
- * Regionwide projects: \$350 million
- * Open Ocean projects: \$1.24 billion

Deepwater Horizon Disaster Proposed Settlement Overview

Economic claims - \$4.9 billion

* Florida: \$2 billion

* Louisiana: \$1 billion

* Alabama: \$1 billion

* Mississippi: \$750 million

* Texas: \$150 million

Deepwater Horizon Disaster Proposed Settlement Overview

Overall

Florida's share – at least \$3.252 billion

- * At least \$572 million from the RESTORE Act
- * At least \$680 million for natural resource damages
- * \$2 billion for economic damages

Deepwater Horizon Disaster Proposed Settlement Overview

RESTORE - Bay County

- * Bay County receives \$34.9 million of RESTORE Act Direct Component/Pot 1 funds – only funds that Bay County is guaranteed (in addition to Transocean)
- * Funds likely disbursed over 15 years
- * Eligible activities - Environment and economic development

Deepwater Horizon Disaster Proposed Settlement Overview

RESTORE - Florida

- * Florida Gulf Consortium (23 Gulf coastal counties) - Preparing a plan for Oil Spill Impact/Pot 3 funds – estimated \$242 million
- * Funds likely disbursed over 15 years
- * Same eligible activities as for Pot 1
- * Undecided who will administer these funds

Deepwater Horizon Disaster Proposed Settlement Overview

Florida natural resource damages funds

- * \$680 million

- * Projects likely to be decided by FL Fish and Wildlife Conservation Commission and FL Dept of Environmental Protection

Deepwater Horizon Disaster Proposed Settlement Overview

Economic damages – Florida

- * \$2 billion over 18 years
- * \$1.5 billion to Triumph Gulf Coast Inc.
Recovery Fund

Gulf Coast Economic Corridor Act

- * Created **Triumph Gulf Coast, Inc.**, a nonprofit corporation to administer and invest the Recovery Fund, decide what projects to fund
- * Created the Recovery Fund **for the benefit of the eight disproportionately affected counties (Escambia to Wakulla)**, to be funded by **75% of all economic damages funds recovered**, disbursed evenly over a 30-year period.

Triumph Gulf Coast

- * Awards “to projects or programs that meet the priorities for economic recovery, diversification, and enhancement of the disproportionately affected counties”
- * Includes workforce training projects

Triumph Gulf Coast

Triumph Gulf Coast five-member board:

- * Allan Bense – appointed by Senate President Gaetz
- * Pamela Dana, Destin area - Attorney General Bondi
- * Stephen Riggs, CPA, Destin area - Chief Financial Officer Atwater
- * Stan Connally/Gulf Power, Gulf Breeze area - Gov. Scott
- * Bob Bonezzi, Bonezzi Development in Destin area - Speaker of the House

Bay County RESTORE Act Plan

Recalibrate based on new info

- * Expectations
- * Goals
- * Objectives
- * Timing
- * Projects

Triumph Gulf Coast additional information

Shall establish an application procedure for awards and a scoring process for the selection of projects and programs that have the potential to generate increased economic activity in the disproportionately affected counties

Triumph Gulf Coast

Awards may be provided for:

- * Ad valorem tax reduction
- * Payment of impact fees
- * Administrative funding for economic development organizations

Triumph Gulf Coast

Awards may be provided for (cont'd):

- * Local match requirements for specified programs
- * Economic development projects
- * Infrastructure projects shown to enhance economic development

Triumph Gulf Coast

Awards may be provided for (cont'd):

- * Grants to local governments for equipment and personnel for disaster planning and response
- * Grants to support programs of excellence for K-20 institutions

Triumph Gulf Coast

Awards may be provided for (cont'd):

- * Grants to Florida Tourism Industry Marketing Corporation

Triumph Gulf Coast

Awards may be provided for local match requirements for following programs:

- * Rural Infrastructure Fund
- * Local Government Distressed Area Matching Grant Program
- * Qualified defense contractor and space flight business tax refund program
- * Tax refund program for qualified target industry businesses

Triumph Gulf Coast

Priority given to projects and programs that:

- * Generate maximum estimated economic benefits
- * Increase household income
- * Expand or establish high growth industries

Triumph Gulf Coast

Priority given to projects and programs (cont'd)

- * Leverage key regional assets – e.g. educational institutions, research facilities, military bases
- * Partner with local governments, TDCs...
- * Have private investment commitments

Triumph Gulf Coast

Priority given to projects and programs (cont'd)

- * Provide seed stage investments
- * Benefit the environment in addition to the economy
- * Provide outcome measures for programs of excellence support

Triumph Gulf Coast

Priority given to projects and programs (cont'd)

- * Partner with K-20 educational institutions
- * Partner with convention and visitor bureaus, TDCs or Chambers

Triumph Gulf Coast

- * Awards may not be used to finance 100% of any project or program.
- * May require a one-to-one private-sector match or higher for an award

RESTORE Act Direct Component/ Pot 1 Eligible Activities

Funds must be used to achieve ecological and/or economic restoration of the Gulf Coast.

Activities must target at least one of the following:

- * Restoration and protection of natural resources;
- * Mitigation of damage to natural resources;

Direct Component/Pot 1

Eligible Activities (cont'd)

- * Implementation of a federally approved marine or coastal management plan;
- * Workforce development and job creation;
- * Improving state parks affected by the spill;
- * Infrastructure projects benefitting the economy or ecological resources;
- * Flood protection and infrastructure;

Direct Component/Pot 1 Eligible Activities (cont'd)

- * Planning assistance;
- * Promotion of tourism;
- * Promotion of Gulf seafood consumption; and
- * Administrative costs (not more than 3%)

RESTORE Act

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