Report on City team visit to Streamline Boats manufacturing facility Hialeah, Florida; June 16, 2020

Prepared by Clark Merritt, Deputy Port Director

The following information and observations are provided to document a visit to Streamline Boats manufacturing facility by City Staff including Kerrith Fiddler, Assistant City Administrator and Clark Merritt, Deputy Port Director. Other parties attending included Scott Luth, CEO Florida West, Jared Moore, City Councilman Dist. Four, and Bobby Switzer, downtown business owner and resident. They have provided separate feedback to the Mayor's Office and this report is only to document what I observed.

The group arrived around 11:00 am local time at the facility located in a dense, mixed-use urban neighborhood. We were met by Streamline personnel including head of production and operations, Ozzy Sanchez and Pete Garcia, President, who gave a brief history of the company, their corporate culture, and why they are in the boat building business. Both discussed their relative experience and history in boat design, manufacturing, and sales which was extensive and spent at numerous companies in the boat business including other manufacturing environments. It was shared that even the name for the company Streamline was selected with the desire "to streamline the entire design and manufacturing process" to produce a superior, cost effective, center console boat based on what the customer wants—whether that is offshore fishing or for family and other casual uses.

Current lineup of boats is a 26', 34', and 45' center console. The same mix is considered for the Pensacola facility. Streamline boats are a customer driven semi-custom final fit out so the number of boats produced will always be low in comparison to many other large production manufacturers. Their research concluded there is an extensive market for their type of boats in the Northern Gulf Coast (Texas to Florida) – especially for the 26's and 34's. 45's are a very expensive boat (over $1M depending on configuration) so regardless of where they are made the number produced will be small. One reason for the Pensacola location is this: having a facility centrally located in Pensacola would dramatically reduce trucking time for deliveries to the N. Gulf of Mexico states versus from S. Florida. When making a delivery, they lose a truck and driver for a minimum of 3 days because of having to truck from their current location.

Following this discussion, we left the administrative offices and proceeded into the manufacturing area. As a result of growth and demand, they moved into this current facility just 8 months ago—it is their fourth in 3 years. It's a 50,000 sqft square warehouse modified slightly to accommodate their manufacturing needs. The only major modification was door widening for one wall separating the hull fabrication area (this is the first step in the process) from the remaining fit out the boats receive as they cycle through the building. I observed approximately 9 boats of various sizes under construction.

Some general observations:

- Manufacturing Floor: The manufacturing area was open, well organized, and clean. No large accumulation of excess material or waste was seen. No visible particulate or dust was noticed. Ceiling height was approximately 28'-30'. The entire working floor area is separated into two major areas: one where the hulls are being built in molds, and the other where the rest of the manufacturing and fit-out occur. Raw materials and HAZMAT storage is located in the hull building area. There are at least 5 exterior roll up doors in the building that in the raised position and some stand fans were used--but not

as many as was expected. It was a comfortable work environment even with temperatures outside the warehouse in the upper 80's with bright sunshine. (see photos)

- Odor: Entering the administrative office from the parking lot there was no odor of petroleum-based materials or other paint/finishing chemicals like you might detect at car repair facility. Once we entered the actual manufacturing area, there was a slight chemical odor but in no way was it overwhelming or offensive. The only respirators being worn by staff were the four or five people applying bonding agent to the fiberglass layers with brushes and rollers. This was all in the back of the warehouse where the hulls were in the molds. (see photos)

  As it relates to odor, it was described that a Streamline hull in the mold takes 9 days from start to finish — 4-6 days longer than typical high-volume boat manufacturer. One reason it takes longer is that Streamline's personnel hand apply layers and bonding agents to ensure a superior product strength and defect-wise when compared to a high volume fabricator. Another key difference explained was that no heat is applied during hull fabrication. By avoiding heat and letting the layers dry naturally with vacuum machine assisting, many of the noxious odors expected are not released in a strong manner. This natural drying method is the process they would also use at the Pensacola facility.

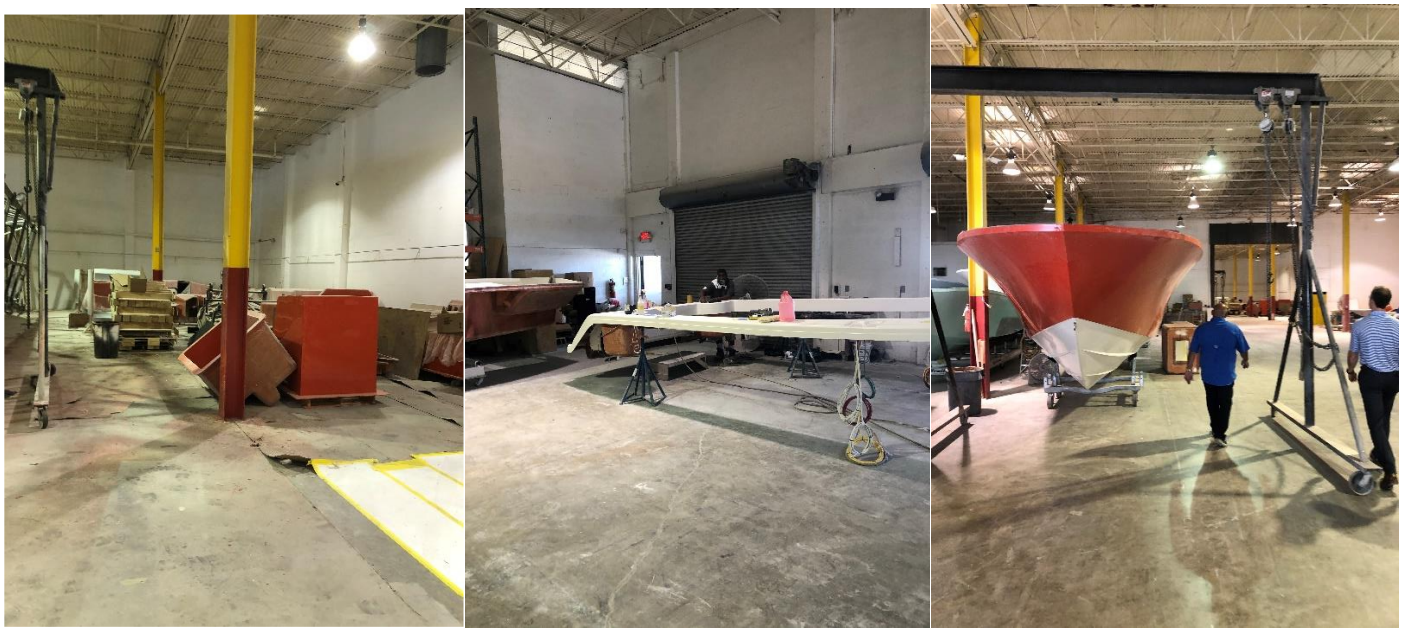
  Another note on odor and especially styrene odor during manufacturing. Apparently, some manufacturers will dilute their bonding agents with styrene to extend or stretch the base material. This can also result in significant odor. Streamline does not to stretch their bonding agent and the vendor providing those material has described the product they use and its styrene content in previous correspondence.
- The Hazardous material storage location is a yellow metal storage cabinet (see photos) and 55-gallon drums are stored on elevated pallets per FDEP permit. Only four 55-gallon drums were observed, and Ozzy reported that they minimize the quantity on hand to reduce waste and expense. All waste is removed by a licensed waste removal company, again per FDEP requirements.
- The noise level was like any other light manufacturing environment if not a bit quieter since most of the work is done by hand using small tools. Carrying on a conversation in all areas was no problem – even when a group was talking together separated by some distance.
- Only larger equipment observed were small propane fueled forklifts. No diesel-powered equipment was onsite. They use small dollies and hoists to move the hulls through the process – all hand powered.
- No large electrical demand, no natural gas usage, and no significant amount of water or gray water is used or generated on site during manufacturing. Non-hazardous scraps and other rubbish are disposed of in small commercial dumpsters.

The tour of the facility concluded in the loading area of the warehouse which was open to a loading truck ramp and where a 35' boat was being outfitted by several of the staff.

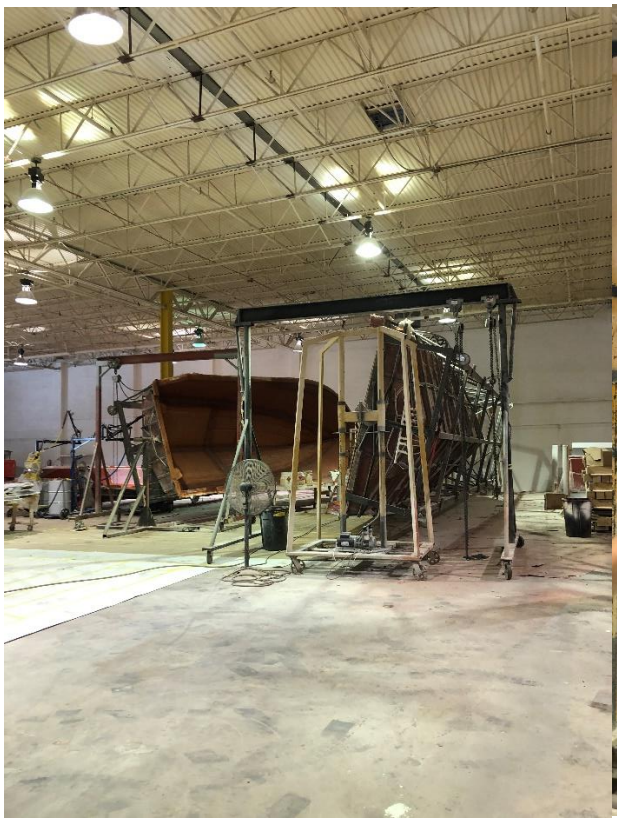
The photos document the various stops around the facility and the current lineup manufactured and as stated previously would also be manufactured at the Pensacola facility. They discussed adding a 28' flat's boat and a 39' center console to round out the line of products that is offered. Demand is strong across all sectors of the boat industry.

Photos from the visit:

The group upon entering the manufacturing floor from the admin offices and some of the completed hulls.



(From left to right) Storage area in hull fabrication room; top of boat railing being finished and prepared for mounting on boat; in the main fab room a finished hull being is prepared for topside center console mounting. Note the clear opacity within the warehouse and the clean shop floor.




Photos from the hull fabrication area. Note techs applying agent to the layers of fiberglass as the boats sit in the molds. The left shot is from the rear hull fab area looking toward the other section of the warehouse.

Hazardous materials storage area located in the hull fabrication of the warehouse. Note barrels are stored on elevated pallets.

Two new Streamlines – the grey one is being delivered to the Brazilian government as a coastal patrol craft

The current lineup of boats manufactured by Streamline – 26', 34', and 45' center consoles. Retail prices run from $100,000 to over $1M depending on how outfitted.