

To: Susan Skelton  
From: Don Gaetz  
RE: Criteria for Triumph Awards

Susan, I'm grateful that a committee is working on proposed procedures for application and criteria for Triumph Awards for presentation to our Board in September. I've been thinking about these questions, as well, and if you believe this memo has any value, please consider sharing it with the committee members at their meeting.

This thinking is certainly not original with me and comes from some of the discussion at prior meetings. For the committee's consideration, here are some random thoughts about criteria to be applied to potential projects:

#### 1. Job Creation

--- How and how much does the project create jobs that would not exist but for Triumph \$

- Net new jobs created
- Sustainability of how many jobs over how many years
- Quality of the jobs (compensation vs. area average)
- Location of the jobs (where will workers work and where will they likely live – important to ascertain economic benefit to counties)
- Training and education requirements (can we meet them now or are investments required by Triumph and other partners)

## 2. Leverage

--- How and how much does the project multiply the impact of Triumph \$

- How much private money is committed or obtainable (cash, letter of credit)
- How much local government money is committed or obtainable (local match)
- How much state money is committed or obtainable (state match)
- How much federal money is committed or obtainable (federal match)
- What other financial values are committed by local, state and federal government (e.g. permitting, tax abatements, land, utility services)
- What other partners are adding measurable value (educational institutions, research institutes, local EDO's)
- To what extent would the project and a Triumph grant have collateral benefits beyond the specific scope of the project (for instance, an infrastructure improvement that others might use thereby adding indirect value)

## 3. Diversification

--- How and how much does the project broaden the economic base of the area

- Does the project add to an industry sector that strengthens the NWF economy by diversifying it

- Is the industry sector of the project one which presents opportunity for growth
- Is the project likely to integrate well with supply chains or promote the development of new supply chains
- Would Triumph support for the project subsidize one Northwest Florida company(ies) over others or does it attract new capital and new jobs
- Would Triumph support for the project serve to attract jobs or investment from one part of Florida to another
- Is the project likely to be a magnet for other diversified development

#### 4. Reliability

--- Who are the people and partners we are considering investing with

- Due diligence of potential grantees and partners
- Analysis of regulatory or other barriers the project may confront
- Confounding variables affecting the project or the project environment and how and how well they have been considered and mitigated
- Structure of the deal
- Application of performance measures including clawbacks
- How and how quickly can our partners and grantees perform against their obligations

### **Scoring**

In my limited experience, wheels can spin over how to fine-tune weighting of criteria. We are not obliged to use complicated scoring grids. While operating fully in the Sunshine and using good business judgement and high standards of ethics, I don't think Triumph should replicate any part of the often paralytic governmental procurement process. Similarly, we should be well advised by counsel to avoid creating systems that lead to counter claims and appeals.

### **Check-off of County Support**

As the committee considers any sort of "check list" to be included in applications, I suggest that each project be accompanied by a letter of support from the relevant county commission. Because of the statutory provision calling for recommendations from county governments, it will be important to know whether county commissioners consider proposed projects to be economic development priorities for their counties. This is to not say that Triumph will only fund projects prioritized by counties but it is critical to know whether counties are supportive.

### **Professional Analysis and Validation**

We are blessed with substantial and widely varied business experience and judgment on our Board. In my view, nothing in our application or evaluation process should outsource decision-making responsibility. There is a role for professional "outside" expertise to review applications against our criteria, qualify partners and validate claims by potential grantees.

To that end, I suggest the committee consider employing, directly or under contractual arrangement, a highly qualified, competent and well-respected economist/analyst to advise the Board. Of course, care has to be taken to avoid conflicts of interest.

