

TRIUMPH GULF COAST, INC. PRE-APPLICATION FORM

Triumph Gulf Coast, Inc. (“Triumph Gulf Coast”) has created a pre-application process to provide initial consideration of potential ideas for projects or programs that may seek an award of funding. Applicants are required to participate in the pre-application process. Notwithstanding the response from Triumph Gulf Coast on the pre-application form, an Applicant may still elect to submit an Application.

APPLICANT INFORMATION:

Name of Individual/Entity/Organization: Bruce Craul and Dr Mark Bonn

Brief Description of Background of Individual/Entity/Organization: _____

Bruce Craul is currently the COO of HarborWalk Hospitality. (Emerald Grande & HarborWalk Village)

Dr Mark Bonn is a Professor at the Deadman Scholl of Hospitality at Florida State University, Tallahassee

Contact Information:

Primary Contact Information: Bruce Craul

Title: COO HarborWalk Hospitality

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Website: bruce.craul@gmail.com

Names of co-applicants, partners or other entities, organizations that will have a role in the proposed project or program: Dr Mark Bonn

REQUIRED EXECUTIVE SUMMARY:

In a maximum of three (3) pages, please describe the proposed project or program, including (i) the amount of funds being sought from Triumph Gulf Coast; (ii) the amount and identity of other sources of funds for the proposed project or program; (iii) the location of the project or program; (iv) summary description of the proposed program, including how the program will be transformational and promote economic recovery, diversification, and enhancement of the disproportionately affected counties, and (v) a summary timeline for the proposed project or program.

IMPORTANT NOTICE

This pre-application process will **not** result in an award of funding by Triumph Gulf Coast. Rather, this process is designed to facilitate submission of ideas for potential projects or programs before the Applicant expends time and/or resources to complete a full Application. All Applicants for funding are required to complete an Application, which will be scored, and then considered for award in the discretion of Triumph Gulf Coast Board.

Hospitality Development Center

Introduction

During 2016, Florida attracted over 110 million out-of-state and international visitors, placing it among the world's top five most popular vacation destinations. Although the \$100 billion in estimated visitor spending translates into salaries, wages and employment of over 8 million jobs for local economies, the harsh reality is that this represents a bitter-sweet situation. Florida's current and projected visitor growth will require 300,000 additional service providers just over the next five years alone, to handle the demand created by tourism.

On average, approximately 10,000 people move to Florida each week, from all over the country. Additionally, a study conducted during the summer of 2014 by Bonn Marketing, Inc. documented that over 1.03 million visitors were specifically attracted to Destin, Florida. These individuals contributed over \$766.4 million in spending during their stay. While many of these individuals may have been exposed to our 'Southern Hospitality', they may not have recognized that it is a large part of what makes our destination unique. Hospitality is a specific part of the service delivery process that must be properly understood. Furthermore, all businesses would be more successful if they were to operate their firms using the "Hospitality" perspective.

Hospitality Development Center: Targeted Market Segments, Facility and Location

From where will this workforce be identified? How will Florida's future workforce be properly prepared to enter the service industry? How will this workforce be able to satisfy the traveling public's demanding requirements on a continuing basis? One logical answer is through effective hospitality training and development involving a model offering intensive learning through specific short courses. Our audience will represent a broad spectrum of potential program participants, beginning with those many residents and non-residents who may have already earned post-secondary academic degrees, but are now interested in new career changes and opportunities, but not necessarily interested in attending traditional, for-credit academic classes. We also will appeal to those tens of thousands of non-degree seeking individuals desiring development and training in rapidly growing, high-demand hospitality service industry business segments.

It is proposed that an existing facility located in Okaloosa County, Florida be designed as a multi-purpose hospitality development center to address the critical need for current and future regional service industry workforce recruitment, training, development and employment opportunities. The facility will be designed to deliver programs at many levels and formats, including self-paced, distance learning modules along with concentrated face-to-face short courses. The hospitality development facility will be a functional physical plant that incorporates a learning laboratory design assimilating real world hospitality business concepts to maximize career skills and knowledge in a work-like environment. In this manner, the hospitality development center's model will best prepare individuals reflecting a wide spectrum of demographic characteristics, to become readily employable in the

hospitality workforce. This will necessitate the development of a specialized infrastructure in order to deliver unique programs created for industries facing high demand for qualified talent.

The current site, located on Commons Drive, is just off Danny Wuerffel Way, which has documented high vehicular use (see chart below). The facility, located at the Destin Commons Regional Shopping Center, is currently unoccupied space at the west end of the five-story parking garage. It is currently open, air conditioned and ready for improvements to meet the needs of the proposed Hospitality Development Center. Our clearly visible concept location is ideal for the development of a series of storefront learning labs representing craft beverages consisting of coffee and tea shops, wine bars, and craft brew pubs. The Hospitality Development Center will be housed in conjunction with these craft beverage storefronts and will represent not only a facility for career development, but will also serve as a unique visitor attraction for the Destin community. Operated by the program's participants, the beverage and hospitality supply chain management model will be a revenue-generating profit center as it simultaneously prepares participants for careers in purchasing and sales of craft beverages, hospitality supplies, and equipment demanded by businesses located in Okaloosa County, the Northwest Florida Region, the State of Florida and the Southeastern US.

Using estimates of student summer workforce employment numbers over the past five (5) years provided by the county's lodging properties we anticipate a phased project for at least four buildings having four floors in each building, and housing 100 persons per building, for a total occupancy of 400 persons. Using a similar model created by UCF's Rosen School of Hospitality Management, participants staying in these facilities during the completion of their development programs will represent a consistent revenue stream.

Hospitality Development Center Programs

The model for developmental programs is based upon the unique needs of our anticipated consumers, which are significantly different from those needs of traditional post-secondary students seeking academic degrees. Short course programs offered by the Hospitality Development Center will be presented to participants during concentrated periods of time encompassing multi-day, evening and weekend in-class experiential development. Based upon local, regional, state and national industry demand, the Hospitality Development Center will specialize in Beverage Management, Hospitality Supply Chain Management, and Resort/Condominium Vacation Rental and Management.

Hospitality Service Quality Training Workshop

We have created a highly effective and successful hospitality service quality training workshop program, which has been delivered to thousands of Florida employees and associates statewide. Demand for this training program comes from many sources, and includes numerous city and county tourism offices, the State Tax Collectors offices and the Deputy Secretary of the Division of Lands, Parks and Recreation, to name just a few. This revenue-generating workshop represents the

Hospitality Development Center philosophy and is the foundation upon which our proposal has been structured.

Beverage Management and Hospitality Supply Chain Management

The two fastest growing trends in today's industry has created the need for preparing a trained hospitality supply chain sales force, and especially one that can address the entrepreneurial movement in craft beverages. U.S. beverage sales represent annual revenues above \$250 billion. Ales & Lagers (\$96.8 Billion), Spirits (\$72.1 Billion), Wine, (\$28.9 Billion), Coffee (\$18 Billion) and Tea (\$10 Billion) are the top four U.S. beverage categories in annual retail sales. The State of Florida ranks second in total annual share of U.S. consumption for wine and spirits, and ranks third in annual beer consumption.

This program of development prepares individuals to become entrepreneurs in hospitality supply chain sales and also develops them to establish their own businesses within the craft beverage industry.

Resort/Condominium & Vacation Rental Management

Participants will learn about the unique differences and challenges specific to managing resorts, condominiums and vacation ownership properties. Condominium association management issues are discussed. Participants attend association meetings to observe property owners interacting with association managers. Vacation ownership models are examined. Individuals complete course rotations working in guest services, gaining knowledge with reservations systems, understanding issues affecting service quality and guest assurance programs, as well as experiencing rotations in housekeeping, purchasing and controls, revenue management, maintenance, security, marketing and social media.

The Hospitality & Tourism Research Center (HTRC)

Another vital component of the Hospitality Development Center satisfies the requirement for individuals to learn and understand what requirements are necessary to succeed in today's competitive business environment. Skill sets will feature the development of (Bruce: Add these things, please...) skills such as Quick Books and spreadsheet analyses. Additionally, how to use metrics, including feasibility studies, marketing plans, visitor tracking, research methods and certification programs within niche industry segments, will be structured within the HTRC program offerings.

Research labs, offices, and a central reception area will be developed specifically to attract industry partners and leading invited faculty for the purpose of engaging in active tourism and hospitality research projects related to addressing topics identified as having the greatest impact upon Okaloosa County, the overall region with respect to its business community and those residents. Examples of research topic focus can include: visitor behavior, economic impact, satisfaction analyses and

willingness to return, spending patterns, seasonality issues, attitudinal tracking specific to seafood safety and consumption, perceptions about environmental quality, transportation issues, carrying capacity, sustainability, emergency management, and many other related topics.

Summary

Our ask is to finish out the existing vacant space at the Destin Commons office space on the west side of the parking garage. The needs addressed above would occupy this space. This initial three page document is conceptual at this point per your request. The final numbers to finish out the space will come in the final application. The project is also a phased project. The initial ask would be for five million to get the center up and running. Much more detail to follow with the full application process.