

## **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: **Florida's Great Northwest (FGNW)**

Brief Description of Background of Individual/Entity/Organization:

**FGNW is the regional economic development organization for the Florida Panhandle. The organization is an investor-supported 501(c)(6) nonprofit corporation created to advocate, collaborate and promote Northwest Florida for economic growth and diversification.**

#### **Contact Information:**

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Names of co-applicants, partners or other entities, organizations that will have a role in the proposed project or program: **N/A**

### **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.

## **Regional Investment Stimulation and Enhancement (RISE) Fund**

- (i) **Funding Request:** \$15,000,000
- (ii) **Match Funding Sources:** City/County abatement of local ad valorem taxes
- (iii) **Program Location:** All 8 disproportionately affected counties would be eligible:  
Escambia, Santa Rosa, Okaloosa, Walton, Bay, Gulf,  
Franklin, and Wakulla

### **(iv) Summary Description:**

Florida's Great Northwest (FGNW) is seeking \$15,000,000 in Triumph funds to create the Regional Investment Stimulation and Enhancement (RISE) Fund. The RISE Fund is a regional tool to help elevate the competitiveness of the eight disproportionately affected counties by supporting their efforts to reduce a larger percentage of local ad valorem tax rates for up to 10 years to diversify and grow the economy. The RISE Fund would be used to provide an Ad Valorem Tax Rate Reduction of the non-abatable property taxes for up to 10 years.

The program meets the statutory priorities for economic recovery, diversification, and enhancement of the disproportionately affected counties, as per F.S. 288.8017, and applies to the eligible award criteria of "ad valorem tax rate reduction within the disproportionately affected counties." It also meets the strategic initiative "Ensure the growth of the region's key industry clusters" as defined in the Northwest Florida *FORWARD* Regional Strategy for Economic Transformation. The region's key targeted industry clusters include Aerospace & Defense, Manufacturing, Cybersecurity/IT, Financial/Shared Services, and Water Transportation, as well as the sub-cluster of Advanced Industries, which require technology, R&D, and STEM workers within the targeted industry clusters. Northwest Florida *FORWARD* provides a holistic set of goals, strategies, and actions designed to ensure economic vitality through new investment and job creation, as well as the enrichment of the region's talent base, innovation ecosystem, infrastructure, and quality of place. The strategy was developed with grassroots input from more than 860 Northwest Florida business, government, educational and community leaders and is currently being implemented by volunteer leaders throughout the region.

### **Transformational Nature of Program:**

The Northwest Florida *FORWARD* Regional Strategy for Economic Transformation identified that the region has current economic challenges that are not experienced in other areas of Florida, including:

- direct competition from bordering states for companies expanding and creating jobs
- job growth is significantly slower in the region (6.6%) compared to the state (14.1%)
- average earnings of those in the region (\$47,943) are much lower than the state average (\$53,483)

As a result, Northwest Florida must become more competitive to retain existing companies planning to expand and attract new companies to the area.

One example of how Northwest Florida could compete more effectively is through offering an ad valorem rate reduction of the non-abatable property taxes, such as the local school district property tax, to help grow and attract targeted industries. While just about every community offers an exemption or rebate for a percentage of the local property taxes that are abatable for up to 10 years, the eight disproportionately affected counties could put forth a stronger effort by further reducing the total ad valorem taxes. The

RISE Fund would reimburse a similar percentage of the remaining non-abatable property tax for up to 10 years, which often amounts to approximately 50% of the total ad valorem taxes.

This would essentially allow the eight disproportionately affected counties to offer competitive projects an exemption or rebate up to 100% of the ad valorem taxes. Very few communities offer programs that can abate 100% of ad valorem taxes or the equivalent of such. The RISE Fund has piqued the interest of several site location consultants and they have indicated that it would provide a significant competitive advantage for Northwest Florida.

A reduction in the costs associated with the beginning years of operation would help targeted industry clusters grow significantly. By empowering the community to help off-set those costs, the RISE Fund will help show the community's dedication to the growth and success of the targeted industries in the region without compromising their investment in public education. Moreover, the community would also be able to stimulate the hiring and retention of the region's workforce in targeted industries and potentially increase their household incomes.

Although the RISE Fund would be the first of its kind, the fundamental concept is not new and enhances programs that currently exist in the eight disproportionately affected counties. It is common to offer tax exemptions or tax refunds/rebates for competitive projects to stimulate the economy. In fact, the State of Florida has an existing policy to encourage the growth of higher-wage jobs and a diverse economic base by providing state tax refunds to qualified target industry businesses that originate or expand in the state or that relocate to the state, which is identified in FS 288.106 Tax Refund Program for Qualified Target Industry Businesses.

The RISE Fund would give Northwest Florida a better opportunity to help targeted industries grow in the region. Additionally, because of the program, higher than average wage-paying jobs would be available for our graduating students and current labor pool, and our region's key industry clusters would grow, and in the end, help diversify and transform Northwest Florida's economy for generations to come.

### **Program Details**

To be eligible to benefit from the RISE Funds, a community:

- Must have approved the exemption of a percentage of the city/county abatable property taxes as per FS 196.1995 Economic Development Ad Valorem Tax Exemption OR approved an ad valorem rebate for a competitive location or expansion project.
- Must have a competitive project that satisfies the below criteria:
  - Locates/Expands within the eight disproportionately affected counties
  - Meets eligible criteria as stated in FS 196.1995 Economic Development Ad Valorem Tax Exemption regardless of whether the city/county has an EDATE program in place
  - Is in a targeted industry as defined in FS 196.1995 EDATE or in Northwest Florida *FORWARD* Regional Strategy for Economic Transformation or designated by Enterprise Florida as per Florida Statute 288.106 Tax Refund for Qualified Target Industry Business
  - Creates 10 or more new, full-time jobs
  - Pays an average wage higher than the current average wage of the county or MSA in which the business will locate/expand (County/MSA average wages as defined by Enterprise Florida.)
  - Proves company status, job creation and capital investment each year

- Should give special consideration to companies that will locate on a certified site, shovel-ready site or within a transportation/logistics hub such as a regional/international airport, deep water seaport, intermodal logistics center or freight logistics zone
- Must have a letter of recommendation from the local economic development organization

Upon the community's approval of an EDATE or rebate program for up to 100% of abatable property taxes for up to 10 years for a competitive project, the community can choose to offer RISE Fund dollars to cover the costs of the non-abatable property taxes to help ensure the company locates/expands in the community. The community must complete the specific RISE Fund application. The percent amount and term must mirror exactly what the community approved for the EDATE or rebate. RISE Funds will be made available pending Triumph funds in the RISE escrow account are available and the application meets RISE Fund criteria.

Once the EDATE/rebate application is approved, the company is responsible each year for completing the community's evaluation form to verify jobs created and capital investment expended. The company will be audited and their information evaluated. If approved, then the community will exempt/provide a rebate for the abatable property taxes for that year.

If RISE Funds are requested, criteria are met, and funds are available, then below are two RISE Fund distribution examples:

- The community submits an invoice to Triumph for the amount due for the non-abatable property taxes. Triumph remits payment to the community and the community pays the non-abatable property tax, OR
- The company pays for all the property taxes, abatable and non-abatable, to the community upfront. The community invoices Triumph for the amount due for the non-abatable property taxes. Once the funds are received from Triumph, the community reimburses the company for the portion of the property taxes, abatable and non-abatable, in which they have been approved to receive a rebate

A community can apply for RISE Funds to cover city and/or county non-abatable property tax. A maximum award per project will be set. One city/county cannot receive all the funds. RISE Funds cannot be made available for competitive projects already approved.

The final ad valorem rate reduction could vary based on each community's millage rates and the magnitude of the property being taxed. Non-abatable ad valorem taxes for past competitive projects have been in the range of \$10,000 to \$400,000 per year. Over the course of 10 years, this could amount to \$100,000 to \$4 million in RISE Funds for a project.

**(v) Summary timeline:**

Upon final application approval by the Triumph Board, FGNW, in partnership with the economic development partners and the county constitutional officers responsible for approving, assessing and collecting taxes for the eight disproportionately affected counties, will develop appropriate forms and processes, and give special consideration to communities designated as a Rural Area of Opportunity.

Funds will remain under Triumph Gulf Coast, Inc. and be held in escrow to be distributed yearly to qualified and approved competitive projects until funds are depleted.