

Triumph Gulf Coast, Inc.
MyFloridaTriumph.com

July 10, 2018

Mr. Warren J. Yeager
RESTORE Coordinator
Gulf County, Florida
1000 Cecil G. Costin Blvd.
Port St. Joe, FL 32456

Dear Mr. Yeager,

Thank you for your time in meeting with us by telephone on June 28th to discuss how best move the Gulf County floating drydock proposal forward.

As we discussed, Triumph staff perceive that there is interest among the Triumph Board members is supporting the project, but there are a number of concerns/issues that would need to be addressed in order to move the project toward a favorable funding decision. The Triumph Board will likely have concerns/issues that include:

- The floating drydock must be put out to bid in a competitive and transparent bid process,
- All permits needed for locating and operating the floating drydock in the Port of Port St. Joe must be in place,
- The applicant must detail efforts to work with the tenant and the local workforce agency to ensure that residents of Gulf County are considered for the jobs resulting from the operation of the drydock,
- Gulf County will maintain ownership of the floating drydock asset,
- The direct FTE jobs describes in the proposal are much more expensive than other projects the Triumph Board is considering (\$28,425,000/240 direct FTE = \$118,437.50 per job). It is likely that the Triumph Board will only consider a smaller funding award or, equivalently, a greater commitment of direct FTE jobs on the part of the applicant.
- Because of the portable nature of the asset to be funded (the drydock), the Board will likely insist on a longer than usual maintenance period for the direct FTE in Gulf County before the drydock could be moved to another location, so as to ensure that the local area receives maximum benefit from the Triumph investment,
- The Triumph Board will likely insist that the County secure third-party indemnification of Triumph to cover the eventuality of failure to meet performance metrics. This might be via provision of an irrevocable letter of credit specifying Triumph as the recipient of the amount of the clawback.

The Board will also be very interested in understanding whether the needed joint partnership agreements (JPAs) are in place that would enable operation of the rail line thus enabling shipping to and from inland areas. Further, any necessary dredging of the shipping channel and turning basin, and their

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importance in enabling future growth of the economic development capacity of the Port will be of great interest to the Board as they consider this investment.

Please let us know if this is an accurate reflection of our conversation, and how the applicant would respond to each of the issues enumerated above.

Respectfully,

Rick Harper
Economic Advisor

Cori Henderson
Program Administrator