

September 1, 2018

Mr. Mell Smigielski
City of Mexico Beach PO Box 13425
Mexico Beach, FL 32410

RE: Triumph Proposal No. 58

Dear Mr. Smigielski:

Thank you for submitting an application for funding to Triumph Gulf Coast, Inc. We appreciate your time and effort and your commitment to creating a better Northwest Florida.

As you may know, Triumph Gulf Coast has received many more requests for funding than can be supported with the resources available to us. Unfortunately, after a thorough review by our professional advisors, it does not appear that your proposal meets our purposes and requirements for substantially improving the economy of the eight counties disproportionately affected by the Deepwater Horizon Oil Spill.

We are required by law to score each application as to its likely return on investment and potential for diversifying and enhancing our regional economy. Proposal # 58, "Mexico Beach Pier Replacement", was scored as a C based on the economic impact information provided in the application.

Proposals with a score of C, D, or F will not be recommended to our Board of Directors. There is no certainty that all A and B scored proposals will be funded.

The information provided in the application did not demonstrate adequate quantifiable performance metrics for increasing net new visitors nor jobs. The type of impact that would make a transformational difference in terms of increased levels of economic activity would rely critically on the attraction of net new visitors to the area. As correctly reflected in the proposal documentation provided in support of the project, it is likely that many of the users of the proposed new structure will be the same users as already benefit from the existing pier. It seems likely that the project will not create substantial net new demand from visitors, and the additional jobs to be created would be largely in leisure and hospitality at lower wages. Without such information regarding the measurable benefits to be generated from the project, it is not

possible for our economists to determine the overall long term, sustainable economic benefits to the community.

As you also may be aware, Triumph Gulf Coast is not the only source of funds arising from the Deepwater Horizon Oil Spill. The RESTORE Act, a federal law, provides \$6.2 billion to coastal states, counties and communities for environmental projects and other needs. If you believe your proposal qualifies, you may want to be in contact with the RESTORE coordinator in your county.

We appreciate your participation and welcome any future proposals that more closely fulfill the purposes and requirements of Triumph Gulf Coast.

Sincerely,



Susan Skelton
Executive Director