

Triumph Gulf Coast, Inc.  
MyFloridaTriumph.com

Ms. Lee Mathes  
City Administrator  
1 Avenue E  
Apalachicola, Florida 32320

September 1, 2018

Dear Ms. Mathes:

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 # 32, "Johnson Center Renovations", 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 the creation of new jobs. 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.

The project requests \$2,716,000 in Triumph funding, and of this amount, \$545,000 is allocated for the Children's Learning Center, which will use 20% of the building's 60,000 square feet. Much of the rest of the building is devoted to city staff offices and this is envisioned to continue after the building's renovation. The amount of match offered is not clear. The City does not charge rent to the nonprofits that use the space. At \$1 per month per square foot, this would be \$144,000 per year. The proposal mentions the value of the building, but that is captured in

the rent. The spending that the nonprofits do would likely be done in the community regardless of the location in which they were housed.

The renovations are for the former Apalachicola High School, which, while sound structurally, has poor air quality, makeshift air conditioning and heating, roof leaks, older plumbing and electric, and no active fire alarm/suppression system. CareerSource Gulf Coast vacated the Johnson Complex for temporary quarters due to air quality problems and many parents will not bring their children for services with the Johnson Center in its current decrepit state.

The intent of Cradle to Career is to raise the median salary through creating a more skilled and educated workforce. The Johnson Complex, and the Children's Learning Center within it, is envisioned as a one-stop facility to provide services to offset some of the disadvantages associated with Franklin County cycle of poverty.

Unfortunately, the City application does not identify specific job creation impacts to be expected from these improvements. It is admittedly difficult to quantify the increment to salaries to be gained from operation the Career to Cradle interventions to be housed in the refurbished facility. Given the economic development focus of Triumph's statutory mandate, it may be that other funding sources may be appropriate in this situation. This is particularly true given the modest level of use, at 20 percent of the space to be refurbished, and the nature of the match expenditures that are proposed.

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