

Triumph Gulf Coast, Inc.  
MyFloridaTriumph.com

Ms. Kim Wilmes  
President & CEO  
Florida's Great Northwest  
P. O. Box 370  
Niceville, Florida 32588

November 29, 2018

Dear Ms. Wilmes:

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 conforms with our process 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 , potential for diversifying and enhancing our regional economy, and whether it meets the requirements of the organization. Proposal # 133, "Florida's Great Northwest Regional Investment Stimulation and Enhancement (RISE) Fund", was scored as a C based on the structure of the proposed program provided in the application.

The RISE program proposes to use Triumph dollars to match local economic development ad valorem tax exemption (EDATE) programs (exemptions are offered for a 10-year period). EDATE programs have only been able to offer exemption on a city or a county's portion of the company's tax bill because state law does not allow local economic developers to offer rebates of other components of property tax, e.g., school board, water management district, etc. The RISE program would use Triumph funding to make payments to the applicable taxing jurisdiction other than a City or County in order to reduce the company's effective tax bill.

As noted in the application, FGNW is also requesting \$200,000 each year the program is in effect, with \$100,000 to be used to promote the FGNW RISE Fund to site location consultants and business executives in targeted industries. If Triumph Gulf Coast, Inc.

would like FGNW's support with the program, then \$50,000 will be utilized for economic impact analyses and programs for tracking and reporting purposes, and \$50,000 for FGNW to serve as a coordinator and advisor to Triumph Gulf Coast, Inc. for the FGNW RISE Fund program. It is clear that the annual expenditure requested by FGNW exceeds the expenditure limit allowed by statute for Triumph administration, since the RISE application proposes to administer and market Triumph-funded activities.

The tax exemption itself could already be brought forward by any county or municipality directly to Triumph Gulf Coast for consideration. It seems both more workable and more desirable to have counties and municipalities working with Triumph Gulf Coast directly through their own designated economic development officers, as these are the officers already responsible for negotiating the local cost share of any incentive packages offered to companies.

The property tax payment incentive tool proposed by RISE already exists for the Triumph Board to use directly for a given project, should it choose to do so. The Triumph Board has consistently opined unfavorably on delegating authority for funding decisions to other organizations. The proposed marketing and administration functions are already performed by Triumph staff and by the economic development professionals in each county. The Triumph Board already faces a tight budget constraint for staffing to support project development due to the language in its enabling statute. Nor has the Board indicated a desire to allocate the additional major administrative expense that the RISE program would represent.

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.

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