

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: **CITY OF DESTIN, FLORIDA**

Brief Description of Background of Individual/Entity/Organization:

Destin is a city located in Okaloosa County, Florida. It is a principal city of the Fort Walton Beach-Crestview-Destin, Florida Metropolitan Statistical Area. Located on Florida's Emerald Coast, Destin is known for its white beaches and emerald green waters. Originating as a small fishing village, it is now a popular tourist destination. According to the Florida Department of Environmental Protection, over 80 percent of the Emerald Coast's 4.5 million visitors each year visit Destin. The city's brand is "The World's Luckiest Fishing Village", and has the largest fishing vessel fleet in the state of Florida.

The city is located on a peninsula separating the Gulf of Mexico from Choctawhatchee Bay. The peninsula was originally a barrier island. Hurricanes and sea level changes gradually connected it to the mainland. In the 1940s, it technically became an island again with the completion of the Choctawhatchee-West Bay Canal. According to the 2016 US Census, the City of Destin has a population estimate of 13,654 residents.

Contact Information:

Primary Contact Information: Lance A. Johnson

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Website: www.cityofdestin.com

Names of co-applicants, partners or other entities, organizations that will have a role in the proposed project or program: Okaloosa County Tourist Development Council; The Trust for Public Land.

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.

Public Beach Initiative in Destin, Florida

- i. Amount of Funds Being Sought From Triumph Gulf Coast
 - a. **\$12,000,000**
- ii. The Amount and Identity of Other Sources of Funds for the Proposed Project or Program
 - a. **\$2,000,000 from the City of Destin**
 - b. **\$6,500,000 from the Okaloosa Tourist Development Council**
 - i. This amount is being requested from the Okaloosa TDC for the 2020 Budget
 - c. **Up to \$250,000 from City of Destin Park Impact Fees.**
 - i. For construction use and pending approval by the Destin City Council. *Amount may increase over time.
- iii. The Location of the Project
 - a. Destin, FL
- iv. Summary of the Proposed Program (See next page)lor
-How the program will be transformational and promote economic recovery, diversification and enhancement of the disproportionately affected counties

Public Beach initiative in Destin, FL

Executive Summary

Destin's brand has been shaped by the city's unrivaled natural beauty and stunning white beaches. Destin is also well known as the "World's Luckiest Fishing Village", a family-friendly destination with unique southern charm. Since the 1990's, green space and dedicated public beach space has been on the decline within the City of Destin. After the Deepwater Horizon Event in 2010, BP funds were used to widely promote Destin as a vacation destination. The economic engines were rapidly fueled contributing to the increased density of development to match the increased demands of short term rentals. The BP funded marketing efforts were very successful and the City continues to feel the rippling effects today with record numbers of visitors annually. **During the summer, the Shore at Crystal Beach Park and James Lee Park regularly reach max capacity, and Henderson Beach State Park often closes its gates to paying customers due to the park being full.**

Warren Buffett once said "Your **premium brand** had better be delivering something special or it's not going to get the business." In the business world, it is often said that "a **brand** is creating an expectation and delivering upon it". Visitors who travel to enjoy Destin's family-friendly and vast sugar white sand beaches are finding it difficult to simply find space to place chairs on the beach and often deal with confrontational situations with property owners or vendors. It is critical that Destin is able to deliver upon our beach **brand** and meet the expectations of our visitors to enjoy a family-friendly beach vacation. Currently, Destin and Okaloosa County risks the economic impact and loss of tourism jobs resulting from our **brand** being irrevocably damaged. This Public Beach Initiative can change that outcome.

The most complaints received by Destin City Hall concern the difficulty of access to public beach parks and confrontation with private property owners/beach vendors, with majority coming from the Crystal Beach area. The lack of dedicated public beach parks and unobstructed water access is a threat to the City of Destin's and Okaloosa County's future economy. Destin has thousands of residential short-term rentals available for rent at premium rates. Destin is seeing a drastic increase in complaints and contention on the beach themselves as beach-goers contend for diminishing space. If the experience for our visitors declines, then the economic impact of our tourism will also decline. Rental rates will decline and will immediately impact the region's job market and economy.

The City of Destin has identified 7 possible properties for purchase for public beach parks. Each property owner voluntarily offered their property up for this initiative with an initial asking price. In figure B, you can see the density of short term rentals in this area. The area south of Highway 98 in Crystal Beach, is the source of the majority of beach complaints the city receives concerning beach-related issues.

CRYSTAL BEACH
CONTAINS
1800+ OFF-
BEACH
RESIDENTIAL
PROPERTIES
(NORTH OF
SCENIC
98/SOUTH OF
HWY 98)

IN 2018, MOST
SINGLE FAMILY
RENTAL UNITS
ADVERTISED
OCCUPANCY
FOR 14-35
PEOPLE

*SOURCE AIRDNA



Figure A

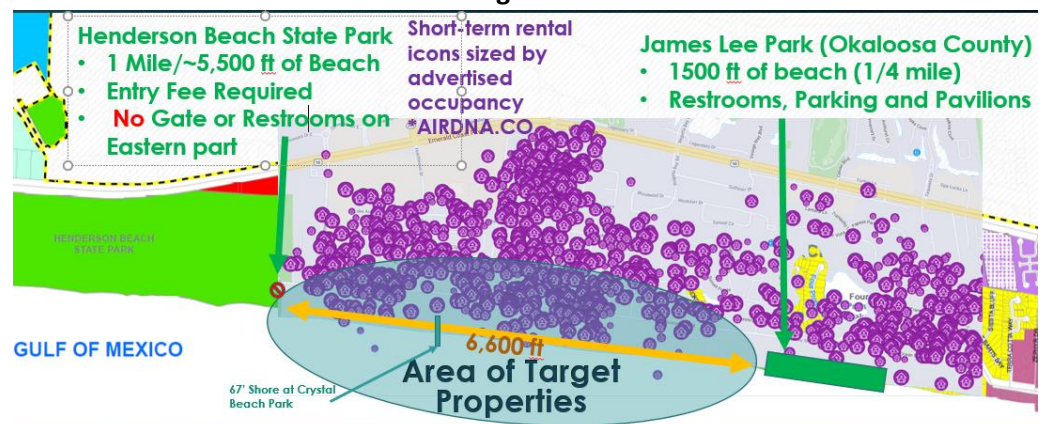


Figure B

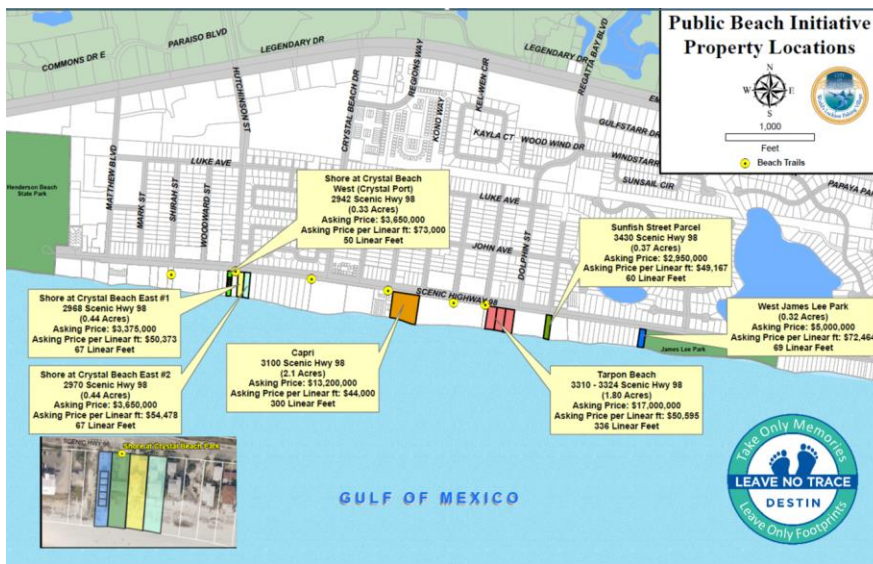


Figure C

The City of Destin has obtained appraisals for the identified properties and setup a comprehensive analysis and decision matrix to strategically move forward for acquisitions once funding has been obtained. The City of Destin is working toward partnering with The Trust for Public Land foundation to help in negotiations and acquisitions of future beach parks. City of Destin staff presented the following ranking matrix to be used as a guide for negotiations and was approved by the Destin City Council on March 18, 2019.



Destin is the most popular vacation destination from Navarre to 30A. Destin needs additional dedicated beach parks to accommodate the increased number of visitors. Beach front property requires a substantial amount of funding. The Destin City Council has committed \$2,000,000 to jumpstart this initiative and is requesting additional funding from the Okaloosa Tourist Development Council, Triumph, Trust for Public Lands and from multiple other grant opportunities.

- v. Summary timeline for the proposed project or program
 - a. Negotiations and purchasing of property can begin immediately, pending available funds. Demolition of any structures and some dune restoration could begin within 6 months of the purchase of properties. Use of the public beach could be immediate. The project could last up to 4 years, depending on funding mechanisms, design and construction needs for parks. The City of Destin is prepared to move forward as expeditiously as possible as funding becomes available.

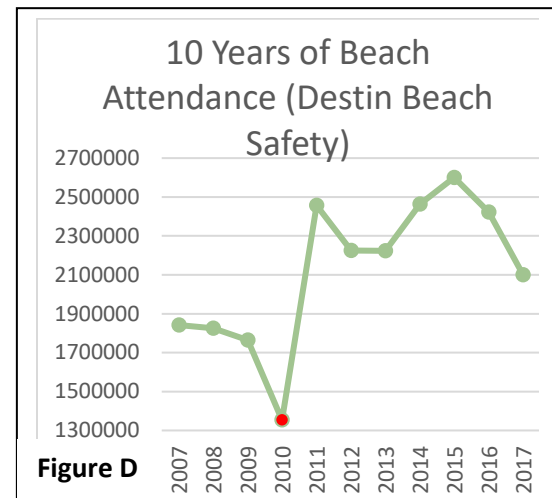


Figure D