

**RESOLUTION RELATING TO PROPOSED GRANT FOR
OKALOOSA COUNTY SOUTHWESTERN CRESTVIEW BYPASS (Project #45)**

WHEREAS, Okaloosa County previously submitted a grant request to Triumph for an award of \$64,100,000.00 for construction of proposed Southwestern Crestview Bypass and Raspberry Road Connector (“Southwestern Crestview Bypass”), in Crestview, Okaloosa County, Florida; and

WHEREAS, Triumph recognizes that the preservation and expansion of the military missions and defense-related jobs at Eglin Air Force Base, Duke Field, Hurlburt Field, and the 7th Special Forces depend on adequate transportation routes linking the communities of south and north Okaloosa County with existing and potential bases and sites; and

WHEREAS, the proposed Southwestern Crestview Bypass represents a unique public infrastructure project directly linked to the most significant contributor to the region’s economy and the area’s largest source of high-paying jobs; and

WHEREAS, on May 1, 2018, the Okaloosa County Commission joined the Crestview City Council in passing Joint Resolution 18-111, finding the Southwestern Crestview Bypass “to be the single most important, critical and valuable use of Triumph funds over the next five years for the benefit of Okaloosa County”; and

WHEREAS, as part of Joint Resolution 18-111 the Okaloosa County Commission and City of Crestview have committed not less than \$29,966,000.00 in funding for the project from the new local option sales tax revenues (approved in November 2018), TIFF proceeds, and local option gas tax revenues; and

WHEREAS Okaloosa County’s request of \$64,100,000.00 for this project exceeds by over three hundred percent (300%) the minimum allocation of \$15,000,000.00 designated by law as required to be awarded for Okaloosa County projects out of the initial settlement payment made to Triumph by BP.

NOW THEREFORE, BE IT RESOLVED THAT the Triumph Board of Directors authorizes and directs staff and legal counsel to negotiate with the applicant to present to the Board a Term Sheet for the Southwestern Crestview Bypass expressly contingent upon and subject to inclusion of the following terms, conditions, and provisions:

A. Okaloosa County securing funding commitments, satisfactory to the Triumph Board, for the total amount of the proposed Project (presently \$199,019,000.00) as well as any other funds necessary for completion of the Project as described in the application no later than June 30, 2020. Florida Department of Transportation funds shall be deemed to be committed when such funds are approved and designated for this project by the Legislature. No Triumph grant funds shall be disbursed unless and until the County has provided Triumph with

satisfactory evidence of firm and enforceable funding commitments for the Project totaling not less than \$124,919,000.00.

B. Triumph grant funds must never exceed 32% of the total cost of the Project. Should the Project costs increase above the \$199,019,000.00 set forth in the application, such additional funds to be obtained from non-Triumph sources.

C. Okaloosa County shall secure all right of way, property, easements, permits, plan amendments and other regulatory approvals from federal, state and local authorities prior to the disbursement of any Triumph funds.

D. Triumph's obligations under the Contract shall be expressly contingent upon the County and the construction manager at risk ("CMAR") agreeing upon a guaranteed maximum price for the Project budget no later than [December 31, 2020.] The County must provide Triumph with evidence satisfactory to Triumph that such guaranteed maximum price is in place. In the event that such guaranteed maximum price is not in place by [December 31, 2020,] the grant shall be deemed automatically rescinded and revoked and the Contract shall be deemed automatically terminated and any and all funds disbursed by Triumph for this Project shall be returned by the County to Triumph Gulf Coast.

E. Subject to the satisfaction of the contingencies set forth below, the grant award of \$64,100,000.00 shall be available for disbursement as follows: \$13,500,000.00 shall be available for disbursement as of the date of execution of the Grant Award Agreement from uncommitted funds currently held by Triumph; the remainder of the grant award of \$50,600,000.00 shall be committed from future tranches of funding received by Triumph from the Deepwater Horizon Settlement Agreement according to an agreed construction and disbursement schedule. All disbursements shall be contingent upon (i) cash and/or funding from all other sources continuing to be in hand or fully disbursed as described herein and in any Grant Award Agreement, and (ii) satisfaction of the other funding contingencies.

F. Creation of an agreed upon number of net-new-jobs in any of the Enterprise Florida targeted industry sectors paying at least one hundred fifteen percent (115%) of the county average wage. The specific number of jobs will be agreed to between the Applicant and Triumph staff. The Triumph economic advisor will use generally accepted economic modeling to project new jobs without the proposed project as a baseline for measuring net new jobs. The ramp-up period for these jobs must begin no later than three years from the opening of the Southwestern Crestview Bypass and the ramp-up period must be completed within three years. The job maintenance period shall commence at the end of the ramp-up period and the net new jobs shall be maintained for no less than seven of the following ten years.

G. In the event that any of the non-Triumph funding for the Southwestern Crestview Bypass fails to be contributed or diminishes without being replaced or any local government pledging sales tax proceeds to the Project decrease or delay the contributions, the Grant Award Agreement shall be deemed null and void. If either of the two aforementioned funding shortfalls occur or if any of economic metrics in paragraphs F & G are not met in their entirety, all Triumph funds disbursed shall be returned to Triumph by Okaloosa County. These repayment provisions shall be known as performance based "clawback" provisions.

RESOLVED FURTHER, that Triumph's commitment to move forward with negotiation of a Term Sheet is expressly contingent on the Okaloosa County Commission holding a public meeting where it votes to agree to the provisions and contingencies of this motion, including pledging the county to fulfill the clawback provisions, if necessary.

RESOLVED FURTHER, that the Triumph staff and legal counsel are directed to proceed with negotiations with the County over a definitive Grant Award Agreement that incorporates the terms of the Term Sheet, as modified by the foregoing resolutions, together with such other terms and conditions as are recommended by staff and counsel.

DULY PASSED AND ADOPTED by Triumph Gulf Coast, Inc., this ____ day of April, 2019.

TRIUMPH GULF COAST, INC.

DON GAETZ, Chairman

ATTEST:

Susan Skelton, Secretary