

Triumph Gulf Coast, Inc.
MyFloridaTriumph.com

Ms. Julie Smith
Veterans Lodge
1705 Metropolitan Boulevard, Suite 102
Tallahassee, FL 32308

June 19, 2019

Dear Ms. Smith:

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 # 100, "Veterans Lodge Village", was scored as an F based on the project's failure to meet the statutory requirements for public infrastructure and 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.

It appears that major activities of the Veteran's Lodge would be to treat an average of 175 patients per day. The proposal notes that demand analysis confirms there are a sufficient number of potential patients in a 125-mile defined market region for Veteran's Lodge to achieve the target volumes required for successful operations. However, Triumph staff are unable to determine from the information in the proposal how many of these veterans, and the jobs that would be created from serving them, would represent net new health care service demand for the region, as opposed to a Triumph-funded increase in market share for Veteran's Lodge coming at the expense of existing regional providers of health care services and long-term care.

The proposal indicates that the project will provide public infrastructure but does not identify a public sector recipient of such infrastructure. ***The applicant notes that this is a 501(c)3 organization, and therefore not eligible for an infrastructure award from Triumph under current statutory restrictions with no public partner.***

The request for \$25,000,000 in funding from Triumph represents 49.4 percent of the identified project cost. You have indicated that you expect to have \$9.3 million in New Market Tax Credit funding, along with \$4.1 million in financing, while the sources of funding for the land cost/engineering and the connector road are not specifically identified. While the proposal notes that an important outcome of the project will be training

for veterans, it appears from Attachment 3 of the proposal that all of the costs to be incurred are in support of infrastructure and physical assets.

The proposal notes that job training will be provided by Emerald Coast Technical College and CareerSource Florida. Triumph staff was not able to identify funds that are proposed to be spent in support of training, nor does the proposal specify the type and amount of career/technical education outcomes to be supported. Given the lack of information regarding net new jobs in the region, staff was unable to construct a benefit/cost ratio for this project.

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.

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

Sincerely,

A handwritten signature in black ink, appearing to read "Susan Skelton".

Susan Skelton
Executive Director