

Application Score Sheet

Proposed Project: Veteran's Lodge, Veterans Lodge Village (#100)

Proposed Project/Program County: Walton

Board of County Commission Support: Yes

Total Projected Project Cost: \$50,632,694.00

Match Provided: \$25,632,694.00

Triumph Funds Requested: \$25,000,000.00 (50%)

Triumph Funds Recommended by Staff: \$0.00

Score: F (Failed to comply with public infrastructure requirement in s.288.8017(1)(c), F.S.)

ROI: Based on the information provided in the application staff are unable to construct a benefit/cost ratio for this project.

Date: June 10, 2019

Economic Impact Analysis & Score

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 they are a 501(c)3 organization, and they are thus not eligible for an infrastructure award from Triumph.**

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, 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 request for \$25,000,000 in funding from Triumph represents 49.4 percent of the identified project cost. The applicants 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. Staff are 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.

For these reasons, staff score this proposed project as a “F” and do not recommend it for further action by the Board.

Given the lack of information regarding net new jobs in the region, staff are unable to construct a benefit/cost ratio for this project.

Project Summary (based on information provided by the applicant)

Veteran’s Lodge, a subsidiary of Veterans Holding, Inc., a 501(c)3, is requesting \$25,000,000.00 in Triumph Gulf Coast grant funds for approximately 50% of the costs associated with site infrastructure, education and training buildings, a rehabilitation center, police substation, assisted living/memory clinic, land costs, chapel, connector road and associated engineering to construct Veteran’s Lodge Village.

The Veteran’s Lodge project proposes to honor and empower veterans with a goal to ensure that all veterans get the best treatment and rehabilitation possible so that they may become the most successful and well-adjusted in our nation’s history. Their mission is to provide a healthy environment in a serene setting where veterans and their families can come to rehabilitate through predictive health, innovative education, and transformational research. Veteran’s Lodge proposes to provide the following:

- Patient rehabilitation;
- Post-secondary education;
- Job training for specific skills requested by affiliated employers;
- Cutting edge research and development for frontal head injury and PTSD;
- Temporary (up to 6 months) housing and
- Long term wellness care Holistic family therapy.

As stated in the application, the primary focus of Veteran’s Lodge will be on veteran’s abilities, not disabilities by providing enriching therapy, abundant education alternatives and a strong sense of community.

The project expects to lessen the burden on the U.S. government by reducing the number of veterans on disability. The stated ultimate goal of the project is the creation of a network of Veterans Lodge locations across the United States in areas with high concentrations of servicemen and women.

Three out of every four soldiers have been exposed to some type of blast trauma and intense combat situation, making it increasingly hard to decompress and rejoin civilian life. Homelessness continues to be a concern for the veteran population. Suicide rates increased 80 percent from 2004 to 2008. Last year, the suicide rate among veterans rose 37%.

Veterans Lodge Holdings currently owns a 1386+/- acre tract located at the intersection of I-10 and U.S. Highway 331. The Flagship Lodge will be located on 200+ acres of it in close proximity to airports, military bases, medical facilities and educational institutions. After a

strategic review, DeFuniak Springs, Florida (a Rural Area of Opportunity) in Walton County was selected and anticipates serving the needs of all Northwest Florida veterans.

Construction on the flagship site is expected to begin as soon as necessary permits (in progress) have been obtained. The City of Defuniak Springs has provided a letter of approval for immediate development for the initial 200 acre flagship site for all features including a Brain Injury Rehabilitation Center, Memory Care and Assisted Living, the Veterans Lodges, a variety of technical education services, an Amphitheatre for events, Chapel, and Commercial Food Services. Affordable housing and cabins are planned to be interwoven with recreational areas including a ropes/challenge course, equestrian area, meadows, gardens/orchards and conservation areas.

There are 21 military bases in Florida and Northwest Florida is home to a significant concentration of Air Force and Navy installations, including Naval Air Station Pensacola, Naval Air Station Whiting Field, Naval Support Activity Panama City, Eglin Air Force Base, Hurlburt Field and Tyndall Air Force Base.

There was found to be an estimated 13,695 veterans and/or active duty servicemen and women in the market region who could benefit from the care and support services such as those planned for the Veterans Lodge project. Assuming the Veterans Lodge will treat an average of 175 patients per day with each patient being required to receive at least six treatments, the total demand that would be required annually for the project would be 63,875 visits, or approximately 10,646 veterans in need.

The above demand represents a total need for nearly 13,700 veterans, which would equate to more than 82,000 annual visits, demonstrating a more than adequate market to support the project.

Funding and Budget (as provided by the applicant)

5. Please provide a Project/Program Budget. Include all applicable costs and other funding sources available to support the proposal.

A. Project/Program Costs:

Example Costs (Note: Not exhaustive list of possible Cost categories.)

Site Infrastructure	\$	20,568,217.00
Building (Education and Training)	\$	1,515,000.00
Rehabilitation Center	\$	5,268,270.00
Police Substation	\$	200,000.00
Assisted Living/ Memory Care	\$	9,625,000.00
Land Cost	\$	6,000,000.00
Chapel	\$	1,250,000.00
Connector Road	\$	5,706,207.00
Engineering	\$	500,000.00
TOTAL BUDGET	\$	50,632,694.00
TRIUMPH GULF COAST FUND REQUEST	\$	25,000,000.00
MATCHING FUNDING	\$	25,632,694.00

MATCHING FUNDING BREAKDOWN

Land Cost/Engineering	\$	6,500,000.00
Connector Road	\$	5,706,207.00
NMTC	\$	9,294,122.00
Financing	\$	4,132,365.00
TOTAL	\$	25,632,694.00

Letters of Support

Walton Board of County Commissioners

City of DeFuniak Springs

Walton County Economic Development Alliance

Healthmark Regional Medical Center

HuckPAC

CJS 331, LLC, Killian Construction Co. and Robert E. Low

O'Reilly Hospitality Management, LLC

WaveCrest Securities