

Triumph Gulf Coast, Inc.  
MyFloridaTriumph.com

March 15, 2020

Mr. Mario Gisbert  
City of Mexico Beach  
PO Box 13425  
Mexico Beach, FL 32410

RE: Triumph Proposal No. 155

Dear Mr. Gisbert:

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 # 155, "City of Mexico Beach Artificial Reef", was scored as a C based on 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.

The artificial reef proposed to be created with the sunken casino ship is intended to provide a new transformational marine habitat to promote tourism/ecotourism, boating, commercial/recreational fisheries, and SCUBA diving activities. It is also intended to enhance hotels, restaurants, marinas, charter boats and other commercial and recreational activities. The proposal cites studies showing that artificial reefs generate tourism commerce and bed tax collections. While the proposal cites studies associating job creation with artificial reefs, the proposal does not identify specific sources of net new jobs to the area nor does it propose a specific number of jobs guaranteed to have been created by the presence of the new reef. Further, the average wage identified by the 2014 Huth et al study cited in the City's application (p43 of pdf) was \$26,360 (translated forward to 2020 dollars from the original 2014 dollars). In contrast, the most recent annual average wage requirement for Bay County for State of Florida

incentives was \$38,736, so that the expected wage (as taken from the Huth et al study) was 32 percent below the County average and 41 percent below the level that the Triumph Board would typically require for an award of job creation incentives.

Because of the lack of a specific net new job creation number and associated performance guarantee by the applicant, and because of the low wages likely to be associated with the jobs that may be created in the tourism sector, staff score this project as a "C" and do not recommend further consideration by the Triumph Board at this time.

As you also may be aware, Triumph Gulf Coast is not the only source of funds arising from the Deepwater Horizon Oil Spill. The RESTORE Act, a federal law, provides \$6.2 billion to coastal states, counties and communities for environmental projects and other needs. If you believe your proposal qualifies, you may want to be in contact with the RESTORE coordinator in your county.

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 cursive script, appearing to read "Susan J. Skelton".

Susan Skelton  
Executive Director