

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 eligibility for potential ideas of 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.

APPLICATION INFORMATION

Name of Individual/Entity/Organization: Okaloosa County Board of County Commissioners

Proposal Title: Project Yellow

Amount of Triumph Funds Requested: \$1,500,000.00

Total Estimated Project Cost: \$28,663,857.00

Brief Description of Individual/Entity/Organization: Project Yellow is a leading developer and manufacturer of specialty parts for diverse defense uses. Its parts are in advanced systems for defense platforms supporting the US and other allies in a deterrence capacity. Project Yellow designs, develops, engineers, manufactures, and sells a complete range of state-of-the-art solutions for systems associated hardware, and other defense/aerospace related engineering and products. Project Yellow’s customers include many domestic and international companies, the United States Military and friendly foreign militaries around the world.

Contact Information

Primary Contact: Jane Evans

Title: Grants & RESTORE Manager

Mailing Address: 1250 North Eglin Parkway, Ste 102

City: Shalimar State: FL Zip Code: 32579

Telephone number: 850-651-7521

Email Address: jevans@myokaloosa.com

Website: myokaloosa.com

Names of co-applicants, partners or other entities, organizations that will have a role in the proposed project or program:

- One Okaloosa EDC
- Project Yellow
- Space Florida
- CareerSource Okaloosa Walton
- University of West Florida IRDF
- Northwest Florida State College
- Okaloosa Technical College
- Okaloosa County School District

REQUIRED EXECUTIVE SUMMARY

By way of background, Yellow is a leading developer and manufacturer of specialty parts for diverse defense and Civilian infrastructure uses. Its parts are used in advanced systems for defense platforms supporting the US and other countries in a deterrence capacity. Yellow designs, develops, engineers, manufactures, and sells a complete range of state-of-the-art solutions for systems associated hardware, and other defense/aerospace related engineering and products. Yellow’s customers include many domestic and international companies, the United States military and friendly foreign militaries around the world. Yellow is seeking to relocate its headquarters office, engineering and manufacturing facilities and R & D operations to the referenced Property herein. The company anticipates erection of an approximate 60,000 to 80,000 square-foot facility on the Property along with associated on-site infrastructure. Yellow will bring 25 to 30 jobs to Florida with an average salary of \$90K annually or

more, well above Okaloosa County's current average wage of \$53,156. Yellow has engaged a local architect as the project designer. The facility will be certified and comply to the following: ISO 9000, ISO 14,000, AS 9100 aerospace, Type 06-07-010 FFL, Federal Acquisition Rules, Defense Acquisition Rules, and TINA. They intend on significantly growing their business, investing in both R&D, and adding many different products not currently introduced to the Market. They intend to be one of the most sought-after companies to work for in Okaloosa County and the surrounding region. What is most unique about this company is that they conceive, design, engineer, test, produce, and certify their MIL-SPEC and civilian products in house. To accomplish these job requirements, they directly employ professional engineers, physicists, highly certified QA/QC personnel who are all experienced in the Military contracting business. All of the employees at this company are highly trained in their careers. The company has only a few competitors throughout the world in the products they produce and the services they provide. Below is a list of some of the attributes and further description of their business:

1. Half of their business is Engineering based with a portion of that being highly advanced R&D requiring very educated personnel, the rest of the business is high precision manufacture using complex, multi-axis machining centers.
2. The company exceeds working conditions and medical benefits beyond most Fortune 100 companies due to the requirements to work with them.
3. All of their machines are in an environmentally controlled building.
4. In Florida, they will have to control the building grounds, being that their processes and parts are highly restricted to public view.
5. Diesel truck traffic is minimal at approximately 5 to 7 trucks per month accessing the facility.
6. They work with the community sometimes taking on interns, and they support local schools, colleges, and universities to every extent possible.
7. They have very clean operations with no air or water pollutants.
8. Noise is minimal.
9. Currently, they are operating within a city that is mostly mixed residential, and they are only 500ft from major housing developments and restaurants. They operate with very few even knowing what they do or that they exist within the community.
10. From the community, they would require highly qualified candidates in Business, Engineering, Precision-high tolerance machining, and MIL-SPEC/Aerospace qualified QA/QC. Requirements may include master's degrees, bachelor's degrees, highly skilled HS graduates.
11. Employees must pass different levels of security background checks depending on their position or job.

Yellow has estimated the cost of relocation to Florida at \$29M.

Project Yellow		
Facility Relocation Budget		
Updated as of 10/18/2022		
Description	Estimate Cost	Budget
Land (10 acres @ \$20,000)	\$200,000.00	\$200,000.00
- Grading	\$ 2,406,550	\$ 2,406,550
Building	\$18,205,370	\$19,528,370
Machinery	\$ 5,532,274	\$ 5,612,687
Fixture & Furniture	\$ 685,000	\$ 719,250
Relocation Expense	\$ 197,000	\$ 197,000
Total	\$27,226,194	\$28,663,857

Yellow has signed an LOI with Okaloosa County on February 21, 2023, for Parcel 12 in the Okaloosa Industrial Air Park. Yellow has also gained a preapproved construction loan with Hancock Whitney Bank and is working with Space Florida to sublease the future facility in order to achieve tax efficiencies. Yellow has support from customers to help with funding for new machinery to be delivered to a new facility in the amount of approximately \$5,000,000.00, and those equipment orders have already been placed. Below is the timeline plan for Yellow relocation project:

1. LOI executed on February 21, 2023
 - 30 days
 - Current title commitment to be furnished from Okaloosa County
 - All site-specific studies, surveys and reports sent to the company
 - 45 days
 - Draft agreements to be provided to the Company for review
 - 90 days
 - Company completes site due diligence
 - Submission of all grant applications (including County approval of the same)
 - Parties must negotiate / execute any applicable repayment, ground lease, direct lease, security and option agreements
 - 150 days (no more than 60 days after the conclusion of the 90 days due diligence period)
 - Lease closing
2. Sign and building design – 7/21/24
3. Storm water permits – 7/21/24
4. Commence construction – 10/21/24
5. Certificate of occupancy – 4/21/26

Okaloosa County and the greater Crestview, FL community looks forward to having them in our community as they would add an industrial base and careers not currently prevalent in this area of the community.

Please Select the Proposal's Eligibility Category(s)

Pursuant to Section 288.8017, Triumph Gulf Coast, Inc. was created to make awards from available funds to projects or programs that meet the priorities for economic recovery, diversification, and enhancement of the disproportionately affected counties. The disproportionately affected counties are: Bay County, Escambia County, Franklin County, Gulf County, Okaloosa County, Santa Rosa County, Walton County, or Wakulla County. *See*, Section 288.08012.

1. From the choices below, please check the box that describes the purpose of the proposed project or program (check all that apply):
 - ☐ Ad valorem tax rate reduction within disproportionately affected counties;
 - ☐ Local match requirements of s. 288.0655 for projects in the disproportionately affected counties;
 - ☒ Public infrastructure projects for construction, expansion, or maintenance which are shown to enhance economic recovery, diversification, and enhancement of the disproportionately affected counties;
 - ☐ Grants to local governments in the disproportionately affected counties to establish and maintain equipment and trained personnel for local action plans

- of response to respond to disasters, such as plans created for the Coastal Impacts Assistance Program;
- ☐ Grants to support programs that prepare students for future occupations and careers at K-20 institutions that have campuses in the disproportionately affected counties. Eligible programs include those that increase students' technology skills and knowledge; encourage industry certifications; provide rigorous, alternative pathways for students to meet high school graduation requirements; strengthen career readiness initiatives; fund high-demand programs of emphasis at the bachelor's and master's level designated by the Board of Governors; and, similar to or the same as talent retention programs created by the Chancellor of the State University System and the Commission of Education, encourage students with interest or aptitude for science, technology, engineering, mathematics, and medical disciplines to pursue postsecondary education at a state university or a Florida College System institution within the disproportionately affected counties;
- ☐ Grants to support programs that provide participants in the disproportionately affected counties with transferable, sustainable workforce skills that are not confined to a single employer; and
- ☐ Grants to the tourism entity created under s. 288.1226 for the purpose of advertising and promoting tourism and Fresh From Florida, and grants to promote workforce and infrastructure, on behalf of all of the disproportionately affected counties.

Please Select the Priorities this Proposal's Outcomes will Achieve

1. Please check the box if the proposed project or program will meet any of the following priorities (check all that apply):
- ☒ Generate maximum estimated economic benefits, based on tools and models not generally employed by economic input-output analyses, including cost-benefit, return-on-investment, or dynamic scoring techniques to determine how the long-term economic growth potential of the disproportionately affected counties may be enhanced by the investment.
 - ☒ Increase household income in the disproportionately affected counties above national average household income.
 - ☒ Leverage or further enhance key regional assets, including educational institutions, research facilities, and military bases.
 - ☒ Partner with local governments to provide funds, infrastructure, land, or other assistance for the project.
 - ☐ Benefit the environment, in addition to economy.
 - ☐ Provide outcome measures.
 - ☐ Partner with K-20 educational institutions or school districts located within the disproportionately affected counties as of January 1, 2017.
 - ☒ Are recommended by the board of county commissioners of the county in which the project or program will be located.
 - ☐ Partner with convention and visitor bureaus, tourist development councils, or chambers of commerce located within the disproportionately affected counties.