

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: One Okaloosa EDC

Proposal Title: Project “Sound”

Amount of Triumph Funds Requested: \$6,000,000.00

Total Estimated Project Cost: \$15,900,000.00

Brief Description of Individual/Entity/Organization: Project Sound is a leading developer and manufacturer of integrated systems, sensors & weapons, and training & support systems for the defense industry. Its advanced systems are for defense platforms supporting the US Navy and other allies in a deterrence capacity. Project Sound designs, develops, engineers, manufactures, and sells a complete range of state-of-the-art undersea acoustic solutions, Project Sound’s customers and partners include many Tier 1 domestic and international companies, the United States Navy and friendly foreign militaries around the world.

Contact Information

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

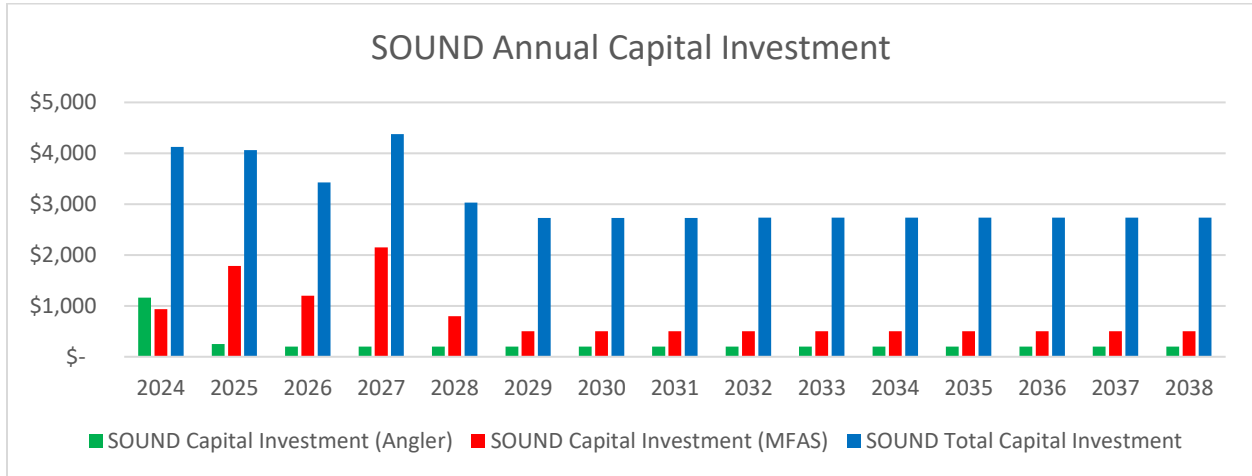
- One Okaloosa EDC
- Project Sound
- Space Florida
- CareerSource Okaloosa Walton
- University of West Florida IRDF
- Northwest Florida State College
- Okaloosa Technical College
- Okaloosa County School District

REQUIRED EXECUTIVE SUMMARY

By way of background, Sound is a leading developer and manufacturer of integrated systems, sensors & weapons, and training & support systems for the defense industry. Its systems are used in advanced systems for defense platforms supporting the US Navy in a deterrence capacity. Sound designs, develops, engineers, manufactures, and sells a complete range of state-of-the-art systems and associated software. Sound is seeking to start its High-Volume Manufacturing (HVM) operations in Okaloosa/Crestview FL. The company anticipates a crawl, walk, run approach to this business. The Triumph Guld fund will be used to grow from a small, leased facility (crawl phase) to the walk/run phase. Phase 2 will be the erection of a custom-built facility of approximately 40,000 square-foot facility. Sound will bring about 44 jobs to Florida within the first 5 years with an average salary of \$90K annually or more, well above Okaloosa County’s current average wage of \$53,156. Over 10 years there will be 140 jobs created with

over \$50M in salary over this period and \$108M over the 15-year total buildup of jobs.

- Average Position Salary
 - 2024 - \$91K
 - 2029 - \$75K
 - 2034 - \$86K
 - 2038 - \$97K



Sound projects the capital investment for this project over the 15-year ramp-up of projects will be \$15.9M

Sound intends to be one of the most sought-after companies to work for in Okaloosa County and the surrounding region. Sound will partner with local colleges, universities, and county entities to develop training programs, internships, and co-op programs to benefit both the community and the company. Sound products are highly technical state-of-the-art systems. To accomplish the design and manufacture of these systems, they directly employ professional engineers, scientists and highly qualified personnel who are all experienced in the defense manufacturing business. All the employees at this company are highly trained in their careers.

1. A quarter of their business is engineering and software based with a portion of that being highly advanced and classified R&D requiring highly educated personnel, the rest of the business is high precision manufacture requiring sophisticated assembly and test processes
2. The company is wholly owned by Thales Corporation and provides excellent working conditions, education, wellness, and medical benefits.
4. Sound will have to control the building grounds, as there are facilities that will be classified up to secret level.
6. Sound will work with the community sometimes taking on interns, or co-op students and will be active in supporting 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.
10. From the community, they would require highly qualified candidates in Engineering, Precision-assembly, and MIL-SPEC/Aerospace qualified QA/QC. Requirements may include master’s degrees, bachelor’s degrees, associate degrees, and highly skilled HS graduates.
11. Employees must pass different levels of security background checks depending on their position or job.

Below is the timeline plan for Sound HVM facility:

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|--|------------------------------|
| 1. Determine site selection for the facility | 4 th quarter 2023 |
| 2. Locate Phase 1 (Crawl) facility to lease | 4 th quarter 2023 |
| 3. Sign lease | Jan 2024 |
| 4. Design lease improvements and renovate | Jan-Jun 2024 |

5. Occupy lease building	July 2024
6. Identify funding for Phase 2(walk/run)	4 th Quarter 2023
7. Enter into agreement with Space Florida & Triumph Gulf coast	Mar 2024
8. Locate property and negotiate contract through Space Florida	Dec 2024
9. Design custom building	Jan 2025
10. Start Construction of new facility	Jan 2026
11. Occupy new facility	July 2027

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.

- 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 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.