

Okaloosa RESTORE Advisory Committee Meeting Minutes Summary
December 5, 2013 – 6:00 P.M.
Northwest Florida State College – Student Services Building (Room 133)

Meeting called to order at 6:00 PM by the Vice-Chair of the Okaloosa County RESTORE Advisory Committee (ORAC); those present:

- Dr. Jack Azzaretto (Vice Chair) FWB Chamber
- Jim Breitenfeld Citizen at Large
- Martin Owen Tourism Representative
- Kay Rasmussen EDC Representative
- Steve Shippee Environmental Representative
- Jonathan Tallman Citizen at Large
- Brian Haugen Niceville-Valparaiso Chamber
- Dr. Rod Lewis Haas Center (Okaloosa County Consultant)
- Lee Lewis AVCON Inc. (Okaloosa County Consultant)
- John Collins AVCON Inc. (Okaloosa County Consultant)

ORAC Member absent:

- Sam SeEVERS (Chair) Mayor of Destin (Okaloosa League of Cities)
- Cindy Frakes Okaloosa County School Board
- Capt. Gary Jarvis Fishing and Seafood Representative
- Thomas Gordon Councilman (Okaloosa League of Cities)

Others Present:

- Jessica Koelsch, National Wildlife Foundation
- Gloria Horning Center of Individual Living
- Joe Rector DRMP, Inc
- Jim Trifilio Okaloosa County
- Cal Zethmayr WAAZ-WJSB

Approval of Meeting Minutes

Ms. Rasmussen provided comments regarding the draft November 6, 2013 meeting minutes which included corrections to typographical errors on Page 3 and clarification on the third paragraph of Page 4 that the letter received from the City of Niceville was provided to the appropriate panel. Mr. Haugen provided a comment regarding a typographical error on the fourth paragraph of Page 4. Mr. Shippee requested the minutes clarify Mr. Paul Marieski as is the executive director of the Armament Museum Foundation. Mr. Shippee noted that Mr. Jim Alexander is not identified as present at the November meeting but believed he was present. Mr. Tallman recommended that a draft copy of the meeting minutes be provided to the committee prior to the following meeting to allow the committee an opportunity to review the minutes and provide written comments to the consultants in an effort to reduce the time spent discussing the previous meeting minutes. Mr. Haugen motioned to approve the November 6, 2013 minutes as amended. Ms. Rasmussen seconded the motion and the motion carried unanimously.

Dr. Azzaretto stated that he received an email from the public with comments regarding the ORAC Committee proceedings and he asked this individual to attend a scheduled meeting to provide comments to the Committee. Dr. Azzaretto did not provide a response to the individual's concerns and recommended that other Committee members respond in a similar manner if approached similarly by the public. Dr. Azzaretto commented that the Committee requested in the November meeting that all communication provided individually to each member be provided to the entire Committee. Mr. Lee Lewis stated that he will provide this communication to the Committee quickly.

Consultant's Administrative Report – Mr. Lee Lewis

Mr. Lee Lewis welcomed the committee and asked each person to sign the sign-in sheet and asked each member to speak loudly so the audio recorder in the middle of the room will pick up the discussions.

Mr. Owen proposed that the Committee allow for public comment prior to the Consultant's Administrative Report based on discussions that occurred during the October meeting. Dr. Azzaretto and Mr. Haugen both stated that this is not what was agreed to at the previous meeting and Dr. Azzaretto stated that all members of the public who wish to speak may do so prior to any votes held by the committee. It was agreed that the Public Comment agenda item will remain at the end of the meeting.

Mr. Lee Lewis reviewed the "Consultant's Administrative Report" presentation slides. He stated that the next regularly scheduled meeting will be January 8, 2013 from 2:30 PM to 4:30 PM at the Emerald Coast Conference Center based on input received from 7 of the 11 members.

Mr. Shippee stated that his County email was not working and asked if the County changed his email password. Mr. Breitenfeld also expressed the same concern. Mr. Lee Lewis stated that he will coordinate this issue.

Mr. Lewis reviewed the "Roadmap" slide and explained that we will spend several months developing the evaluation model which is an important step. Mr. Lee Lewis stated that the committee is ahead of most other counties in this process. Mr. Lee Lewis stated that we are already testing the model with two fictional projects to test the model's performance.

DMr. Azzaretto asked if there is an update regarding Okaloosa County's response to the treasury rules and Mr. Breitenfeld asked if the comments provided by the County have been provided to the Committee. Mr. Lewis stated that he will look into this and provide an update to the Committee.

Scheduled Presentation: No Presentation

Regional Meeting Updates –Mr. Lee Lewis

Mr. Lee Lewis reviewed the "Regional Updates" presentation slide and stated that Triumph Gulf Coast has selected 4 persons of the 5-person Committee which will be responsible for managing 75% of the funds from the State of Florida law suit for economic damages. Three of these four people are from Okaloosa County and include Stephen Riggs IV, Pam Dana, and Bob Bonezzi. The fourth person is Allen Bense from Bay County. Mr. Lee Lewis then reviewed the "Gulf Consortium Update" slide regarding a November 13, 2013 meeting in Daytona Beach.

Evaluation Tool

Mr. Lee Lewis reviewed the "Evaluation Tool-Terminology" presentation slide and explained that this slide is provided as a review from previous meetings and asked if there were any questions regarding the terminology. No questions were provided so Mr. Lee Lewis proceeded to review the "Evaluation Factors" presentation slide.

Evaluation Factors

Mr. Lee Lewis summarized the three main categories in the evaluation tool; economic, general, and environmental. He stated that he will attempt to finish the economic factors tonight which include economic diversity and return on investment (ROI). Mr. Lee Lewis commented that Mr. Sal Nodjoman recently provided the Committee via email on November 4, 2013 with a "White Paper" on the economic factors and a second "White Paper" on December 4 on the general factors based on feedback from the Committee regarding what factors were important. Dr. Azzaretto asked for clarification that the Committee is reviewing the economic factors during this meeting and Mr. Lee Lewis confirmed that the Committee will be reviewing the remainder of the economic factors at this meeting. Once the economic factors are reviewed to the Committee's satisfaction, the discussion will move on to the general factors.

Mr. Haugen asked if it is logical to assume that the evaluation tools being discussed are for the quantitative score only, and not for the qualitative score. Mr. Lee Lewis confirmed that this is correct.

Mr. Shippee asked if a summary of the evaluation factor lists prepared from the "sticky-note exercise" performed during the October 2013 meeting has been provided to the Committee. Ms. Rasmussen reviewed the meeting minutes prepared for the October 2013 meeting and confirmed that the list was itemized in the meeting minutes. Mr. Shippee asked if this summary was sufficient and Ms. Rasmussen commented that she thought it was sufficient. Mr. Haugen asked that a summary in a separate document be prepared and provided to the Committee with the

results determined from the “sticky-note exercise” and Mr. Shippee asked that the results be included in the January 2014 meeting presentation. Mr. Shippee asked if tourism was included as one of the evaluation categories determined in the October 2013 meeting and Ms. Rasmussen stated that it was not. Mr. Owen stated that although tourism is not identified as a separate evaluation category, it is accounted for in the other identified categories. Dr. Azzaretto stated that it would not be the best use of time to go back to these items discussed in the October meeting and Mr. Shippee commented that he agrees but does not want to leave tourism out of the evaluation process. Mr. Lee Lewis summarized that although tourism is not identified as an evaluation category, the economic impacts of tourism are accounted for in the other identified categories.

Mr. Lee Lewis reviewed the “Evaluation Factors – Economic” presentation slide and summarized that the Committee has discussed the gross product per RESTORE dollar invested analysis and will review the return-on-investment and economic diversification factors during the December meeting.

Evaluation Factor Examples

Mr. Lee Lewis introduced Dr. Rod Lewis who then began the presentation on the economic diversification factor. A fictional example was reviewed with the Committee showing varying input assumptions which would be provided by the project applicant. Mr. Breitenfeld asked if the Committee will be able to review the projects core assumptions and determine if the assumptions are reasonable or not. Dr. Rod Lewis commented that the experts will evaluate the core assumptions and provide a recommendation to the Committee regarding the accuracy of these assumptions. Ms. Rasmussen asked for Dr. Rod Lewis to confirm her understanding that the consultant’s role during the project review phase includes review of the core assumptions and determine if the core assumptions are accurate and vet the proposals. Dr. Rod Lewis confirmed Ms. Rasmussen’s understanding.

Mr. Haugen commented that the Committee may not agree with the results of the model output for certain projects but that they will have a qualitative evaluation piece which will contribute to the overall rank of the project.

Dr. Azzaretto commented that the Committee reserves the right to question anything about the model. Mr. Breitenfeld stated that this is the time to develop and become comfortable with the quantitative models.

Dr. Rod Lewis reviewed the diversification model which included the gross domestic product for each of the 19 economic sectors in Okaloosa County. Mr. Shippee expressed his position that the GDP of \$3.6M for fishing/forestry/related activities seems low and asked where the data came from. Dr. Rod Lewis stated that the source of the data is the Bureau of Economic Analysis (BEA) and the Quarterly Census of Employment and Wages (QCEW). Mr. Shippee asked for Dr. Rod Lewis to provide the sector category descriptions to the Committee and Dr. Rod Lewis confirmed he would make these available.

Dr. Rod Lewis explained that the purpose of the economic diversification factor is to provide credit to projects that contribute economic benefit to under-represented sectors since Committee identified economic diversification as an important factor in the evaluation process. Mr. Breitenfeld stated that there are reasons why certain sectors are smaller than others in Okaloosa County. Mr. Haugen stated that he likes the economic diversification model in theory; however, the military is not a sector in the model. Dr. Rod Lewis commented that the military is not a stand-alone sector because it is represented in the other sectors. Mr. Haugen commented that there is no way to completely evaluate these factors quantitatively and some subjectivity will be accounted for in the qualitative evaluation.

Dr. Rod Lewis summarized the economic diversification factor and explained that the Committee can either ask the experts to use the economic diversification model that was presented or the committee can use a scale from 1 to 5 to rank the economic diversification of each project.

Mr. Shippee asked if quality of life can be quantified. Dr. Rod Lewis stated that this is very difficult to quantify and Dr. Azzaretto agreed that it would be a challenge to quantify quality of life and a decision does not need to be made tonight whether the Committee will use the presented economic diversification model or use a 1 to 5 scale.

Ms. Rasmussen commented that the economic diversification factor is only one of several in the overall score and recommended that the “Quantitative Score” slide from the previous meeting be included in the January 2014 meeting presentation to review the other factors which will ultimately contribute to the overall score.

Due to the time remaining, Dr. Rod Lewis provided a brief overview of the return on investment model. The review included the two fictional project examples used for the economic diversification example. Dr. Rod Lewis will discuss the model in detail during the January 2014 meeting.

Dr. Azzaretto summarized the meeting points. Two economic factors were discussed tonight, economic diversification and return on investment. The Committee will need to decide to what extent the scientific models will be utilized in the project evaluations.

ORAC Open Discussion

Mr. Lee Lewis asked if there was any new or old business.

Mr. Breitenfeld stated that the presentations were difficult see on the screens and requested that the seating be moved closer to the presentation screens for the upcoming meetings or provide handouts.

Ms. Rasmussen thanked Dr. Rod Lewis for his hard work in preparing for and presenting the economic models.

Mr. Shippee also thanked Dr. Rod Lewis for his hard work and mentioned that he attended the Santa Rosa County RESTORE meeting and offered the slides from the meeting to Mr. Lee Lewis for distribution to all Committee members. Mr. Shippee stated that it appeared Santa Rosa County was further along in the evaluation process than Okaloosa County and Dr. Rod Lewis stated that they are further along but their evaluation process is much more qualitative than the process being reviewed by the ORAC Committee. Dr. Azzaretto commented that he would like to see the slides from the Santa Rosa County RESTORE meeting.

Public Comment

Jessica Koelsch, National Wildlife Foundation, provided the Committee with an update on the treasury roles. She stated that Natural Resource Damage Assessment (NRDA) has finalized their Phase III projects and Okaloosa County was awarded two projects. Ms. Koelsch presented a chart depicting the status of other counties in the RESTORE process and commented that Okaloosa County appears to be ahead of most other counties and the counties that appear to be ahead of Okaloosa County are adopting a more qualitative approach to the evaluation process.

Dr. Gloria Horning with the Center of Independent Living provided a handout to Mr. Lee Lewis summarizing Americans with Disabilities Act (ADA) rules and encouraged the Committee to consider ADA requirements when implementing projects.

Dr. Azzaretto adjourned the meeting at approximately 8:01 PM.

Minutes transcribed by notes taken by John Collins (AVCON Inc.) and are not verbatim.

//signed – ja – Jan 7, 2014 //

Dr. Jack Azzaretto
Vice Chair