

Meeting Minutes  
Application Drafting Committee  
Destin City Hall Annex  
Destin, Florida  
October 4, 2017  
10:00 a.m. CT

Members Present:

Dr. Pam Dana, Chair  
Mr. Robert Bonezzi  
Mr. Stan Connally  
Mr. Jason Shoaf

Committee Chair Pam Dana called the meeting to order at 10:00 a.m. CT. She thanked the City of Destin for allowing the group to use the meeting room and recognized Representative Mel Ponder.

Executive Director Susan Skelton called the roll and announced that all members were present.

Chair Dana reviewed the work of the committee to date and said that the committee had asked the legal team to come back with a foundational draft document for the committee to consider.

Ms. Elizabeth Billhimer, Clark Partington Law Firm, presented the draft application document and said that the team started with the statute, and then used other State of Florida program applications that are similar to the Triumph Gulf Coast process as a starting point. She said that the application identifies both the statutorily defined priorities and the priorities that have been identified by the Triumph Gulf Coast Board. She noted that the application is divided into parts, a general section that will apply to all program applications that asks about eligibility, statutory and board priorities, approvals and authorities, and funding/budget. She said that the application then includes supplemental sections that address questions about infrastructure and workforce training projects. The end of the application includes a section on certification and assurance that the applicant is authorized to complete the application, and understands the requirements of the grant program and application process.

Mr. Connally asked why there were only two supplemental sections, infrastructure and workforce training, and not supplemental application sections for other categories. Ms. Billhimer said they started with those larger categories, but could add supplements for other types of programs if that is the wish of the committee. Mr. Connally said he thinks the tourism sector, and all of the other categories should be captured in the supplemental application sections. He said he knew there would be refinements over time, and while keeping the process simple, it is important to capture as much information as possible up front.

Chair Dana noted that the DEO Jobs Growth Grant Fund was used as the foundation document for this draft. That provides us with a basis for consideration, but Triumph projects are unique. She said that the discretionary priorities need to be included on the first page after the statutory priorities on the first page of the application. She said that the eligibility information needs to appear even before the first set of bullets at the top of the application. Mr. Connally agreed that the committee needs to be sure that the discretionary priorities are spelled out. He said there should be a companion section to the eligibility section that asks how the applicant meets the discretionary priorities.

Mr. Connally said that targeted industries within the region should be delineated, so that the applicants can see, up front, what those areas for consideration are to be, and to ask the applicants how their projects fit with those targets. Dr. Dana noted that Florida's Great Northwest has identified aerospace/defense, cyber-security, water transportation, advanced manufacturing, and information technology as targeted industries. The Northwest Florida FORWARD Strategic Plan is a living document that is in place and can be used as a good base document for identifying those targeted industries for Triumph Gulf Coast.

Chair Dana asked Mr. Shoaf if he thought that the draft application captured the rural component. He responded that there was nothing at this point that made him uncomfortable from the rural perspective.

Chair Dana raised the issue of whether the committee wanted to recommend a pre-application to be included as part of the application process. Mr. Shoaf said that a one-page, brief "hello" document that introduces a project and how that project meets the goals and objectives of Triumph Gulf Coast would be a good idea. Mr. Connally noted that Senator Gaetz had spoken to the pre-application document as a way of introduction in an email that was shared with the committee members at the table for this meeting, and that such a pre-application, as described by Mr. Shoaf and Senator Gaetz, would be appropriate and helpful. Chair Dana said that Senator Gaetz described a three-phase evaluation process to include basic screening, third party validation, and post award program compliance. She said that she assumed that third party validation could be application review by a screening team, subject matter experts, or an economic advisor. Mr. Shoaf said that he thought it was a good idea to consider hiring a project administrator that could come in and assist in outreach to subject matter experts, scoring and with phase three compliance requirements. Dr. Dana noted that the committee decided at the last meeting that such a program administrator be brought on to do that work, as well as an economic advisor.

Chair Dana asked the legal team to rearrange the application to reflect the discussion, including having the eligible uses of Triumph Gulf Coast funds as the first section of the application; followed by the priorities, both statutory and discretionary; and then the actual application, with more applicant information so that more due diligence can be performed in the screening process. Perhaps, the

applicant could provide a description of their entity and some of the activities that they are involved in for consideration. More information is needed on where applicants had applied for funding in the past, and what was the disposition of such requests. On page 6, she said the statutory priorities are listed for selection of eligibility, but need to include the same check off for the discretionary priorities. On page 5, need a question about how proposal could be transformational to the region over the next ten years. The board has been focused on economic transformation, but that has not been reflected in this draft. Mr. Doug Bates, Clark Partington Law Firm, asked if a follow up question regarding previous funding requests needs to include additional information. Chair Dana said that it would be important for the board to know if a project has applied repeatedly for funding from other sources, and continues to be turned down, what the reason for such rejection may be. She said if an entity already has received funding for an ongoing project, it would be important to know how much has, and can be expected to be awarded, and what percentage of the project is still unfunded. Ms. Skelton asked if it would be appropriate to have a question about projected outcomes within that section to guard against Triumph Gulf Coast being spent for the same thing that has been, or may be funded from other sources. Chair Dana asked the drafting team to fit that concept into the section.

Mr. Connally said that it is very important that Triumph Gulf Coast not supplant other funding sources. He said there needs to be a way for the applicant, and our team, to assure that requested funding is not already being allocated from another source, such a project that is already slated for funding on a Department of Transportation plan. Representative Ponder said that this was a concern of his, as well.

Mr. Connally said there needs to be a stronger reference about how impacts of a project will be measured over time, and how performance funding will be addressed. He said that the application needs to address performance funding and the deliverables that would be expected. He said applicants should be asked to describe deliverables. On page 7, he said that the question on funding and budget asked the percentage of funding requested from Triumph Gulf Coast. He said that such a percentage could change over the life of a project determined by outside factors, and a project that was originally supposed to be partially funded could become almost entirely funded by one entity or another if the other funding sources do not fully participate. He said the Triumph Gulf Coast obligation should be to a dollar amount, not to a percentage of the cost of a project. He does not want there to be any misunderstanding by the applicant about the level of obligation.

Chair Dana said that, on page 7, referring to if a project is ready to begin, there should be questions about whether permits and authorizations are complete, and more details about the status of the project. Under bullet 4, she said it would be appropriate to have letters of support from project partners. She said that under the Funding and Budget Section, if there was going to be a question about job

creation, it should ask how many jobs the project is expected to create, under Part B of the section, ask for information about the county's average wage, or something like that.

Chair Dana noted that some projects may span across several supplemental sections and it needs to be made clear that applicants may need to fill out multiple parts of the application, but if a question has been asked and answered in one supplement, it does not need to be answered again in a subsequent application. She said, particularly for infrastructure projects, there needs to be a request for the applicant to provide data to prove the viability of a project.

Mr. Shoaf asked if there was a way to ask applicants to make initial investments in a project, and then allow for reimbursement of funds from Triumph Gulf Coast once the project is started, with a business plan in place, and proven viability through secured bank loans, etc. Mr. Bonezzi said it is important that everyone understand that Triumph Gulf Coast money is not unique from an applicant's perspective, that there are many places and programs throughout the country that are offering free, or cheap, funding for incentivization to draw in corporations and jobs. He said successful enterprises have many, many options. Mr. Connally said that in our state today, there is a lot of focus on performance, and there must be an element of clawback. He said that those elements must be a part of the process. He said that creativity and flexibility are important for competitiveness, but that Triumph Gulf Coast must also focus on performance and the ability to control funds if not properly utilized under the program. Mr. Shoaf said he understood, but that he hoped Triumph Gulf Coast could work to be creative in maximizing these funds.

Mr. Bonezzi said that this approach seems very government oriented, and that Triumph Gulf Coast has not reached out, from a business perspective, to aggressively pursue the big deals that will bring transformation. He said that the application has not addressed the types of financial questions that are normally asked in preparing large business deals, such as net worth, how much money in the bank, etc. He said at a minimum, we should look to banking thresholds based on the size of an application. He said that the requirement for exceeding the national average household income should be removed. He noted that it was unrealistic for a businessperson to be able to determine, in advance, whether that test could be met, and that it was unfair to include such a requirement. He said it was more relevant to ask what salaries would be paid, how many employees would be hired, what individual levels of income would be, as opposed to household income, that could be skewed by the salary of a spouse or other member of the household. Chair Dana noted that the requirement was part of the legislation that was signed into law this year, so it can't be stricken. She noted that a project that creates a few high wage positions, particularly based on geographically, could have much more transformational impact than one that creates many low wage positions. She said that was why discretion in the decision process is so important. Mr. Bonezzi asked that less importance be put

on the national average household wage priority. Mr. Connally said there are companies that are used to applications similar to this one, and that he thinks companies will participate, but he recognized that the application does create burden, but not too onerous. He agreed with Mr. Bonezzi and Chair Dana that there should be some business related questions at the beginning of the application.

Chair Dana said that while Triumph Gulf Coast funding can't be used to bring in individual businesses like traditional economic development programs, things like workforce training that could benefit more than one entity are eligible.

Mr. Connally said that the intent is not to over-engineer or under-engineer the application process. He asked the committee to consider a three phase approach with the first phase being the pre-application process, then the first part of the application process that would open perhaps 10% of the funds up for award in a first round to get the process started and to test out whether the process makes sense and asks enough questions to give the board what it needs to make decisions without requiring too much of the applicants. Include the applicants in a review process, and then make necessary tweaks before moving into full production mode. He said it is important to move ahead, but to have a process that is objective and defensible. He said he might propose a process that starts the pre-screening, starts the application phase with an understanding that maybe only \$30 million is awarded in the early phase, then pause and see what worked and what didn't. Mr. Bonezzi concurred and reiterated that he does not think that the majority of the awards should go to governments for government type projects. He said he would like to set a percentage for how much funding should go to business and how much should go to government projects. Chair Dana explained that the legislature changed the original law to limit the uses of the funds to more government type projects. She agreed with Mr. Connally that there should be an accelerated first phase to test the process. She noted that the third phase would be the evaluation by the administration staff to assure that a project met all of the requirements before final Board Action to approve a project for funding.

Mr. Shoaf asked the legal staff to help with an explanation of what entities may receive funds, and for what purposes. He said he agreed with the concerns of Mr. Bonezzi, and in a perfect world, such a percentage system made sense, but he still needs to understand what can and cannot be done with these funds. Chair Dana said it was her understanding that monies could not be awarded directly to a business for the improvement of that business. If a government wanted to support a business, and owned the real estate related to the project, then Triumph funds could be used for support projects, such as sewer, roads, etc., but could not be used directly for the business. She asked if a business could apply for a training program for its employees, or if the training would have to be applicable to a class of employees rather than specialized to a particular company. (Response from Representative Ponder inaudible.) Chair Dana invited

Representative Ponder to the microphone for his response. Representative Ponder indicated that the workforce training could be to assist with such projects, but not to directly incentivize specific companies. He said local colleges, universities and trade schools could be used to assist in developing needed job skills for the region to benefit several companies, not just one company. He said the funds could be used to build a culture of growth within the region. Chair Dana said that the board has always discussed how best to leverage industries to maximize partnerships. Mr. Shoaf asked how that could be reflected in the application. Mr. Connally said that it was one of the questions in the infrastructure supplement that asked how a public infrastructure project would connect to a broader economic development vision or culture for current or future businesses. Mr. Bonezzi noted that the demand for welders across the region continues, and training centers could be developed for workers for many types of good paying welding jobs that benefit the economy as a whole. Chair Dana said Triumph should search out these types of clusters.

Mr. Shoaf said he is focused on how funding can go to businesses to help create better public infrastructure and workforce training.

Ms. Billhimer asked for clarification about what the pre-application should include, and how much information should be requested at the pre-application level. Mr. Shoaf said that he thought it would be something like a cover sheet that summarized the project and provided enough information to show viability. Chair Dana said a two or three page description of the project should be enough to make the point to the board about what a project would look like. Mr. Connally said it was important to establish, right up front, whether a project would be sustainable and viable going forward. Mr. Bates asked if the executive summary should define the project size, or if that would come with the longer, more thorough application process. Mr. Connally responded that he thought it was important to see the proposed project size to help staff determine what type of due diligence would be required for approval. He said knowledge of the size, complexity, number of partners involved, etc., was pertinent information that could be helpful. Ms. Skelton noted that it would be important to know the timeliness of the application, whether the project design was completed, on the shelf and shovel ready, and if not, what the timeline for commencement and completion would look like. Mr. Bates agreed and said that the length of time that the application takes to complete needs to be considered in the timeline. There may be some projects that are complex and the application might take a long time to go through. Mr. Shoaf said there should be clarification on what "ready to commence" means. Ms. Billhimer noted that there are two timelines being discussed here, and Mr. Bates said that the team would go back and clarify those.

Mr. Connally said there needs to be a conversation at the board level about Triumph's readiness to accept county priority lists. He said it is time to signal to the counties that it is time for those lists to begin to come forward.

Mr. Shoaf said there needs to be something included about how an entity will comply with clawback requirements. Chair Dana said that those details are usually included as part of the contract negotiation process. She said that information is important, but should be in the contract phase. Ms. Billhimer said there could be a check off that states that an applicant understands the statutory requirements for clawback.

Ms. Billhimer clarified that individuals, entities, or government bodies may apply, but the proposed projects must meet the eligibility requirements. She noted that one of the statutory priorities is that a county commission may recommend a project.

Chair Dana asked if the pre-application process would be a rolling process along with the rolling process for the application. She asked staff to address that issue.

Mr. Connally said he would provide language for a recommendation to let counties know that the process was open. Chair Dana asked if there should be a maximum length of the application information. Mr. Connally said that while brevity is always better, the process should remain open for now and see what length applications come in in the first round. Chair Dana said that it would be important to clarify that attached answers to questions on the application would be considered as part of the application.

Mr. Connally recapped the recommendations and proposals from the meeting to be that the committee would be recommending a pre-screening process for applicants, that a screening entity needs to be identified, that there is a notification process that will need to be laid out and made clear. He said all of that, along with an application document and proposed timeline should be included in the board discussion at the October 10 meeting. He said the board could consider taking a “first phase” small percentage of the funding through the initial application process, and acknowledged that the process would not be perfect at the beginning. While it would be an open, rolling process, there needs to be the opportunity to make adjustments going forward. He noted that the board needs to identify the economic advisor, as well. He asked the legal team to get the information out to the board members as far ahead of the meeting as possible so that they have a chance to review it before the meeting.

#### Public Comment

Michael Langton, Langton Consulting, said that while today’s draft is a good start, there needs to be a lot of work. He said there should be a rules process, guiding principles, a grant application, and the evaluation criteria. He said applicants must know up front how they will be evaluated. He said that the package is not ready for approval at the next board meeting. He said that the 10% “first phase”

is not a good idea. He said there should be 30-45 days of public comment prior to implementation.

Austin Mount, Executive Director of West Florida Regional Planning Council, an agency of the state government, serving seven counties in west Florida to help with grant writing, etc., is the Chair of the Infrastructure Council of the Northwest Florida FORWARD Strategic Plan workgroup. He said that through his RPC job, and FORWARD workgroup activities, his organizations see all of the major infrastructure programs in the area. He offered support to assist with reading federal, state and local grant programs together with Triumph Gulf Coast. He said you will see some bad, and some good applications, and sometimes the bad applications are hiding good projects and vice versa. He said that while they will be working closely with cities and counties in the application process, they are available to assist with project review in the infrastructure category.

Michelle Taylor, Workforce Education Director for Escambia County School Board, said workforce development is beginning earlier and earlier, school districts (including technical centers) can have a large impact on workforce training, and that flexibility needs to be maintained in the proposals, particularly regarding matching funds. She said her district has a history of investing in workforce training that has resulted in new jobs coming to the region from an industry that needed an in place workforce to come to the community. She said they didn't ask for funds, but that private match funds for school districts might be a problem, and that up front investments are paying off.

Tim Hague, Emerald Coast Utility Authority, a special district for water and wastewater in Okaloosa and Escambia counties, asked if the pdf versions would be available, and that the iterations be dated, on the website. He said that local budgetary processes require that a "shovel ready" project already have funds committed. He said the issue of supplanting at the local level may be complicated, as "shovel ready" projects may already be budgeted in local budgets. He said the aspect of supplanting and supplementing needs more discussion. Chair Dana said she thought that the concern was that the legislature might somehow take already slated funds from the region to be replaced with Triumph Gulf Coast funding. She said that the language was there to protect the region from such actions. Mr. Hague then asked for clarity on the issue of match, and what can be considered as in-kind match. Mr. Connally asked if the statute defines what constitutes a match or if that would be up to the board to define. Ms. Skelton noted that there are programs in other statutes that allow for cash and in-kind match (such as the FRDAP Grant), so there should be definitions that could be used by the board. Mr. Hague said that his entity provides use of reclaimed water that might be eligible as in-kind match for projects.

Shelly Marshall, Escambia County RESTORE Coordinator, said the pre-application process, similar to what the Gulf Research Council did, was a great way to assure that no one's time is being wasted in the process. She said that if you decide to do a test period, perhaps a particular subject area or activity could

be highlighted for the test phase. She cautioned against projects that covered multiple eligibilities, and that adding categories did not always enhance a project even though the total score might be higher. She said it might be a good idea for there to be a way for the public to just provide good ideas that might not be ready for the application process yet. She said it is very important for applicants to be able to identify and budget for monitoring requirements and costs on the front end of the process.

Bill Williams, Walton County, suggested that at the pre-application level, make it simple enough that you don't lose businesses, but rather use the pre-application to find solutions and business connections that can work. He said that Triumph Gulf Coast has the opportunity to guide transformation through making connections from the fragments of applications into appropriate industry clusters or groups that can work together. He said the right people can help get industries in the right focus area. He said it is important to know what is being marketed to the outside. The screening process should be ideological as well as technical.

Jim Muller, Bay County RESTORE Coordinator, said the counties are trying to wait to use the format that Triumph Gulf Coast wants them to use. He asked for documents to be posted on the website prior to the meetings.

Debbi Douma, Dean for Grants and Federal Programs at Pensacola State College, echoed the need for an evaluation rubric for grant writers to understand what is to be measured. She said that there may be projects that cross into various categories, but it needs to be clarified whether that requires one application or one for each category. Chair Dana asked staff to work on that issue.

Warren Yaeger, Gulf County RESTORE Coordinator, asked if a company came to a county and said it needed a particular building configuration, and the county owned the building and leased it to the company, would that expenditure be legal. Chair Dana said she did not think a county would be prohibited from owning and leasing a building to a specific private entity. Mr. Connally said it was his understanding that such a situation might not be ok. Mr. Yaeger said he was concerned about the appropriate uses, and asked for clarification from the legal staff and the legislature. Ms. Bilhimer said her team would research the question further and try to bring an answer back to the board next week. Mr. Yaeger said governments just want to understand what is allowable and there needs to be a specific answer. Chair Dana said it might be appropriate to reach out to the legislative delegation for clarification, as well.

Cory Hedge, a 211 Partner Development Coordinator, Rotoract Interact District Chair, and Partner Development Coordinator for Port of Olympia, LLC, encouraged the committee not to make too hasty decisions about the process as he thought there could be upwards of 10,000 project applicants. He noted that

his father was a Coast Guard officer who managed the response to the BP Oil Spill and he wants to follow in his father's footsteps to do well.

Dan Rowe, Bay County Tourist Development Director, asked the committee to consider an appeals process in the pre-application phase so that if a project is rejected at that point the board could still consider the project. He said some of the counties have not been pushing forward on soliciting projects, so it should be made clear that the initial projects would not count towards the county allocation. He asked that there be specific application questions for the specific types of eligible grants. Chair Dana said that Mr. Connally had addressed the specific application addenda issue.

Brice Harris, University of West Florida, asked the committee to consider the question of what tools would be used for economic impact analysis and whether the applicants would be responsible for analysis, or if the economic staff would perform that analysis. He asked for a definition of a "year" as it pertains to disbursement of the funds. He said that consideration might be given to what types of activities might be performed in a government owned building that could legally be applied towards an economic transformation goal, i.e., if the government owned a building, leased it to a private entity, and the private entity then performed workforce training that would be applied across more than one business, perhaps such usage could qualify for funding. He asked if local governments would be on the hook for payment of any clawback costs if the local government partners with a private entity. Chair Dana said that focus on performance based funding could alleviate some of those concerns. Dr. Harris outlined several solutions that could be considered in the contract negotiations, including letters of credit, to protect both the government and Triumph Gulf Coast in the event of non-performance.

William Harrison, of Bay County, representing himself, asked the committee and legal team to review a legal question about the funding allocated to the counties, and what the intent of the statute may be relative to the "words on the page." He noted that s. 288.8013 F.S., paragraphs b(1) and d, 40% goes to the counties in the first year, with less in the future. He said that the remainder could be allocated by Triumph Gulf Coast. He said that trying to understand the statute, there needs to be flexibility from county commissions to provide funding for things not listed in s. 288.8017, F.S. Mr. Shoaf said his understanding that the purpose of Triumph Gulf Coast is to provide economic transformation, and every time this question comes up there is a different answer. He asked the legal team for a definitive answer to these questions.

David Woods, Project Lead The Way, thanked the committee for the work being done and introduced the members to the national stem project that they bring into school systems in partnership with large national corporations. He said that the company could help with matching school districts with corporate partners to create workforce-training solutions throughout the region.

Mr. Connally said that he wants the legal team to provide clear interpretations about all of these legal questions that the board can follow. He asked the public to respect the fact that the board must look for flexibility, but must pay attention to the legislative directives offered by the statute.

Chair Dana adjourned the meeting at 12:18 p.m. CT.