

Meeting Minutes
Triumph Gulf Coast Board Meeting
Franklin County Courthouse Annex
34 Forbes Street
Apalachicola, Florida
January 29, 2018
1:00 p.m. ET

Members Present:

Allan Bense
Stan Connally, Jr.
Pam Dana, PhD
Don Gaetz, Chair
Benjamin Lee
Stephen Riggs, IV
Jason Shoaf

Chair Don Gaetz called the meeting to order at 1:00 p.m., ET.

Ms. Susan Skelton, Executive Director, called the roll and announced the presence of a quorum.

Chair Gaetz thanked the Franklin County Commission for allowing Triumph Gulf Coast to meet in the Commission Chambers and introduced County Commission Chair Joseph "Smokey" Parrish for remarks. Commissioner Parrish welcomed the Board to Franklin County and noted the great turnout for the meeting. He told the Board that Apalachicola and Carrabelle are the only incorporated cities in the county, that the county is 72 miles in length, which is longer than the coastline of the State of Alabama, and expressed appreciation for the creation of the Triumph Gulf Coast fund to assist the counties affected by the BP oil spill. He especially thanked the Board for holding meetings in the smaller counties and said it showed a genuine caring for those counties in the process.

Chair Gaetz recognized a number of elected officials in attendance, including: Ward McDaniel, Gulf County Board of County Commissioners; Philip Griffitts, Bay County Board of County Commissioners; Al Cathey, Mayor of City of Mexico Beach; Brett Lowry, City Commissioner, City of Port St. Joe; David Rich, Gulf County Board of County Commissioners; Brenda LaPaz, Mayor of City of Carrabelle; Bobby Pierce, Wakulla County Superintendent of Schools; Chuck Hess, Wakulla County Board of County Commissioners; Tracy Moses, Franklin County Superintendent of Schools; Stacy Kirvin, Chair of Franklin County School Board; Tony Milner, Carrabelle City Commissioner; Margo Anderson, Mayor of City of Lynn Haven; Laura Edwards, Mayor of City of Sopchoppy; Anita Grove, Apalachicola City Commissioner; Ricky Jones, Franklin County Board of County Commissioners.

Chair Gaetz introduced the newly appointed Board Member, Mr. Benjamin Lee of Lynn Haven. He noted that Mr. Lee is replacing Mr. Bob Bonezzi, who recently resigned from the Board, as an appointee of the Speaker of the Florida House of Representatives, Richard Corcoran. He indicated that Mr. Lee is the Market President for Hancock Whitney Bank in Panama City. Prior to that appointment, he served as Executive Director for the Office of the State Attorney. He noted that Mr. Lee has a Bachelor's Degree in Economics and a Master's Degree in Business Administration from Auburn University. Chair Gaetz highlighted Mr. Lee's active participation in many civic organizations including the Bay County Chamber of Commerce, the Bay County Economic Development Council, Covenant Hospice, the Bay County Contractors' Association, Haney Education Foundation and the Holy Nativity Episcopal School Board of Directors. In addition, he serves on a Governance Oversight Committee overseeing the use of a sales tax passed in Bay County. He welcomed Mr. Lee to the Board.

Mr. Ben Lee thanked Chair Gaetz and told the Board that he was honored to be appointed, recognized that he had a steep learning curve and looked forward to being a part of this group moving forward.

Chair Gaetz noted that this meeting marked the transition of leadership from former Chair Allan Bense to himself and thanked former Chair Bense for all that he did to get Triumph Gulf Coast organized and prepared to move ahead. He said that without Speaker Bense's initiative in getting the organization started, the Board would not be ready at this time to begin the awards process. Speaker Bense noted that he was pleased to get to this point and was ready to turn the task over to Chair Gaetz.

Ms. Skelton then introduced Dr. Rick Harper, Economic Advisor, and Ms. Cori Henderson, Program Administrator. She noted that this meeting was the first time that the team has been introduced, but that they have been working together for several weeks to get prepared for the meeting. She pointed out that Dr. Harper came to our team as a highly regarded and recognized expert in the Northwest Florida economy from the University of West Florida. She said he was the former director of the Haas Center. She told the Board that Ms. Henderson joins the team as a former program director at Enterprise Florida and has many years of technical experience in project management.

Chair Gaetz asked for the review and approval of the December 8, 2017 Meeting Minutes. Mr. Jason Shoaf made a motion to approve the minutes. Mr. Stan Connally, Jr. seconded the motion. The motion passed unanimously (7-0).

Chair Gaetz asked for the review and approval of the December 27, 2017 Meeting Minutes. Mr. Allan Bense made a motion to approve the minutes. Dr. Pam Dana seconded the motion. The motion passed unanimously (7-0).

Ms. Skelton informed the Board that the two laptop computers purchased for staff have been delivered and installed. She reported that the centralized phone system should be up and running in a matter of days and that she has been working with the computer

service company to prepare for that installation. She noted that Chair Gaetz had executed the agreement for leasing office space from Clark Partington Law Firm at their Destin office, and that the space, along with the available conference rooms and amenities will meet the needs of Triumph Gulf Coast at this time.

Mr. Scott Remington (by phone) gave an update on the January 18, 2018 letter sent to the Presiding Officers of the Legislature, which asked for clarification on several points regarding eligible uses for Triumph Gulf Coast funding and said he had not yet received a response to the letter.

Mr. Stephen Riggs IV, Board Treasurer, presented the December Financial Statement. Mr. Riggs then made a motion to accept the Financial Statement. Mr. Connally seconded the motion. The motion passed unanimously (7-0).

Mr. Riggs then explained that there was a need to make a technical change to the Articles of Incorporation in preparation for filing for non-profit status with the Internal Revenue Service. He made a motion to amend the Articles of Incorporation to properly reflect the filing category for the corporation. Dr. Dana seconded the motion. The motion passed unanimously (7-0).

Chair Gaetz reminded the Board that under the leadership of Mr. Bense as Chair, the Board had engaged a law firm and Ms. Skelton to perform necessary professional services to organize and operate Triumph Gulf Coast during a period when there were no funds available to compensate them. Subsequently, the Board authorized Mr. Bense to negotiate an appropriate payment for prior services to both parties and to make a recommendation for such payment. Mr. Bense reported that he had spoken with the Burke and Blue Law Firm and Ms. Skelton regarding fair payment of prior services. He said that when a settlement between the State of Florida and BP was reached in October 2015, it became apparent that the Triumph Gulf Coast Board would need to become active and organized to prepare to receive an appropriation and to begin the funding process. At that point, he reached out to Ms. Skelton and the Burke and Blue law firm. He said his recommendation for payment to Ms. Skelton was \$103,944. The recommendation for payment to the law firm was \$90,335. Mr. Riggs concurred with the recommendation and said that if the Board had the appropriation, the funds would have been paid sooner, and without the groundwork laid by this team, the Board would not be able to be at the point of organization and readiness that it enjoys today. Mr. Bense noted that due diligence had been observed in reaching out to the Attorney General's office before making the payments. Chair Gaetz asked if there were any objections to the recommendations. There being none, the recommendations were adopted.

Chair Gaetz introduced Dr. Rick Harper and noted that he was responsible for administering distribution of the \$30 million originally appropriated by the Legislature to stimulate the economic recovery after the oil spill. The outflow of the program was the creation of 7000 new high paying jobs with a cost per job of less than \$4000 per job.

Dr. Harper gave an overview presentation on economic activity, economic impact, and how they relate to the best way to apply decision criteria for funding proposals made to Triumph Gulf Coast. (Audio file at 29:42 – 50:15, available at www.myfloridatriumph.com under “Past Meetings,” “January 29, 2018,” “Meeting Materials”). He noted that these funds are one component of a larger settlement with various parties and BP. While there are numerous other funding streams available as a result of the settlement, the Triumph Gulf Coast funds are specifically awarded for economic damages and are to be spent to maximize economic benefit pursuant to direction from the legislature. He gave multiple examples of what types of proposals would create maximum economic benefits, and what types of factors would cause a proposal to score higher or lower in the review process.

Ms. Henderson gave the Program Administrator’s Report and indicated that the first sort of the 116 pre-applications has been completed by staff. She said that staff had carefully reviewed the information provided in each pre-application and focused on whether the applicants had met the statutory criteria for eligibility to receive funds. She said that the first sort did not include any economic analysis because the applicants were not asked for the definitive information required for such analysis in this first phase of the process. She gave an example of several proposals that do not currently appear to meet the criteria, but if they were re-structured as public infrastructure proposals, they might then meet the statutory criteria for funding public infrastructure. She said that staff would be available to work with the applicants to explain the issue in depth.

Dr. Dana asked if the first sort was completely focused on the statutory criteria without yet applying the Board’s discretionary criteria. Ms. Henderson said that was correct and that the purpose of the first review was just to give applicants a broad idea of whether their proposals even met the statutory criteria before proceeding to the full application review. Dr. Harper confirmed that the pre-application was not designed to request information on economic impacts or maximum economic benefit. He agreed that the next steps would be to work with applicants that do not appear to meet the criteria to see if the proposals can be reworked, and then to determine if they may meet the economic impact requirements for funding. Mr. Connally asked if the letter to the presiding officers of the legislature would inform possible adjustments to the list. Ms. Henderson said that was correct. Chair Gaetz indicated that while there may not be a clear legislative intent, asking the legislature for interpretation could provide more clarity in the review process.

Ms. Henderson said that next steps would include conversations between staff and applicants as the full application process begins. She noted that this was the first time the process has been employed and that everyone understands that there may be “hiccups” along the way, and a need to assist applicants in understanding what is being asked of them in the process. She said that staff will encourage applicants to take the necessary time to gather appropriate data and to be thoughtful in their submissions. She said some applicants may be able to complete the application more quickly but estimated that the submission process may take approximately 45 days or more. She reminded applicants that it was important to consider the scope of work and

deliverables when building the application, as performance metrics will be a part of the funding process. Ms. Henderson said that she had been in contact with Enterprise Florida and the Department of Economic Opportunity to identify sources of assistance that might be available to rural entities in performance of the application process relative to information gathering, possible sources of planning funding, and preparation for the economic analysis to be performed by Triumph Gulf Coast staff. She said both entities are ready to provide assistance, and that she would facilitate those introductions as needed. She said such collaboration with other available resources is important to assure maximization of economic impacts in those rural communities.

Chair Gaetz noted that there is a distinction between larger counties that have well established economic development offices as part of their government and the smaller localities that may not be used to or able to afford such economic development tools. He asked Ms. Skelton for comment on this situation. She reminded the Board that several months ago this issue came up at the behest of Mr. Shoaf and Mr. Remington was directed to reach out to the counties and cities that qualified for assistance from the Rural Infrastructure Fund to try to determine if they had made use of the available planning dollars under that program. The letters were sent, but to date, no responses have been received. In the interim, Ms. Henderson has reached out to that staff to determine what resources may be available. She said Triumph Gulf Coast staff is committed to assure that no one gets left behind in the application process due to an inability to compile the information without assistance.

Mr. Riggs asked if the information being requested in the application meets the needs of staff in doing appropriate economic review, or if additional information might be needed at the outset to mitigate protracted conversations between staff and applicants. Dr. Harper said that the application does appear to capture the information necessary if applicants provide complete answers, but it may need conversation to glean some of that information if applicants are not used to answering these types of questions, or don't understand the type of information that reviewers need to do their work. He said staff anticipates the need for those conversations as applicants get used to the process.

Mr. Connally addressed the need for subject matter experts in areas such as workforce development. He said in reviewing the proposals, he noted duplication among some projects. He said it is important for the Board to look at the applications strategically and long term so that it is clear that creating the same type of program over and over is not going to serve the region well over time. Mr. Connally indicated that it would be wise to view workforce development proposals in the context of a regional workforce development strategy. He said there may be other subjects that fit this need to avoid duplication and create an overall strategy and that workforce development is just one example that he wanted to bring forward.

Chair Gaetz expressed a strong concern that no good idea could get lost in the process because it wasn't presented in a professional enough manner. He said that Triumph Gulf Coast should be reaching out to assist in developing those good ideas so that they are not lost. He said he did not want rural entities to think that they had to hire

professional staff to participate in the process. Mr. Bense concurred and said that just because an applicant is from a small county or rural entity they should not be precluded from participating fully in the process. Dr. Dana agreed with Chair Gaetz' comments as well.

Mr. Bense said that in reviewing the proposals, he was concerned about the number of projects that appear to be the types of projects that local or state governments have the responsibility to fund. He said that everything Triumph Gulf Coast does should be directly tied to increasing economic activity. He said he would want to know what types of salaries are being paid for administration of the proposals as a percentage of the award as he was concerned that some proposals seemed to include large payments for CEO salaries. He noted that from 2007-2010 federal, state and local governments invested in immediate job creation to support the economy, but he said that while those were necessary then, Triumph Gulf Coast should not be about creating one or two-year construction jobs with no sustainable future jobs tied to them. He said he would be very skeptical of any requests to expend funds on infrastructure that should be funded by government, or that did not create long term, high paying economic activity.

Dr. Dana asked Ms. Henderson about how the applicants should proceed in contacting staff for assistance. Ms. Henderson said that applicants can send messages asking for assistance to info@myfloridatriumph.com and staff will respond. Chair Gaetz noted that all applicants will receive a status letter with contact information included. If staff needs additional information they will contact the applicant, as well. Ms. Skelton noted that staff is very sensitive to the needs of the rural localities and will take special care to reach out to those applicants. Ms. Henderson said letters will begin to go out in the coming days and phone calls will be made to applicants as needed. Dr. Harper noted that the application asks for distinct information about the economic impact, return of investment and economic benefits and staff may reach out to ask further questions about the proposals. Chair Gaetz asked if applicants can ask for clarification and Dr. Harper indicated that he expected to have that type of conversation frequently with applicants in the coming weeks. He said it would be normal for an applicant to ask for assistance from staff that has deep experience with these types of applications.

Chair Gaetz asked Dr. Harper to give a general description of the process and model that he will employ to evaluate proposals, and the arrangement he has made to gain access to the REMI modeling tool. Dr. Harper said he would be using dynamic scoring which require modeling of the underlying structure of an economy and calculation of new spending on current wage rates, etc. He said items such as the return on investment would be expressed as a ratio, and projects with lower investment could, in fact, result in higher economic impacts based on the locality and economy underlying the investment. He said that general equilibrium modeling provides for this calculation. He said the West Florida Regional Planning Council has offered access to the industry recognized modeling tool, known as REMI (Regional Economic Modets, Inc.), in exchange for Dr. Harper's agreement to educate the Planning Council staff on the use of the tool. The Planning Council would not have access to the Triumph Gulf Coast work product but would allow Dr. Harper to use their license in exchange for his teaching

expertise. Chair Gaetz asked Ms. Elizabeth Billheimer, counsel to the Board, to confirm that she and Mr. Remington had reviewed the arrangement and concurred that it was legal and acceptable as a business practice. Ms. Billheimer indicated that was the case.

Mr. Ben Lee asked if there was a proposal that requires workforce that is not currently available in the region, would it be treated differently than one that uses available workforce. He noted that the current workforce in some counties is very limited. Dr. Harper said that in areas where there is high projected occupational demand, and not enough available supply that clearly creates a shortage in the marketplace. Programs that provide the necessary skill training would show a higher return on investment than would a program that provides the same training in an area where there is already a trained workforce. He said it would be much more important to provide training in areas where there is known demand and where the skilled workforce does not currently exist.

Mr. Connally asked if the applicants that do not currently appear to be eligible to receive funding will be able to work with staff to make adjustment and corrections to their proposals. Ms. Henderson indicated that staff would assist them.

Chair Gaetz asked for a motion to approve the recommendations of professional staff as described in the Program Administrator's Report. Mr. Bense made a motion to approve the recommendations. Mr. Shoaf seconded the motion.

Mr. Connally noted that there were eight pre-applications that made mention of Gulf Power and he had his corporate counsel review the pre-applications to determine if there were any conflicts that would require him to recuse himself from voting on the pre-applications. He said that after that review he was comfortable that while Gulf Power was named in the pre-applications, there were no partnership relationships that would inure to the benefit of the corporation indicated that would preclude him from voting on the proposals. He said that he would vote on the proposals but wanted to make the Board aware of the due diligence he and his counsel had undertaken to be sure there were no conflicts.

Dr. Dana said that there were three pre-applications that involved either IHMC or the Destin Fishing Co-op that would create voting conflicts for her. She said she had provided a letter to Ms. Skelton advising of those conflict situations and indicating that she would need to abstain from voting on those proposals. Chair Gaetz asked staff to prepare motions to divide the question to be sure that there was no conflict.

Mr. Lee indicated that he had a conflict with a proposal from Florida's Great Northwest. Staff indicated that the proposal was not a part of the package today.

After a brief recess, Mr. Bense withdrew the original motion and made a motion to accept staff recommendations on all pre-applications in the Program Administrator's Report except #4, #70 and #107. Mr. Shoaf seconded the motion. The motion passed unanimously (7-0). Mr. Connally then made a motion to accept the staff

recommendations on pre-applications #4, #70 and #107. Mr. Shoaf seconded the motion. The motion passed (6-0) with Dr. Dana abstaining.

Ms. Billheimer gave members a quick update on the Gift Law and the restrictions that apply to members and staff. As interactions between applicants and Triumph Gulf Coast become more frequent, she said it was important to remember that the law precludes receiving or soliciting any form of gifts. She gave several examples of both tangible and intangible gifts and noted that the most effective approach is to accept nothing. She said if members or staff do attend functions where food or beverage is consumed, it would be necessary to pay for that portion that is consumed, and to either pay by check or get a receipt for the expenditure. She noted that the policy is available on the website, and the law firm is available to answer any questions. Chair Gaetz reported that he has received several inquiries from citizens in Walton County regarding the activities and expenditures of a person paid by the Walton County Commission who calls himself "the Triumph coordinator" or "Restore coordinator." Mr. Gaetz explained he is being asked by citizens about invoices from this "coordinator" for expensive cigars and other items paid for with public funds and whether Triumph monies were used and whether the individual had any official role with Triumph Gulf Coast. Chair Gaetz said he wished the record to show that the individual referred to has no role of any kind with Triumph Gulf Coast, has no influence on decision-making or awarding of funds by Triumph Gulf Coast and has no access to Triumph funds to pay any expenses. Chair Gaetz emphasized that neither he nor any Triumph Board Member has accepted any gift or gratuity from this individual and that it would be illegal to do so."

Public Comment

Mayor Al Cathey, City of Mexico Beach, noted that the city has submitted a pre-application for construction of a concrete pier to replace the wooden structure built in 1964. The wooden pier has been deemed structurally compromised. He said this is the only open Gulf pier east of Panama City Beach. He said the pier is a major attraction to the city and the area. He gave statistics explaining why the community cannot afford to replace the pier without assistance. He said the unique quality of life is treasured in the community, but that the city will never be able to compete economically, and does not want to be transformed. He said the city was damaged economically by the oil spill and should be able to participate in the awards process. He said that the statutes should allow his city a place at the table in the process.

Mayor Margo Anderson, City of Lynn Haven, said that the City of Lynn Haven is not known as a tourist destination, but that the bulk of Bay County population is located east of the Hathaway Bridge. She said there were many Title 1 schools that a sports park expansion could impact. She said activities at the park could assist in developing team building skills, teach common values, and keep the youth in the area in a safe environment for learning. She said expansion of the sports park would create at least 15 full time jobs. She said the application for a City Emergency Operations Center (EOC) is necessary due to the isolated environment of the area, which is surrounded by water

and subject to flooding. She said that the local EOC could supplement the work of the county EOC.

Marie Marshall, of Franklin County, spoke to the importance of Healthy Start programs for the rural areas. She said that good learning environment at early ages creates the necessary foundation for later education. She said that Head Start is attempting to create an early learning center in a portion of the old high school building in Apalachicola in conjunction with a new Montessori School.

Michael Langton, Langton Associates, spoke on behalf of professional consultants and said that he believed that such assistance could be beneficial to some applicants. He said it would be a good idea to allow a reasonable planning expense as part of the award budget.

Mitch Walker, of Lynn Haven, said that he hears many questions of the Triumph Gulf Coast process, particularly about pre-applications by cities and private companies that are applying. He noted that there was one project asking for \$10 million without being reviewed by the Bay County Commission. He said he appreciated the approach being taken by the Board to continue to review proposals and other funding sources available to pay for proposals.

Dale Robitye, of Lynn Haven, said his biggest concern was for quality of life, which brought him to Lynn Haven. He said there is a need for new jobs and an economic base to keep young people in the community, but he does not want to sacrifice quality of life for that development.

Board Comment

Dr. Dana thanked the staff for all of the hard work encompassed in this process.

Mr. Lee concurred with Dr. Dana and thanked the Board for welcoming him.

Mr. Shoaf thanked Franklin County and Apalachicola for hosting the meeting and thanked the public for participating.

Chair Gaetz said that the Board would continue to be deliberative in the sorting process to assure that sound decisions will be made throughout the entire process to generate the greatest economic value. He reminded everyone that the Triumph Gulf Coast funding is to be used to remedy economic damages with transformative economic impact.

There being no further business, the meeting was adjourned at 3:16 p.m. ET.