

**Meeting Minutes
Triumph Gulf Coast, Inc.
Santa Rosa County Administration Building
6495 Caroline Street
Milton, Florida
March 16, 2018
1:00 p.m. CT**

Members Present:

Allan Bense
Stan Connally, Jr.
Pam Dana, Ph.D
Don Gaetz, Chair
Ben Lee
Stephen Riggs, IV
Jason Shoaf

Chair Gaetz called the meeting to order at 1:00 p.m. CT
Executive Director Susan Skelton called the roll and announced the presence of a quorum.

Santa Rosa County Commission Vice-Chair Sam Parker welcomed the Board to Santa Rosa County and noted that the county is the home of Whiting Field, NAS and has one of the top ten school systems in the State of Florida. He said the county is committed to positive growth and to investing in projects such as certified site preparation for business location.

The January 29, 2018 Meeting Minutes were approved on a motion by Allan Bense and seconded by Stan Connally. The motion passed unanimously (7-0).

Ms. Skelton reported that the phone system update was in process and would be complete in the next few days.

Ms. Skelton reported that Chair Gaetz, Mr. Scott Remington, Lead Counsel for the Clark Partington Law Firm, and herself met on March 5, 2018 in conformance with the corporation's letter of engagement with the law firm to conduct a required six month review of the Legal Services Agreement. She noted that the review was positive, with a few minor technical operational adjustments agreed to by all parties. Mr. Remington concurred with the remarks.

Stephen Riggs, IV, Treasurer, reviewed the financial statements for January and February. He said the expenditures month to month were normal for the period. Mr. Connally asked if the February expenditures would represent a normal month's activities unless the Board added additional staff. Mr. Riggs said that was correct.

Mr. Connally made a motion to approve the January Financial Report. Dr. Pam Dana seconded the motion. The motion was approved by a unanimous vote (7-0).

Mr. Ben Lee made a motion to approve the February Financial Report. Mr. Jason Shoaf seconded the motion. The motion was approved by a unanimous vote (7-0).

Chair Gaetz noted that thanks to the support and assistance of Senate President Joe Negrón, House Speaker Richard Corcoran, and the entire Northwest Florida Legislative Delegation, Triumph Gulf Coast, Inc., was able to work through the glitch that requires interest to be sent back to the Department of Economic Opportunity to allow for interest currently in the DEO trust fund to be returned to Triumph Gulf Coast for its originally intended purpose. Mr. Bense noted that the amount was approximately \$3 million that can now be deployed for economic transformation in Northwest Florida.

Mr. Riggs spoke about the banking process for awards, and the required steps for transfer of funds from the Florida PRIME account to our checking account and then to the awardee. He noted that there will be some lag time in the transfer. Also, he explained that since funds above a certain amount may be moved to other banks around the country in the process, there is a need to create a list of excluded banks so that Triumph Gulf Coast funds are never in the possession of any banking institution that any of our members may be affiliated with through either employment or board membership. The list of excluded institutions, and the member(s) affiliated is:

Mercantil Bank, N.A., f/k/a Mercantil Commerce Bank (Pam Dana)
Capital City Bank Group (Allan Bense, Stan Connally)
First Florida Bank (Don Gaetz)
Hancock/Whitney Bank (Ben Lee)

Chair Gaetz noted that Triumph Gulf Coast has been very careful to follow every possible ethical standard in stewardship of the funds it oversees and that this action is in keeping with these high standards.

Mr. Riggs asked for a motion to verify that current authorized signers on the bank accounts be allowed to make wire transfers. He said that two signatures would be required to move funds from the Florida PRIME account through the checking account to be wired to awardees. His motion stated that any wire transfer that exceeds \$10,000 will require the signatures of two authorized persons. He said that Chair Gaetz, Mr. Bense and himself were the authorized signers at this time. **Noting no questions or objections, Chair Gaetz announced that the motion was adopted as presented.**

Mr. Riggs discussed the process for development of performance metrics and requirements for successful contract completion. He said that performance metrics will be determined on a case by case basis and tailored to each awardee. Mr. Connally said this was a very important issue and needs the level of focus being given. He said that

we could use metrics and measurement tools already developed by other similar entities to keep from “recreating the wheel.”

Ms. Cori Henderson, Program Administrator, reported that she and Dr. Rick Harper, Economic Advisor, had met with at least 75% of all pre-applicants in the past several weeks to assist with their questions or concerns. She said that they, along with Mr. Remington and Ms. Skelton, had reviewed additional pre-applications that had been received after November 15, 2017. She provided a list of those pre-applications, annotated to show those that did and did not appear to meet eligibility requirements at this time. Chair Gaetz asked how many different groups the team has met with to date. Ms. Henderson said they had met with over 80 entities and have more scheduled for the coming weeks. She said they have had meetings in all eight counties, and in some cases multiple times. She said those meetings would be ongoing.

Dr. Dana thanked Ms. Henderson and Dr. Harper for the work they are doing, and the level of responsiveness that they are exhibiting on behalf of Triumph Gulf Coast. Chair Gaetz said that anyone that needs assistance should contact Ms. Skelton to get your questions and concerns to the appropriate staff person. He said that Triumph Gulf Coast would always be responsive to anyone with an idea, question or concern.

Mr. Bense made a motion to accept the Program Administrator’s Report. The motion was seconded by Mr. Connally. The motion passed unanimously (7-0).

Dr. Harper said that not quite as many full applications have been received as expected, but that he would address the five applications that were in hand at the time of the last staff review. He said that four of the five were in the area of workforce/career technical education and one was a public infrastructure proposal.

For the workforce/career technical education proposals, there is more information needed to properly perform an economic analysis. Dr. Harper said that more than what types of certifications or degrees may be offered, there is a need to determine the number of students forecast to participate in order to calculate the benefit/cost ratio of each proposal. With that information, the incremental changes to the overall economy of a region can be ascertained. He said that the four current applications needed to provide additional information in that regard.

Dr. Harper said that the public infrastructure proposal from the Port of Panama City was more complete in providing necessary economic activity information for review. He gave a description of the proposal (Proposal #49 at www.myfloridatriumph.com, “Submitted Proposals”) and indicated that the Port was requesting \$10 million to complete a multi-year, multi-phase project. He said there was a very favorable match, with Triumph Gulf Coast being asked for one of every eight dollars. He said the projected completion of the project is expected to be late 2019. While the match ratio is very good, he said the cost per job for the proposal is very expensive.

The Port of Panama City has engaged a reliable and credible assessment review firm to provide information on the magnitude of the economic impacts of direct, indirect and spin-off employment created by the proposed project. He said based on the information provided, if 148 direct jobs are created, the cost would be approximately \$68,000 per job. He noted that number was very expensive based on the history of Florida economic development incentives. He said the normal range was in the range of \$10,000 to \$12,000 per job range, with headquarters and manufacturing jobs being a larger number. He said he believes it is possible that the direct job creation from this project may, in fact, be higher than the proposer has indicated, which would bring the cost per job down. He said that the proposal should raise the household income in the area and has good potential. He said port jobs tend to have a very good earnings multiplier. He said they tend to be very high wage jobs with robust supply chain effects with more people employed supporting a port job than in other sectors.

Dr. Harper requested that the Board consider a motion to direct staff to enter into negotiations with the Port of Panama City with the objective of seeing if the benefit/cost ratio of the cost per job could be improved somewhat, if there are areas in which the project could economize or look to other sources so that the Board can get the very high benefit to cost. The goal would be to provide a draft contract for Board consideration with a higher benefit to cost ratio than what is offered in the original proposal.

Mr. Connally said that this project looks like a good project with which to start. He said it could be very transformational, it focuses on a sector that can further diversify the economy and fits with most of the ideas the Board has been discussing for the past two years. He said the investment match in the proposal was impressive. He said the price per job still remains too high, but that would be the area that staff could work with the applicant on to provide reductions. He asked if staff would bring back a term sheet for the Board's consideration. Dr. Harper said that would be the goal of staff. Mr. Remington indicated that a term sheet would be provided by staff for use as template for a contract, but that the Board would make any final decisions regarding drafting of a final contract for execution.

Mr. Connally made a motion to authorize staff and legal counsel to perform the necessary due diligence, cost benefit analysis that goes with that, any other economic tests, as appropriate, and to negotiate a term sheet to be considered by the Board at the next meeting. The motion was seconded by Mr. Bense.

Mr. Bense spoke about the positive aspects of the Port of Panama City and the benefits of the proposal. He said the expansion of the port will bring economic benefits to areas of Bay County that need it, and across the region with good, well-paying jobs. Mr. Riggs said that the port has demonstrated that it has a strong growth plan that makes good business sense. He said that there is a plan for sustainability that works for economic prosperity. Dr. Dana noted that while the expansion will lead to new jobs, it will help to retain the jobs already on the port through modernization. Mr. Lee highlighted the regional importance of the proposal and the good citizenship demonstrated by the port with the proposal.

After discussion, Chair Gaetz noted the importance of this vote, as the first time that Triumph Gulf Coast, Inc., has taken steps to begin negotiation for a proposal, and asked for a roll call vote. The vote was unanimous (7-0) as follows:

**Mr. Bense – yes
Mr. Connally – yes
Dr. Dana – yes
Chair Gaetz – yes
Mr. Lee – yes
Mr. Riggs – yes
Mr. Shoaf – yes**

Mr. Wayne Stubbs, Director of the Port of Panama City, thanked the Board and said this project is the most important thing that the port has done in over fifty years. He said this project will all the East Terminal, and the Port of Panama City as a whole to keep offering port facilities to the region for decades to come. He said he really appreciated the support of the Board on this project.

Chair Gaetz said he would like to have a Board Liaison to provide consultation and assistance to staff in the negotiation process, and he would like to ask Dr. Dana to be the Liaison for this contract negotiation. Dr. Dana accepted the designation.

Mr. Bense noted that the Board's first meeting was in July, 2017, and that eight months later the Board was already in a position to make its first award of up to \$10 million. He thanked the Chair and members for the efficiency of the process.

Dr. Harper and Ms. Henderson indicated that they have had the opportunity to work with applicants and that they have noted several ways in which the pre-application process, and possibly the application process in the future, can be adjusted for ease of use of both the applicant and the Triumph Gulf Coast staff. Ms. Henderson said that she did not want to make any changes to the application at this time due to the fact that many applicants had indicated that they would be submitting full applications in April and May (some need to be reviewed for recommendations by local Boards of County Commissioners prior to submission). She said they would like to make some tweaks to the pre-applications to make them more user friendly. Dr. Dana said that when the pre-application and application were designed, the application was modeled from the Florida Jobs Growth Funds, but the pre-application was designed internally. She said the intent all along was to make any necessary changes based on user input. Ms. Henderson said that all originally filed pre-applications would be considered, as is, but that if changes are made, they would apply to future pre-applications. **Mr. Bense made a motion to accept staff's recommendations to improve the pre-application process. The motion was seconded by Mr. Lee. The motion passed unanimously (7-0).**

Mr. Connally thanked staff for the work that has been done, and said he liked the trajectory that has been established in moving projects forward.

Ms. Skelton asked the Board to consider allowing the Executive Director to hire subject matter experts as needed to assist the Economic Advisor. **Mr. Connally made a motion to allow the Executive Director to hire experts as needed on a per occurrence basis within the approved operating budget amount of \$100,000. Dr. Dana seconded the motion. The motion passed unanimously (7-0).**

Mr. Remington said that there was a discussion at the December meeting about an adjustment to the Articles of Incorporation relating to the filing as a 501(c)3 tax exempt corporation. At that meeting, the filing status was discussed, and it was announced that would be the appropriate status, but no formal motion or vote to that effect was taken. He then asked for a **motion from the Board to ratify and confirm the decision to apply for tax free status under 501(c)3 of the Internal Revenue Code, and to authorize Chair Gaetz to execute any amended Articles of Incorporation or other documents necessary or required to memorialize this action. Mr. Riggs made the motion as requested. The motion was seconded by Dr. Dana. The motion passed unanimously (7-0).**

Mr. Remington said that on January 18, 2018, he sent a letter to Senate President Joe Negron and House Speaker Richard Corcoran asking for any guidance or clarification that could be offered regarding legislative intent of the Triumph Gulf Coast statute in regard to application from private entities. He said that since the last Board meeting, three responses had been received, one from the Senate, one from a delegation of House members, and one from a private party. The letters are being taken under advisement. Mr. Bense said we need to address the issue as soon as possible, perhaps at the next Board meeting. He said it is time for the Board to make a final decision on this point.

Public Comment

Mr. Alan Pierce – Franklin County RESTORE Coordinator, said that on March 6, 2018, the Franklin County Commission adopted a letter relating to the first round of applications from the county and putting a cap of \$2 million per project on those projects. He said that the letter only applied to the first round and was done to try to assure that all allocated funds were not exhausted before other worthy project from the county could submit their applications.

Mr. Christian Wagley – Gulf Restoration Network, said that it is important to consider environmental impacts along with economic impacts when evaluating proposals. He said strategic sewer expansion and stormwater management projects can help to shape positive economic growth while benefiting the environment.

Carol Tavay – Audubon Society, wanted to ask that environmental impacts be considered.

Keith Wilkins – Assistant Administrator of City of Pensacola, offered congratulations to Port of Panama City and the Board for moving forward with the first application. He said that the City of Pensacola had just submitted the application for the Pensacola Airport Expansion project. He said that it is a truly transformational proposal that has been receiving match funds from several sources over the past few days.

Chair Gaetz said that a comment made by Mr. Connally a couple of meetings ago is important going forward. He said that a regional view of workforce education, as opposed to many competing programs, is important. Mr. Connally said he thought that some of the pre-applications seemed to be duplicative, and that there should be a regional approach to get the best use of the funding. Chair Gaetz reminded staff to be sure that such regional considerations are made, and regional solutions are supported in the review process.

There being no further business, the meeting was adjourned at 2:22 p.m. CT.

Public Comment

Closing Remarks

Adjourn