

**Meeting Minutes
Triumph Gulf Coast, Inc.
Northwest Florida State College Student Services Building
400 College Boulevard
Niceville, Florida
April 27, 2018
10:30 a.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 10:30 a.m. CT

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

Chair Gaetz thanked the Northwest State College for providing the meeting venue, and the Raiderettes service organization for assisting with hosting the meeting.

Allan Bense announced that Stan Connally, Jr., has been named as Chief Operating Officer of the Southern Company in addition to his duties as CEO of Gulf Power. Members offered congratulations. Chair Gaetz noted with pleasure that Mr. Connally will continue to work from Northwest Florida.

The March 16, 2018 Meeting Minutes were approved on a motion by Stan Connally and seconded by Allan Bense. The motion passed unanimously (7-0).

Ms. Skelton reported that a letter of engagement had been executed with Dr. Frank Fuller. She introduced Dr. Fuller and spoke about his expertise and reputation in the education community. He is particularly well known for his work in the field of Career Technical Education (CTE). Ms. Skelton indicated that Dr. Fuller is currently reviewing six proposals and holding workshops with school entities across the region. His terms of engagement are \$1500 per assignment, and he is working under the supervision of Dr. Rick Harper, Economic Advisor. Jason Shoaf noted that he has had the opportunity to work with Dr. Fuller and some of the smaller school districts. He said he has heard nothing by high praise for the work done to date and welcomed him to the Triumph Gulf Coast team. Pam Dana asked if the “per assignment” meant “per proposal.” Ms. Skelton indicated that that was correct.

Stephen Riggs, IV, reported on the March 2018 Financial Statement prepared by the Tipton, Marler CPA Group. He said there was nothing out of the ordinary in the report. **Mr. Riggs made a motion to approve the Financial Statement. Dr. Dana seconded the motion. The motion passed unanimously (7-0).**

Mr. Riggs presented the 2018 Annual Financial Audit prepared by the Warren Averett CPA Firm. He noted that the auditors issued a “clean opinion” on the financial activities of Triumph Gulf Coast, Inc., for the audit period. **Mr. Riggs made a motion to accept the 2018 Annual Financial Audit. Mr. Shoaf seconded the motion. The motion passed unanimously (7-0).**

Legal Counsel Scott Remington reported that the Port of Panama City had agreed to the term sheet prepared by Triumph Gulf Coast negotiators. He asked Dr. Harper to go over the Economic Score Sheet and reasons for awarding funds to the Port of Panama City. Dr. Harper noted that he had given an “A” score to the proposal, as adjusted during negotiations, based on the high level of economic impact it would have in Bay County and across the region. He said including new direct port jobs and port dependent jobs in the review increased the overall value of the proposal. One of the metrics used to assess contract performance will be the creation of these jobs within three years of the proposal completion. Increase in tonnage and revenues will be the additional metrics used for determining the success of the project.

Chair Gaetz recognized Dr. Dana, who served as Board Liaison for the negotiations with the Port of Panama City. Dr. Dana said that Triumph staff put in a large amount of time in working with the port to assure that the project is reasonable and illustrates the caliber of the types of proposals in which Triumph Gulf Coast would like to invest. She noted that staff worked very well with port staff. She commended Mr. Wayne Stubbs and the Port of Panama City team for their willingness to work with Triumph staff to find reasonable “middle ground” on several issues.

Mr. Connally said he was excited about this project, and that it absolutely fits with the Board’s commitment to economic transformation in the region. He asked if the additional 250 jobs identified in the term sheet were net new jobs, not retention of existing jobs. Staff indicated that those were net new jobs. He asked about how the funds would be disbursed, and the time period for disbursement. Mr. Remington explained that the funds would go to a cumulative total of up to \$10 million for four separate projects on the port. He said that funds would be disbursed upon completion of the work on each of those projects as reimbursement to the port for funds they expend for each project for up to 50% of the cost of the invoice. Mr. Remington noted that terms of proving the work completion are part of the term sheet. He said that a provision was added to the term sheet to assure that the investment in port property paid for with Triumph Gulf Coast funds is insured to the maximum extent possible.

Ben Lee thanked the staff and Dr. Dana for bringing this proposal forward. He asked that Triumph Gulf Coast maintain records of inspections on the work being done throughout the project. Chair Gaetz asked about the timing of the payouts. Mr.

Remington said that approximately 40% would be disbursed in 2018 and the remaining funds should be disbursed in the first two quarters of 2019. Mr. Remington said that if the Board approved the term sheet, the staff would then go back and prepare a binding contract that would need final Board approval at the next meeting after being posted on the website for at least 14 days of public notice. He said that while the final contract would be signed after the required public notice, the term sheet approval by the Board would be considered as the start of the tolling period for creation of new jobs, as the port believes that the indication of the award will be adequate to begin the process of creating the new jobs.

Mr. Wayne Stubbs, Director of the Port of Panama City, indicated that he and the Chair of the Port of Panama City, Ms. Lisa Walters, had worked closely with Triumph Gulf Coast negotiators, and that they have agreed to the term sheet. He said that the final contract will need approval of the full board of the port, but that he was confident that it would be approved. He said Triumph Gulf Coast had worked well with his team to assure that the goals in the agreement were achievable.

Chair Gaetz asked if any member of the public wished to speak in favor of or opposed to the proposal going forward. There was no one from the public that chose to speak on the proposal.

Mr. Bense made a motion to approve, consistent with the staff's recommendation, the term sheet for the proposal from the Port of Panama City for \$10 million with staff and counsel finalizing a contract with the port pursuant to the term sheet. Dr. Dana seconded the motion. On a roll call vote, the motion passed unanimously (7-0).

Ms. Cori Henderson, Program Administrator, reported that in addition to the work done to prepare the term sheet for Port of Panama City, staff continues to meet with applicants and pre-applicants across the eight counties to assist with the process. She reported that as of this date there have been 25 completed applications submitted with requested funding of just over \$300 million. She said that with the addition of Dr. Fuller to the staff, they have begun a series of workshops with local school districts and economic development coordinators to provide guidance and assistance in development of career technical education proposals that fit with the needs of individual and regional job creators. **Mr. Bense made a motion to accept the report of the Program Administrator. Mr. Connally seconded the motion. The motion passed unanimously (7-0).**

Dr. Harper reported that staff is recommending that the following three applications be considered by the Board to move forward to the term sheet negotiation phase of the process: Proposal # 43 – Okaloosa County U.S. 90 Water and Sewer Extension, Proposal # 29 - Wakulla County School Board Career and Technical Education Center, and Proposal # 5 - Escambia County School Board Workforce Education. He asked Dr. Fuller to explain the Wakulla County and Escambia County education proposals.

Dr. Fuller said that Wakulla County proposes to increase its workforce training in the fields of automotive repair and HVAC (heating and air-conditioning) installation and repair by adding certifications through career technical education. In addition, the school district will add computer certification programs in elementary and middle schools to create opportunities for more advanced education in the upper levels.

He noted that in analyzing proposals costs against outcomes are reviewed, as well as the regional impacts, risk indicators, past success rates, and program sustainability without additional Triumph Gulf Coast funding. He said that Wakulla County has taken some risk in reaching out for a relatively expensive startup of the automotive and HVAC programs because it would be very difficult for the district to fund these programs using normally available funding. The district has a very good record of success with CTE programs and they propose accelerating their capabilities by putting these programs in place using Triumph funds. The district will also enhance their training component by adding computer certifications at the lower levels to prepare students at an earlier age for more challenges in high school. Those credentials could actually transfer as college credits as the students progress. Dr. Fuller noted that this rural school district generated approximately \$500,000 in bonus funding from the State of Florida based on its current CTE components and can expect to fully sustain growth through the bonus funding in future years. He said within five years, the district could expect to earn \$1 million in bonus funding. He gave a brief description of the bonus funding program in Florida and how it can assist the school districts and the students to allow for lower post-secondary education costs due to receiving college and certificate level training at the elementary, middle and high school levels.

Dr. Harper explained that the cost of the Wakulla School District Career Technical Education proposal is \$4.1 million with the school district providing \$375,000 in match. The cost per student has been reduced by bringing in the IT training component. The current cost per student is estimated to be approximately \$4500 per completer. Dr. Dana noted that Wakulla is one of the rural counties with fewer resources than more developed counties, and the Board has indicated that it would provide special consideration for rural proposals. Mr. Bense echoed Dr. Dana's comments and said moving ahead in these rural counties is important. Mr. Shoaf said that building the educational infrastructure of these rural counties is some of the most important work that the Board will do. He said he thinks the investment is worth it. Mr. Connally said applicants should look for partners from industry in providing equipment donations.

Ms. Sunny Chancey, Wakulla County School District, said that programs in the county have advisory boards to assist in development on training. Chair Gaetz asked if the county would consider having a component of the term sheet include a requirement to obtain equipment and instructional assistance from industry for the proposed programs. Ms. Chancey said that the county could do that as a condition of the Triumph award. She said that On the Job Training (OJT), and the district's partnership with Lively Technical Institute in Tallahassee can both be part of the student's real world experience.

Mr. Connally said that any discussion about CTE at the high school level should link back in to the middle school. Dr. Fuller said that this program is a perfect example of how such a program can work. Mr. Lee complimented the School District on its increased graduation rates. He asked Ms. Chancey if the district is committed to hiring and sustaining the requisite teaching staff to make these programs successful. She indicated that they hire only quality individuals in their programs and would sustain them.

Dr. Dana asked if the Wakulla County Commission had ranked this proposal. Ms. Henderson and Ms. Chancey both indicated that the proposal was the top ranked proposal recommendation from the Board of County Commissioners.

Chair Gaetz asked if there was any member of the public who wished to speak for or against the proposal.

Mr. Scott Balog, Chief of Staff, Tallahassee Community College spoke in support of the proposal and said they look forward to continuing to work with the Wakulla School District through the education continuum.

Mr. Shoaf made a motion to approve, consistent with staff recommendations, proceeding to a term sheet negotiation with the Wakulla County School Board. Mr. Connally seconded the motion. On a roll call vote, the motion passed unanimously (7-0).

Dr. Fuller introduced Proposal # 5 - Escambia County School Board Workforce Education and said that the proposal is accelerating current CTE programs. He said all indications are that they are on task to meet all goals, and this proposal could cause them to exceed goals and expectations even further than what is considered. The areas of focus for this proposal are cybersecurity, and aviation technology. He said the district is already sustaining its current programs, and the Triumph funds would allow for expansion. Part of the proposal would be to set up an FAA testing facility that could be used not only for students from Escambia, but from across the region.

Dr. Harper said the total project is approximately \$8 million with \$5 million in match, leaving the request for Triumph Gulf Coast funds to be approximately \$3 million (37.6% of project cost). He said enrollment growth in the program through 2024 would indicate that the cost per student would be relatively low with a very high potential return on investment with expanded workforce. This project is expected to have one of the highest benefit cost ratios of any proposal that the Board is asked to consider. The proposal is rated as an "A" for economic impact by staff.

Ms. Michelle Taylor, Workforce Education Director for Escambia County School District, said diversification of the economy through sector-based training is the key to the program. She thanked Chair Gaetz, Dr. Harper and Dr. Fuller for the work that they did to put the CTE Training programs in place. Chair Gaetz noted that former Speaker Will Weatherford was instrumental in the work, as well. Ms. Taylor said that the district

expects to increase the bonus funding by \$1 million over three years that will go directly for sustainment of the program in the future. Chair Gaetz asked what level of partnership with Pensacola State College can be expected and included in the term sheet discussion. Ms. Taylor indicated that PSC would be required to provide data about student progression from the CTE programs through the post-secondary track. Chair Gaetz said the term sheet should guarantee that any earned college credit is recognized at the college level, satisfying college credit requirements. Ms. Taylor said that the language would be strengthened to assure that such actions occur. Dr. Dana said that she was pleased that the areas of focus in the proposal are part of the strategic plan developed by Florida's Great Northwest. Ms. Taylor said that the district did use the strategic plan as a road map for the proposal.

Chair Gaetz asked if there was any member of the public who wished to comment on the proposal.

Mr. Todd Thomson, on behalf of the Board of Directors of the Greater Pensacola Chamber of Commerce, spoke in support of the proposal. He said workforce training and planning is key to realizing the possibilities in increased job force in Escambia County.

Dr. Debbie Douma, Dean of Grants and Federal Programs at Pensacola State College, assured the Board that the college has been working closely with the school district on workforce initiatives, and will continue to do so, with a focus on articulation.

Mr. Connally made a motion, consistent with staff recommendations and the conversation over the last several minutes, to move forward with term sheet negotiations for this proposal. The motion was seconded by Mr. Lee. On a roll call vote, the motion passed unanimously (7-0).

Dr. Harper outlined Proposal # 43 - Okaloosa County US 90 Water and Sewer Extension to an area known as Shoal River Ranch east of Crestview. He noted that the site is known as one of few remaining "mega-sites" in Florida. He said the overall project has a cost of \$4.2 million, with a request for funding from Triumph Gulf Coast of \$1.5 million (36% of total cost). He said the site improvement could result in several hundred net new high-wage jobs over the coming years based on known interest in development of the site in the past several years. He said that the proposal receives an "A" in terms of economic impact for the region, and recommends it going forward in the funding process.

Chair Gaetz asked Ms. Henderson, with her experience in economic development projects while serving at Enterprise Florida as the Business Development Director, to speak to the importance of this particular "mega-site." She said she did have knowledge of some very exciting opportunities that had come to the site, but that the lack of water and sewer infrastructure had been noted as reasons for major new industries not finally choosing the site. She could not speak to specific entities due to non-disclosure clauses

that might still be in effect, but she did confirm that the industry prospects were real, and transformational in size.

Okaloosa County Commission Chair Graham Fountain concurred with Ms. Henderson's comments and said that the site had been drawing interest for the past 20 – 25 years, and while the water and sewer were not the only reason for each interested party, it was an issue for all of them. He said that due to the fact that the county infrastructure is enterprise funded, and there is no current development in that area of the county, there have not been funds available to complete the needed lines. He asked Mark Wise, Okaloosa County Director of Water and Sewer to give a brief description of the proposal and its costs. Mr. Wise described the project and indicated that the work would be done by county employees. Mr. Connally asked if the capacity in the lines would be adequate for the possible industrial development. Mr. Wise indicated that the capacity is adequate. Mr. Shoaf asked if there was any additional infrastructure needed. Mr. Wise asked Mr. Nathan Sparks, Okaloosa County Economic Development Coordinator, to respond.

Mr. Sparks described the steps taken in Huntsville, Alabama to land the recently announced Toyota-Mazda factory and how Huntsville had learned of the importance of having "turn key" infrastructure on a mega-site based on losing a Volkswagen factory several years ago. He said that water and sewer is really the last piece of the puzzle for this site, including electric utilities, gas, fiber optics, and any other needs a large industry might have. Mr. Sparks said that the Shoal River site was actually under consideration for the Toyota-Mazda factory, and was specifically asked if the site had water and sewer. The answer to that question probably helped make the decision to go to Huntsville.

Mr. Bense asked Mr. Wise how the cost of the project had been determined, if the project had been priced in the private sector, and if not, why not. Mr. Wise said that the simple nature of the project did not seem to require outside bids, and that county employees could complete the project at a low cost and in a timely manner. Mr. Bense indicated that he disagreed with that assessment. He then asked who was going to oversee this project going forward. Mr. Sparks said it is his number one priority. Chair Gaetz asked if, as part of the term sheet negotiation, it would be acceptable to put out bids to the private sector. Chair Fountain indicated that such a process would be acceptable to the county.

Dr. Dana asked if the proposal was ranked by the Board of County Commissioners. Chair Fountain indicated that it was one of the top two or three. He said the current Board of County Commissioners fully recognizes the importance of this project. Dr. Dana asked why Triumph Gulf Coast should invest in the proposal if the county has not yet done so. Chair Fountain indicated that while such funds are not currently available due to the development patterns in the county, this funding will provide for future development and impact fees in the area.

Mr. Lee asked why the lines are being built out all the way to Jericho Road, instead of just up to the property edge. Mr. Wise said that the nearest water main is three to four miles from the property, and Jericho Road would be the main county road access and public right of way to the site. Mr. Sparks said the county's option is a three-year renewable option on 1667 acres that was entered into with the landowner in December 2017. He said it was at fair market value (approximately \$2500 – 3000 per acre) and that the landowner is very interested in assisting the county with development of the site. Mr. Lee asked if the county is committed to having the site become a "Certified Site." Mr. Sparks said that all of the components of certification are in place on the site and 90% of the work necessary for the certification has been completed, but because of the level of interest already shown in the site and the length of time needed for such certification, the efforts of the community are better spent getting tenants to the site than in getting the certification.

Mr. Connally asked if staff would be looking at some level of job achievement over time as a metric for clawbacks. Dr. Harper indicated that was the case and that the metric would be a minimum of 250 net new jobs over five years from the date of completion of the water project. Mr. Connally said this is one of the most attractive sites in the region, but that transportation around the site would have to be a consideration. He said that \$1.5 million of risk capital out of \$1.5 billion is a good investment, but that the community will need to be a part of the success of the project.

Mr. Bill Imfeld, Executive Director of the Walton County Economic Development Alliance, spoke in support of the proposal from a regional perspective. He pointed to the success of the Mossy Head Industrial Park in Walton County, which has grown to house over eight businesses, over 400 employees and more than \$50 million in private investment since receiving assistance with water and sewer from the Florida Legislature just over six years ago.

Chair Gaetz noted the presence of Okaloosa County Commissioner Nathan Boyles and thanked him for keeping the importance of transportation infrastructure in the forefront in funding discussions.

Mr. Daryl Boudreau, Nature Conservancy, spoke in favor of the proposal, and asked for consideration of placing a water reuse line at the same time the water and sewer lines are being placed.

Chair Gaetz recognized Okaloosa County Commissioner Kelly Windes. The commissioner said that due to the build-out of the south end of the county, this project is very important to the future development of the area.

Dr. Dana asked Ms. Kim Wilmes, Executive Director of Florida's Great Northwest, about the importance of site readiness and this particular project. Ms. Wilmes indicated that the site is very important to getting site developers to look at the region. She said FGNW is very committed to the Shoal River Ranch site and agreed with earlier comments about the importance of site readiness.

Mr. Riggs made a motion to approve, consistent with staff's recommendation, proceeding to a term sheet negotiation with Okaloosa County for the proposed Highway 90 East Water and Sewer Extension for the amount of \$1.5 million. Dr. Dana seconded the motion. On a roll call vote, the motion passed unanimously (7-0).

Chair Gaetz asked Mr. Shoaf to serve as the Board Liaison for the two education proposals, and for Mr. Connally to serve as the Board Liaison for the Okaloosa County proposal. Both men agreed to serve.

The Board took a 30-minute recess at 12:30 p.m. CT and reconvened at 1:00 p.m. CT.

Chair Gaetz outlined the March 29, 2018 memo he posted addressing issues raised at prior meetings. He noted that the issues included the legality of whether Triumph Gulf Coast could provide funding for private entities to develop private projects or projects on private land, whether and how Triumph Gulf Coast can make multi-year commitments for funding, and whether it is appropriate for the Board to delegate its authority for making awards to third party entities. He then asked Mr. Remington to give his report on the first issue regarding making awards to private companies for private projects or on private lands.

Mr. Remington gave an overview of his legal opinion (posted in full as part of the meeting materials for the April 27, 2018 Board Meeting at www.myfloridatriumph.com) and opined that, while the Board could make such awards, it could raise concerns about the proper use of the funds by the State of Florida, and particularly, the Florida Legislature. He said the act in its current form allows for such expenditures through public/private partnerships but does not allow for direct awards to private entities for private projects. He said doing so could provoke negative reaction from the Auditor General or the Legislature, potentially putting future funding at risk. He said if the Board would like to expand the scope of eligible funding for proposals, it would be appropriate to ask the Legislature to re-address the inclusion of the item in the list of legal uses of the funding through an amendment to the controlling statute before making any award to a private entity for private use on private property. He stated that if the Board wished to make awards to public entities for proposals that are part of a public/private partnership, the proposals should meet the priorities established by the Legislature and fulfill a public purpose. Particular conditions that should be met in such instances would include strict scrutiny to ensure that the proposal serves a broad public purpose, and squarely meets statutorily defined priorities, and requiring a large private sector match for any public funds expended with strong and easily enforceable clawback provisions being a component of contracts for such funding awards.

Mr. Bense said that five years ago, when the legislation first passed, it included private economic development across the region. He said he is very concerned that, given the changes made to the law in 2017, spending the funds for such development purposes could cause an unfavorable Auditor General's Report and put future funding in jeopardy.

He said he did not see any positive changes being made to the statutes within the next two years. He said the new restrictions have made it difficult to bring new business to the region. He said while the intent of the changes in 2017 was to “keep from picking winners and losers,” but that the effect has been that our region has lost real economic development opportunities because use of these funds has been restricted. He said, instead, that what we are seeing in the applications for infrastructure are projects that should be funded by cities and counties and workforce training proposals that are great, but not really transformational if we don’t have the jobs to put the newly educated students to work because we have not brought the companies that would hire them to the region. He said the Board needs to really take a look at whether it is willing to expand its goals and horizons and challenge the current reality.

Mr. Shoaf asked Mr. Remington why there should be a “blanket policy” instead of taking each case as presented for consideration of the value of the proposal to the economy, and its potential impact. Mr. Remington replied that, up until this discussion, the Board has been handling each pre-application on a case by case basis and providing those entities with an eligibility determination letter based on current law. He said in some cases when a potential applicant has found that it may not be eligible, the entity has gone out and found a way to form a public/private partnership for consideration. If the pre-application did not clearly indicate such a partnership, those applicants have been able to come back to the staff and clarify that there was, in fact, a public partner to the request. Mr. Remington said that there is no formal application before the Board that raises these concerns at this time, and it would be completely appropriate for the Board to act on each application as they come forward in the process. He said he thought the goal of the conversation was to let applicants know that it is ok to proceed, not to discourage them.

Chair Gaetz concurred with Mr. Bense’s observation that the changes made to the statute in 2017 have had a constricting effect on the process, and thanked Mr. Remington for providing the Board with a well thought out legal opinion to provide guidance going forward. He asked Mr. Remington to describe what constitutes a “public/private partnership” from both a legal perspective and a business perspective. Mr. Remington provided a definition of a public/private partnership stating that it is a contractual arrangement between a public agency (federal, state or local) and a private sector entity. He noted the Maritime Park in Pensacola as an example of a Public/Private Partnership. Through such agreements, skills and assets of each sector (public and private) are shared in delivering a service or facility for the use of the general public. He said it is different than a transactional relationship where a contractor is hired to perform a service.

Dr. Dana said that it will be important going forward to determine whether proposals are truly transformational. She said public/private partnerships would also include those that have a strong public value, not just general public use. Chair Gaetz noted that for transformational proposals it would be reasonable for Triumph Gulf Coast to work with the applicants to find ways to assist within the proposal (such as training, providing equipment, leasing space, etc.) to facilitate success aside from just providing a sum

amount. Mr. Remington said such solutions have been used in areas such as the VTMAE project in Escambia County where the county owns the hangar and leases it to the company at fair market value. Mr. Connally said that these methods are being used today by the Department of Economic Opportunity to provide pathways for success. He said that staff can work with applicants to determine specific needs within the overall request to find ways to meet those needs. He said that even if a large, transformational proposal cannot meet current requirements for a public/private partnership, he would still like to see those proposals brought forward for consideration to determine if the proposal is worth jeopardizing statutory conformance. By taking each proposal separately, it allows the Board to determine what level of risk is worth taking. He said that taking a lot of risk is not good, but there may be something out there that changes the conversation, but we should maintain a bias towards conforming with the public/private partnership model. Mr. Bense concurred and said staff should continue to find ways to reach solutions with applicants.

Mr. Riggs said that he wants to see all possible “good deals” as government is not in the business of creating jobs, but Triumph Gulf Coast was created for that purpose, and he wants to be able to take the risk if it is determined to be transformational. Mr. Connally said that workforce talent is becoming the number one ingredient to economic development, and there are things within the current statute to allow Triumph Gulf Coast to create talent and infrastructure, so there is not a need to go too far beyond what is allowed, but in the cases where something is clearly transformational, the Board should make those considerations.

Mr. Lee noted that the effective mission statement for Triumph Gulf Coast provided in the statute clearly states that the purpose of the organization is to ensure that the goals of economic diversity and recovery are achieved in the best interest of the citizens of the state. He said the Board must be able to look at all of the proposals, to make the hard calls, where necessary, evaluate the risk involved and move forward.

Chair Gaetz noted that it is important to understand that public/private partnerships are real, with value received, fair market value identified and paid for and clearly within the law. He said if there was a need to go to the limits of the law, or to take risks, it should be done clearly, not in any “clever” manner. He recommended that applicants and potential applicants should take the time to read Mr. Remington’s memo in considering whether their proposals are eligible for funding.

On the issue of multi-year, multi-phase funding for proposals, Chair Gaetz said that while Senator Broxson’s amendment to the 2017 statute will prevent going through the appropriations process every year, there are always possibilities of change to the funding stream. Mr. Bense said that current legislatures cannot bind future legislatures. Likewise, future Board members could be faced with funding decisions made by former members that could be problematic. He said some projects may take a few years, and that there should be an ability to commit some future funds. Mr. Connally said that working with currently available funds would be reasonable but committing funds not available would not be wise. Mr. Riggs said that the Board should be able to spend the

currently appropriated funds over multiple years but should not commit to expending future funds. Chair Gaetz indicated that he had been asked about the possibility of escrowing funds for long-term projects to ensure availability and said that he could not support such a situation. Dr. Dana said the Board should be focused on proposals that would be successful in the short term, such as the Port of Panama City. Mr. Shoaf said that the Board should be able to provide the applicants the same level of commitment that we are asking of them. Mr. Bense suggested that the Board could give staff some guidance as to what is acceptable regarding the number of years that would be acceptable in the design of contracts for awards.

Chair Gaetz asked the Board for comments on whether there was support for allowing the outsourcing of Triumph Gulf Coast funds to third parties for the purpose of making further awards to applicants. Every member of the Board indicated that he or she was not inclined to allow that type of agreement. Dr. Dana noted that such an agreement could cause liability issues, as well.

Chair Gaetz told the Board that as more applications come through the process, it becomes clear that not all will be highly rated by the Economic Advisors. He asked if it would be appropriate for staff to bring applications that receive high economic impact scores to the Board for consideration, while allowing staff to notify applicants that projects which produce low scores will not move forward in the process without additional information or changes. He said that Ms. Skelton would communicate with all applicants about status of those proposals and assist them, if possible. The Board is always able to ask for any proposal to come forward, but low scoring proposals would not come to the Board for consideration as a matter of routine process. Mr. Remington said that the semi-annual reports to the Legislature require reports on disposition of each application. Chair Gaetz said that scores could be provided, and approvals could be reported, but that it was unseemly to bring forward a low scoring application to embarrass the applicant with a negative vote. Dr. Dana said it was the Board's responsibility to understand each of the proposals and to ask questions of staff, as needed. Chair Gaetz indicated that economic impact scores should be provided to members, and will be posted on the website, as well. Mr. Lee said it is important to show how funds are being awarded, by county, on the website.

Mr. Bense clarified that while he is frustrated with the public policy expressed by the Legislature relative to economic development, he knows that the local delegation worked very hard, and did all that could be done, to protect the original legislation.

Chair Gaetz said that it is important for Triumph Gulf Coast to reach out to develop new proposals that can be transformational. He thanked Mr. Shoaf for his outreach to the education communities in the rural counties and encouraged other members to reach out for new ideas throughout the region. He reported that he has been meeting with the parties involved in the transportation issues in Okaloosa County, particularly Highway 85, to facilitate those entities finding solutions that may or may not include Triumph Gulf Coast funding but benefit the region. He thanked Commissioner Fountain and Commissioner Boyles for their leadership.

Chair Gaetz for additional public comment. No member of the public came forward.

There being no further business, the meeting was adjourned at 2:04 p.m. CT.