

**Special Meeting Minutes  
Triumph Gulf Coast, Inc.  
Bay County Commission Chamber  
Bay County Government Center  
840 West 11<sup>th</sup> Street  
Panama City, Florida 32401.  
February 8, 2019  
9:30 – 11:00 a.m. CT**

**MEMBERS PRESENT:**

Allan Bense, Vice-Chair  
Pam Dana, Ph.D.  
Don Gaetz, Chair  
Ben Lee  
Jason Shoaf

**NOT PRESENT:** Stephen Riggs, IV

Chair Don Gaetz called the meeting to order at 9:30 a.m. CT and announced that the meeting was noticed to adjourn no later than 11:00 a.m. CT. He thanked the Bay County Board of County Commissioners for the use of the Commission Chambers for this special meeting.

Executive Director Susan Skelton called the roll and announced the presence of a quorum. Chair Gaetz asked Legal Counsel Scott Remington to review what constitutes a majority when five members are present and voting. Mr. Remington said that for any vote taken when four or five members are present, a majority vote would be three members. He noted that if there were to be a tie vote on an issue, the issue would carry over to the next regular meeting pursuant to the By-laws.

Chair Gaetz introduced the discussion of the appropriate role of Triumph Gulf Coast in the Hurricane Recovery efforts in the region. He said that the Board had received a letter from CFO Jimmy Patronis and would receive a report from Ms. Skelton on the ongoing federal and state roles in the recovery effort along with a recommendation by Vice-Chair Allan Bense for the creation of a Triumph Gulf Coast Hurricane Michael Major Disaster Recovery Program.

Mr. Bense noted that Bay, Gulf and Franklin counties bore the brunt of the damages from Hurricane Michael and that Wakulla had sustained some damage as well. He acknowledged the letter from CFO Patronis that suggested that Triumph Gulf Coast funds might properly be used for bridge loans to local governments to help in the recovery. He said that others have reached out, both asking for help and asking for us not to use our funds for work that the federal and state governments should be providing so that Triumph funds can be used for their proper purpose of economic recovery. He said he is very concerned about using the funds for any other purpose than economic

recovery but if there are ways to create jobs and provide economic recovery while at the same time providing relief to these governments, he would be very supportive of such efforts. He said he was inclined to ask the Board to place up to \$15 million in reserve to be used to help in Hurricane Michael recovery efforts. He said that if help were provided in the form of loans he would expect the funds to be repaid when the governments were reimbursed by the federal government for the costs incurred. He said that the Board needs to be very cautious in moving ahead with the use of these funds. He said that many people were frustrated with the level of caution the Board exhibits in expending funds, but that experiences such as Red Pine in Bay County where hundreds of thousands of dollars were lost in a bad business agreement were foremost in his mind with every spending decision that Triumph Gulf Coast makes. He said that he did not want Triumph Gulf Coast to ever be in such a situation due to a lack of diligence in proper vetting and overseeing use of the Triumph funds. He said that Triumph Gulf Coast should not compete with the private sector in any way or fashion, but he would ask the Board to consider if it would be willing to create some sort of recovery program and ask that counsel be tasked with making sure that if such a program moves forward it is done within the legal confines of the governing statutes. He said that the worst thing that could happen would be to have a finding by the State Auditor General that Triumph Gulf Coast had misspent the funds for purposes not allowed by statute which could put future funding in jeopardy. He said that the legislative delegation has really stepped up to fight for funding for Hurricane Michael recovery and he is very proud of them. He said that he wanted the state to know that Triumph Gulf Coast wants to play a part in the recovery, and hopefully in a way that works toward continued economic recovery for the region.

Ms. Skelton reported that she and Program Administrator Cori Henderson had met with the Chief of Staff and Operations Chief of the Florida Division of Emergency Management to get a better understanding of the work flow and reimbursement process for local governments affected by the hurricane. Ms. Skelton gave an overview of the FEMA Reimbursement Process (notes available under Meeting Materials for this meeting at [www.myfloridatriumph.com](http://www.myfloridatriumph.com) ) and their meeting with Division staff. She noted that the Division has volunteered to work with Triumph Gulf Coast to provide a workshop for local governments within our affected area to assist them with the FEMA Reimbursement process so that applications can be successful within the federal programs. Ms. Skelton reported that she and Mr. Lee have had conversations with Mr. Ben Watkins, Director of the Office of Bond Finance for the State Board of Administration, about the proper use of Triumph Gulf Coast funds relative to recovery efforts as well.

Chair Gaetz asked Mr. Lee for his thoughts relative to his conversations with Mr. Watkins and CFO Patronis and the appropriate use of Triumph Gulf Coast funds. Mr. Lee said that he had spoken with CFO Patronis on two occasions and with Mr. Watkins about use of the funds. He said that it was not his intent in any way to supplant the proper roles of the state or federal governments in their response to Hurricane Michael and that our area should be treated the same as any other area in the state or nation in those responses. He thanked Representative Dunn, Governor DeSantis and the state legislative delegation for the work that is being done to secure assistance from their respective governments. He noted that the local government staffs and elected officials have been working tirelessly on response for their communities.

Mr. Lee said that in his world of banking, sometimes an entity needs a loan, and sometimes it doesn't, and sometimes the worst thing that a bank can do is give a loan to someone that can't afford to pay it back. He said that the Board needs to look at each scenario individually and recognize that it has an obligation to make certain that the funds it oversees are put to work in compliance with the governing legislation. He said that the Board should not make "knee-jerk" decisions, but if there is a way to provide for some ad valorem tax relief that would be a good first approach.

Dr. Pam Dana gave a brief overview of her experience working for Governor Jeb Bush during the 2004-2005 hurricane recovery period when the state was hit with multiple hurricanes in a period of several weeks and months. She recalled that there was a special pool of monies created at the state level to provide bridge loans for unmet needs. She said each county put together a loan review panel comprised of local bankers to determine how the funds were disbursed. She said that she remembered that the low interest loans were repaid in full for the most part. She then said that it was important to her that the burden for assistance should not be shifted away from the state and that the state should not view Triumph Gulf Coast as a source to supplant needed state funding.

Chair Gaetz said that the delegation is doing a wonderful job in keeping the focus on the state and federal funding needs. He said that the Governor, in his proposed budget, has been extraordinarily focused on assuring funding for the recovery effort. He said that there are a number of bills filed by Representative Jay Trumbull, Senator George Gainer, Senator Doug Broxson, Senator Bill Montford, Representative Brad Drake and Representative Jayer Williamson to deal with hurricane recovery. He then asked Mr. Jason Shoaf, who he noted has probably been the most affected member of the Triumph Gulf Coast Board relative to direct impacts of storm damage from the hurricane, to offer any comments. Mr. Shoaf said that progress is being made, but that the region is a long way from total restoration. He said he still remembers the fear from the oil spill and that it would be a crime to take the money designated for recovery from the oil spill and to somehow water it down to now take on the responsibility of fixing both disasters. He said that the state should not try to replace its responsibility by supplanting its funds with Triumph Gulf Coast funds, but that he supports using Triumph Gulf Coast funds in support of the recovery effort, perhaps as bridge loans, to get the process rolling until the state and federal funds are forthcoming. He said that it is imperative to get the economic recovery started.

Chair Gaetz noted that members of the Board have had discussions with various officials and county government representatives about the best way to proceed with the use of Triumph Gulf Coast funds for hurricane recovery. He said one county has said that it does not want any loans, one county has passed a resolution stating that it does want to access bridge loans, there have been concerns about whether it is appropriate for Triumph Gulf Coast to be in the loan business in competition with the private sector, or whether it would be better to do grants to local governments for immediate use of the funds. He referred to the lack of information from ad valorem losses but acknowledged that local property appraisers are collecting data that can be useful in determining what those tax losses may be.

Mr. Lee said that he is more inclined to look at the estimated ad valorem shortfalls that would allow for Triumph to get funds directly to the governments in the quickest and best manner possible to allow for those governments to continue to provide necessary services with no need to worry about repayment at a later date. He noted that without

the ability to provide basic governmental services, it would be hard for a city or county to recruit and retain jobs that contribute to economic recovery.

Mr. Bense said that the Board must be very careful not to get into competition with the private sector and that giving loans is of concern. He said that if there was a local government that could not get a bank loan and if the State of Florida would agree to guarantee repayment of those loans, he would be supportive, but only if the state guarantees full repayment so that Triumph Gulf Coast funds could then be spent for the intended purpose of economic recovery and diversification. He said that just because Triumph Gulf Coast has a large amount of money, it does not give it the right to get into competition with the private sector.

Chair Gaetz noted that ever since the hurricane the Board has required each applicant to attest that it still has the support of the resident county commission in going forward in a post hurricane recovery environment. He said that there has not been a single project funded since that time without that affirmation. He said that Triumph Gulf Coast funds can serve more than one purpose and that the dual role of economic diversification and post hurricane recovery will need to continue to be met by all future applicants in the disaster-declared counties (Bay, Franklin, Gulf and Wakulla.) He said there is an acute understanding of the need for post hurricane recovery and fundamental support and appreciation by legislative leadership for Triumph Gulf Coast being able to do “double duty” with funding whenever possible. Ms. Skelton asked if there should be something added to the application for projects in those counties to formally affirm the support of the local county commissions in light of the post-hurricane recovery. Chair Gaetz indicated that he thought such a written affirmation would be appropriate. There was no objection to adding such language.

Chair Gaetz said he had asked staff to prepare a draft resolution for discussion and asked Mr. Remington to present the draft resolution (available under February 8, 2019 Meeting Tab on [www.myfloridatriumph.com](http://www.myfloridatriumph.com) ) to create the Hurricane Michael Major Disaster Recovery Program to set aside funds for local government assistance as a “...priority for the economic recovery, diversification and enhancement of the disproportionately affected counties of Bay, Franklin, Gulf and Wakulla. The program would allow local governments in those counties to apply for awards that enable them to avoid increasing ad valorem property tax rates, promote economic recovery and diversification, and to continue programs and projects to enhance the economies of the impacted counties.”

Mr. Bense said that a hurricane relief package could easily be one of the first bills passed at the upcoming legislative session and that perhaps the local governments in the region should press the legislature to set aside a sum of funds to guarantee loans, and it could be done in very short order. He said that Triumph Gulf Coast has already signed agreements for over \$27 million in projects and others are starting to come to fruition in the very near future. He said that there are another \$90+ million in projects at the term sheet negotiation phase. There are \$118 million of current obligations (not counting the guaranteed \$15 million per county not yet obligated.) There are \$229 million of projects still in the queue under active consideration, and another \$640 million worth of applications that have not yet begun the review process. He said that Triumph Gulf Coast is working hard to expend funds in the most thoughtful, deliberate and prudent manner possible. He said that he is not yet ready to move towards a bridge loan solution without guarantees from the State of Florida.

Chair Gaetz asked what the dollar amount should be for the Hurricane Recovery Program set aside. Mr. Lee said that he thought that \$15 million was a good starting point for the program and that if it needed to be adjusted in the future the Board could reconsider that amount.

Mr. Shoaf made a motion to adopt the resolution as read, with the addition of a set aside amount of \$15 million for creation of the Hurricane Michael Major Disaster Recovery Program. Mr. Bense seconded the motion.

Chair Gaetz asked if there was anyone from the public that wished to comment on the resolution before the Board took action.

Commissioner Philip "Griff" Griffiths, Chair of the Bay County Board of Commissioners spoke about the financial crisis facing the county and local municipalities and the immediate importance of bridge loans and future ad valorem relief.

Mr. Michael White, City Manager of the City of Lynn Haven, said that ad valorem tax losses will be a big problem for their community and appreciated the possibility of assistance.

Ms. Margo Anderson, Mayor of Lynn Haven, said that she supported CFO Patronis' letter and said that she hoped that one solution is not chosen over others, but all are appreciated. She said that economic recovery grants would be more helpful than loans. She brought up the need to support sports complex development as part of the fabric of the community.

Mr. Chris Dosev, citizen from Pensacola, expressed his opposition to the amount of funds being offered by the Triumph Gulf Coast Board and indicated the amount should be higher.

On a roll call vote, the resolution was passed by a vote of 5-0.

Chair Gaetz asked that staff provide proposed certification language to be added to the application in addition to the documents to be used for the Hurricane Michael Major Disaster Recovery Program application process.

Chair Gaetz recognized Mr. Grover Robinson, Mayor of the City of Pensacola. Mayor Robinson said that he was coming before Triumph Gulf Coast to request an adjustment in the terms of Proposal #120 – City of Pensacola Airport MRO Aviation Campus - \$56,000,000. He told the Board that the City of Pensacola and the Escambia County Commission have both agreed to an additional \$5 million towards the final cost of the total \$210 million proposal. He said that if Triumph can increase its investment by \$12.5 million, he believes that additional funds would be forthcoming from the State of Florida in the amount of \$20 million from the Department of Transportation. He said that the additional funds will help to get the full project funded and thousands of new jobs for the region. He said if the talent is educated in the area, even more jobs will come in the future. He noted that Mr. Bill Hafner, project manager for the City of Pensacola MRO, and Mr. Stephen Limm, President of ST Engineering for North America, were both present and available to answer any questions of concerns about the project if needed.

Mr. Shoaf said that the number of new jobs is positive. Mr. Lee agreed and said this is truly a regional project that will put the region on the map. He said he really didn't like to have to re-address the funding, but it is important enough to make this project work to bring in these high paying jobs. He said that with this level of investment, there should be more of a focus on the educational component of the project. Mayor Robinson indicated that work study and scholarships are definitely a part of the proposal. He said the City would be committed to work to strengthen that component.

Mr. Bense said that he would vote to fund some of what is being asked for, but it is time to move along and this should be the last ask for this project, and probably for Escambia County for a while. Mayor Robinson indicated that the City has heard the Board and will not be coming back with the Port of Pensacola project at this time. Dr. Dana asked Mr. Bense what amount he would consider funding. Mr. Bense indicated that he could support an additional \$10 million. She asked if there would be an opportunity to increase the job creation to more than three years. The mayor said he would have to run that request back through the corporate process. Chair Gaetz said that he would be offering a draft resolution that included something in return for additional dollars, in the form of an extension of the maintenance period for the grant award.

Mr. Shoaf asked if the new funds had to come out of the current funding or if it could come out of future funding. The mayor said that he did not have a problem with future funding but would need to be sure it would be acceptable to the corporate partner. He said that the City would be ok with the \$10 million offer from Triumph Gulf Coast as long as they could have flexibility to find the additional \$2.5 million.

Chair Gaetz asked Vice-Chair Bense to take the Chair so that he could present a proposed resolution. With Vice-Chair Bense in the Chair:

Chair Gaetz read a proposed resolution for consideration (Resolution available under the February 8, 2019 Meeting Tab at [www.myfloridatriumph.com](http://www.myfloridatriumph.com).) The resolution contained provisions to fund an additional \$10 million for Proposal #120 in two \$5 million increments if and when Triumph Gulf Coast receives scheduled additional funds from the BP Settlement Agreement in 2020 and 2021. The City is required to provide evidence of firm and enforceable funding commitments for the project of not less than \$144,125,000 of which not less than \$35,000,000 is committed by ST Aerospace. The new job maintenance period would be extended to seven years.

Chair Gaetz made a motion to adopt the resolution as presented. Dr. Dana seconded the motion. Vice-Chair Bense asked if there was anyone from the public that wished to comment on the proposed resolution. No one from the public came forward to speak.

On a roll call vote, the motion passed 5-0.

Vice-Chair Bense reiterated the importance of having local governments work with the local legislative delegation to get the State of Florida to guarantee loans, so that Triumph Gulf Coast could be in a position to loan funds.

Vice Chair Bense turned the Chair back over to Chair Gaetz.

Chair Gaetz asked if there was any Public Comment. Several speakers came forward.

Ms. Judy Carter Williams from Jackson County, owner of Williams Bait Farm, said that she was trying to find out what recourse there may be on the claim she filed for economic loss under the BP Oil Spill individual economic losses. She has lost over \$500,000 and just wants to know where she could go to get help. Ms. Skelton said that she would meet with Ms. Williams after the meeting.

Mr. Kelly Windes, Okaloosa County Commissioner, spoke about getting funding for a major road project in his county. He said that the county needs approximately a third of the total cost of the project to come from Triumph Gulf Coast funding and it appears that Triumph funds are requiring the creation of new jobs. The concern is that without the project, the county could lose thousands of jobs from Eglin AFB.

Mayor Anderson approached the podium again to ask for \$15 million for the Dizzy Dean Baseball project that had previously been rejected by Triumph Gulf Coast due to a lack of new job creation.

There being no further business, the meeting was adjourned at 10:57 a.m. CT.