

**Agenda
Triumph Gulf Coast, Inc.
Okaloosa County Commission Chamber
Shalimar Courthouse Annex
1250 North Eglin Parkway
Shalimar, Florida 32579
April 29, 2019
9:30 a.m. CT**

Members Present:

Lewis Bear, Jr.
Allan Bense, Vice Chair
Pam Dana, Ph. D
Don Gaetz, Chair
Ben Lee
Stephen Riggs, IV, Treasurer
Jason Shoaf

Chair Gaetz called the meeting to order at 9:34 a.m. CT. He introduced the Board's newest member, Mr. Lewis Bear, Jr., and noted that Mr. Bear will complete the unexpired term of Mr. Stan Connally who resigned due to business obligations. The appointment is made by the Governor and the term expires in June 2021.

Chair Gaetz announced that Vice Chair Allan Bense has been awarded a Doctorate of Humane Letters by the Florida State University for his philanthropic service to the state and the university.

Mr. Jason Shoaf has won a primary election for House District 7 and will face a General Election in June.

Executive Director Susan Skelton called the roll and announced the presence of a quorum with all members present.

The minutes of February 25, 2019 Board Meeting were approved without objection.

Presentation

Brigadier General Evan Dertien, Commander of the 96th Test Wing and Installation Commander, Eglin Air Force Base gave a presentation (available at 0:04:35 under Meeting Materials for April 29, 2019 at www.myfloridatriumph.com) on the activities at Eglin AFB. He noted that Eglin is the largest base in the U.S. Air Force with a land area of over 724 miles, over 140 miles of shoreline and a 123,000 mile water range that stretches all the way to the Florida Keys. The base specializes in weapons research, weapons testing and training of joint military forces. For over seventy years Eglin has been on the cutting edge of preparing for and defending the nation. He said that adversaries are making advances in technology that demand the constant attention of our forces here. Modernization of technology and troop skills is critical to that defense for the future.

General Dertien said that the base operations would not be possible without the support of the three counties that it spans and the local communities within those counties. He then outlined the four mission areas of the base: Research, Acquisition, Testing and Training. Research includes discovery and development of weapons science and technology. Acquisition includes sustainment of armament and weapons supplies across the Air Force for current and future needs. Testing includes

developmental and operational testing of all Air Force weapons systems. Testing of various weapons, fixed wing and rotor aircraft and field testing of armaments are part of the mission. Training includes pilot training on the F-22 and F-35 aircraft as well as war fighters from various branches of the U.S. Armed Forces on Warcraft and special operations techniques. The U. S. Army 7th Special Forces Group is housed at Eglin AFB, as well as a Space Radar capability for maintaining situational awareness of threats from space. At this time Eglin has over 600 members deployed around the world in support of military operations.

Eglin AFB has a workforce of approximately 20,000 people. When their families are added to that number, approximately 92,000 people in the surrounding communities have direct ties to the base. General Dertien said that the base relies on the local communities and their infrastructure to support operations. He noted that the various missions are spread across the 724 square miles of the base including the Space Radar, Duke Field, the 7th Special Forces operations compound, Camp Rudder, and seventy other test sites and all depend on state and local transportation systems. He said daily operations on the base depend on unfettered access to the state transportation system across the base. Delays on those roads could negatively affect the operations of the missions on the base. He said all mission areas on the base are growing with more investment and research projected in the future. He said that infrastructure, such as the road system, needs to keep pace with both the growing mission and the growing communities that support the mission. All stakeholders must work together to assure the future growth of the base.

Legal Report

Chair Gaetz explained that Triumph Gulf Coast operates on a three-step process: Recommendation to move forward to term sheet negotiations; the Term Sheet Negotiation; and the Grant Award. He told the audience about the process for providing public comment, both prior to voting on an issue and at the end of the meeting. He encouraged the public to comment on any issue on the agenda.

Legal Counsel Alan Manning provided a Review of Grant Award Recommendation for Proposal #186 – Gulf County Hurricane Michael Ad Valorem Assistance Request – Gulf County Board of County Commissioners for \$2,654,694. He explained that \$1,347,477 would be retained by the County, \$1,243,831 would be distributed to the School Board, \$54,780 would be distributed to the City of Port St. Joe and \$8,606 would be distributed to the City of Wewahitchka. He explained that the grant award contains a provision that requires the County to attend FEMA training prior to receiving the funds, but staff is recommending a change to that requirement.

Chair Gaetz called on Ms. Skelton to explain the recommendation. Ms. Skelton indicated that in staff discussions with the Florida Division of Emergency Management and the Federal Emergency Management Agency (FEMA) it was determined that both Bay and Gulf Counties have hired professional assistance to interact with the federal government in the reimbursement process and that including such a requirement to attend a workshop could be burdensome to the counties in their efforts to recover from the hurricane. Therefore, staff is recommending removing the requirement for FEMA training from the Gulf County Grant Award and from the Bay County Grant Award #189.

Chair Gaetz asked if there was any objection to removing the FEMA training requirement from the Grant Awards. There being no objection, the requirement was removed from the documents. Mr. Bear made a motion to approve the Grant Award Agreement to support normal operating expenses of the named entities that would otherwise be funded by ad valorem property taxes to assist with the recovery from Hurricane Michael. Dr. Pam Dana seconded the motion. Chair Gaetz asked for public comment on the grant award. No one came forward to speak. **On a Roll Call Vote, the Grant Award for Gulf County Hurricane Michael Ad Valorem Assistance was approved (7-0.)**

Mr. Manning then gave a review of Grant Award Recommendation for Proposal #189 – Bay County Hurricane Michael Ad Valorem Assistance Request – Bay County Board of County Commissioners for \$6,667,254. He explained that \$1,915,732 would be retained by the County, \$154,494 would be distributed to the MTSU-Fire fund, \$94,167 would be distributed for Bay County Mosquito Control, \$2,031,603 would be distributed for Bay County School District Required Local Effort (RLE), \$1,013,812 would be distributed for the Bay County School District Discretionary fund, \$756,109 would be distributed to the City of Panama City, \$325,386 would be distributed to the City of Mexico Beach, \$54,683 would be distributed to the City of Springfield, \$80,814 would be distributed to the City of Callaway and \$240,454 would be distributed to the City of Lynn Haven. **Chair Gaetz asked if there was any objection to removing the FEMA training language from the grant award as described in the prior grant award discussion. There being no objection, the requirement was removed from the documents.**

Chair Gaetz asked if there was anyone from the public that wished to comment on the grant award proposal. Bay County Commission Vice Chair Robert Carroll (District 2), on behalf of all of the entities in Bay County, thanked Triumph Gulf Coast for consideration of the grant award. He said the communities desperately need the help and it is greatly appreciated. Chair Gaetz thanked Commissioner Carroll for the work that local governments are doing to help the area recover. **Vice Chair Allan Bense made a motion to approve the Grant Award Agreement to assist Bay County in its recovery. The motion was seconded by Mr. Ben Lee. On a roll call vote, the motion passed unanimously (7-0.)**

Ms. Skelton then explained that the original action of the Board was to provide relief to the two counties (Bay and Gulf) that applied for ad valorem property tax replacement assistance for up to 50% of the counties' estimated tax losses for FY 2019-2020. The grant award agreements that were just considered reflected those amounts. \$5,678,052 of the \$15,000,000 originally set aside for this purpose remains. Bay County asked that any remaining funds be considered for disbursement on a pro-rata basis to extend the amount up to the original \$15,000,000 contemplated for expenditure on the program. Staff is recommending pro-rating the remaining balance for the original purposes in the Bay and Gulf County Grant Award Agreements. Chair Gaetz asked for clarification that Franklin and Wakulla Counties did not apply for the ad valorem relief funds. Ms. Skelton confirmed that both counties had indicated that they were projecting no ad valorem property tax losses as a result of the hurricane and had declined to apply for the funds.

Mr. Ben Lee said that he thought the needs were great for Bay and Gulf Counties and recommended making the adjustments. **He made a motion to adjust the Grant Award for Gulf County to include a pro-rated amount of the remainder of the funds in the Hurricane Michael Major Disaster Recovery Program to a new award amount of \$4,271,683.34.**

Mr. Jason Shoaf asked if there were any updates on the estimated losses from the local property appraiser. Ms. Skelton noted that the final amounts from both Gulf and Bay are required to be certified to the State of Florida by July 1, 2019 and we would know at that time if the estimates were correct. Mr. Shoaf then asked if it would be possible to hear from Gulf County on how the additional funding would be used. The Chair called on Mr. Warren Yaeger, Assistant County Administrator of Gulf County, to comment. Mr. Yaeger indicated that the funds would be pro-rated amongst the local entities listed above for normal operations. Vice Chair Bense spoke with Mr. Yaeger about the folly of the county investing tax dollars in the proposed purchase of a local golf course. Mr. Yaeger assured the Board that no ad valorem tax dollars are contemplated for such a use, rather, if the county did go ahead with the proposal it would be fully funded by a fifth cent bed tax on tourism income. **Chair Gaetz suggested that the motion be amended to clarify that the funds are only to be used for normal operating expenses in the hurricane recovery process and are not to be used to purchase a golf course.** Mr. Shoaf agreed with the suggestion and said that the funds provided by Triumph Gulf Coast need to go towards the hurricane recovery to preserve the local

economy. Mr. Bear noted that in his experience with golf courses he has never known of a time when members haven't had to be assessed to pay for maintenance and repairs to keep such a facility running. Mr. Yaeger indicated that the county is simply reviewing a request to purchase the course solely for the purpose of maintaining the tourism function and is in the very preliminary phases of even considering such a purchase. Vice Chair Bense said that regardless of the funding source, the public will consider it as spending public funds for such a purchase. **Mr. Lee amended his motion as suggested and Mr. Shoaf seconded the motion. The Chair asked if there was any additional public comment on the motion. There being none, the motion was passed on a roll call vote (7-0.)** The pro-rated amounts for the Gulf County local government entities are amended to:

County:	\$2,168,232.97
School District:	\$2,001,455.60
Port St. Joe:	\$ 88,146.81
Wewahitchka:	\$ 13,847.96

Mr. Lee then made a motion to adjust the Grant Award for Bay County to include a pro-rated amount of the remainder of the Hurricane Michael Major Disaster Recovery Program funds to a new award amount of \$10,728,316.66. Mr. Bear seconded the motion. Chair Gaetz asked if there was any member of the public wishing to be heard on the motion. No one came forward to speak. **On a roll call vote, the motion passed unanimously (7-0.)** The pro-rated amounts for the Bay County local government entities are amended to:

County:	\$3,082,615.35
MSTU-Fire	\$ 248,597.18
Mosquito Ctrl	\$ 151,524.66
School RLE	\$3,269,064.04
School Disc	\$1,631,330.70
Panama City	\$1,216,659.33
Mexico Beach	\$ 523,580.48
Springfield	\$ 87,990.73
Callaway	\$ 130,038.27
Lynn Haven	\$ 386,915.91

Mr. Manning explained the Grant Award Recommendation for Proposal #120 – City of Pensacola Airport MRO Aviation Campus for \$66,000,000 and said that the grant award agreement has been worked out with the City of Pensacola and also with VTMAE, the corporate tenant, that will be signing an additional performance agreement with Triumph Gulf Coast for completion of performance metrics related to job creation for the proposal. The City and VTMAE have already signed the Grant Award Agreement in anticipation of today's vote. Both agreements are consistent with the Term Sheet approved by the Board in October 2018.

Chair Gaetz recognized The Honorable Grover Robinson, Mayor of the City of Pensacola, for comment on the proposed Grant Award. Mayor Robinson said that everyone is ready to go forward with the award. Chair Gaetz noted the important role that the mayor has played to make this proposal work. He then asked if there was any public comment on the grant award. No one came forward to speak. **Staff noted that the Performance Agreement with VTMAE is included in the Grant Award Agreement with the City.** Dr. Rick Harper, Economic Advisor, gave a brief synopsis of the agreed to job performance requirements and the phased implementation over the next several years. Mr. Bear noted the importance of this project for the City of Pensacola and the entire Northwest Florida region. After the explanation, Chair Gaetz asked again if there was any public comment. There was none. **Mr. Bear made a motion to approve the Grant Award to the City of Pensacola. Mr. Lee seconded the motion. On a roll call vote, the motion passed unanimously (7-0.) Staff noted that the Performance Agreement with VTMAE is included in the Grant Award Agreement with the City.** The Grant Award Agreement was executed at the end of the meeting.

Mr. Scott Remington, Legal Counsel provided a review of Term Sheet Negotiations on Proposal #185 – City of Panama City – Panama City Industrial Complex for \$20,025,000. He explained that this proposal was previously known as Proposal #55 by Eastern Shipbuilding Group, Inc., and has been reconfigured to include the City of Panama City as the public partner in the proposed agreement. This change was requested by the Triumph Gulf Coast Board in December 2018 in order to assure that the agreement would meet statutory requirements for public infrastructure investment. Mr. Remington indicated that he believes that the proposed Term Sheet captures the relevant and material terms of the negotiated positions with the City and Eastern Shipbuilding with the caveat that the City's attorney of record has been hospitalized in the last few days and unavailable for comment on the final version presented today. He said that the Triumph funding would be a part of a \$70 million improvement project by the City of Panama City at the Nelson Street Shipyard, and in turn, Eastern will agree to use the facility exclusively for the execution of its contract with the United States Coast Guard for the production of Offshore Patrol Cutters for the next 20 years. The Triumph funding represents approximately 39% of the improvement cost. Other funding sources include: Bay County, the City of Panama City, State of Florida, US Maritime Administration (MARAD), and Eastern Shipbuilding Group. Mr. Remington noted that the agreement is very similar to the structure of the City of Pensacola agreement for the Airport project. He then called on Dr. Harper to discuss the performance metrics and clawback requirements in the proposal. Dr. Harper explained that the job performance requirements in the term sheet are directed at the tenant, Eastern Shipbuilding, for the creation of net new jobs over a period of time. He said that the company has already employed over 500 full time employees and the agreement will require it to maintain those jobs in addition to the 900 net new jobs for the second phase of the USCG contract for at least three years after the award of the second phase contract. If the company does not win the second phase of the USCG contract, Triumph is requesting maintenance of the new jobs for at least three years after the completion of the first phase of the federal contract.

Mr. Lee asked how long the easement for use of the tenant would be in place. Mr. Remington indicated that the term would be twenty years. Mr. Lee asked about the cost per job and Dr. Harper responded that the cost is approximately \$22,000. Chair Gaetz asked about the enforcement of clawbacks and the responsibility of the City for participation in cost sharing for legal fees. Mr. Remington said that this proposal will require several documents. He said that his conversations with Eastern Shipbuilding have been clear that Triumph would expect to be indemnified against legal proceedings and fees in the event that there are issues between the City and the tenant. He said that due to the unavailability of the City's counsel he has not been able to confirm that understanding with him but does not anticipate problems once he is able to have that conversation. Chair Gaetz asked if that would impede taking action on approving the terms from the perspective of Triumph Gulf Coast. Mr. Remington said that it would not slow the process for the Board to go ahead and agree to the terms as described to date, and if any material issues arrive in negotiating a final Grant Award Agreement those items would be brought back to the Board for consideration and approval.

Chair Gaetz asked if any member of the public wished to comment on the proposed term sheet. No one came forward to speak. **Mr. Bense made a motion to move forward with Grant Award negotiations with the City of Panama City and Eastern Shipbuilding Group, Inc. Mr. Lee seconded the motion. On a roll call vote, the motion passed unanimously (7-0.)**

Mr. Manning reported that the Gulf County School Board has requested consideration of extending the performance requirements for Grant Award #153 – Gulf County School District – Unmanned Systems Training Program - \$750,000 as a result of ongoing efforts to restore operations after Hurricane Michael. The School Board is asking for an extension of one year. Chair Gaetz asked if anyone from the public wished to comment on this request. No one came forward to speak. **Mr. Shoaf made a motion to extend the performance requirement due date**

for one year. The motion was seconded by Dr. Pam Dana. The motion passed unanimously on a roll call vote (7-0.)

Chair Gaetz noted that a similar extension of one year for completion of performance metrics for hurricane recovery has been requested by the Bay County School Board on Grant Award #143 – Bay County School District – Haney HVAC Training - \$614,000. He noted that this proposal is one that Vice Chair Bense and Mr. Lee have recused themselves from voting on in the past and such recusal would apply to this vote as well. **He then asked for a motion to extend the time for completion of the performance metrics by one year from the completion of the construction phase of the project and asked if there was any public comment on the request. Mr. Bear made the motion and Dr. Dana seconded it. On a roll call vote (5-0), the motion was passed with Vice Chair Bense and Mr. Lee abstaining.**

Ms. Skelton reported that staff has been in contact with the City of Apalachicola regarding resuming Term Sheet Negotiations for Proposal #26 – City of Apalachicola – Port of Apalachicola Improvements / Management - \$1,100,000 and expect to hear back from the City about when and how it would like to move forward with the proposal in the near future. Mr. Shoaf noted that he and staff are working with the City to get the project back on track as soon as possible

Dr. Frank Fuller, Education Advisor, reported that the applicant had asked to put the Term Sheet Negotiations for Proposal #65 – Bay Youth Summer Work Foundation / Gulf Coast State College – Bay Youth Summer Work Fund / Training - \$86,781 on hold after the hurricane, but is now in a position to move ahead. Mr. Manning noted that the amount of the award has been reduced and called on Mr. Cori Henderson, Program Administrator to elaborate on the current state of the request. Mrs. Henderson said that through efforts to involve the Gulf Coast State College and business partners in the community the original request has been reduced to \$48,381.40. She said that Triumph participation has been able to be reduced due to the enhanced role of community partners.

Dr. John Holdnak, President of Gulf Coast State College and Mr. Willie Pollard, Administrator of the Bay Youth Summer Work Foundation, spoke in support of the program and its importance to the community in the aftermath of the hurricane. The ability to provide new computer training and real life work experience to the underserved and at-risk youth of Bay County is more important now than ever before. They thanked Triumph Gulf Coast for its support. Chair Gaetz asked for any other public comment. No one asked to speak. **Vice Chair Bense made a motion to move ahead with Grant Award negotiations on Proposal #65. The motion was seconded by Mr. Lee. The motion passed unanimously (7-0.)**

Dr. Fuller gave a report on Term Sheet Negotiations for Proposal #5 – Escambia County School District – Workforce Training - \$3,012,710. He said that after almost a year of negotiations the staff is ready to move forward with a recommendation to go to Grant Award negotiations. A key component of the proposal is for aviation training to support the growing workforce need in the region. The Chair asked for an explanation of the clawback provisions that had created the prolonged discussion with the School District. Dr. Fuller reported that the clawback provisions are intact, but that the school has asked to reduce its funding request in accordance with relaxed performance metrics. Staff is comfortable that the clawback amount is still at 100% if the applicant fails to meet the metric, but the metric has been reduced to a level that the applicant believes is acceptable with a commiserate reduction in the funding request. The new request is for \$2,329,302.

Mr. Bear asked if the reduction of the funding request would lend to the discussion of a bonus structure. Dr. Fuller said that was part of the discussion staff will provide to the Board at the end of the meeting to allow for incentives to “fast track” training in areas where there is a demonstrated industry call for skilled workforce. Chair Gaetz asked if there was anyone from the audience that

wished to be heard on the proposal. Dr. Michelle Taylor, Escambia County School District, thanked the Board on behalf of the Escambia County School Board and Pensacola State College for the work done to bring this proposal to the community. She said that there would continue to be requests from the School District to provide future training avenues for the area.

Mr. Bear made a motion to move to Grant Award negotiations with the Escambia County School District for Proposal #5. The motion was seconded by Mr. Shoaf. On a roll call vote, the motion passed unanimously (7-0.)

Economic Advisor's Recommendations on Proposals Under Review

Chair Gaetz called on Dr. Harper to explain **Proposal #46 – Okaloosa County Board of County Commissioners – Southwest Crestview Bypass for \$64,100,000 which combines Proposals #45 and #46**. He noted that the revised proposal presents six different scenarios describing possible economic impacts of construction of the new bypass around the City of Crestview. He said the hypothetical situations involve 5%, 10% and 15% in active duty and civilian compensation on Eglin AFB if the road is not built, an increase of 400 new workers with expanding missions, an increase of 810 dwelling units and an increase of 2.8 million square feet of commercial space in the area. He noted that the application is different than others considered by the Board. It recognizes that the military is a primary driver of the economy in Northwest Florida and that Okaloosa County has the most dense military population and activity in the region. Dr. Harper said that if reductions in staffing were to occur, they would certainly have impacts on the local economy, however the application does not provide specific information about such reductions and whether such reductions will actually occur. It is not clear from the application that such an occurrence could be specifically attributable to the absence of the road or if such reductions could just be a normal outfall of the Base Realignment process of the Department of Defense. Dr. Harper raised the question of whether Triumph investment in this project would be supplanting the normal role of local, state and federal governments. He said that in hypothesizing 400 new jobs as a result of building the road the County has not identified a likely source of those new jobs or a private sector guarantor for that performance metric. If those 400 jobs were created, the cost per job would still be over four times the cost per job that Triumph has entertained in any other project. He said there are uncertainties and risks with the application and therefore, staff has given the proposal an Economic Score of "B". He said it is impossible to establish a more concrete benefit cost ratio or return on investment without further specific knowledge that has not been provided by the applicant.

Chair Gaetz then called on The Honorable Kelly Windes, Chair of the Okaloosa County Board of County Commissioners, to discuss the proposal. Commissioner Windes described the proposal as the single-most important request of Triumph Gulf Coast for Okaloosa County due to the problems with transportation that exist today and those that may exist in the future. He said that the project is critical to the military complex and that all local governments and Chambers of Commerce support the effort. He noted that nearly two-thirds of the voters in the county supported a half cent tax increase for projects to include road construction. He said that the Florida Department of Transportation has endorsed the project. He said that the opportunity to use Triumph funds to facilitate the construction is a once in a lifetime chance to move a project forward in five years instead of as much as twenty-five years. He thanked the Board for the consideration of the proposal and introduced Mr. John Hofstad, Okaloosa County Administrator, for further comments.

Mr. Hofstad said that the proposed construction is located in the central part of the county in Crestview but will serve all parts of the county with the integration of the North-South corridors that keep traffic moving around and through the military bases and to and from the tourist-centric areas on the coastline. He said the project would result in decreased travel times, particularly in saturated areas such as the Highway 85, I-10 interchange and could expansion the delivery of supplies and services to the community. He said the proposal would maintain the regional productivity through the

reduction of traffic congestion, improve the military retention through possible mission expansion, and expansion of economic development through new job creation as a result of better traffic flow through the area. Mr. Hofstad said that based on US Department of Transportation data, he believes that there will be an initial benefit of \$180 million due to the development of the corridor and a long-term benefit of over \$120 million annually due to reduced congestion and the ability to increase the movement of goods and services along the improved North-South corridor through the county. He noted that the military and tourism industries are the main economic drivers to the economy. He said that Eglin contributes over 26,000 employees at over \$2,500,000,000. Another 8000 civilian and contractor jobs add an additional \$1,300,000,000 to the local economy. The County commissioned a study of the impact of a loss of 5% in military spending would equate to almost 2400 jobs lost and almost \$300,000,000 impact to the local economy. Mr. Hofstad that the new corridor would give the County the opportunity to develop over 2000 acres of currently inaccessible property. He said the build-out of the new area would create new jobs and new housing opportunities for the region. He noted that the proposal is not new and that the governments have been working on the project for over a decade. The total project cost is over \$200 million and the request for Triumph Gulf Coast funding represents approximately 32% of the overall project cost. The local option sales tax referendum was successful because of the commitment of local government to spend the funds on the road project. Some sales tax dollars will go to support local law enforcement, but the bulk of the new revenue will be committed to the road construction. Mr. Hofstad reiterated that this proposal is the number one request of Okaloosa County. Mr. Hofstad then introduced The Honorable Matt Gaetz, U. S. House of Representatives.

Congressman Gaetz gave a presentation on the importance of the military mission to the region and the nation. He said that the military has conveyed to him that other than offshore oil drilling (which could impede military use of airspace over the Gulf of Mexico training range), congestion on Highway 85 is the number one concern for the future of the military complex in the region. He noted that there is only one way to get on and off of I-10 in proximity to the base (at Highway 85) and that traffic at that interchange creates a major bottleneck that create difficulties in getting on and off of the base. He said that training missions are impacted by delays in moving personnel around to the various sites. The test and evaluation mission is driven by the new focus on defending against adversaries with new weapons. The new focus is on munitions development and weapons testing. He said that getting test pilots to sites, and being able to evacuate those sites if necessary, is critical to the continued success of the mission. Eglin is the only base where missiles are launched from the water and land on land. Some missiles have to cross Highway 85 and there have been times when there has been a need to evacuate Duke Field and the Seventh Group have needed to evacuate their installations and have been unable to due to heavy traffic on Highway 85.

In the Special Operations arena, both with the Army Seventh Group and the Air Force Special Forces Command, there are often "no notice deployment orders" that require immediate deployment around the world. Congressman Gaetz said that any slowdowns of getting these warriors to the deployment point degrades the mission. He said that the Seventh Group's primary focus at this time is on Latin America. He noted that that area of the world is in turmoil and could require deployments at any moment and that failure to deploy in a timely manner is a strategic concern. There is no indication that the problems in that region will diminish, and in fact, they appear to be growing. He said that the Seventh Group is also responsible for defense against drug trafficking in the Caribbean and the Gulf of Mexico. A shift in the Latin American drug cartels' trafficking patterns is causing an increased workload for the Seventh Group that is expected to continue to grow.

Congressman Gaetz then addressed the concerns that Hurlburt Field, home of the Air Force Special Forces, is full and has become the center of cyberwarfare training for the Air Force. The mission is critical and due to housing issues on the base, Hurlburt is more of a commuter installation than even Eglin and requires more capacity for moving its employees on and off of the base. He noted that the

Special Forces wing is the third most deployed wing in the Air Force and with growth of that mission there is a need to provide adequate road capacity to allow for rapid deployment from the base.

Failure to address the traffic issues on Highway 85 could put several future military investments in the region at risk. He said a new operations facility at Duke Field is in the President' budget but has not yet been appropriated and could be impacted if traffic concerns are not addressed. Also, the ability to support an additional squadron of F-35s could be impaired if impacts on mission readiness are not addressed. He said that traffic delays in getting personnel to missions have a direct effect on the cost of all of these missions. The military does cost analysis from the time a service member moves from a starting position until that person returns to that "resting" position so all travel times to and from housing are included in that analysis. Work hours not actually spent on a mission, but sitting in traffic, undermine the argument for future investment in the local base missions.

In addition to the increase in the fighter wing mission at Eglin, the President's budget calls for new hangar systems at Hurlburt Field to support an increase in the number of C-130J cargo planes and the new personnel to support the aircraft. Congressman Gaetz reflected on the ability to deploy missions to Haiti after the recent earthquake and noted that it took less time to set up the response capabilities at the Port Au Prince airport (28 minutes) than it probably took the airmen to get to the deployment point at Hurlburt.

Congressman Gaetz closed his presentation by saying that in his opinion there is no more critical project that Triumph Gulf Coast could consider than support of this road expansion in support of the United States military mission in Northwest Florida. (Presentation available at www.myfloridatriumph.com under the April 29, 2019 meeting tab.)

Chair Gaetz noted that all of the information from the presentations by the County and Congressman Gaetz would be taken into account as part of the term sheet negotiation process should the Board decide to move forward with the proposal. Congressman Gaetz said that quick action by the Triumph Gulf Coast Board would be helpful in making arguments in support of the bases during the upcoming reviews of the federal budget that begin as soon as May. He said any positive indicator is very helpful and very timely.

Mr. Bear said that he has personally experienced the terrible congestion on Highway 85 and this proposal provides a way to keep the jobs that are already here and work to support our military in any new missions. He said that waiting for action by the Base Realignment Commission would be too late to respond. He said he supports the proposal.

Mr. Lee asked if the phasing shown on the engineering drawing provided to the members meets the best use of the military. Congressman Gaetz said that General Dertien and his staff have been working with the County in all of the planning steps taken to date to assure that the military mission is addressed and foremost in the planning process. He noted that in an ideal circumstance, the military would like to see more capacity on Highway 98 as well, but the number one priority is to address the load on Highway 85.

Dr. Dana said that she has met with the Emerald Coast Convention and Visitors Bureau and while the military component of the argument is important, there is also a large tourism and service industry that is impacted. Many of those workers live in the northern parts of the county and commute to their jobs in the southern part of the county. She said that the bypass project is critical, and the State of Florida has a long history of working with the military to enhance and sustain missions. She asked Mr. Remington if there was a concern with use of Triumph Gulf Coast funds for this proposal due to the fact that Triumph is statutorily prohibited from using funds to supplant government funding of projects. Mr. Remington replied that this public infrastructure project does not

currently have government funding so use of Triumph funds would not be supplanting funds already committed by a government entity, but would simply be investing in a public infrastructure project.

Mr. Stephen Riggs, IV noted that this is the first substantial proposal to come forward from his home county of Okaloosa and that he is excited about the project and looks to the local government officials to indicate the support needed in the community. He said he is pleased to see the support from all areas of the county to work towards a solution that best serves the military, and the tourism and service sectors of the economy in both the northern and southern areas of the county. He said that any additional industrial growth in the county will most likely occur in the north and will need the support of this new infrastructure. He said the needs of the county are real and this project works to solve a long-term problem for the area.

Mr. Lee thanked the Congressman for all that he is doing not only for the region in general but specifically for his efforts in support of the recovery of Hurricane Michael. He then asked about the fact that this road would open up additional areas for development could lend itself to the military relocating some its infrastructure "outside the gates" of the existing bases and closer to the population of workers. Congressman Gaetz said that due to the nature of the Special Operations missions, security dictates keeping the operations on the installations. He said some testing and training functions could focus on the Crestview area simply because that is where there is space for expansion.

Vice Chair Bense said that while he has some concerns about the supplanting issues relative to the proposal, the arguments laid out by the applicant and the congressman have allayed those concerns.

Dr. Dana asked the County if there would be any changes to the updated application to reflect market changes in the cost of the project. She wondered if the construction costs being asked for in the application were to rise prior to the start of the funding period, how would those cost increases be addressed by the applicant. Mr. Hofstad responded that there have been indications that regional construction costs may be inflated due to demand after the hurricane, any projected increases in the cost of the project would be absorbed by the applicant and the request for Triumph funds would not increase beyond the current application. He said that FDOT is fully committed for 100% of costs for the I-10 interchange and the county is responsible for the feeder roads. He said it is not the intent to come back to Triumph Gulf Coast for any additional funds for this project. Dr. Dana then asked how much money will be raised from the new local option sales tax and what percentage of those funds are committed to the road project. Mr. Hofstad responded that the county estimates that the new tax will generate approximately \$12 million per year for ten years, or a total of \$120 million. He said that while there were a number of competing needs for the use of the money, the road project is the county's number one need and the bulk of the dollars will go to this project. Approximately \$25 million from the new tax, along with the funds already committed by the county and the City of Crestview from existing sources equals \$33 million in local funding. Dr. Dana said that normally staff assigns economic impact scores based on jobs created and noted that the application has no indication of such numbers. She said that she would like to see some verifiable numbers that staff could use to further judge the value of the proposal.

Mr. Hofstad said, "we understand that is a condition going forward. We understand we are going to have to agree to a term sheet that contemplates some level of job creation and we firmly believe that the completion of this corridor, understand major transportation capacity improvements are typically a twenty-five year program, a twenty-five fix. We are trying to condense that into five to six years for this project in particular. But we fully understand and agree that there are going to be certain stipulations and terms tied to that term sheet that we have to agree to that contemplate job creation. And, I can tell you, based on the undeveloped area that is over 2000 acres, the East-West Connector portion of that, the mission impact, that I am very comfortable to agreeing to a level of job

creation consistent with what you have done with the City of Pensacola and ST Aero. I believe that will come with this project.”

Mr. Lee asked about long-term planning and zoning requirements for the newly developable area contemplated in the proposal. Mr. Hofstad said that the Economic Development arm of the local government would be heavily involved in the planning for use of the area. He said the county has had conversations with the City of Crestview about the zoning of the new area. He said current plans would put approximately 300 acres in commercial/mixed use and as much as 1800 acres in residential use.

Chair Gaetz turned the gavel over to Vice Chair Bense in order to propose a motion to move forward to a term sheet negotiation with Okaloosa County for Proposal #46. **The lengthy motion follows:**

WHEREAS, Okaloosa County previously submitted a grant request to Triumph for an award of \$64,100,000.00 for construction of proposed Southwestern Crestview Bypass and Raspberry Road Connector (“Southwestern Crestview Bypass”), in Crestview, Okaloosa County, Florida; and

WHEREAS, Triumph recognizes that the preservation and expansion of the military missions and defense-related jobs at Eglin Air Force Base, Duke Field, Hurlburt Field, and the 7th Special Forces depend on adequate transportation routes linking the communities of south and north Okaloosa County with existing and potential bases and sites; and

WHEREAS, the proposed Southwestern Crestview Bypass represents a unique public infrastructure project directly linked to the most significant contributor to the region’s economy and the area’s largest source of high-paying jobs; and

WHEREAS, on May 1, 2018, the Okaloosa County Commission joined the Crestview City Council in passing Joint Resolution 18-111, finding the Southwestern Crestview Bypass “to be the single most important, critical and valuable use of Triumph funds over the next five years for the benefit of Okaloosa County”; and

WHEREAS, as part of Joint Resolution 18-111 the Okaloosa County Commission and City of Crestview have committed not less than \$29,966,000.00 in funding for the project from the new local option sales tax revenues (approved in November 2018), TIFF proceeds, and local option gas tax revenues; and

WHEREAS Okaloosa County’s request of \$64,100,000.00 for this project exceeds by over three hundred percent (300%) the minimum allocation of \$15,000,000.00 designated by law as required to be awarded for Okaloosa County projects out of the initial settlement payment made to Triumph by BP.

NOW THEREFORE, BE IT RESOLVED THAT the Triumph Board of Directors authorizes and directs staff and legal counsel to negotiate with the applicant to present to the Board a Term Sheet for the Southwestern Crestview Bypass expressly contingent upon and subject to inclusion of the following terms, conditions, and provisions:

A. Okaloosa County securing funding commitments, satisfactory to the Triumph Board, for the total amount of the proposed Project (presently \$199,019,000.00) as well as any other funds necessary for completion of the Project as described in the application no later than June 30, 2020. Florida Department of Transportation funds shall be deemed to be committed

when such funds are approved and designated for this project by the Legislature. No Triumph grant funds shall be disbursed unless and until the County has provided Triumph with

satisfactory evidence of firm and enforceable funding commitments for the Project totaling not less than \$124,919,000.00.

B. Triumph grant funds must never exceed 32% of the total cost of the Project. Should the Project costs increase above the \$199,019,000.00 set forth in the application, such additional funds to be obtained from non-Triumph sources.

C. Okaloosa County shall secure all right of way, property, easements, permits, plan amendments and other regulatory approvals from federal, state and local authorities prior to the disbursement of any Triumph funds.

D. Triumph's obligations under the Contract shall be expressly contingent upon the County and the construction manager at risk ("CMAR") agreeing upon a guaranteed maximum price for the Project budget no later than [December 31, 2020.] The County must provide Triumph with evidence satisfactory to Triumph that such guaranteed maximum price is in place. In the event that such guaranteed maximum price is not in place by [December 31, 2020,] the grant shall be deemed automatically rescinded and revoked and the Contract shall be deemed automatically terminated and any and all funds disbursed by Triumph for this Project shall be returned by the County to Triumph Gulf Coast.

E. Subject to the satisfaction of the contingencies set forth below, the grant award of \$64,100,000.00 shall be available for disbursement as follows: \$13,500,000.00 shall be available for disbursement as of the date of execution of the Grant Award Agreement from uncommitted funds currently held by Triumph; the remainder of the grant award of \$50,600,000.00 shall be committed from future tranches of funding received by Triumph from the Deepwater Horizon Settlement Agreement according to an agreed construction and disbursement schedule. All disbursements shall be contingent upon (i) cash and/or funding from all other sources continuing to be in hand or fully disbursed as described herein and in any Grant Award Agreement, and (ii) satisfaction of the other funding contingencies.

F. Creation of an agreed upon number of net-new-jobs in any of the Enterprise Florida targeted industry sectors paying at least one hundred fifteen percent (115%) of the county average wage. The specific number of jobs will be agreed to between the Applicant and Triumph staff. The Triumph economic advisor will use generally accepted economic modeling to project new jobs without the proposed project as a baseline for measuring net new jobs. The ramp-up period for these jobs must begin no later than three years from the opening of the Southwestern Crestview Bypass and the ramp-up period must be completed within three years. The job maintenance period shall commence at the end of the ramp-up period and the net new jobs shall be maintained for no less than seven of the following ten years.

G. In the event that any of the non-Triumph funding for the Southwestern Crestview Bypass fails to be contributed or diminishes without being replaced or any local government pledging sales tax proceeds to the Project decrease or delay the contributions, the Grant Award Agreement shall be deemed null and void. If either of the two aforementioned funding shortfalls occur or if any of economic metrics in paragraphs F & G are not met in their entirety, all Triumph funds disbursed shall be returned to Triumph by Okaloosa County. These repayment provisions shall be known as performance based "clawback" provisions.

RESOLVED FURTHER, that Triumph's commitment to move forward with negotiation of a Term Sheet is expressly contingent on the Okaloosa County Commission holding a public meeting where it votes to agree to the provisions and contingencies of this motion, including pledging the county to fulfill the clawback provisions, if necessary.

RESOLVED FURTHER, that the Triumph staff and legal counsel are directed to proceed with negotiations with the County over a definitive Grant Award Agreement that incorporates the terms of the Term Sheet, as modified by the foregoing resolutions, together with such other terms and conditions as are recommended by staff and counsel.

Chair Gaetz moved the preceding language. Mr. Shoaf seconded the motion.

Mr. Riggs asked if the clawback provisions and performance metrics would be developed in the term sheet negotiations. Chair Gaetz said that would be the case. Mr. Riggs asked if proportional clawbacks could be considered as part of the negotiation. Chair Gaetz said that all clawback methodologies could be considered. Mr. Lee said he wants to be sure that the negotiations included discussions with the City of Crestview to assure that the appropriate industrial zoning could be secured to promote the "third leg of the economic stool" to bring new industry and diversify the economy of the area. Chair Gaetz noted that such discussions are contemplated in "C." of the motion.

Vice Chair Bense asked for public comment on the proposal.

Mr. Dave Parisot, citizen and former Shalimar City Commission, spoke about the longevity of the proposal and said that work on the project was ongoing prior to his election in 2010 and it is much needed.

Vice Chair Bense asked if anyone was present to speak against the proposal.

Mr. Phil Babiack, 53 Yacht Club Drive, Fort Walton Beach, thanked Triumph Gulf Coast for all that is being done for the region, and asked for support of a proposal to increase capacity for US Highway 98 in like manner for the current proposal. He said the need is just as critical for the Highway 98 expansion.

Vice Chair Bense asked if all of the other persons signed up to speak would like to waive their time, or if anyone else would like to be heard.

Mr. Tom Bynot, 37 Tally Way, Valparaiso citizen, said that traffic on Highway 85 is atrocious in the Crestview area and the Bypass is needed for the region.

Mr. Tim Bolduc, City Manager of the City of Crestview, said that the City is definitely reviewing zoning for the new development area in an effort to maximize jobs for the region. He said the City currently has \$32 million project that is contingent on the ability to get the Bypass project done.

Mr. Gordon Fornell, 202 Baywind Drive, Niceville, retired USAF Lt. General, is currently the Chair of the Mid-Bay Bridge Authority and noted that the local volunteer group, the Defense Support Initiative, is in support of the project. He said that perhaps the Board could speak with the group to understand the way that the Department of Defense operates and goes through the budget review process.

Mr. Lance Johnson, City Manager of City of Destin, rose in support of the proposal.

The following persons indicated support for the project by waiving in support:

Michael Beedie – Greater Fort Walton Chamber of Commerce
Josh Summers – Emerald Coast Association of Realtors
Andrew Rencich – City of Crestview
Matt Turpin
Melissa Matern
Heather Ruiz
Sloan Manor
Bob Sires – American Elite Molding

Ms. Amy Jamieson waived her speaking time against the proposal.

On a roll call vote, the motion was passed unanimously (7-0.)

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

Chair Gaetz called a brief recess.

The meeting reconvened at 12:35 pm CT.

Dr. Fuller noted that Proposal #187 – Northwest Florida State College – Walton Works Training Center of Excellence for \$2,763,716 is very timely in that it specifically addresses the “middle skills” training needs recently identified in a Council of 100 report on Florida’s economic growth potential. He said that the proposal provides an array of certification opportunities for “in demand” trade skills and includes \$1.5 million in assistance from the Walton County Board of County Commissioners. Dr. Fuller called on Ms. Cristie Kedroski, Vice President of College Advancement at Northwest Florida State College, for remarks. Ms. Kedroski then introduced Mr. Scottie Smith, the lead welding instructor for the proposed building industry training program. Mr. Smith was selected in 2018 as the Teacher of the Year for the nationally published Welding Magazine, and his program was named the top educational institution from the American Welding Society. Additionally, he has earned the designation of an accredited test facility by the American Welding Society. Ms. Kedroski noted that an alumna of the program, Ms. Lindsay Irvin, was the first female to graduate from the NWFSC inaugural welding class in 2014 and she has gone on to become the first female to win the Associated Builder and Contractor Craft Championship Pipewelder Contest in its 21-year history.

Mr. Smith said that since the program was started six years ago, 98% of the students have graduated and over 60% of the graduates earn over six figure salaries. He said if the proposal is approved, he will be proud to be associated with the program.

Dr. Fuller said the total project cost is \$5,734,000 and the cost per certification would be a very low \$1760. The proposal with the high skill, high demand focus on workforce development for the area. Dr. Harper said that the proposal will have a high Return on Investment in the range of \$39 for every Triumph dollar invested.

Mr. Bear asked if the proposal, and other similar proposals have commitments for sustained funding. Dr. Fuller explained that the State of Florida CAPE Funding program will cover the ongoing costs of the program in the long term. Chair Gaetz asked Ms. Kedroski if the college would commit to continuing to support the program going forward. She said that the college would absolutely commit to the program well into the future. Chair Gaetz confirmed that the program will be located on the Chautauqua Center Campus and serve the entire region. Mr. Shoaf said that his business actually hires welders and he fully supports this proposal. He said these types of training programs help us keep our young people in the region and remove barriers to them earning good wages here at home.

Dr. Dana mentioned that the cybersecurity training seemed slightly out of line with the other training and she asked for an explanation of how it fits with the vision of the program. Dr. Sasha Jarrell, Vice President of Teaching and Learning at NWFSC, said that the college would have a two-year certification program at the DeFuniak Springs campus, and it is intentionally placed at that location based on student interest in that field of study. She said that in Walton County many of the high school students are already earning certifications that would feed into these advanced certifications and this would shorten the path to a career for these students. She noted that the law enforcement component would be done in conjunction with the Walton County Sheriff's Department and would maximize the use of already owned training equipment and venues. Dr. Fuller said that there needs to be connectivity between the certification training offered throughout the course of the K-12 and college level.

Mr. Lee asked if there are advisory boards that work with the instructors to assure that industry needs are being met with training. Dr. Jarrell said that those boards are in place and work closely with the school. Dr. Fuller suggested that a retraining component could be added similar to what is included in the agreement with Bay County Schools.

Mr. Lee made a motion to move Proposal #187 – Northwest Florida State College – Walton Works Training Center of Excellence forward to term sheet negotiations, including the provision for retraining if a graduate is deemed not to be properly educated by an employer. Mr. Shoaf seconded the motion.

Chair Gaetz asked for public comment on the proposal.

Dr. John Holdnak, President of Gulf Coast State College, said his institution fully supports the program and would welcome any opportunities to partner in any of these types of training.

Ms. Kedroski noted that NWFSC President Stephenson was unable to attend due a prior out of state commitment, but that three of the school's trustees, Chair Pennington, Don Lickni and Charlotte Flynt, as well as Walton County Commissioner Danny Glidewell and others from the county are all here in support of the proposal.

The motion passed 6-0 on a roll call vote with Vice Chair Bense excused.

Dr. Fuller presented Proposal #148 – Gulf County School District – Agri-Science Training Program Expansion for \$125,000. Dr. Harper then explained that the proposal represents 43% of the three-year total project cost of \$290,000 with a cost per certification to Triumph Gulf Coast of \$3,571 which, while higher than most certification programs and given the rural location of the training offering, is still entirely appropriate. He said that the projected Return on Investment is \$19 for every one Triumph dollar invested. Dr. Fuller noted that there is a large cattle operation in Wewahitchka and that the school district wants to get back in to agriculture training. Chair Gaetz directed staff to be sure that Commissioner of Agriculture Nikki Fried is made aware of the proposal as this is an area where she may be willing to assist the community. Mr. Shoaf asked about progress on the welding proposal for the county and staff told him that the proposal is being reviewed for action at an upcoming meeting. Chair Gaetz asked if there was any public comment on this proposal. There was none.

Mr. Shoaf made a motion to move Proposal #148 – Gulf County School District – Agri-Science Training Program Expansion forward to term sheet negotiations. Mr. Bear seconded the motion. On a roll call vote the motion passed 6-0 with Vice Chair Bense excused.

Treasurer's Report

After a brief explanation of the statements, **Mr. Riggs made a motion to approve the February 2019 and March 2019 Financial Statements. The motion was seconded by Mr. Bear. The motion passed 6-0 with Vice Chair Bense excused.**

Mr. Riggs reported that the Draft Annual Financial Audit by Warren Averett CPA Firm has been delivered and is available for review and approval of the Board. He gave an overview of the audit and noted that no issues were raised by the auditor. **Mr. Riggs made a motion to accept the 2018 Annual Financial Audit. Dr. Dana seconded the motion. The motion passed 6-0 with Vice Chair Bense excused.**

Chair Gaetz noted that the first of a series of annual payments from the BP Settlement was due to be paid this year and asked Mr. Riggs and Ms. Skelton to report on that payment process. Ms. Skelton reported that the funds were received in the Office of Attorney General on April 1, 2019 and deposited in the State of Florida General Revenue Account. The Chief Financial Officer then forwarded the Triumph Gulf Coast funds to the Department of Economic Opportunity for distribution to Triumph Gulf Coast. The funds were received by Triumph Gulf Coast on April 16. The funds have been deposited in the PRIME Fund.

The Chair then made comments about a chart prepared by staff to show the amount of funds that Triumph has committed to, by county, so that members know how much has been allocated to date for each county. He said that Triumph has committed over \$209 million in project spending across the eight counties. He said that each of the eight counties must receive at least \$15 million. In Bay, we have committed \$41,416,066; in Escambia \$68,329,303 and in Okaloosa \$65,600,000. He said that while he wants to look at good projects from all counties, we need to focus on the other counties to find good projects that support good ideas.

Staff Report

Ms. Skelton said that staff continues to monitor legislative and budget activities in the final days of the legislature. She reported that at the Meeting of the Budget Chairs (last night), the Senate offered reimbursement of the Triumph Gulf Coast interest from the Department of Economic Opportunity as a budget position, but the House of Representatives declined to accept the offer. At this point it does not appear that Triumph Gulf Coast will recoup its interest payments in the FY 2019-2020 State Appropriations. Any attempts to place the language in the budget at this point would reside at the level of the presiding officers. Chair Gaetz said that he has been in contact with Senate President Galvano and he said that he intended to make the offer directly to the Speaker, and it appears that the funds will not be placed in the budget.

Chair Gaetz noted that the Auditor General has had Triumph Gulf Coast under review for over ten months. He then called on Mr. Riggs to describe the preliminary and tentative findings of the Auditor General's Draft Review / Recommendations. Mr. Riggs said that after the rigorous review, there were only three minor suggestions that could be improved upon and that staff has already implemented the changes. He said that he was pleased with the outcome. Ms. Skelton noted that we have thirty days from the April 16 issuance to respond to the preliminary findings and that our legal counsel will be working with Mr. Riggs to perfect that response. Once that response is given the Auditor General will issue a formal report. Chair Gaetz said that the basic concerns raised were that Triumph Gulf Coast should provide more specific information to pre-applicants that are found not to be statutorily eligible for funding about the reasons for that conclusion; and that when officers change it is important to be sure that bank permissions match those changes. He noted that he has been on both sides of these audits and he said that, in his experience, the Auditor General has devoted an extraordinary amount of time to this audit, partly due to the newness of the organization and partly because of the uniqueness of our operations. He said in all of his experience, this is the cleanest Auditor General audit he has ever seen. He said that he was pleased with the work that Susan Skelton, our

Tipton Marler team, and our Treasurer have done in working with the Auditor General throughout the process. Chair Gaetz reminded the Board that it had previously decided to review the compensation level in Ms. Skelton's contract at the completion of the audit period and that he would like to have Mr. Riggs come back to the next Board Meeting with a recommendation for an appropriate adjustment to that compensation amount in recognition of the work that has been done. He said that Dr. Dana and Vice Chair Bense had participated in a performance review of Ms. Skelton's work in August and the recommendations from that review should be considered as well.

Dr. Harper then described the staff recommendation to enter into a Letter of Engagement with Dr. Frank Fuller for Performance of Compliance Reviews in the area of Career and Technical Education. The awardees would be reviewed four times during the first year of operation and then annually for the duration of the award. **Mr. Riggs made a motion to enter into a Letter of Engagement with Dr. Frank Fuller for performance reviews. The motion was seconded by Mr. Bear. The motion was adopted 6-0 with Vice Chair Bense excused.**

Program Administration Report

Ms. Cori Henderson presented the Program Administration Report outlining the amount of pre-application and application requests for funding received to date. She added information to the report to show the status of those pre-applications and applications in the review process. As of close of business on Friday, April 26, we have received 66 applications totaling over \$576 million in requested funding. She said some highlights of pending applications that have not yet been filed included infrastructure improvements in Walton County and airport projects in Franklin County. She said that staff has been focusing time on the compliance process. She then introduced Mr. Randy Lewis, compliance review consultant to present results of his site observations on the Port of Panama City.

Mr. Lewis said that there were no construction compliance issues with the Port of Panama City project at this time and that he has been working with the port and the contractors on the project to find ways to streamline the reviews and reimbursement process from the applicant's and Triumph's perspective. He said that the project is moving forward as agreed to by all parties. Mr. Bear asked how weather delays are addressed. Mr. Remington said that force majeure clauses in the contracts are in place and the applicants can address those with the board. Mr. Lewis said that the contractor's agreements with the port are very specific related to those types of delays. Mr. Riggs said that since the funds are reimbursable, we are able to see that all work is in place prior to payment from Triumph Gulf Coast. Dr. Dana noted that we had actually dealt with these issues earlier in the meeting related to hurricane delays on other projects.

Chair Gaetz highlighted the fact that staff will be expanding the language already in the eligibility letters to comply with the Auditor General suggestions for improvement. **Mr. Lee made a motion to adopt the Program Administrator's Report. The motion was seconded by Dr. Dana. The motion passed 6-0 with Vice Chair Bense excused.**

Dr. Harper and Dr. Fuller made a recommendation on changes to developing a streamlined process for Workforce Training Certificate Programs that specifically fits with the needs of the industries that Triumph Gulf Coast has partnered with for targeted skills training. It would operate seamlessly with our normal process but would allow identification and service of the immediate needs of a business sector that has moved into the region and has existing workforce training requirements:

Triumph Targeted Outcomes (T20)

The goals for this 24-month initiative are to:

- Establish an expedited workforce training pathway in support of contracted (Triumph) industry sectors in place now,
- Operate a fast-track workforce training system intended to produce a workforce in alignment with industry sector employment needs as identified by job producing contracts with Triumph,
- Establish a supplementary workforce training pathway structured to operate in conjunction with Triumph's existing workforce training proposal submission protocol,
- Establish, after review and analysis, a long-term workforce training model that efficiently, effectively, and reliably meets Triumph workforce needs over the longer term,
- Provide a flexible tool to be employed by the Triumph board to meet short-term, mid-term and long-term workforce goals.
- Be established on a temporary basis for the next 24 months in order to allow time for evaluation of effectiveness and accountability.

The Triumph Board has, either pending or under contract, specific entities which represent identifiably workforce skills, and thus training needs, applicable to that industry sector. This proposed workforce award protocol (T2O) is industry sector skill based; not company specific in terms of accountable outcomes.

The proposed T2O path is designed to supplement the existing proposal submission protocol now in place with the Triumph award process; rather than replacing it. It will help provide an efficient, effective pathway to close the gap between what exists in the operating workforce training channels and the short-medium and long-range industry sector workforce needs.

This project will operate for up to 24 months and evaluated for feasibility and effectiveness. It will operate simultaneously with the existing career and technical education proposal submission process with the intent to merge the two options into a single efficient, effective, accountable workforce training pathway for the Triumph region.

The T2O option will

- appropriate funds to sub-sets of career and technical education proposals that specifically address the targeted workforce training skill needs,
- award funds to applicants that address outcomes tightly aligned with the identified workforce skills, and,
- provide flexible training options for the Triumph Board to meet identified workforce needs in the region.

Taken together, the T2O and existing Triumph career and technical education initiative will

- provide on-demand, on-time workforce training for targeted skills,
- operate seamlessly as two pathways working to merge into one accountable system, and
- contain options to expand, contract or sustain accountable workforce training pathways based on market demands.

SED-Secondary Economic Deliverables

The SED option is an effort to positively impact indirectly the overall income of the Triumph region families by reducing worker/student education-training debt. Several options can and will be woven into training awards, ranging from employment prior to completion, completion of skill training while in public schools, tuition reduction, and re-training while employed for embedded workers.

Mr. Bear said that there are issues with attracting the number of students needed in some of these pipelines. He said that some sort of recruitment / education program for both the students and the parents to help

them better understand the potential of these focused career paths. He said he supported the proposal. Chair Gaetz asked if there was any public comment on the issue. There was none. **Mr. Bear made a motion to accept the recommendation. The motion was seconded by Mr. Shoaf. The motion passed 6-0 with Vice Chair Bense excused.**

Chair Gaetz asked for a motion to receive the Auditor General's Draft Review and to authorize staff to respond to the draft review. Dr. Dana made the motion and it was seconded by Mr. Bear. The motion passed 6-0 with Vice Chair Bense excused.

Public Comment

Ms. Charlotte Flynt, Northwest Florida State College, said that the support of Triumph Gulf Coast for workforce development is critical to our economic growth. She said that parents' understanding of the importance of certification training is so important to the future of our economy. She thanked Triumph for the fine work it is accomplishing.

There being no further business, the meeting was adjourned at 1:29 pm CT.