

**Meeting Minutes
Triumph Gulf Coast, Inc.
Santa Rosa County Administration Building
6495 Caroline Street
Milton, Florida 32570
January 28, 2020
10:30 a.m. CT**

Members Present:

Lewis Bear, Jr., Vice Chair
Pam Dana Ph. D
Don Gaetz, Chair
Ben Lee
Stephen Riggs, IV, Treasurer
Matt Terry

Excused Absence:

Allan Bense

Chair Gaetz called the meeting to order at 10:32 a.m. CT and welcomed everyone. He thanked the Santa Rosa Board of County Commissioners for allowing Triumph Gulf Coast to use the Commission Chambers. Chair Gaetz noted that Allan Bense was not at the meeting and was excused. He said that Mr. Bense was receiving medical treatment in Jacksonville and was doing well with his recovery.

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

Vice Chair Lewis Bear, Jr., made a motion to approve the December 18, 2019 Meeting Minutes as posted. The motion was seconded by Mr. Stephen Riggs, IV and adopted without objection.

Treasurer's Report

Mr. Riggs, Treasurer, presented the December 2019 Financial Report. He noted that while the report showed that grant compliance costs were slightly over budget, that would fluctuate from month to month depending on how many awards were under review at any given time. **Mr. Riggs made a motion to accept the December 2019 Financial Statement. The motion was seconded by Dr. Pam Dana and passed without objection.**

Ms. Jennifer Davidson, CPA, presented a proposed 2020 Amended Operating Budget to reflect increases in staff and contract costs of approximately \$28,000. She said the largest shift would move some approximately \$45,000 from program administration into the grants evaluation line to reflect actual staff activities. **Mr. Riggs made a motion to adopt the amended 2020 Operating Budget. Mr. Lee seconded the motion. The motion passed without objection.**

Mr. Riggs explained that the Triumph Gulf Coast Policies and Procedures require the annual review of bank signature authority to assure that the appropriate members of the organization

are able to sign checks and banking documents. He indicated that the recommendation is to appoint an Assistant Treasurer to allow for needed flexibility and access to signers in proximity to the CPA/Bookkeepers and the bank. Ms. Skelton explained that there were occasions when there was a need for more than one signature, or a short timeframe for getting a signature and staff is requesting that Mr. Ben Lee be appointed as Assistant Treasurer due to his proximity to the staff and the bank so that he may sign documents in such cases. She noted that current authorized signers are Chair Gaetz, Mr. Riggs and Mr. Bense. The request is to add Mr. Lee as an authorized signer. **Mr. Riggs made a motion to appoint Mr. Lee as Assistant Treasurer and add his name to the list of authorized signers. The motion was seconded by Mr. Bear and approved without objection.**

Chair Gaetz recognized Santa Rosa County Commission Chair Don Salter and Economic Development Director Shannon Ogletree to provide an Update on the Whiting Aviation Park Project and the award of the U.S. Navy contract for helicopter maintenance, repair and overhaul (MRO) by Leonardo Helicopters. Commissioner Salter thanked the Board for its support of the project and reported that Leonardo is committed to construction of a 100,000 square foot facility for MRO operations at the Whiting Aviation Park in the very near future. He thanked Dr. Dana for leading Triumph Gulf Coast participation in the process. Mr. Ogletree reiterated his thanks for Triumph Gulf Coast support of the project and said that there was no possible way that this project could have happened without that support. He said it meant a lot that Triumph believed in the project. He said that the company plans to bring at least 50 new jobs at a wage rate of 150% to 175% of the average county wage. He said this agreement is just phase one of the possibilities with Leonardo and that the county is in discussion with the company about further expansion. A critical component of that expansion potential is the creation and support of a trained workforce pipeline. He said that Triumph may expect an additional proposal from the county in support of education for such an expansion.

Mr. Ogletree pointed to Project Lionheart, a medical device manufacturing and distribution proposal, that could bring an additional 90 jobs at 150% of average wages to the industrial park in the county. Additionally, Project Runner will bring more high paying jobs to the community. He thanked Erica Grancagnolo and Commissioner Salter for their support in winning these important projects for Santa Rosa County.

Chair Gaetz recognized Dr. Dana for her thoughts on the success of this project award. She said that the entire Board, working with the community understood the importance of this project and it is the exact type of project that Triumph Gulf Coast should be investing in across Northwest Florida. These economic drivers can be game changers for our region. MRO activity should be a unique niche for the region. She said we see it happening in Pensacola, there is a cluster in Crestview and now right here in Milton and we need to continue to build the activity across the region. She said she is very pleased at this win for the county and wished the county well in its other economic development endeavors. Mr. Bear said that he has worked with Mr. Ogletree over the last several years and he always gives credit to everyone around him, but he is the guy out there really doing the hard work to find new leads and Mr. Bear offered a special thanks to him for the work he is doing.

Staff Report

Ms. Skelton reported that the legislature is in the midst of the appropriations process and that each house should put forth an appropriations bill this week. She said that Representative Jay Trumbull, Chair of the House Transportation, Tourism and Economic Development Subcommittee of the Appropriations Committee has filed a Proposed Committee Bill, PCB TTE

20-01 (subsequently numbered HB 7047) to recreate the Triumph Gulf Coast Trust Fund within the Department of Economic Opportunity. Ms. Skelton explained that this was a normal procedure and necessary to retain the trust fund which is otherwise scheduled to “sunset” in June 2021. She noted that Trust Fund Bills are protected by Article III, Section 19 of the State Constitution and may not be amended with any other issues.

Legal Report

Mr. Scott Remington, Legal Counsel, gave an overview of **Term Sheet Negotiations and Grant Award Recommendation for Proposal #207 – Gulf Coast State College – Gulf / Franklin Campus – Nursing Simulation Center for \$2,200,358**. He said that if the Board was amenable it could move forward with both the Term Sheet and the Grant Award Agreement as there were no outstanding issues to be resolved with the college. If not, the Term Sheet could be addressed today, and the Grant Award Agreement could come back for action at a subsequent meeting. Mr. Remington said that the term sheet is in accordance with other similar term sheets and includes appropriate clawbacks and performance metrics. The performance requirements are for the successful certification of not less than 289 nursing students by 2025 in approved programs with a maintenance period. A one year extension is allowed. At least 58 certifications must be obtained within the first year of the project.

Dr. Rick Harper, Economic Advisor, said that based on the completion rate in the term sheet, the cost per completer is \$7614 which is relatively high, but the need for health care technicians and professionals in the hurricane impacted counties being served by this grant warrants such an investment. The 20 year Return on Investment is expected to yield \$10.1 for every Triumph dollar invested.

Dr. John Holdnak, President of Gulf Coast State College, said that the school’s service district covers six hospitals, and all have expressed a need for this additional training capacity in the region. He said that one hospital in Bay County has just announced an expansion that will require approximately 100 new medical professionals within the next year. He said that the college is the “supplier” of health professional jobs in the region and this opportunity to either enter the profession or “upscale” current job skills is critical for the area. Chair Gaetz asked if the personnel being trained would stay in the area, and particularly in the rural and hurricane affected counties. Dr. Holdnak said that Sacred Heart in Port St. Joe has indicated a significant need for new and upgraded staff, and that nursing facilities across the three county service district are in constant need of trained personnel. He said that students can earn one degree, go to work and continue to progress along the nursing training spectrum. Chair Gaetz asked about the use of simulators in the training center. Dr. Holdnak said that the number one limitation on expansion of health care training in the region is the lack of available locations for clinical training. This problem was exacerbated by the loss of medical care facilities as a result of Hurricane Michael. The simulation equipment allows for students to train on “almost lifelike” “patients” that react to actions of trainees through artificial intelligence technology. He said that the high fidelity simulators are very efficient in providing “real life” situational training.

Mr. Matt Terry asked about whether the six month construction timeline was realistic. Dr. Holdnak replied that the building will be modular and delivered to the site “pre-made” so the timeline was not a concern. He said that the college has contractors lined up for the remodeling project that is required as well. Chair Gaetz asked if taking up the term sheet and grant award agreement would keep the timeline in place. Mr. Remington explained that was the reason for recommending going ahead with the Grant Award Agreement at this meeting. Chair Gaetz

asked if anyone had concerns about that procedure. Mr. Lee said that this was a way to expedite the project and get skilled nurses in the field as soon as possible. He asked Dr. Holdnak if there was a pipeline coming from the local high schools in Gulf and Franklin counties. Dr. Holdnak said they were working with the high schools to recruit students and to expedite training with available “dual enrollment” programs. He said that there are already waiting lists for all of their health care programs and this new capacity will help alleviate that backlog.

Dr. Dana asked if the counties had provided support. Ms. Skelton noted that Representative Jason Shoaf was supportive, along with comments from Mr. Jim McKnight representing Gulf County in support. Dr. Holdnak said that the application includes a letter of support from the Gulf County Commission.

Chair Gaetz asked if there was public comment on the proposal. No one came forward to speak.

Mr. Terry made a motion to adopt the Term Sheet for Proposal #207- Gulf Coast State College – Gulf / Franklin Campus – Nursing Simulation Center for \$2,200,358. Mr. Lee seconded the motion. The motion passed on a roll call vote (6-0.)

Chair Gaetz again asked if there was any public comment as the Board moved to take final action on the proposal. There was no public comment. Chair Gaetz then asked Dr. Holdnak if he had any further comments. Dr. Holdnak said that expediting the approval will allow the school to begin new training in August and any delay would push that start date back to January 2021. Chair Gaetz then asked Dr. Holdnak what would be required to clear his waiting list. Dr. Holdnak explained that would require new classroom facilities and new equipment not currently contemplated. Chair Gaetz asked him to look into that need with Dr. Frank Fuller, Education Advisor, and Dr. Harper about.

Mr. Terry then made a motion to accept the Grant Award Agreement which was seconded by Mr. Lee. The motion passed on a roll call vote (6-0.)

Mr. Remington provided an overview of **Term Sheet Negotiations for Proposal #209 – Santa Rosa County Board of County Commissioners – Project Lionheart for \$3,484,728**. He said that proposal will fund infrastructure improvements to the Santa Rosa County I-10 Industrial Park to support a medical device and pharmaceutical distribution company as well as future tenants in the park. The county is providing matching funds in the form of land valued at \$400,000, \$1,246,415 from the State of Florida Transportation Development Fund and \$5,185,186 from the company. Mr. Remington said that the term sheet is consistent with all other infrastructure proposals approved by the Board and includes for clawback and performance metrics. Not less than ninety qualified new jobs will be created by a date certain at not less than 150% of the average county wage as of the commencement date. There is a three year maintenance period for the described jobs.

Dr. Harper said that the project should have a return on investment over a 10 year period of \$11.23 per Triumph dollar expended. Chair Gaetz then called on Mr. Ogletree to speak about the proposal. Mr. Ogletree said the company wants to build the 100,000 square foot facility on the site as soon as possible. The county is working with Enterprise Florida and the Department of Economic Opportunity to finalize responses to its Qualified Target Industry application for additional funding. He said the company would like to have ground broken by June or July of this year. He anticipates having approval of the term sheet by the County Commission at a

February meeting. He said the county is still in negotiation with DEO on the QTI funds. Ms. Cori Henderson, Program Administrator, said that due to the timeline with the current QTI process the Term Sheet does not count QTI funding, but matches with funds already provided by the state, county and company. Dr. Dana asked for clarification that the request is for Triumph Gulf Coast to make improvements to the land at the industrial park and that improvements would be to the infrastructure that would be available to any and all users of the park. Mr. Ogletree agreed that was the case. Mr. Ogletree said that the company's commitment is contingent on the infrastructure being available but is very close. He said without the Triumph Gulf Coast funding the project will not be possible. Chair Gaetz asked who will own the building on the site. Mr. Ogletree responded that the company would own the building and could sell it, but the infrastructure would still belong to the county. Mr. Lee asked if the county was comfortable with the vetting done on the company. Mr. Ogletree indicated that the county and state had completed such vetting. Mr. Lee asked if manufacturing would be a part of the proposal. Mr. Ogletree said that was a goal and that the company has already put the county in touch with other companies that would be part of its supply chain.

Mr. Terry asked about the value of the land being offered. Mr. Ogletree said it was valued at \$400,000. Dr. Dana asked what the wage offering was. Dr. Harper responded that the before fringe benefit average wage would be \$52,995 annually. Mr. Bear asked if the county was giving the property to the business. Mr. Ogletree said that the county was giving the company the property but that the county would have clawbacks with the company for a five year guaranteed performance measure. Mr. Lee then asked if the property value was based on "as built" or if it was raw. Mr. Ogletree said it was valued at \$50,000 as raw land. Mr. Terry then asked how the valuation was determined. Mr. Ogletree said it was appraised eight or ten years ago and that is the value being used. Mr. Terry asked what the County Property Appraiser had the property valued at and Mr. Ogletree said he did not know the answer. Mr. Terry said that there should be actual documentation of the current value of the property. Chair Gaetz asked Commissioner Salter if there would be any difficulty in getting a new appraisal on the property. Commissioner Salter said there would not be a problem. Mr. Terry said that it would be important to know the value before going ahead. Dr. Harper noted that the return on investment is actually calculated on jobs created, not on the land value, but the value would affect the match calculation.

Ms. Skelton reminded the Board that this proposal is still under the cloak of a Non-Disclosure Agreement and that final action by the Board would not be taken until the name of the company can be announced so that the Board would have the ability to know more about the company.

Chair Gaetz asked if there was anyone from the public that wished to comment on the proposal. No one came forward to speak.

Mr. Riggs made a motion that, with the understanding that either a Brokers' Opinion of Value or a Certified Appraisal of the value of the property being offered as match funding will be required to be made available to the Board for review prior to final Grant Award approval, staff is directed to move to Grant Award Agreement negotiations on Proposal #209 – Santa Rosa County Board of County Commissioners – Project Lionheart for \$3,484,728. The motion was seconded by Mr. Bear. On a roll call vote the motion passed 6-0.

Mr. Remington then gave an overview of **Term Sheet Negotiations for Proposal #213 – Florida's Great Northwest (FGNW) – Education ROI Research and Marketing for \$440,000** to perform research and marketing information related to workforce training values across the

eight Triumph Gulf Coast counties. He then asked Dr. Harper to explain the unique characteristics of the proposal. Dr. Harper said that the value of the proposal is to give the Triumph Board the tools needed to do more in-depth and granular assessments of labor market conditions across the eight counties to include supply and demand analysis and return on investment analysis. The information provided will allow the Board to make more informed and targeted decisions on workforce training needs. He said that Triumph staff would be participating and overseeing the work of Florida's Great Northwest and their subcontractor in performance of the research and other deliverables. Our staff would have final approval on the work being done. Return on Investment research will be dependent on the State Department of Education Data Warehouse. If access to such data is allowed, researchers will be able to determine the exact return on investment of any particular CAPE certification which will give Triumph Gulf Coast more valid information on which to make funding decisions. Once the information is obtained, Florida's Great Northwest can use the workforce data as part of a coordinated marketing campaign. Additionally, the information can be used to induce students and their families into a quantifiable career path in specific workforce pipelines. Dr. Harper said that using research done by the Legislative Office of Economic and Demographic Research, it is possible to determine the return on investment on the Department of Economic Opportunity Quick Action Closing Fund which is similar to our structure, Triumph staff calculates that return on investment on this proposal should be \$24.70 per dollar expended.

Mr. Riggs asked if this proposal will help to identify the gap between supply and demand in specific job areas. Dr. Harper said that was the exact intent of the proposal. Mr. Riggs said that the hard data will support others' conclusions and provide direction for local education partners. He said he hopes that school districts will be able to use the data to target career paths for their students.

Ms. Scarlett Phaneuf, Chair of Florida's Great Northwest thanked the Board for allowing her organization to be a part of this proposal. She said this will be their first opportunity to devote full scale resources to marketing of workforce capabilities across the region. Ms. Phaneuf reported that the organization is in the hiring process to replace former President Kim Wilmes and she hopes to be able to announce the new president in March. Chair Gaetz thanked her for Florida's Great Northwest for partnering with Triumph Gulf Coast on this proposal. He then asked if there was any public comment on the proposal. No one came forward to speak.

Mr. Riggs asked what role Triumph staff would play in the project. Dr. Harper clarified that all deliverables would have to meet the approval of himself and Ms. Henderson prior to payment so Triumph Gulf Coast will have control of all aspects of the research and marketing messaging that would reflect back on our organization. Mr. Lee asked if there was a plan for keeping the date up to date after the end of the proposed project. Dr. Harper said the project will be a model for how economic development boards should be collaborating with the Department of Education to share critical information and if this project can show the importance of this data sharing, he would expect that it should be presented to the legislature as a program that benefits the entire state.

Mr. Bear made a motion to move to Grant Award Agreement negotiations on Proposal #213 – Florida's Great Northwest (FGNW) – Education ROI Research and Marketing for \$440,000. Mr. Riggs seconded the motion. The motion passed on a roll call vote (6-0.)

Mr. Remington then noted that there was a **Grant Award Amendment Recommendation for Proposal #29 – Wakulla School District Career and Technical Education Center for**

\$3,926,867 with no change in funding amount. He explained that the project was originally agreed to in July of 2018, but that Hurricane Michael related costs now require a Budget Adjustment. Ms. Henderson reported that Dr. Fuller and Mr. Randy Lewis, Construction Management Advisor, have both reviewed the proposed adjustments to the proposal and indicate that the cost adjustments are within normal range of those being seen in the region as a result of the storm. She said that the Wakulla County School Board has agreed to absorb the entire amount of the increased costs. The purpose of the amendment before the Triumph Board is to properly report and categorize the cost increases in the Budget document attached to the Grant Award Agreement. She said the total cost increase is just over \$1.45 million and that would be reflected in the Grant Award Agreement going forward if the Board approves the recommended amendment. Mr. Terry agreed that construction costs and timelines are very difficult in the area as a result of the storm and it is commendable for the School District to take on the added costs. Mr. Remington noted that there was a one year extension of the completion date to reflect the slowdown due to cost issues. Chair Gaetz asked if there was anyone from the public that wished to address the issue. No one came forward to speak. **Mr. Terry made a motion to adopt the recommended amendment to Proposal #29 – Wakulla School District Career and Technical Education Center for \$3,926,867 with no change in funding amount. Mr. Lee seconded the motion, which passed on a roll call vote (6-0.)**

Program Administration

Program Administrator's Report

Chair Gaetz called on Ms. Henderson to give the Program Administrator's Report. Ms. Henderson provided an update on the number of Pre-Applications and Applications submitted to date and said that staff continues to work with the public, pre-applicants, applicants and grant awardees to facilitate our process. She noted that staff is looking forward to two new applications in the coming weeks that Dr. Fuller has been working on in the aviation sector to provide FAA training in Airframe and Powerplant programs across the region. The most recent application is for a new artificial reef in Mexico Beach.

Ms. Henderson reported on progress made by staff in implementing the Hurricane Michael Skilled Labor Recovery Fund for Fast Track Certification Training. She said that Dr. Fuller has been meeting with technical colleges and school districts across the eight county region to lay the groundwork for implementation of the fast track training. Ms. Henderson provided a copy of the proposed application that would be completed by the regional technical colleges in conjunction with their corresponding school districts for training that would begin in May and be completed by October of this year. This timeframe will allow for enough time for Triumph Gulf Coast to review the program to determine continued funding is needed. The subject matters eligible for training are carpentry, electrician, plumbing, HVAC and pipefitting. She noted that the Board had approved up to \$1 million for CAPE Certification reimbursement and up to \$20,000 per technical college for recruitment and supplies for the first year of the program. Chair Gaetz directed staff to send a letter of invitation to each of the affected schools and school districts. Chair Gaetz asked if state colleges were eligible to participate in the program. Ms. Skelton explained that Dr. Fuller had requested that in the initial implementation he wanted to limit participation to technical colleges. She said that she was not completely sure of his reasons, but that he had been quite clear in that position. Dr. Holdnak of Gulf Coast State College said that if the opportunity arose his school would certainly be interested in participating. Ms. Skelton said that she would clarify the issue with Dr. Fuller and bring it back for discussion at the March meeting.

Ms. Henderson then gave an update on the status of discussions with Walton County Sheriff's Office regarding Hurricane Michael related Budget Adjustment. She noted that staff has been in consultation with the Sheriff's Office and expects to bring a recommended Grant Award Amendment to the Board for approval at the March meeting. She said that, similar to the Wakulla School District amendment considered earlier in this meeting, the Walton County Sheriff's Office does not intend to request increased funding, but will need some adjustment of funding categories within its approved Budget and will provide documentation of the increased costs which it expects to pay as a result of the current market conditions in the region. Ms. Skelton pointed out that our staff has been able to work with the Awardee to reduce Triumph exposure in this situation. **Mr. Lee made a motion to approve the Program Administrator's Report, including approval of the Hurricane Michael Skilled Labor Recovery Program Application. Mr. Bear seconded the motion which passed without objection.**

Economic Advisor's Report and Recommendations

Dr. Harper reported that work continues with existing applicants but that no new projects are being recommended at this time.

Public Comment

Ms. Amy Miller, Director of the Port of Pensacola, indicated that the Port of Pensacola would be re-introducing its pre-application and application for a proposal at the port in the coming weeks. She agreed that MRO activity is a great niche for the region and the port has been involved in marine MRO activity since about 2010. She said that in the past year the port's revenues had doubled year over year in part due to those marine MRO activities. She said the pending application would allow the current tenant(s) to expand and allow marketing of the facility for other similar business opportunities. She said such a grant would allow the port to double its capacity in this niche market.

Mr. Jim Muller, RESTORE Coordinator for Bay County, reported that Bay County continues to recover from Hurricane Michael and greatly appreciates the support of Triumph Gulf Coast throughout the recovery process. He said that Fast Track Certification program will go a long way to helping the area rebuild infrastructure and housing. He said the program will "help us help ourselves."

There being no further business, the meeting was adjourned at 12:19 p.m. CT.