

**DRAFT Meeting Minutes
Triumph Gulf Coast, Inc.
Building A, Gulf-Franklin Campus
Gulf Coast State College
3800 Garrison Avenue
Port St. Joe, Florida 32456
March 3, 2020
1:00 p.m. ET**

MEMBERS PRESENT:

Lewis Bear, Jr., Vice-Chair
Pam Dana, Ph. D
Don Gaetz, Chair
Ben Lee, Assistant Treasurer
Matt Terry

MEMBERS EXCUSED:

Allan Bense
Stephen Riggs, IV, Treasurer

Chair Don Gaetz called the meeting to order at 1:00 p.m. ET and thanked Gulf Coast State College for hosting Triumph Gulf Coast. He noted that Dr. John Holdnak and Board of Trustees of GCSC had been very gracious and recognized Al McCambrey, Director of the Gulf / Franklin Campus of the college, for opening comments. Dr. McCambrey welcomed everyone to the campus and noted what a great opportunity Triumph Gulf Coast brings to the eight counties across the region for future economic development. He thanked the Triumph Board for traveling to Port St. Joe for the meeting. Chair Gaetz then recognized Gulf County Commissioner Macron who thanked Triumph for the work that is being done.

Chair Gaetz reported that Mr. Stephen Riggs, IV was excused due to an urgent business obligation and that Mr. Allan Bense was excused due to a medical appointment. He told the Board that Mr. Bense' health is improving well and that he had hoped to be at the meeting until a doctor rescheduled an appointment that could not be changed. He said that Mr. Bense sends his greetings and noted that everyone is grateful for his recovery and anticipating his quick return to work with the Board.

Mr. Bense reminded Chair Gaetz that this day is the 175th Birthday of the State of Florida and that the original State Constitution was actually signed in Port St. Joe, just miles from this location. Chair Gaetz said that he went to the Constitution Hall on his way to the meeting and visited the memorial at the site.

Executive Director Susan Skelton called the roll and announced that a quorum was present.

The January 28, 2020 Meeting Minutes were reviewed and approved without objection.

Treasurer's Report

Chair Gaetz called on Assistant Treasurer Ben Lee to provide the January 2020 Financial Report. Mr. Lee then asked Ms. Jennifer Davidson, CPA, representing the Tipton, Marler, Gardner and Chastain CPA firm, to present the report. Ms. Davidson reviewed the statement of financial position and statement of financial activity information included in the report and indicated that there were no scheduled payments to grantees for that period, but that there have been payments since January that will be reflected in the February and March statements. There were no unexpected increases or decreases in financial activity. Chair Gaetz noted that the Schedule of Payments chart was also made available for members' review to see what the scheduled commitments are on an ongoing basis. **The January 2020 Financial Report was approved without objection.**

Staff Report

Ms. Skelton gave a brief Legislative Update. She reported that the 2020 Session will most likely be extended for the purpose of completing the General Appropriations Act. She said that the bill by Representative Jay Trumbull to recreate the Triumph Gulf Coast Trust Fund in the Department of Economic Opportunity has passed the House of Representatives and has been referred to the Senate Appropriations Committee for action. Chair Gaetz asked what the consequence of the bill not passing would be. Ms. Skelton explained that the expiration, or Sunset, date for the Trust Fund in current statute is June 30, 2021, so that passing the bill this year would be nice, but it will be imperative next year for the Trust Fund to continue to be available to receive Triumph Gulf Coast's monthly interest payments. She said that the proposed House Budget uses \$8 million of the current interest balance to pay for a Small Business Loan Program for Hurricane Michael recovery in Northwest Florida but the Senate Budget used General Revenue for that program so that issue will be taken up in the Conference Committee to settle differences between the two versions of the budget.

Chair Gaetz explained that there is a large number of Pre-Applications that have accumulated on our records for which there has been no formal Application filed. He asked Ms. Skelton to describe a staff recommendation for properly archiving records that are older than one year from original filing of the pre-applications. Ms. Skelton said there are now three categories listed on the Triumph Gulf Coast website: Current Proposals – those that are approved to move forward with a full application that have either submitted an application for review or have not had any action taken after the initial pre-application was submitted and reviewed; Archived Proposals – those pre-applications deemed not to be statutorily eligible, or applications that have scored too low to be brought forward for Board action; and, Active Grant Awards – those proposals for which Triumph Gulf Coast has entered into a Grant Award Agreement. **Staff would like to propose that items in the Current Proposals category that both have no formal application and are more than one year old be allowed to be placed in the Archived Proposals category on an ongoing basis.** She said that this would be easier for the public and for staff to work with the files if this recommendation is agreed to. **Mr. Lewis Bear, Jr., made a motion to adopt the staff recommendation. Dr. Pam Dana, Ph. D, seconded the motion. The motion was adopted without objection.**

Legal Report

Mr. Scott Remington, Legal Counsel, provided a review of Grant Award Agreement Negotiations for Proposal #213 – Florida’s Great Northwest (FGNW) – Education ROI Research and Marketing for \$440,000. He noted that the statutory notification of the proposed Grant Award Agreement was timely posted on the website and that staff has reviewed and recommends the agreement. Mr. Remington said that this agreement is different than most others due to the fact that it does not create jobs, but rather provides marketing and research needed by Triumph Gulf Coast, Inc. targeting recovery and economic enhancement of the eight disproportionately affected counties in the region. The two components of the award are research, analysis and vendor management, and marketing and business development. The total project value is \$910,000 with Florida’s Great Northwest providing \$470,000 in matching funds. The clawbacks in the agreement are based on deliverables to be approved by our staff for the research and marketing components of the proposal.

Dr. Rick Harper, Ph. D, Economic Advisor, outlined the deliverables to be used as performance metrics with a focus on much needed research to determine region-specific wages to be paid for jobs for which Triumph is investing workforce development education funding to assist the Board in making decisions on best return on investment practices in the future. The research will be able to pinpoint Triumph’s innovation impact on target sectors such as aviation in the region. The output from the research will be used by the economic development professionals across the region to provide real information to potential new businesses about the available workforce skill sets in the labor market in Northwest Florida. Such information will allow FGNW to develop targeted marketing materials to assist in promoting future moves to the region by entities interested in relocating to our area. Additionally, the research can assist regional educators in providing sound information to the parents and students making career path decisions as they move through the K-20 system. He said that such information specifically targeted to the region gives professionals marketing assistance not available in other parts of the state. Dr. Harper used valuation data incorporated from the Legislative Office of Economic and Demographic Research (EDR) to determine a return on investment. He said that since the Triumph Gulf Coast model is very similar to the State of Florida Quick Action Closing Fund he chose to use the ROI calculated by EDR on the Quick Action Closing Fund translated into increased personal income to families in the region to determine that the agreement should lead to \$24.70 for every Triumph dollar invested.

Chair Gaetz asked for public comment on the Grant Award Agreement. There being none, **Mr. Bear moved to approve the Grant Award Agreement for Proposal #213. Mr. Terry seconded the motion. On a roll call vote, the motion passed unanimously (5-0.)**

Mr. Remington then provided a review of Grant Award Amendment Recommendation for Proposal #98 – Walton County Sheriff’s Office with NO CHANGE IN FUNDING AMOUNT - (Hurricane Michael related Budget Adjustment). He noted that the amendment had been properly noticed on the Triumph website in a timely manner and had been reviewed by staff. The amendment does not materially change the proposal but makes adjustments to the timing of the budget payments.

Ms. Cori Henderson, Program Administrator, explained that the Walton Sheriff’s Office is taking on all additional costs created by increases in the marketplace as a result of Hurricane Michael, but in order to do that they need to adjust their funding request. The proposal will reduce the number of classrooms needed to provide welding training with no impact on the projected

training certifications. The savings from that construction reduction will be used to cover overruns in other construction categories. Additionally, they will be able to accept additional equipment donations to assist in offsetting the increased construction costs. Ms. Minette Bruce, Chief Financial Officer of the Walton County Sheriff's Office, said that the department has opted to purchase used equipment for training purposes to assist in reducing the equipment costs originally anticipated in the proposal. Mr. Ben Lee complemented the applicant for taking the initiative to explore the use of used equipment to assist in keeping the project moving forward within the original budget.

Chair Gaetz asked if there was any public comment on the proposed amendment. No one came forward to speak. **Mr. Lee made a motion to adopt the First Amendment to the Grant Award for Proposal #98. The motion was seconded by Dr. Dana. The motion passed unanimously on a roll call vote (5-0.)**

Mr. Remington then gave a status update on negotiations with City of Panama City / Eastern Shipbuilding Group, Inc. regarding needed adjustments to Grant Award Agreement for Proposal #185. He said that he and Dr. Harper have had several discussions with Eastern Shipbuilding Group, Inc. (ESG) and they are in the process of exchanging draft documents to address changes made in the overarching agreement between ESG and the United States Coast Guard regarding the number of vessels to be delivered by the company. He said that the company and the City of Panama City are waiting on additional information related to the timing of re-bids or future bids on the Offshore Patrol Cutters from the Coast Guard that would affect changes that would need to be made to the Triumph agreement and they hope to have that information soon. Mr. Remington said that indications are that the federal timeline should be better known by the next Triumph Gulf Coast meeting that will allow for more accurate adjustments to the agreement. He said additional progress has been made between the City of Panama City and ESG relative to working lease agreements for use of the updated facility. The documents needed for these agreements have been fully executed and delivered to Triumph Gulf Coast.

Chair Gaetz noted that the need for a change in our agreement arises due to changes in the federal procurement process. He asked if there was anything with respect to our negotiations with the City or ESG that is holding up going forward. Mr. Remington said that until the changes are finalized, there will be no Triumph funds available to them. He said that the City and ESG both want to move forward as expeditiously as possible due to potential problems with shipping materials out of China related to the Coronavirus that could drive prices up and delay construction timelines. Chair Gaetz reiterated the importance of this project for the entire region and he asked the Board's permission to call a telephone meeting to make necessary adjustments in advance of the next meeting, with proper notification, to keep the project moving forward.

Program Administration

Program Administrator's Report

Ms. Henderson gave the Program Administrator's Report and noted that staff had been involved in vetting many new proposals since the last meeting, including several aviation sector workforce training projects and four Hurricane Michael Skilled Labor Recovery Program fast track applications which Dr. Fuller will discuss later on the agenda. She said there was a great response from the School Districts and Technical Colleges across the region with potential

training programs in five of the eight served counties. The response has exceeded expectations and the local districts are very excited about participating.

Ms. Henderson noted that several members and staff were able to attend the Gulf Power Symposium held the last week of February and Dr. Harper was able to participate as a panelist discussing the ST Engineering project and Triumph Gulf Coast's role in bringing the jobs to the region. She said that the presentation was instructional to all of the economic development professionals and site selectors present at the meeting about the role that Triumph can play in multi-partner and large-scale projects in the region. Assistant Secretary of the Air Force, John Henderson, spoke at the symposium and he highlighted the importance of education facilities surrounding Air Force installations in site selection. He did say that the availability of charter schools in proximity to such installations was a positive factor as the Air Force ranks education availability as a placement factor going forward. He also highlighted that availability of military spouse education and job placement will become significant factors in site selection in the future. Ms. Henderson said that she and Dr. Fuller have been in recent communication with regional Career Source professionals about how to enhance both the education and career path availability of those military spouses.

There may be several school districts that may need to bring budget amendments back to the Board based on "real life" implementation of the agreements to date including some adjustments in budget categories and potential cost savings that may result in reverting funds from the original award amounts.

This week Mr. Randy Lewis, Construction Management Advisor, will be attending the Okaloosa County Board of County Commissioners Pre-Bid Conference for the construction to be done related to the Shoal River Ranch infrastructure project due to the fact that the County has chosen to bid on the contract. In order to assure that there are no discrepancies in the procedure, Chair Gaetz had asked Mr. Lewis to be present to observe the conference.

There will be Annual Reports on several Grant Award Agreements at the April meeting including the first annual report on the FSU Apalachicola Bay Systems Initiative program.

Mr. Lee concurred with the comments related to Assistant Secretary John Henderson and reiterated that the Air Force will be paying close attention to the education performance of schools adjacent to facilities across the country when future siting decisions are being made. He said that the importance of the Gulf Test Range to all military bases in our region is critical to the future of our military complex and is a very valuable asset that must be protected.

Dr. Dana made a motion to accept the Program Administrator's Report. The motion was seconded by Mr. Bear. The motion was adopted without objection.

Economic Advisor's Report and Recommendations

Dr. Frank Fuller gave an update on the development of the Aviation / Aerospace sector in Northwest Florida. He said that the future has begun to reveal itself for the region, and this sector, with all of the attendant industries that go along with the main industry, all appear to be developing as strong drivers of the economy of Northwest Florida going forward. He gave a snapshot of what the aviation industry looks like right now in America. According to Boeing and the Federal Aviation Administration (FAA), we need 212,000 pilots in the next twenty years, or

10,000 pilots a year beginning last year. We need 193,000 aviation technicians (9600 per year). Florida, one of the top three states in the nation for aviation training, produced 800 technicians last year. The gap in need versus production points to the fact that we have a lot of work ahead of us to meet the training requirements to keep the industry moving forward. Dr. Fuller said that he believes that the solutions need to be formed regionally and that the proposals to be presented at this meeting and in future meetings will go a long way in closing the training gaps. He said there will be a need for 176,000 cabin crew personnel over the next twenty years as well as ground crews. Aviation technology is the second most regulated industry in the United States, right behind Nuclear Energy. He said that the FAA is involved in every step of the training and that all training, curriculum, equipment, faculty and training facilities must meet FAA requirements. According to Embry-Riddle, a leader in flight training, it would take \$1.5 million to set up one fifteen station, single purpose, approved training classroom. Dr. Fuller has visited two training sites relative to research on this presentation and has found that 97% of graduates of the training programs are being employed right out of school, and the other 3% are not employed only because they chose to go on to more advanced pilot training upon completion of initial training. Gearing up to meet the training requirements takes time and expensive but is needed to meet the future needs of the industry. Dr. Fuller said that going forward the Board needs to consider training private / commercial pilot, in addition to the work in maintenance.

Dr. Fuller said that Florida has 2000 aviation businesses with \$6.8 billion in annual aviation exports, including training, with twenty commercial airport centers and two spaceports. There are twenty major military installations (eight within our region), primarily because of the Gulf Testing Range. There are 120 private use airports such as the ones in Apalachicola, Crestview and Port St. Joe. Those facilities provide locations where training and research can be conducted. Dr. Fuller said that there are a couple of well-established FAA approved programs that we can partner with to expedite our ability to train the Northwest Florida workforce. He said that the training is rigorous and does not allow for missing any classes. Students must be dedicated and motivated to complete the training. 1200 hours of training is required to become certified. He said that the 95% placement rate gives both students and their parents incentive to enter the training program.

In the Triumph Gulf Coast eight county region there is an immediate need for 300 FAA technicians a year. The current training level in the region is approximately 100 per year. With the two proposals under consideration at this meeting, that number can be increased to 250 per year. Additional proposals next month will provide the remainder of the gap in needed personnel going forward for the next twenty years. The goal should be to produce 450 – 600 per year to accommodate continued expansion of the target sector in the region. These jobs are high paying, with salaries ranging from \$60,000 to \$120,000 and placement rates at 95% or higher. Dr. Fuller said that modern business models allow for this workforce to work in the region, or to commute to surge regions while continuing to live and pay taxes in our local communities. This model saves companies money by reducing moving costs and allows families to choose their “home base” based on quality of life issues. He said that he believes that this region is uniquely situated to lead the aviation sector development now and in the future. Ms. Skelton noted that the certification costs related to these programs are higher than those in other sectors due to the fixed costs of the FAA requirements and that is part of the reason that Dr. Fuller has made this presentation to the Board so that members can understand the rationale behind staff recommendations for proposals that have a higher cost per certification than those considered in other fields. Dr. Fuller said that the programs are two year programs with higher associated costs, but the returns are undeniable. He said that the Panhandle has already asserted itself in leading the field, with the first FAA unmanned aviation systems certification training program being at Gulf Coast State College. He said that military and civilian drone operation is the

fastest growing single sector of the transportation sector across all fields. He said that the future can be here with the training that we have already begun in our local high schools and with interaction with the military. The reason for the explosion in the use of drone technology across all platforms is that it reduces business operation costs in general by 35-50% in areas where it can be deployed. Dr. Fuller reiterated that Florida is a leader in unmanned aviation, citing a 2015 report by Georgetown University projecting that Northwest Florida will have 19,000 jobs related to unmanned aerial vehicles in the coming years. One of the issues that staff will discuss today is the transition of military drone operators and technicians to civilian platforms. FAA certifications and military certifications don't necessarily match up and so it is important to create a bridge for separating military personnel to receive the needed FAA certifications to operate in the civilian environment.

Chair Gaetz asked Dr. Fuller and Dr. Harper to reflect on their recent meetings with ST Engineering and the identified need to train airframe and powerplant technicians to meet their known needs. Dr. Harper said that it is apparent that several years from now there will be a substantial need for, particularly, airframe and powerplant certified mechanics to work on the planes. These are very high-wage jobs, 115% of the average county wage or more. ST Engineering anticipates the students gain training and experience they would maintain their employment for a minimum of five years and then many of the certified technicians may move out into employment with the airlines which will enable the Northwest Florida region to develop a wide and deep pool of trained workforce to enhance even further the ability to develop a strong cluster of aviation MRO industries. He noted that the regionwide approach being recommended today provides the regional coverage that will allow for the foundation and continuation of the workforce pool needed to build and sustain the industry cluster for the future. Dr. Harper stressed that it is imperative for the region to build the workforce needed to create the strong incentive for companies to come here and stay here. Dr. Fuller explained that the ST Engineering training model is an apprentice model where the company maintains employment of the trainee for two to five years as they complete training. He said the difficulty is that there is immediate demand for certified technicians in a "red hot" market so the trainees are getting recruited prior to even completing the training. He said that Triumph Gulf Coast is taking the regional approach, which ST Engineering supports, so that there is workforce development across the entire eight county area to backfill and support companies as apprentices move to other job opportunities over time. The sustainability and long term economic impacts for the region are very good news for our workforce.

Dr. Dana said that this has been a focused industry niche unique to Northwest Florida that was identified several years ago and is becoming an economic driver for the region. She said that the training component is key to the development of the industry and realizing the potential of the target sector cluster. Additionally, the region has the unique opportunity to take a stronghold position in the area of cybersecurity training, and with a focus on homeland security. She said she was thrilled with the support of these industry clusters.

Mr. Bear reminded the members that there is a need for workers not only in our region, but also across state lines in Mobile with competition between Airbus and ST Engineering for trained employees so there is a much bigger workforce need than has been previously identified. He said that training throughout the region will alleviate some of the pressure on the workforce.

Dr. Harper made a presentation on Proposal #210 – Gulf Coast State College – UAS Pilot Boot Camp for Exiting Military for \$3,033,438 in Triumph Gulf Coast Funding. The proposal is to implement an FAA training program in unmanned aerial systems with focus on bridging the gap

between military and civilian certifications to get an already partially trained workforce into the field as rapidly as possible. The training would be headquartered at the Gulf / Franklin Campus of GCSC with classes offered across the region as needed. Additionally, the training would be available for students from Gulf and Franklin County high schools that had completed initial training through Triumph Gulf Coast grants at those facilities. Training will average 16 weeks but will be scalable based on trainees' prior experience and training. Classes will consist of online, classroom and hands-on training in Visual Line of Site and Beyond Visual Line of Site environments. The program will be offered again after the initial four year project is complete if conditions warrant. Dr. Harper noted that staff believes that the second phase will be offered but reminded the Board that typically Triumph Gulf Coast asks the grant recipient to commit to view Triumph funding as start-up funding with no additional cost to Triumph over time. Further, if it is correct that over time unmanned aerial systems and FAA pilot qualifications will merge to require similar levels of training there is the possibility that the cost of unmanned aerial systems training expense would rise to meet the more rigorous qualification requirements. That is not the current situation but should be considered during contract negotiations. GCSC projects that 800 industry certifications would be earned. Since the initial application, staff has received notification from Dr. John Holdnak, President of GCSC, and from the Unmanned Safety Institute with a more detailed commitment of additional match for the program. The current proposal match is \$781,562 with an additional \$390,000 from the Unmanned Safety Institute which changes the match metrics to reflect a proposed Triumph commitment of 72% of total project costs. The cost per certification is competitive with others, but without the lack of commitment for the second phase of the training, staff has given the proposal a B+. If an agreement can be reached to continue the program, the score could be adjusted upward.

Mr. Matt Terry said that he comes from an aviation family with his father being a retired airline pilot and his brother being an active commercial pilot. He said his family was actually able to move back to Port St. Joe when his father was still working because his father was able to commute to his airline job in Pensacola from Port St. Joe. He said that this type of training will allow families that choose the way of life in our region to remain here even if working elsewhere. He said that having the program at the Gulf / Franklin campus is a tremendous benefit for the area. He noted that Mike Lawson, CEO of Skyborne Technologies, that recently bought Costin Field in Port St. Joe to work with emerging aviation technologies, was in the audience and that exciting things are happening in aviation across the region and in Gulf County.

Chair Gaetz asked if the training location for exiting military should be in Gulf County. Dr. Fuller said that part of the training could be deployed at other locations such as at Bob Sikes Field. Mr. Jim McKnight, Chair of the Board of Trustees at GCSC, said that clearly the application speaks to holding the classes where they are most convenient to the population with aerial training here in Gulf County. He said that Skyborne Technology will be building an \$8 million hangar and Gulf County is all in on this project. Chair Gaetz said that while headquarters might be here classes could be held across the region. Mr. McKnight said that he expects that most training would be farther west. He said that in conversation with command staff at Tyndall AFB, it was discussed that the Air Force gives their exiting personnel paid training for six months and this program would fit within that timeframe. He noted that this will be a wrap-around program for high school students that Triumph has already provided support for going forward. He said a \$55,000 starting salary for trained workers represents 2 ½ times the current average county wage and would be a huge boost for the local and regional economies.

Chair Gaetz said it is important to have the same level of commitment for this workforce training program that we have required for other workforce training programs to continue efforts beyond

the start-up phase. He asked if there would be only 28% matching funds and encouraged GCSC to find a way to get that match higher, and hopefully above 50%. While recognizing the expense of this type of training, he said he wants to see more match. Staff will continue to work with the college to find ways to increase that match.

Mr. Terry reiterated the importance of the military to Gulf County and the region, and that the county has seen an increase of exiting military staying after separation. He noted that military retirees bring good income to the county and most military retirees can expect to work at least an additional twenty years in the industry after retirement.

Reflecting back on comments made earlier by Ms. Henderson about incorporating military spouse education and career development into our approach, Mr. Lee asked if those spouses could be considered for participation in the training. He said that approach could be helpful in any future BRAC reviews. He asked staff to work with the college to incorporate that spouse training into the project.

Chair Gaetz said that the Board could consider a conceptual approval of a move to Term Sheet Negotiations with an understanding that moving forward would be subject to working through the issues raised in the discussion. Mr. Bear made a motion to direct staff to move to Term Sheet Negotiations with that understanding. Mr. Terry seconded the motion.

Chair Gaetz if any member of the public would like to speak on the proposal. Mr. McKnight said that he thought the Board's concerns could be addressed by the college and thanked the Board for its prior approval of the Nursing Program for the college. Mr. Mike Lawson, CEO of Skyborne Technology, said that the project is an answer to prayer because any time you invest money in a community you worry about the workforce. He said that you can always build an airship, and all of its systems, but in order to use that vehicle you have to have pilots and mechanics.

The motion passed unanimously on a roll call vote (5-0.)

Dr. Harper then presented Proposal #215 – Wakulla School Board / Lively Technical College Airframe & Powerplant Certificate Program requesting \$2,940,000 in Triumph Gulf Coast funding. This program supports student training for the jobs of aviation maintenance general technician and aviation powerplant maintenance technician. The Lively Technical College training facility is located at the Tallahassee International Airport. Lively Technical College is the state designated service provider for Wakulla and Franklin counties. The application identifies 1132 certifications to be awarded over ten years of the program. Triumph funds are proposed to be dispersed in level annual increments of \$420,000 over the initial seven years of the program. The application notes that the Wakulla School District will provide \$560,000 in match in level annual increments of \$56,000 over the ten year period of the Triumph award. That level of match represents 16% of the proposal. The funding would be used to purchase equipment, electronics, curriculum, and to hire staff to support the increased enrollment and certifications. Staff notes that the location is outside the Triumph Gulf Coast counties and the current staffing counted towards match in the proposal may not be able to be counted towards the match since they are already on staff at the college. Dr. Harper said that given the extraordinary expense of accommodating the FAA airframe and powerplant training, the lengthy "seat time" per student of up to two full school years, and the number of certifications that are required to get to the professional designation, he views the \$2597 per certification as a good value for the money invested. Staff projects a \$27 gain in household income for every Triumph dollar expended for

the program. Ms. Skelton noted that the expense of recreating a training facility in Wakulla County would be prohibitive, and the project provides for transporting Wakulla County students to the training facility at the Tallahassee International Airport. Chair Gaetz asked Mr. Remington if there would be any concern in using the Tallahassee facility to train Wakulla County students given the prohibitive cost that would be necessary to create such a facility in Wakulla County and the fact that Lively Technical College is the designated technical training facility for the county. Mr. Remington indicated that he concurs that use of the facilities by Wakulla County students is reasonable and since the agreement is with the Wakulla County School District such use is acceptable.

Dr. Fuller noted that the facility is already FAA approved and certified for training and the cost to recreate it would be approximately \$1.8 million in equipment and at least two years to complete the certification process if a building was even available to house the program. He said that it is critical to enhance the locations that are already available in the short term to get the pipeline moving. He said in the future there might be time and incentive to build a stand-alone facility with newer technological requirements that might present themselves in the future, but for now the need is to get workforce trained in the current environment. Dr. Harper suggested that the enrollees in the Wakulla proposal would need to be from Wakulla County. Mr. Lee said that following state guidelines would be sufficient to him.

Mr. Bear expressed concern about the low match in the program. Dr. Fuller said that the best way to look at the proposals is that we are gaining access to millions of dollars in available technology that has been pre-approved for the use we need now. He said that we would not be able to replicate the models across the region for less than \$12 million with a multi-year time lag, so that should be taken into consideration on each of these proposals. He said that value in these proposals is that we are getting access to the training facilities that would be cost prohibitive to build in order to get the workforce training that we need immediately. Chair Gaetz said that if you have the use of equipment then there should be some lease, rental or use value that could be attached to that usage. Ms. Davidson said that she had made notes regarding the conversation and that she would consult with legal counsel about the extent of what could be counted as match.

Chair Gaetz said that it would be important to know if there is a legitimate way to value use of the equipment that we would otherwise have to purchase. He cautioned that whatever decision may be made will be the new criterion by which we will have to work going forward. He asked if Triumph Gulf Coast would be paying for certifications after they are earned or before they are earned. Dr. Fuller said that we are paying some start-up costs in the first two years and the future years would be per certification. Ms. Sunny Chancey, Chief Academic Officer for the Wakulla County School District, said the annual costs are per certification over the life of the program. The district will be offering airframe and powerplant, ground school and space technology certifications with a certain number of certifications in each subject every year. She said that the cost of the instructor will be included due to the increase in students from the county who will be participating in the training program. She noted that it is common for Wakulla School District to register students at Lively Technical College because it is the statutorily designated location to train Wakulla students. Dr. Fuller clarified that starting in year three the payment would be based entirely on certifications completed. Ms. Chancey concurred that was the case.

Mr. Terry asked if there were any liability for Triumph Gulf Coast related to transportation of the Wakulla County students to the training facility in Tallahassee. Ms. Chancey said that the school

district is required by law to provide that transportation for all training. Mr. Remington said that the transportation would be done by the school district as part of their normal duties and would be covered by the district's insurance and sovereign immunity.

Dr. Dana noted that the letters of support attached to the application are from 2018 and Dr. Chancey said that since the turn around on this proposal was so fast that they have not gotten the updated letters of support but that those would be forthcoming and provided to staff for posting. Chair Gaetz thanked Ms. Chancey and the Wakulla School District for the ongoing good working relationship across all Triumph Gulf Coast projects to date and said that Triumph looks forward to that continued success.

Ms. Skelton said that if Franklin County students wanted to participate the county would need to cover those costs. Ms. Chancey said that there is controlled open enrollment "school choice" that allows Franklin County students to attend Wakulla County schools and there are several that do. In those cases, Franklin County is responsible for transporting the students to the county line and then Wakulla County transports the students from the county line to the appropriate schools. Those students would then be able to participate in the Wakulla County training program. She said there is not a current agreement with Franklin County to include students enrolled in Franklin County schools in the program. She that would have to be a future discussion between the school districts that Wakulla County would be glad to support. Mr. Lee asked if there was participation by the Franklin County School District would that count towards Franklin County's Triumph funding. Mr. Remington said that currently the entire amount counts towards Wakulla County because the current application is by Wakulla County. If that were to change, or Franklin County was to decide to participate, that would need to be added to the agreement. He said that if Franklin County was interested staff could work with both counties to determine how to write the agreement.

Chair Gaetz asked if any member of the public wanted to be heard on this proposal. No one came forward to speak.

Chair Gaetz said that the three issues required to move forward with directing staff to undertake Term Sheet Negotiations on the proposal would be determination of the use value of the FAA facility that could be applied as match, outreach to Franklin County Schools to determine if there is interest in participating in the project, and requiring explicit language outlining the requirement for the program to continue for a full seven years. Dr. Dana made a motion to direct staff to move to Term Sheet Negotiations on Proposal #215 with the provisions outlined by Chair Gaetz. Mr. Bear seconded the motion. The motion passed on a roll call vote (5-0.)

Dr. Harper presented Proposal #216 – Northwest Florida State College Airframe & Powerplant Certificate Program for \$8,782,065 in Triumph Gulf Coast funding over seven years to establish and implement an Aviation Center of Excellence focused on meeting demand for aviation technicians and commercial pilots. The proposal specifies that by 2030 a minimum of 1255 industry recognized certifications will have been awarded in these areas. This represents a cost to Triumph of \$6998 per certification. The proposal states that Northwest Florida State College partner match will provide \$4,300,000 in the first year of the project in the same year that Triumph would provide \$2,109,861. These funds would be used to renovate an existing building at the Bob Sikes Crestview Airfield. In subsequent years through 2029, student tuition and fees are projected to generate \$4,697,666 with CAPE Act funds providing an additional \$310,500. Northwest Florida State College commits to provide \$870,087 over the period of the project. The

proposed Triumph funding would represent 46.3% of the total project cost. Given the high number of contact hours needed per certification in this program, the cost per certification is competitive with others that Triumph Gulf Coast has funded. At the rate of \$6998 per certification, the discounted total increase in household income would be \$11 per every Triumph Gulf Coast dollar invested. The program is scored as an A- given the high cost of the training.

Dr. Devin Stephenson, President of the Northwest Florida State College, said that this financial opportunity for the institution is a game changer and one that in the over sixty years that the college has existed has never happened. He thanked the Triumph Gulf Board for its due diligence in reviewing the proposals to assure their success. He said the school is laser focused on workforce development to meet business and industry needs in the region. He said that Dr. Fuller has helped the college to work to respond to the Board's priorities to diversify the region's economy. He thanked Dr. Paul Hsu who has championed the development of the Aviation Center of Excellence and the Okaloosa Aviation Board, Nathan Sparks and Jane Evans on behalf of Okaloosa County.

After a brief recess, the Board reconvened at 3:02 p.m. and Chair Gaetz if the Board had any questions for Dr. Stephenson or for Drs Fuller or Harper. Dr. Fuller reiterated that the goal of the proposals being considered in this set is to get to the minimum number of 300 qualified workers in the pipeline as soon as possible. He noted that the Wakulla / Lively proposal was the first step and this proposal is the second step. He expects to bring two or more proposals at the next Board meeting to meet the initial goal. He said that each of the proposals fit into an overall scheme that Triumph staff is working to develop. He said that the total number of certifications expected to be produced over the life of this proposal is 1255.

Mr. Lee asked Dr. Fuller about whether this program is already FAA certified or if it will take the full 24 months to become certified. Dr. Fuller said that he believed that the program has already begun the process with the FAA and should be able to be operational sooner than the 24 month window because the building has already been used for some aviation training. Ms. Christy Kedroski, Senior Vice President, Northwest Florida State College, indicated that the college is working with Dr. Hsu on an existing facility that the college would renovate that would allow FAA to be able to come and approve the building in January 2021 such that students may be enrolled for Fall Semester 2021.

Dr. Dana asked if the project would go forward without the assistance of Triumph Gulf Coast. Ms. Kedroski said that the college would go forward due to the known industry need, but that it would not be able to move ahead as the "project of excellence" that can and needs to be with such support. She said that they have had first-hand communications with the industry confirming the need for the training and the college is committed to offering that career path to its students.

Chair Gaetz asked when students would initially enrolled and when would they earn certifications. Ms. Kedroski said that the first students would be enrolled in Fall 2021 in the airframe portion of the program, which is a three semester program. The students would earn two certifications as they move through the airframe program and then would begin the powerplant two semester program. The first certifications would occur during the first year of training once the students are enrolled in FY 2022. Chair Gaetz asked how much funding would be requested from Triumph Gulf Coast for disbursement prior to FAA approval of the program. Ms. Kedroski said that in the first fiscal year (July 2020-June 2021) \$2.1 million would be requested for renovation of the facility with the college offering \$4.3 million in matching funds.

Chair Gaetz said that everyone would anticipate FAA approval, but that is not within the control of the college or Triumph Gulf Coast so Triumph Gulf Coast would want to include a requirement in the Term Sheet that FAA certification would need to be granted prior to distribution of any additional Triumph funds. Ms. Kedroski agreed.

Chair Gaetz asked if there was a commitment for continuation of the program beyond the Triumph Gulf Coast funding. Dr. Fuller responded that the college was committed to a twenty year program. Dr. Stephenson concurred and said that the college has already obtained accreditation through the Southern Association of Colleges and Schools, Commission on Colleges for the program. Chair Gaetz then asked if there was any thought given to incorporating the Okaloosa County School District Aviation and Aerospace Career Academy into the program. Dr. Stephenson introduced Dean Michael Erny, Dean of Career and Technical Education, who said that there are plans for either articulation or dual enrollment of those secondary school students from the school district, but details would come after the FAA certification has been approved. He said that the college is in conversation with the school district. He said that such a program might include not only the airframe and powerplant components but also pilot training. He said that there is potential to be able to provide a "jump start" model allowing high school students to begin training prior to enrollment at the college. The school district currently uses the Niceville campus to offer some engineering technology programs that lead to certifications that articulate into some existing engineering tech programs at the college. He said that the plan would be to start the coordinated program with the school district in Fall 2021. Chair Gaetz encouraged the college to look beyond an articulation agreement and look at how students can earn high school credits, college credits and FAA certifications at the same time in the same class with the same instructors. He said that such a layered model would be well received by the Triumph Gulf Coast Board.

Mr. Lee said that Walton County would benefit from such a program as well. Dean Erny said that the program would be available equally to both counties, but the conversations with Okaloosa County are a little farther ahead because of the existing working relationship with their Career and Technical Education department.

Mr. Terry asked about the 20-year contractual lease for use of the building at the Crestview airport and when it would expire. Ms. Kedroski replied that the lease was just entered into in Fall 2019 and would run for 20 years. Mr. Terry noted that the lease amount for this year is \$100,000 then rising to \$200,000 for several years. He said that the college was about to renovate the leased property with \$3.5 million worth of improvements and asked if there were any tenant based rent concessions that could be considered for those improvements. Ms. Kedroski said that the lease agreement is a build to suit agreement so those renovations with associated costs are going to be made up front, to the college's specifications, and then at such time as the owner turns over the building a market analysis would be done to assess the actual lease amount. What you see now is a forecasted lease amount based upon current lease amounts in the north end of Okaloosa County. Mr. Terry asked if the college had made a copy of the lease available. Ms. Kedroski said that the college would make it available.

Ms. Skelton noted that all of the proposals today that are for consideration of moving forward with Term Sheet Negotiations will include continued discussions with the applicants about all of the issues raised at this meeting and the applications that require letters from the hurricane affected counties will have those letters attached prior to the term sheets being brought back to the Board for consideration.

Chair Gaetz asked if there was anyone from the public that wished to comment on the proposal. Mr. Nathan Sparks, Okaloosa County Office of Economic Development, spoke in favor of the proposal and about the importance of developing the workforce pipeline for the aviation sector across the region.

On a motion by Mr. Bear, seconded by Mr. Lee, staff was directed to move to Term Sheet Negotiations with Northwest Florida State College on Proposal #216. The motion passed unanimously (5-0.)

Technical Difficulties with Audio Recording at this point in the meeting. Following actions are based on staff notes:

Dr. Fuller presented Proposal #221 – Santa Rosa County Schools / Locklin Technical College – Hurricane Michael Skilled Labor Recovery Fund for \$189,000. The Santa Rosa County School Board (SRSD) proposal describes a set of CTE initiatives and expansions in HVAC and Pipefitting to be offered by Locklin Technical College on its Santa Rosa campus. SRSD's request would cover 20 to 30 program participants attempting certificates including the HVAC Excellence Employment Ready exams, and the NCCER Pipefitting Level 1 Certifications. The Superintendent of Schools notes that the proposal blends a consistent, collaborative recruitment and outreach program utilizing highly qualified and certified instructors to provide direct hands on training in a technology rich, immersive environment.

The School Board proposes to provide \$37,770 in District Workforce Funds and School Board Operating funds as match, bringing the total project value to \$226,770 if the SRSD is able to draw down funds at the maximum allowable rate of \$4,500 per certification, with up to 20 percent of students earning two certifications during the funding period. If that were to be the case, Triumph would be providing 83.3% of the total value of the project. (Staff note that the proposed \$189,000 amount is slightly in excess of the amount shown in the Triumph program description for the maximum annual spending that could be reimbursed to a grant recipient.)

At a reimbursement rate of \$4,500 per certification, the discounted total increase in household incomes expected from the program will be \$17.1 per dollar of Triumph cost. For these reasons, staff rate this program "A" in terms of economic impact.

Chair Gaetz asked if there was anyone from the public that wished to comment on the proposal. No one came forward. **Mr. Lee made a motion to direct staff to negotiate a Grant Award Agreement for Proposal #221. The motion was seconded by Mr. Terry. The motion was approved unanimously (5-0.)**

Dr. Fuller presented Proposal #222 – Okaloosa County Schools / Okaloosa Technical College – Hurricane Michael Skilled Labor Recovery Fund for \$357,000. The Okaloosa County School Board (OCSB) proposal describes a set of CTE initiatives and expansions in several programs to be offered by Okaloosa Technical College through its existing Building Trades and Construction Design Technology Program. Okaloosa's request of up to \$357,500 would cover up to 75 certificates to be offered through an Accelerated Certifications in Construction and Electrical Labor (ACCEL) program. The letter introducing the ACCEL program notes that these certificates will be OSHA 10, OSHA 30, as well CAPE industry certifications in carpentry, electrician, HVAC, plumbing, or welding.

The OCSB proposes to provide \$25,000 as match, bringing the total project value to \$382,500 if the OCSB to \$382,500 if all funding is able to be drawn down at the maximum allowable rate of \$4,500 per certification. If that were to be the case, Triumph would be providing 93.5 percent of the total value of the project. (Staff note that the proposed \$357,500 amount is in excess of the amount shown in the Triumph program description for the maximum annual spending that could be reimbursed to a grant recipient.)

At a reimbursement rate of \$4,500 per certification, the discounted total increase in household incomes expected from the program will be \$17.1 per dollar of Triumph cost. For these reasons, staff rate this program "A" in terms of economic impact.

Chair Gaetz asked if anyone from the public wished to comment on the proposal. No one came forward to speak. **Mr. Bear made a motion to direct staff to negotiate a Grant Award Agreement for Proposal #222. The motion was seconded by Mr. Terry. The motion passed unanimously (5-0.)**

Dr. Fuller then presented Proposal #223 – Walton County Schools / Emerald Coast Technical College – Hurricane Michael Skilled Labor Recovery Fund for \$190,000. The Walton County School Board (WCSD) proposal describes a set of CTE initiatives and expansions in HVAC and Electricity to be offered by Emerald Coast Technical College on its Defuniak Springs campus. WCSD's request of up to \$190,000 would cover up to 40 CTE certificates including 10 students attaining two certificates each in HVAC and Electricity. WCSD proposes to provide \$245,000 in District funds to cover instruction, support, and management as match, bringing the total project value to \$439,000 if the WCSD is able to draw down funds at the maximum allowable rate of \$4,500 per certification, with up to 20 percent of students earning two certifications during the funding period. If that were to be the case, Triumph would be providing 44.2 percent of the total value of the project. (Staff note that the proposed 20 students each earning two certificates does not comply with the Triumph program guidelines of a maximum of 20 percent of students earning two certificates.) Further, staff suggest that the level of proposed match is relatively high and may be difficult to document satisfactorily.

At a reimbursement rate of \$4,500 per certification, the discounted total increase in household incomes expected from the program will be \$17.1 per dollar of Triumph cost. For these reasons, staff rate this program "A" in terms of economic impact.

Chair Gaetz asked if anyone from the public wished to comment on the proposal. No one came forward to speak. **Mr. Lee made a motion to direct staff to negotiate a Grant Award Agreement for Proposal #223. The motion was seconded by Dr. Dana. The motion passed unanimously (5-0.)**

Dr. Fuller presented Proposal #224 - Wakulla County Schools / Lively Technical College – Hurricane Michael Skilled Labor Recovery Fund for \$200,000. The Wakulla County School Board (WCSD) proposal requests up to \$200,000 to cover up to 40 CTE certificates including 17 - 20 students attaining NCCER Pipefitting Level 1 certificates, and 14 – 20 students attaining NCCER Pipefitting Level 2 certificates, each at \$4,500. The WCSB proposes to provide \$10,000 in student tuition and District funds to cover instruction, support, and management as match, bringing the total project value to \$210,000 if the WCSD is able to be draw down funds at the maximum allowable rate of \$4,500 per certification, along with the \$20,000 recruitment award (\$20,000 TGC recruitment award, \$10,000 WCSD match, \$4,500 x 40 certs = \$180,000,

yielding \$210,000 total project value). The application notes that the costs for the instructor and facility will be covered by Lively Technical College.

If the above figures were to be correct, Triumph would be providing 95 percent of the total value of the project. Staff note that if the proposed Level 2 certs are intended to be awarded to those who earned the level 1 certs, then the share of students each earning two certificates does not comply with the Triumph program guidelines of a maximum of 20 percent of students earning two certificates. (Further, the proposed maximum award for certificate funding independent of award of the \$20,000 recruitment grant - would exceed the published program guidelines of \$160,000 maximum award.)

At a reimbursement rate of \$4,500 per certification, the discounted total increase in household incomes expected from the program will be \$17.1 per dollar of Triumph cost. For these reasons, staff rate this program "A" in terms of economic impact.

Chair Gaetz asked if anyone from the public wished to comment on the proposal. No one came forward. **Mr. Terry made a motion to direct staff to negotiate a Grant Award Agreement for Proposal #224. The motion was seconded by Mr. Bear. The motion passed unanimously (5-0.)**

Public Comment

Chair Gaetz asked if any member of the public wished to address the Triumph Gulf Coast Board on any subject. No one came forward to speak.

Chair Gaetz thanked everyone for their participation and thanked the college again for hosting the meeting.

There being no further business, the meeting was adjourned at 3:32 p.m.