

**Meeting Minutes
Triumph Gulf Coast, Inc.
Conference Call Meeting
877-309-2073
ID: 493-927-565
August 13, 2020
10:00 a.m. CT**

MEMBERS PRESENT (BY TELEPHONE):

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

Chair Don Gaetz called the meeting to order at 10:00 a.m. CT and welcomed everyone to the conference call meeting.

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

Mr. Stephen Riggs, IV made a motion to approve the June 18, 2020 Meeting Minutes. The motion was seconded by Mr. Lewis Bear, Jr., and passed without objection.

Ms. Jennifer Conoley, President and CEO, Florida's Great Northwest made the following Remarks on Regional post – COVID-19 Economic Recovery Strategies:

Thank you so much, Mister Chairman, for the opportunity to speak to you and your fellow trustees this morning.

Certainly, I wish my first presentation to you all could be in person, but thankfully, I've had the privilege of working with many of you throughout my career in economic development.

You all may recall that for the past seven years I was on the Economic Development team with Gulf Power. And at the end of March, I took this lead leadership opportunity at Florida's Great Northwest.

You'll be happy to know that I am a northwest Floridian through and through. I was raised in Port Saint Joe and lived there until I moved to Pensacola right after I graduated from high school and after Pensacola, my next stop was in Tallahassee at Florida State. And now I've called Panama City Home for the past 14 years. So please feel confident that as a leader of Florida's Great Northwest, I work across this great region of ours with a deep rooted passion to grow opportunities for every person living in our area.

Because of my history here, I'm pleased to report that we have not lost any momentum in the wake of Covid-19. We have shifted our strategies around the promotion of Northwest Florida to virtual, while also trying to be as creative as possible. Because if you're like me, I'm starting to have some serious virtual fatigue.

One of the first things we launched is a new video series called Broadcasting Northwest Florida. You can find these videos posted on our LinkedIn and Facebook pages, and it features each county in Northwest Florida. It's just a short video interview giving the local economic developer a platform to showcase their unique assets to business decision makers and site selectors and their respective communities. It's been so successful that we plan to continue the series and produce these videos on a variety of topics, including one soon on Triumph Gulf Coast.

Of course, our normal business development travel schedule has been altered. So instead of making in person visits to site selection professionals across the country, now we've been engaging them through an Online Meeting Platform. This has allowed us to speak with more than 30 Consultant's over the past few months. During these presentations, we focus on three major competitive advantages in Northwest Florida and one of those is Triumph Gulf Coast, and consistently we spend more time speaking about the investment you all have made as a board and how this unique fund can be leveraged in job creation projects. We're also leveraging our business intelligence platforms to pivot our proactive lead generation efforts to focus on new growth sectors as a result of Covid-19. Those sectors include food manufacturing, cybersecurity, and telehealth.

We're also strategizing on, on shoring companies back to the United States and while you might think that our project pipeline could be collecting dust as a result of the pandemic, thankfully, it's just the opposite. During my short time at Florida's Great Northwest, we've continued to see strong interests among companies looking to expand. In fact, one of our new project ties directly back to the investments this board has made in developing a workforce around unmanned aviation system. This company who manufactures, tests and evaluates Drone, has taken particular note of the talent infrastructure being developed for this sector and how it coincides with the industrial properties available that are poised to serve aviation related purposes. I've been in regular discussions with this company, and I think are going to be hearing more from them in the very near future.

I'd also like to give a brief update on the progress that we're making on the award you entrusted to Florida's Great Northwest, earlier this year, to analyze our labor market, supply and demand, as well as create a data driven marketing plan. I'm pleased to report that the research portion is well underway. Able Operations has been working to review our current list of target industries and researching support occupations and skill sets that correlate directly to those sectors. We've been meeting with Triumph staff regularly to keep them engaged in the process and look forward to presenting some of those initial findings to the Board in the near future. We're also in the development stage of Phase One of our marketing plan that will help us continue to grow our project pipeline. We do have more opportunities to compete for these job creation projects in Northwest Florida.

Before I conclude my update, I would be remiss if I didn't speak to the amazing work that's been taking place during Covid-19 by our local economic development and utility partners on business retention and expansion. They have been working tirelessly to ensure that our companies prevail through the pandemic and that they have the tools and support they need to succeed.

Mister Chairman, thank you again for allowing me this opportunity to provide you with a regional update. I'd be happy to answer any questions you may have at this time.

Chair Gaetz asked about the project that Triumph is working on with Florida's Great Northwest that provides the data described in her report and to describe the significance of that project. Ms. Conoley replied that the leading question her team gets as they are speaking with business prospects, prospective companies or site selectors is that they want to see the data around our workforce, and so doing this deep, deep dive into our target industry sectors is really going to help us be able to provide that exact information, to truly show that we can be competitive and we can fill the jobs that are needed in these different occupations.

Treasurer's Report

Treasurer Stephen Riggs, IV, gave the June 2020 and July 2020 Financial Reports.

Upon completion of his reports, Mr. Riggs made a motion to adopt the June 2020 Financial Report. The motion was seconded by Mr. Allan Bense and passed without objection.

Mr. Riggs then made a motion to adopt the July 2020 Financial Report. The motion was seconded by Mr. Lee and passed without objection.

Staff Report

Ms. Skelton reported that, pursuant to contract requirements, she and Chair Gaetz had completed the Annual Legal Counsel Review with Mr. Scott Remington, Managing Partner of the Clark, Partington Law Firm. She said that the two service contracts, one for general services and the other for special services (such as complex contract negotiations) were reviewed and that she and the Chair recommend renewal of both contracts at the current rate of \$100,000 per year. She said that there is one request of counsel that, as we go into this last year, prior to appointment of several new members, that council developed a transition plan, including ensuring that the next Board understands all of our contract commitments. And that grantees and other parties are apprised of those commitments as well as what's scheduled for compliance. Ms. Skelton said that it would be appropriate for Mr. Remington to speak on his own behalf, but that it is her understanding that Clark Partington agrees with our findings.

Mr. Remington said that it is an honor and a privilege to work with the Triumph board and that Clark Partington is humbled to work on this fantastic benefit for our community. He said that any success or good work we have done is largely the result of the excellent team that the Board has put together and Clark Partington appreciates the opportunity to serve the board, if it's the board's pleasure going forward. Ms. Skelton noted that as part of the review she took into account any comments that she had from other board members so it's not a unilateral recommendation.

Chair Gaetz asked if any other board members wanted to comment, or express any criticisms, concerns or suggestions that might bear on continuing a relationship with this firm. Mr. Riggs said that he agreed with Ms. Skelton's assessment and that in his experience any time he has asked for assistance the firm has been very responsive and has been proactive in reaching out to discuss issues. He said he supported the recommendation to renew the contracts. Mr. Bense

concurred with those comments and said he supported keeping the firm as the Legal Counsel. **Mr. Bense made a motion to renew the existing General Counsel contract and Special Counsel contract with a law firm of Clark Partington. The motion was seconded by Mr. Riggs and approved without objection.**

Chair Gaetz noted that the Board is obliged under its policies and practices to annually review the performance of Executive Director Susan Skelton and contract staff and consultants. The review is performed by a subcommittee of the board made up of at least three members. The committee then makes recommendations to the board regarding those reviews. He said that while several members have been a part of these reviews in the past, some have not, and he recommended including members who had not been part of earlier review teams. Chair Gaetz asked Mr. Bear, Mr. Terry and Mr. Lee to serve and Mr. Bear to chair the subcommittee. All agreed to serve.

Ms. Skelton reminded members that this year's review will include the three year contract renewal reviews of Dr. Harper and Ms. Henderson.

Mr. Bear made a motion to appoint the Performance Review Committee to include himself, Mr. Riggs and Mr. Lee. Mr. Riggs seconded the motion and it was adopted without objection.

Legal Report

Chair Gaetz noted that two items on the published agenda would not be taken up at the meeting. Discussion of a new Term Sheet for Proposal #70 and a staff recommendation for Proposal #167 will be postponed due to continuing discussions between staff and the applicants. Staff hopes to have these proposals ready for consideration at the next meeting. He noted that Proposal #70 was being postponed at the request of the University of West Florida.

Chair Gaetz called on Mr. Remington to discuss the annual Consideration of Directors and Officers Insurance Policy Renewal. Mr. Remington explained that each year Triumph purchases a Directors and Officers liability insurance policy to protect the individual directors from any acts they take within the purview of their role on the board. That policy renews annually. He said that this time of year, we like to shop that policy to get the best rate in the best coverage and in order to shop it, we have to file formal applications that the Chair needs to execute. So, as we have done in prior years, we would like to request a motion to direct Counsel and the Chair to move ahead with applying for and finding a new directors and officers liability insurance policy. Mr. Bense made a motion to direct counsel to identify and properly execute a competitive rate contract for Directors and Officers liability insurance. Mr. Terry seconded the motion which was approved without objection.

Mr. Alan Manning, Legal Counsel, then provided a review of Grant Award Negotiations for Proposal #202 – Gulf Coast State College – Gulf / Franklin Campus – Technical Center for Emergency Response and Communications for \$5,147,750.

He noted that the amount requested represents a slight increase over what was originally proposed and reflected in the term sheet, but that increased amount was negotiated with the grantee with staff. The difference in the amounts is due to the Board's direction at the last meeting to add the life safety equipment cost to the cost of the proposal. Mr. Manning reported

that the Grant Award Agreement is on the standard grant award template that we've been using, and Legal Counsel recommends a motion to approve this grant award agreement.

Chair Gaetz called on Gulf Coast State College President John Holdnak for comment on the Grant Award Agreement. Dr. Holdnak thanked board members and explained that the proposal was expanded to include life safety training at the request of Mr. Lee due to the need to provide assistance to lifeguards in water rescue situations. He said that the new program will provide an expansion of the tools available through the Unmanned Vehicle Systems Program, but it will result in a deployable asset across all eight Triumph counties impacted by the BP oil spill. The project will allow GCSC to work very closely with emergency operations centers and incident command centers across the counties to provide information and assistance such as radar images, digital images, images taken from aerial vehicles. Underwater vehicles will be able to do scanning of bodies of water to look for survivors or in fatality recovery, will be able to support search and rescue activities. The difference in cost is related to a request at last month's meeting to securing some lifeguarding, unmanned vehicles that the college has been working with the Bay County Sheriff's Department, on a program to showcase, and prototype, ways to enhance Lifeguarding capabilities, all along the beaches across northwest Florida, using these vehicles for rescue, and not putting lifeguards at risk.

Chair Gaetz asked if there was any member of the public that wished to comment on the proposed Grant Award Agreement. No one spoke. **Mr. Lee made a motion to approve the Grant Award Agreement as presented. Mr. Bense seconded the motion. The motion passed unanimously (7-0) on a roll call vote.**

Mr. Manning proceeded with a review of Grant Award Negotiations for Proposal #215 – Wakulla / Lively Tech A&P Cert Program for \$3,250,000. He noted that the grant award amount was increased from the original \$2,940,000 during final negotiations. He said that the Grant Award Agreement is on the standard triumph template and legal counsel recommends approval. There was one additional issue that arose during final negotiations which was that the grantee requested flexibility in the signing of the agreement due to uncertainty in the School District's budget situation because of potential COVID-19 impacts at the state and local levels. The School District has asked that the Triumph Board approve this grant award agreement in its current form but give the School District up until December 31, 2020 to actually sign it. They are still working through some budget matters and have asked that they have the ability to actually delay signing it until some budget issues are confirmed or worked out, and nothing would need to change in the agreement.

Chair Gaetz called on Dr. Frank Fuller, Education Advisor, to provide information on the proposal. Dr. Fuller reminded the Board that this proposal is part of an overall plan to meet an existing demand for employment in the region. He said that the students who graduate will probably be signed for employment before they graduate due to high demand. He said that the concern about signing the agreement seems to be the uncertainty about how many students will actually come to school in the new year and whether the state will make adjustments to education funding that might affect school district operations. He said schools are in the process of opening this week. Lively Technical College opened last week, and their enrollment numbers were good, which is a very positive sign for the school and for this project. He said that he thought that Wakulla School District will see strong numbers of returning students and that they will be in a position to execute the contract well before December. Dr. Fuller noted that the good thing about the project is these jobs exist as quick as we can get these kids into the program and that the students will be employed, even in the economy we're dealing with right now. He

explained that the increase in funding was due to modifications that added more FAA certification to the bundle to better fit the class size and delivery model. The numbers were a little bit short on the original proposal, but now that we see what the market is, we've just bounced up an increase. It's a per certification reimbursement program that pays for itself just by producing more certs. He said that he thinks this is a good model where we can drop back, or add, depending on what the market tells us in the region.

Chair Gaetz called on Ms. Sunny Chancy, representing the Wakulla County School District, for comment on the proposed Grant Award Agreement. Ms. Chancy reported that the school district opened today very successfully and that Lively opened last week, and their enrollment in the A&P program, which we were hesitant on based on everything that's happened, is right at status quo if not higher. She said the district feels confident that it can sign this agreement and start the program almost immediately to help serve the industry.

Chair Gaetz asked if any member of the public had comments about the proposed Grant Award Agreement. No one spoke. **Dr. Pam Dana made a motion to approve the grant award agreement in the amount of \$3.25 million and to provide the grace period for the awardee to execute this agreement to no later than December 31, 2020 with no disbursements made until we have fully executed agreement? The motion was seconded by Mr. Matt Terry and passed unanimously (7-0) on a roll call vote.**

Mr. Manning next explained the proposed Amendment to Grant Award Agreement for Proposal #213 – Florida's Great Northwest (FGNW) Education ROI Research and Marketing for up to an additional \$225,000 to be used to fund a subcontract with Able Operations to get data needed for analysis of the value of industry certifications. The additional amount is to be paid out quarterly. Legal counsel is comfortable with this amendment and recommends a motion to approve it.

Chair Gaetz recognized Dr. Rick Harper, Economic Advisor, to further explain the proposed amendment. Dr. Harper said that Triumph staff has met several times virtually with Florida's Great Northwest and their subcontractor Able Operations. The principal there is Arun ..., PHD economist, who is working on supply and demand estimation for many of the occupations that Triumph is particularly interested in. That is going very well, there has been a lot of progress, looking at the industrial clusters in north-west Florida and the supply and demand situation with respect to the occupations that they need.

A more granular level of analysis was contemplated in our proposal so that using Florida Department of Education Data Warehouse data, we could look at individual student records appropriately deidentified, for for-profit purposes and we could correlate certain certifications with wage outcomes. The wage information is also in the data warehouse that will allow us to answer things such as, how much is an airframe and powerplant certification worth, more, or less than a particular other certification? We will be able to do it using actual wage data. That will be a tremendous advance for us as we score projects, educational projects, attempting to provide the highest value, educational certifications for the students of northwest Florida. The reason for the additional dollar amount is that the Florida Department of Education has told us that the most effective way and in my experience, over a decade, the only effective way to access that data is to put a staff person right there in the basement of the Florida Department of Education in Tallahassee. In our verbal discussions the Florida Department of Education DOE, has agreed that that person can access the data warehouse. The contracted employee will have to abide by the same privacy constraints as all DOE employees. This money is to fund that employee over the several year life of the Florida's Great Northwest contract to provide the data

we require. The 1099 employee will work for Able Operations as part of its subcontract with Florida's Great Northwest. We anticipate that the dollar amount that will be required will be substantially less than what is being asked for in the contract. We're asking for authorization to go up to that amount, but we believe that the experience of the vendor, the vendor of these services will be that they can get up to speed on structured query Language SQL that the Department of Education uses much more quickly than a full-time position. We are requesting authorization to go as big as the full requested amount but again, we don't anticipate using it, and that will begin to feed Able Operations, the analytical data that it needs for analysis, and in turn, provide Florida's Great Northwest with information that will be extraordinarily useful based as they work with businesses that are considering moving operations to our area, will be able to tell them much, much more about the labor market conditions at a very specific level of detail, and that's the basis for the request.

Jennifer Connolly representing Florida's Great Northwest said that she would like to echo Dr. Harper's comments. She said that this gives us a very great opportunity to provide some unique analysis on the return and return on investment on the certifications and degree. She said she was really excited about the research and analysis that will come from that.

Chair Gaetz asked if any member of the public wished to comment on the proposed amendment. No one spoke. **Mr. Bear made a motion to adopt the amendment to Proposal #213 in the amount of up to \$225,000. The motion was seconded by Mr. Bense and passed on a unanimous vote (7-0.)**

Mr. Manning presented a review of Term Sheet Negotiations for Proposal #227 - Panama City Port Authority – Intermodal Distribution Center Expansion for \$3,000,000 to provide partial funding for their intermodal distribution center, which includes an extension of Commerce Blvd to provide access to industrial sites and the alignment of some utilities.

This agreement will include some performance metrics that have been developed by Triumph staff for 135 new jobs over a ramp up period, and Legal Counsel recommends a motion to approve the term sheet.

Dr. Harper then explained this expansion of the Port of Panama City capability to an intermodal transfer facility, comes at a good cost to Triumph. These jobs are at \$17,143 a piece, in the calculation that is on the term sheet and based on that additional personal income that we forecast as much as \$100 million over a 10 year maintenance period. That yields a projected discounted present money value of \$33 in additional personal income per Triumph dollar requested and because of that \$33 amount staff score the Program as an A. Ms. Skelton noted that the original Triumph Gulf Coast funded project at Port Panama City is nearing completion and may come in under budget. She said that Mr. Wayne Stubbs, Port Director, would be able to comment on the timing of completion of that project. She pointed out that this proposal is for the Intermodal Center on US 231 while the original project was for the East Terminal of Port Panama City.

Chair Gaetz then asked Mr. Stubbs to make any comments he wished to make with respect to the intermodal Distribution Center expansion and the original project. Mr. Stubbs thanked the Board for supporting the first project and said that the Port is hoping to be just under budget and able to return some funds to Triumph for that one. He said that the last improvement under that project is the dredging. That was one improvement that they weren't 100% sure of a few years ago when the port was originally before Triumph but they were successful in getting that permitted and funded by the U S Corps of Engineers, thanks to Congressman Dunn's support in

particular, and the dredge is on site in Andrews Bay at this moment and is working towards the last two weeks of the work to get to the deeper water for the terminal so we will be able to close out that project within the next month. Mr. Stubbs said the commercial side of East Terminal port expansion is going well. He said the project was delayed about a year after Hurricane Michael due to the construction and the commencement day was around February of this year when we got our cargo and handling back in the warehouse and we've had a great start over there they are about halfway there on our metrics. He said that the port appreciates the support Triumph gave to that project.

Mr. Stubbs then addressed the Intermodal Center proposal. He said that this project supports the port's commitment to promote industrial development within the region by expanding these industrial sites at distribution center. It will help to extend Commerce Boulevard, but most of the funds will go into developing more industrial sites at the center. There is already demand for those sites with about 200 jobs already on site that had been created through the use of the distribution Warehouse, which we constructed and the FedEx project out there. He said that the port feels good about the project and appreciates Triumph's support and consideration.

Chair Gaetz asked Ms. Cori Henderson, Program Administrator, if she had any observations about the work being done at the port. Ms. Henderson noted that this was the first project that Triumph Gulf Coast did, and staff have been very appreciative of Wayne and his team at the port for allowing us to learn our backend processes with them. She said that she thought that our CPA, Jennifer Davidson, would agree that the port has been a great partner when it comes to fulfilling the requirements of their agreement and requesting funds through our process, so we very much enjoy working with them.

The Chair asked if any member of the public wanted to comment on the proposal. No one spoke. **Mr. Lee made a motion to direct staff to move Proposal #227, to a grant award agreement based upon the term sheet that has been presented to the board. Mr. Bense seconded the motion. The motion passed unanimously (7-0) on a roll call vote.**

Mr. Manning provided a review of Term Sheet Negotiations for Proposal # 217 - AMIKids Pensacola, Inc. – AMIKids Pensacola Workforce Development Program for \$408,000. He said that the purpose of the proposal is to support the organization's workforce development program, and the issuance of industry certificates and that Legal Counsel recommends a motion to approve this term sheet.

Chair Gaetz called on Dr. Fuller to provide details of the proposal. Dr. Fuller said that the project actually serves two purposes. It realigns what AMI is doing with their program in Pensacola which is a well-founded in the community and it also ties into the Triumph fast track infrastructure training that we've been able to launch with the leadership of the board in preparation for the infrastructure money that may or could very well be coming from the Federal and State governments for COVID-19 economic recovery. This project, along with the other fast track training projects, align those skill sets that would go right into supporting any initiative that comes from the federal government or the state of Florida to get into heavy infrastructure restructuring, particularly in our region. We added CDL to this because CDL continues to be a high demand issue.

Mr. Bear noted that the organization does a great job for the community and his family's

foundation has supported them for a number of years. He recommended approval of moving the proposal forward.

Sherry Williams, Executive Director of AMIKids Pensacola thanked everyone for hearing the proposal and asked for the Board's support. She said that they have already started to see as participants are starting to come back from into the buildings very, very slowly after COVID they are starting to hear kids say that Construction is the business where they had seen everybody working, even when the people that they thought would still be working were not so the organization really appreciates everything that being able to work with Triumph on fast track construction training could do for us. She said that the new grant that they are working with is for participants aged 18 to 24 that have been in the court system in one way or another, either through juvenile charges or through adult charges. The way that they come to it can be self-referral, or through several organizations and systems in Pensacola for referrals including halfway houses where they go for release. She said the program really gives people that may not have an opportunity or see that they have an opportunity to gain the opportunity to get gainful employment and the organization follows them for a year after they get certifications. AMIKids Pensacola offers certifications in OSHA Food Manager (not included in Triumph request) and for the people that are interested in construction, we offer core, with NCSER, construction, level one, and masonry. She said the ability to do the CDL training has increased interests, 100 fold.

Chair Gaetz asked if any member of the public wished to speak about the proposal. No one spoke. **Mr. Bear made a motion to move forward to a contract based upon the term sheet negotiations for Proposal # 217. Mr. Terry seconded the motion. On a roll call vote the motion passed unanimously (7-0.)**

Program Administration

Program Administrator's Report

Ms. Henderson gave her report and noted that staff has continued to work with grantees and potential grantees over the course of the summer and that after a slight lull in the number of pre-applications and applications submitted that has definitely changed. She said there has been an increase during the last month and there has been considerable conversation amongst the economic development entities and education institutions with Triumph staff and about potential projects that we expect to see coming in over the next few weeks, few months. Regardless of what is happening in the world, in Northwest Florida things are still moving forward in very exciting ways. She noted that the Auditor General has begun this year's annual review, and staff is working to answer any questions they may have.

As of Friday, August 7, Triumph has received 234 pre application totaling approximately \$1.7 Billion. Ms. Henderson highlighted two of the upcoming proposals, one for the Northwest Beaches International Airport that will be discussed later in this meeting, and another for IHMC. IHMC, has come in with a brand new proposal in a pre-application, that Triumph staff and their staff are working on collaboratively together. Triumph Gulf Coast has received 93 applications totaling over \$650 million.

Ms. Henderson reported that Dr. Fuller, has continued to monitor, every quarter of the first year

of an education project, their activities and this report includes a list of the education projects that he has reviewed. She noted that due to school closures related to COVID-19 there has not been a lot of additional certificate attainment across the region over the summer, however, there are some outliers, Northwest Florida State College, has continued with the Walton Works project to work with adults to provide them certification this summer as have a number other of the programs. This report does not include any construction reviews however, Mr. Randy Lewis, Construction Advisor and Ms. Henderson have been spending a considerable amount of time working with the grantees on projects that are getting ready to break ground or have recently broken ground. She said that our staff is trying to work, particularly with Okaloosa County, on ways to utilize the dollars granted most efficiently and potentially have an arrangement we're trying to work with them on how to save a little bit of money in the large road project there.

Chair Gaetz pointed out that rather than seeing a fall-off in the number of new pre-applications and applications over time, that number continues to increase. At the same time the amount of time required of staff to focus on compliance issues is increasing due to the Board's pace of making Grant Awards. The increased numbers of potential projects on the front end causes an increased amount of activity on the back end. He asked Ms. Henderson and Ms. Skelton to comment on implications of the workload increase and possible solutions to address the issue.

Ms. Henderson said that the Chair had accurately characterized the process of what staff is doing along with our advisors and consultants. The more grantees that we have, the more requests for funds that come in monthly and the more time that it takes to go through them, respond and enter into our system. She said that Triumph Treasurer Stephen Riggs has been phenomenal in making sure that everybody should actually receive the dollars they've requested, and so that is taking much more time than it had previously been. Mr. Lewis is spending more time with us as our grantees are starting to break ground in and go through all the processes and procedures to make sure that we're following all public procurement policies and he has that top of mind when he reviews these documents on your behalf. She pointed out that our staff continues to work on intake of a lot of new proposals, and on proposals that have been in the pipeline for a while to bring you the best projects possible. She said that the volume of work is increasing and that is fantastic because it's resulting in the transformative effort that the Triumph Gulf Coast goals are and your vision that you laid out at the beginning of the process are coming true.

Ms. Skelton said that she would like to use the opportunity presented by the Legal Counsel Review of a transition process discussed earlier to include a review of business continuity needs and implement a process to address those needs. She said that as we move towards transitioning board members, it's important that we have the conversation about business continuity going forward. She suggested that the Board form a Business Continuity subcommittee and that Mr. Riggs, Dr. Dana and Mr. Lee, might participate on something like that.

Mr. Riggs said he has had some conversations with Jennifer Davidson, who handles our accounting and he has personally reviewed maybe close to 100 applicant pay applications. As we start to add more projects and everything else, we're having discussions now on how to streamline that. He said that because his term will end up here next year he would be happy to work on a business continuity plan and that he wants to make sure that the next treasurer that comes in understands what's going on and is comfortable with the processes and procedures that we've put in place.

Chair Gaetz said that the fact is that business is good, and we have more business ahead but the amount of work that Mr. Riggs just doing, sort of the back office stuff that is not being seen and making sure that every one of our disbursements is in line with this board's directives is an amazing amount of work and the Board appreciates what Steven has done and is doing, but we must also acknowledge the fact that there's more and more of it and will be more and more of it going forward. He said he supported Ms. Skelton's suggestion to create a Business Continuity Subcommittee and asked if Dr. Dana, Mr. Riggs and Mr. Lee would be willing to help the Board develop a business Continuity plan taking into account the nature of our business now, and the increase of back office workload.

Mr. Bense made a motion that the Board approve the establishment of a Business continuity Committee, was purposes ours explained and articulated by Ms. Skelton, to be comprised of Dr. Dana as Chair, Mr. Riggs and Mr. Lee. Mr. Terry seconded the motion which was approved without objection.

Mr. Terry made a motion to adopt the Program Administrator's Report as presented. Mr. Bear seconded the motion which passed without objection.

Economic Advisor's Report and Recommendations

Dr. Frank Fuller presented a recommendation on Proposal #206 – AMIKids Panama City Marine Institute STEM and Business Entrepreneurship Labs for \$1,737,500. He noted that the proposal has the support of the Bay County Board of County Commissioners and that the total cost of the project will be \$3,000,580. He then reported on the Economic Score Sheet provided by Dr. Harper which shows the proposal as receiving a score of A with a strong return on investment of \$33.2 per Triumph dollar invested. Dr. Fuller commented that the AMIKids Pensacola proposal discussed earlier, as part of a suite of services provided by this organization to justice system, will involve youth aged 18 to 24. The purpose of the AMIKids Panama City proposal is to establish a charter school with a focus on marine activities, and provide a number of certifications, training programs to participants, to help them discover their potential, to transform their lives, strengthen the community and break the cycle of failure in poverty. Dr. Fuller indicated he had identified 1800 of these certifications that are CAPE eligible and serve the Triumph market needs in terms of market sector and job demand. Matching funds for this funding request will be provided by FTE funding from the Florida Department of Education counting FTE match for three CTE teachers over the proposed six years of the funding. Additionally, the organization is pledging fund raising of \$200,000 per year in additional years for a total of \$1.2 million over the six year span of the Triumph funding. The total match in this program will be \$1,842,594.

The budget documents presented by the school, as part of this application show that the new charter school itself will be extending \$4,956,383 in other funding not related to this grant during the first six years of the charter school program.

The 1800 CAPE certifications will range from unmanned aerial systems to underwater electronics and FAA ground school. Also, they are doing construction certifications in carpentry and in concrete.

Dr. Fuller said that the organization's expansion to try to go to a charter school over the six years is well timed. The location on the water front, the past experience with the boats, and the

programs they have, and the vision they have going forward, are well timed and well supported in their budget because, first, their plan is to take the grant from Triumph to get the little bit of leverage to get to the FTE. Once the FTE's in place there, the school will be self-sustaining going forward. Because the organization will be a combination of a public school plus a service provided to the State of Florida for targeted groups, I think they have a very broad base of potential students. They're a good position to get a solid scientific base instructional model in place that would serve the region very well. The target of 900 students is an optimal size to provide all the services you need to provide at the highest level versus small enough to actually be a community school servicing a lot of needs of the community. He said that all of the certifications to be offered are aligned to the job market and have to go through the scrutiny of the review at the CAPE level to determine if they actually meet high skill, high wage, high demand career pathways. Dr. Fuller said he would certainly recommend going forward with the proposal.

Mr. Ron Boyce, representing AMIKids Panama City and the Panama City Marine Institute, said that the organization had started its foray into vocational specific training several years ago and they are currently doing training mostly in construction and food service. AMIKids Panama City currently has a grant operating with the Federal Department of Labor, working with young adults ages 19 to 24, giving them construction and food service certifications. He said it is his understanding is that AMIKids Panama City is one of the leaders in the entire country, in this specific grant category, for the number of certifications that we are producing and the number of enrollments that we have achieved. The organization is working very closely with the Bay County Sheriff's Department and providing that training into jail so that, when those inmates are released there is a job waiting for them. So far out of the applicants that have been served since starting last October only three have recidivism out of that. The recidivism rate is phenomenally low.

Mr. Boyce said this new foray into a charter is different and will be a high school that's open to any child in Bay County that is interested in a maritime or high-tech career. He said that the organization has already started working with the Gates Aerospace Institute and Embry Riddle a couple of years ago. The organization was able to successfully implement the training last year, and so they have the experience and the relationship, along with several local partner organizations and agencies that are experts in underwater in aerial unmanned systems. He said the organization has a lot of good mentors and backup folks working with us to ensure that the program is going to be the highest quality. He said he was confident in the success of this plan and that the organization has already applied for charter school status.

Chair Gaetz asked if there was anyone from the public that wished to comment on the proposal. No one spoke. **Mr. Bear made a motion to direct staff to develop a term sheet for Proposal 206 for presentation to the Board. Mr. Bense seconded the motion which passed unanimously (7-0) on a roll call vote.**

Dr. Harper offered a recommendation on Proposal #231 – Northwest Beaches International Airport - Project Gator for \$4,780,800, a reduction from the original request of \$5,000,000. The total value of the project is \$26.4 million with match coming from other partners, including \$2.6 million from the Airport Authority, \$2.6 million from Florida Department of Transportation and the remainder coming from the private sector partner. This project is unique in several ways. The ramp improvements at \$5.2 million plus construction of the hangar for \$21 million, are being financed by Space Florida, in their conduit financing program. This is the first program that Triumph Gulf Coast will have been able to do with Space Florida. Dr. Harper offered a score of

A+ for the proposal due to their access to low-cost capital, the involvement of private sector banks in providing conduit financing and the expertise that Space Florida brings to the project.

The \$4.78 million in Triumph funding would be for a total of 596 jobs for a per job cost of \$49,800. It is somewhat at the higher end of costs for Triumph, but there are several reasons that the staff feel this is a particularly important project. First, it is in the maintenance repair, overhaul business sector and would be the first such business to be located at Northwest Florida Beaches International Airport in Bay County. It could serve as a nucleus for an MRO cluster. Because so often, MRO services are provided by several firms at the same location, so that it can be a full service shop for airlines or DOD contractors, that would want to use them. The second thing about the proposed private sector partner identified by the airport is that they are active already in other locations as a participant in Department of Defense Aviation, MRO activities. Staff feel that this is likely to add stability in this particularly difficult time for civilian passenger aviation. It will provide stability while it enables trying to support the military sector by bringing those activities that closer to home. The third point that staff find to be compelling, is that the applicant will have almost \$16 million skin in the game, via the conduit financing program, where the applicant will make the lease payment over time. Space Florida has heard expressions of interest in response to a teaser, they sent out to regional banks, and they've heard Expressions of Interest from three of those Banks. Typically, the private sector partner would be required to put up 10 to 15 to 20% of their own cash money upfront as the private sector bank does its due diligence and underwriting of the loan to be financed through the Space Florida conduit financing. At the end of a period of time Space Florida will give up its interests in this building. They would be the ones who get the loan, but the recourse of the banks would be only to Space Florida's lease payments. At the end of the term of the mortgage, then Space Florida will turn that property over to the airport authority. It's a very attractive prospect and in that sense and lastly, as Ms. Henderson, is quick to remind us that the aviation sector is watching out for MRO activities in Northwest Florida. So in that sense, even though the return on investment metric is somewhat lower than average, staff recommend the approval by the Board to move to the term sheet.

Dr. Dana asked about the fact that staff had recommended a lesser amount than what was requested by the applicant. Dr. Harper said that the amount was revised downward with the concurrence of the applicant. Dr. Dana said that she was in support of the proposal, just because it fits nicely into that whole industry cluster that Triumph has been trying to build in the MRO industry from Pensacola to what would be now in Panama City. It's a nice regional cluster that is that we can really build upon.

Mr. Bense said that he was very pleased to see this project come before Triumph. Roughly 15 years ago, the airport, there was a tough vote to move from downtown to the current location because it was difficult to get permits to expand into the bay at the existing location. He said he supported it primarily, for one reason and that was that the new location had a much longer runway, and it could be a catalyst for attracting new industry to the airport and to Bay County and surrounding counties. He said they have not been successful in attracting a lot of new industries to the airport yet, but he thinks the mindset of the airport authority board members led by Glenn McDonald, Will Cramer and others, now understands even stronger the need for economic development around the runway. He said he supports this proposal as the first of what he hopes are many more.

The Chair called on Ms. Becca Hardin, Bay Economic Development Alliance, and Mr. Parker McClellan, Northwest Beaches International Airport Director for comments. Ms. Hardin said that

the project is very exciting for Bay County and it's actually a project that her organization has been working on for over a year. It's really the catalyst to start the development of the county's Aviation Center of Excellence. She said that getting this project over the finish line will be a great way to market this region and bring more aviation related projects to this area. A lot of the work that this company conducts is with the military and they have already signed contracts, so that they will be able to begin work in the hangar as soon as we get it constructed. The company can help us make introductions to their customers and suppliers as well so there's a lot of benefit by bringing this company. This was one of the last projects that was able to get qualified for the state's Qualified Targeted Industry tax credit program that you all are aware sunset at the end of June, Bay EDA worked very hard with the Florida Department of Economic Opportunity to get all the contracts signed. This project does qualify for the QTI Program, and we're very proud that we were able to get that across the finish line. Also, this project meets the minimum threshold of paying 115% of the average wage of Bay County jobs. Ms. Hardin said that Space Florida has been a great partner and it's also important to note that Bay EDA has been working very closely with its educational partners, Haney Technical School, and Gulf Coast State College. This really has been community leadership group that has worked with this company and made them feel comfortable that Bay County is the place to be.

Mr. McClellan thanked the Triumph Board and said that Ms. Hardin had covered most of his points. He said that in May 2010, the airport opened with a vision of increased passenger traffic and that goal has been accomplished. Industry development has been a big thing that the airport has been trying a very long time to improve. Additionally, the airport views workforce education as part of the future of the facility. The vision for the Aviation Center of Excellence, that includes an aviation education component with Haney Technical College and Gulf Coast State College as partners to create an even better opportunity for residents in our region to stay in our region. Mr. McClellan then introduced Mr. Kelvin Williams, Vice President of Special Projects and Strategic Initiatives at Space Florida, to discuss that entity's role in the region and in this proposal.

Mr. Williams said that in his role he spends most of his time focused on project development, finance and optimizing synthetically structures like this proposal. He said that a little more than a month ago Space Florida put together a financial teaser that was pushed out to about 12 or so lending institutions. Many of those lending institutions were regional while some were multinational banks who are outside of the region. As of today, there are four banks that have expressed an interest in the project and receiving more information. He said that Space Florida is working with Bay County and the company to provide follow-up information that those banks have requested, in hopes of getting to binding terms from one or more of those banks. He said that the goal at Space Florida is to move to a Space Florida board action on a term sheet, hopefully at their October 22nd board meeting. If that board action occurs that will allow Space Florida to close on the conduit financing, understanding that the ultimate end user of the asset will be the company. As typically occurs in a conduit financing transaction, the bank underwrites to that ultimate bar on their ability to make good on the lease payments obligations. From a structural standpoint where Space Florida will discuss with the airport and the local community as well as the company, is that Space Florida would enter into a ground lease with the airport authority.

Mr. Williams said that there are several reasons why Space Florida does that. One of the reasons is, it allows them to offer a collateral package or security package to a lender. That's a leasehold mortgage interest because it sits on a property as compared to a traditional mortgage

interest, but it also allows Space Florida in the local community to control the site, in the event things don't go as planned and they need to work with the airport and the lender to return the asset. The plan would be for Space Florida to enter into a long term ground lease with the airport authority, Loan proceeds would be used to make the improvements as part of that process.

Typically, Space Florida, through a public solicitation, would enter into a design build or a design bid, build bid procurement or solicitation process, where they will select the construction firm to deliver the in the improvements. Once those improvements are sealed, Space Florida turns those improvements over to the company under a long term lease agreement. At the end of the lease terms, the goal is to turn it over to the local community, the airport in this case, that would receive an asset that is free and clear of any debt that's been maintained by the company to industry standards.

Dr. Dana said that she has worked a lot with the Space Florida, in her previous role with the head of the Florida Office of Tourism, Trade, and Economic Development and they've done a number of very significant projects with this creative financing authority that they have. She said that she was happy that they're involved because they've got a strong track record and a good team over there.

Ms. Skelton noted that Mr. Williams and his team have offered to make a presentation to the Board, which staff hopes to arrange an upcoming meeting, so that the Board can understand the full scope of what Space Florida offers.

Chair Gaetz pointed out that Mr. Bear, a former member of the Space Florida Board, has been working hard to get Space Florida, more involved in projects in Northwest Florida and we hope this will be a template for further collaboration between Space Florida and Triumph, and those who bring forward proposals that might fit with Space Florida's purposes and book of business. He noted that all of the components of the proposed arrangement will need to be captured in the Triumph Gulf Coast Term Sheet so that it all works together. He said that Triumph appreciates this project very much and hopes this will be an anchor for the airport. We hope that future projects will come in and nestle thanks to this anchor and bring even more economic activity to the airport.

Mr. Lee said that given that he has served in this year as Chair of the Bay EDA and worked closely with this project, while he is very supportive of it moving forward, he did not think it would be appropriate for him to participate in the discussion or vote on the proposal. Chair Gaetz thanked Mr. Lee and noted for the record that Mr. Lee would abstain from any votes on the proposal.

Chair Gaetz asked if there was any member of the public who wished to speak about the proposal. No one spoke. **Mr. Bense made a motion to direct staff to negotiate a term sheet for Proposal 231 as described by Dr. Harper and by Space Florida. Mr. Bear seconded the motion which passed 6-0 with Mr. Lee abstaining.**

Chair Gaetz asked if there were any members of the public who wished to comment on any issue that has come or may come before the Board at Triumph Gulf Coast. No one spoke. **There being no further business, the meeting was adjourned at 12:00 p.m. CT.**