

**Meeting Minutes
Triumph Gulf Coast, Inc.
Conference Call Meeting
877-309-2073
ID: 841-044-829
March 11, 2021
1:00 p.m. CT**

MEMBERS PRESENT:

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

MEMBER EXCUSED:

Ben Lee, Assistant Treasurer

Chair Don Gaetz called the meeting to order at 1:00 p.m. CT and welcomed everyone to the call.

Executive Director Susan Skelton called the roll and announced a presence of a quorum. Mr. Ben Lee was excused due to a business conflict.

The meeting minutes of the January 27, 2021 meeting were reviewed and approved without objection.

Treasurer's Report

Mr. Stephen Riggs, IV, Treasurer, presented the January 2021 Financial Report and indicated that the report was consistent with prior reports and there were no unusual events in the report. **On a motion by Mr. Riggs, seconded by Mr. Allan Bense, the report was approved without objection.**

Mr. Riggs then presented the December 2020 Financial Audit by Warren Averett, LLC. He noted that there were no issues of concern and no material weaknesses identified in the annual audit. Chair Gaetz asked if there were any recommended changes to Triumph's procedures or if the auditors had any suggestions with respect to our practices. Mr. Riggs replied that there was nothing out of the ordinary in the report. **Mr. Riggs made a motion to accept the 2020 Financial Audit from Warren Averett. The motion was seconded by Mr. Lewis Bear, Jr., and passed without objection.**

Chair Gaetz asked Mr. Riggs and Ms. Jennifer Davidson, CPA, representing Tipton, Marler, Gardner and Chastain CPA Firm, if the transition to a new compliance review process discussed in an earlier meeting was working as anticipated. Both reported that the transition of

the workload away from Mr. Riggs and to the CPA Firm had been smooth and was working well.

Staff Report

Ms. Skelton then gave a Legislative Update. She noted that the 2021 Legislative Session is in week two of its nine week term and that bills were being heard in several committees. Senate Bill 7054 which recreates the Triumph Gulf Coast Trust Fund and removes the sunset provisions from the statute has been placed on the Senate Calendar of Bills on Second Reading and is available to be taken up by the full Senate. A House Companion Bill has not yet been filed. Also, there are several bills of interest that staff will continue to monitor throughout the session.

Ms. Skelton then gave a brief explanation of the 2020 Auditor General Audit Report that covered the period of July 2019 through June 2020. The audit is complete with one technical finding that has been addressed by our IT contractor. Otherwise, there were no findings related to Triumph Gulf Coast operations.

Legal Report

Mr. Alan Manning, Legal Counsel, provided a review of Grant Award Negotiations for Proposal #233 – IHMC Center for Human Health Span – Resilience and Performance for \$6,078,795. He noted that the Grant Award Agreement is consistent with the Term Sheet that the board approved at the last meeting, and legal counsel recommends approval of the grant award agreement.

Mr. Ryan Tilley, representing the Institute for Human and Machine Cognition, thanked the Board and staff for its work to bring this proposal forward and indicated that IHMC was in full agreement with the terms of the agreement.

Chair Gaetz announced that Dr. Pam Dana has a stated conflict on this proposal and has filed the appropriate Form 8A – Conflict of Interest. Dr. Dana will continue to abstain on this issue. Chair Gaetz then asked if any member of the public wished to be heard on the proposal. No one spoke.

Mr. Bear made a motion to accept the Grant Award Agreement with IHMC for \$6,078,795. The motion was seconded by Mr. Bense and passed by a vote of 5-0 with Dr. Dana abstaining and Mr. Lee absent.

Mr. Manning then gave an explanation of the proposed Assignment and Assumption of Grant Award Agreement for AMIKids Panama City by PCMI Properties, Inc., with NO CHANGE IN FUNDING AMOUNT. He explained that a technical issue with the organization of the new charter academy required the Triumph agreement to be with a different corporate component of the academy and this document simply makes that technical change. The principals involved are all the same and the Triumph exposure remains the same.

Chair Gaetz asked if there was any public comment on the assignment and assumption of the grant award agreement by PCMI Properties, Inc. No one spoke.

Vice Chair Dana made a motion to approve the assignment and assumption of the AMIKids Panama City Grant Award Agreement by PCMI Properties, Inc. Mr. Bense seconded the motion which was approved by 6-0 with Mr. Lee excused.

Program Administration

Program Administrator's Report

Program Administrator Cori Henderson opened her report with updates on several Triumph Gulf Coast funded projects. She said that the Florida's Great Northwest workforce pipeline research report would be released next week and thanked members for their feedback which was integrated into the final report. The marketing team has captured video footage of our projects from across the region and will soon have new print and video tools that showcase the benefits of relocating to or expanding in Northwest Florida with an emphasis on the important role the Triumph Gulf Coast can play in supporting that new industry.

Ms. Henderson noted that economic development professionals from our eight counties continue to regularly host and travel to companies interested in relocating to the area. She said that most of the counties are currently competing for a number of exciting projects, many of which include Triumph as part of the effort. She said these projects are in targeted industries and come with high wage jobs. The Triumph Board has expressed that granting funds to increase household income across the region is a priority. Investment in site readiness and workforce education has begun to pay off across the spectrum of the eight counties.

While investment in workforce education of 4th and 5th grade students in Wakulla and Franklin Counties have shown immediate dividends, it will be several years before the actual earnings that result can be measured once the students join the workforce. Understanding that long term commitment, she then shared some current success stories with the Board:

- Tyler was a high school Sr. last spring in Gulf County who was working toward his unmanned systems certifications when COVID-19 caused schools to close. Over the summer, he enrolled himself in the new UAV Bootcamp program at Gulf Coast State College where he has done so well that they have hired him to assist with the program while he works toward completion of his AA degree.
- Francis was working on an oil rig before being laid off due to the emergence of COVID, Jason is a veteran who was working as an Uber driver and Craig was seeking employment when you granted a Covid Recovery Fast Track CDL program to Pensacola State College. All three are now licensed CDL drivers.
- And at one of your newest workforce projects, AMIKids Pensacola, a young single mom is preparing to take her final Carpentry industry certification exam so she can gain employment and provide a stable future for her young child.

While continuing to support the regional economic development marketing efforts and the work being done by each county's economic development team, Triumph Staff have focused on closing workforce pipeline gaps to increase the region's competitiveness as well as working with the region's education providers on projects that meet **tomorrow's** needs.

Dr. Rick Harper, Economic Advisor, and Ms. Henderson have recently attended a number of virtual economic development focused meetings and workshops to stay up to date on national and global site selection trends. Ms. Henderson reported that the great news is the workforce pipeline and site readiness projects Triumph Gulf Coast has already invested in and those that are currently being proposed match very well with what has repeatedly been forecasted as future areas of growth including logistics distribution, food manufacturing and cyber security. These trends are evident in the recent applications and pre-applications Triumph has received including:

- The Logistics and Distribution Ground Transportation project at Pensacola State College that's on the agenda next
- Pre-application for Okaloosa Schools Artificial Intelligence focused Logistics Distribution program
- Dredging at the Port of Port St. Joe
- An Artificial Intelligence Aquaculture project pre-application from Florida A&M at their Okaloosa Campus
- FSU Panama City's pre-application for a Cybersecurity project that takes into account the DOD assets in that part of the region

Some of these projects focus on new technologies, new curriculum and new partnerships so they take a little longer to come together but the work is being done behind the scenes to develop the programs that will drive the economy of the future.

To help spread the word about the transformation taking place in Northwest Florida, Triumph now has its own growing LinkedIn page that members and the public are encouraged to follow.

Mr. Matt Terry told the Board that the Port of Port St. Joe had submitted its formal application less than an hour prior to the start of the meeting and he looked forward to working on the application process with staff and the Port.

Vice Chair Dana thanked Ms. Henderson for the updates on projects and said that it is helpful to hear about success stories. Ms. Henderson said that the region is in a very good position with a number of projects that all fit the workforce pipeline and fit the strategy that the region is working towards. Staff is hopeful to bring forward some pretty exciting projects over the next few months for the Board's consideration.

Ms. Henderson then proceeded to her regular report. There are currently 38 active projects with one that has been completed totaling over \$251 million. Staff and CPAs from Tipton Marler constantly review the projects to assure compliance. Staff continues to collaborate with economic developers and education providers, and other community leaders on potential future projects, and to negotiate those in the pipeline as has already been discussed.

As of March 5, Triumph had received 244 pre applications totaling over \$1.8 billion. The two newest pre applications, which staff recommends as statutorily eligible, include proposals from Florida A&M University (Proposal #245), and hashtag 246, Florida FSU Panama City (Proposal #246.) Staff also recommends one more six month COVID extension for a Proposal 157, Franklin School District Phase One.

2020 Fourth Quarter Reviews are complete, and summaries are attached. Mr. Randy Lewis, Construction Advisor, recently completed site review of three projects and provided updates on those projects. Ms. Henderson noted that several construction projects are complete and a few more will be completed shortly. Staff recommends maintaining funding for all construction grants.

Dr. Frank Fuller, Education Advisor, has completed reviews of all of the workforce education projects required to report for this quarter and recommends that all are maintained at their current funding levels.

Ms. Henderson pointed out that there has been a notable increase in construction project activity over the last six weeks. Mr. Lewis reported that he has reviewed numerous contracts and bid documents and that work is progressing on schedule for construction field work. He said that he visited Eastern Shipbuilding and was very impressed with the work to date. His site visit to the Walton Works project found that the construction work at the Sheriff's office is complete and that students are currently being instructed in classrooms. The Fire Training Structure should be complete within four to six weeks and ready for classes to begin. Ms. Henderson pointed out that while construction at the Sheriff's office site is almost complete, construction at the Emerald Coast Technical School site (also a part of the Walton Works project) has been delayed by COVID issues in attaining supplies and labor.

Dr. Fuller reported that most workforce education projects are on schedule and for those that are slightly behind due to COVID issues, he is working with the school districts to get the programs back on schedule. He said as schools become more comfortable with being open and having students tend to testing and doing the things that are going to support the growth, completions are falling in place for the Spring. We are reviewing options that may run on into the summer, which is a fail-safe place in case schools get behind on a project that they can make it up. Of the three programs that are behind, they just need to make the number of CERTs which they are anticipating doing as schools fully ramp back up. Dr. Fuller noted that several school districts have newly elected or appointed Superintendents and he is working with the new administrations to assure smooth transitions of ongoing and potential Triumph projects in those districts.

Doctor Dana made a motion to receive and accept the Program Administrator's Report. The motion was seconded by Mr. Bear and passed without objection.

Economic Advisor's Report and Recommendations

Chair Gaetz called on Dr. Fuller to present a recommendation on Proposal 211 – Pensacola State College – Truck Driver Training Program and Facility for \$3,862,951. He said that this proposal complements the ongoing work that Triumph Gulf Coast is doing in logistics and distribution across the region.

Beginning with the S T MRO Project at the Pensacola Airport, which has a high degree of support for logistics and distribution in the airplane industry, we currently would have pretty strong support for air. We have good training programs going forward to support the model, including all the way up to private pilot. In Triumph's plans, unmanned vehicle training is covered, in terms of air, logistics, and distribution. We have water import training and this is probably one of the things that's been delayed. This proposal by Pensacola State College to

construct and offer Commercial Driver Training at a facility in Santa Rosa County is a continuation of this overall strategy. The pieces are coming into place for a nice network that we're supporting in the whole region for logistics and distribution, from supporting materials to the distribution right to the front door, or front of a business in our area.

This proposal also addresses concerns about any other type of vehicle electric, any other adoption or adoptions that they may make in the transportation industry that would be more effective.

Pensacola State College hopes to build, equip and staff a 13,000 square foot commercial driver's license (CDL) training and testing facility on a 15 acre parcel in Santa Rosa County. This would be the only test facility in our region. The nearest facility currently is in Tallahassee.

The Triumph Gulf Coast share would be about 34% of the total program funding. Triumph Gulf Coast dollars will not be the first dollars expended in the project, nor will they ever constitute more than 41%. Currently, the PSC, has Identified 1000 proposed certifications that are on the CAPE list that serve Triumph targeted markets including a collection of ground, logistics, and distribution certifications. They will be delivered to the students at a cost to Triumph of \$3863 each for a total award of \$3,862, 931. For each certificate completed, the discounted total increase in household income is expected from the program will be \$21.6 per dollar of Triumph investment. For this reason, the staff rate the program an "A" in terms of economic impact.

Mr. Bear noted that the program is greatly needed in Northwest Florida and will provide an immediate benefit to the region as there is a real shortage of CDL licensed drivers in the area. The need has been identified and this will assist in filling the gap. Chair Gaetz asked if it would be possible to include the requirement for the college to "re-train" drivers if they were not meeting the needs of employers. Staff replied that such language could be incorporated into a negotiated term sheet going forward.

Dr. Ed Meadows, Pensacola State College, thanked the Board for its consideration and said that the college has language already in the proposal to have heavy equipment operation added at this site in the future as well as cabling and line training as well as diesel mechanics and electrical vehicles as well for all those programs or future programs. PSC will continue to partner with Escambia School District as we did with this program. Those types of programs are ideally suited for this particular site, in conjunction with the Truck Driver Training Program. In order to be trained at a company on its policies, processes and procedures a driver must have a CDL License. This certification is the first step to having someone be able to be eligible for employment.

Mr. Bear made a motion to direct staff and counsel to proceed to Term Sheet Negotiations with Pensacola State College for Proposal #211. The motion was seconded by Mr. Bense and passed 6-0 with Mr. Lee excused.

Mr. Bear told the Board that he had had a conversation with Dr. Saunders, President of University of West Florida, earlier that day and that the university is looking forward to bringing a new proposal for cybersecurity education in the very near future. Chair Gaetz said that Triumph looks forward to hearing from the university.

Public Comment

Mr. David Pollard, Director of the Tallahassee International Airport, introduced himself to the Board and indicated an interest in discussing opportunities for sharing ideas to provide economic development across a nine county region including several Triumph counties. Chair Gaetz directed staff to reach out to Mr. Pollard for such discussions.

Closing Remarks

Mr. Terry noted that he never thought he would see a Staten Island Ferry in Port St. Joe, but thanks to the commitment of Eastern Shipbuilding to bring jobs to Gulf County, two of the ferries that were built in Bay County are receiving their final fittings in Gulf County prior to being delivered to their new homes in New York City. He said that the new jobs represent another positive step for the county.

Mr. Bense said that he was glad that Mr. Bear is on the Board because he trusts his leadership and judgement on all things related to the business community in Pensacola and if Mr. Bear is supporting the University of West Florida in its latest endeavor and Pensacola State College in its proposal that he will be totally in favor of the projects.

Dr. Dana thanked Ms. Henderson again for her update and said that it is important to let everyone know of the positive impacts Triumph Gulf Coast is having in our region. Mr. Riggs echoed Dr. Dana's comments.

Mr. Bear thanked Mr. Bense for his comments and said that he really appreciated the work of all of the members and staff and looks forward to more great things from the Board in the years to come.

There being no further business the meeting was adjourned at 2:16 pm CT.