

**Meeting Minutes
Triumph Gulf Coast, Inc.
Conference Call Meeting
877-568-4106
ID: 711-471-677
May 19, 2021
1:30 p.m. CT**

MEMBERS PRESENT:

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

Chair Gaetz called the meeting to order at 1:30 p.m. CT.
Executive Director Susan Skelton called the roll and announced the presence of a quorum.
The Board approved the April 20, 2021 Meeting Minutes without objection.

Mr. Wayne Stubbs, Retiring Director of the Port of Panama City addressed the Board and thanked them for the opportunity to work with Triumph Gulf Coast on its first ever project. He thanked Mr. Ben Lee, Mr. Stephen Riggs, and Mr. Matt Terry for attending the dedication ceremony and said the project will set the course for decades to come at the port and for the region. He said that he was proud that Alex King would be his successor and that he believes that Mr. King will continue to move the port forward in the right direction.

Mr. Allan Bense said that Mr. Stubbs will be greatly missed, as he has done great things for the community. He said that Triumph looks forward to working with Mr. King, but that Mr. Stubbs can be very proud that he is leaving his position on top.

Mr. Riggs said that it's been a pleasure working with the port and Wayne and his whole team, they are cut above and they're just very professional. Throughout the funding process everything was very organized in detail plans and they know where they're going and where they want to go. So just it was just a pleasure to have an opportunity to work with them.

Mr. Terry commented that the new terminal is a phenomenal facility, and this is exactly the type of transformational project that Triumph is for and the Port of Panama City is doing a great job under the leadership of Mr. Stubbs. He has done a phenomenal job and the Triumph Board wishes him a great retirement. He said it was a pleasure to meet Alex and Triumph looks forward to working with him in the future. He added that Ben Lee did a phenomenal job, as representative for Triumph at the dedication ceremony.

Mr. Lee thanked Mr. Stubbs for his service and said he has been a light for the community to follow, and everyone is very grateful for all the contributions that he has made over the course of the last 20 plus years. He said Triumph and the community are looking forward to great things as we transition to working with Alex King on the upcoming projects. He said he truly

meant what he said that this is truly a transformational project, and Triumph is just honored that this was its first project and that it turned out so well, and we're looking for many more in the future.

Dr. Pam Dana said that she has worked with Mr. Stubbs over the course of many years when she led the Economic Development agency for the State of Florida and he's a legend and Triumph will miss having professionals like him in the workplace but certainly congratulate him on his retirement.

Mr. Stubbs thanked everyone for the very kind remarks and said that it is humbling. He said that through the years of working with all of the Triumph Board and staff, it's been a great experience and he feels like everyone has had a chance to become friends as well as business partners.

Treasurer's Report

Mr. Riggs presented the April 2021 Financial Report and noted no irregularities in the report. The financial report shows that we are consistent with previous months and the organization's administrative costs are approximately \$21,000 below budget for the year to date. Chair Gaetz noted that the supplemental Schedule of Funding provided by Tipton, Marler CPA Group shows an extraordinarily active disposal and investment of assets. **Mr. Riggs then made a motion to accept the report. The motion was seconded by Mr. Bense and passed without objection.**

Staff Report

Ms. Skelton reported that the 2021 Regular Legislative Session, and Special Session A had adjourned. She said that none of the bills of concern had passed and that the Triumph Gulf Coast Trust Fund reenactment legislation had passed and was signed into law by the Governor.

Chair Gaetz took a moment to thank the Northwest Florida Legislative Delegation for the work that they did in support of Triumph Gulf Coast. The strong support that we received from the entire Northwest Florida Legislative Delegation for continuing the Trust Fund and eliminating the sunset and ensuring that we didn't have any noxious additional administrative burdens or costs applied to us. He thanked Senators Gainer and Broxson and our House members and he particularly thanked our House member Jason Shoaf, who is a former member of this Board, for work on one of the more contentious bills. Every member of the delegation was supportive and assisting. He said that everyone certainly knows that Representative Trumbull, who is in a very, very key position in the House of Representatives, has been nothing but a great champion for Triumph and a great supporter of our work and his support is greatly appreciated. Mr. Bense said that he seconded those comments and said that the delegation did great job.

Ms. Skelton then asked the Board to approve entering into a Letter of Engagement with Dr. Frank Fuller for services as an Education Advisor. Dr. Fuller's performance had been previously reviewed and approved by the Board at its December meeting. She reviewed the scope of the engagement. **Mr. Riggs made a motion to approve the letter of engagement. The motion was seconded by Mr. Bear and approved without objection.**

Dr. Dana then gave a Business Continuity Committee Report from the May 12, 2021 Committee Meeting. She noted that the Business Continuity Committee is comprised of herself as Chair,

Ben Lee, Steven Riggs, and Matt Terry and that the committee met on May 12th, last week, to follow up on some action items that were outstanding from the first meeting in November 2020. She said the committee also kept it open to consider other areas where we might enhance Triumph program efficiencies and operations. She said Program Administrator Cori Henderson and CPA Jennifer Davidson gave a brief presentation and staff recommended revisions to the budget section of the Triumph application to enhance the overall grant process and accountability. Staff has determined that the application and grant monitoring process could be greatly enhanced if the application included two types of budgets. One type of budget that is a broad by category budget summary, and one that is an expanded detail budget that can be used by staff in their analysis and compliance reviews. The broad by category budget would be included in the summary of the grant application and would make the front end of the process of staff negotiations with the grantees a much more smooth and successful endeavor. The expanded detail budget would require additional information and line item breakdowns that will be much more useful for staff analysis and performance metrics monitoring. The two budget formats would serve two different purposes. But staff believes that this solution will ensure more user friendliness for grant awardees, while ensuring a more detailed breakout of budgetary information to assist staff in an ongoing analysis and grant compliance work. After the presentation Mr. Riggs made a Mr. motion to recommend to the Board to accept staff's recommendation to require applicants to provide both a categorical budget and a detailed budget in their application. The motion was seconded by Mr. Lee, and the motion was approved without objection.

Dr. Dana made a motion that the Board accept the committee's recommendation. The motion was seconded by Mr. Bense and approved without objection.

Continuing with her report, Dr. Dana said that Ms. Henderson then brought up a Triumph policy that is apparently serving as a disincentive to education grantees from securing outside donations. She explained that early in the Triumph process, then board member Stan Connolly asked the Board to require all education project grantees to continually seek outside funding or in-kind donations, and that grantees must report on their solicitation activities on an ongoing basis to show that they are complying with the requirements. Further Mr. Connolly requested that the Board add a requirement that Triumph funding for an education project be reduced by an amount equal to 50% of the value of the outside grants or in kind donations given to that educational entity. Staff reported that this requirement has proven to be a disincentive to school districts to accept outside assistance, so as not to lose any of the original grants from Triumph. It was reported that it further disincentivizes community or business entities to donate to a Triumph funded education project, as the business entity will only get credit for 50% of the value of its gifts. Staff recommended removing the current requirement that reduces the Triumph grant amount by 50% of the value of the outside gift to education grantees. Mr. Riggs and Mr. Lee added that the ongoing donation solicitations and reporting requirements are burdensome to both the education grantees and to the Triumph staff and they felt that the requirements should be removed. If nothing else to put education grantees on a level playing field with other Triumph project grantees. Mr. Lee asked Legal Counsel Scott Remington if the Board could approve one blanket amendment to remove the language from all current contracts in addition to removing the language from all future contracts. Mr. Remington replied that he thought that could be done. Mr. Riggs made a motion to recommend to the Board the removal of the requirement for education grant awardees to make ongoing reports to Triumph on donation solicitations. Additionally, the motion was to remove language from current and future grant award agreements that currently serves to reduce the amount of Triumph funding from a project by 50% of the value of any monetary our income gift made to an educational project grant. The motion was seconded by Mr. Terry and passed without objection.

Ms. Skelton clarified that if the board were to approve this motion, this is not the motion to amend the contracts. That would be a publicly noticed motion for a future meeting. This action would be a motion to accept the recommendation of the committee if that's the will of the Board as to future contracts. Part of the motion would be to remove the requirement from current contracts and a blanket amendment that would come before the Board in a later meeting.

Dr. Dana made the motion to remove the requirement for education grant awardees to make ongoing reports to Triumph on donation solicitations. Additionally, the motion was to remove language from current and future grant award agreements that currently serves to reduce the amount of Triumph funding from a project by 50% of the value of any monetary our income gift made to an educational project grant. The motion was seconded by Mr. Riggs and approved without objection.

Continuing, Dr. Dana said that Mr. Remington then gave a report to the committee on issues he had been asked to review at the last meeting. The first issue was whether Triumph could shift the cost of grant compliance and monitoring from Triumph to the grant award recipients. He reported that he could find nothing in the statute that would prevent Triumph from doing so if that was the will of the Board. He said his recommendation would be if the Board wants to move forward with this concept that we start building language into the grant award agreements, assigning compliance costs to the grant award recipients and do that well in advance of Triumph approaching the statutory administrative fee cap. He said that if Triumph began doing so in the near term there would be at least one cycle with the Auditor General, ensuring that they agreed with our interpretation of the compliance and monitoring cost expenses. The second question that Mr. Remington reported on was whether the administrative cap applies to interest in the Triumph DEO Trust Fund. He said counsel's opinion was that the administrative cap does apply to interest earned. In closing, though, he noted that there could be political ramifications to any decisions to start shifting these expenses to the grant awards.

Mr. Lee said that he has reached out to legislators and staff about the growth of compliance costs to Triumph in its efforts to ensure grant plans are being properly allocated and monitoring. The feedback he had received was that there would be support for allowing compliance fee adjustments, as long as it was tightly controlled, and that grants of less than 1 million would not incur compliance fees.

They understood that as Trump makes more awards, there will be ever growing compliance and monitoring costs the needs and Triumph will need the resources to manage these increased costs throughout the life of a grant. Mr. Riggs said that he strongly believes the cost of compliance should be paid by the awardees and that the committee should consider whether a percent of the total award or a charge for the exact cost and the compliance work would be most appropriate. He discussed whether a compliance fee should be limited to .75%, which is in line with the current restrictions on our administrative cost allowance. Mr. Remington said that in his own review of other programs and their administrative caps under Florida Statutes Chapter 288 he found that the Triumph cap was by far the lowest. He noted that the Black Business Loan Program has a 12% administrative cap, the Military Grant Retention Program has a 10% cap, and the Local Government Distressed Asset Matching Grant Program has a 2% cap, summing up that Triumph's administrative cost cap was less than half of the closest other entities named in Chapter 288. Based on Mr. Remington's examples, the committee determined that it might be appropriate to charge compliance fees to grantees not to exceed 2% of the grant award based on true costs of compliance. Mr. Riggs made a motion to recommend to the Board that grant applications for proposals of \$1 million or more contain a budget line item to allow for up to 2% of the cost of the Triumph portion of the total proposal to be designated for payment of

true costs of compliance with the requirements of the award. The motion was seconded by me, Dr. Dana, and approved without objection. So once again, this is a motion to the board.

Ms. Skelton noted that subsequent to Mr. Riggs making his motion, Mr. Lee asked that staff work with legal counsel to be sure that the motion encompassed everything that committee said needed to be in the motion as well as some legal and accounting issues that Miss Davidson and Mr. Remington had brought up and she asked if the Chair would recognize Mr. Lee to comment on his position on this issue before the motion is taken up and asked Mr. Lee recap his legislative outreach.

Mr. Lee said that Triumph is continuing to approve grants and award them with each passing meeting. But as Triumph continues to add new projects, there is still a requirement to monitor aging grants until performance metrics are completed. There is quite a bit of cost involved in continuing to monitor and make certain that all items of compliance are met. He pointed out that with each passing audit that Triumph has had with the Auditor General's office, Triumph has certainly looked very good as it relates to work product. He said we just want to make certain that that work continues to be at that high level. But as Triumph continues to take on additional task, we've got to be able to find the funds to be able to make certain that we meet the compliance requirements, and the monitoring is properly in place to do so. As Ms. Skelton stated earlier, he said he did ask Remington and his team to draft up a resolution that captures the entire spirit of what the committee was trying address at that meeting. He then asked counsel to read the proposed resolution. Mr. Remington then read the draft document into the record:

RESOLUTION TO INCLUDE COMPLIANCE COSTS IN GRANT AWARD BUDGETS

RESOLVED, that Triumph staff is hereby directed to implement a process whereby each Grant Application and Grant Award Agreement for a Triumph grant in the amount of One Million Dollars (\$1,000,000) or more contain a budget line item requiring that up to two percent (2%) of the grant amount be designated for payment of true costs of compliance with the requirements of the Grant Award Agreement, with costs of compliance to include the fees and costs of Triumph's designated professionals and contractors engaged for purposes of monitoring construction work and equipment purchases and installation, accounting and auditing work, performance metric monitoring and review, and legal matters, as well as any other third-party costs and fees that would otherwise be incurred by Triumph in connection with compliance requirements of the grant. The compliance costs shall not include any general administrative costs of Triumph or any part of Triumph's Executive Director's salary. The compliance costs shall be invoiced by the professionals and contractors directly to the Grantee and paid by the Grantee to the professionals and contractors from grant funds up to the cap set forth in the budget. To the extent that actual compliance costs exceed the cap, Triumph shall be responsible for paying the excess. The forgoing budgeting and paying of compliance costs by the Grantee shall not be required on Triumph grants that are in an amount of less than One Million Dollars (\$1,000,000).

Chair Gaetz asked Mr. Remington or Mr. Lee to clarify that, for example, Triumph's Construction Consultant would be directly billing an infrastructure project awardee and would be receiving a check from that recipient from grant funds. Mr. Remington replied that would be correct. Chair Gaetz then asked Ms. Skelton if that arrangement would be awkward wherein the people who are reporting to her are needing to receive their remuneration and multiple checks from

grantees, when they would need to bill and deal with the grantees on a receivables basis and trying to collect their money. Ms. Skelton replied that staff would need to develop a system to assure that those things are happening in the correct order. She said that this is one issue that Mr. Remington and Ms. Davidson, our CPA, were concerned about that it needs to be very clear that Triumph is not paying itself for administrative costs and this was the solution that they presented earlier on. If this is the will of the board, she said staff will figure out a way to make it work. But again, the 2% is not taken out of the grantees' base costs. This would be a line item that the grantee would add when they present their budget to try out. That was it won't be easy, but it will be clean if that is the will of the board.

Chair Gaetz then asked if the compliance costs are less than 2% but 2% has been budgeted, what happens to the balance from an accounting standpoint and what happens to the difference? Mr. Riggs said that he had been thinking about the issue since the Committee Meeting and offered a new idea for consideration. He said he agreed with the Chair's concerns about the difficulty in implementing the proposed process. He said that it might be possible that there could be a sort of agency relationship arrangement, a concept used in accounting. For example, assume an applicant incurs \$5,000 worth of compliance fees. Triumph could pay the contractor the \$5000 that has been held in our financials for the award and then the grantee could pay it back \$5000 as a resolved payable. Triumph would assume the short term cost of paying it, but Triumph knows that the grantee will pay it back since Triumph is obviously giving them a lot of money. The grantee would be incentivized to pay that back. He said he thought that process could be a lot cleaner, and then also get Triumph's contractors paid in a timely manner.

Chair Gaetz asked if it was the intent of the committee to institute this new process retroactively or only on proposals going forward. Mr. Remington said that the intent was just to apply the new process on proposals going forward. Dr. Dana confirmed that statement.

Chair Gaetz asked Ms. Skelton if a motion would be appropriate to include language to allow staff to make technical changes to the resolution. Ms. Skelton replied that if that would be the pleasure of the board such a motion would allow staff to work through these issues with the CPA and the attorney to make sure that it reflects what the board wants to do. And then staff could bring a motion back at a future meeting if that is what the board would like for us to do.

Dr. Dana made a motion to allow staff to make appropriate technical changes to the proposed resolution based on the discussion at this meeting and bring back an amended version for consideration by the Board at a later meeting. The motion was seconded by Mr. Bense. Chair Gaetz stated for the record that he would be voting against the motion because he made a commitment to leaders of the House of Representatives several years ago that he would not be a part of requesting any increase in costs associated with the operation of Triumph Gulf Coast. He said to honor that commitment he would vote in the negative, but he is not trying to influence anyone else's vote on the issue. **The motion passed on a roll call vote (6-1.)**

Chair Gaetz thanked Dr. Dana and members of the Business Continuity Committee for their work and said that the actions taken will allow Triumph Gulf Coast to move forward in a more efficient and effective manner.

Legal Report

Mr. Alan Manning, Legal Counsel, then gave a review of Grant Award Negotiations for Proposal #211 – Pensacola State College – Truck Driver Training Program and Facility for \$3,862,951. He said the grant award agreement is on the standard template for Triumph agreements, and it has been reviewed and approved by staff and approval is recommended. Chair Gaetz asked if anyone from Pensacola State College was on the call. Dr. Ed Meadows, President of Pensacola State College, introduced members of his staff on the call and then said that he did not want to assume anything about the Board's vote, but thanked Triumph very much for the opportunity to go forward with this exciting program at the college. Mr. Bense asked which county was partnering with the college on this program. Dr. Meadows responded that Santa Rosa County is working with them on this proposal Mr. Bear noted that the program would not just serve Santa Rosa or Escambia but would serve all counties across Northwest Florida.

Chair Gaetz asked if any member of the public wished to comment Proposal #211 for the Truck Driver Training Program and Facility. No one spoke. **Mr. Bear made a motion to approve the Grant Award Agreement. The motion was seconded by Mr. Bense and passed unanimously on a roll call vote (7-0.)**

Mr. Manning then reviewed Term Sheet Negotiations for Proposal #243 – Okaloosa County School District – Artificial Intelligence Learning Institute for \$2,840,000. He said that the proposed Term Sheet is on the standard template with additional items requested by the Chair. He said those changes included instead of the first measurement of performance being at the end of the project with a clawback being applied if they didn't obtain the minimum number of certificates being issued, this term sheet includes an initial assessment about halfway through the term of the agreement that the awardee has to have a certain number of certificates completed. If they don't comply by that time, then there would be some clawback. Additionally, the term sheet applies a requirement that the grantee will work to pursue an articulation agreement so that the students can get some college credit for certifications earned. The School District will work with University of Florida to assure that the district will have continued rights to use the curriculum that is developed in the future. He clarified that program materials and training will be purchased by the grantee and then University of Florida will give consent for the continued use of that of those materials for the continuation of this project, as well as other projects beyond this one.

Okaloosa County School Superintendent Marcus Chambers thanked the Board for its consideration of this innovative program.

Chair Gaetz asked if any member of the public wanted to speak about Proposal #243 – Okaloosa County School District – Artificial Intelligence Learning Institute. No one spoke. **Dr. Dana made a motion to approve the Term Sheet as presented and to direct staff to approve the term sheet for proposal 243 and to instruct legal counsel to prepare a final contract for presentation to the Board. The motion was seconded by Mr. Riggs and passed unanimously (7-0.)**

Program Administration

Program Administrator's Report

Ms. Henderson presented the Program Administrator's Report and said that staff continues to work with our grantees on an ongoing basis and continues to negotiate new pre-applications and applications. She said that there are a lot of exciting projects bubbling in the region across

all eight counties and staff is excited for more of them to become public over the coming months. She said that as of Friday, May 14, Triumph Gulf Coast has received 247 pre-applications totaling over \$1.8 billion. Through that date Triumph has received two additional pre-applications and staff recommends that Proposal #249 from Gulf County is eligible to proceed while Proposal #248, a swimming and diving facility owned by a non-profit, is not eligible. Since Friday, two more pre-applications from Santa Rosa County have come in and those will be discussed at the June 1 meeting. As of this past Friday, Triumph Gulf Coast has received 102 applications totaling over \$733 million. Staff has reviewed a request from Florida State University's Apalachicola Bay Systems Initiative to transfer some personnel funds within their personnel categories. This transfer is within the allowance of their agreement and so staff approved the transfer. She then asked Dr. Harper to discuss staff's review of two annual reports. The FSU Apalachicola Bay System Initiative has its own reporting cycle in the spring, as did the Hurricane Michael recovery of valorem tax abatement projects. Gulf County's reporting requirements have already been met and this will be Bay County's Final Report.

Dr. Harper stated that Triumph Gulf Coast is in receipt of the FSU ABSI first annual report which details a full year of operations which, of course was affected by COVID in several ways, however, the descriptions provided in the report of the activities were full and thorough and described the extent to which FSU was able to comply with the Triumph requirements on each of the specified goals and objectives. He said that his professional opinion is that FSU is in compliance with their Triumph requirements and therefore staff recommends that the project move ahead.

Dr. Harper said that as for the Triumph Gulf Coast Hurricane Michael Ad Valorem Relief Funding that went to Bay County, the county staff has submitted all of the documentation that was required to establish that property tax valuations were as represented in their application to trial. All reporting requirements are complete for this project.

Ms. Henderson then began her review of First Quarter Reports from Grant Awardees. She started with the reviews of construction projects that have broken ground. She noted that some of the projects are complete and this will be the final quarterly construction review for those projects. The projects will now only be reviewed annually until all performance metrics are met. Based on Mr. Randy Lewis', Construction Advisor, evaluation of these reports and on-site visits as needed, staff recommends that all the quarterly reports were acceptable, and the projects are either on track or have been completed. She said that there will be an amendment in the future related to Proposal #98, the Walton County Sheriff's Office and their partner at Emerald Coast Technical College, but that relates to a part of the project that has not broken ground yet so that is not part of this report.

Ms. Henderson then presented the quarterly reports for the workforce education projects that are a bit more complex. She explained that at this time last year, Triumph Gulf Coast invited the infrastructure and workforce awardees to submit a request for an extension due to impacts of COVID-19. Several awards did receive a COVID extension. There was an additional set of projects that after their annual review, Dr. Fuller and Ms. Henderson recommended would need to provide additional documentation and an additional recovery plan to move forward after COVID. The Board approved a motion from staff to have projects that received a COVID extension would need to complete two extra additional quarterly reports. At this time staff recommends that several grantees can return back to their regular annual reporting based on the work they have done to overcome COVID delays. Staff recommends approval of Education Quarterly Reports as follows:

Workforce/Education Reports (*COVID Extension/COVID Extension and Recovery Plan)**

29 Wakulla School Board, Career and Technical Education* - Return to Annual reporting schedule

98 Walton County Sheriff Office, Vocational and Technical Training Programs ** - Maintain additional Q2 Covid Extension report

143 Bay District Schools, Haney HVAC* - Return to Annual reporting schedule

148 Gulf School District, Ag Science** - Report monthly through the end of 2021

153 Gulf School District, Unmanned Systems ** - - Report monthly through the end of 2021

157 Franklin County School District, SD Phase 1 Welding & Digital Tools** - ** - Maintain additional Q2 Covid Extension report

180 Gulf School District, Welding** ** - Maintain additional Q2 Covid Extension report

187 Northwest Florida State College, Walton Works *- Return to Annual reporting schedule

198 Wakulla School District, Unmanned Systems

200 Franklin County School District, Unmanned Systems /Nursing/EMT

207 Gulf Coast State College, Nursing

210 Gulf Coast State College, Unmanned Systems Bootcamp

217 AMIkids Pensacola, Career and Technical Education

Chair Gaetz commented that the Quarterly Reports show that Triumph Gulf Coast is engaged in a lot of economic development and workforce development enterprises across the eight counties and notwithstanding COVID and hurricanes, they appear to be proceeding along and overcoming delays that we've discussed. He congratulated the awardees, Triumph staff and the Board and said We're making progress. We're making changes that are good changes across the region.

Dr. Dana made a motion to approve the Program Administrator's Report. The motion was seconded by Mr. Lee and passed without objection.

Economic Advisor's Report and Recommendations

Dr. Harper gave a report and recommendation on Proposal #246 – FSU Panama City – ASCENT Cybersecurity and New Technologies Program for \$11,500,702. The request is to fund an education and training program over a period of six years, awarding an average of over 500 career and technical education certificates per year in each of those years at a cost to Triumph Gulf Coast of \$3,506 per certification. The FSU Advancing Science and Career Education in New Technologies (ASCENT) program will fund certifications in new technologies, focused on artificial intelligence and cybersecurity, and it will allow FSU to establish an office of professional engagement and learning to support local industry training needs in Bay and surrounding counties. There are no indirect costs in the proposal as presented and FSU Panama City has done a good job of matching proposed Triumph expenditures to local match. FSU is contributing \$1.5 million in cash match in the first two years of the program. They're committing future grants and gifts to FSU of \$5.367 million over the period of the grant. And they include in-kind staffing and school district career professional education, revenue and instructional staff in the amount of \$4.6 million. Triumph has exactly 50% of the total project costs and it's matched very well throughout the six years of the program. The basic economics of the program are that it will provide a return measured in terms of the discounted total increase in household incomes per dollar of Triumph cost, which is \$23.8 of additional discounted household income per dollar of Triumph cost. For these reasons staff rates this program as an A in terms of economic impact. Dr. Fuller added that the proposal adds a component that is critical for future projects with

offering teacher training and extending this back into the K 12 system so that there's a feeding system that actually grows this whole entity coming forward.

Mr. Bear said that he had the same question about this grant proposal as he did about the University of West Florida proposal that was withdrawn. He said we've got a \$5 million pledge of future grants in this proposal and he wanted to know if those future grants had been identified. Dr. Harper responded that that they have not been identified, they've merely been committed to this project. He said that with our university projects like with UWF and with FSU, the view of staff is that it's perfectly appropriate to encourage universities to actively pursue other grant funding, which would largely come from the federal pocketbook, to bring that into Northwest Florida. And of course, they have a history at the university level of obtaining those grants and putting them to use to support these programs. Mr. Bear said he would like clarification as to why we asked the University of West Florida to specifically name those funding agencies that would be doing that those future grants. We're not requiring that of any other institution.

Dr. Harper said that FSU is identifying a broad range of potential funding entities, including gifts. and that is actually the language that Triumph used in discussion with the University of West Florida. In fact, the specific language that staff used in negotiating with the University of West Florida was any extramural source for future grants pledged so that could have been additional state dollars. For these programmatic areas that had not previously been committed, it could have been dollars from any federal agency or grant making source that was not previously in hand as well as gifts from any donors, as long as those gifts were specified to be spent in these program areas and so on that topic that you mentioned, we are employing exactly the same strategy with FSU Panama City, as we did with the University of West Florida.

Chair Gaetz asked Dr. Harper to clarify if he was saying that the language here as to the future grant funding that Florida State University commits to seeking and applying to this project is no more or less restrictive language than that applied to the University of West Florida. Dr. Harper replied that that was correct. Chair Gaetz then asked if the use of in kind services as a matching fund has been part of our standard practice with other educational institutions? Dr. Harper replied that it has been a part of our practices, we have been willing to accept the component of any given staff member's salary that is specifically devoted to supporting the program. With the FSU ASCENT project, Triumph staff will be talking about the dollar value of the staff time of instructional staff, and we have to commend the job that the FSU Panama City team has done in building the partnerships which will make this program work because they are partnering with school districts in surrounding counties to deliver the curriculum that will support the attainment of some of these certificates. What staff anticipates as we arrive at the language to be used in the contract is that we will be supporting the salary expense of instructional staff who are offering the curriculum that will enable the students to obtain these certifications, which is what we have done with other educational institutions, both school districts, colleges and universities in the past.

Chair Gaetz asked if in-kind salaries would be for personnel specifically assigned to the project and reported as such. Dr. Harper said that those expenses for offering either instruction, or direct support, and necessary administration of this program can be paid for in one of two ways. They can be paid for by a Triumph contribution, or they can be paid for out of the institution's own dollars. By paying for this project, Triumph is purchasing the labor cost of individuals that we want to engage in these activities. And that necessarily means that they're going to be taking their time away from what they otherwise might be doing. There is no percentage that a district college or university can charge for indirect costs in the proposal. He said the Triumph staff is

careful to assure that the instructional awards do not allow any indirect costs to be included in the Triumph expense. However, it is recognized that to make the project work, there may well be administrative expense, such as 10% of an administrator's time to support this project and provide necessary management or 25% of an instructor's time to instruct this curriculum, rather than other activities that they might have been doing. So those sorts of things Triumph does pay for, but we do not pay any particular percentage fee as a percent of total project costs as administrative expense.

Mr. Bear said that he would vote in favor of this project because of the need for the workforce. But he did not believe that the response that I got was clear enough to answer his concerns about the similarity between UWF and Florida State. Chair Gaetz directed Dr. Harper and legal counsel to provide any information that Mr. Bear may want or need to support the statement that Dr. Harper made in response to Mr. Bear's question to him as soon as practical.

Chair Gaetz then asked Dr. Harper to comment on the high return on investment estimate for this project and to tell the Board how soon the labor market and the economy as it pertains to cyber security in the coastal Northwest Florida will change as a consequence of this project. Dr. Harper said that the changes from this project will be fast paced. The schedule identified by FSU is that they project that in year one of the program they anticipate that 450 certifications will be obtained. And then that grows over time, to a high of 594 per year, in the last years. The skills that are imparted by these certificates and the curriculum that underlies attainment of these certificates are the skills that will drive higher incomes, as businesses increasingly look for applicants who have a firm working knowledge of the set of skills that we loosely characterize as cybersecurity or machine learning or artificial intelligence, because those skills are increasingly needed across the business spectrum. The time that it will take the benefit in terms of household incomes, is the time that it takes these students to complete either their certificate programs if they're enrolled in a program that anticipates that they will immediately go into the workforce, or that they're already in the workforce in obtaining these skills on a continuing education basis. Or it could be several years later, if the students are obtaining those skills as part of a course that's offered in the information technology or computer science curriculum that FSU envisions. The timing may differ but that does not affect the calculation of the economic impact, because that's calculated on a present money value basis and going out into the future dollars received over the expected work life of the student and are discounted more highly because they're in the future, and there's the time value of money. So, these numbers that I present in my analysis are actually the present money value and should be somewhat invariant with respect to whether the student is going to use the skills immediately upon completion of the curriculum, or whether they're going to use them several years down the road, if that's when they enter the workforce.

Chair Gaetz welcomed Dr. Randy Hanna, Dean of the Florida State University at Panama City.

Dr. Hanna thanked the Board for the opportunity to be heard on the proposal and introduced members of the team working on the proposal for FSU. He said that FSU is excited about this program because it focuses on secondary students while also focusing on expanding post-secondary degree programs at FSU-PC. It also focuses on workforce development in the community and in support of the region's military partners. FSU sees cybersecurity and emerging technologies as the perfect way work with interested school systems, industry and the military to aim for the future. FSU-PC is in discussions with Bay County and Franklin County school districts, and they plan to have meetings with other school districts. He said FSU-PC is

willing to work with any of the school districts within Northwest Florida and the university is willing to serve places that are currently not served in this area.

As far as additional programs, clearly FSU will expand by offering the new bachelor's degree in information technology with a specialization in cybersecurity. From a geographical area we the university doesn't want to step into an area where the need is already being met. But expanding the outreach area with school districts, and then also expanding the work FSU-PC is doing with governmental agencies and our military partners, especially those on the on the eastern side of the Triumph service area would be the plan. The university has begun discussions with the Naval Surface Warfare Center about this project and we're having a broader discussion with Tyndall Air Force Base. Tyndall is very focused on rebuilding that base and the university is having a broader discussion with Tyndall but we're starting the discussion with the Naval Surface Warfare Center, and we would anticipate discussions with other Department of Defense installations across Northwest Florida.

Mr. Terry made a motion to direct staff to move to Term Sheet negotiations with FSU-PC on Proposal #246. Mr. Lee seconded the motion which passed unanimously on a roll call vote (7-0.)

Mr. Terry then gave the Board a brief overview of the work being done to bring the Port of Port St. Joe back as a viable commercial seaport. He reported on recent activity at the port that has generated 56 jobs working to move biomass (wood chip) products over the bulkhead to be transported and sold in Honduras. The first load of chips has been successfully moved by barge from the port to an oceangoing vessel anchored in the St. Joseph Bay. The ship will take the product and return loaded with aggregate rock, thus completing the first round trip trade operation from the port in over twenty years. He noted that the next step to bringing the port back to full operation would be the dredging of the channel to a navigable level.

Ms. Skelton then gave an overview of Proposal #237 - Port St. Joe Port Authority – Dredging of Shipping Channel for \$17,500,000. She explained that staff was working with the Port of Port St Joe Authority, The Florida Ports Council and the U.S. Army Corps of Engineers to determine the best methodology for measuring productivity on the port in order to create a reasonable and doable set of performance metrics for the proposal. She said that staff is very excited about this proposal and hopes to have more to report soon.

Chair Gaetz noted the importance of the project for the region and thanked Mr. Terry for his leadership in guiding this proposal through the process. Mr. Terry said that the proposal is not only transformational for Gulf County, but so many other counties as well. Franklin, Calhoun Bay and Liberty. He said if they can get the numbers right to where it makes sense, and then create these types of opportunities that could produce 56 full time jobs it would be transformational for Gulf County, as well as the other counties involved.

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

There being no further business, the meeting was adjourned at 3:26 p.m. CT.