

**Meeting Minutes
Triumph Gulf Coast, Inc.
Walton County Commission Chambers
571 US Highway 90, East
DeFuniak Springs, Florida 32433
July 27, 2021
10:30 a.m. CT**

MEMBERS PRESENT:

Allan Bense (by phone)
Don Gaetz
Reynolds Henderson
Ben Lee
Matt Terry

EXCUSED ABSENCE:

Collier Merrill

Chair Don Gaetz called the meeting to order at 10:30 a.m. CT and thanked the Walton County Board of County Commissioners for allowing the use of the BOCC Chambers. He announced that Mr. Collier Merrill, a newly appointed Board Member, appointed by Attorney General Ashley Moody, had been called to Tallahassee for a meeting of the Northern District of Florida U.S. Judicial Nominating Committee and would try to join the meeting by phone later if possible. He noted that Mr. Allan Bense was attending by telephone due to a business obligation in Panama City.

Chair Gaetz noted that the Board is still awaiting the pending appointment of the seventh member by Governor DeSantis. He then introduced Mr. Reynold Henderson, a newly appointed Board Member, appointed by Chief Financial Officer Jimmy Patronis.

Chair Gaetz welcomed Mr. Henderson and said that he brings a unique set of skills to the board that will add real value to future deliberations. He said that Mr. Henderson is the owner and CEO of Continental Pacific, a company involved in economic development initiatives in our part of the world, but also in Hawaii and Chile. He also owns a company that produces Chileaway Island Spirits small batch vodka and a company that does loan acquisitions. Mr. Henderson founded the Florida Opportunity Fund which has been building affordable housing in northern Walton County as well as developing commercial opportunities in Walton County. He has been active as member of the Board of the Seaside Institute and the Seaside Repertory Theatre in southern Walton County. Mr. Henderson currently serves as a Trustee of Northwest Florida State College and as a Board Member of Citizens' Insurance.

Mr. Henderson thanked Chair Gaetz for the introduction and said he was honored to be appointed by CFO Patronis and to become a member of the Triumph Gulf Coast Board. He said he looks forward to working with municipalities, counties, and the legislature to bring even more opportunities to the region.

Executive Director Susan Skelton called the roll and announced the presence of a quorum with five members present.

The June 1, 2021 Meeting Minutes were approved as circulated without objection.

Financial Report

Mr. Ben Lee, Assistant Treasurer, introduced Ms. Jennifer Davidson, CPA, who gave an overview of the May 2021 and June 2021 Financial Statements.

The May 2021 Financial Statement was approved as presented without objection.

The June 2021 Financial Statement was approved as presented without objection.

Chair Gaetz reminded members and the public that Ms. Davidson provides a Schedule of Funds document for each meeting that is posted to the website and provides a running record of funds obligated and expended for each grant award and for each county in the region.

Staff Report

Ms. Skelton reported that the 2020-2021 Auditor General's Audit is under way and staff is working with the auditors to provide any requested information.

Ms. Skelton introduced each of the professional contractors that work as part of the Triumph Gulf Coast effort. Chair Gaetz emphasized that Triumph operates under extraordinary constraints on administrative expenditures with a very streamlined and efficient team. He noted that by statute, general administrative expenditures cannot exceed .75% of the total funding provided by the settlement agreement. He said this cap is well below any other public or public/private entity operating in Florida and thanked everyone for their focused work.

Legal Report

Chair Gaetz called on Dr. Rick Harper, Economic Advisor, to give an overview of Proposal #243 – Okaloosa County School District – Artificial Intelligence Learning Institute for \$2,840,000. Dr. Harper said that the proposal is matched by a contribution of \$2,860,000 by the Okaloosa County School District. Funds will be used to install Artificial Intelligence labs, purchase of equipment and computers and for a subcontract with the University of Florida to develop curriculum for use of the district for instruction beyond the term of the project. He said investing in 1100 CAPE Certificates at a cost of \$2582 per certificate, the increase in family incomes in the region is projected to be \$32.30 per Triumph Gulf Coast dollar expended. He noted that his analysis yielded an economic grade of A. Dr. Frank Fuller, Education Advisor, concurred with Dr. Harper's analysis and said that he believes that this will be the first education certification project in Florida that involves Artificial Intelligence training. He said that the partnership with University of Florida will provide the Okaloosa County School District with the ability to serve major providers of Artificial Intelligence with their employment requirements going forward and it is a nice conduit to those types of employment across the region. He said the program will be able to be expanded to other interested school districts in Northwest Florida.

Mr. Henderson asked if there would be any outreach to the surrounding counties to identify their interest in participating in such training. Dr. Fuller said that it would be part of the ongoing process with the Okaloosa County School District to provide such outreach and make training opportunities available across the region to districts that are interested. Mr. Lee asked if there would be priority access to the curriculum for the other seven counties in the region and would there be training for the education professionals so that they will be able to adequately teach the curriculum.

Okaloosa County School District Superintendent Marcus Chambers addressed the Board and said that the district will be working “hand in hand” with the curriculum developers from the University of Florida and that those developers will be working with the teachers to assure that there is proper training for both the educators and the students as the program is developed. He said that the district will partner with other districts to have their educators train educators in other counties. Superintendent Chambers says that the project is part of a vision for providing the best education possible for the next generation of Okaloosa Schools. He said this program focuses on academic excellence and modernization innovation. He said the program will reach from the elementary schools through middle and high school learning opportunities to build the workforce of the future for the region. Graduating students will be able to take the foundational skills on to college, or directly into the workforce where AI skills will become more and more a part of the normal economy. He said the school district is working with both Eglin AFB and One Okaloosa, the local economic development organization, to assure that goals are being met in development of the certification process.

Mr. Henderson asked about where students will go to work and if they will stay in the area. Superintendent Chambers said that it is a goal for students to graduate and go straight into a local workforce, but also, for students who leave to pursue higher education to have the ability to return to those types of employment here at home. He said that is part of the discussion with the local economic development team to assure that those jobs are targeted for the area. Dr. Fuller noted that one of the key outcomes of the project will be to draw new industry. He said if there is a trained workforce readily available it will cause companies to plan to come here. Chair Gaetz asked how nationally recognized industry certifications will be considered by state universities and by industry. Superintendent Chambers said that his team is working with Dr. Fuller and the Department of Education to assure proper recognition at the state level and creation of additional certifications for future use. He said that it is important to keep the local universities and local businesses up to date and aware of the progress in developing this groundbreaking program for the region. Chair Gaetz said that he will continue to push to have certifications recognized for credit hours at the state university level. He will be interested in having the school district enter into formal matriculation agreements with the universities.

Mr. Lee thanked the Okaloosa County School District for taking on the leadership role to develop this curriculum that will guide future employment opportunities across our region. He asked when the first certifications are to be expected. Superintendent Chambers said that they plan to implement the program starting in the 2022 School Year with the first certifications to be awarded in the Summer of 2023.

Mr. Alan Manning, Legal Counsel, then offered a legal review of Grant Award Negotiations and said that the contract is prepared on the standard template and legal counsel recommends approval. Chair Gaetz asked if any members of the public wished to comment on the proposal. No one came forward to speak.

Mr. Allan Bense made a motion to approve the Grant Award Agreement. The motion was seconded by Mr. Lee and passed on a 5-0 roll call vote

Mr. Manning then gave a review of Amendment to Proposal #120 – City of Pensacola – Commercial Aircraft Maintenance Campus – Updates to construction plans and timeline (NO ADDITIONAL FUNDS REQUESTED.) The amendment would allow for the reconfiguration of the hangars to be built to function in a more efficient manner based on lessons learned from prior construction on the project. Dr. Harper noted that as the process has moved forward and construction costs have increased, the construction management team has determined that there was merit in imposing some value engineering to allow for a slightly reduced square footage in the overall project but with the same job commitment from the aviation MRO partners. He said the amendment will allow for an innovative solution to the cost increases that have occurred. He said that the construction manager remains at risk for a guaranteed maximum cost contract.

Mr. David Penzone, representing the City of Pensacola, said that the original concept was for free-standing hangars, a free-standing warehouse, and a free-standing office building. The re-engineered design will move the office space and support services into the hangars, doing away with two of the needed buildings, providing more efficient operations and reducing delivery time for completion of the construction process. Mr. Lee asked if COVID-19 was having impacts on the workforce for ST Engineering and if it had created any efficiencies in the amount of workspace needed due to work from home requirements. Mr. Penzone said that the majority of the workforce at the facility is hands-on mechanics that must work in person. He said that COVID-19 had not really affected the work model for the company due to the nature of the work. Chair Gaetz asked if there was any public comment on the proposed amendment. No one asked to be heard. **Mr. Henderson made a motion to approve the proposed amendment. The motion was seconded by Mr. Terry and passed on a 5-0 roll call vote.**

Next, Dr. Harper offered a review of Amendment to Proposal #49 – Port of Panama City Port Authority – Eastern Terminal Development – Performance Metrics extension due to Hurricane Michael and COVID-19 (NO ADDITIONAL FUNDS REQUESTED.) He said that the port had been affected profoundly in its ability to meet performance goals and is requesting an 18-month extension on producing jobs and tonnage and a 28-month extension on increasing revenue. The changes were made in a manner to conform all compliance on performance metrics to fall on the same date. Ms. Skelton clarified that this request is based on the fact the port is experiencing international shipping impacts due to COVID-19 that are not readily controllable by the port in addition to the Hurricane Michael impacts on infrastructure. She explained that Triumph Gulf Coast has been proactive in offering extensions for Grant Awards that have been impacted by COVID-19 such as workforce training programs in schools due to the schools being closed. The standard extension for workforce programs has been six months. She said that several projects have been impacted due to increased construction costs caused by labor and supply shortages after Hurricane Michael and supply chain issues related to COVID-19. She said that staff has tried to work with awardees to adapt to the changing conditions to allow for the projects to continue to be successful. Dr. Harper affirmed that staff's recommendation is in line with the current fluidity of international trade and within reasonable expectations for continuation of the project. He said that the port continues to outperform expectations and he feels comfortable that they will be able to meet the metrics with no problems.

Mr. John Miller, Director of Accounting for the Port of Panama City, thanked the Board for consideration of the amendment and said that the port will meet the performance metrics even with the setbacks caused by the hurricane and pandemic. Chair Gaetz asked if conditions were to improve would the port be willing to revisit the amendment in the future. Mr. Miller said that of course they would be willing to do that. Mr. Lee said that with the amount of damage sustained by the hurricane that they knew they would need consideration of an extension, but the port was prudent and waited until it had a clear understanding of what changes would be needed before asking for the amendment and he appreciated their professional approach to the situation.

Chair Gaetz asked if anyone from the public wished to comment on the amendment. No one asked to be heard. **Mr. Henderson made a motion to approve the proposed amendment. The motion was seconded by Mr. Bense and passed on a 5-0 roll call vote.**

Dr. Frank Fuller, Education Advisor, gave a review of Amendment to Proposal #229 – Tallahassee Community College – Infrastructure and Logistics Training - COVID Amendment (NO ADDITIONAL FUNDS REQUESTED.) He said that this program is being closed out and the amendment will allow the college to sync up the program finalization with the school's calendar so that students currently enrolled in eligible classes will be able to be tested and the results of those certification tests can be applied to the request for funding through the grant. This amendment will allow for the successful close out of the last accelerated workforce training grant made by the Board in the wake of the onset of COVID-19.

Chair Gaetz asked if any member of the public wished to comment on the amendment. No one spoke. **Mr. Lee made a motion to approve the proposed amendment. The motion was seconded by Mr. Matt Terry and passed on a 5-0 roll call vote.**

Ms. Skelton explained that the Blanket Waiver of Business Donation Language Amendment to Workforce Education Grant Award Agreements (NO ADDITIONAL FUNDS REQUESTED) was discussed at the last meeting as a recommendation from the Business Continuity Committee to correct a disincentive that was created by original language in workforce grant award agreements. The language in the original grant awards required educational entities to solicit and report any financial participation by local businesses, and then reduce the Triumph obligation by 50% of the value of the business donation. The requirement was causing businesses not to participate in the programs due to the reduced value of their donations and negative impact on the education programs. The proposed blanket waiver is retroactive on all workforce grant awards and the language will be excluded from all agreements going forward. Mr. Terry said that the goal is to have more business partners in the process and this waiver will incentivize more participation. Mr. Lee said that Triumph is supporting business participation and this change will correct the earlier inadvertent disincentive.

Chair Gaetz asked if anyone from the public wished to be heard on the blanket waiver. No one came forward to speak. **Mr. Henderson made a motion to approve the blanket waiver. The motion was seconded by Mr. Terry and passed on a 5-0 roll call vote.**

Dr. Harper presented a review of Term Sheet Negotiations for Proposal #246 – FSU Panama City – ASCENT Cybersecurity and New Technologies Program for \$11,500,702. He said that Florida State University will provide an exact match to the requested award amount including \$1.5 million in cash, \$4.63 million in in-kind staffing, CAPE revenue and instructional staffing. And \$5.367 million in future grants and gifts in the coming years. The program will deliver 3280 industry recognized certifications. The cost to Triumph Gulf Coast per certification funded will be

\$3506 and will produce additional family income of \$23.80 per Triumph dollar expended. Staff has reviewed the proposal and scores it an A.

Dr. Fuller said that this approach to education and training in cybersecurity is important because of three factors. You can't solve the cybersecurity shortage by training a small number of personnel. The need is to drive the awareness of the concern into the public domain. This program drives the awareness all the way down to the middle school level in the public school system to elevate understanding of the threat and security needs. There are not currently enough industry certifications to successfully approach the need. This program will include the development of more sophisticated and needed security certifications and delivery of that training to the community. Availability of trained cybersecurity workforce will draw likeminded industry to the region over time. He said that this is a major driver because every industry in the modern arena is vulnerable to losing something of value to a cyber-attack.

Dr. Randy Hanna, Dean of FSU Panama City, thanked the Board for its consideration of the proposal and explained that the program will focus on training in high school, including training instructional personnel and students, creating career academies within interested school districts across the region, and creating summer camps for students. At the post-secondary level, the plan is to bring a new Internet Technology degree with a Cybersecurity focus with industry certifications imbedded as part of that curriculum, and to incorporate cybersecurity components into existing computer science, engineering, and law enforcement degree curricula. He said that the University has been working on creation of a program called the Office of Executive Learning that will be providing continuing and executive level adult education in the community. Cybersecurity training will become a major part of that effort. He said that part of the funding will be used to present continuing education to the high school educators in the region to assure that they are prepared to address and teach the cybersecurity courses needed for certification workforce training. Dr. Hanna said that the program will be open to any school districts in the region if there is an interest. He said that the university has already had conversations with Franklin and Gulf County Schools and preliminary discussions with Walton County Schools about participation in the program.

Mr. Manning reported that the Term Sheet has been negotiated and is recommended for approval by legal counsel. Chair Gaetz asked if any member of the public wished to comment on the proposed Term Sheet. No one asked to speak. **Mr. Lee made a motion to direct staff to move to Grant Award negotiations on the proposal The motion was seconded by Mr. Henderson and passed on a 5-0 roll call vote.**

Program Administration

Program Administrator Cori Henderson gave updates on the Grand Opening of the Northwest Florida State College Aviation Center of Excellence at the Bob Sikes Airport in Crestview which will result in 1255 new aviation industry and FAA certifications; the Pensacola Airport and ST Engineering celebrated the groundbreaking of the next hangar which is a part of the \$210 million project to continue to grow the MRO operations hub at the airport to include 1325 new jobs (Triumph Gulf Coast supporting \$66 million for the project); and Eastern Shipbuilding cut the ribbon on its new Gulf County operations location. Santa Rosa County and Leonardo Helicopters announced the opening of a temporary facility at Peter Prince Airport, which is the precursor for the larger facility being constructed with the assistance of Triumph Gulf Coast at the Whiting Aviation Park adjacent to Whiting Field NAS. Triumph's investment of \$8.5 million was key to Santa Rosa County's success in winning this high-wage and innovative project

partnering private industry with the Department of Defense to offer major cost savings and efficiencies in delivering helicopter MRO services. AMIKids Pensacola has graduated their first class of students with carpentry certificates made possible by a Triumph Gulf Coast grant.

Ms. Henderson noted that, because of the inducements available through the work of Triumph Gulf Coast, the region's economic development teams are very busy with companies interested in relocating and or growing in Northwest Florida. She said that the investments made to date have encouraged the type of economic activity and diversification envisioned when Triumph Gulf Coast was created by the Legislature.

Ms. Henderson reported that Triumph is working with 37 active grant awards and has completed four such projects. She shared that staff is recommending two new pre-applications as eligible, with a third new pre-application continuing to be reviewed. After new member Reynolds Henderson asked about how pre-applications and applications are screened for eligibility. Ms. Henderson and Ms. Skelton explained the process for pre-applications, applications, and grant awards. **Mr. Terry made a motion to approve the Program Administrator's Report as presented. Mr. Henderson seconded the motion which passed on a 5-0 roll call vote.**

Members welcomed Mr. Henderson and thanked him for his active participation. Mr. Bense noted that changes made in the statutes since the foundation of the organization have presented more challenges than originally proposed, but the Board has adapted to the changes and reminded everyone that the Board must be very deliberate and thoughtful about how the funds are spent because every legislator in Florida keeps an eye on the Triumph money. If the Board makes any unreasonable decisions the entire fund could be at risk which would jeopardize the entire economy of the region. He said that the reason for the deliberate nature of the Board in taking actions is strictly for the protection of the future funding for the Triumph counties.

Chair Gaetz asked if any member of the public wished to be heard on any issue. No one came forward to speak.

There being no further business, the meeting was adjourned at 12:15 p.m. CT.

Adjourn