

**Meeting Minutes  
Triumph Gulf Coast, Inc.  
Center for Aviation Excellence  
3152 Airport Road  
Crestview, Florida 32539  
September 13, 2021  
1:30 p.m. CT**

**MEMBERS PRESENT:**

David Bear  
Allan Bense (by phone)  
Don Gaetz, Chair  
Reynolds Henderson  
Ben Lee, Assistant Treasurer  
Collier Merrill  
Matt Terry

Chair Don Gaetz called the meeting to order at 1:30 p.m. CT and welcomed everyone to the meeting. He then recognized Dr. Devin Stephenson, President of Northwest Florida State College, for welcoming remarks.

Dr. Stephenson welcomed the Triumph Gulf Coast Board to the Aviation Center for Excellence and noted that the Triumph funded facility had opened on June 23, 2021. He said that the partnership with Paul Hsu and the Hsu Foundation had brought the facility into operation as a unique public / private partnership that brings together a wide scope of entities in support of expanding the aerospace industry in Northwest Florida. He said that the assistance and cooperation of the Okaloosa County Board of County Commissioners, the Okaloosa County School Board and the Crestview airport are all part of the creation of the state-of-the-art center. The facility will house professional pilot training, airframe and powerplant and unmanned vehicle systems maintenance and repair operations training. The aviation airframe mechanics program has just received FAA airframe maintenance technician certification as part of the 147 such facilities in the country. Classes at the facility began in August and over the next ten years the program anticipates that at least 307 students will earn 1255 FAA Industry Recognized Certificates with 184 to be certified in airframe and powerplant, and 123 professional pilot certifications. These trained individuals will provide an expanded talent pool throughout Northwest Florida. He noted that the hangar space where the meeting was held can hold up to four aircraft, a commercial paint booth, an airframe and powerplant lab, portable and stationary workbenches in classrooms and a community gathering room for students. The mission of the center is to include regular school visits by institutional recruiters and navigators to bring more and more local and regional students into the program.

Chair Gaetz introduced new Board Members David Bear and Collier Merrill and gave a brief overview of each of their qualifications and business experiences. Both Mr. Bear and Mr. Merrill thanked the Chair for his comments and indicated their excitement to get to work as part of the Triumph Gulf Coast Board.

Executive Director Susan Skelton called the roll and announced that all members were present.

The July 27, 2021, Meeting Minutes were approved as circulated without objection.

## Financial Report

Assistant Treasurer Ben Lee introduced Ms. Jennifer Davidson, CPA, and asked her to provide the July 2021 and August 2021 Financial Statements. Ms. Davidson gave a brief overview of both statements and indicated that Triumph Gulf Coast continues to operate within its budget for the year to date.

**Mr. Lee made a motion to approve the July 2021 Financial Statement as presented. The motion was seconded by Mr. Matt Terry and passed without objection.**

**Mr. Lee made a motion to approve the August 2021 Financial Statement as presented. The motion was seconded by Mr. Reynolds Henderson and passed without objection.**

## Staff Report

Ms. Skelton gave an update on the Auditor General's Office audit activities and said that staff continues to work with the Office to provide information as requested.

Ms. Skelton said that there has been some interest in creating a way to recognize Triumph Projects that are exceeding performance metrics and proposed the creation of a "Triumph Horizon Award" that would be given to projects that have excelled in their efforts. **After some discussion the Board approved a motion by Mr. Collier Merrill, and seconded by Mr. David Bear, to create such an award. The Board authorized the expenditure of up to \$7500 to produce and distribute awards as needed.**

## Legal Report

Mr. Alan Manning, Legal Counsel, gave an overview of Grant Award Negotiations for Proposal #246 – FSU Panama City – ASCENT Cybersecurity and New Technologies Program for \$11,500,702. He noted that the proposed Grant Award Agreement is consistent with the approved Term Sheet and recommended approval of the agreement.

Dr. Randy Hanna, Dean of the Florida State University – Panama City, came forward to thank the Board for its support of the proposal. He said that FSU is very excited about the program and the university's ability to work with other educational providers and private industry across Northwest Florida in the areas of cybersecurity and technology. He said that the university agrees to the terms of the agreement. Dr. Hanna recognized the work of Dr. Sasha Jarrell in crafting the program and the agreement and thanked her for her dedication to the project. In closing, he said that he wanted to offer his congratulations to Northwest Florida State College on the opening of the Aviation Center of Excellence and to thank Triumph Gulf Coast for supporting such innovation in the region.

Chair Gaetz asked if anyone from the public wished to comment on the proposed Grant Award Agreement. No one came forward to speak. **Mr. Henderson made a motion to approve the agreement. The motion was seconded by Mr. Lee and passed unanimously (7-0) on a roll call vote.**

Mr. Manning then gave a review of the proposed Second Amendment to Grant Award Agreement for Proposal #185 – City of Panama City and Eastern Shipbuilding Group - NO

ADDITIONAL FUNDS REQUESTED. He explained that the amendment would allow for the movement of previously agreed to matching funds between grant categories.

Chair Gaetz asked if any member of the public wished to comment on the proposed amendment. No one came forward to speak. **Mr. Henderson made a motion to approve the amendment. The motion was seconded by Mr. Bear and passed unanimously (7=0) on a roll call vote.**

## **Program Administration**

### **Program Administrator's Report**

Ms. Cori Henderson, Program Administrator, gave her regular report of activities related to pre-applications, applications and grant awards. She highlighted the upcoming (September 30) groundbreaking for the Truck Driving Training Facility at Pensacola State College in Santa Rosa County and noted that almost all of our Triumph Gulf Coast counties are currently shortlisted for competitive high-wage economic development projects. She said that the work of the Triumph Board and the local Economic Development Professionals across the region is beginning to really bring new industry to the region. She pointed to the recruiting and marketing materials included in the print campaign folders provided by Florida's Great Northwest as evidence of the broader marketing campaign that will go out to targeted industries across the nation as a result of Triumph's commitment to the program. She noted that the campaign has already produced an uptick in inquiries from company executives and site consultants. Ms. Henderson said that staff had reviewed three new pre-applications and recommended that Proposals #256 and #259 are statutorily eligible, while Proposal #255 does not appear to be statutorily eligible. Also, she said that staff had reviewed Gulf Coast State College's request for a COVID-19 extension amendment for Proposal \$210 due to the uncertainty of the impacts on enrollment on the exiting military unmanned vehicle training bootcamp and recommends approval of the amendment.

Ms. Henderson explained to the new members that all education awardees are required to provide quarterly updates for the first year (in some cases longer) to their awards, and annual reports after that until the completion of the award requirements. She said that as these reports come in it is apparent that through the hard work of Dr. Frank Fuller, our Education Advisor, Mr. Matt Terry and the local school districts, two of our districts that had been hard hit by the impacts of COVID are now back on track. She commended the focus on the Gulf and Franklin County schools and the success that they had shown in the effort. She noted that through the community outreach of the Franklin Education Foundation, each student that successfully earned an unmanned vehicle certification was gifted with their own personal drone. Such initiative drives success in these programs.

All awards that include construction (infrastructure and education) must provide quarterly reports for the duration of the construction project. Those reports are all reviewed by Mr. Randy Lewis, our Construction Management Advisor, for completeness and accuracy. As needed, Mr. Lewis makes site visits to the construction locations to assure that all standards and requirements are met. Ms. Henderson noted that today's report includes the final construction report for the US 90 Shoal River Industrial Park in Okaloosa County. **Mr. Collier Merrill made a motion to accept the Program Administrator's Report. The motion was seconded by Mr. Allan Bense and approved without objection.**

### **Economic Advisor's Report**

Dr. Rick Harper, Economic Advisor, gave an explanation and recommendation on Proposal #251 – Santa Rosa County – Milton Interchange Park for \$15,878,683. He said that the proposal is to construct a mile of roadway, a stormwater retention pond, utility related infrastructure and other improvements at the park, including purchase of 192 acres of property in the park located at Exit 31 of I-10. The property is currently inaccessible to potential tenants. The proposed improvements would be county owned and maintained and would benefit the county as any future tenants in the park. The project is anticipated to serve several new tenants and the applicant commits to 454 private sector jobs at or above 115% of the average wage requirements for Santa Rosa County. Total match for the proposed project is \$21,000,000 with the private sector tenants providing design, permitting and construction of improved structures on the site. The timeline for construction is proposed to be 36 months. After that, the county would have three years to ramp up employment creation and then a required three-year job maintenance period to meet performance metrics. The proposal has been approved by the Santa Rosa Board of County Commissioners. Dr. Harper noted that unlike most other Triumph Gulf Coast proposals, in this proposal the private sector landowner who will be selling the property to Santa Rosa County will cover at least 25% of the required clawback commitment with those being the first dollars in the project, and Santa Rosa County Board of County Commissioners will provide clawback guarantees on the remaining exposure. Based on economic impact review, the proposal will provide \$19.1 for every Triumph Gulf Coast dollar invested and staff rates the proposal as an “A”.

Dr. Harper then read a proposed motion into the record:

The board recognizes the excellent performance record of Team Santa Rosa in meeting requirements of current Triumph Gulf Coast awards. Based on that record and to mitigate financial risk associated with the project the board directs legal counsel and staff to develop with the applicant a term sheet that encompasses the following:

1. Upon execution of an award contract, Triumph will make an initial disbursement of \$5,878,683 to fund purchase of parcels for the industrial park. A further \$3 million will be disbursed following the purchase of the subject land by Santa Rosa County from its current owners in order that initial improvements can be made. The remaining funds from the grant will be disbursed when capital investment is substantially begun on the westernmost parcels, which are those that abut Highway 87.
2. The current owners of the subject property shall agree with Triumph that \$3 million of the proceeds from the sale to the county will be held in escrow for three years from the date of the sale to protect Triumph against nonperformance. If substantial process has not been made within three years from the date of sale to develop the westernmost or other parcels in the proposed park, the \$3 million will be forfeited to Triumph. If the company which currently owns the subject property ceases to exist for any reason, the escrow will remain in force and any liability owed to Triumph shall be carried by and be enforceable against the beneficial owners of the company that made the sale to Santa Rosa County.
3. In the event that the job requirement committed by Santa Rosa County is not met within six years of the date of award of Triumph funds to this project, the subject land and all improvements shall revert to Triumph Gulf Coast.

**Mr. Merrill made a motion to adopt the motion as read by Dr. Harper and direct staff to begin Term Sheet negotiations with Santa Rosa County.**

Mr. Henderson asked if allowing the developer to own part of the land which will increase in value based on proposed use is enriching the developer and how the amount of requiring them to participate at 25% was reached. Chair Gaetz asked Mr. Shannon Ogletree, Economic Development Officer for Santa Rosa County to address the question. The Chair said that he understood that was a negotiated number but would ask Mr. Ogletree to comment. Mr. Ogletree explained that the owner would keep 25% of the land parcel and the county would own the other 75% so that is how it was negotiated.

Mr. Bense said that he had taken a pretty stern position about being careful about how Triumph funds are awarded, but that he did not want to put too many conditions and anchors on projects. He said it was important not to tie up all of the applicants' assets nor to make the conditions too difficult for the applicants to meet. Mr. Ogletree then went on to thank the Triumph Board for considering the proposal. He said, that as Ms. Henderson noted earlier, site selectors and companies are finally starting to take notice of the region and what it is able to offer. He said that perhaps the State of Florida hasn't been diligent enough to encourage incentives, so the Triumph impact is important. Just three years ago Triumph looked into the aviation market and said that it would support Santa Rosa County's efforts to develop the Whiting Aviation Park and it is coming to fruition. He said that within six months there will be a groundbreaking. Without Triumph's commitment, Leonardo would not be in Santa Rosa County, and we would not be here asking for this next step in the county's future. He noted that at the next county commission meeting, the BOCC would be approving a major company buying 50 of the 80 acres in one of their industrial parks. He said that the market is hot for the county, and it needs the inventory that this proposal will allow. He noted that the site has received designation as a Certified Site.

Chair Gaetz asked if there was any public comment. **Mr. Merrill's motion was seconded by Mr. Bear and approved unanimously (7-0) on a roll call vote.**

Dr. Harper then made a recommendation on Proposal #237 - Port of Port St. Joe Port Authority – Dredging of Shipping Channel for \$15,000,000. He noted that Port Director Guerry Magidson was also present at the meeting to answer any questions on behalf of the port. Dr. Harper reported that the impacts on economic development in Gulf and Franklin Counties of this dredging project would include additional maritime traffic and associated jobs, tonnage and revenues. The Triumph investment of \$15 million would be met by \$41,380,646 in matching funds to complete the project. Matching funds would come from the State of Florida Department of Transportation, Gulf County Community Development Block Grant funds and the St. Joe Company. The total project cost is \$56,380,000 with Triumph's funds representing 26.6%. Staff recommends that if binding commitments for these match funds are not in place by July 1, 2023, the Triumph commitment would be withdrawn. Further, if the Port Authority does not have in place contractual commitments with port users to guarantee the amount of required clawback, by July 1, 2023, Triumph commitment would be withdrawn. The Port Authority notes that it has all necessary permits for disposal of dredge spoil materials with the Army Corps of Engineers.

Dr. Harper noted that the required performance metrics for the proposal would include the creation of 375 new port dependent sustainable jobs, or total tonnage shipped through the port be sustained at 530,000 tons per year or the gross revenue generated by port operations total at least \$4.8 million per year over the anticipated three year maintenance period which will follow the three year installation period for completion of the dredge operation and a three year

ramp up period to meet the metrics goals. Due to the expected return on investment of \$17.6 for every Triumph dollar invested, staff rates the proposal as an “A”.

Chair Gaetz asked Mr. Terry, who represents Gulf and Franklin counties, if he wanted to speak on the proposal. Mr. Terry said that he had just spoken with Representative Jason Shoaf and Rep. Shoaf asked him to express to the Board that he is in complete support of this proposal. Mr. Terry said that as a former member of the Port Authority Board of Directors he can attest to the fact that this project has been a long-standing goal of the port. He said that the issue has always been a “chicken and the egg” conundrum of getting jobs to the region that don’t want to commit until the port is in operational. He said that the Triumph commitment to move the project forward will help immensely in getting it done in a timely manner. He said having an operating port would be transformational to the economies of both Gulf and Franklin counties, and even counties not even in the Triumph region such as the hurricane devastated counties of Calhoun, Liberty and Gadsden to the north due to the possible transportation corridor provided by future rail and road service from the port to I-10. He thanked Port Director Magidson for all of his hard work with Triumph staff to move the project forward and noted that for the first time in almost 24 years the port had an oceangoing ship call (though the product had to be taken from the port to the ship by shallow barge) and that it represents an exciting future possible for the counties. He thanked the Board for its consideration of the proposal.

Mr. Henderson asked about how the channel would be maintained once the dredge work is completed. Mr. Magidson responded that the U.S. Army Corps of Engineers would be responsible for keeping the channel maintained to its specified depth once the original dredge work is completed and as long as the port maintains a specified amount of traffic and tonnage to qualify as an operating port. He said that while the port is authorized to dredge up to 35 feet that this request was to dredge to 32 feet due to cost considerations. He said that depth will allow for up to 75% of all ships to enter the port.

Mr. Lee asked the Port Director if he had pursued any additional federal funds after Hurricane Michael and COVID that might be available for the project. Mr. Magidson assured him that he was looking into that possibility but had not identified any other sources to date. Mr. Magidson noted that City Commissioner David Ashbrook, Economic Development Officer Jim McKnight, and he were all present today and heard Mr. Lee’s interest in pursuing additional revenue sources and would all work on that goal. Mr. Bense asked if there had been any progress on discussions about widening Highway 71 from Port St. Joe to I-10. He said such a corridor would improve port operations. Mr. Magidson did not know of any recent discussions in that regard.

Chair Gaetz asked if any member of the public wished to be heard on the proposal. Ms. Amy Miller, Deputy Administrator for City of Pensacola, noted that she was formerly the Port Director of Port of Pensacola and stood in support of this project. She said that Port of Pensacola does not view this as competition to its own port, rather growing the possibilities for maritime activity in the region.

**Mr. Henderson made a motion to direct staff to move to Term Sheet negotiations with Port Authority of the Port of Port St, Joe. The motion was seconded by Mr. Terry and passed unanimously (7-0) on a roll call vote.**

**Public Comment**

Ms. Amanda Negrón, Director of the Hsu Educational Foundation spoke about the commitment of the foundation to the creation of the Center of Aviation Excellence and how proud the foundation is that students are starting to take classes here. She commended Northwest Florida State College for its commitment to the project and said that the foundation is committed to sustaining the program for years to come. She said the commitment represents the work of approximately 60 partners and includes outreach such as summer programs for elementary, middle and high school students to bring awareness and understanding of how important the skills taught at this center are to the future of the region. She said there is a groundswell of excitement about the pathways that are being created here in areas such as robotics, 3-D printing, cybertraining and unmanned vehicle training. She said the foundation is working steadily on focusing on the younger students to bring them into these learning pathways. The foundation is working in collaboration with the Okaloosa County School District and the U.S. Air Force on these programs. In addition, the foundation has reached out to FSU and to Walton County Schools for their input and participation. She thanked Triumph Gulf Coast again for its commitment to moving exciting projects like this one forward for the region.

There being no further business, the meeting was adjourned at 2:48 pm CT.