

**Meeting Minutes
Triumph Gulf Coast, Inc.
Conference Call Meeting
877-309-2073
ID: 143-875-565
October 18, 2021
1:30 p.m. CT**

MEMBERS PRESENT:

David Bear
Allan Bense
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. He acknowledged the remarkable philanthropic gift that the Bear Family Foundation had recently made to the Baptist Hospital System in Pensacola and thanked Mr. David Bear for his family's continued generous support of the region. Mr. Bear noted that the donation was a wonderful way for his family's foundation to continue to support the community and he appreciated the opportunity to participate.

Ms. Susan Skelton, Executive Director, called the roll and announced the presence of a quorum with all members on the call.

Chair Gaetz said that the minutes of the September 13, 2021, meeting had been circulated and asked if any members had changes to the minutes as circulated. None being noted, the minutes were approved as circulated without objection.

Treasurer's Report

Assistant Treasurer Ben Lee called on Ms. Jennifer Davidson, CPA, to provide a review of the September 2021 Financial Report. Ms. Davidson said that the monthly operational costs remain under budget and that \$720,000 for Grant Awards was distributed in September. Chair Gaetz asked her to go through each of the eight counties and report on amounts obligated for each county and amounts remaining in statutorily required disbursements in those counties. Ms. Davidson said that in Bay County Triumph Gulf Coast has committed approximately \$52 million, which is \$27 million over the statutory requirement. In Escambia County, the Board has committed approximately \$75 million, which is \$50 million over the requirement. In Franklin County, the Board has committed \$13.7 million and still has \$10.9 million in reserve to meet the statutory requirement to date. In Gulf County the Board has committed \$25.7 million which is \$1 million over the requirement. For Okaloosa County, the Board has committed \$24.6 million to date and has another \$50 million earmarked for funding in future years. In Santa Rosa County Triumph has committed approximately \$46 million which is \$21 million over the statutory requirement. In Wakulla County the Board has committed \$13.2 million and has \$13.2 million in reserve to meet the required spending level in the county. In Walton County the Board has committed almost \$11 million and has \$13.6 million in reserve for statutory spending levels to be met.

Mr. Reynolds Henderson commented that for the counties that continue to be under their required award amounts, it would be wise for them to focus on bringing forward quality economic development or workforce development programs for consideration so that they do not continue to fall behind.

Mr. Lee made a motion to accept the September 2021 Financial Statement. The motion was seconded by Mr. Henderson and passed without objection.

Staff Report

Ms. Skelton reported that the Legislature is preparing for the January 2022 Legislative Session and that Committee Meetings are ongoing this week. She said that to date, there are no bills filed that would affect Triumph Gulf Coast and staff continues to monitor legislative activities. She said that there are bills pending to extend VISIT Florida (2030 in the Senate, 2028 in the House). The major focus of the upcoming session will be on the reapportionment and redistricting process.

Staff continues to respond to any requests for information from the Auditor General's Office as part of the annual operation audit process.

Ms. Skelton explained that it was time for annual performance review and renewals of professional services contracts, and it is her intent to bring those reviews back to the Board at the November meeting. Additionally, she asked the Chair to appoint the Performance Review Committee for her required annual review. Chair Gaetz noted that the annual review is part of Ms. Skelton's contract and must be performed by members who have worked with her for at least one year. He asked that the eligible Board members, Mr. Lee, Mr. Allan Bense and Mr. Matt Terry serve on the committee with Mr. Lee serving as Chair of the committee. All three agreed and Chair Gaetz asked Mr. Lee to coordinate that publicly noticed meeting of the committee with Ms. Skelton and the other members for no later than the December Board Meeting.

Legal Report

Mr. Alan Manning, Legal Counsel, offered a review of the First Amendment to Grant Award Agreement for Proposal #207 – Gulf Coast State College – Gulf/ Franklin Campus – Nursing Simulation Center - NO ADDITIONAL FUNDS REQUESTED. He said the amendment will extend the due date of the agreement for one year. Additionally, the amendment will reallocate funds among the various budget categories. He noted that while the overall cost of the project has increased by \$95,220, there are no new Triumph funds, and the increase will apply towards the college's match. Chair Gaetz asked how the "if necessary" language related to the timeline extension would be determined and if such an extension would have to come before the Triumph Board. Mr. Manning replied that the grantee would have to show some reasonable need and that final decision would rest with the Board.

Dr. John Holdnak, President of the Gulf Coast State College, thanked the Board for its understanding of the difficulties encountered in the current COVID environment, both in the construction and in the classroom delivery of the instruction. He said the Gulf/Franklin Campus is completely out of classroom space and the additional modular buildings being brought in for this program are critical to continued success. He noted that the lack of space at the campus is primarily because of the great programs that Triumph is funding there. He said that his team

continues to push to bring the project in early, but that this amendment will give them some breathing room on their deadlines. Chair Gaetz asked if anyone from the public had any comments. No one responded.

Mr. Lee made a motion to adopt the amendment to Proposal #207. The motion was seconded by Mr. Bense and passed unanimously on a roll call vote (7-0.)

Mr. Manning then reported on the Term Sheet Negotiation for Proposal #237 - Port of Port St. Joe Port Authority – Dredging of Shipping Channel for \$15,000,000. He noted that the proposed term sheet contains terms discussed by the Board at its September 13 meeting pertaining to time contingencies for the grantee to obtain matching funds, as well as guarantees of the performance metrics. He said that the deadline to meet both contingencies is July 3, 2023. If one or both contingencies are not met by that date, then the grant would be deemed revoked by Triumph Gulf Coast. He said that otherwise, the term sheet follows our standard template with performance metrics developed by Dr. Rick Harper, Economic Advisor.

Mr. Terry noted the significance of the proposal and said that this is a long lead project that will bring true economic transformation to Gulf and Franklin Counties. Mr. Guerry Magidson, Port Director, Port of Port St. Joe thanked the Board for consideration of the proposal and noted that the term sheet had been presented at his Port Authority meeting the past Wednesday and approved unanimously by his members.

Chair Gaetz asked if anyone from the public wished to speak on the proposal. No one spoke.

Mr. Henderson made a motion to direct staff to move to Grant Award Agreement negotiations with the Port of Port St. Joe for Proposal #237. The motion was seconded by Mr. Terry and passed unanimously on a roll call vote (7-0.)

Program Administration

Program Administrator's Report

Ms. Cori Henderson, Program Administrator, presented her regular report. She noted that all grantees (except for one grant) have Annual Reports due to Triumph Gulf Coast on October 31. She said that staff and subject matter experts will review each of those reports and bring our recommendations back to the Board at upcoming meetings. She said that information will also be informative in our preparation of the Semi-Annual Report to the Governor and Legislature due on December 31.

In anticipation of upcoming proposals to be heard by the Board, Ms. Henderson gave a brief overview and “review” of confidentiality which may be requested by corporations in their negotiations for economic development is allowed for certain proposals under s. 288.075, Florida Statutes. She noted that Triumph is currently in receipt of a number of such confidential requests and said that if regional economic development staff reach out to members to brief them on such projects or invite members to interact with companies, she encourages members to assume that the project is one that has requested confidentiality. She said the easiest way for Triumph to remain compliant under the statute is for members not to take any materials from any briefings or interactions with the companies and not to write down any information that includes the name of any company. Otherwise, she highly encourages members to take the meetings with the economic development professionals and interested companies to help close these important deals for Northwest Florida. Ms. Henderson pointed out that when a proposal,

such as one that Dr. Harper will present today, is under confidentiality restrictions, the Triumph Board has put forth, as one of its criteria for consideration, that the company involved in the negotiations must publicly declare its interest prior to final consideration of a Grant Award Agreement by Triumph Gulf Coast. Staff has used the statutorily required 14-day public notice requirement as the deadline for a company publicly announcing its participation to Triumph. She requested that if any members had further questions about the confidentiality requirements to reach out to either her or Mr. Scott Remington, Legal Counsel, for assistance. (NOTE: Ms. Henderson is trained to handle confidential requests and staff interaction with those applicants is limited under the direction of Ms. Henderson. All documents related to confidential requests are clearly marked and held in special electronic files that have additional security controls to limit access.)

Mr. Bense made a motion to accept the Program Administrator's Report. The motion was seconded by Mr. Terry and passed without objection.

Economic Advisor's Report

Dr. Harper reported that staff and counsel are continuing to work with representatives from Bay County to find a solution to a funding issue related to Proposal #258 – Bay Economic Development Alliance – Project Lightning Strike for \$7,000,000. This proposal is one that would support the electric power sector for manufacturing that would take place in Bay County. The request is for a Triumph grant of \$7 million for the creation of 175 high wage jobs at a cost to Triumph of \$40,000 per job. The issue is related to the relationship of the county to the private entity and how Triumph funds can be used according to the statute. Triumph is tightly limited to the types of infrastructure proposals that may be funded and we are working with Bay County to find a way to be able to proceed with this very good proposal. Discussions are proceeding well at this point and staff hopes to be able to bring a specific set of terms within a proposed term sheet at the next meeting. He said the company that the county is working with makes specialty product transformers, a market that has been hard hit in the wake of multiple natural disasters around the country. He said the company needs to expand capacity to meet demand and is eager to move forward in Bay County. The project would bring an important manufacturer of vital equipment to the region and staff is hopeful that with the substantial progress made over the last several weeks in talks with the county that we will be able to present an explicit term sheet at the next meeting. Ms. Skelton clarified that what Dr. Harper is suggesting that in this event, where we have a very time sensitive proposal, that staff would bring a recommendation to move forward to the Board at the same time that it makes a recommendation for a term sheet. This would consolidate our normal procedure in order to be responsive to the time sensitivity of the request.

Chair Gaetz said that staff is working to model a solution to the issue that would be able to be used for future proposals with similar circumstances. Mr. Bense commented that if you are not trying, you won't succeed. Chair Gaetz said that the Board is ready to proceed whenever a solution is reached, and within public notice requirements, would be available to proceed prior to the next Board meeting if a solution is found.

Dr. Harper then reviewed Proposal #259 – Pensacola Escambia Economic Development Council (PEDC) – Project Pioneer for \$2,500,000. The proposal calls for the purchase and renovation of a 172,000 square foot facility at the Ellison Field Industrial Park to allow for a pharmaceutical research and development manufacturing facility to expand in Pensacola. He noted that pharmaceutical manufacturing is an important target industry for the State of Florida. The company will undertake formulation development and process development, analytical

laboratory testing, manufacturing, and packaging of pharmaceutical products. The request for funds is for \$2.5 million which would be 14.2% of the overall \$17.6 million total project cost, including purchase of the building by the PEDC, a public entity established by statute. PEDC will maintain ownership of the facility and enter a long-term lease with the company. There are ten additional acres available for future growth that is expected by the company. In exchange for the \$2.5 million Triumph grant, the company will guarantee 63 new scientific and life sciences manufacturing jobs that will pay well above the average wage for Escambia County, 36% above the average wage with an additional benefits package included. The cost per job to Triumph Gulf Coast is \$39,683, which is in line with other proposals of this type in the region. The expected increment to household incomes is approximately \$62 million over ten years. This will provide a return on investment to Triumph of \$24.6 for every dollar invested. For these reasons, staff scores this project as an "A."

Mr. Bear disclosed that he is a volunteer Board Member of Florida West and noted that there is nothing in this proposal that would inure to his own special private gain or loss or to anyone in his family and he just wanted to put that on the record prior to any discussion of the proposal. He then said that he thought this proposal was great and that while it is unfortunate that the current tenant of the building is off shoring its operations that Florida West and the PEDC are taking the opportunity to replace jobs with advanced manufacturing positions. Mr. Collier Merrill concurred with Mr. Bear's comments and said that it was great that Florida West was doing a good job trying to replace those positions for Escambia County.

Mr. Scott Luth, Director of Florida West, said that Project Pioneer is a corporation headquartered in Kansas City and that Pensacola is their only location outside of Kansas City. It is important to maintain the company's presence in Pensacola and to continue to provide for its expansion in the region. He said that company has a solid thirty-year track record of success in the pharmaceutical arena. He said that the company is ready to make a couple of technical hires now and that he hopes that if the Triumph Board supports moving ahead with the proposal that those hires could be counted towards the performance metrics to be agreed on in a term sheet. He said that the building is currently still occupied by the company that is leaving. Once that company completes its removal of equipment from the facility, a full assessment of the building will be done prior to purchase of the property by PEDC. Mr. Luth said that he believes that the company will be prepared to disclose its identity at the next Triumph Board meeting when a term sheet is presented.

Chair Gaetz asked if anyone from the public wished to be heard on the proposal. No one spoke. Mr. Henderson made a motion to direct staff to proceed to term sheet negotiations on Proposal 259. The motion was seconded by Mr. Merrill and passed unanimously on a roll call vote (7-0.)

Public Comment

Chair Gaetz asked if anyone from the public wished to address Triumph Gulf Coast on any matter. No one spoke.

Closing Remarks

Mr. Bense said that he wanted to properly welcome each of the new Board members and to let them know that he has great expectations of them as the next generation of Triumph Gulf Coast. He said he looks forward to working with each of them over these next months of transition from the original Board to the future Board as he, Chair Gaetz, Mr. Lee and Mr. Terry complete their terms.

Mr. Henderson said that he is excited to get to work and to have this opportunity. He asked if staff could investigate ways to get out into our communities to let them know more about our process. Chair Gaetz said that while we have done that continuously over time and that our counsel has met with County Commissioners and our staff regularly meets with local governments, but we stand ready to do more if needed and staff would gladly take ideas on how to facilitate that. He said that any Board member is free to meet with anyone about Triumph Gulf Coast to find ideas proposals and there is no need to wait for anyone's permission to have those meetings. He said he would encourage members to check in with Ms. Skelton so that she and staff can follow up as needed.

Mr. Lee said that he echoed what Mr. Bense said and that he and others wind down their terms he looks forward to working with our three new members. He said that the Board has some amazing new members, and he really appreciates their willingness to serve. He said he wanted to give a shout out to the Triumph staff and consultants who are dealing with an incredible number of projects and the quick turnarounds that are facilitated by staff. He said that he just really appreciates the work that our entire staff is doing in keeping projects moving forward. He said it is gratifying that our staff keeps things moving at the speed of business, not the speed of government.

Mr. Merrill thanked Mr. Bense and Mr. Lee and said he hoped the new members can live up to their expectations. He said it is nice to step into an organization that has been well run and does not have major problems to address.

Mr. Bear said that he echoed everything that has been stated and agreed that it is nice to work with a group that is doing great things for our counties. He said he would like to see the continued focus on workforce development with targeted industries like aerospace.

Ms. Skelton announced that the next scheduled meeting will be in Bay County on November 18 and will be held in conjunction with the Haney Technical Center Ribbon Cutting for the HVAC training facility provided by funding from Triumph Gulf Coast. The Ribbon Cutting will be at noon at the Haney campus and the Triumph meeting will follow at 1:30 p.m. at the Board of County Commissioners Chamber in the Bay Government Center. She closed by congratulating Florida's Great Northwest for winning the Best in Show award for the marketing campaign it developed for Triumph Gulf Coast at the recent Florida Economic Development Conference in Orlando.

There being no further business, the meeting was adjourned at 2:20 p.m. CT.

Adjourn