

**Meeting Minutes
Triumph Gulf Coast, Inc.
Destin City Council Chambers
Destin City Hall Annex
4100 Indian Bayou Trail
Destin, Florida 32541
December 16, 2021
10:30 a.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 10:30 a.m. CT and thanked the Destin City Council for allowing Triumph Gulf Coast to hold its meeting in the Council Chambers.

Program Administrator Cori Henderson called the roll and announced the presence of a quorum. All members were present.

The November 18, 2021 Meeting Minutes were approved as circulated.

Treasurer's Report

Mr. Ben Lee, Assistant Treasurer, asked Ms. Jennifer Davidson, CPA, to present the November 2021 Financial Report. Ms. Davidson gave the report and noted no significant changes from previous reports. **Mr. Lee made a motion to accept the report as presented. The motion was seconded by Mr. Reynolds Henderson and approved without objection.**

Staff Report

Chair Gaetz asked Mr. Scott Remington, Legal Counsel, to proceed with conducting the Annual Election of Board Officers for 2022. Mr. Remington explained that each term will be for one year commencing on January 1, 2022 and ending on December 31, 2022. According to the organization's bylaws, the Chair and Vice-Chair must be members of the board. The Treasurer and Secretary may be members of the board or may be someone else. He then called for nominations for the office of Treasurer.

Mr. Lee nominated Mr. Henderson for the office of Treasurer. The nomination was seconded by Mr. Allan Bense. There were no further nominations. Mr. Henderson was elected Treasurer by acclamation.

Mr. Remington then called on nominations for the office of Secretary. He noted that the current Secretary is Executive Director Susan Skelton. He explained that the in the past the board has

chosen to have Ms. Skelton as Secretary to keep up with all the organization's records and perform the normal duties of the office. He noted that any member of the board is eligible to serve in this position.

Chair Gaetz made a motion to nominate Ms. Skelton to serve as Secretary. The motion was seconded by Mr. Henderson. There were no further nominations. Ms. Skelton was elected Secretary by acclamation.

Mr. Remington then called for nominations for the office of Chairperson. He explained that any member of the board was eligible to serve as Chairperson.

Mr. Collier Merrill nominated current Chair Don Gaetz to continue as Chairperson. The motion was seconded by Mr. David Bear. There were no further nominations. Chair Gaetz was elected to continue as Chairperson by acclamation.

Finally, Mr. Remington called for nominations for the office of Vice-Chairperson. He said that any member of the board was eligible to serve in the position and noted that the current vacancy was due to the ending of the immediate past Vice-Chair, Pam Dana's term on the board.

Chair Gaetz nominated Mr. Merrill as Vice-Chairperson. The nomination was seconded by Mr. Bear. There were no further nominations. Mr. Merrill was elected to the office of Vice-Chairperson by acclamation.

Mr. Remington turned the gavel back to Chair Gaetz. Chair Gaetz said that he appreciated the vote of confidence and noted that his statutory term of office will end in June 2022 so a new Chairperson will need to be elected upon his departure from the board. Mr. Bense congratulated all newly elected officers and said that he was pleased to have new members serve along with Chair Gaetz as the board continues its full transition in 2022. He thanked Chair Gaetz for his service as Chair and noted that it adds a level of continuity as the board moves forward.

Ms. Skelton, participated by phone, then gave a brief update on the response to letters sent to Franklin, Wakulla, and Walton County Commission Chairs regarding possible meetings with Triumph members and staff to facilitate assistance with funding proposals. She said that staff has been having productive meetings with the Wakulla County Administrator and staff on upcoming proposals, and that the Chair of the Walton County Commission has indicated that he will contact us after the new year to set up a meeting there. Mr. Terry has reached out to the Franklin County Commission Chair who has directed his County Administrator to contact us about a meeting. To date we have not heard from the County Administrator.

Ms. Skelton then reported that staff continues to follow committee work leading up to the 2022 Legislative Session that begins on January 11, 2022. She said that as of now, no bills related to Triumph Gulf Coast have been filed.

The Auditor General's Office continues to face staffing challenges that have delayed completion of this year's annual audit. Our staff stands ready to provide any requested information.

Due to audio issues with Ms. Skelton's phone, Ms. Henderson then reported that staff is continuing to work to complete the statutorily required December 2021 Semi-Annual Report to the Governor and Legislature. Staff asked for permission to continue the work and for approval

to have Chair Gaetz sign off on the final report for delivery prior to the December 30, 2021 deadline. **Without objection, the request was approved.**

Mr. Alan Manning, Legal Counsel, then read a resolution outlining a Proposed Policy on De-obligation of Funds for Non-Active Applications. He explained that over time, situations have developed wherein, for whatever reason, applicants have abandoned efforts to complete Grant Award Agreements with Triumph Gulf Coast. A formal mechanism for de-obligation of those funds is needed for accounting purposes. He noted that the resolution allows for the board to use its discretion in extending the 180-day period for completion of a Grant Award Agreement if there are continuing good faith efforts on behalf of the applicant, or other extenuating circumstances. **Mr. Henderson made a motion to adopt the resolution and the policy. The motion was seconded by Mr. Bear. The motion was adopted without objection.**

Legal Report

Mr. Remington reported that it was time for renewal of the Directors and Officers Insurance Policy for directors' liability and employer's Employment Practices Liability Insurance Policy. Each coverage has a \$1 million maximum with an aggregate coverage of \$2 million. He said that after the policy was put out to bid the premium for the policy went up approximately 15% from \$19,857 to \$22,860 due to the addition of three new board members since the policy covers current and past board members. Additionally, Triumph's overall assets have increased year over year. He indicated that the quote was the best one received from the broker and that all documents to bind the coverage have been executed. He said counsel was requesting the board to approve obtaining the policy and issuing a check to pay for the policy. **Mr. Henderson made a motion to approve the policy and pay the premium. The motion was seconded by Mr. Bense and approved without objection.**

Mr. Manning then gave a review of the First Amendment to Grant Award Agreement #202 – Gulf Coast State College – Gulf Campus – Tech Center for Emergency Response and Communications – NO ADDITIONAL FUNDS REQUESTED. He said that the college has requested a one-year extension of the deadline for the performance metrics due to supply chain issues related to delivery of specialized equipment needed to complete the required course training. The training cannot be completed without the equipment.

Dr. John Holdnak, President of Gulf Coast State College, thanked the board for its consideration and said that the original agreement was reached prior to Covid-19 and the related issues relating to supply chain slow-downs. He said that the training should be completed on time, but the provision of a specific date for delivery of the equipment was problematic. The amendment should clear up these issues.

Chair Gaetz asked if any member wished to speak 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 on a roll call vote (7-0.)**

Mr. Manning presented a review of Term Sheet Negotiations for Proposal #251 – Santa Rosa BOCC – Milton Interchange Park for \$15,378,683. He said that this term sheet is a little different than others that Triumph has entertained and that were changes from the initial proposal that the board had reviewed at the last meeting. He said that funds would be used to purchase land at the Milton Industrial Park property and to make infrastructure improvements at the park. \$5,378,683 would be funded upon the purchase of the land by Santa Rosa County from the

current owner and the county will secure those funds. In lieu of the original plan to hold the current landowner responsible for part of the required clawback, the landowner has agreed to reduce the sale price of the property by the \$500,000 that would have been its share of the clawback. The county will now be responsible in full for the performance clawback. To assure that those funds are available, there will be a mortgage recorded against the property in Triumph Gulf Coast's name. If, for whatever reason, the county does not fulfill its obligations Triumph will have the ability to foreclose on the property. This provision gives the county additional incentive to fulfill its performance requirements.

Santa Rosa County Commission Chair Robert Cole thanked Triumph for working so diligently with the county to find a reasonable and workable solution and said that the county supports the proposed term sheet as presented. He then asked to allow Mr. Shannon Ogletree, Economic Development Director for the county to answer any additional questions.

Mr. Henderson asked Mr. Manning to affirm that there was no prohibition on Triumph Gulf Coast holding a mortgage. Mr., Manning assured him that there was no prohibition. Mr. Lee asked Mr. Manning to confirm that proper title insurance would be included. Mr. Manning confirmed that there would be such insurance.

Mr. Ogletree then addressed the board and thanked them for consideration of the proposal. He said that economic development continues to thrive with all parcels spoken for at this park and almost all parcels spoken for at the other industrial parks in the county. The county will be working with its utility partners to identify other potential industrial sites as the interest in locating there continues to grow. He said that relative to this proposal, credit should go Ms. Erica Grancagnolo who has been instrumental in coming up with alternative financing methods that would satisfy both the current landowner and Triumph Gulf Coast. Ms. Grancagnolo thanked the Triumph staff for working through the issues with the county and arriving at the proposed agreement.

Chair Gaetz noted that while the term sheet is a bit more complicated than others that the board has entertained, it represents the hard work and determination of both sides to come up with a solution that can work for everyone and bring much needed jobs to Santa Rosa County. He thanked Triumph staff and the Santa Rosa negotiators for staying at the table to bring this positive result. He then asked if there was any public comment on the proposed term sheet. No one asked to speak.

Mr. Bense made a motion to approve the term sheet and direct staff and counsel to move forward with Grant Award Agreement negotiations. The motion was seconded by Mr. Merrill and passed unanimously on a roll call vote (7-0.)

The next review was of Term Sheet Negotiations for Proposal #259 – Pensacola Escambia Economic Development Council (PEDC) – Project Pioneer for \$2,500,000. Mr. Manning said that the funds would be used by the council to purchase property that the proposed tenant would renovate and occupy under a lease agreement with the PEDC. The PEDC will be responsible for assuring that the tenant meets all terms of the performance agreement. As part of the lease agreement, the tenant will assure it will meet the required metrics. Any failure to meet the performance metrics by the tenant will be actionable by the PEDC but the PEDC, as owner of the property, will still be liable for any clawback to Triumph Gulf Coast.

Mr. Lee asked if the Escambia County Commission had recommended this proposal. Chair Gaetz asked Mr. Scott Luth Director of FloridaWest and PEDC to step forward to respond. Mr.

Luth explained that the PEDC is a special district of the State of Florida, with members appointed by the City of Pensacola and Escambia County. He said that two members of the City Commission and two members of the County Commission vote on the PEDC, so it does not directly fall under the jurisdiction of the County Commission. Such direct recommendation does not exist at this time. Chair Gaetz indicated that such a recommendation would be needed by Triumph and Mr. Luth said that he would be happy to provide it prior to the Grant Award being finalized.

Mr. Bear said that this is a great proposal that provides for rehabilitation of building that is being abandoned by another company that will result in the creation of high paying jobs for Escambia County residents. Mr. Merrill concurred with Mr. Bear's comments and asked about when the clawback requirements would have to be met. Mr. Manning said that generally the clawback would be requested at the end of the term of the contract and the awardee would have thirty days to pay before interest would begin to be applied based on Wall Street Journal plus 3%.

Chair Gaetz asked Dr. Rick Harper, Economic Advisor, for his comments on the proposal. Dr. Harper noted that while replacing jobs lost by the relocation of the former industrial tenant, this proposal will give the region an important placement of pharmaceutical manufacturing jobs with associated high wages. He said that Triumph staff is very supportive of the proposal going forward.

Chair Gaetz asked Mr. Luth when the tenant would be ready to publicly announce its intentions, as Triumph Gulf Coast would require identification of the tenant prior to moving forward with a grant award agreement.

Chair Gaetz asked if anyone from the public wished to be heard on the proposal. No one spoke. **Mr. Merrill made a motion to direct staff and counsel to move to Grant Award Agreement negotiations with the PEDC. The motion was seconded by Mr. Henderson and passed unanimously on a roll call vote (7-0.)**

Program Administration

Program Administrator's Report

Ms. Henderson opened her report with a forward look at new proposals that are anticipated in the 2022. She said that new funding models are being developed to accommodate upcoming requests as the region continues to be shortlisted on competitive high wage job creation projects in targeted sectors. She noted that on the workforce training side of the Triumph portfolio, applications related to further development of collegiate high school and dual enrollment models are coming in. These applications are arriving with newly released state funding that may be applied towards Triumph match requirements. There are continuing conversations related to meeting tomorrow's health care and nursing workforce needs across the region as well as how to strengthen education and military based communities considering a potential future round of Base Reallocation (BRAC) discussions at the federal level.

Ms. Henderson noted that our school districts are still managing the impacts of COVID closures, but that younger students given the opportunity are successfully completing technology curricula faster than it can be developed for their age groups. Northwest Florida is in an enviable position with having Triumph funds available as the nation and world move out of the pandemic. Triumph continues to receive grant applications that break traditional education boxes and grant requests

for the types of job creation that was envisioned when Triumph Gulf Coast was created. She then proceeded in giving her regular report. One item that required specific attention from the board was a request to send a letter to Tallahassee Community College informing them that the offer of funds for Proposal 167 will be withdrawn and the funds deobligated due to the college's failure to proceed with term sheet and grant award negotiations for an extended period. The request is in keeping with the policy adopted earlier in this meeting. Of note in the portion of the report dealing with construction projects, Ms. Henderson reported that Mr. Randy Lewis, Construction Management Advisor, had completed a final site visit at the Whiting Aviation Park with a positive review.

Ms. Henderson reported that all workforce education grant awardees had provided their statutorily required annual reports, and that those reports are attached to the Program Administrator's Report. As required, Triumph staff has reviewed those reports and recommends continued funding for all projects. She highlighted the great work being done by the Wakulla School District, which continues to exceed requirements for awarding CAPE Certifications using Triumph funding and indicated that this program would be considered for a Triumph Horizon Award. She noted that the Gulf Coast State College Unmanned Systems Boot Camp for separating military personnel, their spouses and area high school students, is ahead of its requirements and that all its graduates have had job offers. She said that while recruiting those students, companies have learned of the benefits of Triumph training in the region which has led to additional economic development leads for Florida's Great Northwest.

The Northwest Florida State College Aviation Center for Excellence received its FAA certification in record time and students began Airframe and Powerplant classes at that facility and at Lively Tech in Tallahassee this fall. The Okaloosa School District is ahead of schedule in development of its AI Curriculum that will include instruction for elementary, middle, and high school students. In conclusion, Ms. Henderson pointed out that one school district had been struggling considering the COVID setbacks, but that through the good work of Dr. Frank Fuller, Education Advisor, in developing a recovery plan for the district, all the Triumph funded classes are now experiencing full enrollment and the students are doing well with the course work.

Mr. Henderson made a motion to accept the report in full. The motion was seconded by Mr. Lee and approved without objection.

Economic Advisor's Report

Dr. Harper then gave an overview of Proposal #258 – Bay Economic Development Alliance – Project Lightning Strike for up to \$7,000,000. He said the proposal would be for Bay County to lease and make infrastructure improvements on a six-acre laydown facility in the Venture Crossings Industrial Park that is contiguous to the Northwest Beaches International Airport in Panama City Beach. The proposal will allow a business in the electricity distribution sector to relocate operations from out of state to Bay County. The tenant company designs and manufactures transformers and transformer components, products that are critically needed in the construction sector across Northwest Florida. The requested funds would be matched with \$14.9 million in city and county tax reductions and investment by the company in facilities and equipment. The Triumph funds would represent 31.9% of the overall \$21.9 million project cost. The county will use half of the funds to lease and improve the site and the other half would go towards enabling ad valorem tax rate reductions, to be matched in equal amounts by local governments, over the life of the grant. Any unused Triumph funds would not be dispersed by the county. The county will guarantee creation of 200 new jobs at an annual wage rate that is 115% of the specified wage for the Panama City metropolitan area. The jobs should be filled by

the third year following completion of the site improvements and are guaranteed to be maintained for no less than three years. The cost per direct job to Triumph Gulf Coast is \$35,000 and the proposal will result in an increase of \$153.3 million in local additional family income (\$21.9 for every Triumph dollar invested) over ten years. Staff scores this proposal as an A and recommends its approval.

Chair Gaetz recognized Ms. Becca Harden, Bay Economic Development Director, for comment. Ms. Harden said that the proposal was a partnership between the county and the St. Joe Company to bring this much needed manufacturing company to the region and that she looked forward to continuing to work with the Triumph Board and staff in moving the proposal to fruition. She said that the company is very committed to the strategic location in Bay County. Chair Gaetz asked if amortization of the costs related to the proposal would be considered as part of the term sheet negotiation since the duration of the Triumph Grant Award would only be for seven years or if a longer-term lease might be needed to reach an amenable amortization of the improved property. Ms. Harden responded that the county was "very coachable" relative to terms be included. Chair Gaetz asked Mr. Lee, as an expert in banking, if he had any thoughts on the issue. Mr. Lee responded that since the lease was with the county, he would feel comfortable with the county's procurement team actions related to assuring the responsibilities of the lease. Chair Gaetz asked Ms. Harden to work with Mr. Lee and Ms. Davidson to assure that any concerns Triumph might have been resolved at the term sheet level. She agreed to work with them.

Chair Gaetz asked if any member of the public wished to be heard on the proposal. Santa Rosa Commission Chair Cole asked if the county had assured that there would be no negative environmental impacts from the proposed manufacturing. Ms. Harden responded that the county is doing its due diligence as required.

Mr. Henderson made a motion to direct staff to move to term sheet negotiations with Bay County on the proposal. Mr. Bear seconded the motion which passed on a roll call vote (7-0.)

After a short recess, the meeting was reconvened.

Chair Gaetz called on Dr. Fuller to present the staff recommendation on Proposal #257 – Pensacola State College – Cyber Security and IT Programs Expansion for \$11,998,919. Dr. Fuller indicated that there was an ongoing need for training in the sector and that the college is poised to expand its offerings to meet the need but is lacking classroom space to be able to proceed. He then asked Dr. Debbie Douma, Director of Grants and Funding for Pensacola State College, to speak to the proposal. Dr. Douma said that the State of Florida has provided an initial investment of \$12 million for the construction of a new building with the City of Pensacola providing \$25,000 and Escambia County providing \$300,000. The college has added \$3.3 million for the project. Dr. Fuller noted that while the recently approved FSU ASCENT project is a long-term training program designed to follow students from elementary through graduate training, this proposal is much more high-end training related to management of software that controls programs on Microsoft, Adobe, and Cisco platforms. These courses are more geared towards production level work as opposed to the more foundational courses offered in lower grades. Dr. Douma indicated that the college plans to produce 6000 certificates in conjunction with this proposal.

Dr. Fuller pointed out that colleges and universities are having to adjust to the new business training models being used by companies such as Google and Amazon that provide very

focused, on the job and job specific training to employees and bypass traditional education models. The type of training being offered by this program will integrate well with these new training models. As we continue to strive to work at the speed of business, we must adapt to the new workforce training models across our region. He made the point that the education marketplace is rapidly changing, and that Triumph must work with our partners to assure that our students are keeping pace with the changes. He said that colleges across the region are already working to integrate these new platforms into their curricula.

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

Mr. Henderson made a motion to direct staff to move to term sheet negotiations on the proposal. The motion was seconded by Mr. Bear and passed on a roll call vote (7-0.)

Chair Gaetz then asked if any member of the public wished to speak on any issue. No one spoke.

Mr. Remington told the board that he needed to add one more item due to the result of the elections held at the beginning of the meeting. He said that authorization to add Mr. Henderson to the list of signature authority for Triumph Gulf Coast, Inc., as the newly elected Treasurer. Mr. Terry made a motion to grant Mr. Henderson signature authority. The motion was seconded by Mr. Bense and approved without objection.

There being no further business, the meeting was adjourned at 12:21 p.m. CT.