

**Meeting Minutes
Triumph Gulf Coast, Inc.
Pensacola International Airport
Suite 225
2430 Airport Drive
Pensacola, FL 32504
June 28, 2022
10:30 a.m. CT**

Members Present:

David Bear
Don Gaetz, Chair (by phone)
Reynolds Henderson, Treasurer
Collier Merrill, Vice Chair
Matt Terry

Vice Chair Collier Merrill called the meeting to order at 10:40 a.m. CT and announced that Chair Gaetz was joining the meeting by phone and asked him to chair the meeting.

Executive Director Susan Skelton called the roll and announced the presence of a quorum.

Mr. Matt Coughlin, Pensacola International Airport Director, welcomed the Board to the airport.

Mr. David Bear made a motion to approve the May 25, 2022 Meeting Minutes. The motion was seconded by Mr. Matt Terry and passed without objection.

Treasurer's Report

Mr. Reynolds Henderson, Treasurer, noted that Ms. Jennifer Davidson was unable to attend the meeting and called on Mr. Easton Ramer, CPA, and Shareholder of Tipton, Marler, Garner and Chastain CPA Firm, to present the May 2022 Financial Report. Mr. Ramer reviewed the compiled report for the month and the past twelve months. He said that Triumph continues to operate under its approved annual budget. **Mr. Henderson made a motion to accept the report. The motion was seconded by Mr. Terry and passed without objection.**

Staff Report

Ms. Skelton reported that the \$5 million in interest funds that were designated to be sent back to Triumph Gulf Coast from the Department of Economic Opportunity for administrative costs in the 2022 State of Florida Appropriations Act have been received and staff will present a recommendation for allocation of those funds at an upcoming meeting.

Ms. Skelton reported that the 2020-2021 State of Florida Auditor General's Audit has been issued and there were no findings. She noted that the 2021-2022 audit will begin shortly and that an Entrance Conference will be scheduled in the near future.

The June 2022 Semi-Annual Report to the Governor and Legislature was delivered electronically pursuant to statutory requirements on June 22 and hard copies have been mailed to the Governor, Senate President, and Speaker of the House of Representatives.

Ms. Skelton announced that Florida House of Representatives Speaker Chris Sprowls has appointed Mr. Jay Trumbull, Sr. to the Triumph Gulf Coast Board. Mr. Trumbull is a business owner from Panama City. He is appointed to serve a four-year term. Three additional board members are yet to be appointed. The Speaker has one additional appointment, and the Senate President has two pending appointments to the Board.

Legal Report

Mr. Merrill announced that the review of Grant Award Negotiations for Proposal #261 – Bay Economic Development Alliance - Project Arrow for \$2,000,000 was being temporarily postponed at the request of the applicant. They expect to bring the project back for consideration at a later meeting.

Mr. Alan Manning, Legal Counsel, then proceeded with a review of Term Sheet Negotiations for Proposal #273 – Bay Economic Development Alliance / BOCC – Project Cast for \$3,675,000. He said that the proposal conforms with previous Triumph grants and that the terms appear to be appropriate. Dr. Rick Harper, Economic Advisor reported that the Triumph grant would represent 33% of the total value of the proposed project with Bay County and its financial partner investing the balance of the overall cost. The project will create 105 net, new jobs which will pay at least 115% of the EFI specified average wage for the county. The permanent job creation will be met by 2026 Q1 and must be maintained for at least three years after the initial goal is met. The cost per direct job to Triumph is \$35,000 which is normal compared to other infrastructure projects funded by the Board. Over a ten-year maintenance period this project is expected to generate up to \$84 million of additional personal income to the community. The project will generate \$22.8 for every Triumph dollar invested. Staff recommends this proposal for funding with an Economic Score of “A”.

Ms. Becca Hardin, President of the Bay County Economic Development Alliance, spoke in favor of the proposal and thanked the Triumph Board for considering the funding request. She noted that the marine industry is a target market for the region and this project will complement work already in process with the new Suzuki Marine Testing facility, Mercury Marine and several other companies that may relocate to the area as this industry hub develops. Ms. Hardin said that one of the net positive outcomes of the project is that it will put buildings that were formerly used for marine manufacturing back into use after they have been vacant since damage from Hurricane Michael.

Vice Chair Merrill asked if anyone from the public wished to comment on the proposal. No one came forward. **Mr. Terry made a motion to direct staff to proceed to Grant Award negotiations with the applicant. The motion was seconded by Mr. Henderson and passed unanimously on a roll call vote (5-0).**

Program Administration

Program Administrator’s Report

Ms. Cori Henderson, Program Administrator, gave her regular report on activities since the last meeting. She reported that staff continues regular work with grantees on the implementation of 42 active projects, with an additional eight projects completed, totaling over \$350,600,000. She said that pre-applications 277 and 280 are recommended by staff as statutorily eligible. Pre-applications 254, 260, 278 and 279 are recommended by staff as statutorily ineligible. **Mr.**

Henderson made a motion to approve the Program Administrator's Report. Mr. Terry seconded the motion which was adopted without objection.

Economic Advisor's Report

Dr. Rick Harper presented a staff recommendation on Proposal #280 – Pensacola-Escambia Promotion and Development Commission (PEDC) – Project Arbor for \$1,500,000. He said that PEDC is partnering with Florida West (Escambia County Economic Development Office) to acquire and renovate a 37,000 square foot building to allow for a leading company that provides IT hardware to businesses in aviation, insurance, finance and other business sectors, federal agencies, and the Department of Defense. It is envisioned that this location will be the Southeastern Regional Headquarters for this national company and will eventually become the National Headquarters. The funding request for \$1,500,000 represents 43% of the total cost of the project. PEDC will maintain ownership of the facility and enter into a long-term lease with the company. A total of 12.8 acres will be available for the initial project and expected expansion. The 72 net, new manufacturing jobs will pay an average salary of 118% of the average county wage for Escambia County and will provide a complete benefits package. The job creation is expected to be completed by the third year following completion of the building construction and improvements and will be maintained for at least an additional three years. The cost per direct job to Triumph Gulf Coast is \$20,833 which is somewhat below the average cost per job for higher wage jobs relative to other infrastructure projects approved by the Board. The increment to personal income in the region is expected to be \$57 million over a ten-year job maintenance period following initial hiring and ramp up period. This amount represents an additional \$38.3 dollars in additional personal income per Triumph dollar invested. For these reasons, staff has given this project an Economic Score of "A".

Mr. Scott Luth, CEO of Florida West Economic Development Alliance, thanked the Board for consideration of the project and recognized that members of Florida West, PEDC and representatives of the Pensacola and Escambia County governments were all at the meeting in support of the proposal. Mr. Luth said that the private company that will lease the building is a nationally known IT hardware company with eight locations across the company. He said the company takes "end of life" hardware equipment and repurposes or recycles that equipment. He asked that the Board consider allowing any accounting for new job creation can begin tolling as a result of any action taken by the Board at this meeting. Mr. Henderson asked if the jobs to be counted would be full time positions. Mr. Luth indicated that they would be and that the company is ready to begin hiring human resources staff to begin the ramp up as soon as possible.

Mr. Bear disclosed that he is a volunteer member of the Florida West Board of Trustees and that he receives no benefit from that service or this proposal, so he does not intend to recuse himself from participating in discussion or voting on the proposal.

Vice Chair Merrill asked if anyone from the public wished to comment on the proposal. No one came forward to speak. **Mr. Bear made a motion to direct staff to begin Term Sheet negotiations with the applicant with the understanding that job creation by the company could begin tolling as of this action. The motion was seconded by Mr. Terry and passed unanimously on a roll call vote (5-0.)**

Vice Chair Merrill took a moment of personal privilege to inquire of Chair Gaetz regarding his diagnosis of Covid. Chair Gaetz responded that he was doing better and following orders not to talk too much. Vice Chair Merrill noted that he was honored to serve as the first Chair of a

Triumph meeting that was not a previously elected official. All prior meetings had been chaired by either Chair Gaetz or former House Speaker Allan Bense. He said that were many dignitaries in the audience today who might want to honor Chair Gaetz at his last official meeting. He said a lot of people have worked to protect Northwest Florida in the wake of the BP oil spill, but none deserve more credit than Don Gaetz. Vice Chair Merrill recognized Escambia County Commission Chair Jeff Bergosh, County Commissioner Steven Barry, and Kenneth Fiddler, Pensacola City Administrator, thanked the Board for all that it has done, and will do for the region. Representative Michelle Salzman expressed her sincere thanks and gratitude for Chair Gaetz and his commitment to the Triumph mission.

Vice Chair said that the Board will honor Chair Gaetz at a future meeting for all that he has done for Northwest Florida.

Recognition of Service

Mr. Matt Terry – President of the Florida Senate Appointee

Former Triumph Board Member Ben Lee was recognized to make remarks honoring his colleague, Mr. Matt Terry, on the occasion of his last meeting, for the work he has done for Triumph Gulf Coast and his commitment to serving the rural counties of the region.

Mr. Lee thanked the Board for allowing him to come back to honor his fellow board member. He said he was honored to be able to speak about Matt Terry who served with him over the past several years. He said that one of the things that he always associates with Matt is that Chair Gaetz would always ask him about projects in “your neck of the woods,” since he lived in Gulf County and represented the interests of the far eastern counties of Gulf, Franklin, and Wakulla whenever those counties were discussed. Mr. Lee said that he had special respect for Matt for representing those interests because it is long way from one end of those counties to the other end with a lot of ground to cover. He recounted the accomplishments of the Board during the time that Matt Terry was on the Board. 16,028 high paying jobs were created, \$356 million of Triumph funds were awarded, \$786 million in matching funds were produced, and 29,977 high skill workers are being trained. Mr. Lee said he knows that Matt Terry was especially dedicated to producing those job training opportunities. He said that Matt never shied away from hard work and was always willing to get in the middle of a deal that needed to be done. He brought numerous groups to the table and drove hundreds of hours to driving across the counties to meet with prospective applicants and all parties involved in putting proposals together. His dedication to working to bring prosperity to the rural counties is to be commended.

Mr. Terry thanked Mr. Lee for his remarks and told the Board that while he lives in Gulf County, he actually grew up in Pensacola and attended local schools. He said he is proud to be able to help all the citizens of Northwest Florida. He said that Triumph Gulf Coast has already done so much good for Northwest Florida and there is so much more to do. He said, “our people are really strong, we come back from adversity, we bounce back from oil spills, from hurricanes, from Covid, rising inflation, rising interest rates and whatever else comes along.” He thanked Chair Gaetz, Speaker Bense and our legislative delegation for their dedication to establishing and maintaining this funding source to help the people of Northwest Florida. He said this pot of money helps our region to attract good businesses and great people and for that he is most thankful. He thanked the staff for all their hard work, and he said he will be staying in touch to

help whenever and wherever needed. He encouraged the Board to “Spend the Money!” He said he knows great projects that will benefit our region lie ahead.

Chair Gaetz said that sometimes the “neck of the woods” that Matt Terry comes from is referred to as the “forgotten coast” but that is not true anymore because Matt always made sure to bring the issues important to those counties forward for consideration. He said there has been an effort for twenty years to bring development to the Port of Port St Joe, but through the good work of former member (Rep) Jason Shoaf and Matt Terry, that project is now on the books with Triumph pledging partnership with the local port authority to do infrastructure improvements that will finally allow for that development. He has been instrumental in the great success of the Wakulla County School Board workforce training projects and has kept a close eye and guiding hand on the Franklin and Gulf County School projects that have required a more hands on commitment. He has been a masterful advocate and representative of his part of Northwest Florida. Chair Gaetz said that Matt Terry represents the new generation of leadership for the region, and he said that Northwest Florida couldn’t be in better hands than Matt Terry and those like him leading us into the next generation of economic success.

Public Comment

Mr. Bill Hafner, Chief Integration Officer for Singapore Technology (ST) Engineering and Project Titan at the Pensacola International Airport, stood to thank the Triumph Gulf Coast Board and to personally thank Chair Gaetz for leading the negotiations that resulted in the success of this MRO project. He said that the project could not have happened without the support of Triumph. He said that Project Titan is the expansion of the already established program serving UPS on its entire 757 fleet right here in Pensacola. UPS will be the primary customer for the first hangar expansion (Hangar 2), bringing its wide body fleet into that new facility. Hangars 3 and 4 will bring in even more jobs, able to serve up to eight wide body civil aircraft or 24 narrow body aircraft at a time. With an increase of up to 2000 new service jobs, Pensacola will become known as the next major aircraft MRO in this part of the world. ST Engineering has already signed a ten-year agreement with United Airlines to bring multiple lines of work to this facility. He said the next challenge is to assure the workforce pipeline for this multi-year project.

Mr. Bradley Wang, Senior Director for ST Engineering, spoke about Project Nova, and the long-term outlook for aviation, which is bright. Airlines depend on MRO to keep the needed planes in the air. He noted the training takes a long time, up to 24 months before the student has hands on capabilities for MRO work. He said that ST Engineering is working with Pensacola State College and George Stone Technical College to develop a brick-and-mortar Airframe and Powertrain training facility right beside the ST Hangars.

Mr. Chips Kirschenfeld, Escambia County Natural Resources Director and Deputy County Administrator, thanked the Board for its support of past and future proposals.

Mr. Shannon Ogletree, Director of Santa Rosa County Economic Development Office, rose to thank Matt Terry for his service. He said that Matt was a great sounding board for him and other economic development officers across the region and he looks forward to a continued friendship.

Mr. Wes Moreno, Escambia County Administrator, thanked the Board for meeting in Escambia County.

Closing Remarks

Incoming Chair David Bear thanked Matt Terry for all his work and commitment to Triumph, and especially for all that he has done to keep focus on the “forgotten coast” counties to the east. He noted that Matt’s dedication goes beyond those counties to all the Triumph Gulf Coast counties across the entire coast. He said the Triumph Board is better because of Matt Terry’s service.

Chair Bear said that we are all sorry that Chair Gaetz could not attend this, his last Board meeting, but that all the members, and the public, owe Chair Gaetz a huge thank you for all his hard work and support over the entire history of Triumph Gulf Coast.

Mr. Henderson said he agreed with Mr. Bear’s comments and said he looks forward to seeing Chair Gaetz at the next meeting. He thanked Matt Terry for bringing a fresh perspective to the Board.

Chair Gaetz congratulated Vice Chair Merrill for filling in and thanked the Triumph staff for its continued hard work. He said he would look forward to attending future meetings.

Vice Chair Merrill said that he and Senator Doug Broxson would look forward to being able to honor Chair Gaetz in person at the next meeting. He thanked Representative Salzman for appearing at the meeting.

Ms. Skelton said that former member, Speaker Allan Bense, also had prepared remarks to honor Chair Gaetz, but that those would be saved for a future meeting. She thanked Ms. Erica Grancagnolo, and the Pensacola International Airport team, as well as the Florida Channel, for making this meeting possible.

Ms. Skelton noted that staff will be working with new members as they are appointed. On behalf of the staff, she thanked Chair Gaetz for his support over the many years.

There being no further business, the meeting was adjourned at 11:35 a.m. CT.

Adjourn