

Meeting Minutes
Triumph Gulf Coast Workshop Meeting
Walton County Commission Chambers
Freeport Business Park
842 Highway 20 East, Unit 118
Freeport, Florida 32439
November 2, 2022
3:00 p.m. CT – 5:00 p.m. CT

Members Present:

David Bear, Chair
Bryan Corr, Sr.
Reynolds Henderson, Treasurer
David Humphreys
Collier Merrill, Vice Chair
Jay Trumbull, Sr.
Leslie Weiss

Chair David Bear called the meeting to order at 3:00 p.m. CT.
Executive Director Susan Skelton called roll and announced the presence of a quorum.

Chair Bear asked if any member of the public wished to address the Board. No one came forward to speak.

Presentation on Prior Boards' processes for applying Florida Statutes requirements and Board Priorities to the Triumph Application Process

Dr. Pam Dana – Original Triumph Board Member and Chair of the Application Design Committee

Mr. Ben Lee – Former Triumph Board Member

Chair Bear introduced Dr. Pam Dana and Mr. Ben Lee and then asked them to address the Board regarding prior Boards' processes for establishing Board Discretionary Priorities and applying statutory requirements for funding of grant proposals.

Dr. Dana, an original Triumph Board member (2013 – 2021) who served as Vice Chair of the Board, and was the Chair of the Application Design Committee, thanked the Board for the opportunity to make a presentation explaining “how we got here” and to be able to answer any questions that the Board may have about the process. She gave a brief overview of the history of the Deepwater Horizon Oil spill and the impacts that the event had on the tourism and seafood industries. She noted that the Legislature began to address the economic damages in 2011 and in 2013 the Legislature created the Gulf Coast Economic Corridor Act, including the formation of Triumph Gulf Coast, Inc., which was intended to help the eight most disproportionately affected counties in Northwest Florida diversify its economy so that future events would not have such a devastating effect on the region. The Triumph Gulf Coast Board

was tasked with developing a framework and process to guide grant funding and administration for funds awarded through the state's settlement agreement with BP.

Given the guidelines set out by the Legislature, the Triumph Board set out to hire a small, competent staff, including Susan Skelton who had more than 30 years of experience with state government and a long career with the Florida Senate; Rick Harper, Ph.D, who had headed the University of West Florida Haas Center and served as a leading economist and economic advisor for the Senate President; Cori Henderson, one of the state's top business development officers who came to Triumph from Enterprise Florida and has worked in legislative and government affairs positions in Tallahassee and Washington, D.C.; and Frank Fuller, Ph.D, who is recognized as an outstanding education expert in the field of career and technical education. She noted that the team also includes Randy Lewis, AIA, who oversees our construction management reviews; Jennifer Davidson, our CPA, and her staff; and our legal team headed by Scott Remington and Alan Manning. She said that the Board was very lucky to get such competent and qualified professionals to assist in the creation and operation of Triumph.

Dr. Dana said that it was particularly important to have a strong legal and accounting team to assist in the formation and implementation of an appropriate and accountable compliance process that could assist in assuring that the requirements and priorities of the Legislature and the Triumph Board would be adhered to in the funding process over the life of a grant award.

The Triumph Gulf Coast Grant Award Application is largely modeled after the State of Florida Jobs Growth Grant Fund Application and backs the use of time-tested economic development practices and values regularly used in scoring, selecting, and monitoring grant projects. Values that were important in formulating the process emphasized leveraging other grant funds, employing partnerships, securing appropriate match funding, optimizing Return on Investment, raising regional household incomes through wage and job creation, and elevating our reputation for regional economic diversification. The Board also backed strong and dependable performance metrics for compliance and clawback provisions for failure to meet those metrics.

The governing legislation requires that Triumph Gulf Coast make awards to projects that meet the legislative mandates, and priorities for economic recovery, diversification, and enhancement of the region. The Board is allowed to establish additional priorities in the award process. Dr. Dana said that it was important to the original Board to understand what the region considered to be shared priorities and goals for meeting the legislative mandate in terms of economic diversification, recovery and sustainability while considering that the goals for our more urban counties would be very different than those of our smaller, rural counties. From 2013 – 2017, the Board held many public forums, workshops, listening sessions and meetings to hear from the counties, cities, and general public to discuss what Triumph should prioritize in the grant award process and what the region should invest in in terms of types of industries, needed skills training, industry certifications, regional marketing, business attraction, infrastructure and regional reputation building. One question was how to measure success in meeting these goals. The Board looked at various strategic plans from across the region and worked with Florida's Great Northwest, Opportunity Florida, county Economic Development Councils, Tourist Development Councils, schools, and colleges to understand the traditional economic sectors in each of the eight counties and how we could support them while growing niche and emerging markets through the use of Triumph grant awards. While embracing the important traditional economic base of tourism, military / defense, manufacturing, the Board also identified growth industry sectors where we might have a distinct niche or edge such as aviation and aerospace

MRO, information technology and artificial intelligence, logistics, cybersecurity, health sciences, maritime and port services, research and development, robotics, and advanced manufacturing.

The original Board looked at area business needs and infrastructure competitiveness and whether the region had the necessary infrastructure and skills to get our workforce into the jobs that new businesses would need to hire for. For the eight-county region, the board established a range of priorities and goals for Triumph funding and to facilitate industry sector growth, skill sets training, certifications, research and development activity and critical infrastructure that would help build and diversify the region to withstand future economic stresses which was the premise foundation for the Legislature's creation of Triumph Gulf Coast. Most importantly, the region all agreed that the Triumph Gulf Coast investments must be purposeful and meaningful and not a "frivolous slush fund" If Triumph was to have a lasting impact across the region for economic transformation.

Dr. Dana stated that all the planning and preparation for the eventual "official" formation of Triumph Gulf Coast happened over the four-year period from 2013 until 2017, prior to having any grant funds to administer. Finally, in 2016, the State of Florida, along with Texas, Louisiana, Mississippi, and Alabama, reached a settlement agreement with BP Petroleum for economic damages from the Deepwater Horizon Oil spill. The State received a settlement amount of \$2 billion for those damages to be paid in equal annual installments through 2033. Pursuant to state statutes, Triumph Gulf Coast will administer the use of \$1.5 billion of those funds. The first appropriation of funds was made by the Legislature to Triumph Gulf Coast on June 3, 2017, a full seven years after the oil spill occurred. That appropriation date became the official establishment date of Triumph Gulf Coast, Inc., for the purpose of disbursement of those settlement funds entrusted to the corporation by the State of Florida. Dr. Dana said that there was a lot of thought and discussion that went into development of the process and board priorities in advance of accepting the first applications in 2017. She said that the design process was guided by the legislation and included input from across the diverse areas included in the region that informed the creation of the important discretionary priorities established by the original board.

Mr. Ben Lee, former Board member and President of the Panama City Market Area for Hancock Bank, then gave a presentation and reviewed the various types of proposals and projects that Triumph has looked at and funded over the last few years. He said that the original board had the heavy lifting responsibilities to create and implement Triumph operations from the very beginning. He said that Dr. Dana, as an original member of that board, and her colleagues did an incredible job of devising a process to be able to be accountable to audits and without any feedback from the Auditor General's Office and should be commended. The board, getting our accounting and compliance process to work in conjunction with the legislation and getting our operations and legal processes in place to begin being able to award grants had a heavy lift. He said that a lot of the credit for making the process work needs to go to the staff that helped "build this airplane while it was already flying." He said that the board and staff was working together, daily, trying to assure accountability while going through and reviewing a massive outpouring of projects from across the region.

One of the most difficult steps was trying to go through and figure out what projects actually fit within the boundaries of the legislation. He said that one of the first obstacles was to come up with a way to grade a project. By law, every application had to receive a grade on its economic benefits. The board looked to the expertise of the region's premier economist, Dr. Rick Harper, for guidance on establishing that scoring process. He said that Dr. Harper has created a scoring

methodology incorporating several different economic tools in conjunction with Emerald Coast Regional Planning Council and other software available to provide the most current and accurate modeling information for the region.

Mr. Lee said that the concept of economic transformation is the foundation of Triumph Gulf Coast and the reason it was created. He said that with a regional economy based almost exclusively on tourism, when the oil spill hit our beaches, it was extremely challenging for our counties to survive the economic impacts. He said that the key to economic transformation was to diversify the economy across the eight counties.

Another important consideration for Mr. Lee was whether the Triumph funding was the last money in to a project after the applicant and other funding sources had showed a level of commitment to the proposal or whether the applicant was asking for Triumph funding before showing any participation through other sources of funding first. He said as a banker, he would never make a loan until the requestor has shown a level of participation by putting their own money or collateral in to a project first. He said that original board member Allan Bense stressed many times the importance of Triumph money not being the first money in to project. He said that Triumph funding should not be the reason for doing a deal, but should be there to help our funding partners complete a worthy project that fits the priorities of the Triumph grant funds. This philosophy was foundational during the early years of Triumph grant awards being made.

Mr. Lee reiterated that it is always important to see what Triumph has invested in to date and to look ahead at what types of proposals fit within the vision of the economic transformation and diversification of the region. He said that as of now, Triumph has invested in 32 workforce education projects, 16 infrastructure projects, 2 Hurricane Michael ad valorem relief projects and one research / marketing project totaling \$515 million.

One of the projects that Mr. Lee said that he enjoyed getting to work on in the education area was the Gulf Coast State College for technical emergency response training. He said that right now, a team from Gulf Coast State College is providing support for Hurricane Ian response in Southwest Florida as a result of that program. The team is mapping the bay off Fort Myers to identify debris, as many as 500 vehicles on the floor of the bay. He said that there was no other team in the state that had the ready technology and training to perform this task. The Florida Sheriffs' Association called on GCSC for assistance. The resources to perform the mission were available because of funding provided by Triumph Gulf Coast. This was just one success story that he wanted to share but there are many more.

Right after Hurricane Michael, the Triumph Board met and immediately identified a workforce shortage in the construction trades. The board created a Fast Track program that was available to our technical colleges and state colleges across the region to assist in putting skilled labor into the workforce in as quick a time as possible. The most impressive infrastructure Triumph project to date is the City of Pensacola / ST Engineering project in Escambia County. The proposal will create 1300 aviation maintenance and repair jobs at the Pensacola Airport and is truly transformational for the regional economy. Aviation and aerospace is one of our targeted industries and this project fits well within all the Triumph priorities.

Mr. Lee said that there is a discussion going on right now around the state about ad valorem taxes after the devastation of Hurricane Ian. When that discussion happened after Hurricane Michael, Triumph stepped up and provided ad valorem relief funds for the counties most impacted by loss of taxable property. The board set aside \$15 million of Triumph funds to be

given to the counties to offset tax losses. Both Bay and Gulf Counties were able to use Triumph funds to replace lost revenues in the year immediately after the storm to keep necessary public services operational until they were able to recover in the following years.

Mr. Lee said that Triumph Gulf Coast has come a long way in a short time, and one of the most remarkable and important accomplishments of the organization has been that there has never been a major finding in any audits, including the annual financial audit and the annual operational audit conducted by the State of Florida Auditor General since the inception of the organization. He said that this is a true measure of success, and that the staff, including Susan, Cori, our CPAs, our attorneys, Dr. Harper, Dr. Fuller and Randy are to be commended for their excellent attention to detail that has provided this success. They work hard every day to assure that when the board funds projects, the funds are being spent in the exact manner that was required in the award agreement.

Supplanting is an important part of the discussions held by the prior boards. Triumph Gulf Coast is not supposed to pay for projects that are part of the normal responsibilities of local, state, or federal governments. This funding source is statutorily designed to support projects that are not part of the normal funding capability. Sometimes, particularly in the case of our smaller counties, the need is there to assist in those responsibilities and the statute does allow for such assistance but that is strictly a decision for the board to make in determining whether a government entity bears responsibility for providing normal services to its constituents.

Mr. Lee concluded his remarks by saying that after taking seven years from its original inception to writing the first grant award, the word that best describes the process development is endurance. He said that this team has done it and with over \$370 million already poured back in to the eight adversely affected counties, success has been achieved, but there is much still to be done by the new board.

Chair Bear offered his sincere thanks on behalf of the entire board to Dr. Dana and Mr. Lee for all the time and effort that they have given over the last several years to get Triumph Gulf Coast to the point that we are today, and for the insight that both have offered at this workshop for the benefit of our current members.

Mr. Scott Remington provided a legal overview of the statutory requirements, statutory priorities and the board discretionary priorities and the differences among those categories. The PowerPoint presentation is available at www.myfloridatriumph.com under the meeting materials for the November 2, 2022 Workshop Meeting.

Mr. Remington said that the genesis of formation was the Deepwater Horizon Oil spill and its immediate impacts on the Northwest Florida coastline. One of the frustrations with the original response funding from the federal government was that RESTORE funds were being tightly controlled by the U.S. Department of Treasury and there was an incredible amount of government red tape involved in the disbursement of those funds. Most of the RESTORE funding was tied to environmental impacts of the spill and did not readily address the economic impacts. Florida Attorney General Pam Bondi, along with the other gulf coast state Attorneys General, brought suit against BP Petroleum for economic damages and they were successful in securing a settlement for billions of dollars for that purpose. Florida received \$2 billion for economic damages, of which Triumph Gulf Coast is responsible for \$1.5 billion. Triumph Gulf Coast was created prior to the final settlement with BP. Funds are provided by the State of

Florida to Triumph Gulf Coast, Inc, a private, non-profit corporation, in annual payments through 2033.

Triumph Gulf Coast, Inc., was created through legislation passed under the leadership of former Senate President Don Gaetz and former House Speaker Will Weatherford.

Mr. Remington provided population and budget information from several years ago for each of the eight counties and pointed out that some counties with smaller populations have larger operating budgets due to property values along the coastline. For example, Franklin County has a smaller population, but a higher budget, than Gulf County (pre Michael) due to the high number of expensive gulf front properties on St. George Island. Likewise, Walton County has a larger budget than Santa Rosa County even though the population is less. Each county has different needs and different circumstances.

In 2015-2016, Triumph had not yet been funded but the statute forming the corporation had been created. Within the original Triumph statute, the Legislature laid out goals that it hoped Triumph would achieve and tactics by which Triumph could achieve those goals. The initial "goals" laid out in the early legislation were fairly broad. To meet those goals, the Legislature established "eligible awards." Mr. Remington described those "eligible awards" as the "tactics" that the Legislature laid out for Triumph to use to achieve the statutorily defined goals. The original "eligible awards" included ad valorem tax reduction, payment of impact fees for private companies coming to Florida, local match requirements that may be required, "economic development", infrastructure projects, disaster response equipment of training for personnel, K-20 programs to prepare students for health care and STEM careers, and tourism marketing (Visit Florida) and Fresh from Florida marketing.

In the 2017 Legislative Session, there was a dispute or debate about the appropriate use of state funds for the support of what was described as "corporate welfare." As a result of that debate, there were several changes made to the "eligible use" of economic development funding, including the Triumph "eligible awards." Generally, the changes included removal of payment of impact fees for private companies, removal of the broad category of "economic development", and infrastructure projects were limited to include only public infrastructure. The 2017 legislation specified that workforce skills must be transferable and not limited to training for one company or employer. The legislation added language to assure that from the first \$300 million received from the settlement in 2017, each county would be assured that Triumph Gulf Coast would expend 5% of those funds for economic development in the respective counties, and following the initial release, each annual release until 2033 would set aside 4% for such projects in each of the eight counties. Two new board members were added to the original five-member board. These members are required to be residents of one of the four least populated counties (Franklin, Gulf, Wakulla, and Walton) and are to be appointed (one each) by the Senate President and the House Speaker. The final important change was to assure that the funds from the BP Settlement come to the State of Florida and are automatically appropriated to Triumph Gulf Coast unless the Legislature takes affirmative action to not appropriate the funds. Triumph Gulf Coast is required to deposit all earned interest from the BP Settlement funds in the State of Florida Triumph Gulf Coast Trust Fund. The Legislature controls the use of those interest funds. In 2022, the Legislature appropriated \$5 million of that interest to Triumph Gulf Coast to assist with administrative costs associated with compliance requirements.

Prior to 2017, Triumph Gulf Coast was able to function much like Enterprise Florida in working to bring new industries to Northwest Florida. Due to the change in legislative direction, Triumph

lost the ability to directly approach businesses to provide incentives for moving to the region. Under the new scenario, local and state economic development organizations can work with Triumph to fill that role.

The 2017 legislation set out a new set of statutory priorities or “goals” including: generation of maximum estimated economic benefits based on tools and models not generally employed by economic input / output analyses including cost benefit, return on investment or dynamic scoring techniques to determine how the long-term economic growth potential of the disproportionately affected counties may be enhanced by the investment. Increased household income is a goal, along with leveraging of regional assets, partnering with local governments to provide funding for infrastructure, benefiting the environment and providing outcome measures for each grant award. The priorities also include partnering with K-20 educational institutions, partnering on proposals recommended from local county commissions.

Mr. Remington pointed out that the 2017 statute provides that in addition to the legislative priorities, the Triumph Board is charged with providing priorities of importance to the board. Priorities and needs may change over time and that is not a bad thing. There is specific language in the statute that states that the board shall meet at least quarterly upon the call of the Chair or at the request of a majority of the members to establish and review priorities for economic recovery, diversification, and enhancement of the disproportionately affected counties and to determine use of funds available. The purpose of this workshop is for this current board to review the priorities set out by prior boards to determine if those priorities are still valid and the goals that you want to continue or change for the proper use of the Triumph funds.

Mr. Remington noted that the original board asked for input on project recommendations from each of the eight county commissions. Some provided lists of proposals and some of those proposals have been able to be funded, but some did not meet the Triumph criteria. After Hurricane Michael, the Triumph Board established a requirement that all proposals from the most hurricane affected counties, including Bay, Gulf, Franklin, and Wakulla, would have to be accompanied by a letter of support from those county commissions affirming that the proposals were still in line with the county’s recommendations. This requirement may be one that the current board wants to consider removing now that we are four years away from the storm and these counties are fairly well recovered.

Chair Bear said that following each of the presentations, that it is now time for the current board to have a discussion of the discretionary priorities and to make recommendations on if and how the board wants to make changes to those priorities. He opened the floor for member discussion.

Mr. Reynolds Henderson asked for clarification on the 5% of the first \$300 million and 4% of all remaining annual payments dedicated to local projects in each county. Mr. Remington noted that the language outlining that funding is in the 2017 statute. Ms. Skelton said that it is important to understand that amount is a cumulative amount so that doesn’t mean that within the first three years Triumph had to spend \$15 million in each county. The earmarked amount is basically deposited into a partitioned part of our account that says, for example, Wakulla County gets this amount of money, the original 5% and the additional 4% each year after that. She explained that the partitioned money is a floor for spending in a county, not a ceiling. More funding is available from undesignated funds for projects that may exceed the set aside in a particular county. Ms. Skelton clarified that the set aside does not mean that the county gets to spend the money, but that Triumph must expend the funds for qualifying projects in the county.

Mr. Henderson then asked Dr. Dana and Mr. Lee to expound on the prior board's support for the Crestview Bypass project in Okaloosa County as he said he gets a lot of questions about that funding. Dr. Dana said that the project was a priority for Okaloosa County to provide traffic relief for those traveling to and from work, both at the military installations in the county and for workers living in one part of the county and working in another part of the county. Congestion on the major roadways around the military base entrances was well documented and a consideration for mission expansion at those bases. Military complex employment, both military personnel and civilian personnel, is a major component of the county's economy. The traffic concerns affected daily workforce capabilities, and importantly, were a concern in the case of an emergency, or need for rapid deployment of military personnel. Mr. Lee noted that the bypass was the number one requested project by Okaloosa County. He said that even though the project received an economic score of "B", it was heavily supported by the local community and by the top military officers at several of the bases that would be affected by the road improvements. He said that the top general from Eglin came to the board meeting and addressed the extreme need for the proposal to protect current and future base missions. He said that it was very rare to see a request from the military. Mr. Lee said that the proposal fit within the discretionary priority of creating net new jobs in targeted aerospace and defense. He said it was clear to him that the proposal was critical to the region's airbases which are so critical to our economy. He said that the County Commission identified the proposal as their top priority and the U.S. Air Force said that it could not continue to grow in the area without addressing the extreme traffic concerns related to its ability to perform its missions. The Triumph Board supported the proposal due to the concerns of the possible negative economic impacts of not getting the project done. The board did consider the implications of whether this was supplanting of local, state, and federal responsibilities, but it was clear that the project may have never been done if those entities had to resolve the problem on their own, and that the resolution needed to happen in a timely manner. The result of all of the governments working with Triumph is that the total project will be done in support of the military mission and local workforce traffic issues in a timely manner in partnership with Florida Department of Transportation and Okaloosa County.

Mr. Henderson said that defense is clearly a top industry in Okaloosa County, but every county is different and there are smaller counties that are getting left behind and one of his concerns is how to make sure that these counties find good projects to assist in their economic growth. He said that the infrastructure for job diversification in Walton County does not currently exist and he hopes that it will one day get there but it needs help in moving forward. He said that he has reached out to different groups in the county and tried to come up with ideas for proposals, but the reality is that the county's 'bread and butter' is the hospitality industry. While the original board did not support funding for those lower wage jobs, it seems wrong to stranglehold some of these counties that need those kinds of jobs to support the existing economy given all that has happened in our region.

Mr. Lee said that one of the first projects that Triumph funded was the Apalachicola Bay Systems Initiative (ABSI) to try to find ways to restore the oyster industry in Franklin County. He said that this project was designed to work with our smallest county to find a way to bring back the historically successful oyster industry through a partnership with the FSU Coastal Marine Lab and the local community. It is a work in progress, and in the interim the Fish and Wildlife Commission has closed the bay to oystering for five years to try to re-establish the brood stock, but it a continuing commitment of Triumph to try to help the local economy.

Mr. Henderson said that in Walton County, proposals seem to be dependent on what the local school district and college want to focus on. He noted that there was not much of a college presence in the county since the Northwest Florida State College main campus is located in Okaloosa County. He commended Wakulla County for coming up with an innovative solution for spending Triumph funds on emergency response equipment. He said that he wants to see the funds get deployed in the small counties to assist them with future growth in their economies. He said that everyone knows that when a county goes to the legislature for funding, they direct the county to Triumph for funding and that is not right, but we need to recognize that every county is different and has different needs.

Mr. Remington said that the Crestview Bypass project was allowable under the legislative "eligible use" category of public infrastructure and the legislative priorities of leveraging of key regional assets and military bases and partnering with local governments to provide infrastructure. He noted that for that particular project, there were not only state DOT funds, but federal highway money that went towards funding the overall project. He said this was a good example of all parties working together and Triumph funding being the final piece of the puzzle that made the project work. He reiterated that the key concern here was the potential loss of military missions and knowledge that the traffic issues had reached a critical level with the Air Force.

Mrs. Leslie Weiss asked about one of the legislative changes made in 2017 related to clarifying the use of funds for "public infrastructure." She asked what the change was and how it affected use of funds. Mr. Remington explained that prior to 2017 there was no restriction on the types of infrastructure that could be funded but with the new legislation that use of funds was limited to only public infrastructure. Mrs. Weiss then asked for clarification on use of rural development funds. Ms. Cori Henderson responded that most State of Florida grant programs allow statutorily defined rural counties to waive or reduce their local match requirements and the Triumph statute allows for Triumph funds to be used to assist with that local match requirement where it is not totally waived.

Mrs. Weiss noted that Wakulla County is known for eco-tourism and that limitations on hospitality spending impacts available uses of the Triumph funds for their county. She said that besides eco-tourism, the county is basically a bedroom community for Leon County and bringing in new industry is very challenging.

Mr. Henderson said that another project that the City of Defuniak Springs is working on along with the county is an expansion of use of the airport for educational purposes. He asked why Triumph must go through all of the review steps on this project and why couldn't the funds just be awarded since the Triumph money is clearly the "cherry on top." He said he didn't understand why we must do all of the grading and reviewing when the project would clearly benefit the county. Ms. Skelton pointed out that the statute requires that each proposal be scored for economic impact. She said the reason that Triumph goes through the rigorous review of all of the projects is because the board has a fiduciary responsibility to properly invest the Triumph funds and staff has a responsibility to bring projects to the board for consideration that meet the requirements that are laid out in the statute.

Mr. Jay Trumbull, Sr., asked Dr. Dana and Mr. Lee if they had any recommendations on changes to any of the current discretionary priorities based on their experience and time on the board.

Dr. Dana said that the priorities worked for their board, but that more importantly, the work done by staff to assist applicants with making their proposals stronger has been critical to getting good applications to the board for consideration. Recognizing that applicants may need guidance in what makes a project viable, she said that the staff does a great job in getting those applications into condition to make them work. She said that this board has the opportunity to make any changes that it sees to be appropriate, but that it is important to be sure that the board remains accountable for use of the funds for the betterment of the affected counties. It is important not to allow yourselves to get in a situation where you are not having answer to the Auditor General or the Legislature for misuse of the funds. She said that the scoring and review process must be thorough, smart, and accountable. That protects the board and the future funding for the region. She said that the original board did not have all the answers, and the current board will refine the work that has been done in defining those discretionary priorities.

Mr. Lee echoed Dr. Dana's comments and said that just because a project doesn't grade out at an "A++" doesn't mean it is a bad project and it doesn't mean it doesn't meet a need in a community but there has to be a consistent scoring process by the legislation so that when the board gets audited, and you will get audited every year, you want to make certain that you have an answer for the Auditor General when that project gets reviewed. He said that the board must have hard discussions and make hard decisions that guarantee the best use of the Triumph funds to help the individual counties in their ongoing economic recovery and transformation.

Mr. Lee said he would suggest considering talking more about pinpointing the needs of workforce development in each community to grow those local economies. He said that the Triumph board has sort of backed into workforce training as a major focus and the discretionary priorities don't talk a lot about workforce training, so he would identify that as an area for the current board to address in the priority list. Additional focus on community needs for workforce training would be good. Investment in the workforce is critical and he said he adheres to the "teach them to fish" model. If you teach a person to fish, they can feed their family, and likewise, if Triumph can provide a workforce skill set, a person can raise their standard of living using that skill set.

Ms. Skelton said that, to the point that Mr. Trumbull asked about possible changes to the priorities, staff would like for the board to consider removing the Hurricane Michael sign-off requirement for county commissions to sign off on all local applications from Bay, Gulf, Franklin, and Wakulla Counties. She said that the requirement has proven to be of assistance in the immediate aftermath of the storm but has actually had a chilling effect on some local projects due to concerns that county commissions may not support other applications from their counties. She said that removal of the requirement would remove the disincentive for some municipalities to participate in the Triumph process. Mrs. Weiss said that she was glad that staff brought that up because she feels like at this point that is a burdensome step that is no longer necessary, and she supports removing the requirement.

Mr. Collier Merrill thanked Dr. Dana and Mr. Lee for being at the workshop today and for all the heavy lifting they did in laying the groundwork for Triumph Gulf Coast. He said that both the actual damage and the perceived damage from the oil spill was very real and devastating to our counties. He said the more the counties said they needed help, the worse the perception became. He said that the work done by then Attorney General Pam Bondi in securing funds from BP and by then Senate President Don Gaetz in directing those funds to the most disproportionately affected counties was critical to our current ability to take positive action for our economy. He said that while it is important not to get out of sync with the statute, or to give

anyone any ideas about taking the money away from Northwest Florida, it is important to have a conversation about the best and most expedient ways to expend the funds for their intended purposes.

Mr. Remington clarified that changes to the discretionary priority list can be made by a motion at the formal board meeting or could come from a recommendation of a smaller working group, in the form of a motion to adopt a committee report. The priorities can be changed in any way by a vote of the board. Ms. Skelton noted that any instant issues that the board wanted to vote on at the next day's board meeting would be covered under a line item on the agenda. Additionally, she said that the original board had the committee that Dr. Dana chaired that presented a list of suggested discretionary priorities to the board for a formal vote. That option would be available for a more in-depth discussion if that was the will of the board.

Ms. Skelton said that this workshop is very helpful to staff since we don't normally get to have a discussion with all of the members at one time. This format allows staff to better understand what your goals and aspirations are for moving forward with Triumph priorities and it is very much appreciated by staff.

Mr. David Humphreys said that he understands that the purpose of the Triumph funding is to diversify the local economies away from the tourism and military foundational economies, and that it appears that up to this point, the funds have not been used for tourism funding, but he wanted to know if there have been any good tourism proposals that have been submitted for consideration or are we just out of ideas from the counties. Mr. Lee said that tourism presents a concern because it does not meet the priority of increasing individual household incomes but that there are plenty of other ideas that can be considered. He said that many people are migrating to Florida, some bringing remote work situations along with them, and that the best is yet to come. He said that it is important to get a better understanding of the people, and the knowledge base, that is moving into our region. Walton County is one of the top five growth counties in the entire country. The rebuild at Tyndall Air Force Base will bring in thousands of new families with working spouses who will need to find employment in the surrounding communities. The question is whether we just continue to support the already established industries that are already here, or do we look outside the box to find new ways to grow the local economies in our eight counties.

Mr. Lee said that with a county the size of Walton County, with all of its resources, both natural and population, there should be a way to capture that and create new opportunities for economic growth. He said that the counties need to rely on the resources such as Florida's Great Northwest, that are available to assist them in economic development. He said that some of the early presentations to the Triumph Board that he found most helpful were from the local economic developers about what they were doing to promote their counties and that he encourages this board to reach out to those economic development professionals to hear what is working in their counties. He said that it is important not to leave behind the foundational economic drivers such as tourism, and that tourism is struggling right now. He said that there are not enough people in the tourism workforce to build back what we had prior to the hurricanes and the pandemic and if we can't take care of the customers that come to enjoy the beaches then the base economy suffers.

Dr. Dana, who operates a tourist related business in Destin, noted that the inflation that the nation is experiencing is impacting tourism spending. She said that the goal of Triumph has not been to move away from tourism, nor defense industries, but to find industry niches and invest

in workforce education in other areas that can supplement and add on to the base economies of the region to protect against impacts from downturns in those base industries such as occurred after the oil spill. She said that a prolonged period of inflation will definitely affect the base economy of tourism and should be something that the board takes into consideration along with growing new niche markets across the region. She said that Walton County does have a very tourism focused economy that continues to show strong growth and that is a great thing but there are other opportunities as well.

Chair Bear said that one of his observations is that projects come forward and there is a need to spend the Triumph funds in a thoughtful, but expedient manner. He said that he recognizes that the staff's goal is get applicants to a yes from this board, so it is important for applicants to come to the staff and open a dialogue about how to get an application to a yes vote by the board. Staff is ready, willing, and able to work with applicants and knowledgeable about projects around the state that can be helpful in designing projects for our region. Maybe a new idea is something staff has never even heard of, but they will work with the statutorily eligible applicant to figure it out. He said that he encourages all of the eligible members of the audience to bring those good ideas to staff to begin that collaborative process to get that idea to a yes. He said that open lines of communication between applicants, staff and board members is the best and most efficient method to continue to diversify the economy and keep the Triumph funds flowing into all of the communities in the region.

Chair Bear said that Escambia County has really taken to heart the need to diversify its economy after the devastating impacts to its tourism industry after the oil spill. For the last ten years the county has focused on bringing new industries to the community. He said that one thing that Dr. Dana mentioned, creating niche markets, has worked in the area of bringing medical tourism to Escambia and Santa Rosa Counties. Those people that come for the knee replacement stay for the recuperation period and spend "tourism" dollars in the community. Arts and Cultural Tourism could be a strong niche market for a community. We can think of different ways to approach the tourism question that can create more growth. He said that the board needs to continue to emphasize the importance of having our economic partners, whether it be government or education, to reach out with their ideas so that our staff can provide guidance on the viability of an idea. He said communication between potential applicants and Triumph staff is key to the process.

Ms. Skelton said that one of the rubs that staff encounters in approaching potential tourism projects is the low cost per job created. There are ways that we can get to the point where we are able to help the tourism industry with, for example, hospitality training, but not tying a job to that training, rather, tying a certification to the training. One of the things that the board might consider in setting priorities could be giving specific exceptions for certain types of training or job creation requirements in particular industries or counties that staff could then follow in reviewing proposals. Mr. Henderson pointed out that Walton County is its own anomaly relative to hospitality salaries just because it has to pay more to keep enough employees to serve the needs of the high number of tourists. He said that he would like to see staff take a more micro approach to the small counties in evaluating the jobs needs. He said he would like to see Triumph staff approach counties with ideas as opposed to waiting for those counties to come up with ideas. Ms. Skelton said that those types of conversations are ongoing with the counties that have economic development professionals engaged, but that some counties do not have personnel to handle that job. She said that staff recognizes those concerns and spends a lot of time assisting the counties with specialized needs. She said that staff does not always hear

back when we reach out to offer aid. She said that while staff has good situational conversations with most of the counties, some simply do not respond or participate.

Mr. Bryan Corr, Sr., asked for clarification on what is statutory and what is board policy. He asked if the requirement for high paying jobs was a board policy or a statutory requirement. Mr. Remington replied that it is a combination. The statutory priorities include increased household income above national household income while the discretionary priorities include increased household income above county income. Mr. Corr said it sounds to him like there may be more leeway in spending Triumph funds than has been exercised in the past and he wants to explore those opportunities.

Mr. Henderson suggested that when a proposal is deemed statutorily eligible that there be some sort of timeframe for letting the applicant know whether it is eligible. Ms. Skelton explained that once staff reviews a pre-application for statutory eligibility, we bring that recommendation to the next board meeting as part of the Program Administrator's Report, which the board votes on. Once the board votes to approve that report, each pre-applicant receives a letter telling of the status. She explained the process for having pre-applications categorized as either "current applications," "board approved awards," or "archived" and how that process works. Mr. Henderson said that it was confusing to have, as part of the Program Administrator's Report, the large number of pre-applications and applications, and said he would prefer to just see the active pre-applications and applications. He said he only cared about current proposals and didn't want to see all of the other information in the report.

Mr. Merrill said that based on the conversations today, he would recommend the formation of a committee to have further discussions about possible changes to the board discretionary priorities list. He wanted to assure that the public could have input as well. Ms. Skelton said that public comment would be a part of any committee meeting or board meeting on these subjects.

Mr. Trumbull said that it may be that the board has another workshop or more, but he would like to ask staff to prepare a white paper that shows the issues that staff has run into with previous projects that were not successful and what potential solutions could be applied to correct any problems being encountered. Ms. Skelton indicated that staff would put together such a paper to be discussed at a future meeting.

Mrs. Weiss asked the approval of a proposal by the county commission is a statutory requirement or a priority. Ms. Skelton said that the legislative priority was added to the 2017 statute and while originally the county commissioners wanted the settlement money to be given directly to each county for its on discretionary spending, the Legislature did not want that to happen, and instead simply added the language that would give priority to a proposal that had support of a local county commissioner.

Mr. Henderson asked about a specific proposal from Walton County that did not get approved related to installation of water and sewer along Highway 331 and why it did not get approved. Ms. Skelton responded that the project did not create permanent, sustainable high wage jobs, but was designed to provide services to residential customers along the route. That use of funds did not fit the statutory or board priorities at the time the proposal was being considered.

Dr. Dana thanked the board for allowing her and Mr. Lee to come to the workshop and share prior experiences with the board. She said that from all that she heard today, she believes that Triumph is in good hands going forward.

Mr. Corr thanked Dr. Dana and Mr. Lee for coming and said that the current board's challenge is to not mess up the groundwork that the prior boards have set in motion.

Mr. Trumbull said that he really enjoyed hearing from the past board members and their comments helped him to focus on the importance of the word "transformational." He said that transformation is what Triumph is all about. He said he was impressed that Triumph has had clean audits every year and that keeping that up is important to him as the board moves forward with new priorities.

Mr. Merrill thanked the staff for arranging this extra time for the board to talk. He said that getting funds out to the communities is a priority for him, and that he looks forward to hearing more from the public on its ideas as well.

Mr. Henderson said he really enjoyed the conversation and that he really hopes we can get the small counties up to a spending level on par with the other counties as soon as possible. He said a personal priority will be to help these counties, in whatever way, to get the projects that we know are within statute and our priorities moving as soon as we can. He said funds need to benefit all eight counties, and that the board could also consider regional projects that benefit all eight counties at one time.

Mr. Humphreys said that he concurred that each county is unique, and some counties have the advantage of already having established industry and that it is not so easy for other counties to draw new industries into their area. He said that this review process that has begun today will be helpful in finding ways to help those that need it the most.

Mrs. Weiss said that the conversation has been very beneficial to her as the newest board member to help clarify what is statutorily required and what the legislative and board priorities are. She said that the discussion today will help her talk with her home county about what types of projects they should be looking for and has taught her about some of the needs of other counties.

Mr. Lee thanked the board for allowing him to come back to hear about the thoughts and concerns of the group and he stressed the importance of the mission that each member has before them as a member of the Triumph Board. He said that Triumph offers the citizens of Northwest Florida a tremendous opportunity and advantage that other parts of the state do not have in recruiting new jobs and industries to the area. The number one issue he hears from economic developers is that a company has decided not to come to a particular location mainly because of a lack of skilled workforce. This is a tool that Triumph can provide across our eight counties that other areas do not have. We can provide the workforce pipeline that will bring the jobs to our communities. With Triumph Gulf Coast support, our communities can compete with our neighbors to the north that provide state subsidies for corporate relocation. He said he was proud of this board and would always be available to be of assistance if the board needs his support.

Ms. Skelton said that she has taken notes about board requests and looks forward to working with each of the members in the future.

Mr. Remington said that this meeting has been a huge help to staff, and it is appreciated.

Dr. Harper agreed with Ms. Skelton and Mr. Remington and that staff is available to work with each of the members to help their ideas get to yes. He said that sometimes getting a proposal ready for board consideration takes some time, but that time is being used by staff and the applicants to improve the proposal that ultimately comes before the board.

Ms. Henderson noted that the board now has a portfolio of 51 executed grants, not including several in the pipeline. She said that it can be helpful for those with new proposals to review those that have already been successful in the process to assist new applicants in understanding how to put together a winning proposal. She said that there are a lot of lessons learned among the awardees that could be helpful to the new applicant in going through the review and execution process and encouraged new applicants to reach out to grantees of projects similar to their own to take advantage of some of that knowledge already gained by experience with our process.

Dr. Fuller said that Florida is a leader in workforce development and that Triumph is leading the state in preparing for the workforce of the future.

Chair Bear thanked everyone for participating in today's discussion and said that as the board moves forward, it should really keep the concept of "transformational" at the forefront of every conversation and every consideration. He said that there are still areas that need focus and gave the example of a failing school in direct proximity to a military base in his community. He said he had been in discussions with Dr. Fuller about how Triumph could work with the school system to help to break the cycle of failing schools in a community afflicted by crushing poverty, not only near the military base, but systemwide. Breaking that cycle through better education can be transformational for a community. He said that transformation through better, less expensive delivery of education that results in good jobs is a priority for him personally.

Chair Bear thanked everyone for coming today.

There being no further business, the workshop was adjourned at 4:57 p.m. CT.

Presentation on Florida Statutes requirements and Board Priorities

Mr. Scott Remington – Legal Counsel

Board Discussion

Closing Remarks

Adjourn